

# ReAct II

(effective from 1 April 2011)

## Guidance notes



Llywodraeth Cymru  
Welsh Government

[www.cymru.gov.uk](http://www.cymru.gov.uk)



**Please read these guidance notes carefully before sending in your application for ReAct II funding**



Llywodraeth Cymru  
Welsh Government

Ewrop & Chymru: Buddsoddi yn eich dyfodol  
Cronfa Gymerthasol Ewrop

Europe & Wales: Investing in your future  
European Social Fund

## GENERAL INFORMATION

### What can ReAct II do for you to help you return to work after redundancy?

We provide a package of support that helps people gain new skills, overcome obstacles and improve their chances of returning to work in the shortest time possible following redundancy.

The package is additional to, and is offered in collaboration with, a wide range of support from the Welsh Government and our partner organisations such as Careers Wales and Jobcentre Plus. The ReAct Programme is supported by the European Social Fund (ESF).

There are three parts to the scheme.

- (A) A vocational training grant for people who need to update their skills to return to work.
- (B) Extra support to help remove any barriers to vocational training.
- (C) A wage subsidy and help with training costs for recruiting employers.

Please note, support will not be provided under part (A) and part (C) at the same time, and support under part (B) is only available to people receiving support under part (A).

### ReAct II - Who is eligible?

This support is available if you:

- have become unemployed in the last six months as a result of redundancy, are currently unemployed and have not been in continuous employment of 16 hours or more per week for six weeks or more since being made redundant
- are under a current notice of redundancy
- are a resident in Wales at the date of issue of notice of redundancy
- are not undertaking (or have not undertaken since being made redundant) any training which is funded directly or indirectly by public funds. This includes, but is not exclusive to, the Welsh Government's Work Based Learning programmes.

### The application process

ReAct uses an application and claims process for each of the three parts outlined above. This means that you must apply for a grant and obtain our approval before you start your activity or incur any costs. European Funding rules mean that we have no discretion in applying this rule and applications which do not comply will not be considered.

Once your application has been approved you can start work/training. If you do not start within 30 days of the agreed start date shown in our approval letter, the offer of a grant will be withdrawn and a further letter issued notifying you of this. Your employer/training provider is required to notify us that you have started by completing a ReAct start form.

At the end of your training, or every 3 months of your new employment, your training provider/employer will ask you to countersign and date a claim form so that we can pay the grant. You should carefully check the details entered on this form and only sign it if they are correct. This form should only be signed after the period of training has ended, or your employment has reached the measurement date entered on the form. Please notify us immediately if you are asked to sign the claim before the end of the relevant date entered on the form.

While you are the grant beneficiary, by accepting our offer of a grant you agree that we can make payment directly to your training provider or new employer.

### Common problems that will delay your application

There is a lot of information requested on the application form and while some of this may seem unimportant, it is necessary to comply with the requirements of the ESF that supports ReAct. Any unanswered questions will result in your application being returned to you. All errors should be crossed out and the correct information entered above. Please enter your initials alongside the change to show that you are aware of the amendment.

We regret that we cannot accept application forms where correction fluid has been used to amend the details entered on the form.

In order for us to consider your application you must include the supporting documentation requested on the form. However, we realise that there may be times where it is not possible to obtain a redundancy letter and we may be able to accept other proof of redundancy such as a letter from the appointed administrators or even a news article detailing the closure of the company. Please contact us for advice if you are in doubt.

### **Don't forget...**

**We must approve your application before you start training or employment. We will be unable to pay for training or employment which has started before your application has been considered and approved. We are also unable to reimburse any costs incurred prior to the approval of applications. The conditions of the European funding that supports ReAct means that we have no discretion in applying this rule. Therefore, if you do not keep to it, for whatever reason, we will not consider your application.**

## **VOCATIONAL TRAINING**

### **Vocational training (Application Form 1)**

We can provide a contribution towards the cost of carrying out vocational training courses to provide you with new skills identified by Careers Wales as necessary to improve your chance of finding new employment. We can provide a contribution towards agreed training of 100% of training costs up to a maximum of £1,500. We will consider factors such as the cost, length and location of the course and whether it is relevant to the local economy. We consider each application individually.

We must receive a fully completed and signed application form before training starts. This must be accompanied by a **Training Plan (Application Form 2)**, signed by your chosen training provider, showing how the proposed training meets the

requirements outlined in the Careers Wales Action Plan.

We must also receive a copy of the letter of redundancy (or formal Notice of Redundancy) and official evidence of your National Insurance (NI) number, for example a copy of your last P45 or recent payslip.

All applications for vocational training must have a Careers Wales Action Plan attached which clearly identifies all the training needed before an application for support is considered for approval. We will take into account the labour market and future employment prospects when considering applications.

We will consider only one vocational training application for each person applying, although staged training is acceptable as long as it is clearly identified on the Careers Wales Action Plan before the application for support is made. All applications must be received within 6 months of the date of redundancy and all vocational training must be completed within 12 months of the date of redundancy.

In accepting the grant, you agree that we will make payments directly to the training provider at the end of training, after receiving an itemised invoice and claim form. You should check with your chosen training provider that they are prepared to accept the Welsh Government's payment terms. Some training providers may request payment from you before training starts. If you are asked to do this, please contact the ReAct Team for advice before paying any money or agreeing to any training.

Special terms apply to the award of a grant for driver training courses such as LGV and PCV training. Your careers adviser can tell you about these or you can contact the ReAct Team for advice.

We will not provide a vocational training grant in support of distance learning courses.

If you fail to attend a course without good reason, or cancel it without giving sufficient notice, then you may be liable for any costs incurred by your training provider as ReAct is unable to pay for any late cancellation or non-attendance fees. Non-attendance at a ReAct funded training course will automatically disqualify you from receiving further support from the programme.

As a government body, the Welsh Government is exempt from paying VAT on vocational training costs. Her Majesty's Revenue and Customs (HMRC) Notice 701/30 explains the rules on VAT and vocational training. You or your chosen training provider can get a copy from your local HMRC office or by visiting the following page on the HMRC website at

[www.hmrc.gov.uk/thelibrary/vat.htm](http://www.hmrc.gov.uk/thelibrary/vat.htm)  
and follow the 'Public Notices' link.

Please note that if you are re-employed by the same employer who made you redundant within 12 months of the end of your training, you will be required to repay the ReAct grant.

**Important:** If you are claiming Jobseekers Allowance (JSA) and wish to undertake ReAct funded or any other employment-related training you are only permitted a maximum of two weeks' employment-related training in any 12-month period. Any period beyond this, your entitlement to JSA could be affected. You must contact Jobcentre Plus and inform them that you intend to undertake any training regardless of the duration. Please be aware that if you are advised by Jobcentre Plus that your participation in employment-related training will remove your entitlement to JSA, any Mortgage Protection Insurance you may have could also be affected.

## Self-employment

Although ReAct funding cannot be used to pay for business start-up costs, the Vocational Training award can be used to pay for any vocational course that will provide the skills needed to succeed in self-employment.

For more information on available support for setting up your own business contact the Welsh Government's Business Hotline,  
**SkillsPeopleSuccess** on **0845 60 661 60**  
or at [www.SkillsPeopleSuccess.com](http://www.SkillsPeopleSuccess.com)

## Extra support (Application Form 1)

These awards are only available in conjunction with vocational training awards and applications **must** be made at the same time as your application for a vocational training grant. Please note that we will require full details of proposed costs at the time of application. Please note, any cost incurred which is not approved as part of the application cannot be reimbursed.

We can provide extra funding through a discretionary award, to help you overcome particular barriers which might otherwise prevent you from taking part in training. This award is aimed to be used alongside the vocational training grant. The following are an example of the support available.

### Exceptional travel costs

We will contribute towards these costs if you need to make special arrangements to travel to the training location. In all cases, we would expect you to use a local training provider unless it is more cost effective to travel outside the local area. In all cases, we will only reimburse the most cost-effective means of travel. We will also take into account the environmental impact of your journey and encourage the use of public transport wherever possible. Where you use your own transport this will be reimbursed at 15p per mile and the distance travelled will be calculated using internet route planners.

### Accommodation

If you need to stay overnight to go on a course and daily travel is not realistic, or cost effective, we will pay a contribution towards reasonable accommodation costs. You will be expected to select bed and breakfast accommodation if available or a budget hotel if not. You will need to provide details of the accommodation available in the location of your chosen training provider when you make your application and we may ask you to use a different provider or accommodation if we are aware of a more cost-effective alternative. Please note that we are unable to pay for meals and drinks or other costs, such as telephone calls and Wi-Fi access.

## Childcare

We will make a fixed, maximum payment of £12 a day (up to £60 a week) for one child and £20 a day (up to £100 a week) for two or more children, while you are training (for up to 26 weeks). You must make arrangements with a childminder, day nursery or crèche that is registered with the local authority. If you have any questions about registered childcare, you should contact your local social services department or the Care and Social Services Inspectorate for Wales. You should send us written proof that the childminder, nursery or crèche is registered at the same time as your application for help with childcare costs.

## Special equipment for applicants with special needs

If you have special needs, such as a disability or work-limiting health condition, we may be able to help you with the cost of special equipment to help you train. We will only consider aids linked to approved training and you will be asked to return the aid at the end of training so that it can be reused. You are advised to contact the ReAct Team on 01792 765888 for further advice.

The maximum grant available towards the cost of your travel, accommodation and special equipment is £200.

Please remember that we use an application and claim system and we will require you to make an application for a grant and gain our approval before you incur any cost. You must produce receipts for travel, accommodation, etc., when you are ready to claim for an approved grant as we are unable to reimburse you without them. These must be submitted at the end of training with an Extra Support claim form. You do not need to keep petrol receipts when you use your own transport.

We must receive your claim for extra support within 30 days of completing the associated training or our grant approval could be withdrawn.

## Practical advice

Please pay particular attention to the following when applying for support through ReAct.

1. Please consider these guidelines carefully before you send us your application. If in doubt, please contact the ReAct Team before applying.
2. Allow up to 10 working days from receipt of a complete set of paperwork for us to consider your application. Please remember that an incomplete application will be returned to you before we are in a position to consider it. Your application will not be complete unless you send us:
  - your application (Application Form 1)
  - evidence of your redundancy (copy of redundancy letter or formal notice of redundancy)
  - official proof of your NI number, for example a copy of your last P45 or a copy of a recent payslip
  - a Careers Wales Action Plan
  - ReAct Training Plan(s) (Application Form 2), completed by your chosen training provider(s).
3. Please do not use correction fluid on ReAct forms. Please cross out any mistakes and write your initials next to them.
4. We are unable to accept photocopied, scanned or faxed copies of ReAct application forms.
5. Please ensure that your ReAct paperwork is checked at the Post Office to ensure that you have paid the correct postage. Incorrect postage will result in your application being delayed by several weeks before it is received by the ReAct Team.

# RECRUITMENT AND TRAINING SUPPORT

## Employer recruitment and training support

### (Application Form 3)

#### Further information on eligibility

The recruitment and training support programme can help your business employ workers who have been made redundant from their previous jobs. The application must be made by your business before the new recruit starts working for you. The new job that the application applies to must have become available as a result of company expansion, or the need to replace a member of staff who has left. Funding is not available for existing staff who are moving between internal posts. The following extra conditions apply.

The job must be:

- for at least 16 hours a week
- not supported by other public or European funds
- expected to last for at least 12 months
- paid at National Minimum Wage (NMW) or above. Please visit [www.direct.gov](http://www.direct.gov) for further information on the NMW requirement for employees
- eligible for support under European State Aid rules. This means that we cannot support jobs in certain sectors such as coal, fishery, aquaculture and the production of some agriculture products. In addition, we cannot support jobs in the public sector. For further advice, please contact the ReAct Team.

Please note that we are unable to provide a wage subsidy for a person where the recruiting employer has a director in common with the shedding employer. We will use various electronic resources to establish company directorship.

We are also unable to provide a wage subsidy for the employment of a company director, regardless of the number of other directors that exist within the company.

#### Don't forget...

To qualify, the new recruit must have been made redundant in the last six months.

**We must approve applications before your new employee starts work (we will not consider applications which do not keep to this rule).**

**We will ask an employer to repay any financial support received that infringes the rules.**

#### Employer recruitment support (wage subsidy)

We can pay a contribution of up to £3,000 towards the costs of employing an eligible person for 25 hours a week or more. We will make the payment in four stages when we receive a claim form confirming the individual's continued employment. We will need evidence of wages paid before we can make the payment. This will usually be in the form of a copy of the payroll or payslips for the period, with the employee's name clearly identified.

The four staged payments are as follows:

- £750 after 13 weeks in employment
- £750 after 26 weeks in employment
- £750 after 39 weeks in employment
- £750 after 52 weeks in employment.

These dates are called 'measurement dates' and are calculated from the date the employment started.

Where the new employee is employed on a part-time basis between 16 and 24 hours per week, the wage subsidy will be paid at a rate equivalent to 50% of that shown above.

If the new employee works irregular hours each week and is expected to work for less than 25 hours during some weeks, we will provide a wage subsidy at the lower rate. Similarly, if circumstances change during the first year of employment and your new employee changes their work pattern so the time worked falls below 25 hours for one or more weeks, the grant approved will automatically fall to the lower rate for the remainder of the programme. If the hours worked in any week falls below 16 hours the grant will be withdrawn and you may be asked to repay any grant already paid. In such circumstances, any associated training subsidy grant approval will also be withdrawn.

Claims should be submitted within one month of the relevant measurement date on the appropriate claim form and should be accompanied by a copy of pay slips issued during the period in question. As a minimum, each payslip should show hours worked, hourly rate and period of payment. If this is not available please include a copy of the wage sheet (PI I or equivalent) for the relevant period.

If claims are not received within one month of the relevant measurement date, approval could be withdrawn.

### **Employer training support (training grant)**

We will pay a training grant of up to 50% of approved training costs (up to a maximum of £1,000) as long as the recruit is still working after 26 weeks and is making satisfactory progress towards completing the agreed training. The claim for payment must be made at the 26-week stage of employment. The amount we pay will be based on the costs an employer has to pay towards providing the training, in line with the following conditions.

- Training must be related to the job and approved by us, prior to the start of the training and within one month of the start of employment.
- Wherever possible, the training should be at a minimum of NQF Level 2 (or equivalent).
- We will only consider applications for training purchased by the new employer.
- The employer can choose the most suitable provider of training. We will only make payment where the training delivered aligns with that agreed on the application form and there is evidence of direct cost to the employer.
- We will not support in-house training costs. We cannot fund trainees' wage costs, lost production costs or the purchase/lease of equipment required for training.

### **More information**

Where a ReAct participant does not attend work for any reason and is not paid a wage, this period should be excluded when calculating the claim measurement date. For example, if the new recruit is absent from work and is paid Statutory Sick Pay, this period will not count towards the measurement date calculation.

We will need to consider applications against any European State Aid rules which may apply and we treat all wage subsidy payments as 'de minimis' aid for State Aid purposes. For further advice please contact the ReAct Team.

An employer may have to repay all financial support if the individual stops working for them in the first 12 months.

In order to meet our obligations under current ESF regulations, the ReAct monitoring team will occasionally visit participating employers to verify the information supplied and develop the ESF Cross Cutting Themes. By accepting a ReAct wage subsidy, you agree to comply with any such request.

Application forms may be obtained from the address on the final page of this document or by calling **01792 765888**.

### **Practical advice**

1. Please pay particular attention to the following when applying for support through ReAct.
2. Please consider these guidelines carefully before you send us your application. If in doubt, please contact the ReAct Team before applying.
3. Allow up to 10 working days from receipt of a complete set of paperwork for us to consider your application. Please remember that incomplete paperwork will delay consideration of your application. Your application will not be complete unless you send us:
  - evidence of your new employee's redundancy (copy of redundancy letter or formal Notice of Redundancy)
  - official proof of your new employee's NI number; for example a copy of their last P45 or a copy of a recent payslip.
4. Please do not use correction fluid on ReAct forms. Please cross out any mistakes and write your initials next to them.
5. We are unable to accept photocopied, scanned or faxed copies of ReAct application forms.
6. Please ensure that your ReAct paperwork is checked at the Post Office to ensure that you have paid the correct postage. Incorrect postage will result in your application being delayed by several weeks before it is received by the ReAct Team.

### **We promise to...**

- write to you to notify you of the outcome of your application
- make all payments into a bank account using the BACS system.

## STEP-BY-STEP GUIDES

### Vocational training

Attend your local Careers Wales office for advice and guidance and to assess training needs.

If you meet the eligibility criteria for ReAct and training needs are identified, your careers adviser will issue you with a ReAct application pack containing everything you need to apply for a grant.

Read these guidance notes carefully. They contain important information about applying for a grant.

Complete Application Form 1 to apply for a vocational training grant.  
Don't forget to include details of extra support costs if applicable.

Ask your chosen training provider(s) to complete Application Form 2 - The Training Plan to provide details of your training and how it will meet the training needs identified by Careers Wales.

Submit both forms to the ReAct Team in Swansea along with the supporting evidence requested.

**DO NOT START TRAINING OR AGREE TO PAY ANY COSTS UNTIL YOUR REACT APPLICATION IS APPROVED.**

The ReAct team will notify you of the outcome of your application in writing within 10 working days. If approved, they will also write to your training provider to notify them.

#### IF APPROVED

Contact your training provider to arrange a start date for your training.  
This must be within one month of the date entered on your ReAct application.

Your training provider is required to complete a start notification form when you start and a leaver notification form when you leave. We may withdraw our grant approval if we do not receive these.

When your training has ended, your training provider will complete a vocational training claim form and ask you to sign it. You should check the information entered on this form to ensure it is accurate before you sign it.

Your training provider will send this form to the ReAct Team in Swansea for payment.

If we have approved your application to pay your 'Extra Support' costs, you should complete the Extra Support claim form and submit to the ReAct Team with receipts (if appropriate). Your provider will need to complete section 5 of this form to confirm your attendance. You should receive payment within 30 days.

## Employer Recruitment and Training Subsidy

Check the eligibility of the person you want to employ against the criteria outlined in these guidance notes.

Complete Application Form 3 for each eligible person you want to employ.

**DO NOT START EMPLOYMENT UNTIL YOUR ReAct APPLICATION IS APPROVED.**

Enter details of external training costs (if appropriate).

Submit all forms to the ReAct Team in Swansea along with supporting evidence.

The ReAct team will notify you of the outcome of your application(s) in writing within 10 working days.

**IF APPROVED**

Your approval notification letter will include claim forms for completion after 13, 26, 39 and 52 weeks employment as well as a training claim form (if appropriate).

When your new employee starts, complete the start notification form and send it to ReAct.

Complete the appropriate claim form once the measurement date has passed and submit to the ReAct Team for payment. If the form is not received within one month of the measurement date we will withdraw our grant approval and notify you by letter.

If your new employee leaves before the 52-week measurement date is reached, please complete the leaver notification form and send it to ReAct.

## GENERAL INFORMATION

### Need to speak to someone?

The ReAct Programme covers the whole of Wales and is run from the Welsh Government office in Swansea. Please do not contact any other Government office about ReAct as they will not be able to help you.

All ReAct applications and claims are handled by four workstations, each staffed by two officers. Please use these contact details for all aspects of your application or claim to ensure that your enquiry is dealt with quickly and efficiently:

	<b>Surname</b>	<b>Telephone</b>	<b>E-mail address</b>
<b>Workstation 1</b>	<b>A to D</b>	<b>01792 765918 01792 765857</b>	<b>ReActWorkstation1@Wales.GSI.Gov.UK</b>
<b>Workstation 2</b>	<b>E to J</b>	<b>01792 765835 01792 765814</b>	<b>ReActWorkstation2@Wales.GSI.Gov.UK</b>
<b>Workstation 3</b>	<b>K to Q</b>	<b>01792 765937 01792 765867</b>	<b>ReActWorkstation3@Wales.GSI.Gov.UK</b>
<b>Workstation 4</b>	<b>R to Z</b>	<b>01792 765849 01792 765852</b>	<b>ReActWorkstation4@Wales.GSI.Gov.UK</b>

**General enquiry line:** 01792 765888

**Fax number:** 01792 765801

**Post:** The ReAct Team, Welsh Government  
Ty'r Llyn, Clos Llyn Cwm, Waterside Business Park  
Swansea Enterprise Park, Swansea SA6 8AH

**Website:** [www.wales.gov.uk/react](http://www.wales.gov.uk/react)

## Confidentiality assured

The information that you provide will be processed and managed by the Welsh Government in accordance with its obligations and duties under the:

- Data Protection Act 1998
- Freedom of Information Act 2000
- The Environmental Information Regulations 2004.

## Sharing information

The information you provide will be used for the purpose of the administration of the ReAct Programme. As a part of this process we may require assistance from, and thus be required to share information with, other bodies. We will, where necessary, share the information you supply with other organisations to check its accuracy or to improve our level of service. We will also add your information to a database (shared within the Welsh Government) which we will use to:

- prepare summary statistical analyses (your personal details cannot be identified)
- provide statistical information to Welsh Government Ministers, Central Government Departments and relevant agencies which will inform decisions relating to policy changes and funding.

All requests for the disclosure of any of the information provided will be considered by the Welsh Government in accordance with its *Code of Practice on Access to Information first edition (2007)*.

## Your rights under the Data Protection Act 1998

The Data Protection Act 1998 gives individuals certain rights in respect of the personal data held on them. While not intending to be exhaustive, examples of these rights include:

- the right for any personal information held about you to be processed fairly and lawfully
- the right to ask for and receive copies of the personal information the Welsh Government holds about you, although we can sometimes withhold some information
- the right, in some circumstances, to prevent us processing personal information if doing so will cause damage or distress
- the right to ask for wrong information to be put right. You also have the right to ask the Information Commissioner, who enforces and oversees the Data Protection Act 1998, to assess whether or not the processing of your personal information is likely to comply with the provisions of the Act.

Further information on Data Protection may be obtained at: **[www.informationcommissioner.gov.uk](http://www.informationcommissioner.gov.uk)** or from [dataprotectionofficer@wales.gsi.gov.uk](mailto:dataprotectionofficer@wales.gsi.gov.uk) or on 03000 603 300. You may also write to: Data Protection Officer, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

**0800 100 900**

**Careers Wales Learning  
and Careers Advice  
Helpline (formerly  
Learndirect)** - for advice

and guidance on your next  
move following redundancy.

canolfanbyd gwaith  
jobcentreplus

**Part of the Department  
for Work and Pensions -**

for help on finding and applying  
for your next job as well as  
applying for benefits. Also helps  
businesses to advertise vacancies.



Llywodraeth Cymru  
Welsh Government

**Business Information  
Helpline**

**03000 603000**

**business.wales.gov.uk**



Llywodraeth Cymru  
Welsh Government

Ewrop & Chymru: Buddsoddi yn eich dyfodol  
Cronfa Gymerthasol Ewrop

Europe & Wales: Investing in your future  
European Social Fund

**The ReAct II Team, Welsh Government,  
Ty'r Llyn, Waterside Business Park, Clos Llyn Cwm,  
Swansea Enterprise Park, Swansea SA6 8AH**