

Apprenticeships: More Detailed Information and Key Facts

Benefits and Value of Apprenticeships

Apprenticeships are key to growing a skilled and competitive workforce for Wiltshire that meets the needs of employers both now and in the future and drive business development and economic growth. They are popular amongst employers because apprentices are more likely to acquire the appropriate competencies, functional skills and experience of the work environment and have higher levels of employability.

There is substantial demand from employers for Apprenticeships at Levels 4, 5, 6 & 7. The Government's £25m investment in the development of further Higher Apprenticeships will be pivotal to delivering the higher skills most critical for economic growth. They are developed by employers for employers and help businesses grow the leaders of the future. With the expansion of Higher Apprenticeships, apprentices are able to progress into higher level learning and acquire the accreditation and recognition that professional skills can give. This approach is vital for businesses to attract new talent and for people to see Apprenticeships as a route to professional status and senior job roles.

In March 2014 new research was released by Government which revealed that almost half (44%) of businesses in the country plan to take on apprentices in the next 5 years. This compares to just over 3 in 10 (36%) employers when asked the same question this time last year. The study also reveals that a fifth (20%) of SMEs plan to take on 1 or more apprentices in the next 12 months alone, with more than a third (37%) of larger businesses planning to do the same, compared to 15% and 28% respectively in February 2013.

Research shows that for every £1 invested in an apprentice, the wider economy benefits to the tune of £18. Nearly every employer that takes on an apprentice (96%) reports benefits to their business. 72% of businesses report improved productivity as a result of employing an apprentice. The average Apprenticeship increases business productivity by £214 per week, with these gains including increased profits, lower prices and better products. Other benefits reported by apprentice employers include improved product or service, the introduction of new ideas to the organisation, improved staff morale and better staff retention, each mentioned by around two-thirds of employers. Businesses that offer Apprenticeships view them as beneficial to their long-term development. According to the British Chambers of Commerce, most employ an apprentice to improve the skills base within their business.

Key benefits of being an apprentice include earning a salary, getting paid holidays, receiving training, gaining qualifications and learning job-specific skills. Career progression is excellent for apprentices, and over the course of their careers, research shows those with an Apprenticeship earn, on average, £100,000 more than those without.

Apprenticeship Design and Development

Apprenticeships are designed by the Sector Skills Councils while the National Apprenticeship Service helps to fund the training. Business representatives from the relevant industry sector work with the Sector Skills Councils to develop the relevant course content.

Employment and Training of Apprentices

The majority of the training for an Apprenticeship is delivered "on the job". The rest can be provided by a specialist learning provider, college or in some cases the employer themselves. Depending on the sector and job role an Apprenticeship can take anything between one and four years to complete. An Apprenticeship leads to full competency in an occupation, demonstrated by the achievement of an Apprenticeship standard that is defined by employers.

Only providers rated 'Outstanding' or 'Good' by Ofsted can deliver Traineeships as a new programme aimed to address problems raised by employers. Employers can contact local education and training providers to work in partnership with them to offer traineeship work placements. They can also contact the National Apprenticeship Service directly who can help them to integrate traineeships into their business.

Employment is expected to be for a minimum of 30 hours per week, except in the minority of circumstances, in these cases employment must be for more than 16 hours per week and the length of the Apprenticeship will need to be increased accordingly to ensure the apprentice has gained the required level of skills and knowledge to do the job. For all Apprenticeships commencing on or after 6th April 2012 a requirement was introduced to employ them under an Apprenticeship Agreement as a condition for completion of an Apprenticeship. Without it an Apprenticeship certificate cannot be issued.

A National Minimum Wage for apprentices was introduced on 1st October 2010. The wage applies to all apprentices aged under 19; and apprentices aged 19 or over in the first year of their Apprenticeship. The National Minimum Wage for apprentices is £2.65 per hour and applies to time working, plus time spent training that is part of the Apprenticeship. Employers are encouraged to pay above the new wage and many do so, research shows that the average salary is approx £170 per week. Employers must ensure that they are paying their apprentices at least the minimum wage.

Financial Support Currently Available

The amount of funding subsidy for an Apprenticeship depends on the job role and the age of the apprentice. Table 1 below summarises the amount of funding available for different age groups.

Table 1: Current Apprenticeship Funding Rates

Age of apprentice	Proportion of funding available for training
16 to 18	100% of course fees
19 to 24	Up to 50% of course fees
25 or over	Up to 40% of course fees, depending on the sector

From August 2013 apprentices aged 24 or above on an Advanced or Higher Apprenticeship no longer attract Skills Funding Agency funding will be offered an Advanced Learning loan. In such cases it is expected that employers will continue to make a contribution towards the costs of the Apprenticeship with the remaining costs being met by the individual.

In addition to the funding available to support the training element, significant government funding has been made available to support eligible employers to take on new

apprentices. The Apprenticeship Grant for Employers of 16 to 24 year olds (AGE 16 to 24) aims to support businesses to recruit individuals aged 16 to 24 into employment through the Apprenticeship programme, who would not otherwise be in a position to do so. The National Apprenticeship Service will provide AGE 16 to 24 to eligible employers, in respect of qualifying apprentices, with an individual value of £1,500. Employers can be paid ten grants in total during the lifetime of the initiative. AGE 16 to 24 targets employers with less than 1000 employees, who are new to Apprenticeships or haven't enrolled a new recruit or existing employee onto an Apprenticeship programme in the previous 12 months. AGE 16 to 24 is available until 31 December 2014.

The role of the National Apprenticeship Service

The National Apprenticeship Service is a dedicated part of the Skills Funding Agency established to support employers would-be apprentices. Their employer teams, including SME specialists, are on hand to guide employers through the process of hiring and training an apprentice. For small and medium sized employers (under 250 employees), their specialist small business support team provides a responsive and customer focused web and telephone service which offers a high quality, tailored experience to each employer. For larger employers (250+ employees), their employer account managers offer dedicated and personalised support, to meet the specific training and recruitment needs of each employer. They offer impartial advice on whole workforce development strategies which can include a direct grant arrangement.

The NAS website www.Apprenticeships.org.uk contains a wealth of information and toolkits to help employers and would be apprentices to learn more and support them on their journey. Apprenticeship Vacancies is the free official job site for Apprenticeships in England and is managed by the National Apprenticeship Service. The system enables quality vacancies from employers to be viewed and applied for nationally by thousands of candidates that register onto the system.

Further support is available from NAS to support the promotion of Apprenticeships. The National Apprenticeship and National Training Awards are an opportunity to showcase and celebrate the exceptional standards and quality of Apprenticeships and training being delivered in the work place today. WorldSkills UK Competitions feature national and international skills competitions for young people and adults and drives up levels of expertise in further education, skills and Apprenticeships. These competitions reward real talent among the nation's apprentices and further education students. Working in conjunction with the Education and Employers Taskforce, the National Apprenticeship Service is calling on advocates of Apprenticeships to help "Inspire the Future" of school pupils by providing an insight into their own career and giving advice on making good choices. The programme will allow schools to select local speakers that most meet their own needs. Inspiring the Future provides an easy to use system by which schools can access volunteer speakers in their local area, inviting them to attend career related activities and events. All speakers will receive relevant, accurate and current information regarding Apprenticeships.