

CIPD | HR-inform webinars

“Apprentices, kickstarts and trainees – what’s the difference?”



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The detail contained within this webinar is based on GB and Northern Ireland employment legislation.

Members in the jurisdictions of Republic of Ireland, Jersey, Guernsey and Isle of Man are asked to please contact the Advice Service to obtain the information relevant to your jurisdiction.

Today we will cover...

- How apprenticeships are managed across the UK
- The apprenticeship levy and other Government incentives for employers to use the scheme
- Covid related changes to apprenticeships
- How the Kickstart scheme works and employer incentives for using the scheme
- How the traineeship scheme works and employer incentives for using the scheme

Overview

- Apprenticeships and the traineeship programme are government to assist young workers get into work.
- Now closed to new entrants, the Kickstart scheme continues for existing users to get young workers into the workforce
- They are all run and managed in different ways and employers need to be aware of this
- We'll take a look at apprentices first

What is an apprentice?

- Apprenticeships are a method of training individuals, usually within a skilled profession, whilst they undertake work at the same time
- Although they are often perceived as a way into employment for younger people, apprentices are open to all who are aged over 16
- The government encourages organisations to use apprentices as a method of creating a skilled workforce

Why employ apprentices?

- The government is offering a £3,000 incentive on top of existing funding for taking on apprentices with a start date from 1 October 2021 and 31 January 2022.
- A study by the University of Warwick found that...



Every **£1** spent on an Apprentice generates **£18** for the economy.
(National Audit Office)

80%

Employers found the Apprentices made the workplace feel productive.

83%

Employers used Apprentices to fill future skills gaps.

Why employ apprentices?

- They can improve the inclusivity and diversity of the organisation by giving disadvantaged groups access to high quality practical and theoretical training.
- Apprenticeships are an effective part of a talent management strategy by allowing the employer to influence which skills they learn from early on.
- Greater loyalty and commitment to the organisation can come from participation in an apprenticeship.

Jurisdictions

Scotland

'Contract of Apprenticeship'

England & Wales

'Apprenticeship Agreement'



Contract of apprenticeship

- Protected and cannot dismiss in probation
- Cannot generally dismiss on grounds of redundancy
- Has to be for a fixed period of time to complete the apprenticeship
- Conduct issues - must be able to show going above and beyond to support the apprentice
- Cannot generally dismiss for capability
- Potential breach of contract for early termination
- Compensation at tribunal for loss of trade / status

Apprenticeship agreements

- There are two types of apprenticeship agreement (old style and new style) due to the phasing out of apprenticeship 'frameworks' and the introduction of apprenticeship 'standards'
- Old style: To be used in all cases in Wales and those cases in England where no standard has yet been created to replace the framework – please note that frameworks are no longer available for new starters from 31 July 2020
- New style: To be used in England where a standard exists (Approved English Apprenticeships)

Apprenticeship agreements

- Three distinct fundamental points are required in the old style agreements:
 - Agreement must state the detail of the relevant qualifying apprenticeship framework e.g. Construction Building (England)
 - Agreement must state the skill / trade / occupation the individual is receiving training in i.e. painter and decorator
 - A statement to the effect the Agreement is governed by the law of England and Wales
- If any of the three prescribed elements are missing – cannot treat as an employee studying an apprenticeship under the Act

Apprenticeship agreements

New style agreements do not need the three elements, but must:

- Provide for the apprentice to receive training in order to assist the apprentice to achieve the apprenticeship standard
- Set out the length of the apprenticeship
- State how much off-the-job training the apprentice will receive

Off-the-job training

- Apprentices who are working towards both apprenticeship frameworks or apprenticeship standards must receive 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

Managing apprentices

- In England and Wales, apprentices can be managed the same as any other employee, although allowances will likely need to be made to their age and / or inexperience.
- The organisations performance management and disciplinary procedures can be applied, but it would be reasonable to work in partnership with the training provider to tackle any learning issues.
- It is crucial with this type of fixed term contract to be aware of the progress through the apprenticeship and mark significant dates such as the end of the apprenticeship.

The levy

- Payable by employers with an annual payroll bill of £3 million +
- Each month, 0.5% of payroll cost is paid with PAYE to the HMRC and that additional 0.5% is paid into a digital account
- These organisations can then apply for access to their digital account and can start using that account to pay for apprenticeships
- The funds expire and are paid to the Government if not used within 2 years of being paid into the account
- The levy funds can only be used to fund English Apprenticeships

The levy

Since 2019, the following has been in place:

- Companies who pay the levy can transfer up to 25% of their levy funds to organisations in their supply chain
- Companies who don't pay the levy and instead pay part of the costs of the apprenticeship only need to contribute 5% - the government pays the rest

Apprentice incentive payment

- As part of plans to encourage the creation of new opportunities for young people post-pandemic, the government are providing incentive payments to employers who take on new members of staff
- For new apprentices aged 16 to 18, or under 25 with a education, health and care plan or has been under local authority care, employers can get £1,000
- For all new apprentices with an employment start date between 1 October 2021 and 31 January 2022 (the apprenticeship must start before 31 March 2022), the government will provide the employer £3,000
- The incentive is paid in two instalments – eligibility for the first comes if the apprentice remains employed for 90 days, eligibility for the second if they remain employed for 365 days

Covid-19 changes to apprenticeships

- From 13 December 2021, all apprentices who can work from home should do so.
- Training and assessment can continue in person or remotely.
- The working safely guidance should be followed, as well as a risk assessment and actions to manage the risk of Covid-19 spreading.
- Breaks in learning of over 4 weeks as a result of covid-19 related business closures or unpaid leave must be reported and can mean a change to the anticipated end date of the apprenticeship is made.

The Kickstart Scheme

- Aimed at creating new high-quality jobs to help 16-24-year-old unemployed people on Universal Credit – a £2 billion investment
- The scheme covers participants' expenses for six months if employers take them on in new jobs and not a replacement of existing jobs
- The Scheme covers 100% of relevant NMW for 25 hours per week, and employer National Insurance contributions and employer minimum automatic enrolment pension contributions
- The Government also pays employers £1,500 towards set up support and training for those on the Kickstart placement

The Kickstart Scheme

- It should consist of a minimum of 25 hours work per week, paid at the National Minimum Wage (NMW), at the least
- In addition, employers are expected to develop the skills and experience of the participant in areas such as looking for long-term work, including advice on their career and setting goals; support with CVs and interview preparations, and also basic skills such as attendance, timekeeping, teamwork etc
- Whilst the Kickstart Scheme is not an apprenticeship, the Government has confirmed that participants can move on to become apprentices at any time during or after their Kickstart placement

The Kickstart Scheme – now closed to new applicants

- The Kickstart scheme closed to new applicants on 17 December 2021.
- Funding through the scheme can still be accessed for those who applied by the deadline, for any roles starting on or before 31 March 2022.
- The funding will be in place for 6 months after the young person has started the role.

The Kickstart Scheme – eligibility

The minimum requirements:

- Demonstrate that the jobs being offered are quality placements – both “meaningful” and “suitable” – that will benefit the participant in future
- Show how employers plan to monitor the progress of participants to the satisfaction of the compliance and quality requirements for the scheme – covering participants’ safety, employer liability insurance, risk assessments for the vulnerable, and Disclosure and Barring Services for 16/17 year olds
- Show how publicity activities, such as branding, will comply with the DWP publicity requirements

The government's trainee scheme

- Traineeships, introduced in 2013, offer education, training, and work experience to young people who may lack certain skills and experiences that employers look for in job applicants
- Their aim is to provide young people with a pathway into employment or education. As traineeships involve unpaid work placements, they should not be confused with apprenticeships
- In July 2020, the Government announced that it would be reforming and expanding the traineeships programme to help young people in England who are most at risk of unemployment due to the coronavirus pandemic. This new scheme opened in September 2020

The government's trainee scheme

- From September 2020, traineeships should involve classroom-based tuition in maths, English, digital skills, and CV writing, provided by the training provider
- This is coupled with 'high-quality' 70 hours (minimum) of unpaid work experience placements provided by employers
- Employers should work with training providers, a list of which is available on the government website, to plan the work placements before they are offered

The government's trainee scheme

- When offering a traineeship work placement, employers need to provide:
 - safe, meaningful and high-quality work experience
 - a minimum of 70 hours of work experience - but no more than 240 hours for benefit claimants - over the duration of the traineeship (maximum of one year) and as agreed with the traineeship provider
 - constructive feedback and advice to the trainee
 - an interview for an apprenticeship or job in the business at the end of the traineeship if one is available
 - an exit interview at the end of the traineeship with meaningful written feedback if no job is available.

The government's trainee scheme - eligibility

- The core target group for traineeships in 2020 to 2021 are those who:
 - are not employed and have little work experience but would like the opportunity to gain these key skills
 - are aged between 16-24 and have up to, and including, a full Level 3 qualification (equivalent to A-Level qualifications)
 - have a reasonable chance, based on the employer's belief, of getting into employment within 6 months of completing the traineeship

The government's trainee scheme - incentive grant

- Employers can apply for a £1000 traineeship incentive grant under a new initiative, for delivering a 70-hour minimum work experience placement as part of a traineeship programme
- Employers can take on as many trainees as they wish but will only be able to claim a grant of up to a maximum of 10 incentive payments
- Multi-sited employers who wish to offer traineeships across England can do so and claim the £1000 grant per trainee per region, up to a maximum of 10 trainees in each region
- This incentive will be available until July 2022

The government's trainee scheme - incentive grant

- Payments can be claimed for eligible placements that start and finish from 1 September 2020 up to 31 July 2022. For placements completed on or before 31 July 2021, it is recommended to submit a claim before 30 September 2021.
- Employers can claim the incentive by sending an application via the Government's website after each placement has been completed.
- It is strongly advised to make a claim for the incentive as soon as the placement is finished

Summary

- Apprenticeships are where workers are offered on the job training and are managed differently in Scotland to England and Wales
- The Government's Kickstart scheme involves the creation of new jobs for the provision of job placements for young workers that will help improve their future employment prospects
- The Government's traineeship scheme involves employers partnering up with training providers to offer a minimum of 70 hours work placement to help them attain skills for future employment opportunities

THANK YOU

Any questions?



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