

# Adopt an Apprentice – Guidelines

The Scottish Government continues to support apprentices made redundant as a result of the economic downturn through the Adopt an Apprentice (AAA) Programme by offering £2,000 to employers who employ a redundant apprentice. The grant is made available to the employer to support the redundant MA to continue their apprenticeship and work towards their qualification for 12 months.

In January 2015 special measures to support MAs made redundant from employers in the oil and gas sector were added to the programme. For employers willing to take on a redundant apprentice, from the oil and gas industry, a one-off financial incentive payment of £5,000 will be awarded.

Skills Development Scotland manages the programme on behalf of the Scottish Government.

## MA Providers

The preferred option is to secure employment with an alternative employer, for a **minimum of 12 months**, to allow the apprentice to complete her/his MA programme. Once a provider has been made aware (either from the apprentice or the relevant employer) that an apprentice is being, or has been, made redundant because of the economic downturn, the Provider should take all steps to secure alternative employment either through their own contacts or by working with the relevant Sector Skills Council (SSC).

## The Offer

- All registered modern apprentices who have been made redundant as a result of the economic downturn will be eligible for support, ie registered in CTS/FIPS.
- Apprentices who have been made redundant because the employer ceased to trade or was unable to continue employing the apprentice due to a lack of work will be eligible for support.
- The AAA Fund is for MAs who are **made redundant** and not dismissed for other reasons.
- For employers willing to take on a redundant modern apprentice, for a minimum of 12 months, a one-off financial incentive of **£2,000** is available to ensure sustainment and help with wage costs, support, skill development and mentoring.
- For employers willing to take on a redundant apprentice, **from the oil and gas industry**, a one-off financial incentive payment of **£5,000** will be awarded. This will include discretionary support for MAs from the wider supply chain undertaking engineering and engineering construction MA frameworks, where there is evidence that the redundancy is a direct result of the downturn in the oil and gas industry.

- The enhanced incentive for the oil and gas sector will not be paid for apprentices adopted before 14<sup>th</sup> January 2015.
- This grant is State Aid and will be paid under the de minimis block exemption of European Commission Regulation (EU) No 1407/2013.

### **Applying for an Adopt an Apprentice Grant**

Where an alternative employer has been identified enabling the redundant apprentice to continue with the Modern Apprenticeship programme and where that employer is committed to employing the apprentice for **at least 12 months**, the employer is eligible for a one off lump sum to help towards supporting the redundant apprentice continue their apprenticeship and work towards their qualification.

Employers who subsequently make redundant an apprentice employed through the Adopt an Apprentice scheme within the 12 month period will be liable to refund the whole amount. Employers may also be liable if the modern apprentice is dismissed for other reasons.

### **AAA process**

1. Once a new employer has been identified enabling the MA to continue their apprenticeship, employing the modern apprentice for a minimum of 12 months, the training provider must create a new assignment and complete the AAA application form on Funding Information and Payment System (FIPS).

2. As part of the AAA application on FIPS, the Training Provider **must:**

- be satisfied the apprentice has been made redundant and this must be recorded on the application.
- Proof of redundancy should be a person-specific notification of redundancy from the previous employer for example, an official letter from the previous employer. Where this is not available, advice should be sought from the SDS AAA team.

**Note: where a provider is applying for the enhanced financial incentive, the Provider will be required to state there is evidence the apprentice was made redundant from an employer in the oil & gas sector or from an oil & gas supply chain company as a consequence of a downturn in the industry.**

- ensure that details of the reason for redundancy are checked with the previous employer and record these details in the application.
- secure details of any redundancies the employer has made in the same occupation the apprentice is being recruited into in the three years prior to the application. If there have been such redundancies the employer must provide details to indicate why there has been a change since then to make the company and jobs more sustainable. This information must be recorded on the application.
- be satisfied the funding should not be used to displace an existing apprentice.

- Check that the employer has not received €200,000 state aid in the three years prior to the date of payment of the Adopt an Apprentice grant when completing the application form.
3. Once the Training Provider is satisfied they have completed the application it should be submitted on FIPS.
  4. NTP Hub will review the application **within 10 working days**.
  5. If the application is approved, the Adopt an Apprentice Funding Assistance Agreement (FAA) will be sent, via FIPS, to the Training Provider who must obtain the signatures of all three parties: the Training Provider, employer and apprentice. The contract should specify that the apprentice is to be employed for at least 12 months. The Training Provider has 15 working days to upload the FAA. After the 15 working days and the Training Provider has yet to upload the FAA, the provider receives an alert informing them they have a further five working days to upload the document, after which the application will be suspended.
  6. A training needs analysis should be completed to determine the skills and competencies the apprentice has already achieved and which skills and competencies are required in order to fulfil the requirements of the apprenticeship. This will ensure the employer recruiting the redundant apprentice is aware of the skill level of the MA and understands the level of support the MA will require in employment.
  7. Once Skills Development Scotland has received a correctly completed Funding Assistance Agreement the payment will be made to the Training Provider. The training provider must pay the full amount to the employer **within 10 working days of Skills Development Scotland making the payment available**.
  8. The Training Provider must enter the date they paid the Adopt an Apprentice grant to the employer on FIPS. If the provider has not populated this date 10 working days after the payments been made, a further alert is sent to the provider informing them to provide this date within the next 5 working days.
  9. Once the Training Provider inputs the date, Skills Development Scotland will issue the De minimus letter to the employer which should be retained for three years.

## **SDS support for redundant apprentices**

Where a Provider has not been able to secure employment for a redundant apprentice allowing the completion of the MA or to move into a different MA framework, the apprentice will be contacted by SDS careers adviser to offer support. They can help the redundant apprentice with future career plans by discussing possible career options at their local SDS centre. Apprentices facing redundancy can get information on what advice and support is available by contacting the PACE redundancy helpline on 0808 100 1855 or from:

<https://www.myworldofwork.co.uk/my-career-options/redundancy-help-scotland>

## **Adopt an Apprentice Q&A**

### **Which Modern Apprentices are Eligible?**

1. All registered Modern Apprentices who have been made redundant as a result of the economic downturn will be eligible for support, ie registered in CTS or FIPS. For those made redundant from the oil and gas sector, the special measures apply to those made redundant from 14<sup>th</sup> January 2015 onwards.
2. The Provider must be satisfied that the apprentice has been made redundant, and this must be recorded on the funding application form. Proof of redundancy should be a person-specific notification of redundancy from the previous employer for example, an official letter from the previous employer, notifying the MA of redundancy. Where this is not available, advice should be sought from the SDS AAA team.
3. All apprentices who have been made redundant because the employer ceased to trade or was unable to continue employing the apprentice due to a lack of work will be eligible for support. The Provider must ensure that details of the reason for redundancy are checked with the previous employer and record these details in the Funding Application Form.

### **Are all employers eligible?**

1. Any employer in the public or private sector is eligible.
2. The £2,000 will not be applied retrospectively ie it is only for apprentices adopted since 10<sup>th</sup> June 2009. The enhanced incentive for the oil and gas sector will not be paid for apprentices adopted before 14<sup>th</sup> January 2015.
3. Providers who wish to employ redundant apprentices are NOT eligible for support.
4. Employers adopting an apprentice will be eligible if they have received less than €200 000 state aid for any purpose from any public purse in the preceding three years; this is because the Adopt an Apprentice grant is being paid under the De minimis block exemption of European Commission Regulation (EU) No 1407/2013.
5. The Applicant will not be eligible for a grant for an apprentice in respect of whom an Adopt an Apprentice grant has been paid to a linked employer. "Linked employer" means the Applicant or a company, sole trader, partnership or other business entity substantially controlled by:-
  - (i) the same person(s) (including the Applicant) who control the Applicant;  
or
  - (ii) person(s) substantially connected (whether commercially or otherwise) with the person(s) who control the Applicant.

## **Which Redundant MAs are eligible for the one-off financial incentive payment of £5,000?**

1. All MAs who have been made redundant by an employer in the Oil & Gas industry are eligible. This will support the employer in sustaining the MA for **at least 12 months**.
2. MAs from the Oil and Gas wider supply chain undertaking **engineering and engineering construction MA frameworks** will be eligible, where there is evidence that the redundancy is a direct result of the downturn in the oil and gas industry. Please refer to the appendix for eligibility.

## **What happens if an Employer makes an adopted apprentice redundant?**

1. An employer who subsequently makes redundant an apprentice employed through the Adopt an Apprentice scheme within the 12 month period will be liable to refund the whole amount.
2. The employer must notify the training provider within 10 working days if they subsequently make an MA redundant within the 12 month period.
3. Skills Development Scotland will take steps to recover the grant from the employer.

## **How many times can a redundant apprentice utilise AAA Funding?**

1. Once the initial AAA grant has been refunded to SDS the redundant apprentice will be allowed to utilise AAA funding again if they are seeking a new employer to complete their apprenticeship. The training provider must be satisfied that they have been made redundant.
2. Again a training needs analysis should be completed by the provider to determine the skills and competencies the apprentice has already achieved and which skills and competencies are required in order to fulfil the requirements of the apprenticeship. This will ensure the employer recruiting the redundant apprentice is aware of the skill level of the MA and understands the level of support the MA will require in employment.