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	TITLE:	APPRENTICESHIP GRANT POLICY		

APPRENTICESHIP GRANT POLICY

For the period

1st April 2008 to 31st March 2009

FOODBEV SETA APPRENTICESHIP GRANT POLICY

1. INTRODUCTION

This policy is applicable to the payment of Apprenticeship grants by FoodBev SETA to qualifying employers. The Apprenticeship grants constitute substantial funding by FoodBev SETA of the cost of training employees and unemployed persons on an Apprenticeship. As such it is necessary that clear qualification criteria for Apprenticeship grants are set out and employers, in terms of this policy, enjoined to adhere to the prescripts of the Skills Development Act, 97 of 1998, as amended, relevant regulations published in terms thereof and the Apprenticeship agreement in the implementation of Apprenticeships. The policy further regulates the terms and conditions of the payment of Apprenticeship grants and entrenched FoodBev SETA's rights and entitlement to recover Apprenticeship grants in instances of non-compliance with relevant legislation, Apprenticeship agreements and this policy in the implementation of Apprenticeships.

As per this policy, all qualifying employers who sign and submit an Apprenticeship contract and claims Apprenticeship grants from the FoodBev SETA, acknowledge and accept FoodBev SETA's entitlement to regulate these matters per policy in an endeavour to ensure the effective and efficient quality control of training as FoodBev SETA is statutorily enjoined to do under the Skills Development Legislative Framework.

1. PURPOSE

The purpose of this policy is to define the terms and conditions under which an Apprenticeship Grant will be implemented to assist in achieving the National Skills Development Strategy (NSDS) Objective 2, Indicator 2.8 and Objective 4, Indicator 4.1, with respect to targets, eligibility/qualifying criteria, evaluation of applications, grant value, and grant payments.

This funding policy has been informed by the Skills Development Act No .97 of 1998 as well as all applicable regulations and the Service Level Agreement (SLA) which FoodBev SETA has entered into with DOL.

2. SCOPE

2.1 FoodBev SETA has made grants available to companies/organisations within the Food and Beverages Manufacturing Sector for enrolment of Apprentices in the following categories:

- 2.1.1 Unemployed person –Section 13 of Manpower Training Act (MTA).
- 2.1.2 Employed person –Section 28 of the MTA
- 2.1.3 Millwrights, Electricians and other apprenticeships identified as scarce skills within the sector.

2.2 The following Apprenticeships has been identified as a priority through the Scarce Skills research conducted by the FoodBev SETA and funding for training of apprentices in these Apprenticeships will be made available to company/organisation organizations in the form of a grant:

- 2.2.1 Fitters

- 2.2.2 Millwrights
- 2.2.3 Electricians
- 2.2.4 Any other apprenticeship that may be identified as a Scarce Skill and appears on the JIPSA list.

2.3 Apprenticeship Grants are payable to employers to subsidize, in part, the cost of implementing Apprenticeships.

2.4 FoodBev SETA maintains the right to adjust/amend this policy.

2.5 FoodBev SETA may launch projects outside the scope of this Apprenticeship Grant Policy, should the need arise.

3. POLICY

FoodBev SETA will pay an Apprenticeship Grant in accordance with the terms and conditions stipulated in this Apprenticeship Grant Policy, and specific criteria for submission, evaluation and approval with reference to payment of the Apprenticeship Grant.

4. OBJECTIVES

4.1 **NSDS** Objective 4, Indicator 4.1, states:
*“By March 2010, at least 125 000 **unemployed people** assisted and at least 50% successfully complete programmes, including Learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills.*

4.2 **NSDS** Objective 2, Indicator 2.8, states:
*“By March 2010 at least 125 000 **workers** assisted and at least 50% successfully complete programmes, including Learnerships and apprenticeships, leading to basic entry, intermediate and high level scarce skills.*

5. DEFINITIONS

- 5.1 Apprenticeship - A qualification or designated trade registered with the Department of Labour.
- 5.2 Scarce Skills - These are occupations where companies have difficulty finding new recruits or appropriately qualified new recruits, identified through research conducted in the sector.
- 5.3 Section 13 of MTA –A clause in the Manpower Training Act that deals with an unemployed person that will enter into an apprenticeship contract with a company/organisation and the SETA for the required period of employment to complete a full apprenticeship.
- 5.4 Section 28 of MTA –A clause in the Manpower Training Act that deals with a currently employed person that did not enter into a apprenticeship contractual agreement with the company/organisation or the SETA and has completed at least 5

years of relevant experience in the specific trade for which they want to qualify. No formal training was completed in this case.

6. RESPONSIBILITY/AUTHORITY

The CEO is responsible for ensuring that this policy is implemented, whilst the ETQA Manager implements the policy.

7. QUALIFYING CRITERIA

Applications must meet **all**¹ the following minimum criteria in order to qualify for funding:

- 7.1.1 The applicant must be registered with FoodBev SETA (**latest copy of EMP 201 to accompany application**).
- 7.1.2 The applicant must be up to date with levy contributions unless exempt from paying levies (proof of exemption must be submitted).
- 7.1.3 The applicant **must** have qualified for mandatory grants (workplace skills planning grant) if employing more than 50 employees.
- 7.1.4 The application for grants must be submitted on the prescribed application form. (Annexure A).
- 7.1.5 Applicants must deliver signed Apprenticeship Grant Agreements to FoodBev SETA within 90 days of approval of the grant.
- 7.1.6. Applicant must enter into an Apprenticeship Contract with the Apprentice.
- 7.1.7 Applicant must select candidates that have completed at least N2 theory. (FoodBev SETA can assist in providing a list of cv's of available candidates)
- 7.1.8 FET Training Institution/Individual appointed by FoodBev SETA, will conduct an initial gap analysis to determine in which areas of the apprenticeship the company/organisation will need to provide additional training to the Apprentice. They will also monitor the delivery of practical training of the apprentices.
- 7.1.9. The applicant agrees to an audit by FoodBev SETA.

8. GRANT APPLICATION/APPROVAL

8.1 Invitations to apply will be posted on the FoodBev SETA website and FoodBev SETA communications media.

¹ Failure to comply with any one or more of the above qualifying criteria **on submission** of a grant application will **automatically disqualify** an application for grant funding.

- 8.2 Where grant funding has been awarded applicants must sign an Apprenticeship Grant Agreement form which constitutes a contract with FoodBev SETA, binding the
- 8.3 Company to the terms and conditions contained in the Apprenticeship Grant Policy. This includes compliance to:
 - 8.3.1 Time-frames for implementation and completion
 - 8.3.2 Notification to FoodBev SETA of termination of apprenticeships. (Note that this can only be done within the prescriptions of the Department of Labour's regulations on Apprenticeships)
 - 8.3.3 Responsibility for structured work-place exposure in preparation for relevant Trade test.
 - 8.3.4 Responsibility for provision of learner tracking information on completion of the apprenticeship (unemployed learners).

9 GRANT VALUE

9.1. Section 13: Unemployed Apprentices

An Apprenticeship Grant of R30 000.00 per learner per annum will be payable for a period of two years. (R60 000.00 in total) An additional amount of R6000.00 per annum per learner for the two year period, (R12 000.00 in total) will be made available for additional training required by the candidate to cover the required curriculum as well as preparation for Trade Tests.

9.2. Section 28: Currently Employed Apprentices

An Apprenticeship Grant of R15000.00 per learner will be payable in two equal tranches.

10. EVALUATION AND APPROVAL PROCESS

- 10.1 The FoodBev SETA will evaluate applications against qualifying criteria (Section 7) and approve within one month of receipt of Apprenticeship Grant applications.
- 10.2 The approval is at the discretion of FoodBev SETA **based on availability of funds**.

11. PAYMENT OF GRANTS

11.1 Conditions of Payment

- 11.1.1 The Apprenticeship grants will be paid from the pool of discretionary funds available for Apprenticeships. The approval of the grant is **subject**

to availability of funds and an application meeting all of the criteria does not guarantee funding.

- 11. 1.2 No funds will be committed to any applicant for an unspecified date in the future or for learners recruited in a previous or future levy year.
- 11. 1.3 Grants will be paid out within one month of having received all the applicable Apprenticeship agreements (**correctly completed**), an **original** signed grant claim form and an original signed contract (Annexure D).
- 11.1.4 Grants will only be paid on receipt of the signed Apprenticeship agreements. Failure to produce the signed Apprenticeship agreements by due date will result in the funds allocated reverting to the discretionary pool.
- 11.1.5 The additional amount of R6000.00 available for training and Trade Test preparation will be managed by FoodBev SETA and paid directly to Service Providers contracted to deliver the required service in each region.

11.2 Grant Payment Tranches

11.2.1 Section13: Apprenticeship for Previously Unemployed Persons

- 11.2.1.1. Payments will be in four equal amounts of R 7 500.00 per annum on a three monthly basis (8 equal payments of R7 500.00 over a two year period). First payment will be upon receipt of a signed Apprenticeship Grant Agreement form and a copy of the Apprenticeship Contract, from the applicant.
- 11.2.1.2. Subsequent payments will be based on an approved progress report as reported by the relevant FET College/Accredited Training Provider.
- 11.2.1.3. No funds will be committed to any applicant for an unspecified date in the future or for learners recruited in a previous or future levy year

11.2.2 Section 28: Apprenticeship for Currently Employed Persons recognising prior learning (RPL)

- 11.2.2.1 Payments will be in two equal amounts of R7500.00. First payment will be made on receipt of a Section 28 Apprenticeship Agreement.
- 11.2.2.2 Subsequent payment will be based on submission of proof of enrolment with an accredited Trade Test Centre for completion of relevant Trade Test.

11.3 Recovery of Funds in case of non-completion

- 11.3.1. If an apprentice does not complete the full duration of the programme, recovery of funds from the applicant for monies paid in respect of this policy, will be pro-rated from the date that the first grant payment was received by the applicant.
- 11.3.2. If a Section 28 Apprentice does not enrol with accredited Trade test Centre within 6 (Six) months of registration, the **full** amount paid to the company/organisation will be due to FoodBev SETA immediately.

11.4 Notification of early termination:

- 11.4.1. Notification of early termination of an apprenticeship applies only to Section 13 Apprentices that entered into a contractual agreement with both the company/organisation and the FoodBev SETA.
- 11.4.2. The employer must notify the FoodBev SETA in writing of the termination of the apprenticeship agreement within two working days from the early termination of the apprenticeship agreement provided that the reason for early termination is allowable within the regulations of Department of Labour for Apprenticeships.
- 11.4.3 The notification of termination must be signed by the employer, apprentice and FET training provider, stating the reasons for termination.

11.5 Repayment of Grant:

- 11.5.1. **The employer** must repay the grant to FoodBev SETA within one month of the early termination date of the apprenticeship agreement.
- 11.5.2. In the case of a Section 28 Apprenticeship, the employer must repay the full grant paid to the employer within one month after not meeting condition 11.3.2.

11.6 Costs and recovery of amount owing to FoodBev SETA:

- 11.6.1. If **the employer** does not repay the grant within the time contemplated in paragraph 11.11 then **the employer** undertakes to pay the FoodBev SETA's legal costs reasonably incurred in recovering this amount on an attorney-client scale.
- 11.6.2 The amount will also incur interest at the rate set out in the Prescribed Rate of Interest Act, 1975.
- 11.6.3 FoodBev SETA may institute proceedings in a Court of competent jurisdiction or institute arbitration proceedings to recover monies owed to it by the employer..

- 11.6.5 An apprenticeship agreement may not be terminated before the termination date of the agreement unless:
 - 11.6.5.1. The FoodBev SETA approves of the early termination.
 - 11.6.5.2. The learner is fairly dismissed for a reason related to the learner's conduct or capacity as an employee.
- 11.6.6. The FoodBev SETA may approve early termination if:
 - 11.6.6.1. The employer and apprentice have agreed in writing to terminate the agreement.
 - 11.6.6.2. The employer or employee has requested, on good cause, to terminate the agreement and the other parties to the apprenticeship agreement have had the opportunity to make representations as to why the agreement should not be terminated.
 - 11.6.6.3. The employee has terminated the contract of employment with the employer.