



Employer Funding and Incentives

**Apprenticeships | Industry Work Placements | Employability Programmes
Job Retention Scheme | Kickstart Scheme**



Introduction

We understand that work-based training and creating opportunities for those in learning can have a financial impact. Funding and incentives are available for employers who support work-based learning, specifically Apprenticeships, Industry Work Placements and Employability Programmes. This guide covers the potential funding available for employers who support these schemes.

Apprenticeships

An apprenticeship is your chance to employ an individual committed to learning and developing their skills within your organisation. Typically, an apprentice will be expected to work full-time, with opportunities for learning away from the immediate pressures of the working role to develop new knowledge, skills and behaviours. The best part is that an apprentice is a contracted employee meaning you get a full resource whilst investing in your future workforce needs.

In recognition of the value that Apprentices can bring to our economy, there is a range of government funding available for employers investing in Apprenticeships.

Apprenticeship Contributions

Levy Paying Employers: As an employer, you will pay an Apprenticeship Levy each month if you have an annual pay bill of more than £3 million. Apprenticeship Levy is charged at 0.5% of your annual salary bill. You'll receive funds to spend on training and assessing your apprentices. The government will add 10%.

Non-Levy Paying Employers: Any employer with under 50 members of staff who employ a 16-18 year-old apprentice will not be expected to make a financial contribution towards the costs of the training. All other employers will be required to contribute 5% towards the cost of training and assessing their Apprentice.

Government Incentives

On 8th July 2020 the Government announced employer incentives for apprenticeships in recognition of the value they bring to the economy, which includes a payment of up to £3,000 for each new apprentice starting 1st August – 31st January 2020 inclusive.

The total Apprenticeship funding available for employers:

- £3,000 for 16-18 year olds (£2,000 as announced plus the additional £1,000 the Government already provides)
- £3,000 for 19-24 year olds who have previously been in care or who have a Local Authority Education, Health and Care plan (£2,000 as announced plus the additional £1,000 the Government already provides)
- £2,000 for 19-24 year olds
- £1,500 for 25+ year olds

Key points to note are as follows:

- The payment will be made directly to employers in two equal instalments, where the apprentice is still in learning at day 90 and day 365
- There will be no limit on the number of incentive payments that an employer can claim for eligible apprentices
- The start date for new apprentices to enrol must be between 1st August 2020 and 31st January 2021 for both levy and non-levy paying employers
- The apprentice must be a new employee with a contract start date between 1st August 2020 and 31st January 2021 (inclusive)
- Claims can be made by employers from 1 September 2020
- Employers will be required to register through the National Apprenticeship Service and then your own Digital Account to claim incentives. Colchester Institute are currently developing guides that will support our employers with this process.

Industry Work Placements

Industry Placements are for 16-18 year-old students to gain on-the-job practical experience and complement a student's programme of study at Colchester Institute. An Industry Placement covers 315 hours in an academic year. This is usually undertaken through a day release model across the year.

Industry Placements can be a great opportunity for employers: supporting a young person with a strong interest in your sector, but also a great chance to meet up close for a sustained period someone who could become a future employee or apprentice.

Government Incentives

In these exceptional times, the government is offering additional support for any employers who think that cost might be an obstacle to offering Industry Placements. The support is £750 per student and up to a maximum of £7,500 for 10 placements. The support is paid at the end of the process and only if the student completes the 315 hours of the placement.

This support is currently available for employers in the Science, Technology, Engineering and Maths (STEM) sector, covering:

- Construction – Brickwork, Wood Occupations, Professional & Technical
- Electrical Installations
- Engineering & Manufacturing, including Fabrication and Welding
- Motor Vehicle
- Plumbing

Employability Programmes

Employability programmes give people an opportunity to take charge of their career development. The employability programmes include a range of short courses, delivered online, to provide skills and knowledge to participants, that will increase their overall employability. Learners also have the opportunity to experience the world of work with a local employer and attain valuable experience.

Job Retention Scheme

The unprecedented Coronavirus Job Retention Scheme (CJRS) has so far supported over one million employers to protect over 9 million jobs. The scheme has been open since March, and will wind down flexibly and gradually, supporting businesses until October. It is important that Apprentices who have been furloughed are supported back to work. It is beneficial for everyone, including the individual, to prevent skills from fading and to maintain strong employment relationships. Therefore, the government have introduced a new Job Retention Bonus to reward and incentivise employers who keep on their furloughed employees.

Job Retention Bonus

The government will introduce a one-off payment of £1,000 to UK employers for every furloughed employee who remains continuously employed through to the end of January 2021. Employees must earn above the Lower Earnings Limit (£520 per month) on average between the end of the Coronavirus Job Retention Scheme and the end of January 2021. Payments will be made from February 2021.

Kickstart Scheme

The government is introducing a new Kickstart Scheme in Great Britain, a £2 billion fund to create hundreds of thousands of high quality 6-month work placements aimed at those aged 16-24 who are on Universal Credit and are deemed to be at risk of long-term unemployment. It will give young people the chance to build their confidence and skills in the workplace, and to gain experience that will improve their chances of going on to find long-term, sustainable work. Funding available for each job will cover 100% of the relevant National Minimum Wage for 25 hours a week, plus the associated employer National Insurance contributions and employer minimum automatic enrolment contributions.

For further support or guidance please contact Colchester Institute Business Solutions team on business.solutions@colchester.ac.uk or **01206 712727**