



Hiring apprentices

A guide for employers

Apprenticeships give young people the opportunity to develop the skills and experience they need to take the **first steps towards starting a career** by completing guided in-work training, usually delivered by a specialist training provider on behalf of a business.

Apprenticeships also allow employers to tailor training around current and future skills needs, enabling them to **future-proof their workforce** and create a strong talent pipeline. This also helps employers to maximise retention of young employees and reduce on-going recruitment and ad hoc training costs.

Apprenticeships are one of the government's top priorities, and it has pledged to create **3 million new apprenticeships by 2020**. To support this agenda and drive up quality, the apprenticeship system is undergoing some major changes. To fund this, the new Apprenticeship Levy will come into effect in April 2017.

N.B. Skills is a devolved policy area, meaning that this system only applies fully in England.

Apprenticeships at a glance

Level 2 to 7

The range of training levels available, equivalent to GCSEs up to Master's level

£3.30 per hour

The current apprenticeship minimum wage, although most employers pay more

£28,800

The maximum government funding available to train apprentices

12 months to 4 years

The time it takes to complete an apprenticeship

30 hours per week

Usually the minimum hours an apprentice must work

2017

When the new apprenticeship system will be fully implemented

Backed by **City&Guilds Group**



Changes to the apprenticeship system

The apprenticeship system is being radically reformed, but the steps you need to complete to employ an apprentice will remain broadly the same. This guide highlights stages in the process that will be affected by the changes, but for a more in-depth summary of all the changes, please read our separate Factsheets on Apprenticeship Changes and The Apprentice Levy for more details, [available on our Future Proof site here](#).

Major changes include:

- The current training 'frameworks' are changing to 'standards' designed by groups of employers
- The funding formula is changing, which will make it even more affordable to hire apprentices
- The Apprenticeship Levy of 0.5% of larger employers' wage bills will be introduced in April 2017
- The new digital apprenticeship service will allow employers to pay for training via digital vouchers

Step by step

Stage 1: Scoping

1. Assess whether apprentices are suitable for your business needs

Firstly, you need to determine whether apprentices fit into your strategic workforce planning needs and can be made sustainable for a young person. Creating apprenticeships for their own sake instead of addressing a tangible business need and using apprentices as a cheaper alternative to more experienced staff are two situations that will cause your scheme to fail.

For example, **ITV** had three clear business drivers for creating their apprenticeship scheme which help to make it viable and sustainable: they wanted to address a lack of gender diversity in niche technical areas, the skills gaps in business and commercial areas, and the high cost of recruiting and training temp workers.

While apprentices are in many ways just like normal employees, they do need a higher level of support to sustain their progress and their work tasks need to be carefully aligned to the framework or standard they are following, which can be resource intensive. Here are some questions you need to consider to ensure your apprenticeships will be suitable and sustainable for both your company and your apprentices:

Suitability

- Are you creating an apprenticeship in response to a real and tangible business need?
- Is there a suitable standard or framework that responds to this business need?
- Will the roles be flexible enough to allow apprentices to complete their studying around them?
- Do you have the resources to support an apprentice for the full course of their training?
- Will you be able to cope if one or several apprentices do not complete their training?

Sustainability

- Does the framework/standard you've selected offer progression opportunities at your company?
- Are you likely to have roles available for apprentices to apply for after completion?
- What training are you offering to the staff who will be managing apprentices?
- Can you provide dedicated pastoral support to your apprentices?
- Is the wage you're considering competitive and financially viable for young people?

2. Decide which framework or standard fits your proposed job role

All apprentices must complete an approved course of training aligned to their job role. These courses are currently known as 'frameworks', but they are gradually being replaced by new 'standards', which are being developed by groups of employers under the Government's 'Trailblazers' scheme. Many of these standards are complete and ready for delivery, and new standards are being published regularly as they are approved. The list of standards will be complete by 2017.

As with frameworks, standards all contain an element of English and maths skills training, however unlike frameworks, they don't lead to individual qualifications. Instead, standards are more closely aligned to specific job descriptions and contain an end assessment to determine occupational competence.

You can view the [list of standards being developed here](#), and if an appropriate standard is not ready yet, you can see [the list of frameworks here](#), which you can still use until 2017.

If there isn't an approved or planned standard which suits your needs, you can consider developing a new standard with a group of employers. You can contact the Trailblazer standards coordinators at apprenticeship.trailblazers@bis.gsi.gov.uk for more information.

For example, **Barclays** identified that none of the planned Trailblazer standards fully met their specific business needs, so they have developed their own degree-level Trailblazer Higher Apprenticeship in Relationship Banking Management.

Your company can also employ a range of apprentices on a mixture of levels and frameworks or standards in order to draw young talent into different areas of the business. For example, **Whitbread** have three different Apprenticeship programmes: an Intermediate Hospitality Services Apprenticeship, an Advanced Apprenticeship in Hospitality Supervision and Leadership and a Higher Apprenticeship in Hospitality Management.

Stage 2: Setting up

1. Calculate costs and research what funding you're eligible for

There are two direct costs associated with employing apprentices: their wages and the cost of their training. The Government provides funding to cover some or all of the training costs depending on which criteria you and your apprentices meet, but you must cover the wage costs yourself.

However, as part of the changing system, from April 2016 employers of apprentices aged 16 to 24 will no longer have to pay National Insurance contributions for them. [You can read the government's guidance on this here.](#)

Wages

There is a specific minimum wage for apprentices, and the rate for 2015/16 is £3.30. This applies to apprentices aged 16 to 18 at all stages of their training, and to all other apprentices aged 19 and over in the first year of their training. After this, anyone aged 19 and over is entitled to the National Minimum Wage rate appropriate to their wage.

Even though the apprentice wage is lower than the National Minimum Wage, employers need to consider whether the wage they are planning to pay their apprentices is sustainable for them to live on as young

adults. Many employers offer apprentices highly competitive salaries to attract the best talent, with the average hourly rate paid in 2014 being £6.79. **Living Wage** want to deliver successful apprenticeships, enabling people into great, well paid employment, so pays all their apprentices the Living Wage.

From early 2016, the Government will start to publish average apprenticeship pay by sector to increase competitiveness and drive up quality.

Funding for training

The cost of training varies depending on what level the apprenticeship is and what the training involves (for example, training requiring specialist equipment and materials is more expensive) and different training providers are able to set their own fees.

Under the new system, the maximum amount training providers can charge to deliver each standard will be capped and will fall into one of six banding linked to the cost of delivering training, range from £3000 to £27,000 for niche technical training. Which banding each standard falls into will be confirmed soon.

Under the new funding formula, the Government will pay for the first two thirds of all training, with additional top ups for 16 to 18 years olds, SMEs and payments on successful completion. Due to the way the payments are calculated, as with the old system, training for apprentices aged 16 to 18 will always be fully funded, though part of the payment will only be accessible on completion.

The current system

- Apprentices aged 16 – 18: 100% of training funded
- Apprentices aged 19 – 24: 50% of training funded, employers cover the rest
- Some funding contributions available for apprentices aged 25 and over

The new system

- All apprentices: a minimum of two thirds of training funded
- Three additional incentive payments top up this base for:
 - Employing apprentices aged 16 – 18
 - SMEs
 - For successful completion

For full details about how much funding will be available for training and eligibility criteria, please see [p7 of the Government's guidance here](#).

2. Find a suitable training provider

There are many different types of training provider to choose from including local colleges, private training companies and apprenticeship training agencies. Training providers all receive funding from the Government to deliver apprenticeships, with employers paying any outstanding amounts not covered by funding, and all providers are inspected by Ofsted.

The National Apprenticeship Service has a [useful online search tool](#) which you can use to find a list of registered apprenticeship providers. If you are looking to establish an apprenticeship programme, you may wish to consider using one or several large national providers and run your scheme centrally, or run a more localised programme through regional managers and working with local providers such as colleges.

For example, **EE** decided that they wanted to offer a large scale apprenticeship programme so they implemented a mix of local and national providers because it gave them flexibility they needed for their different programmes.

If you are interested in hiring apprentices but you can't commit to employing them for the full duration of their training, for example if you are a construction company and only require an apprentice electrician on site for three months, you can hire apprentices via apprenticeship training agencies (ATAs). ATAs employ apprentices directly and administer wages and training. If you are no longer able to employ an apprentice, your ATA will secure another placement for them with a different employer.

Once you have selected your provider(s), you can then agree the terms for your apprentices' training and the costs involved. Once you have recruited your apprentices, you can then confirm their eligibility for funding based on their age and your provider will help you to access the funding, which will be paid directly to them.

As part of the changes, a new Digital Apprenticeship Service will be established in 2016 which will allow all employers to research training providers, check what funding they are eligible for and book training online, with funding being applied automatically through the online portal.

Other delivery models

Larger employers who want to take control of all aspects of their apprenticeships can apply for funding to deliver their own training. They can also opt to open 'employer academies' if they wish to deliver apprenticeship using particular facilities or equipment. For more information on these different models, [read the government's guidance here](#).

3. Recruit your apprentice

You can recruit an apprentice in the same way as you would recruit any other young employee, and you can find lots of helpful resources on making your recruitment processes as youth-friendly as possible under the Hire section of our Future Proof website. Some training providers will also help with recruitment.

The National Apprenticeship Service also provide a [dedicated area on their website](#) where you can advertise your apprenticeship vacancies directly to young people and manage your adverts. They have also created a wide range of useful tools to help employers with the apprenticeship recruitment process including candidate scoring and feedback templates.

Form an apprenticeship agreement

Once you have recruited your apprentice, legally all employers and their apprentices need to have an apprenticeship agreement in place. There are a few key differences between apprentice agreements and standard employment contracts - for example, you can't make an apprentice redundant. However, you must offer apprentices the same conditions as other employees working at similar grades or in similar roles.

You can [download the government's apprenticeship agreement template here](#) and you can read the government's [guidance on apprentices and conditions of employment here](#).

Stage 3: Supporting and progressing your apprentice

1. Give your apprentice an induction

For many young people, starting an apprenticeship will also mean starting their first job, so providing them with an extensive induction that covers both their role as an employee and an outline of what the training element of their apprenticeship involves is very important.

Many employers deliver a joint induction with their training provider or another partner. For example, all **British Gas** apprentices are also enrolled onto the gold Duke of Edinburgh Awards scheme, and they receive a week long induction off site to give them the chance to get to know one another before beginning work.

For some tips on making your induction as youth-friendly as possible, [read our Guide to Youth-Friendly Induction](#).

2. Ensure your apprentice's learning and development plan is aligned to future job opportunities

Apprentices' learning and development plans are aligned with the framework or standard that they are following, and they require regular supervision and feedback sessions with their line managers and monthly meetings with assessors from their training providers.

In order to ensure that your apprentices are as well equipped for future job roles as possible, you can also identify any other skills and experience in your job descriptions which apprentices need to acquire to enable them to be well prepared for future roles.

For example, **EE** train all their apprentices in customer service and technical skills to enable them to apply for a wide range of roles across the organisation after completing their training.

Case study

Read more about how Barclays' apprenticeship scheme has been key to building a strong Early Careers programme

Where to go next?

- The National Apprenticeship Service provides an excellent range of support for employers including a telephone advice line for small and medium employers and dedicated account managers for larger employers. You can [get in contact with them to discuss taking the first steps towards hiring apprentices using the details here](#).
- If you are interested in hiring Modern Apprenticeships in Scotland, read our blog [about the differences between apprenticeships in England and Scotland here](#).