



## RHA Guide to Apprenticeships

Road Haulage Association  
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This guide has been written to give a clearer understanding of what an apprenticeship is and how they work. It also sets out the benefits for both the employer and apprentice, as well as tips on how to get involved.

### **What are apprenticeships?**

Apprenticeships are open to people aged 16 and over and combine real work experience and studying with the end goal of achieving a work-based qualification. This can start at the equivalent of a GCSE, right the way up to degree level. New Employer led Trailblazer groups are in the process of re-writing all of the old frameworks and the sector now have three level 2 apprenticeship standards ready for use.

The new style Trailblazer Apprenticeships have all been written by employer groups from within their respective industry so are very up to date and relevant.

There are four types of apprenticeships - intermediate, advanced, higher and degree. The key differences are listed below:

#### Intermediate apprenticeship Level 2

Equivalent to five good GCSE passes (typically A-C would be referred to as 'good')

Apprentices work towards qualifications such as an NVQ Level 2, Key Skills, and generally a BTEC

Once completed, the skills gained allow entry to an advanced apprenticeship

#### Advanced apprenticeship Level 3

Equivalent to two A-level passes

Apprentices work towards qualifications such as an NVQ Level 3, Key Skills and a BTEC

Generally applicants would already have five GCSEs (C or better) or have finished an intermediate apprenticeship

#### Higher apprenticeship Levels 4,5, 6 and 7

Apprentices work towards qualifications such as NVQ Level 4 and often Foundation degrees

An Apprenticeship can now be taken at degree and masters levels 6 and 7.

Depending on the apprenticeship being undertaken, apprentices can also gain qualifications such as: International Baccalaureate, BTEC Professional Diplomas, Certificates and Awards, OCR Nationals and many more.

Apprenticeship opportunities are available across a broad range of career paths within the sector, not just the driver and warehouse trades but in Human Resources, Accounts, Mechanical Engineering, IT and Administration. A full list can be found on the Gov.UK websites.



Both the employer and the apprentice must meet criteria to make the exercise valid, and indeed legal. An apprentice is there to learn specific skills. For example, an apprentice mechanic would be taught the skills of the trade, learning directly from qualified mechanics.

As in the scenario above, the focus for the employer is teaching the apprentice job-specific skills. They need to be instructed and supported to ensure they pick up these skills. This is a real-life job placement.

Employers must pay the minimum wage. For apprentices aged 16-18, and those aged 19 or over in their first year as an apprentice, the minimum wage is currently £3.50 an hour from 01 April 2017. All other apprentices are entitled to the minimum wage for their age group. For their part, apprentices must combine their employment with study at a college or training organisation.

Depending on what qualification the apprentice is setting out to achieve, an apprenticeship can last from one to four years.

Apprenticeships in Scotland are largely the same, but it's worth checking out the [Skills Development Scotland website](#) for further details.

The RHA has Apprenticeship Training Provider Members who can advise further.

#### What are the benefits of undertaking your own apprenticeship scheme?

For the overwhelming majority of apprentices, this will be their first real work experience and their opening into the culture of a working day. It's therefore a fantastic opportunity for you to develop your apprentice's skills to fit your company's practices and ethos.

The apprentice is essentially a blank canvas when they start working for you. Mould them and train them to be the very embodiment of what your business represents. They offer great flexibility and enthusiasm as they are new to the role and the sector.

As most qualifications and training courses for apprentices are designed with the help of employers, the apprentice will develop the skills and knowledge needed in your workplace. They are reliant on you to help them advance their careers and as an employee they will feel valued, which increases their loyalty and commitment to you.

With their training, they will learn and become familiar with the latest legalisation and regulation, and are often better equipped to understand and use new technologies. They can become a crucial asset in teaching and helping the existing workforce with new challenges. As they grow in their role, skills shortages and gaps can be filled by apprentices you trust.

Businesses can improve their reputation in the local community by hiring apprentices. People look fondly on companies supporting young people - 'giving something back to the community'. By making local schools and colleges aware you recruit apprentices, you can often market your business through channels not otherwise available.

Apprentices are a great way to maximise your recruitment budget. The initial outlay of hiring an apprentice is often smaller than many companies think as a result of government funding and the fact that they are paid a smaller wage.

Depending on your business, employing an apprentice can allow you to price your services or products more competitively, and in time they will help reduce the work burdens of other staff, leading to a better, and more productive work environment. From April 2016, employers of apprentices under the age of 25 do not have to pay National Insurance contributions for those employees.

You will have first option on your employee at the end of their apprenticeship. Having trained them up and helped them complete their qualifications, you have in most - if not all - respects, an ideal candidate for a full-time position should you wish to expand your workforce.

Taking a wider look and it is estimated that for every £1 spent on an apprentice, the economy receives a return of between £26 and £28.

The costs section below will give you information on what funding and grants you could be eligible for if you take on an apprentice, as well as other costs to your business.

### What are the costs?

Like any employee, an apprentice must be paid the minimum wage. As mentioned above, this is £3.50 an hour for 16-18 year olds, and for those who are 19 or over in their first year of an apprenticeship.

If the apprentice is neither of the above then you could be paying £7.20 an hour (for someone 21 and over). They must usually be employed for a minimum of 30 hours per week (unless the apprentice for some reason cannot complete the full 30 hours) and are entitled to most benefits of a regular employee, such as holiday pay. Normal unfair dismissal rules also apply too. You can obviously attract the best apprentices by offering above the minimum wage.

Countering some of those costs is a government report that states 96% of employers who employed an apprentice reported benefits to their organisation, with each apprentice increasing a company's productivity by £214 per week - over £10,000 a year.

Many businesses are also eligible for funding to cover the costs of training apprentices. The amount depends on the age of your apprentice.

New funding rules for apprenticeships would see the LGV apprenticeship funded (to include driver training) to £5000 (£500 employer contribution for employers with more than 50 employees), however an extra £2000 for employing a 16 to 18 year old.

Aside from the obvious financial costs, you will be responsible for committing an agreed amount of time to your apprentice. This must be factored into the working week - which member(s) of your team will be responsible for this and how much of their time will be taken up by this?

You will also have the primary responsibility for the health and safety of the apprentice and any costs associated with this. This might include one or more of the following: induction, training, supervision, site familiarisation and any protective equipment that might be needed.

#### What are the benefits for apprentices themselves?

The number one benefit is that apprentices 'earn while they learn'. Not only will an apprentice acquire key skills in their chosen field, coached and supported by a strong network of people, they will pick up a wage. For young people, this is their first step into the 'real' world and a key move towards independence.

There really isn't a better way to learn a trade than by doing an apprenticeship. Surrounded by qualified people, they have the opportunity to put their skills and new-found knowledge into practice straight away.

Having information resources in the shape of other staff is a huge asset. Asking questions, taking on more responsibility, and throwing themselves into their new role will not only be rewarding, but will lead to better career prospects.

As their skills progress and their value to their employer rises, apprentices can often expect wage increases, plus bonuses for meeting targets and hitting top grades in their qualifications.

Once someone has finished their apprenticeship, they'll be in a strong position in regards to their career path. They may be able to simply carry on working for the same employer, or move to a similar job at another company.

Experience is critical in a competitive job market like the UK. Being able to boast a completed apprenticeship on their CV will give apprentices a huge advantage over many other applicants, while also providing proof that they are a dedicated and talented individual.

As well, unlike most university graduates, apprentices won't be saddled with huge debts. Figures suggest apprentices with the highest qualifications can earn £50,000 more than a university graduate over the course of their lifetime. When the costs of a university education are factored in - £9,000 a year for the average student in England - the financial benefits start to become clear.

Ultimately, apprenticeships are a fantastic launch pad into gainful employment.

#### Is it right for my business? Do you agree with the following statements?

I want my business to expand and develop

I would welcome young, enthusiastic talent into my business

I want to ensure my workforce has the right practical skills and qualifications

I want my business to stay up to date with the latest technology and best practices

I would be able to dedicate time and resources to support and encourage an apprentice to flourish in my business

If you were in agreement to all the above, then the answer is most probably yes, an apprentice would be right for your business.

Clearly every business is different, but more and more employers are realising that training people through apprenticeships is the most competitive and efficient way to grow stronger as a business and a growing number of young people are now looking at the schemes, widening the talent pool.

Of course, it's worth reading more about apprenticeships before making a decision. Further information can be found here <https://www.gov.uk/apprenticeships-guide/overview>

### **The steps involved**

Your business will nearly always have to work with training agencies or providers to create an apprenticeship programme. They will support you by:

- Identifying and creating an apprenticeship suited to your requirements
- Recruiting an apprentice
- Developing a training plan which matches the apprentice and employer requirements
- Reviewing and testing the progress of the apprentice and providing feedback
- Providing training to support the knowledge elements of the programme

You will be responsible for helping create and setting out how you will deliver on-the-job coaching and learning, as well as off-the-job learning. You'll need to demonstrate how mentoring and support will work. In short, contribute to the training plan and describe how you will commit to making it work. We would always recommend speaking to us if you haven't taken on an apprentice before. While there is a multitude of information out there, nothing will help you more in making your decision on whether to employ an apprentice than talking to an expert.

Once you have linked up with a suitable training provider you will need to draw up a Service Level Agreement (SLA). This is a contract that sets out the responsibilities and duties the employer and the apprentice both have, including the measures and deadlines you will both need to follow. Help is available from the government or training organisations in creating this document. A financial contract will also need to be created.

If you are keen on employing an apprentice but cannot currently commit to the length of time needed for a full apprenticeship, an apprenticeship training agency (ATA) can help you. They recruit, employ and arrange training for apprentices on behalf of employers. A sector specific ATA The Real Solutions Group has been set up to assist members. <http://www.therealsolutionsgroup.com/>

Both training agencies and providers will work with you to find you a suitable apprentice, or you can invite people to apply in the same way you would advertise for a job.

## Conclusions

As with everything, there are benefits and drawbacks of employing an apprentice. However, it seems obvious that the benefits far outweigh any perceived negatives and there's an ongoing shift of opinion in the way apprenticeships are thought of by the public and employers.

Nicky Morgan, the previous Education Minister has championed a new law ensuring that state schools promote apprenticeships as much as university education. This is planned for introduction during 2016 and marks the latest move away from encouraging university as the primary route available to pupils.

This plan forms part of a wider push to create three million apprenticeships by 2020 - a Conservative party manifesto commitment, in part being funded by an apprenticeship levy of 0.5 % on large company payrolls which will raise around £3 billion a year.

The number of apprenticeships are only going to rise, increasing the technical and professional capacity of the young workforce. Most businesses, regardless of size, would be wise to invest in this pool.

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