

The Apprenticeship Levy has doubled the number of apprentices at professional firms. However, it is unpopular with 45% of the firms that pay the Levy not receiving anything back, and 46% more administrative apprentices likely to be employed if regulation of the scheme were to be simplified

The Forum conducted a 24 hour survey on the Apprenticeship Levy in February 2018 with 53 professional firms participating (*see full demographics below*). The primary purpose of the survey was to provide a reliable benchmark for Forum members and to inform BEIS and the Minister for Business and Industry. This summary report will be shared with Government officials, survey respondents, Forum members, the MPF Advisory Board, and the Professional & Business Services Council (PBSC).

KEY FINDINGS

- **Length of apprenticeships:** The current average length of apprenticeships (in months) is seen as a little less than ideal.

	Now	Ideal	Increase
Client-facing roles	27.9	30.5	9.3%
Admin roles	18.4	19.2	3.9%

- **Average number of apprentices:** The introduction of the Levy has doubled the average number of apprentices. However, the regulatory environment is resulting in 46% fewer administrative apprentices than is seen as ideal.

	Pre-Levy	Now	Increase	Ideal (current regs)	Increase	Ideal (simplified regs)	Increase	Overall increase
Client-facing roles	4.8	11.2	133.0%	17.6	58.2%	20.1	14.0%	320.1%
Admin roles	2.6	4.3	65.6%	5.2	21.2%	7.6	46.5%	193.9%

- **Apprenticeship Levy:** 88% of respondents pay the Levy, but only 58% have applied for funding with only 48% receiving funding. On average, those firms that receive the Levy receive 1.7 times more in Levy than they are paying. However the ratio varies from one fiftieth of Levy payments to ten times Levy payments so it is impossible to form a definitive view.
- **Institute of Apprenticeships:** While the majority of firms that had had dealings with the Institute of Apprenticeships felt that its performance was neither good nor poor, 20% saw it as being either poor or extremely poor, compared with 21% who rated it as good or excellent.

	Good or Excellent	Neither good nor poor	Poor or Extremely poor
Developing and maintaining quality criteria for the approval of apprenticeship standards and assessment plans	23.5%	58.8%	17.6%

Supporting the development of standards and assessment plans by employer groups	11.8%	70.6%	17.6%
Publishing approved standards and assessment plans	28.6%	52.4%	19.0%
Advising on the maximum amount of government funding that can be drawn down by Employers for individual apprenticeship standards	30.0%	45.0%	25.0%
Quality assuring the delivery of apprenticeship end-point assessments	18.8%	56.3%	25.0%
Ensuring that all end-point assessments are quality assured	14.3%	71.4%	14.3%
Overall rating	21.2%	59.1%	19.8%

- **Verbatim messages to Government on changes to the ideal number of apprentices due to simplification**

- We take on at most 0-3 apprentices per year in Nottingham as part of a growing team of around 80. Changes to regulations would not alter the vacancies for such roles.
- Little understanding here of the benefits of apprenticeships versus the costs. Most Partners know nothing about the Levy! I introduced Apprenticeship schemes at two of my former law firm roles. I myself became an apprentice (accounting) in 1970; I am an Evangelist on this topic!
- would depend on how the simplification was to work
- The regulations are not onerous for the number of apprenticeships we have but if we had more, the review time taken by the colleges would become debilitating.
- We are considering using an apprentice and would start the system with an administrative role
- Access to broader qualifications allowed through the regulations would facilitate this expansion (legal and non legal and exec eg mba and vocational)
- The biggest current hurdle to employing more apprentices is the 20% off-the-job training requirement. This creates restrictions with regard to the departments and grades where apprenticeship can be implemented. A blanket % for all apprenticeships seems too generic and does not take into account the nature of the Apprenticeship Standard in question and the role it relates to. The off-the-job requirement should be mapped to the Standard and debated during the development of the Skills and Behaviours within the Standard
- We want to use our levy and this will enable us to upskill existing employees in management and expand our early years talent offering especially in hard to find sectors, like building surveying. I don't know what the simplified regulations are
- Going forward we hope to employ approximately 100 school leaver apprentices per year and anticipate using the rest of our levy fund to upskill our current workforce.
- I'm not clear about is referred to as 'current regulations and 'simplified regulations'. We would like to recruit more apprentices under the new standards - most likely with a focus on the Level 3 paralegal, the Level 6 legal executive and level 7 solicitor programmes.
- The regulations are too onerous and the requirements to justify the use of public funding is an administrative burden, when professional bodies already regulate the quality of training and the professional exams. The recruitment risk is high as it is difficult to find suitable apprentices relative to the access to a graduate pool. It is far more time consuming to work with individual schools than a more limited number of universities.
- We recognise that we need to offer more opportunities for young people and we are keen to grow our apprentice numbers to support this.
- There currently isn't a recognised apprentice route for Architecture. One is being developed however it will take some time to be completed. We hope that once it is we will be able to offer apprenticeships. For the administrative roles, we currently don't have capacity for an apprentice but when an opportunity arises we would like to see how we can do this.
- It will be easier to recruit and train them
- Our firm does not have the infrastructure to support greater numbers of apprentices effectively at the moment
- It's far too early for us to comment on this question. The English legal sector's regulator (the SRA) has still to finalise a central qualifying assessment to enable Solicitor Apprentices to qualify. We also remain somewhat confused and frustrated at the difference in the way the levy is approached north and south of the border, which makes it more challenging for our business to implement a seamless UK-wide apprenticeship programme. For a business of our shape and size, we are prepared to look at both legal and non-legal (i.e. Business operational apprentice) roles across a large number of functions. With limited internal resource to implement multiple apprentice programmes, we have found this a challenging landscape to negotiate with little support except from quality apprenticeship training providers. Those we

have appointed (Damar and University of Law) have been instrumental in helping us negotiate the regulations to get a pilot programme for both legal and non-legal apprentices off the ground from late 2017. Until we trial and successfully embed apprentices in our business, we don't have a specific target number in mind. How these programmes evolve will depend upon a number of factors including school leaver candidate calibre, easier access to apprenticeship funding, legitimate business need, a cultural shift in the professions from a focus on graduate and post-graduate recruitment, to a broader approach to early talent.

- We are still awaiting for the level 7 apprentices to have a funding band allocated to them, most of the roles we employ into our organisation our professional roles where exams are offered so there is a huge opportunity to offer apprentices. The apprentice levy has presented challenges to our HR department who have not been able to quickly set this up over a large organisation
 - We have just introduced the client facing legal apprentices and are monitoring the success and cost and complexity of the scheme to assess how many to take on
 - Business readiness more relevant
 - Regulations not make any difference
 - General support for apprenticeships to: improve social mobility; broaden talent pool; engage our existing people; apprentices are often motivated and loyal employees; improve our understanding of learning and development techniques.
 - We want to look at our Operating model more closely. Plus we want to encourage social mobility through the hiring of more apprenticeships
 - This is the appropriate number for our business
 - Would like to spend value of the apprenticeship levy on training apprentices. However, this results in increased tuition costs and time away from the office to complete additional assessments. Also 20% off the job training is difficult to accurately measure and meet, even though training provided here is first class. We have found that we require far more managerial time to administer and manage the process.
 - We are restricted by the number of available qualifying courses and compulsory off the job training.
 - as ICAEW now has apprenticeship status all our client facing trainees are likely to be apprentices we look at the support roles and training we are providing and considering if further apprenticeships are relevant
 - We are currently undertaking a pilot and would like to employ more apprentices in both client facing and admin roles
 - There is not a scheme currently in place for Architectural Apprentices. Scott Brownrigg has led the work with the RIBA to get a scheme registered and sign up a number of university partners. It is anticipated that this scheme will be ready for the next academic year and which point we will employ apprentices.
 - Simplification would enable further experimentation in being able to use apprentices productively and have prospects of giving them a valued experience
 - We can see a real benefit for individuals in being trained via this route, but there is a high degree of supervision required, and we are still getting to grips with this, to ensure a truly beneficial experience for all involved.
 - The apprenticeship roles we have introduced have been successful, offering support at a useful junior level, as well as important career progression. We would like to introduce legal apprentice roles, as well as an increased number of CILEX type apprenticeships. There will be further focus on increasing admin focused apprenticeships.
 - Not sure of the difference between the two forms of regulations
 - We are looking to increase the number of apprentices that we recruit in all areas but the regulations do not impact on doing this. It is internal process that we need to confirm prior to going ahead.
 - We are part of the Architectural Apprenticeship Trialblazer Group and have committed to taking on one level 6 and one level 7 architectural apprentice.
 - This is dependent on the business need - the types and number of roles are a result of demand for the support services provided.
 - We would like to move all our actuarial and IFA graduates on to apprenticeship schemes. Not sure yet that simplifying the regulations would impact our desired position.
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- General direction to increase the use of the role of apprentice. Make it a more accessible way to train individuals toward a professional qualification.
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- I have no knowledge of the regulations referred to

- **Verbatim messages to Government on the one thing that they could do to increase the number of apprentices**

- The key issue has been that the Levy was introduced in April 2017, but no accredited Degree level apprenticeships suitable for our apprentices locally were available until the January 2018. This was due to poor advanced planning, and government failing to put in place the accreditations process and conclude it sufficiently early. For an employer such as ourselves, the number of apprentices that our business can reasonably support means that we will never be able to put through enough apprenticeships to gain the value of the levy. It is therefore to all intents and purposes largely just another form of additional tax.
 - I think it is fine as is
 - Get it's act together! This seems to have been launched with too much spin, not followed up by putting it in place properly. Changes in Ministers etc have hindered rather than helped the cause. I suspect many firms paying the Levy have no idea how much or why
 - Levy is a one size fits all approach a more tailored solution for business would encourage greater take up
 - Continue with the simplified procedure
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- Send the apprenticeship policy makers into SME's, professional firms etc to improve understanding of the good initiatives that are in place which employers are not going to ditch in favour of something more bureaucratic.
- Reduce the amount of meetings to assess progress.
- Be clear to define what they are and whether to apply to the professions. Non graduate entry to solicitors profession is long gone. Para legals can now seek to have service recognised as training. But nowhere near as good as proper training contract.
- make it easier to place and replace if necessary
- More active support for smaller organisations without the resources available in larger enterprises
- Expand the number and type of qualifications the levy can be used for (and change the 20% requirement)
- A greater level of flexibility with regard to the off-the-job training element. If this was mapped to the standard and the % set based on the needs of the Standard and the roles it relates to I believe businesses would be more able and more willing to introduce more apprenticeships
- Allow flexibility on the 20% off the job criteria and promote "reasonable time off the job as needed" with a recommended guideline. Allow people with existing qualifications to take on new or additional pathways. Promote the level 7 offering more in professional companies Improve the digital platform and make it is easier for employers to use and see the range of apprenticeships on offer. Join up with Scotland and Wales for a UK wide offering Change the word apprenticeship for mature or existing employees - we do this internally anyway. Reduce the amount of paper allowing us to complete paperwork on line, contract on line and store this data on line. Improve the online platform - if there is less admin, busy HR teams are more likely to offer them. Have a flexible apprenticeship offering for part time or flexible / gig workers that belongs to them and they pick up and move it to each employer.
- Make the 20% easier.
- Make the digital account more user-friendly so that setting it up in the first instance is a straightforward process and doesn't put employers off from pursuing apprenticeships
- Leave the 0.5 % levy in the training budgets of businesses that employ people in the 16-24 age group. The 0.5% that we pay in apprenticeship levy is the first cost item in our current year training budget. This money was previously available to the business to spend on apprenticeship training, but we have had to reduce our apprenticeship training delivery to facilitate this payment to the government.
- The Digital account does not work or perhaps it is the back office flow through of requests for funding from training providers - we should have drawn down more than double the funding that we have so far but the issues we are having between our provider, ESFA and the DA mean our account isn't fully reflective of our activity. There is also a view in our business that apprentices take more hand holding and essentially take a longer amount of time to become productive and revenue earning - the government could be doing more to support apprentices for workplace readiness.
- Assist the team who are creating the Architecture apprenticeship which i believe they are and then providing clear guidance about how to employ apprentices
- Simplify the whole process, it is too time consuming and need to be in plain English for the candidates
- Communicate better with employers and educational establishments. AT the moment, most people do not understand about the apprentice scheme and a large number of institutions are unable to advise on it. All enterprises are behind the curve. The help line is also extremely poor and 'unhelpful'.
- Allow employers to use the levy they pay to Government to subsidise apprentice salaries and the salaries of those in a business recruited to run apprentice programmes. Otherwise the levy, plus the cost of the apprentice salaries, plus other training costs and the costs of employing people to recruit and manage apprentices, plus advertising and other recruitment costs, impacts business as a triple whammy and outweighs the benefits.
- Encourage and educate schools and parents about the benefits of an apprenticeship for students who are academically strong rather than automatically encouraging academically gifted school leavers to go to university.
- more marketing and advertising
- We recruited our first cohort of 3 Solicitor Apprentices to start a six year programme in October 2017. Feedback has been extremely positive about the apprentices and the contribution they are making to the business. Solicitor Apprentices are a key part of our Social Inclusion programme and our wish would be to recruit 3-4 apprentices each year. The government funding cap for training is £27,000 per apprentice over the six year programme and if this were to be increased, we would certainly consider expanding our Social Inclusion programme. Our other concern is the lack of flexibility in what the funds can be spent on and we would welcome a review of the current system. Specifically it can only be spent on external training not internal let alone any contribution to salary . The external training enables our apprentices to get a law degree but we invest a huge amount of additional time providing practical training within the business. The apprentices scheme is a core part of our social mobility programme and targeted very directly at talented school leavers who come from underprivileged backgrounds who have not traditionally worked for City law firms and may in many cases not have gone to university or got a degree without our programme
- Use levy to pay apprentice salaries.
- Communication and encourage employers to build into succession plans
- In order to take on more meaningful numbers of apprentices we would have to make significant investments and restructure our training programmes entirely. More support would be needed from the Government to make this viable.
- Ensure that training providers had got their act together sooner
- no suggestions
- We need quality standards for all areas. We recently wanted to do a proper HR apprenticeship in our team. The standards are not ready yet so we cant use our levy. That is annoying and frustrating. Also we find that when we are trying to sort out an apprenticeship the providers don't seem to know the answers to our questions and you get different answers from different places. At the moment it is very difficult to organise and use your levy. This must be putting employers. This sort of thing should be ready before they charge the full levy or there should have been a transitional period.

- Although I understand that the Levy is intended to encourage apprenticeships and 'penalise' those who do not offer them, associating apprenticeships with a levy does give the misleading impression that it is a cost imposed on apprenticeships and therefore risks discouraging what it is supposed to be promoting. Even if properly understood, it is a very blunt tool for what it is trying to achieve, as well as being overly complicated and expensive. It risks depressing the pay of existing staff to enable employers to stay under the threshold. Ultimately more employers will take on apprentices if they understand what they can bring to the business and how they can be sourced. It is unlikely the levy will affect that one way or another, other than creating a negative and misleading association between apprentices and cost/red tape.
- Review scale of fees charged by training providers (in many case over a third more expensive for the same qualification!!!), review 20% off the job requirement, consider shorter apprenticeship contract lengths, review administrative process.
- Build more flexibility for off the job training Get more courses approved for funding
- Ensure that the rules do not constantly change - set it up, make it work and don't hinder businesses.
- provide support to employers and make it simple
- Allow for salary costs (at least in part) to be offset against levy payments in addition to training and assessment costs
- Allowing Scotland to enjoy some of the freedoms available in England
- broadening the roles
- Make it easier to understand!
- too early to say at present - process has been painful working to get institutae and govt approval for certain level apprenticeships
- The Government has been very poor in putting the infrastructure in to support the scheme. It has been very quick to charge the Levy and it has been left to private companies such as ours to get the scheme registered. If the schemes were in place at the outset then we could have employed apprentices much sooner. Our company should be entitled to a refund to reflect the work we have had to put in on the Governments behalf.
- Simplification and help with validation ahead of take on process
- Keep it simple. The scheme must be easy to administer and lead to meaningful qualifications. There is a real risk of the administrative burden outweighing the benefits.
- Better and more readily available guidance. Perhaps offering roadshow type sessions for employers?
- Simplify the process
- Introduce more specific initiatives to raise awareness of the options available. We find that it is very much on us as a firm or sector to raise awareness ourselves and find that many schools, colleges and teachers are simply not aware of routes into law via apprenticeships. Working with employers to produce information material would be hugely beneficial and allow firms to reach a much wider range of schools and colleges. This would also increase the diversity of applicants as we are still finding that students from disadvantaged background are struggling to access information on how to gain an apprenticeship in professional services. Looking at the careers advice that students receive would also be beneficial. We find that this varies hugely from school to school and region to region
- Increase sensible financial incentives to employers to take them. The levy is an ill conceived idea that simply subsidises training costs, not the actual costs of employing an apprentice. It is also a cynical tax raising measure that will penalise many organisations that could otherwise be well disposed to the idea of taking on apprentices.
- The apprenticeship levy amount should also go towards the salary costs as well as to the training provider
- Enable organisations to pay part of apprentice's salary using the levy. It is difficult to utilize the levy for junior members of staff in this industry. For example We have paid £101,259 into the levy so far this year and only received £500.
- Introduce more flexibility around the 20% training requirement.
- More incentives for employers. Mandatory for people in education to fulfil apprentice time spans.
- Make businesses aware of the scheme. I wasn't.

Demographics

- **Survey:** 53 responses had been received from named firms when the survey closed at 3pm on 5 February 2018 (22 SMEs (42%) – defined as a firm with UK headcount of less than 250 - and 31 larger firms (58%). The Forum does not publish a list of participating firms.
- **Apprentices:** 77% of responding firms currently employ apprentices with 17% interested in doing so and only 6% not interested.
- **Firms:** 56% of the firms were law firms, followed by accountancy and property sectors with 17% each, and consultancy at 10%. As regards footprint, global firms constitute 40%, followed by national firms (23%), regional firms (21%), and London firms with 15%.
- **Respondents:** 50% are based in London and 50% elsewhere in the UK. 52% are firm-wide leaders and 23% C-Suite or divisional leaders. The remaining 25% are HR managers or equivalent roles.