

Agenda Item No. 3(b)

DERBYSHIRE COUNTY COUNCIL

**MEETING OF CABINET MEMBER – STRATEGIC POLICY, ECONOMIC
DEVELOPMENT AND BUDGET**

1 December 2014

Report of the Strategic Director – Economy, Transport and Environment

EARLY PAYMENT OF APPRENTICE GRANT FOR EMPLOYERS PHASE 2

(1) **Purpose of Report** To seek the Cabinet Member's approval to change when the Council releases payment of the Apprentice Grant for Employers Phase 2 "top-up" grant.

(2) **Information and Analysis** On 27 November 2012, Cabinet agreed to establish an Apprentice Grant for Employers (AGE) Phase 2 scheme (Minute No. 353/12 refers). In total, £300,000 of Council funding was allocated to enable 300 grants of £1,000 to be made available to "top-up" the national apprentice grant for employers scheme of £1,500, making a total of £2,500 available to employers, subject to criteria being met.

One of the key criteria was that the Council's contribution will only be awarded to a recipient business when the individual apprentice had achieved all elements of their qualification. Since the schemes inception, it has become apparent that this criteria is relevant and manageable to those employers who have employed an apprentice on a level 2 qualification which should be achieved in 12 months.

However, where employers have recruited an apprentice to undertake qualification frameworks which have the potential to take 2, 3 or 4 years to complete (e.g. trade occupations and engineering frameworks), there is a distinct possibility of the scheme running to 2017.

In these instances, it is proposed that in order to reduce the length of the scheme, delegated authority be granted to the Strategic Director - Economy, Transport and Environment to make early repayment of the grant, where it can be evidenced through confirmation from the employer and relevant training provider that they have employed an apprentice for a minimum of 12 months, and where this apprentice would not complete their qualification until 2, 3 or 4 years after the start date of their apprenticeship.

It should be noted that Derbyshire County Council pays its apprentices at the age-related minimum wage which is more than the apprentice rate. When awarding The Council's "top-up" grant, no restrictions were placed on what the grant could be used for, but where practically possible, employers were encouraged to pay more than the apprenticeship minimum wage.

Businesses employing an apprentice on the current apprentice minimum wage will incur a wage cost in excess of £5,000 per year. So, if it is agreed to pay the AGE grant prior to completion, the Council will have supported an employer to give a young person at least 12 months meaningful work experience.

A further update report on the schemes progress will be made available when appropriate.

Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

(4) **Key Decision** No.

(5) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(6) **Background Papers** Held on file in the Economic Regeneration Service of the Economy, Transport and Environment Department. Officer contact details – Andy Williams, extension 38342.

(7) **OFFICER'S RECOMMENDATION** That the Cabinet Member approves delegated authority to the Strategic Director - Economy, Transport and Environment to authorise early payments of the Apprentice Grant Phase 2 scheme, as set out in this report.

Mike Ashworth
Strategic Director - Economy, Transport and Environment