

Apprenticeships – A solution to the increasing skills gap?

A report from the Oxford Learning College suggests that around 40% of current workers in the UK don't have the right qualifications for their job, either being underqualified or overqualified. It is estimated that by 2030, 20% of the UK workforce will be significantly under skilled for their jobs.

Rishi Sunak acknowledged this matter during his time as chancellor, saying: "We lag behind international peers on adult technical skills. Just 18% of those aged between 25 and 64 hold vocational qualifications, which is a third lower than the OECD average, and UK employers spend just half the European average on training their employees."

So, how can you protect your business and ensure you're educating your existing or new staff?

Apprenticeships could be the solution. They are a brilliant way of bringing new skills and talent to your business. Through this process, you are able to help fill skills gaps within your business, offer training and provide hands-on experience for young people in your industry. With apprenticeship participation rates increasing by 1.6% in the last 12 months, now is a great time to invest in the next generation of workforce.

In this guide, we are going to walk you through some key points on apprenticeships and how they can benefit your business.

What are apprenticeships?

Apprenticeships are a long-established method of practical and theoretical training of individuals, usually within a skilled profession, undertaken whilst also working in the profession.

They are often perceived as a way into employment for younger people. However, apprenticeships are open to all who are aged over 16.

What are apprenticeship agreements?

There are two types of apprenticeship agreements (old style and new style). This is due to the phasing out of apprenticeship 'frameworks' and the introduction of apprenticeship 'standards' in England (Wales has maintained the 'frameworks').

In England, all apprenticeships begun on or after 1 August 2021 should be on an Approved English Apprenticeship Agreement under a 'standard'. Any apprenticeships begun before that date on the old style agreement must be completed before 31 March 2025.

The main difference between 'frameworks' and 'standards' is that standards are occupation-focused; they are not qualification-led. The learning happens throughout the apprenticeship and the apprentice is assessed at the end. They need to prove that they can carry out all aspects of their job. They develop transferable skills and gain credibility too. This is arguably more realistic to how employees are assessed in the workplace, rather than the apprenticeship focusing on qualifications that do not add value or experience.

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Off-the-Job training

Apprentices who are working towards both apprenticeship frameworks or apprenticeship standards must receive paid off-the-job training.

- This applies to apprentices of all levels
- The duration of off-the-job training must be minimum 20% of the duration of the apprenticeship
- It can be provided at your place of work; no requirement for it to be off site
- Records should be kept of the training though this will normally fall to the training provider
- The time spent training falls within working time for national minimum wage purposes.

Hiring an apprentice.

There are a few steps you can take when you are hiring apprentices. These are different if you're trying to hire an apprentice in Scotland.

The steps are the following:

- Choose what kind of apprenticeship standard you want to use. You should consider what industry you operate in while making this decision.
- Visit the Gov apprenticeships page to see exactly what training is on offer so you can establish which is most applicable to your business.
- There are organisations that exist that may offer apprenticeships that match the apprenticeship framework you've chosen
- After this you can start to put adverts out that you are hiring for an apprentice.
- From here, you can go through your normal recruitment process to find your new starter.

Once you've selected the apprentice, you must create an apprenticeship agreement and a commitment statement.

Apprenticeship employment Contracts & Rights

You need to ensure that you have a signed apprenticeship agreement, as an employer it is your responsibility to provide this. In your apprenticeship agreement, you should state the skill, trade and role the individual will have.

Generally, Apprentices work for at least 30 hours a week. However, the number of hours an Apprentice works each week can be reduced if the length of the Apprenticeship programme is also extended. The number of hours must also be amended if the apprentice only works part time.

As with any of your employees, your apprentices still have employment rights. However its important to remember that Young Workers Rights will also apply to any apprenticeships aged under 18. Our HR experts can help you draft an apprenticeship agreement, get in touch with one of the team here for more advice.

Apprenticeship Wages

Employers must pay at least the apprenticeship rate of National Minimum Wage to those under 19 and older apprentices in the first year of their apprenticeship. Once an apprentice is aged over 19 and has completed 12 months of their apprenticeship, they are entitled to the NMW (National Minimum Wage) rate for their age. The apprentice must also be paid NMW for time spent training at or away from the place of work during normal working hours.

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Terminating an Apprenticeship

If you reach a situation where an apprentice must be dismissed, then there are some considerations that you must make. Apprentices with 2 years service have the right not to be unfairly dismissed, just the same as a typical employee.

Apprentices, by nature, are there to learn and will likely require more support than you would generally give an employee. Of course, there are certain standards you might expect them to reach, but there will need to be some management time invested into a successful apprenticeship. If you are able to do so, then there can be great benefits on both sides.

You can implement a short service dismissal, subject to a careful risk assessment. Just be extremely wary of age discrimination, as this tends to be a common claim for unfair dismissal. In order to avoid a claim for unfair dismissal an employer will need to follow a fair process. This will include looking for alternative work.

Always remember that a dismissal should be a last resort!

How do apprenticeships benefit the manufacturing industry?

- **Addressing Skills Shortages:** By providing structured training and hands-on experience, apprenticeships help to develop a pipeline of skilled workers to meet the industry's needs.
- **Innovation and Adaptability:** Apprentices are often exposed to the latest technologies and practices, bringing fresh perspectives and new ideas to the sector. This helps manufacturing firms to adapt and remain competitive in a rapidly evolving market.
- **Enhanced Productivity:** Apprenticeships enable companies to train individuals specifically for the skills required in their operations. This tailored approach can lead to higher levels of productivity as apprentices learn industry-specific techniques and best practices

- **Cost-Effective Workforce Development:** By providing on-the-job training, companies can shape apprentices to fit their specific needs, reducing the need for retraining and minimizing recruitment costs.
- **Long-Term Talent Development:** Apprenticeships can contribute to a sustainable talent pipeline for the manufacturing industry, enabling businesses to build a loyal and skilled workforce for the future.
- **Improving Industry Reputation:** Investing in apprenticeships can enhance a company's reputation as a responsible and supportive employer. This can be particularly attractive to potential employees and customers, ultimately benefiting the industry as a whole.

Expert support with Croner

As a member of MTA, you can benefit from the award-winning advice from Croner.

Have some more questions on Apprenticeships? Croner's expert advice line can provide further support to your queries.

Call today on **0844 561 8133** and quote your association number.

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