

ARE YOU AN EMPLOYER?

# Information



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# What are Apprenticeships?



**Apprenticeships are a way to train people.** They are open to all organisations from the sole trader to the multi-national. They are for everyone! A new recruit, a time-served member of your team, and even the MD/CEO. Whether you are recruiting new talent or developing your existing staff, Apprenticeships help to build the knowledge, skills and behaviours your team need to succeed.

They are for people of all ages regardless of their prior attainment. They can include degrees or chartered status and provide a valuable pathway to develop your people, your way – no matter what sector you are operating in.





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# Are Apprenticeships For My Business?



Despite the world wishing for simple yes and no answers, the reality is that everything is on a spectrum. Your position on this spectrum depends upon your circumstances. We cannot cover all of the scenarios for every business, but we can list some questions. The more you answer yes, the more likely apprenticeships could be right for your business.



First, we will look at the traditional recruitment model for apprenticeships- taking someone into your business to give them the training that will make them productive for you.

- Can you afford to invest £15,000 into your business but not see a return on this investment for six months or longer?
- Do you have some capacity to train someone in the skills that your business already has?
- Are you prepared to “lose” your paid employee for one day a week to be trained by someone outside of your business?
- Do you accept the risk that having trained someone that they may leave your business to work elsewhere?



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If the answer is a no to all these questions, apprenticeships as a recruitment proposition probably aren't right for you. **If you answered yes to at least two, we wouldn't dismiss apprenticeships** as a way to recruit talent.

However, apprenticeships are not only a way of recruiting. They can **upskill or enhance skills** within your business. They are not suited for acquiring new skills and we will address this later. So, if you have an employee that has been working for you and has shown the attributes that make you believe they are ready to take on more responsibility, you can utilise apprenticeships as a method of giving them the skills necessary.







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# Why Should I Consider Apprenticeships?



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As a business, the cost of the training is reduced to zero or a maximum of £2,000. A maximum contribution of 5% of the training costs is the most you will have to pay.

A small business can be a levy payer. If your business pays the levy, the cost is essentially zero and it is an “opportunity cost” rather than a financial outlay. If you don’t spend it on your business it is repaid to the government and you have lost the opportunity to invest that in your business.

We appreciate that training costs are only part of the cost incurred. If you are sending an employee on any training, the investment cost is the time spent undertaking that training. Apprenticeships are lengthy, an apprenticeship has to be at least 8 months in duration, which means that about 36 days of wages are paid to the employee to attend training. That’s about 15% of the wages for one year, paid to an employee, who you may regard as not being at work.





**Some incentives help with costs-** These are usually aimed at young employees, usually under 22 (but also those under 25 if they have an Education Health Care Plan, EHCP):

- £1,000 paid to the employer if they enrol on an apprenticeship before their 19th birthday
- No employer contribution if the business employs less than fifty people (and the apprentice is under 22).

Reduced costs of training are not the only benefits of utilising apprenticeships:

- Increased productivity
- Innovative solutions
- Better staff retention
- Increased loyalty

Whether it is to upskill your team or to recruit into your organisation apprenticeships are cost-effective. They are also a way to ensure that your team has the appropriate skills that suit your organisation.





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# Where Do I Start?



Decide on whether you are **recruiting or upskilling**. It sounds obvious but this focus helps determine your research and the types of providers and standards that you need.

- If recruiting understand the person you are looking to attract to your vacancy. Are they young? Do they need to demonstrate previous experience? When are they likely to be looking for a vacancy like yours?
- If upskilling, be open-minded. Anyone, yes anyone, can do an apprenticeship. A Level 7 apprenticeship is the equivalent to a Masters!





### Understanding the lingo

- **Standards**- the syllabus/content of the training delivered and the areas that the apprentice will have to demonstrate that they have learned/understood.
- **Providers**- The ones delivering the training “off-the-job”. They are working for you, regardless of whether you are paying them directly or not.
- **Apprentice**- your employee who will be undertaking the apprenticeship. They are an employee, they have an employment contract, you and they are bound by employment laws. It is just a title and doesn't have to be their actual job title.
- **Apprenticeship**- the additional tri-party agreement that covers the duration of the training. The parties are: employer, apprentice, and provider.
- **Contribution**- Your contribution of 5% to the training costs if the apprentice is 22+ or you employ more than 50 employees.
- **Levy**- 0.5% of your annual payroll if your payroll is more than £3m.
- **SME**- Small, Medium Enterprise - Less than £50 million turnover/revenue and less than 250 employees. An SME can be a levy payer! Not associated with apprenticeships but you are more likely to get support from others if you are an SME.



### Understand the apprenticeship landscape

Don't assume anything, whether from your own experience or your perception. There are:

- Circa 685 apprenticeship standards (the syllabus/content of the training).
- Circa 1,800 registered training providers of these standards.
- Lots of different places to advertise apprenticeship vacancies (if you are recruiting).

### Seek out those offering impartial advice

Providers will only offer you what they can provide. No provider offers all apprenticeships. Those offering impartial advice are:

- Local authorities, can vary by region.
- Apprenticeship Ambassador Network
- Amazing Apprenticeships
- Apprenticeships.GOV.UK





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# Mentoring





Apprenticeships are a vehicle for training someone with the skills and knowledge to undertake a role/tasks within your organisation. The principal is the apprentice is learning and applying the skills and knowledge necessary, for 100% of their paid hours for the length of the apprenticeship.

- 20% of the training will be delivered by someone outside your business- the provider.
- The other 80% of the time, they are **applying the skills/knowledge in the workplace with supervision and guidance from a mentor**, and learning from someone who already undertakes the role/tasks effectively in your business.

Understanding this is important for a successful apprenticeship. As an employer, if you assume that someone outside of your organisation is going to teach them everything that they need to know, you will have wasted your time and that of the apprentice and the provider.







However, this doesn't mean that you need to assign a mentor exclusively to the apprentice. It requires minimal time investment, but it relies on trust and, most crucially, providing an environment where the apprentice can fail without the fear of dismissal.

- At the start of the apprenticeship, there will be a significant amount of time and support needed, but this will reduce very quickly.
- After the first four or so weeks, the apprentice will know they can approach their mentor about anything they are unsure of, will be given the opportunity to undertake tasks and present them for checking by their mentor, and will have regular reviews so that both they and their apprentice can understand capabilities and what areas still need time.
- There will be good communication so the apprentice can ask for experience of what they are being taught or asked to study by the provider.





As mentioned earlier apprenticeships are not for acquiring new skills in your business.

- If your payroll is undertaken by your accountant or another service provider, employing an apprentice to do your payroll is likely to fail.
- The apprentice will only get 20% of the training necessary to undertake the payroll and will not be able to learn on the job.
- If the payroll business is willing to support you and the apprentice to be that mentor and help your business undertake its payroll then the apprenticeship may work.
- The mentoring can be done by an organisation or person outside your business.





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There are ways in which you can acquire new skills for your business through apprenticeships:

**Flexi apprenticeships** - where the apprentice is employed by a host organisation and their 80% on-the-job experience is shared across multiple organisations so that the apprentice gets all of the experience necessary to undertake a role.

Host organisations are very few and their availability is very dependent upon your location.







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# Myth Busting and Realities





### Apprenticeships are:

- For anyone of any age, at any stage of attainment.
- For recruiting new staff and upskilling existing employees.
- Cost-effective- the costs of off-the-job training are wholly or significantly covered by the government, or levy that you cannot spend on anything but apprenticeships.
- Varied- with over 660 standards from Level 2 (GCSE equivalent) to Level 7 (Masters equivalent).
- Lengthy- minimum 8 months but can be 4+ years.
- Not an alternative to employment, they are a training mechanism.





### If recruiting:

- An apprenticeship still has to be attractive. Those leaving education are looking for a career with progression, benefits such as paid holiday, and appreciation for a job well done.
- Understand your audience and consider how best to recruit the best candidates.
- Don't think that thousands of school leavers are taking up apprenticeships at age 16, typically less than 5% of school leavers will gain an apprenticeship. This varies across Lancashire.





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## Providers:

- Offer a selection of apprenticeships- but not always the one that is suited to you or your business.
- Over half the apprenticeship vacancies in Lancashire are with providers that are not based in Lancashire.
- The product is pre-determined- so the differentiator in selecting the provider can be service, flexibility, enrolment times, ability to recruit, method of delivery.

## The training:

- Can be delivered by day release/block release.
- Can be delivered in the workplace (dependent upon availability).

