Apprenticeship
AMBASSADORS NETWORK

Apprenticeships Driving Business

The Benefits to Local and National Enterprise

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Apprenticeships

www.employersforapprentices.gov.uk

Apprenticeship Ambassadors Network

Background:

- Launched April 2006
- Successor body to Apprenticeships Task Force
- Membership includes blue chip FTSE 100/250 companies and SMEs, including representation from SSCs, CBI, EEF, MoD and TUC

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Activities

- Work with priority sectors to increase participation through presentations, business breakfasts etc.
- Respond to consultations and reflect employer views to Ministers and their departments
- Provide case study material to the LSC and Skills for Business Network for inclusion in marketing and information material
- Play a particular role in promoting and advising on diversity in gender, ethnicity and disability
- Participate in Apprenticeship award ceremonies and PR activities, including media interviews

Current Facts & Figures - new

- Apprenticeship starts for 2008/09 (239,900) were the highest recorded
- Over 143,400 people completed their programmes in 2008/09
- 180 Apprenticeship frameworks offered in more than 80 sectors
- Top Framework sectors: Business Administration and Law, Retail and Commercial Enterprise, Engineering & Manufacturing Technologies and Health, Public Services & Care

Popular Framework Starts 2008/9

Framework	Starts
Business Administration & Law	64,100
Retail & Commercial Enterprise	48,000
Engineering & Manufacturing Technologies	37,000
Health, Public Services & Care	34,800
Construction Planning & Built Environment	29,200
Leisure, Travel & Tourism	11,300
Information & Communication Technology	8,800
Agriculture, Horticulture & Animal Care	5,200
Education & Training	1,200
Arts, Media & Publishing	200

Apprenticeship Starts, Achievements and Framework Success Rate

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
No. of Starts	185,705	175,751	174,979	184,340	224,800	239,900
No. of Framework Achievements	48,850	66,968	98,661	111,806	112,600	143,400
Framework Success Rate	31%	40%	53%	59%	63.7%	70.9%

Challenges

- Increase Employer engagement (private and public)
- Increasing completion rates
- Leitch aspirations – 400,000 in Apprenticeships by 2020
- An Apprenticeship Entitlement by 2013
- Staying on in Learning 2013 (17) and 2015 (18)
- Linking to new Diplomas
- Equality and diversity in Apprenticeships

Ratio of employed population to apprentices (2006 or nearest year):

COUNTRY	EMPLOYED/APPRENTICES
Germany	22
Switzerland	22
Austria	33
France	67
UK	104

Source: SSDA 2008

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Employer Benefits:

- Delivering higher productivity and work quality which reduces costs and enhances profitability
- Improving staff recruitment, retention and staff satisfaction
- Producing motivated staff and managers of the future
- Reducing skills shortages and fostering a more diverse workforce
- Securing a supply of skills not available on the external job market
- Ensuring the supply-chain has a skilled workforce

- **Employer Benefits (cont)**:
- Lowering wage costs
- Reducing labour turnover
- Increasing interest in training amongst workforce
- Showing company commitment to employees
- Bringing new ideas and innovation to the business
- Enhancing reputation within the industry and the local community

The Value of Apprenticeships

The study demonstrates:

- Apprenticeships are an investment by employers
- Like any investment there are risks attached
- Like any investment it needs to be looked after
- Where it is, the returns to the employer are positive

Source: The Net Benefit to Employer Investment in Apprenticeship Training, Warwick Institute for Employment Research 2008

The Net Benefit to the Employer

The study goes on to show:

- The employers' costs of training are quickly recouped upon completion of the apprenticeship
- Employers report that their apprentices:
  - stay with the company longer once trained
  - are steeped in the company's values because of the way they were trained as apprentices
  - Form the cadre from which future managers and supervisors will be selected

Source: The Net Benefit to Employer Investment in Apprenticeship Training, Warwick Institute for Employment Research 2008

The Study

- **Detailed:** based on employer case studies in seven sectors
- **Well established:** part of the Net Costs of Training series of studies which commenced in 1996
- **Independent:** carried out by the University of Warwick Institute for Employment Research (IER)
- **Validated:** commissioned and scrutinised by the business leaders who form the Apprenticeships Ambassador Network (AAN)
- **Indicative:** based on small number of observations in each sector – but cases are not atypical of employers in their respective sectors

Source: The Net Benefit to Employer Investment in Apprenticeship Training, Warwick Institute for Employment Research 2008

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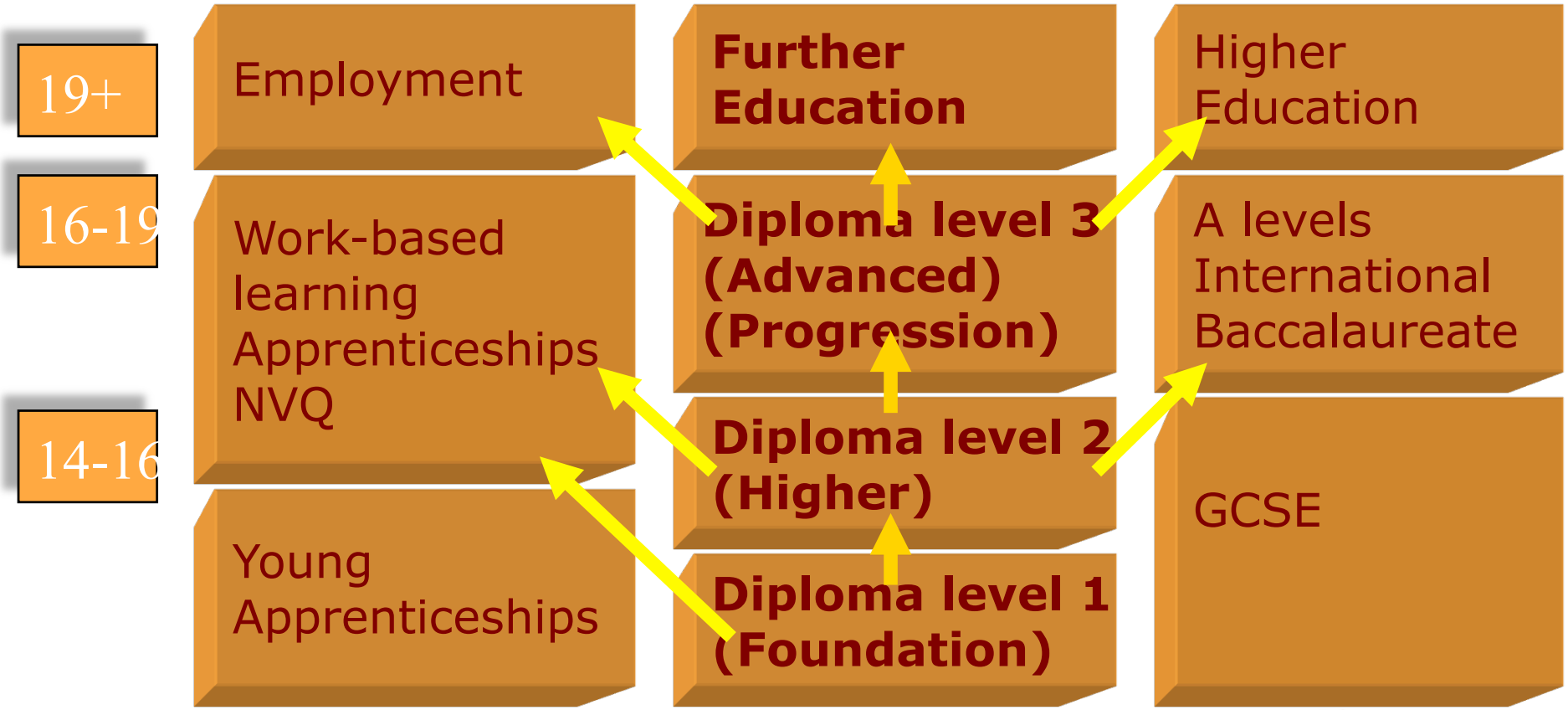
Apprenticeship	Cost (est)	Payback (est)
Engineering	£28,762	Less than 3 yrs
Construction	£22,043	Less than 3 yrs
Hospitality	£4,326	Just over 1 yr
Retail	£2305	Less than 2 yrs
Social Care	£4,359-£7,743	In 4 yrs
IT	£4,500	Less than 1 yr
Business Admin	£3,464-£3,898	Less than 2 yrs

Flexible progression:



Apprenticeships

- **WorldSkills London 2011:**

- Largest international skills competition in the world
- London 2011 will be the 41st WorldSkills competition
- 1,200 competitors from 50 nations will compete in a range of skills over 4 days of competition
- The event will reach up to 150,000 visitors
- Exciting, interactive and inspiring

• WorldSkills London 2011 (cont.)

- UK Skills runs WorldSkills UK and manages the UK's entry to WorldSkills
- At WorldSkills Calgary 2009, 900 competitors from 46 nations took part
- Team UK won 3 Gold medals, 6 Bronze medals and 14 Medallions of Excellence in 2009, ranking 7th in the world and over half of the UK Team were apprentices
- UK Skills has strong links with AAN and actively supports and promotes the development of Apprenticeships
- For more details visit www.worldskillslondon2011.com

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- ‘I’m a huge fan of Apprenticeships because I
- have seen what they can do for individuals and what they do for my business. The fact is, everyone wins.’

- **Sir Terry Leahy, Chief Executive**
- **Tesco plc**

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- ‘Our training and recruitment costs have fallen significantly because apprentices are more likely to stay with the company’

- **Sir Roy Gardner, Chairman**
- **Compass Group plc**

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•‘A study looking at the economic impact of BAE
• Systems on the UK economy estimated that each
• employee contributed £84k of value add each
• year. On this basis, we believe that the cost of an
• Apprenticeship is paid back in one year.’

•Nigel Whitehead, Group Managing Director Programmes and Support

•BAE Systems plc

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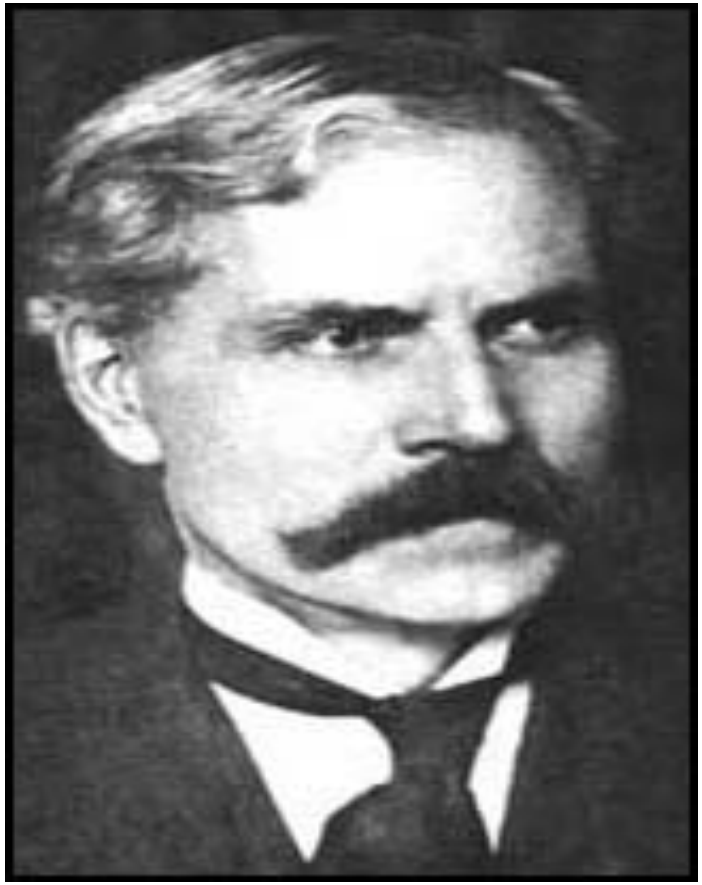
•‘For a medium-sized company like mine, it is
•essential to have effective workforce strategies.
•Apprenticeships help me find, keep and develop
•the people I need to make my business
•successful.’

•George Kessler CBE, Joint Deputy Chairman
•Kesslers International Ltd

Apprenticeships

"The development of technical education is the greatest need of this country."

Prime Minister



Ramsay
MacDonald