



Apprenticeship Employer Grant Rules

Version History

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1	First Publication	Fiona Stewart	12/01/21
2	<ul style="list-style-type: none">• Update of GA document references (Introduction, 1.1)• Included details on NTP encryption policy for data transfer (5.3)• Both Providers and Employers will receive notification• of application approval (5.5)• Clarification with regards to the Coronavirus Job Retention Scheme (furlough) (2.2.2)• Clarification with regards to eligibility Fair Work (2.1)	Fiona Stewart	14/01/21
3	<ul style="list-style-type: none">• Section 2 Eligibility Updated• Information on AEG period added to 2.1 and 3.1• Changes to Appendix 3 to include evidence requirements	Fiona Stewart	15/01/21

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Introduction

The Scottish Government recognises the severe impact of the economic decline caused by COVID-19 on individuals and the consequences this has had on unemployment and employment opportunities. In direct response to this, Scottish Government have increased support for Apprenticeships by offering an Apprenticeship Employer Grant (AEG).

The AEG aligns with the ambition of the Young Person's Guarantee "...that within two years every young person aged between 16 and 24 will be guaranteed either the opportunity to study at university or college, take part in an apprenticeship programme, take up a job or work experience, or participate in a formal volunteering or training programme according to their own personal circumstances."

The AEG is designed to support the recruitment of new Apprentices in the following circumstances:

- new recruits within 4 months of the start date with the Employer; and
- existing employees already in the work place who have moved into a new role within 4 months from the date of registration of the apprenticeship and where the apprenticeship provides the means of upskilling for this new job.

The AEG offers a contribution of:

- £5000 for each eligible Apprentice who is in the 16-24 age group;
- £5000 for each eligible Apprentice who is aged 25-29 and are disabled, care experienced or Black Minority Ethnic (BME); or
- £3,500 per each eligible Apprentice who is aged 25 plus.

The details of the AEG, including eligibility, are set out in these rules, the Modern Apprenticeship Specification 20/21 and the AEG application form. Details of Graduate Apprenticeships are set out in the applicable Graduate Apprenticeship Challenge Fund 2-19/20 – 2025/26 documentation ("GA Programme Documentation").

Skills Development Scotland (SDS) manages the AEG on behalf of the Scottish Government using their network of contracted Providers for the Modern Apprenticeship programmes and Recipients of contributions under the Graduate Apprenticeship Programme. SDS may amend these rules and the AEG funding arrangements at any time. When SDS makes any amendments, the amended version will be made available on the relevant pages of the SDS website.

SDS will accept AEG applications up to 5pm on Thursday 25 March 2021 for eligible applicants to the Graduate Apprenticeships (GA) and Modern Apprenticeships (MA) Programmes from 1 December 2020. SDS reserve the right to withdraw, amend or extend the AEG, including amending the funding levels and eligibility criteria, at any time.

1. Definitions

1.1. In this instruction document, we use the following terms: -

Term	Meaning
Apprentice	has the meaning set out in the MA Programme Specification 2020-21 and the GA Programme Documentation, as applicable;
Employer	means the employer (including sole traders) that completes the AEG Application form and is or shall be registered on FIPS as the employer of the relevant Apprentice;
FIPS	means SDS's corporate training system or portal through which information relating to the Modern Apprenticeship and Graduate Apprenticeship Programmes is recorded and made available to Providers;
SDS, we, us or our	means The Skills Development Scotland Co. Limited, a company limited by guarantee, registered in Scotland (Company no. SC202659) and having its registered office at Monteith House, 11 George Square, Glasgow, G2 1DY;
Provider, you	means the training/learning provider already contracted under the MA Programme and/or Recipient of funding under the GA Programme that applies for the AEG in conjunction with the Employer

2. Eligibility

2.1. To be eligible for AEG: -

2.1.1.the Apprentice must be registered as a Modern Apprentice (or as applicable, Graduate Apprentice) on SDS's systems, in accordance with all applicable SDS conditions no earlier than 1 December 2020; and

2.1.2.the Employer must not have been at any time in receipt of, and must undertake never to claim, or procure the receipt of any recruitment incentive payment from any other public source, in respect of the Apprentice. For the avoidance of doubt the Coronavirus Job Retention Scheme (furlough) cannot be claimed in respect of the Apprentice at any time during the AEG period. The AEG period is that when the individual is registered on FIPS as a live apprentice and is participating in the MA.

2.2. Where all of the criteria set out in section 2 are met, an AEG of either FIVE THOUSAND POUNDS STERLING (£5,000) or THREE THOUSAND FIVE HUNDRED POUNDS STERLING (£3,500) is available for the benefit of the Employer to ensure sustainment and help with, among other things, wage costs, support, skills development and/or mentoring. The AEG amount is determined by the age of the Apprentice and if they disabled, care experienced or are from a black and minority ethnic background.

Funding Categories		
Age	Protected characteristics	AEG amount
Age 16-24	Not applicable	£5,000
Age 25-29	Disabled, care experienced, from a black and minority ethnic background	£5,000
Age 25 plus	Not applicable	£3,500

2.3. It is a condition of AEG that the Apprentice must continue with their employment and their designated apprenticeship under the Employer for a minimum period of 12 consecutive months or until the Apprentice successfully completes their designated apprenticeship (whichever period is longer). The 12-month period starts on the date the Apprentice is correctly identified on FIPS as having started their apprenticeship with the Employer. Providers are required to keep the Apprentice's employment details up to date on FIPS. Where the Apprentice has not successfully completed their designated apprenticeship, and within the 12 month period, the Apprentice leaves their employment with the Employer for any reason, or the Apprentice ceases to continue with their designated apprenticeship, SDS shall be entitled to recover all or part of the AEG paid, in accordance with paragraph 4.

2.4. The Scottish Government has set out its aspiration to create lasting economic success by building on sustainable growth that also achieves fairness, equality, opportunity and innovation. Examples of this approach are set out in the [Scottish Business Pledge](#) and in the [procurement guidance on fair work practices](#). The Scottish Government is committed to embedding fair working practices in workplaces across Scotland and asks funded organisations to adopt policies, practices and procedures that are consistent with the [Dimensions of Fair Work](#). Specifically, organisations are asked to commit to [Fair Work First](#) criteria.

The following are essential requirements for receipt of the AEG and Employers are required to confirm on the application form that they have complied with the following:

- The Employer must provide the Apprentice with a written contract of employment
- Employers who employ on precarious or flexible contracts inappropriately are ineligible
 - for example, zero-hour contracts will not be eligible.
- The Employer must ensure that the Apprentice receives formal training as part of their job and as part of their investment in workforce development
- For those Employers who have 250 employees or more, appropriate channels for effective voice and employee engagement, such as trade union recognition.

In addition, the following are desirable requirements of the AEG funding:

- Action to create a more diverse and inclusive workplace
- Payment of the real Living Wage
- Appropriate channels for effective voice and employee engagement, such as trade union recognition

The evidence requirements for Fair Work practices, and support for employers to promote these, is included in Appendix 3 which also provides information on actions to ensure safe and healthy working environment.

As part of our monitoring activity, we will be collecting information from Employers on Fair Work Practices relating to both essential and desirable criteria.

- 2.5. SDS shall be entitled, at its sole discretion, to determine whether the criteria set out in this paragraph 2 are met.
- 2.6 Providers must make a copy of these rules available to the Employer;
- 2.7 Providers and Employers agree to comply with these rules.
- 2.8 Providers and Employers must retain their copy of any emails or letters documenting the award of AEG funds provided by SDS for a period of three fiscal years from the date the payment is made to the Employer. Providers and Employers will make such records available to SDS or its auditors upon request.
- 2.9 SDS has full discretion in determining whether the eligibility criteria have been met. Providers and Employers should note that there is no appeal process. Providers and Employers shall be entitled to raise a complaint through SDS' complaint procedure, details of which are available on SDS' website.
- 2.10 A visual guide for use with Employers has been included in Appendix 2.

3. Duration of the AEG

- 3.1. The AEG shall accept applications for apprenticeships started from 1 December 2020 and will be available for receipt of applications to SDS until 5pm on 25 March 2021. The Scottish Government do however reserve the right to suspend, extend, terminate or amend the AEG at any time. SDS will post any related statements and information on its website in such an event. If the AEG is suspended or terminated, SDS will also notify its currently contracted Modern/Graduate Apprenticeship Providers, either directly via email, and/or (at SDS's discretion) using the SDS website. All applications received on or after the date of suspension/termination will automatically be rejected. The AEG period is that when the individual is registered on FIPS as a live apprentice and is participating in the MA.

4. Recovery of AEG

4.1. If the AEG is paid and: -

4.1.1. SDS becomes aware at any time that:

- 4.1.1.1. the payment (or any part of the payment) was not claimed in compliance with the AEG or these rules; or
- 4.1.1.2. if the Employer or the Provider is found to be in breach of any undertaking or declaration in the AEG application form;
- 4.1.1.3. the AEG was otherwise paid in error;

then SDS reserves the right to require repayment by the Employer and/or the Provider; or,

4.1.2. within the 12-month period referred to in paragraph 2.4:-

- 4.1.2.1. the Apprentice leaves their job with the Employer for any reason (including without limitation due to redundancy, dismissal or any other reason), where the Apprentice has not successfully completed their designated apprenticeship; or
- 4.1.2.2. the Apprentice discontinues their designated apprenticeship for any reason;

then the Employer shall promptly notify the Provider of the same (and the Provider shall promptly notify SDS), and SDS reserves the right to require repayment, by the Employer, of all or part of the AEG received. This paragraph is without prejudice to any other rights and remedies SDS or the Scottish Government may have.

5. Application process

5.1. Only the Provider appointed by the Employer to provide the training and/or assessment services to the Apprentice, shall be entitled to apply for the AEG in conjunction with the Employer

5.2. In addition to the other obligations set out in these rules, prior to submitting the application for the AEG, the Provider must:

- 5.2.1. take all reasonable steps to obtain details of any redundancies the Employer has made in the six months prior to the application, in the same or similar occupation the Apprentice is being recruited into. If there have been any such redundancies, the Provider must obtain from the Employer details to indicate why there has been a change since then to make the business and jobs more sustainable. If having taken all reasonable steps, the Provider is unable to obtain confirmation that there have been no such redundancies within the specified period, advice should be sought from the SDS Contracts team by emailing AEG@sds.co.uk, and acceptance of the application in such a case will be at SDS's entire discretion;
- 5.2.2. take all reasonable steps to satisfy itself that the funding shall not be used

to displace an existing Apprentice. Where another Apprentice may be displaced by the Apprentice, an application for the funding should not be submitted and may be rejected by SDS.

- 5.3. Once a Provider is satisfied that all the criteria and obligations set out in these instructions have been met, in order to submit an application for payment, the Provider must register each applicant as an Apprentice on FIPS and complete the AEG application form with the required information and signatures for the Provider and Employer, the Apprentice declaration as detailed in Appendix 1. The completed AEG application form must then be encrypted using 256 bit AES encryption and sent to AEG@sds.co.uk by means of an encrypted Zip file using a shared encryption password (supplied by your SIA) for approval.
- 5.4. The SDS AEG team will aim to review the application within 10 working days of submission on FIPS.
- 5.5. If the application is approved, Providers and Employers will receive notification by email from AEG@sds.co.uk. The email to the Provider will notify the Provider of the amount to be claimed on FIPS which will include both the AEG for the Employer and the management fee for the Provider. SDS will pay to the Provider a management fee of £150 inclusive of any applicable VAT for approved applications only. The Provider has 10 working days from the date the AEG application approval email to make the claim on FIPS. If the Provider fails to make the claim within that period, the application will be followed up and a delay could lead to withdrawal of the AEG offer. AEG FIPS Guidance is available on the [SDS website](#).
- 5.6. The payment will only be due to be paid by SDS to the Provider following SDS's approval of the AEG application form (including the Provider, Employer and Apprentice declarations) duly signed by the required parties, commencement by the Apprentice of the apprenticeship activity under the Employer, and full required details being properly entered onto FIPS by the Provider. The Provider must pay the full amount of the AEG received from SDS to the Employer within 5 days of the payment being made to the Provider. Payments are only made when the Apprentice is a confirmed assignment on FIPS.
- 5.7. The Provider must upload evidence of payment to the Employer to FIPS. Any delay will be followed up and failure to comply with this shall constitute a serious breach.
- 5.8. Once the Provider uploads evidence of payment to the Employer to FIPS, and indicates the date it has paid the Employer, SDS will issue notice to the Employer recording payment of the AEG. The Provider shall require to ensure that the Employer retains this notice for three fiscal years from (i) the date the payment is made to the Employer, or (ii) the date of the notice (whichever is the later).

5.9 The funding is limited to a maximum of ten Apprentices (MA and GA combined) per Employer.

6. Retention of Supporting Evidence

6.1. The Provider must retain all supporting evidence required for the application for 3 fiscal years after the date of full payment of the AEG funds.

SDS strive to deliver excellent services and are keen to know about any concerns you may have. If you are aware of activities that may have an adverse effect on SDS services, please use the [Concerns Form](#) to raise your concern.

Appendix 1

Apprentice Declaration for AEG

Apprentice must complete as part of the AEG application form.

The Apprenticeship Employer Grant (AEG) is for Employers to recruit new apprentices and up-skill existing employees already in workplace who have moved into a new role and where the apprenticeship provides the means of upskilling for this.

The Scottish Government recognises the severe impact of the economic decline from COVID-19 on individuals and the consequences this has had on unemployment and employment opportunities.

The AEG has been put in place for Employers to contribute to the costs of in work training and encourage Employers to recruit apprentices in 20/21.

The AEG is a one-off payment to Employers of £5000 to recruit new apprentices or upskill existing employees who are in the 16-24 age group, those aged up to 29 who are disabled, care experienced or black minority ethnic. There is also a one-off payment of £3,500 available for those aged 25 and above.

SDS require to process your personal data in order to ensure you are eligible for the Apprenticeship Employer Grant. More information on how your personal data is processed can be found through the 'Modern Apprenticeships' and/or 'Graduate Apprenticeships' Privacy Notices (depending on which one is relevant to you) at [SDS Privacy Notices](#)

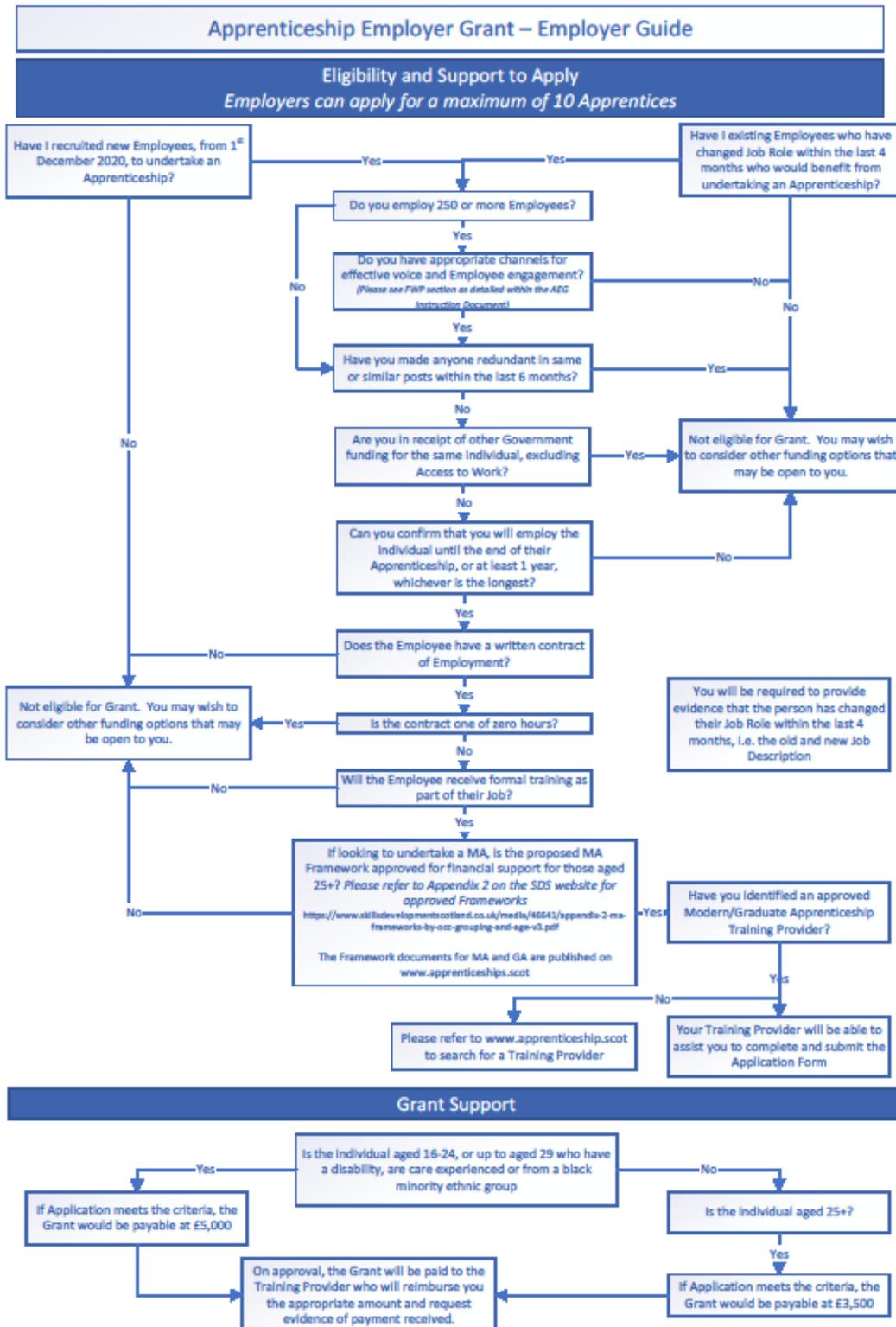
Following discussions with my Employer and Provider and by signing below I confirm that;

- I acknowledge and understand what the AEG funding is for and that my information which includes my personal details shall be held by my Provider as evidence for the AEG funding.
- I confirm that my information is accurate and will be kept by my provider.
- I understand and acknowledge that my information including my personal details may be disclosed to other organisations including my Employer and used for funding purposes as referred to in the [SDS Privacy notices](#)

Apprentice Signature:

Date:

Appendix 2



Appendix 3

Evidence Requirements and Useful information on Fair Work Criteria

1. Evidence Requirements

1.1 The following are essential requirements for receipt of the AEG and Employers are required to confirm on the application form that they have complied with the following:

- The Employer must provide the Apprentice with a written contract of employment
- Employers who employ on precarious or flexible contracts inappropriately are ineligible
 - for example, zero-hour contracts will not be eligible.
- The Employer must ensure that the Apprentice receives formal training as part of their job and as part of their investment in workforce development
- For those Employers who have 250 employees or more, appropriate channels for effective voice and employee engagement, such as trade union recognition (see Part 1.2 below).

1.2 Fair Work: Effective Voice and employee engagement (mandatory for employers with 250 employees or more)

You will be required to hold evidence supporting your declaration, of using appropriate channels for effective voice and employee engagement, such as trade union recognition. This should be 200 words maximum and confirm that workers have been involved in influencing the organisation's fair work priorities. The statement must be signed (electronic signatures are acceptable) and dated by the relevant trade union representative, or, if a union does not have a presence in the organisation, an appropriate employee representative confirming. You may be asked to provide this, on demand from SDS, as part of routine sample monitoring activity, and this will include the trade union/employee representative being expected to be able to confirm the details provided.

Workforce consultation in non-unionised workplaces can be supported by Scottish Union Learning, contact: sulinfo@stuc.org.uk

Workforce consultation for Construction sector employers, can be supported by the Fair Work Apprenticeship Co-ordinator: thomas.kirby@unitetheunion.org

Information for Employers on Fair Work Practices is will be made available shortly.

1.3 In addition, the following are desirable requirements of the AEG funding:

- Action to create a more diverse and inclusive workplace
- Payment of the real Living Wage
- Appropriate channels for effective voice and employee engagement, such as trade union recognition

2. Support from the Unions:

2.1 Appropriate channels for effective voice and employee engagement, such as trade union recognition

Effective voice is a critical dimension of Fair Work and requires workers, employers and trade unions or worker representative groups to work in partnership to make sure the right decisions on workplace issues are made and ensure workers are treated fairly and equitably. This approach for co-determining working practices is the key to delivering all of the dimensions of Fair Work effectively. Workforce consultation in non-unionised workplaces can be supported by Scottish Union Learning, contact: sulinfo@stuc.org.uk Workforce consultation for Construction sector employers, can be supported by the Fair Work Apprenticeship Co-ordinator: thomas.kirby@unitetheunion.org

2.2 Action to ensure a safe and healthy working environment

All workers are entitled to work in a safe and healthy workplace, to be consulted on issues that affect their safety and health and have a clear reporting system for reporting anything they feel is unsafe or not healthy. The Scottish Trade Union Congress (STUC) along with the Scottish Government has set up a safety at work specific email address where any worker/employer can email their concerns, the email address is safety@stuc.org.uk. We would advise this is used in Scotland's workplaces where it is not clear if there is a recognised trade union for workers and employees. This email can also be used for arranging a safety rep discussion and/or visit via STUC, Scottish Hazards and Healthy Working Lives. Good workplace health and safety is a major issue and is intrinsic to promoting Fair Work, especially in regard to workers having an effective voice, we would advise any employer or worker to use this email for any health and safety concerns, and especially any workplace queries relating to the current COVID 19 pandemic.

2.3 Workplace Health and Safety support in Scotland – some recent examples

Three recent examples of employers and workers who have contacted Safety@stuc.org.uk for advice on workplace Health and Safety;

- A small (30 staff) non-unionised Third Sector employer with offices and community work in Edinburgh, Fife and Dundee – this employer wanted to improve consultation and update Risk Assessments specifically for workers who may be looking to re-

start working in clients' home, as she had a major concern for their safety. A H&S safety forum was set up virtually with support from the STUC and a rep was elected in all three localities. The concerns for workers were communicated to the employer and it was decided to stop visiting clients in their homes for a period but to arrange outside walks which were deemed much safer under COVID 19. This situation is fluid, but the organisation now has a functioning H&S Committee that meets with the employer. The workers have now also joined the union UNISON and two staff have started training to become health and safety reps.

- A Gallery in Aberdeenshire with 15 employees wanted to re-open after initial lockdown -this organisation had some union members; the majority were not in a union. The STUC worked with the staff and the employer to set up a Health and Safety meeting where we discussed safe systems of work for the gallery re-opening. This was crucial to have all staff on board and be aware of safety expectations from them and also from the visiting public. STUC received an email from employer and two staff thanking them for their assistance in supporting their staff to promote better consultation.
- Meat/Food Processing factory in Ayrshire (80 employees non-unionised), STUC were contacted by three workers with concerns on safe distancing whilst working on production lines – these issues were discussed and raised with Management. Eventually the risk assessment process was improved. It is worth noting that workers were prepared to walk off site and STUC assisted with providing support to these workers and mediating with the employer to improve the situation. STUC and Health Working Lives are still in contact with workers and the employer and advising accordingly.

These examples highlight improvements to the Effective Voice of workers and have subsequently acted as a catalyst for improving Fair Work and Health & Safety.

2.4 Health and safety representatives

If you are a worker/apprentice in any workplace, you should have access to support from a Health & Safety representative. Health and safety representatives have functions supported by legislation.

- Unionised Workplaces
 - a. If you are a trade union-appointed health and safety representative, your functions are set out in the [Safety Representatives and Safety Committees Regulations 1977](#)
- Non-Unionised Workplaces
 - a. If you are a representative of employee safety, your functions are set out in the [Health and Safety \(Consultation with Employees\) Regulations 1996](#)

Further advice on Fair Work will shortly be published on the Scottish Government website.