

A Guide to Apprenticeships for Small Business

Business Information Factsheet
BIF313 · May 2015

Introduction

Apprenticeships enable young people and adult learners to train in a real job and gain a recognised qualification while earning a wage. Apprentices usually work at least 30 hours a week and must be paid at least the appropriate National Minimum Wage rate for apprentices (which varies according to their age).

Government funding for training apprentices is available throughout the UK, and, depending on location, employers can also apply for separate grants or employer recruitment incentives if they take on an apprentice.

Most apprenticeships are delivered as partnerships between employers and training organisations and have a set structure and course content, which usually takes between one and four years to complete. However, additional content can be added to the apprenticeship to meet employers' specific needs.

An apprenticeship comprises several qualifications, including a competency element such as an NVQ qualification (or an SVQ in Scotland), a technical element such as a BTEC qualification, and a functional skills element covering literacy and numeracy.

Apprenticeships in England are available at several levels, including intermediate, advanced and higher (degree) levels, and cover over 1,500 job roles in more than 170 industries.

In Wales apprenticeships are available at three levels (foundation, apprenticeship and higher). In Scotland the equivalent programme is the Modern Apprenticeships scheme, while in Northern Ireland employers can take on apprentices under the Apprenticeships Programme.

This factsheet provides an overview of apprenticeships for small business and describes the benefits to business and apprentices. It outlines the different types of apprenticeship, how to recruit an apprentice and what support and funding is available to employers.

What are the benefits of taking on apprentices?

Apprenticeships are reported to bring a variety of business benefits:

- According to the British Chambers of Commerce, business owners usually employ an apprentice to improve the skills available within their firm.
- It has been reported that the average person completing their apprenticeship increases business productivity by over £200 a week.
- Employers that offer apprenticeships report that they help with the longer-term development of the business.

Where are apprenticeship vacancies advertised?

Apprenticeship vacancies are advertised in different ways across the UK:

England

The National Apprenticeship Service, which is a division of the Skills Funding Agency, has a specialist small business team that advises employers with fewer than 250 employees about how to approach the process of recruiting and taking on an apprentice.

Employers intending to take on an apprentice can advertise their vacancy free of charge on the National Apprenticeship Service's apprenticeship vacancies website, which will enable them to reach over half a million potential apprentices who are searching for a vacancy.

Training organisations also promote apprenticeship vacancies on behalf of employers and support them in finding apprentices through the Apprenticeship Vacancy Matching Service (<https://apprenticeshipvacancymatchingservice.lsc.gov.uk/navms/Forms/Candidate/Apprenticeships.aspx>).

Alternatively, employers who would like to take on an apprentice but who cannot commit to the time that is required for the completion of a full apprenticeship can use an apprenticeship training agency, which will source and employ the apprentice as well as organising their training. The employer acts as a 'host' employer and pays the agency a fee for the apprentice's services.

Wales

Careers Wales provides a free online apprenticeship matching service which enables employers to view and shortlist applicants, send out interview invitations, and accept or reject applicants online. For more information and to register for the online service, go to www.careerswales.com/employers/server.php?show=nav.9829.

Scotland

Modern Apprenticeship vacancies in Scotland are advertised via the Apprenticeships in Scotland service. It is run as a web-based social enterprise by young people, with the support of professional careers advisers, and provides a niche youth jobs board specialising in advertising apprenticeship opportunities. Go to www.apprenticeshipsinscotland.com for more information.

Employers registering on the website can advertise an apprenticeship opportunity for up to 30 days for fees starting from £95 (excluding VAT). Go to www.apprenticeshipsinscotland.com/submit-new-opportunity to view the full range of fees for different advertising services provided by Apprenticeships in Scotland, and to register an apprenticeship opportunity.

Northern Ireland

Employers in Northern Ireland can submit apprenticeship vacancies online free of charge through the Employers Online NI portal, which is run by the Department for Employment and Learning (DELNI). Go to www.nibusinessinfo.co.uk/node/14883 for more information. Vacancies are automatically advertised throughout the Job Centre network and via www.jobcentreonline.com/JCOLFront/Home.aspx.

What support and funding is available?

Support and funding for apprenticeships varies across the UK:

England

The Apprenticeship Grant for Employers (AGE 16 to 24) provides grants of up to £1,500 per apprentice for employers with fewer than 50 employees who have not taken on an apprentice within the previous 12 months and who intend to take on apprentices aged 16-24. Grants are awarded by the National Apprenticeship Service and are available for apprentices who are recruited by employers until 31 December 2015. Employers can apply for a maximum of five grants.

Go to www.apprenticeships.org.uk/partners/policy/age-1624.aspx for more information.

Greater Manchester Combined Authority, Sheffield City Region and West Yorkshire Combined Authority have been granted devolved control of the AGE budget in their areas. Go to www.gov.uk/government/uploads/system/uploads/attachment_data/file/418102/AGE_Facilities_information_March_2015.pdf for more information and for details of how to apply for an AGE grant in those areas.

In addition, funding for training apprentices is available, which is claimed by training providers on behalf of employers.

The amount of funding available for training varies according to the apprentice's job role and age as follows:

- 100% of course fees for apprentices aged 16-18.
- 50% of course fees for apprentices aged 19-23.
- A contribution to course fees for apprentices aged 24 or older.

Go to www.gov.uk/take-on-an-apprentice/employer-grants-apprentices for more information.

Wales

The Young Recruits Programme provides funding for apprentices aged 16-24 who have been employed for no more than 10 weeks and who are enrolled on a Level 2 or Level 3 apprenticeship framework with a Welsh Government-contracted training provider.

Apprentices must be progressing from the Jobs Growth Wales programme (<http://wales.gov.uk/topics/educationandskills/skillsandtraining/jobsgrowthwales/?lang=en>) to an apprenticeship programme with the same employer (in which case employers are entitled to receive £50 per week for a maximum of 26 weeks) or be a shared apprentice under a shared apprenticeship protocol (in which case employers can claim £50 per week for up to 52 weeks).

Go to http://business.wales.gov.uk/skillsgateway/sites/dfes/files/documents/employers_apprenticeship_guide_0.pdf for more information.

Scotland

Various employer incentives are available for employers that take on apprentices in Scotland, including:

- The Legacy 2014 Employer Recruitment Incentive, which is a payment of £1,500 to ensure a lasting legacy from the 2014 Commonwealth Games. The funding is available to employers with fewer than 150 employees that wish to recruit Modern Apprentices aged 16 to 19 under a variety of eligible Modern Apprenticeship frameworks that are sports or Games related.
- The Employer Recruitment Incentive for Targeted Young People is a payment of £1,500 for employers who take on a young person (including under a Modern Apprenticeship) aged 16 to 29 who either has a disability, is a care leaver, is a young carer or is an ex-offender. An additional £500 payment may be available to help with the costs of tailored training or mentoring.

Go to www.ourskillsforce.co.uk/modern-apprenticeships/funding-a-modern-apprenticeship for more information.

Northern Ireland

In Northern Ireland employer incentives ranging from £250 to £1,500 are available for employers when their apprentice completes the apprenticeship programme.

Funding is also available for training apprentices, covering the full training cost for apprentices aged 24 or under, and 50% of the training costs for apprentices aged 25 or over who are following specified training frameworks.

For more information, go to www.nibusinessinfo.co.uk/node/14880.

National Minimum Wage rates for apprentices

The National Minimum Wage (NMW) sets the minimum rates that must be paid by law. NMW rates vary according to the age of the worker and there is a specific rate payable to apprentices.

NMW rates usually change each year in the Budget. The changes come into effect on 1 October.

The current NMW rate for apprentices aged 16-18, and for those aged 19 or over who are in their first year of an apprenticeship, is £2.73 per hour.

It will rise to £3.30 on 1 October 2015.

Go to www.gov.uk/national-minimum-wage for more information about the NMW.

Apprenticeship training organisations

Apprenticeship training organisations that are used by employers include independent training providers and colleges of further education that receive Government funding to deliver nationally recognised qualifications for apprentices.

Training organisations are responsible for supporting employers by:

- Developing apprenticeship programmes to meet both the employer's and apprentice's needs.
- Advising about available funding for apprenticeships.
- Assisting with recruiting an apprentice.
- Preparing training plans for apprentices.

- Managing the recruitment process and paperwork relating to apprentices' training.

Group training associations, which are employer-led training organisations that are usually also companies limited by guarantee and often charities, provide small firms in England with access to sector-specific apprenticeships and training opportunities. They provide dedicated training facilities in specific fields, focusing on specialist apprenticeships, for example in engineering, manufacturing or construction.

Apprenticeship training organisations in England can be found using the search tool at <http://findatrainingorganisation.nas.apprenticeships.org.uk>.

Training organisations in Wales can be found by searching the Careers Wales work-based learning search directory at www2.careerswales.com/coursesinwales/default.asp.

In Scotland training organisations can be found through the National Learning Opportunities Database, My World of Work. For more information, go to www.skillsdevelopmentscotland.co.uk/about-us/what-we-do/with-training-providers.

To find a training organisation in Northern Ireland, go to www.nibusinessinfo.co.uk/node/14883.

What are traineeships?

Traineeships are Government-funded training programmes that are delivered by training providers in England and Wales in partnership with employers, who provide interview experience and work placements to enable young people to become 'work ready'.

Traineeships are unwaged but provide young people who need to develop their skills further before applying for apprenticeships with the opportunity to undertake training in functional skills such as maths and English, while giving them vital work experience.

Go to www.gov.uk/government/collections/traineeships-programme and www.careerswales.com/employers/server.php?show=nav.9828 for more information about traineeships.

The Certificate in Work Readiness is a similar scheme in Scotland (www.skillsdevelopmentscotland.co.uk/our-services/certificate-of-work-readiness/).

Hints and tips

- Apprenticeships cover most business sectors. Contact trade associations, sector skills councils and further education colleges to obtain details of apprenticeships relevant to your sector.
- If you are thinking of recruiting an apprentice you will need to consider the ongoing cost of training and wages.
- If employing staff aged 17 or under, check whether your local authority has any relevant by-laws governing the employment of young people. See BIF 259, A Guide to Employing Staff Under 18 Years Old, for further information.
- Remember that apprenticeships are available for people aged 25 and over. Employers often use apprenticeships as a means of helping their older employees to improve their existing skills and develop new ones.

Further information

To access hundreds of practical factsheets, market reports and small business guides, go to:

Website: www.scavenger.net

BIF 259 A Guide to Employing Staff Under 18 Years Old

BIF 328 A Guide to the National Minimum Wage

Useful contacts

The National Apprenticeship Service is responsible for the apprenticeship programme in England. It publishes guidance and information for employers looking to take on an apprentice.

Tel: 0800 015 0600

Website: <http://nas.apprenticeships.org.uk>

Skills Development Scotland is responsible for Modern Apprenticeships in Scotland. It publishes information and guidance for employers.

Tel: 0800 783 6000

Website: www.skillsdevelopmentscotland.co.uk

ApprenticeshipsNI manages the Apprenticeship Programme in Northern Ireland. It provides advice and information for employers on taking on an apprentice.

Website: www.nibusinessinfo.co.uk/content/apprenticeships-employers

Careers Wales runs the apprenticeship programme in Wales. It publishes information and guidance for employers on taking on an apprentice.

Tel: 0300 123 3833

Website: www.careerswales.com/employers

DISCLAIMER While all reasonable efforts have been made, the publisher makes no warranties that this information is accurate and up-to-date and will not be responsible for any errors or omissions in the information nor any consequences of any errors or omissions. Professional advice should be sought where appropriate.

Cobweb Information Ltd, Unit 9 Bankside, The Watermark, Gateshead, NE11 9SY.

Tel: 0191 461 8000 Website: www.cobwebinfo.com