

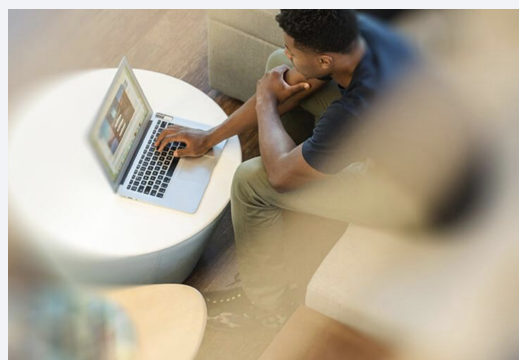
Why Apprenticeships?

Why Now?

In 2017, the UK Government introduced the Apprenticeship Levy to encourage companies to invest in training their employees in key areas that would address the UK skills shortage. Until the end of July 2020, employers could use their Levy pot to fund the original Apprenticeship Frameworks (qualification-led) or to pay for the newer Apprenticeship Standards (occupation-led) that are developed with “Trailblazing” employers. Apprenticeship Standards are related to what is needed in the workforce - leading to employees that are capable and qualified in that future role (not just the theory, but having applied it throughout their apprenticeship).

Despite the Levy having been introduced three years ago, many myths and misconceptions still exist around what an apprenticeship is, who can do them and the value they offer to learners and employers alike. As a result, just taking the May-December 2019 period alone, over £400 million of Levy that could have been used to train new talent or upskill their existing employees expired from Employer accounts (source:

<https://www.bbc.co.uk/news/uk-politics-51505625>).



So, why are employers treating the Levy as a tax rather than spending it on their employees?

From conversations with many employers, we know the constantly changing apprenticeship landscape has frustrated those trying to use their Levy and has stopped some organisations from even trying. Others cite the administrative burden, failed training providers, the required 20% off-the-job and the inflexibility to use Levy funds on shorter training courses as insurmountable barriers inside their organisation to capitalising on the apprenticeship scheme so far.

Yet, there are many benefits of apprenticeships for employers and employees alike

There are currently 585 approved standards ranging from Level 2 (the equivalent to GCSEs) up to Level 7 (the equivalent of a Masters) across a wide range of roles and sectors - meaning there is likely something relevant for most of your employees, whatever their age. Since the Frameworks were discontinued last month, all the newer Standards develops learners' skills and behaviours, as well as their knowledge. They typically last for 12-48 months, making them a good foundation for employees' wider personal development plans.

Used correctly, apprenticeships can attract and retain talent and, in some cases, they deliver professional qualifications alongside the apprenticeship (that would otherwise have to be bought commercially).

Beyond the training itself being Levy funded, employers can gain additional cost-savings by going down the apprenticeship route such as; **zero employer NI contribution on their apprentices that are under 25** and £1,000 incentive payments, per apprentice, that are 16-18 years old. Even smaller employers that are not paying into the Levy can take advantage of the apprenticeship scheme by making a 5% co-investment whilst the Government pays the remaining 95% of the apprenticeship cost directly to the apprenticeship training provider on your behalf.

The Levy has been in place for three years, so why is now the right time to get involved for the first time or to consider expanding your existing apprenticeship programme?

Beyond the benefits already listed, many of you will have seen the news on the **additional Government Incentive** payments for employers hiring new apprentices between August 2020 and January 2021. For new hires during this period, the Government will pay £2,000 per apprentice for those aged 24 years or under and £1,500 per apprentice for those aged 25 years and over. There is no cap on the number of new apprentices/incentive payments that a company can receive during this period.

The new apprenticeship system has been in place for some time, and apprenticeship training providers have successfully developed their learning plans to give apprentices every chance of success.

In addition, though Covid-19 has undisputedly brought a wide range of challenges across the business landscape, many apprenticeship training providers have shifted to or increased their remote apprenticeship delivery models. This has, in turn, provided greater flexibility on how training is delivered and gives more choice to employers on which suppliers they can work with, as they are no longer restricted by geographical locations.

Whilst the supplier landscape will continue to evolve, tools exist such as Ofsted reports, Learner Satisfaction data and National Achievement Rates Tables (which now cover the timeframe of Apprenticeship Standards) to help you select a robust partner for your Apprenticeship Training needs.

Here at Hemsley Fraser (HF), our team offers Apprenticeship support as a part of our Managed Learning Service to organisations large and small. From helping you save money by using the Apprenticeship Levy to fund your training programmes; through to sourcing or managing your existing apprenticeship supply chain, HF is here to help you navigate the apprenticeship landscape more easily.

For an informal chat to see how Hemsley Fraser could help you get started, or support your existing apprenticeship strategy, please reach out to helen.palmer@hemsleyfraser.co.uk.