

Press release: DfE encourages more businesses to offer apprenticeships

Get In Go Far – the government's flagship campaign to promote apprenticeships – launched a new wave of activity today (22 February 2017), focused on promoting apprenticeships to employers.

The campaign highlights the wide range of benefits that apprentices can bring to a business, with the aim of increasing the number of apprenticeships offered in England.

Advertising on the radio and LinkedIn will tell the stories of several businesses currently employing apprentices. This activity will also be supported by telemarketing activity carried out by the Skills Funding Agency.

New analysis in support of the campaign highlights that small and medium enterprises (SMEs) are set to recruit 202,000 new apprentices in the next 12 months, helping more young people get their foot in the door at leading companies across the country.

Additional research also highlights the many ways in which apprentices boost the businesses they work for:

- more than 24,000 apprentice-employing SMEs in the private sector reported that hiring an apprentice has actually helped them win business
- 3 in 4 SMEs that employ apprentices report increased productivity thanks to apprenticeships with product/service improvement
- nearly all (96%) SMEs report at least one business benefit to hiring an apprentice

However, there is still more that needs to be done to ensure employers of all sizes gain the skills they need for their workforce. Almost three-quarters of SMEs still remain to be convinced about the merits of taking on an apprentice.

Apprenticeships and Skills Minister Robert Halfon said:

We know that apprenticeships give people of all ages and all backgrounds a ladder of opportunity to get the skills they need. That is why more than 90% of apprentices stay in employment after their scheme ends.

It's fantastic to see that so many SMEs are taking advantage of the programme, ensuring they get the workforce they need but we must do more to encourage SMEs to come on board and hire more apprentices.

Oliver Mangham, Applications Director at Fairfield Control Systems, who himself started as an apprentice and who features in the new campaign,

commented:

For SMEs like ours, an apprentice provides a great way for a business to grow the talent we need.

Companies can shape their training to provide skills tailored to their business and, on top of that, the apprentices will bring enthusiasm, fresh ideas and aid innovation.

Mike Cherry, Chair of the Federation of Small Business, has backed the new government campaign. He commented:

Small firms understand that apprenticeships make good business sense. Having apprentices can be a real asset for many smaller businesses and are vital to the future of the UK economy.

FSB members are taking on more apprentices than ever before and are a fantastic way to enable young people to gain the skills they need to succeed. We'd encourage all small businesses to explore how an apprentice could fit in their organisation.

Berthon Boats, one of the stars of the campaign, advise customers internationally on buying and selling high-quality sailing, motor and performance yachts. They have taken on 65 apprentices in the last 6 years, helping them to bid on bigger contracts and ensure the future of their business.

Fairfield Control Systems also feature. Their apprentices can gain a range of qualifications including a Higher National Diploma or Bachelors in Engineering (BEng). The knowledge and talent their apprentices bring have helped the company bridge a skills gap and grow rapidly.

The campaign is launched in advance of a new 'STEP' funding offer becoming available to SMEs from 1 May 2017.

For the purposes of this press release and calculations, an SME is defined as having 1-249 employees, excluding sole traders from the figures. This press release applies to England only.

1. Calculations to show projections of apprenticeship numbers:

Organisation size	Average number of apprentices at workplace (IFF Research)	Percentage of business likely to offer in 12 months (KANTAR)	Number of businesses*	Number of firms expected to hire apprentices in next 12 months**	Number of apprentices expected
1 to 9	0.7	0.26	932,310	142,643	99,850
10 to 49	1.9	0.34	175,175	38,889	73,889

Organisation size	Average number of apprentices at workplace (IFF Research)	Percentage of business likely to offer in 12 months (KANTAR)	Number of businesses*	Number of firms expected to hire apprentices in next 12 months**	Number of apprentices expected
50 to 249	3.3	0.43	28,735	8,621	28,449
Total (all SMEs)	–	–	1,136,220	–	202,189

Employer satisfaction survey of 4,000 apprentice employers conducted by IFF Research initially published July 2016. SME data revealing results of survey of 3,843 SMEs has not been published before.

500 businesses were interviewed by telephone on the IFF business omnibus survey by KANTAR Public. The survey data is weighted to be representative of the population of UK businesses. Interviews took place between 16 and 27 January 2017.

*[BEIS estimates of business population](#) are available.

**Allowing for “definitely” (0.9) and “probably” (0.5) factors in Kantar data

2. Perceived benefits of hiring an apprentice by SMEs [Kantar]:

- enthusiasm: 80%
- ability to mould staff to your business needs: 70%
- ability to future proof your workforce: 66%
- fresh ideas: 61%
- new skills: 53%
- productivity: 53%
- innovation: 40%
- the edge over your competitors: 24%
- creates a more diverse workforce: 1%

3. Benefits SME apprentice employers report in IFFR research:

- improved productivity: 74% of SMEs report this
- lower overall wage bill: 37% of SMEs report this
- improved staff retention: 68% of SMEs report this
- improved ability to attract good quality staff: 59% of SMEs report this
- brought new ideas to the organisation: 64% of SMEs report this
- improved staff morale: 71% of SMEs report this
- improved our product or service quality 72% of SMEs report this
- improved our image in the sector: 64% of SMEs report this
- 96% of SMEs report at least one of the benefits listed above

4. Government ‘STEP’ funding offer for SMEs:

The government’s simplified ‘STEP’ funding arrangements for SMEs who don’t pay the apprenticeship levy (firms with a wage bill of under £3 million a year) becomes available from 1 May 2017.

The 'STEP' arrangements provide 4 easy-to-understand ways non-levy-paying SMEs can access government funding for their apprentices:

- **support:** the government pays 90% of an SME's training and assessment costs for the lifetime of the apprenticeship, any age, any level (up to funding band maximum)
 - **teen grant:** an extra £1,000 grant will be paid to any SME who takes on a 16- to 18-year-old, or a 19- to 24-year-old that has previously been in care
 - **entrepreneur offer:** businesses with under 50 staff will also see 100% of training and assessment costs paid for if they recruit an apprentice aged 16-18
 - **provision for additional support for SMEs who take on those with additional learning needs** further support is also available
5. Find out more about how apprenticeships can benefit businesses on the [Get In Go Far website](#).