

Apprenticeships

An overview

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Apprenticeship Vision



“By 2020 every employer will value an Apprenticeship as the key route to equipping them with the skills they need for their business”

Why the focus on Apprenticeships

- Recent research into UK skills mix
 - Leitch and World Class Apprenticeships.....
- Determination to reverse the decline of apprenticeship in the 80s and 90s
- Raising of the Participation age in 2013/ 2015
- The need to significantly expand the availability of/access to apprenticeships
- Aspiration that 1 in 5 young people will undertake an apprenticeship in the next decade

Expanding Apprenticeships in the Public Sector

- Over half of all public sector employees are qualified to level 4 compared to 28% of private sector employees
- 7% of public sector workforce are aged 16-24 compared to 17% in the private sector (400,000 16-24 year olds)
- Turnover is 13.5% in the public sector compared to 20.4% in the private sector (12% in Local Authorities)
- Proportionately more over 50's in the public sector – over a 10 year period at least a third will retire
- Demand is stronger than supply e.g. Luton Borough Council had over 300 applicants for 33 places

Why get involved?

Compelling evidence that Apprenticeship **Improve Business Performance** in key areas:

- Clear return on investment
- Greater productivity
- Lower recruitment costs
- Lower training and retention costs
- Increased employee satisfaction
- Greater loyalty and quality of work

Business Benefits – Clear return on investment

- Research shows 70% of businesses employing an apprentice agree they made a valuable contribution during their training period – a third of these report that apprentices add value within their first few weeks
- Apprentices productivity tends to be higher compared to other employees as they undergo formalised coaching and training matched to individual and company needs
- Employing an apprentice costs between 11% and 50% less than that of a more experienced worker and pays back after 2-4 years depending on the sector

Research includes: LSC research conducted in February 2008 by Populus and NES Survey 2008/09

Business Benefits – Greater productivity

- Research shows 81% of business employing apprentices agree that they bring higher overall productivity
- It also shows 66% believe their apprentices help them to be more competitive in their businesses
- **BT** estimated their engineering apprentices are 7.5% more productive than non apprentices and gained a higher annual net profit of over £1300 per apprentice compared to non-apprentices

Business Benefits – Lower recruitment costs

- Research shows that two-thirds of respondents believe that their Apprenticeship programme helps them fill vacancies more quickly and three quarters say Apprenticeships attract a better calibre of job applicant
- 59% report that training apprentices is more cost-effective than hiring skilled staff, with 59% believing that Apprenticeships lead to lower overall training costs and 53% feeling that they reduce recruitment costs
- 78% said that Apprenticeships are likely to play a bigger part in their recruitment policy in the future
- Employers also get free advertising with Apprenticeship vacancies – the online matching system to a wide audience of potential candidates

Business Benefits – Lower training and retention costs

- Government funding is available towards the cost of training. This funding frees existing training budget to be used in other areas
- **Compass plc** reported significant reductions in training and recruitment costs due to higher staff retention rates since introducing Apprenticeships. Progression into management positions within the company has also saved on management recruitment costs.
- **BAE Systems** apprentices who start their working life with the company have a higher commitment to the overall aims and objectives of the company (87% retention rate)

Business Benefits – Increased employee satisfaction

- Apprentices strengthen the workforce through increased employee satisfaction leading to higher staff retention, progression and increased diversity.
- Compared to non-apprentices, apprentices show higher level of employee satisfaction and lower absenteeism rates.
- 82% of Apprentice employers said they relied on their Apprenticeship programme to give them the skilled workers they needed for the future
- 88% believe that Apprenticeships lead to a more motivated and satisfied workforce
- Within **BT**, apprentice teams show the highest level of employee satisfaction, currently 85% - significantly higher than non-apprentice teams

Business Benefits – Greater loyalty and quality of work

- Research shows 57% report a high proportion of apprentices going on to management positions within the company
- 82% of businesses employing an apprentice agreed that they were more loyal
- Over 80% of British Gas of gas servicing and installation managers joined the company as apprentices

Questions to Employers

When you next make that recruitment decision, consider:

- Do you find it difficult to recruit skilled people?
- Do you have an increasingly mature workforce?
- Might you benefit from an injection of youthful enthusiasm and ideas?
- Do you already have young people in place who would benefit from structured externally accredited training?
- Are you fully utilising government funding to complement your training budget?

What is an Apprenticeship?

- “A form of vocational training enabling people to earn while they learn the skills necessary to succeed in their chosen career”
- They are work-based training programmes designed around the needs of employers, which lead to nationally recognised qualifications
- **Three levels of Apprenticeship**
- Apprenticeship (L2) – equivalent to five good GCSE passes,
- Advanced Apprenticeship (L3) – equivalent to two A level passes and
- Higher Apprenticeships which work towards work-based learning qualifications such as an NVQ L4 and in some cases a knowledge based qualification such as a Foundation Degree.

What is an Apprenticeship?

- The Apprenticeship Frameworks comprises of a competence based element, a knowledge based element, transferable 'key skills', employment rights and responsibilities (ERR).
- There are 190+ types of Apprenticeships available from more than 130,000 businesses in England, from accountancy to animal care to construction.
- Apprenticeship frameworks are designed by the Sector Skills Council and the Learning and Skills Council (in the future National Apprenticeship Service) helps to fund the training.
- Frameworks are developed by business representatives from the relevant industry sector who work with the Sector Skills Councils to develop the course content. Because they genuinely understand the needs of the business the training is designed to be industry relevant.

How are they delivered?

There are different models of delivery; some examples below

- Provider delivery – the employer works with an accredited provider. The provider delivers all elements of the framework. They may ask the employer to make a contribution to the cost depending on the age of the Apprentice.
- Shared delivery – the employer delivers some elements of the framework. The provider may agree to share the funding according to the proportion of the training delivered by each party. The employer does not incur any of the responsibilities of becoming an accredited provider (admin, data, quality etc)
- Employer delivery – the employer is able to deliver all the components of the framework and willing to go through the process of becoming an accredited provider. All contractual obligations will remain with the employer
- Examples of employer delivery in the Public Sector is **Department for Work and Pensions** and **Herefordshire Primary Care Trust** (see case studies on www.apprenticeships.org.uk)

What funding is available to support my business if I take on an Apprentice?

- 16-18 (up to the day before the 19th Birthday) – training is fully funded
- 19+ – training is partially funded with an expectation that employers will contribute
- Large employers with over 1000 employees – A further 25% reduction in funding for 19+

What about help with the wages?

- There is no help with the wages of an Apprentice
- We expect an Apprentice to be paid a minimum of £95 per week at 16-18 (for 35 hours per week)
- If 19+ and first year of an Apprentice then £95 per week, moving to at least minimum wage after this point
- All others - in line with salary (but at least minimum wage)
- From 1st October Apprenticeship minimum wage to be introduced at £2.50 per hour

Eligibility

- Apprenticeships are open to all age ranges, however if you want to attract some government subsidy then you will need to meet eligibility criteria:
- Must be employed with a contract of employment
- It can be a new recruit or an existing member of your staff;
- Funding subsidy is attached to age ranges
- Graduates and those in full time education are not eligible
- Minimum of 30 hours (will consider part time if they can complete the framework in the hours worked)
- Resident in England

NAS Remit

- To assume full statutory responsibility for apprenticeships in this country
- Vision: By 2020 every employer will value an Apprenticeship as the key route to equipping them with the skills they need for their business
- Generate interest and participation in Apprenticeships by both employers and young people

The NAS – its Value Added

Employers

- Support employers wishing to recruit apprentices via our free website www.apprenticeships.org.uk
- Support employers in selecting a quality assured Training Provider
- Identify gaps where Apprenticeships/Training Providers are required
- Supporting employers who have never previously engaged in apprenticeships

To help those employers new to apprenticeships to engage and those who employ apprentices to broaden their engagement where it makes sense

The NAS – its Value Added

- Learners
 - Working to ensure a sufficient high quality supply of applicants
 - Providing support to organisations which advise young people
 - Managing the website on which Learners can register their interest
 - Reflect back to learners employer demand
- Training Providers
 - Help bring about improvement in service
 - Immediate feedback
 - Help resolve issues

Background to the Apprenticeship Vacancies on Line Service

- **Before Apprenticeship Vacancies on Line - no consistent national system** to bring together employers with Apprenticeship vacancies and potential apprentices
- **Provides a single web-based location for high quality and dynamic information on www.apprenticeships.org.uk**
- **for use by:**
 - employers
 - training providers
 - potential apprentices
 - those providing advice
 - their parents/guardians
- **Provides powerful management information on Apprenticeship recruitment**

Apprenticeship Vacancies on Line - Key Benefits

Candidates

- One recognised national web-based portfolio of apprenticeship vacancies linked to employers
- Vacancies that are linked to REAL employers!
- Manage applications on-line in real time
- Easy access to additional support if required

Employers and their learning providers

- One recognised national web-based portfolio of apprenticeship vacancies linked to employers
- Vacancy will hit 1,000s of interested registered candidates maximising employers choice
- Recruitment service for Apprenticeships at no additional cost
- Ability to link to employer's own recruitment websites

Future Priorities

- Raise Technician level participation
 - Increasing demand from employers
 - Higher level jobs
 - Increasing investment for those aged 19-30
- Expanding progression routes
- Atypical recruitment
- Cross cutting frameworks

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Apprenticeships

Dispelling Myths

Dispelling myths

- ***“Apprenticeships aren’t relevant to the Public Sector as they are focused on ‘traditional industries’ such as manufacturing.”***
 - Not true. There are over 180 Apprenticeships to choose from in over 80 sectors. All relate to a particular job role. Apprenticeships are designed by employers for employers and are therefore tailored to meet the needs of each specific sector, so that the training is practical and relevant to your organisation. Where there appears to be no suitable Apprenticeship available for your sector, you can work with your Sector Skills Council (SSC) to develop Apprenticeships in new areas. For more information, contact your SSC.
- ***“Apprenticeships are only available to young people and the organisation is not recruiting at the moment, so the programme is not relevant”***
 - Not true. Apprenticeships are now open to all age groups (above the age of 16) including:
 - school leavers;
 - those who have been working for years and want to improve their skills; and
 - those seeking a new challenge and wanting to start a new career.
 - Apprenticeships are a great way of attracting high-quality new recruits from the age of 16 and bringing younger people into an ageing workforce. They are also a great way to help existing employees of all ages keep pace with the latest technologies and working practices by updating their skills.

Dispelling myths

“Apprenticeships are a big commitment and it will be a long time before the employer sees any benefits. It’s quicker for employees to train for a qualification.”

Apprenticeships are much more than a qualification. As well as working towards a vocational qualification, usually at National Vocational Qualification (NVQ) Level 2 (equivalent to five good GCSEs) or NVQ Level 3 (equivalent to two good A-levels), apprentices also gain transferable skills which are applicable across the public sector, such as:

- working in teams;
- problem solving;
- communication;
- using new technology; and
- studying (in most cases) for a technical certificate, which provides further knowledge and understanding of the job.

“Apprentices will need a lot of training ‘off site’”

Apprenticeships are a mixture of on- and off-the-job training, but the majority of learning will take place in the workplace. The rest can be delivered by a local college or by a specialist training provider. Throughout the Apprenticeship, a learning representative from the training provider will support and guide you.

Dispelling myths

“The workforce of the organisation is highly qualified and so Apprenticeships are not relevant.”

Rarely true. Employees with a whole range of skills levels are required in most organisations. Undertaking an assessment of the skills levels of the employees within your organisation to help identify skills shortages and skills needs for the future is a good starting point.

“There is no funding available for training. “

Funding is available towards the cost of training an apprentice (in line with Government policy) and is paid directly to your chosen training provider. Most apprentices will be employed and paid a salary that reflects their skills, experience, age and ability.

“There is too much bureaucracy involved. “

There is a need to ensure that the training provided is of a high quality, and that the public funding provided is used for training, but this need not be a bureaucratic process. In fact, Apprenticeships often fit in well and enhance the existing learning and development process within public sector organisations.