



E-GUIDE

MAYOR OF LONDON



The ultimate guide to apprenticeships
for employers and how to hire one



FOREWORD

"Apprentices continue to help the prosperity of London businesses," says Jill Lowery, Deputy Director, National Apprenticeship Service – London



Apprenticeships in England are enjoying a buoyant and expansionist phase, with significant government investment making it a perfect time to

either hire or become an apprentice.

Apprenticeships offer many advantages to both employer and apprentice. At any one time there are up to 25,000 apprenticeships available through 'Find an apprenticeship', the official employment matching site managed by the National Apprenticeship Service.

At present over 100,000 employers offer apprenticeships in over 220,000 locations. Apprenticeships are available in a wide variety of industrial and commercial settings, covering 170 industries and 1,500 job roles. It is possible for high-calibre entrants to study up to degree level, and all the while being paid for it. This employment option appeals to many who like the idea of a university-level education, but cannot face the huge financial implications of 3-4 years of full time study.

Apprentices offer significant benefits to potential employers. For example, a recent study¹ showed that 96% of apprentice employers reported the economic value that

apprentices bring to their company. This included factors such as the introduction of new ideas, improved staff retention and higher morale within the company. There are also financial benefits from having training 'tailor-made' to suit company requirements, especially in skills areas not readily available on the external job market.

According to the Apprenticeship Evaluation: London Employers report, businesses in London say that apprenticeships have helped:

- Improve product or service quality (75%)
- Improve staff morale (66%)
- Improve staff retention (60%)

A lot of help is now available for businesses considering taking on an apprentice. All employers receive free impartial advice and support from the National Apprenticeship Service. Employers pay the trainee's wages but funding is available towards training costs. All training costs are covered if the apprentice is aged 16-18, and a proportion of costs can be reclaimed if they are aged 19 or over. While firms with less than 250 staff can apply for the £3,000 VAT-free London ESF AGE grant.

Now is an excellent time to recruit and train an apprentice. The NAS would be delighted to hear from you, and guide you through the simple process.



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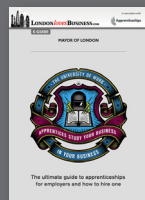
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This e-guide is brought to you by London/ovesBusiness.com, in association with the Mayor of London and the National Apprenticeship Service.

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WHY TAKE ON AN APPRENTICE & WHY NOW?

Every day a London business owner receives a personally-signed letter from Boris Johnson. Why? Because the Mayor is on a mission to inform every one of London's large businesses of the huge benefits apprenticeships can bring to their organisations. With nearly three-quarters of businesses reporting improved productivity thanks to their apprentices, Boris doesn't want London firms missing out.

The Mayor's penmanship aside, the popularity of apprenticeships is growing. Last year saw the number of apprenticeship vacancies increase across the UK by 29%. They are no longer the reserve of the trades. Giants across all industries – Waitrose,

Barclays, Deloitte, Siemens – all offer competitive apprenticeships, with new employers announcing plans for more programmes all the time.

For an increasing number of SME and corporate employers, graduates no longer make up the Holy Grail of the recruitment strategy; the UK's talent pool has expanded, and it's apprentices who are blowing it up.

So what can apprenticeships and apprentices do for your business?

› **Apprenticeships** provide a mix of on-the-job training and industry qualifications. They can last from one year to four years, and span a multitude of qualification levels and skill-sets, via a range of delivery models. These are explained in chapters 3 and 4.

1 **Bring you up to date**
Think apprenticeships are for trades only? Think again. The latest statistics from the National Apprenticeship Service show the biggest growth in apprenticeship vacancies and applications have been in arts, media and publishing. In fact, in 2013, there were on average 17 applications for each position in the arts, media and publishing sector.

2 **Boost your bottom line**
In a **survey** by the Department for Innovation, Business and Skills (BIS) published in 2012, 96% of employers reported benefits to their businesses thanks to the introduction of apprentices, while 72% reported improved productivity. Two thirds of employers spoke



of other benefits such as improved products or services and the introduction of new ideas.

3

Save you money

The apprentice National Minimum Wage is £2.73 per hour, though many employers pay more, especially after a year of training. Depending on the age of your new apprentices, your business may be eligible for up to 100% of the training costs incurred. The ESF AGE grant of £3000 is available to businesses with less than 249 employees, if you haven't recruited an apprentice in the last 12 months. Factor in the costs saved from promoting your vacancies free of charge (see 4), and suddenly your recruitment costs are slashed.

4

Streamline your recruitment strategy

No matter the size of your business, recruiting an apprentice has never been easier. More apprenticeships than ever are now promoted online and advertised in England on the National Apprenticeship Service's website for free. The National Apprenticeship Service **Recruitment Made Easy** guide will help you to streamline the process, keeping costs to a minimum.

5

Give you loyal staff

It's a major issue for all employers: once you've found the staff, how do you keep them? A **survey** found almost 70% of employers of apprentices benefited from increased staff morale and improved staff retention. The nature of an apprenticeship which can be up to 4 years long promotes a powerful sense of loyalty among new recruits. The nature of an apprenticeship which can be up to four years long, promotes a powerful sense of loyalty among new recruits.

6

Give you skilled staff

The apprenticeship model has evolved so much that apprentices can now go on to complete a Level 6 Apprenticeship in Quantity Surveying – equivalent to a bachelor's degree! Today's apprenticeships are designed to ensure maximum flexibility for you, the employer, so that your apprentices receive optimum training – helping you to plug an existing or potential skills gap, grow your business, and reap the benefits.

7

Diversify your work force

Just as apprenticeships are no longer dominated by the traditional trades, nor are

APPRENTICESHIPS IN NUMBERS...

72%

of employers reported that apprentices improved business productivity

96%

of employers reported that apprentices benefit their business

53%

of all apprentices are female



they dominated by men. Last year saw the traditional gender gap continue to close, as over half (53%) of all apprentices are female. And just as the gender bias is closing, so too are apprenticeships playing an important role in the social mobility agenda. For many organisations – particularly those once dependent on graduate recruitment – introducing apprentices has helped to dramatically diversify their workforce and boost productivity as a result.

8

Motivate your workforce

When questioned about apprenticeships for BIS's 2014 survey, a massive 66% of employers reported improved staff morale, while 70% of businesses agreed their apprentices had improved their product or service quality. Read the case studies section at London.gov.uk/apprentices and you'll find a bank of employers hailing their apprentices as passionate, enthusiastic and motivated.

9

Put you on par with the business superstars

Whether you're a Silicon Roundabout start-up, a Cornwall hotel chain, or a mid-sized accountancy firm, you know your industry's superstars – and you can bet good money they have an apprenticeship programme or are looking into one. Did you know that the Royal Opera House now recruits apprentices? That Facebook and Google recently welcomed their first intake – or that **PwC employs some 300 higher apprentices?**

10

Make you a better employer

We have nearly three quarters of a million under-25's unemployed.

APPRENTICESHIPS IN LONDON

Smaller businesses with less than **250** employees are entitled to apply for a grant of **£3,000** to help to meet the costs of taking on a new apprentice aged 16 to 24, if the apprentices start before 30 June 2015.

Over **100,000** apprentices have been created using the Apprenticeship Grant for Employers (AGE), and the current London ESF AGE Grant doubles this offer to **£3,000**

Meanwhile **eight out of 10** apprentices say their apprenticeship has improved their ability to do their job, provided them with sector-relevant skills and knowledge, and improved their career prospects. Offering an apprenticeship within your firm not only helps your business, but gives you a unique opportunity to help ambitious young people get their vital first step onto the career ladder.



CASE STUDY

Internet service provider, **Optimity**, is providing young people with opportunities, while securing skills for the future

Optimity Ltd is an East London-based technology company providing high speed internet connectivity services to fast growth SMEs across the capital. The company currently employs seven apprentices on Advanced or Higher Apprenticeships in: IT, Software, Web and Telecoms Professionals.

"One of our biggest constraints to growth has been

a shortage of skills," says Anthony Impey, founder and managing partner. "At the same time, London has 25% youth unemployment, particularly in our local boroughs. This paradox led us to develop our own apprenticeships based on the skills we need,

which will also give local young people a route into a career in technology."

Optimity received valuable

“Our apprentices have far exceeded our original expectations”



support from the National Apprenticeship Service to set up its apprenticeships, and also benefited from AGE 16-24 (the apprenticeship grant for employers), which includes an additional £1,500 for small businesses. "We've found this invaluable to supplement additional training activity and vendor qualifications for our apprentices," says Anthony.

Talent pipeline

Optimity's apprenticeships are proving to be the perfect solution for the business.

"Prior to developing apprenticeships, recruitment channels produced inconsistent results," says Anthony. "This caused staff turnover, wage inflation, and limited our ability to meet our business objectives.

"By focusing on developing exceptional talent via apprenticeships, using a qualification tailored to our needs, we have significantly reduced our skills shortage, created an effective and consistent recruitment channel, and built a long-term talent pipeline.

"And our apprentices have far exceeded our original expectations. Because we are giving many of them their first real opportunity, they are showing the level of ambition and determination that will make them key members of our team in the future. We are also achieving significant ethnic and gender diversity."

Positive influence

Optimity's apprentices complete qualifications including a Level 3 NVQ in IT Practitioner, before moving onto a Higher Apprenticeship. "We have 100% retention of our apprentices, with the expectation that they stay with the business for a minimum of

“Prior to developing apprenticeships, recruitment channels produced inconsistent results”

three years," says Anthony.

For its commitment to high quality apprenticeships, Optimity has been named Medium Employer of the Year for the London region of the National Apprenticeship Awards 2014. The business aims to continue championing apprenticeships and reaching out to its local community.

"We have incorporated our apprenticeships experience into a not-for-profit organisation called Tech Up Nation, to help other local technology SMEs to take on apprentices," says Anthony. "As more businesses participate, we will address both the skills gap and social inequality across our sector. Apprentices will ultimately go on to become the technology leaders of the future."

To find out more about apprenticeship opportunities, please contact the National Apprenticeship Service on 08000 150 600 or visit london.gov.uk/get-started



UNDERSTANDING APPRENTICESHIPS

And what to offer your apprentice



Angels The Costumiers, London
Regional highly commended for London,
National Apprenticeship Awards 2013

If you've decided you'd like to offer an apprenticeship, you're in good company – some 100,000 employers are currently offering apprenticeships in over 200,000 locations around the country. Welcome to the club.

But before you think about offering an apprenticeship to someone, you need to understand the ins and outs. And you might be surprised by how many different types of apprenticeships there are, and the choices you have when it comes to offering them.

Let's get stuck in.

The basic facts on Apprenticeships

- › Apprenticeships take between one to four years to be completed – it completely depends on the occupation.
- › Your apprenticeship can be unique to you and your apprentice. Apprenticeships do have some set content – like the curriculum – but as an employer, you can determine optional units to meet your specific needs.
- › You're not alone when delivering your apprenticeship – they are mostly delivered in partnership with a college or other training provider.
- › Generally, apprentices work for at least 30 hours a week. This can change if the length of the apprenticeship changes.
- › There are different levels of apprenticeships, ranging from Intermediate to Higher (which are up to degree level).
- › You must pay apprentices a wage at least the minimum for apprentices (unless you are offering a Higher Apprenticeship). You can find out what that is on page 11.

“As an employer, you can determine units to meet your needs.”



What are the various levels of Apprenticeship?

INTERMEDIATE LEVEL APPRENTICESHIPS

Apprentices work towards work-based learning qualifications such as a Level 2 Competence Qualification, Functional Skills and, in most cases, a relevant knowledge-based qualification.

Level 2:

Competence that involves the application of knowledge in a significant range of varied work activities, performed in a variety of contexts. Collaboration with others, perhaps through membership of a work group or team, is often a requirement. At secondary schools, Level 2 is equivalent to five GCSEs at A*-C level.

ADVANCED LEVEL APPRENTICESHIPS

Apprentices work towards work-based learning such as a Level 3 Competence Qualification, Functional Skills and, in most cases, a relevant knowledge-based qualification.

Level 3:

Competence that involves the application of knowledge in a broad range of varied work activities performed in a wide variety of contexts, most of which are complex and non-routine. There is considerable responsibility and autonomy and control or guidance of others is often required. At sixth form/college, Level 3 can be worth 2 A-levels at A*-C.

HIGHER APPRENTICESHIPS

Apprentices work towards work-based learning qualifications such as a Level 4 Competence Qualification, and in some cases, a knowledge-based qualification such as a Foundation Degree

Level 4:

Competence that involves the application of knowledge in a broad range of complex, technical or professional work activities performed in a variety of contexts and with a substantial degree of personal responsibility and autonomy. Responsibility for the work of others and the allocation of resources is often present.

How do you decide which level to offer?

The National Apprenticeship Service and/or your chosen training provider will support you in deciding which type and level of apprenticeship is most appropriate for the vacancy you have. There is an employer helpline you can call to discuss your requirements: 08000 150 600.

You should keep in mind, though, that the level of apprenticeship you choose will impact the length of the apprenticeship and the cost of the third-party training. There is, though, financial support for some of these costs. You can find out more about that on the next page.

HIGHER APPRENTICESHIP LEVELS (ABOVE 4)

› Level 5

Equivalent to a foundation degree

› Level 6

Equivalent to a bachelor degree

› Level 7

Equivalent to a master's degree



NATIONAL MINIMUM WAGES PER HOUR

£2.73

1st Year
apprentice

£3.79

Under 18

£5.13

18-20

£6.50

21
and over

How much should you pay your apprentice?

For all apprenticeships you must offer the national minimum wage for apprentices. For the first year of every apprenticeship, the apprenticeship minimum wage applies: £2.73 per hour. For every year after, you must pay the minimum wage relating to the apprentice's age. The apprenticeship minimum wage rate does not apply to Higher Apprenticeships.

Who can you offer an apprenticeship to?

Your apprenticeship can be offered to either new or existing employees.

The role of the training provider

When offering apprenticeships, most employers work in partnership with an external training provider. These training providers are generally colleges of further education or independent training providers – either private or voluntary.

The training providers provide support to employers and they receive government funding. They are also subject to inspections from the Office for Standards in Education, Children's Services and Skills (Ofsted), so you can be assured of the quality of the training provided.

What can you expect from a training provider?

› Help in developing an apprenticeship

programme that suits you.

- › Advice regarding any financial support you may be entitled to.
- › Help in developing timescales and schedules for you and your apprentice.
- › Support in your search for an apprentice.
- › Provide ongoing support and advice throughout the apprenticeship.

How much support can you get towards the cost of training an apprentice?

Training providers have fees like many other higher education facilities. In many cases, they will receive funding to cover the costs, and in some cases even get 100% of the costs funded.

Age of apprentice

Portion of funding available for training

16-18 ›	100% of the cost of training*
19-24 ›	Up to 50% of the cost of training
25+ ›	Up to 40% of the cost of training

Smaller businesses of up to 249 employees are also entitled to apply for a grant of £3000 to help to meet the costs of taking on a new apprentice aged 16 to 24. It's possible to claim this grant up to five times in London and apprentices must start before 30th June 2015. These grants are offered on a first-come, first-served basis due to limited funds.



HOW TO HIRE AN APPRENTICE

The next step is actually finding your apprentice. Before you begin, you should reassure yourself that apprenticeships are becoming an increasingly popular choice for young people and adults wishing to further their education. A whopping 54% of young people would like to do

an apprenticeship if one was available, according to 2013 data from research company ICM. There's no reason you won't be able to find a dedicated, motivated and energetic apprentice to join your team and help to make your apprenticeship a success.

1.

CHOOSE THE DELIVERY MODEL FOR YOUR APPRENTICESHIP PROGRAMME.

You can deliver your programme in four main ways, which are dependent on resource and your management preferences.

- › **Localised approach:** Organised by the training provider. Apprentices recruited directly by the business manager. Usually better suited to small employers than large firms.
- › **Corporate approach:** Well suited to large companies. The business decides on the qualifications needed, but the college or training provider delivers the programme on their behalf. The business monitors progress throughout to ensure the apprenticeship meets their corporate needs.
- › **Employer in-house:** The business is responsible for all aspects of the delivery of the apprenticeship.
- › **Employer academy:** This option lets you offer the apprenticeship through an academy that can provide specialist equipment and training. It's popular for engineering apprenticeships, for example. Find out more about [delivery models](#).

2.

DECIDE ON YOUR REQUIREMENTS AND APPRENTICESHIP FRAMEWORK.

What skills will the apprentice require to do the job? What skills will the apprentice have gained by the end of the apprenticeship? The apprenticeship you offer must be defined by a qualifying apprenticeship framework. This document covers the statutory requirements of an apprenticeship programme and makes sure programmes are delivered to the same standard. The National Apprenticeship Service or your chosen training provider will help you select the most appropriate framework.



3.

WILL YOU HIRE SOMEONE NEW?

Work out if you want to hire someone new for your apprenticeship, as you can also offer one to an existing employee. The chances are that if you are giving it to someone internally, you already have someone in mind. If not, it's worth considering. Is there someone already working with you who would benefit from what you're offering?

4.

FIND A TRAINING PROVIDER TO PARTNER WITH.

Most apprenticeships are offered in partnership with a training provider. There is a training organisation search tool located on the apprenticeships website. All training providers are inspected by Ofsted so you can see their results on the [Ofsted website](#). You'll obviously need to make sure the organisation you are thinking about can support your needs in terms of business area, job roles and level of apprenticeship. Again, if you need help in selecting a training provider contact the National Apprenticeship Service.

5.

DECIDE HOW YOU WANT TO FIND YOUR APPRENTICE.

There are two basic ways of going about finding an apprentice. You can find a training provider first and ask them to find someone for you, or you can advertise your apprenticeship online independently.

There is an [official apprenticeships job site](#), run by the National Apprenticeships Service. Either the training provider will use this site and monitor your placement, or you can manage this yourself. A compelling apprenticeships advert will lay out what the apprentice will gain from your apprenticeship, the hours they will work, the culture of your organisation, the wage (or wage bracket), the qualification they will gain, and so on.

The Department for Work and Pensions can provide support if you're looking to recruit unemployed people or those from disadvantaged groups.

As well as that, you might want to consider building relationships with schools to tell their pupils about the apprenticeships you offer, and to promote the apprenticeships you offer through your corporate website, social media and PR activity.



6.

USING THE NATIONAL APPRENTICESHIP SERVICE JOB SITE.

Thousands of candidates register with the National Apprenticeship Service, meaning your apprenticeship is likely to be viewed by a wide range of candidates from all over the country. Your apprenticeship can be promoted using social media such as Twitter or Facebook and there is an option to direct applicants directly to your website to continue their application.

7.

THE APPRENTICESHIP AGREEMENT.

The Apprenticeship Agreement is a statutory requirement that is, in basic terms, a signed undertaking that the apprentice will work for you and that the apprenticeship is happening in connection with a qualifying framework. It comes in addition to, or as part of, the apprentice's employment contract. It's a signed agreement between you and the apprentice that lays out the nature of the apprenticeship, according to the framework that defines it. Find out more about the Apprenticeship Agreement.

8.

CONSIDER THE LEGALITIES OF HIRING AN APPRENTICE.

Apprentices are employed by you and therefore will be entitled to the same rights as your other employees – as well as paid time for study.

- › As is the case with all employees aged over 16, apprentices must pay tax and national insurance on their earnings.
- › Apprentices must be given at least 20 days' paid holiday per year as well as bank holidays. When the apprentice starts, you need to include holiday entitlements in their contract.
- › Apprentices get paid for their training time, as they do their time in the workplace. Think of an apprenticeship as a package of both on and off the job training.
- › An employer is entitled to take on as many apprentices as they want.
- › All apprentices must have a contract of employment, and (since 6 April 2012) must be employed under an Apprenticeship Agreement, which must state that the apprentice will be undertaking an apprenticeship in a particular skill, trade or occupation.
- › Apprentices have the same rights as any other employee. If early dismissal (before the end of the apprentice's training period) can be justified and there is sufficient evidence that their conduct or capability is unsatisfactory, then they can be dismissed as long as this is carried out in accordance with the HR procedures of your workplace. When considering dismissal for any member of staff you should take independent legal advice.



9.

MAKE SURE YOU ARE FULLY INFORMED ABOUT THEIR PROGRESS.

An apprentice is an investment for your business. You should make sure you have a system in place with your team and your training provider to ensure progress is properly monitored. If someone is falling behind you may need to rethink their training schedule/arrangements.

Get more advice on monitoring the quality and performance of your apprenticeship programme

10.

WHAT TO DO WHEN THE APPRENTICESHIP HAS ENDED.

The idea behind taking an apprentice is that you end up with a fully-trained, new member of staff once the apprenticeship has ended. Some 86% of apprentices remain in employment once they finish, two-thirds with the same employer. Not only do they stay in work, a quarter of all former apprentices receive a promotion within 12 months of finishing, providing further value to the business and creating an opening for your next apprentice!

WHAT NOW? FIND OUT MORE...

Additional support for offering apprenticeships in London

- › **Apprenticemakers** – national network bringing together businesses involved in apprenticeships
- › **Skills London 2015**

For more advice, contact the National Apprenticeship Service:

- › 08000 150 600
- › **[london.gov.uk/get-started](https://www.london.gov.uk/get-started)**
- › The National Apprenticeship Service's extensive online advice for employers



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