Demystifying apprenticeships

Apprenticeships are a golden opportunity for the charity sector, but with so much red tape to wade through they often go untapped. Rhea Maughan from the Charities Aid Foundation explains everything you need to know to tap into apprenticeships.

Apprenticeships offer a myriad of opportunities for both individuals and employers. Unfortunately they come with a minefield of information to wade through, complex technical requirements, and a 109 page employer funding guide (yikes!) so it's hardly surprising to find that employers - and charities amongst them - are failing to fully embrace them.

Shockingly, from May 2020 to February 2021, more than £1bn of apprenticeship levy funds was estimated to have gone unspent. Just stop and consider that for one moment. In a world when charities have never been more cash strapped, and budgets for training and development may have been slashed, a massive potential apprenticeship pot has effectively gone to waste.

I've pulled together everything you need to know to tap into apprenticeship levies, to give clarity on the apprenticeship offering and how it can be used to bolster HR and learning strategies. I hope I've answered some of the burning questions frequently asked by HR and L&D teams, such as: 'Is it really worth all the effort?' (Yes!) and 'Where on earth do we start?' I also explain how you can potentially cover 100% of the cost of training apprentices, with levy money that other organisations haven't spent. Do please get in touch if you'd like to know more.

Eligibility

In a nutshell, an apprenticeship is a paid job providing experience and training, to enable an individual to reach competency in a specific job role. Apprenticeships can be used to upskill or reskill existing employees and new recruits. There's no upper age limit. The key question when considering eligibility is: 'Does the individual require significant training to reach competency?' If the answer to this question is yes, it's likely they're eligible.

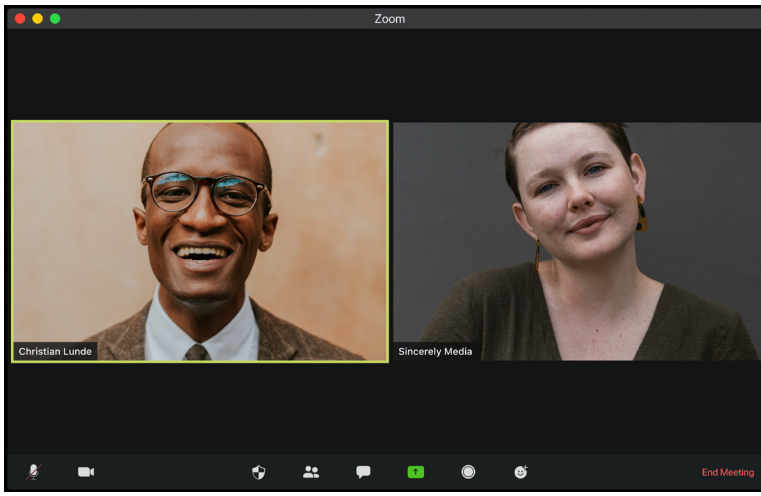
Apprenticeship standards

Standards outline the knowledge, skills and behaviours (KSBs) required for a specific job role. As of April 2021 there are around 600 apprenticeship standards and a further 86 in development. Even though few sector-specific standards exist, numerous standards are relevant for charities. Notably the 'Fundraiser' standard launched in 2020. New standards continue to be developed, and there are some exciting prospects on the horizon. A list of all standards and their costs can be found on the Institute for Apprenticeships (IFA) website. A standard for a Coaching professional apprenticeship was also launched in 2020.

How it works in practice

Apprenticeship training must be delivered by an approved provider. The list of more than 2,000 approved providers can be downloaded here. Selecting the right training provider is a topic in itself. Suffice to say that it's best to select a provider who shows an understanding of the sector and a willingness to embrace your charity's values. Some charities have also become providers too, such as St John Ambulance.

Apprenticeships last a minimum of 12 months and up to five years for higher levels. Throughout the duration, the employee must spend a minimum of 20% of their contracted hours in off-the-job training. Training is usually delivered via a blended approach, with a mix of tutor support, workshops, and virtual learning. Both the employer and training provider play a key role in supporting the apprentice to reach competency.



Completion

Completion is achieved through an independent end point assessment (EPA) where an assessor will ensure the employee is competent in the KSBs outlined in the standard they are working towards. You can download a list of approved end point assessment organisations here. If you want them to, your apprenticeship training provider can help with this selection and do some of the leg work for you, but it's the employer's right to select the EPA of its choice.

Benefits to charities

Apprenticeships offer the opportunity to develop the workforce, ensuring they're armed with the skills to support the achievement of the charity's objectives. When contrasted with alternative development solutions, the robust structure of an apprenticeship often provides a more effective route than implementing numerous fragmented solutions to reach the same outcome.

The wider benefits of apprenticeships include increased employee morale, motivation and productivity. The willingness of an employer to invest in employee development is powerful, often translating into enhanced employee loyalty and thus retention.

Considering apprenticeships for new recruits opens up access to fresh pools of talent that may have otherwise been overlooked. Recruiting candidates requiring development, but with the right aptitude and enthusiasm, can lead to finding the charity's talent of tomorrow.

As an added benefit, the government offers an incentive payment of £1,000 for hiring an apprentice - as long as you meet certain criteria. Until the 30 September 2021, employers will also receive an extra £3,000 for every new apprentice, of any age.

Getting started: Identifying apprenticeship opportunities

Exisiting employees

Start by assessing the skills of the current workforce. Are employees equipped with the skills they need to achieve their objectives? Are they future-fit for potential new skills demands? Look at the workforce, identify skills gaps and remain future-focused.

New recruits

Adopt the habit of assessing all roles for apprenticeship suitability before advertising. If you need a candidate to 'hit the ground running' an apprenticeship may not be a viable option. However, for roles where there's space to nurture development, an apprenticeship can widen the pool of prospective candidates, increase the speed of recruitment, and offer the right individual a chance to forge their career.

Niche roles

There will always be roles that prove challenging when it comes to sourcing the right candidate. For example, niche technical roles requiring distinct qualifications or experience. Charities may struggle to compete with the private sector's remuneration packages for these types of roles, and therefore to command the attention of competent candidates. However, combining vacancies with apprenticeship training can enable charities to widen their search, and source individuals with the potential to develop into valuable assets.

How to access apprenticeship funding

First create a digital account. NB. Each organisation can only have one account.

1 Government funding for non-levy payers

- Any organisation with a wage bill of less than £3m - including charities - doesn't have to pay the levy, but can still access apprenticeship funding for new or existing employees
- The employer contributes 5% towards training costs and the government funds the remaining 95%
- There isn't a cap on funding, but you can't have more than 10 apprenticeships running at the same time
- Apprenticeship funding needs to be reserved before training commences. Reservations can be made through the digital account
- If you've already sourced a training provider, they can help with administration and 'reserve' funds on your behalf
- Government funding is paid direct to the training provider but employers will see a record of everything in their digital account
- The employer will be invoiced by the training provider for the remaining 5%

2 Further support for small charities

For smaller organisations the government will pay 100% of training costs when the apprenticeship meets certain criteria.

3 Levy paying organisations can transfer some of their apprenticeship funds

Levy paying organisations can transfer up to 25% of their funds to other employers, including charities. If the estimate of £1bn of unspent apprenticeship levy money is correct, that means there are potentially millions of pounds available out there! For example, The Prince's Trust has previously benefited from spare apprenticeship levy money transferred from Tesco. there are potentially millions of pounds available out there!

- Any organisation with an annual pay bill surpassing £3m automatically pays an apprenticeship levy, which is collected directly via HMRC. In reality, less than 2% of UK employers are estimated to pay this
- These funds enter the employer's digital account and can be used for apprenticeship training. After 24 months, any unused funds are returned to the government. However, 25% of any unused levy money can also be transferred to another employer, which is a fantastic opportunity for charities
- The huge benefit of sourcing this spare levy money is that it can be used to fund 100% of apprenticeship training (rather than the 95%/5% co-funding option outlined above)
- There is no cap on the number of apprentices that you can fund with spare levy money that has been transferred.
- Transferred funds can be used for new apprenticeship training for new or existing employees
- Employers (whether transferring or receiving funds) can manage this whole process through their digital accounts

Tips for finding spare apprenticeship levy money

You can try and find employers who may want to transfer spare levy funds by:

- Asking everyone and anyone that you know - use social media, for example, to make it known that your charity is looking for spare apprenticeship levy money
- Speaking to training providers - which may include other charities - particularly if you have an established relationship with them
- Asking your charity's partners, backers, supporting organisations and other employers in your supply chain
- Targeting larger, levy-paying organisations
- Collaborating with other charities and organisations like the Charity Learning Consortium and Charities Aid Foundation
- Apprenticeships are a Government backed programme so if you have established contacts with your local council they may also be able to offer advice
- Connecting with your Local Enterprise Partnership to see if they can broker relationships (thanks to Nick Ribeiro for suggesting this)

Further information

The Apprenticeships website is a fantastic resource for further information about anything and everything to do with apprenticeships. If you want to speak to someone directly the National Apprenticeship Service can be contacted on 08000 150 600. Or do please get in touch with me if you have any questions about the above.

Rhea Maughan

Rhea Maughan, Assoc CIPD, is the Learning and Development Officer, People Team at the Charities Aid Foundation (CAF). She has seen all sides of the coin when it come to apprenticeships. Having been an apprentice and an apprenticeship assessor, she now works on the employer side managing CAFs apprenticeship offering.