

# A short guide to funding for Apprenticeships



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Apprenticeships are work-based training programmes, designed around the needs of employers. The Government encourages companies to adopt Apprenticeship programmes by making a contribution to the cost of the training.

**For young people under the age of 19, the Government pays for the full cost of the training.**

We are committed to helping employers understand their options, including the most suitable way of setting up an Apprenticeship programme, and to access the support that is provided by the Government.

## KEY FACTS

- The National Minimum Wage for apprentices under 19 is just £106 per week. The Government pays for the full cost of their training
- Companies do need to contribute to the cost of training apprentices 19 and over but this can be by committing time and equipment
- In April 2012 the government introduced an incentive for small employers of £1500

For further information on funding, email [info@apprenticeshiprecruitment.co.uk](mailto:info@apprenticeshiprecruitment.co.uk)

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## How much will an apprentice cost?

The National Minimum Wage for apprentices for 16 to under 19 years old is £2.65 an hour, significantly lower than the normal employee National Minimum Wage.

Age Group	National Minimum Wage (Hourly Rate)	Weekly Wage (40 hr week)	Yearly Wage
Apprentices 16 to under 19	£2.65	£106	£5,512
Employees 16 - 17	£3.68	£147	£7,654
Employees 18 - 20	£4.98	£199	£10,358
Employees 21 and over	£6.19	£247	£12,875

The type of Apprenticeship	Each Apprenticeship has a different rate which reflects the average cost of delivering the training and the length of the programme. (e.g. a Retail Apprenticeship taking 12 months to deliver will attract less funding than a Plumbing Apprenticeship which can take 3-4 years).
The age of the apprentice	The cost of delivering an Apprenticeship to a new employee aged between 16 and under 19 is quite different to the cost for an experienced worker who is 19 and over. There is a lower rate of funding (circa 50%) for those 19 and over and a further 10% reduction for those over 25. For apprentices 19 and over, employers are expected to make a contribution to the training through cash or a commitment of time and equipment.
The size of the employer	Funding for 16 to under 19 year olds is consistent regardless of employer size. For large employers with over 1,000 employees there is a 25% reduction in funding for those 19 and over. The Government has announced an incentive of £1,500 for small employers. Further information on this new initiative is planned for release in April 2014.
Location of the training	There may be an increase in funding if most of the training is delivered in London and the surrounding area e.g. the uplift is 20% if the training is delivered in Central London.
Additional learning needs	Some learners need additional help. In particular the English and maths parts of the framework may require more teaching, so extra funding can be provided for those assessed as needing additional support.

We can help you develop an estimate of the funding available by looking at your specific circumstances, enabling you to work out exactly what each learner is entitled to.

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## Who receives the funding?

Whoever delivers the Apprenticeship training will have a contract with the Government Funding Agency and they will receive the funding:

### Employer

If you manage and deliver the Apprenticeship programme yourself, you will have a direct contract with the Government funding agency. This means that you will receive the funding and take full responsibility for managing the funds and ensuring the quality of the training delivered.

### Learning provider

If you are new to Apprenticeships, or are starting with a small number of apprentices, it probably makes sense for you to get support from a learning provider such as a FE College or training provider. In this case, they will have the contract with the agency and receive the funding.

### Apprenticeship Training Agency (ATA)

Another option might be to use an ATA. These are learning providers that have been set up especially to help businesses that may not have the resources or experience to effectively run their own Apprenticeship scheme. The ATA can help find the right apprentice, employ them on your behalf and provide supervision throughout the training period, reducing the risk involved with hiring a new employee. Again, in this case it would be the ATA who would have the contract and receive the funding.



Apprenticeship Recruitment is committed to helping employers to understand their options, including the most suitable way of setting up an Apprenticeship programme, and to access the support that is provided by the Government.

For guidance on accessing funding email [info@apprenticeshiprecruitment.co.uk](mailto:info@apprenticeshiprecruitment.co.uk)  
to get further information on our Apprenticeships  
please call 0800 955 0870