

Making the most of apprenticeships

Audio transcription of an XpertHR webinar in association with Personnel Today.

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Bar Huberman:

Good afternoon everyone and a very warm welcome to the XpertHR webinar, Making the most of apprenticeships, brought to you in association with Personnel Today. I'm Bar Huberman, Acting Employment Law Managing Editor at XpertHR. Before I introduce our speakers, I'll run through this afternoon's agenda. Over the next hour we'll provide an overview of the apprenticeship reforms. While the introduction of the apprenticeship levy has hit the headlines, there are a number of other changes to the design and delivery of apprenticeships and we'll talk you through them today. We'll then discuss how you can maximise the opportunities presented by apprenticeships by hearing about Barclays' journey in developing its apprenticeship programme. And finally we'll have a Q&A session with our guest speakers.

So, to help us make sense of the reforms I'm delighted to say that I'm joined by Simon Ashworth. Simon is Chief Policy Officer for the Association of Employment and Learning Providers, a national trade association whose members deliver 76% of England's apprenticeships as well as other skills and employment programmes. Since starting his career, Simon has worked for a number of training providers across various business functions, including Babington Group.

We're also very fortunate to be joined by Mike Thompson. Mike is the Director for Early Careers at Barclays. He has worked at Barclays for over 25 years and he currently manages a number of award winning early careers programmes, including the Barclays apprenticeship programme. He is also a board member of the government's Apprenticeship Delivery Board, where he has an ambassadorial role promoting apprenticeships across the financial services sector. Mike is passionate about developing young talent and providing meaningful solutions to address youth unemployment.

We'd love you to get involved today and you can do so by submitting your questions through the chat pane on the left of your screen. We've already had some really interesting questions in, but please keep sending them through. We'll get through as many as we can and if we can't answer your question today, it will help us to understand what guidance you need, so look out for FAQs and other resources on XpertHR. And you can also join in by participating in our

poll and before I hand over to our speakers, I'm going to invite you to get involved straight away by kicking off today's webinar with our first poll.

And the question is, 'What are your organisation's plans for delivering training to apprentices over the next twelve months?' So click on the button next to one of the options.

So vote now for: continue with your current training provider, currently looking to identify a provider to work with, we will be an employer provider or undecided on what to do and if your organisation uses a combination of the methods to deliver training, click on the method that is most relevant to you.

Okay, so I am just going to give a few more seconds for everyone to answer the poll and I'm going to close the poll now, because I think most of you have voted and quite clearly the answer with the most votes is undecided on what to do with 42% of the vote today.

Simon, can I bring you in here, please? What are your thoughts about that outcome?

Simon Ashworth:

Good afternoon, Bar. I think the results aren't a surprise. So 40% of those who voted are still undecided in terms of what they're going to do around their apprenticeship provision, but we've got a nice mixture as well, so we've got some who've probably already have delivered apprenticeships previously and also some employer providers as well, so employers who are probably paying the apprenticeship levy and will be delivering training in their own right. So a real good mix, but that the majority is looking for some answers, which we hope to provide today.

Great, okay, so let's move on. Good afternoon to you all on today's webinar. When I talk to employers about the apprenticeship reforms, the typical response I tend to get back tends to be in relation to the new apprenticeship levy and I think it's really important to understand that the levy is actually a small but very important cog in a much more broad set of reforms which I'm going to run through today. The reforms themselves, they actually have their beginnings way back in 2012 and Doug Richard's *Review of Apprenticeships*. Five years on now we've seen some of those recommendations become a reality, so I'm just going to unpick some of the key themes around the reforms.

So the key one is around funding and the way that apprenticeships are funded has changed from May this year. So we've got the advent of the apprenticeship levy, which is being paid by around 2% of employers in England and that represents around 22,000 employers with a pay bill of more than £3 million per annum. And we're looking at a new current investment model for non-levy paying employers where SMEs have to pay a 10% cash contribution for all age apprenticeships for any apprentice starts from May. So a big change in funding in terms of how apprenticeships are funded and I think it's important to say that any apprenticeship who started the

apprenticeship before May will continue on the funding arrangements you have in place. But I'll talk about that a bit later.

The actual product itself is changing, so we're moving from apprenticeship frameworks to apprenticeship Standards. So we're mid-transition through that process from 2014 through to 2020. So for those of you who have been involved in apprenticeships before apprenticeship frameworks ran from Level 2 to Level 5, so Intermediate, Advanced and Higher and the new apprenticeship Standards now which go to Level 6 and Level 7 with the advent of degree level apprenticeships and I know Mike will be talking about some of those which they operate at Barclays later.

The way that apprenticeships are being delivered is changing as well. So there is a requirement for all new apprenticeship standards to have an independent end point assessment and I'll talk about end point assessments a bit later as well. The best way of describing that really is almost like a driving test which validates the knowledge and competence independently at the end.

Moving on to an open market around the delivery of apprenticeship training, we've got over 2,000 organisations approved for delivery of apprenticeship training on the government's new register of apprenticeship training providers and as Bar mentioned, we've got the Institute for apprenticeships, which oversees the governance of the whole system. So the issue for apprenticeships are responsible for approving new standards and assessment plans, reviewing existing standards and assessment plans and also advising government on the funding of each of the standards moving forward.

Okay, so let's dive down in a little bit more detail and explore some of the key themes. So the Apprenticeship Framework has been replaced by Apprenticeship Standards. So that has been happening since 2014 and I was involved in some of the developments in the standards in the IT sector. We've got about 160 to 170 approved standards which are available now, but around 40% of those new standards have no mandatory qualification. So if you're starting to think about apprenticeships moving forward, you're probably looking at a blend of frameworks and standards with the frameworks being gradually phased out and switched off when we start through to 2020 when replacement and new standards are in place. So you'll see a mixture of products which are available.

In terms of the actual price of the products, we've moved to very much a new system around negotiated pricing. The key there really is negotiation, so the Education and Skills Funding Agency will no longer determine the actual value for each apprentice, they report all new standards and frameworks into one of fifteen bands, which I will talk about a bit later and it's really up to you as employers to negotiate the price with the provider for each and every apprentice you're looking to take on. So quite a big change from the provider perspective moving from fixed price to negotiating the price with every single employer.

And then the actual funding system is looking to generate an extra billion pounds of funding into the system. The concept, in essence, is that there will be an unspent levy which will be used to fund the government's subsidy for the current investment model and the key point to highlight on that last bullet is that employers paying the apprenticeship levy have 24 months in which to spend their levy. So you will have paid your contributions in April or May and that funding is ring-fenced for 24 months and it works on a first-in-first-out basis. So the key message to employers if you're new to apprenticeships there no great rush to get out there and spend the money, it's ring-fenced. Make sure you know what you want and when you want to spend it as well.

So looking at the alternative to the levy, we've got this 90% subsidy by the government and that impacts two types of employers, so the 98% of employers who won't spend the levy and also if you're a levy-paying employer and you spend your levy, you then flip into that model where the government pays 90% and you have to make a 10% contribution and that needs to be in cash terms and I've got some examples of that later on the slides there.

One of the big changes is that there are financial incentives available to all employers of all shapes and sizes if they take on a sixteen to eighteen apprentice, either on an apprenticeship framework or standard. There is £1,000 cash incentive, which is channelled through the provider and that is paid in two instalments – there is £500 paid at three months and £500 paid at twelve months as long as the apprentice is still in learning. It's up to the employers what they want to spend that money on. They can spend it how they see fit – whether that is to maybe look at increasing the salary to the apprentices or looking at additionally around facilities or resources. So that's capped for the moment, that's all employers, whether you're the smallest, you're an SME or you're a large employer paying the levy – there's additional funding to incentivise taking on young people.

And probably one of the biggest changes as well is around candidate eligibility. So from May we've seen a significant change, which allows people undertaking an apprenticeship, they can do so if they are at either the same or lower level skills and qualifications they might have been previously, as long as they are acquiring substantial new skills which are materially different. So that's very different to the rules and regulations that were *in situ* prior to May. So you might have a member of staff who might have a degree in, say, Geography, and as an employer you would be able to retrain them to undertake an apprenticeship at a lower level as long as the subject is materially different. If somebody had trained and they wanted to retrain as an accountant, they could certainly do a Level 3 accounting apprenticeship, even if they had a Level 4 degree. So certainly an opportunity or employers to engage their workforce and their levy as well.

All apprenticeships require Maths and English, although there are exemptions, so if you've already got GCSEs and A-Levels you don't

have to do the Maths and English. The funding for Maths and English is paid for by government if you're a levy-paying employer, it doesn't come out of your levy pot from government there. And also there is additional funding available which is paid for by government, which then doesn't come out of your levy pot. So if any of your learners are assessed and they have things like dyslexia there is additional funding for providers to provide support to them, so that is not part of your levy calculation.

There has been a big change around sub-contracting of provision and I've written here the removal of a managing agent model. So you're a levy-paying employer, it's really important that if you're contracting with a main provider, you must ensure that the main provider delivers at least some form of actual training and on-programme assessment and it's not also a token amount. So the managing agent model, where you are contracting with a provider who might manage a supply chain and you need to make sure that the main provider – and you can have more than one main provider – is actually providing a degree of training and assessment. So that's quite a big change as well.

And then in terms of funding, we've got the fifteen new funding bands, which run from band one, £1,500, all the way up to £27,000 for some of the high-level programmes and I'll talk about that in a few more slides.

So you can split the situation in the market place into two categories. We've got the employers with a pay bill of less than £3 million, so they won't be paying the levy, they'll be subject to the nine to one – they pay £1 and the government pays the £9 subsidy. And that is the same for frameworks and standards and they've got access to those two incentives.

For the levy-paying employers the payment is made based on their PAYE return and that is collected by HMRC and it's credited into a new digital account, which is called the TAS which stands for The Apprenticeship Service. Some of you might have previously heard that being referred to as the DAS – the Digital Apprenticeship Service – but in essence that's the same thing. So the TAS is, in essence, an online account where you can set the provider, you can see what funds you've got to spend and you can see what commitments you've made financially and it has credits and debits, so it's like an online bank account you can purchase your training from.

Very briefly I just want to go through how you calculate your levy. So I've got an example here of an employer who has got 80% of their workforce live in England and 20% living in devolved nations and that's quite important. So we've got an employer here who has got a pay bill of around £5 million a year. So how the levy is calculated, it's calculated on the basis of half a percent of the pay bill. So in this example, it's £25,000. So, in essence all employers get a £15,000 virtual allowance but that's a virtual allowance, that's not a pot of funding that they can spend, so £15,000 equates to half a percent of £3 million. So in the example here, the £15,000 is deducted, which

means that the actual cost to the employer, that they have to pay, which is taken on a monthly basis, equates to £10,000 annually. However, at that point there is a calculation that goes into the levy calculation based on the home postcodes of where your employees live. So in this example, 20% of the workforce actually live in Scotland and Wales, so that money is actually deducted and passed on to the devolved nations and they can spend that on anything they want, not necessarily training. It's at that point the government provides a 10% top up, so the actual amount of funding that the employer can spend is £8,800. So the key message is that there will be some employers who probably end up with 110% of what they put into the levy and I certainly work with a number of employers who will have considerably less based on the home postcodes of where their employees live.

Just on to funding bands, so from May all new apprenticeship standards and frameworks have been allocated to one of these fifteen funding bands and there is a list that is available on gov.uk. A general rule of thumb is the more technical and the high level programmes tend to attract a higher level of band. So I've got some examples here for you. A Level 3 accounting assistant fits under Band Nine, so the maximum price that the provider and the employer can negotiate up to (and it is negotiation) is anywhere up to £9,000. Something like the very popular Level 6 chartered manager degree apprenticeship programmes sits in Band Fifteen. It's a three/four year programme typically and the price that the provider and the employer can negotiate up to for government funding is £27,000. There isn't yet the ability for the employer to pay more, but if they do pay more that needs to be out of their own funds and can't be used from either their levy or any of the government incentives either.

Moving on to looking at the non-levy examples, so like I say this is for 98% of employers not paying the levy or if you're a levy-paying employer and you've consumed your levy, you will flip into this investment model. Out of those 20,000 employers there is actually quite a long tail on it and there are a number of employers who are only just in scope for the levy and they all kind of flip in and flip out.

So to talk about an example here – so we have the customer service practitioner, so band value is £4,000. So if the provider and employer agree a price of £4,000, the contribution that the employer needs to make in that example is £400. So the government then pays the remaining 90% which is the £3,600. So the £400 commitment is paid by the employer. If it's a sixteen to eighteen year old and they stay in learning throughout the duration of their apprenticeship programme, then the employer actually gets £1,000 cash incentive back at the three months and the twelve months that I mentioned in those two £500 instalments.

So actually the net cost for an apprenticeship in customer service practitioner for a sixteen to eighteen year old has actually got an upside the employer. Obviously you need to factor in things like the cost of the salary, which is very important. Hopefully I've given you

some examples about the nine to ten model, which most employers will pay.

I just want to touch very briefly on the products themselves. So we're mid-transition to the new apprenticeship standard, so the ethos really is the apprenticeship standards were created by employers for employers and they all feature sections on skills, models and behaviours and they are very much specific to individual job roles. The qualifications are not mandatory, so as I mentioned around 40% of new apprenticeship standards don't have a mandatory qualification or require Maths and English or an exemption or require the new independent employment assessment.

So what does an apprenticeship framework look like? The old system that we're moving away from, we've got a legacy of products which were created by the old Sector Skills Council. They are very much qualification driven, so they either have a certificate or diploma. I think one of the key criticisms about apprenticeship frameworks has been that they have been quite generic, rather than very specific to a job role. So to give an example, you can do an apprenticeship framework in property services, but then you can actually do an apprenticeship standard in junior estate agency, which is much more tailored. And there are other examples such as an apprenticeship framework in customer service, which can be put into a lot of different occupational areas and then you have very much more specific trades when you start to look at the apprenticeship standards.

So what does that look like in practice? Anybody who has been involved with apprenticeships previously and apprenticeship frameworks, they will have a provider, whether that's an independent provider or a college, they will come into you as an employer and they will deliver the training and assessments and usually build a portfolio of evidence from apprenticeship frameworks. That represents the top box. The new apprenticeship standards are quite different. So, in essence, you're contracting with a provider to deliver the training element, which I suppose is really 80% is the standards, so the knowledge, the skills and the behaviours. Once the apprentice has been on programme for at least a year you get to the point (and it varies for different standards and different levels) you reach what's called the 'gateway point', where there is a joint decision made between the employer, the apprentice and the provider that the apprentice is ready to sit their independent employment assessment and it's important to say that different standards have different rules in regard to things like re-sits – how many re-sits are involved? So the idea of the independent employment assessment, as I mentioned earlier, it's an external validation that the apprentice is competent and I've included a link to the Registry of Apprenticeship Assessment Organisations. They're the assessment organisations who have been approved by government who offer independent employment assessment and that gets updated each month.

I get asked a lot by employers about where to start? So when they're starting the process around selecting a provider. So we've got the

RATP, the Register of Apprenticeship Training Providers, so that's a government-approved list of providers who deliver apprenticeship training. So I would certainly say the first port of call is have a look at the Register of Apprenticeship Training Providers and I've put a link on the bottom and that gets updated on a quarterly basis. What I would say is that there are 2,300 organisations on there, so where do you start as an employer? What I would say is that on the register, there will be organisations with no track record in regard to apprenticeships, apprenticeship delivery, utilising government funding, compliance, Ofsted, but that register is very much a government check around financial health and capacity and capability and that's a paper-based check, so it's really, really important – and I must stress that you do your own due diligence about selecting your own provider. And we're starting to see more and more employers going out to the competitive tendering process. We see that a lot in the public sector, but we're also starting to see that a lot more with private employers as well so they look to procure professional training on higher apprenticeships through a competitive tendering process.

What I would say is look at a provider's track record and expertise. If they've delivered apprenticeships before as a main provider then there'll be an Ofsted report you can look at and they will be offer you references from other employers about the quality of their training.

It's really important. This is a new employer-led world, so you're giving programmes that you want, not what programmes you deliver. So if you wanted a digital marketed standard, make sure that a provider doesn't offer you a business admin with some social media units bolted on, because they haven't necessarily got the skills. So it's really important that that the provider can give you exactly what you want. Geographical coverage – not all providers deliver nationally, so if you've got a need for delivery across a wide area, make sure they understand that. And there are some providers out there who will offer what we deem a prime contract model, they will help develop and manage a supply chain and help carry through the heavy lifting if you've got a very complex array of training that you're looking to procure. And I've enclosed a link at the bottom for the Register of Apprenticeship Training Providers.

So what can you do if there are no frameworks or standards developed or being developed which meet your needs as a business? Well actually, the whole ethos of the new standards is that employers can come together and form trailblazer groups. The idea with the trailblazer groups is that employers come together with their expertise and work with government to develop new standard assessment plans. But you can't do that on a stand-alone basis, so you need to have at least ten employers to do that and there are some requirements around employers of different sizes, so there are some requirements in there around working with employers with less than fifty employees. So it's making sure that the standards you develop are transferable. So on the junior estate agent, which I am working on at the moment with the employer group, we've got a mixture of employers, large and small. So the skills that they learn are

transferable and relevant, whether it's a big organisation like Countrywide or a local estate agent too.

So there is some specific guidance that is available from the industry for apprenticeships about how to go about that and I'll provide a link in the presentation as well. So what you need to develop as part of that you create a standard and I've listed the aspects of that, so the profile entry requirement and also you have to help develop an assessment plan which in essence is a framework and the end point assessment. So if there is not a Standard that has been developed, you do have the ability to work with other employers to create new standards as well.

So the last couple of slides from me – this one touches on anybody who is representing the public sector. So the public sector is a significant levy-paying employer. So, as an example, the NHS is anticipated to pay around £200 million a year in levies, so there are some prescribed groups and public sector bodies with more than 250 staff that have a target of, on average, at least 2.3% of their staff as apprentices over the period April 2017 through to March 2021 and they must have regard to the target. And again it gives reference about government agencies if the standards aren't available for what you want. You can obviously look to come together and develop new standards and often standards are developed specifically for the public sector. There is a list of government agencies in the scope, which is published on gov.uk and I've provided a list and a link if you're in the scope for the public sector 2.3% target.

Okay, so the final slide from me. I've probably baffled everyone with lots of information on the changing landscape and the reforms, but I have two messages which are the landscape will continue to move and evolve and it's a government aim that eventually all employers will move on to TAS, The apprenticeship service, the online accounts. At the moment it's only levy-paying employers who have access to that, so there will be no further allocations to training providers, which will give more flexibility to employers of all sizes as to who they want to work with. So one of the areas that we're lobbying quite hard with the new government is earliest end of January 2018 or it could be all the way through up to April 2019, which has been planned by government.

Once employers are on TAS, I always have to make all the stakeholders aware of some of the key levers and mechanisms which civil servants can use to keep the system moving and ultimately ensure that we reach the conservative three million starts commitment by 2020. So I just want to touch on a few of these very, very briefly.

So obviously we've got the three million threshold for the levy that can be moved down which means we get more employers in the scope for the levy which produces more funding for the system. The 0.5% levy bill can be increased, so what we pay this year might be different to next year or the year after, so it's always worth being aware of that. There is also the ability to move standards and frameworks into

different funding bands and the idea behind that is if you revalue the product it might slow down the consumption. The current investment, that 90-10 subsidised model, the government might also look to reduce their subsidy. So again that's something to be aware of if you're not paying the levy. The 24 months that you've got to spend the levy, that might be cut down, in essence to reduce the funds that have been ring-fenced and get the funding back into the system and finally the percentage of funding which levy-paying employers get back to spend over time might be adjusted down to make sure that there is enough money in the system to manage the commitments which the government have committed to of three million starts by 2020.

That's me done, I'm going to hand back to Bar, who is going to take you through the next poll.

Bar Huberman: Thanks very much, Simon. Could you just stay on the line for a minute? I just wanted to clarify while the apprenticeship levy applies throughout the UK, the system of payments and the type of apprenticeships is different in England, Scotland, Wales and Northern Ireland isn't it? And we're focusing on England today.

Simon Ashworth: That's right. So the apprenticeship levy only impacts employers in England, so the devolved nations, the Welsh, the Scottish and Northern Ireland have their own set of funding, set of requirements, and set of priorities around apprenticeships.

Bar Huberman: Okay. Thanks very much. That was really helpful. I hope it's helped to clarify the current position for everyone. I've certainly learned a lot. So next we're going to see how you can get the most of the reforms to benefit your organisation, but before I hand over to Mike, there is another opportunity for everyone to get involved with the launch of our second poll and the question is, 'What are your organisation's plans for recruiting apprentices over the next twelve months?'

So choose from recruiting new apprentices, upscale existing staff by putting them through an apprenticeship, the third option is a combination of the first two options and finally we have undecided on what to do. I'll give you a few more seconds to vote. Okay, I'm going to close the poll now and we can see that most people, 48%, have voted for a mix of new and existing staff and we have 18% are looking to recruit new apprentices, 21% are undecided on what to do and 12% are using apprenticeships to upscale existing staff.

So, Mike, could I get you involved now, please? How do those responses compare with your plans at Barclays?

Mike Thompson: Sure, thanks Bar and good afternoon everybody. Yes, I would say if I'd been answering this question four or five years ago when we set our programme up, I would have been answering the top box – looking to recruit new apprentices, but I think as the reforms have come into place as Simon has talked about, I would say that now at Barclays we're looking at a mix of new and existing staff and I'll talk a

bit more about that after I've finished my presentation, if that's okay, Bar?

Bar Huberman:

Yes, that's great. Thanks, Mike, I'll put it on to your first slide.

Mike Thompson:

Lovely, thank you. So good afternoon everybody and let me just talk you through a bit about my background before I go into what we're doing at Barclays around apprenticeships. I am relatively new to apprenticeships. I started my role as Director for Early Careers at Barclays in 2012 and started with a programme that only had eight people on it. So we started very, very small and the context and background to it was two different things happened at the same time. One was some of the challenges the banking sector was facing around our reputation, around some of the issues that we saw with LIBOR and the wider financial crisis that brought a new Chief Executive into our organisation and at the same time we were carrying out a fundamental review of our HR strategy and approach and we were looking very deeply at the make-up of our workforce, both at the time but also looking at what shape of workforce we needed for the future? What skills we needed in our organisation as our bank was evolving and preparing itself for the future digital world.

So a new Chief Executive came on board. At the time we were seeing very, very high levels of youth unemployment and our Chief Executive received a letter from Boris Johnson, the Mayor of London at the time, and the letter was very straightforward. It said, and it was written to the chief executives of all the banks and it said the same thing to each of them. It said, 'There's a big issue with youth unemployment. You, as major employers in the UK, need to do something about it and in particular you need to do something about it in terms of providing more apprenticeships.' And at the time I think it's fair to say very few, if any, of the banks really did much about apprenticeships, so it was a very new concept for us all. The Chief Executive came to my boss, the HR Director, and said, 'I think we should do something about this. I think there is a big issue out there that we, as an organisation, can have a positive impact on.' Youth unemployment was and still is an issue right across the UK and in all the markets that we operate all the time and High Streets that we are on we're seeing our customers where members of the family or young people are struggling to get into work.

So he came to the HR Director and asked what we could do and at the same time we'd looked at our demographics and we saw that only 300 people across our organisation were under the age of 21 and that's across a workforce of 70,000 people in the UK. So a very, very small portion of our workforce were young people, so predominantly we had been recruiting graduates and therefore they were typically 21+ and weren't bringing in, perhaps, the younger end, the digital native group, who would help us to transform our business and become a digital bank.

So we had an HR problem around the make-up of our workforce and we had a political challenge and a social challenge that was facing us at the time. So we sat down and looked at what we could do and we

said, 'Okay, well why don't we create a programme that helps target long-term unemployed young people and at the same time plug a demographic gap in our workforce?' At the same time we also looked at the diversity of our workforce and we were seeing, again because of the profile of people we'd been hiring, specifically graduates and more experienced hires, we weren't seeing the breadth of diversity that we wanted to see across the organisation and that's across every metric, whether you look at BAME or whether you look at people with disabilities or people from fancy backgrounds, we weren't really seeing the types of metrics that we wanted to see. We weren't reflecting amongst our colleague base our customers and that was something that concerned us.

So we felt the apprenticeship programme would be a means of tackling both bringing in more young people, but also bringing in more young people from a far more diverse background than we had previously done before. So I guess, like many organisations, probably on this webinar today, we were scratching our heads about where to start and the first piece of advice I would give anyone thinking about what do with apprenticeships is really be very clear about the business problem you are trying to solve. In our case it was diversity and in our case it was bringing in skills, digital skills in particular, and over time that has evolved as our strategy has evolved, the problems we saw for the apprenticeship programme have evolved, but primarily that is what we set out to achieve. So, Bar, if you could click on to the next side, please.

So where are we today? So we started off with eight apprentices in our first cohort in April 2012, today we have 3,000 people who have been helped into work through our apprenticeship programme and to target the people we wanted to get in, we had to fundamentally change the way we recruited into our business. So we turned our recruitment rule book on its head and we scrapped all of our academic entry criteria and we said we wanted to target people who had the right aptitude, attitude and motivation to work for Barclays and we wanted to target the hardest to reach. So we set some criteria around that. We either said you had to be over six months' unemployed or you had to have fewer than five GCSEs coming out of the education system, because what we saw amongst the million young people that were unemployed at the time was either they had lots of qualifications but no experience, and therefore were struggling to get into work, or they'd no qualifications at all, and again were therefore struggling to find opportunities and when we started looking at that group and started bringing into our organisation what we identified was a really highly talented group of young people, people who needed some extra support and extra help to get to the level of confidence that you'd expect within our organisation. So the apprenticeship provided a fantastic supportive framework for people to get the skills they needed in a way which was hand-held from day one through to completion of their apprenticeship.

And we introduced that programme across a range of entry-level jobs in our business, so from our branches to our contact centres to our

operations teams and that has grown over time as we've developed the programme. Bar, if we could just switch to the next slide, please.

So we started off focusing on young people and the first issue we came across, and I think one of the questions we had before the webinar, was, 'How do you keep apprentices in the business when they join you?' Well that was one of the first issues we came across. We were seeing people come in and within three to six months were leaving the organisation and we largely finding that was because it really wasn't the environment that they expected, it was perhaps more challenging, and they perhaps didn't feel that they got the support they needed. They kind of weren't ready for the very challenging work environment that is a typical bank branch or a typical contact centre. So one of the ways that we looked to resolve that was to create a traineeship programme. The traineeship programme allows you before somebody joins your apprenticeship to work with you, spend some time in your organisation on work experience and to have a look at the environment and make sure it's the right place for them. It also gives us the chance to work with the individuals in the classroom and make sure they've got the skills they need, the employability skills in particular, to make that transition into work and having introduced the traineeship when that reform came along, we've seen our attrition levels fall from somewhere around 35 to 40% to less than 10% now. So the vast majority of our recruits now stay in the business, and that's largely because they've had a chance to look at the business without having to make a commitment, we've had a chance to look at them and that mutual relationship has been formed before they've had to sign a contract and join the organisation. So if you like it's 'try before you buy'.

The second reform which has really benefitted us is the development of new Standards. When we first launched our programme, we were very restricted in the frameworks that were available to us in financial services. We soon realised that they were out-of-date, they didn't have the relevant professional qualifications and they weren't very flexible. We could only hire people sixteen to 24, if we wanted to look at people beyond that the funding wasn't there and it became quite complex to do that. So when the second major reform came along, which was the trailblazer model which allowed us to create our own new Standards across the sector, we jumped at that and we got together with all the other banks and we developed a range of Standards that are modern, include our professional qualifications and that provide a ladder or a progression pathway for people from entry level, Level 2 qualifications right through to degree and master-level qualifications, which we're currently developing. And the beauty of the introduction of those new standards is as soon as the standard is available, the cap on age is removed. So you can put anybody through the new standard, and that allowed us to move away from purely focusing on long-term unemployed young people to start to look at other groups that would benefit our organisation.

So when we introduced our programme, certain parts of our business were very reticent to take on board apprentices and in particular

areas like our complaint handling teams, complex queries teams, those teams that perhaps wanted somebody with a bit more maturity, somebody with a bit more experience, they all wanted to look at older apprentices. So with the reform of the new standards being introduced and the ability for us to put anybody of any age through an apprenticeship, we introduced what we call our Bolder Apprenticeship Programme, Barclays older, and that targeted long-term unemployed older jobseekers, people with a bit more life experience but for whatever reason they had maybe fallen out of work, maybe through redundancy or having to care for individuals and then struggled to get back into work. That has been a huge success for us, because it has opened up apprenticeships in parts of our business that would never have taken an apprentice before, but it has also allowed us to tap into a very diverse and talented pool of people through the Job Centres that we can now work with and develop and give long-term careers to.

So having opened up our organisation, not just to young unemployed, by the long-term older unemployed through the reforms, we then realised that we needed to progress people to retain them. We wanted people to move up to higher-level skills, to fill some of the skills gaps we have in our organisation. So we then leveraged the degree apprenticeship, which is one of the more recent reforms. We initially introduced a degree apprenticeship in leadership and management for people wanting to move from being a cashier or a contact centre call handler to become a team leader or a branch manager and more recently we've also introduced IT degree apprenticeships and I think it's very, very important if you do put a programme in place that you do offer people progression. I think one of the issues we saw initially when we had a very limited programme, only Level 2 or Level 3 qualifications, people got very frustrated that there wasn't the progression beyond that. So the degree apprenticeship had provided that for the most talented individuals and allowed us to move people across our organisation into different roles across the business. Bar, could you move on to the next slide, please?

The benefit for Barclays is obviously diversity of new recruits, the long-term unemployed population that we have from it is hugely diverse. Our statistics now are unrecognisable from four years ago across every metric from disability through to BAME through to people from socially disadvantaged backgrounds, so we're much healthier, we look much more like our customers now than we did four to five years ago. We have very clear progression pathways and it's easier for people to move across our business because of that and we're working with some of the best universities in the country. For our leadership and management programmes Anglia Ruskin University, our IT degree programme is with Manchester Metropolitan University and we have people going through those programmes who joined us with not a single GCSE, no qualifications whatsoever, but they've worked their way up and they are now doing a degree programme, performing exceptionally well. And more latterly we've started investing in our existing workforce where we have particular

skills gaps and the first area we've focused on is leadership, where we have 60 people now going through a leadership degree programme. Again, people who are perhaps accidental leaders, who fell into leadership almost because they are very good technically at their job and got promoted, but perhaps haven't had the depth of development that you would hope they would have. That programme is extremely successful. It is a challenge juggling work and study, but we're finding the right balance of support for those individuals and giving them time to do that. So, Bar, if you could move on to the next slide, please.

So where have we ended up? Well I'm hopeful we have a video now that we can share with you, which brings to light how all these parts and pieces have come together for us as an organisation and Bar, if you could play that for me that would be great. Thank you.

[pause]

Thanks, Bar. I couldn't hear the sound on that, I hope the sound played for you guys on the webinar itself, but the video I hope encapsulates what apprenticeships mean for Barclays. This is something we produce for our internal colleagues and also people looking to apply to Barclays and essentially I think that hopefully you will see that the message is clear. Apprenticeships can be for anybody and I think coming back to the point I made at the very start of my presentation, I think for you to think about how apprenticeships can benefit your organisation, you really need to look at what is the business problem you are trying to solve. In our case it was about diversification of our workforce, it was about progression of people across our business, it was also about bridging some skills gaps that we had. And we've been able to blend together all of the different reforms that Simon talked about earlier into a programme that really gives opportunities both for somebody within our existing workforce, but also a young person or an older person looking to join us from outside of our organisation. So apprenticeships can be hugely flexible, but you really do need to sit back and think what is it we're trying to achieve for our business? What is our key business need? What is the key business problem we are trying to solve? And Bar, if we can flick over a couple of slides, please. I'm conscious of time.

So where have we ended up? The journey you now see on the slide in front of you is the basic structure of our programme, so we've built progression paths right from foundation level through to our graduate programmes and interestingly enough last year 25% of our UK graduates came from in-house apprentices who had gone through our degree programme. So we've grown our own graduates and the beauty is that many of those people have joined us without absolutely no qualifications, no experience, but they've built up through the apprenticeship journey a richness and diversity of knowledge and qualifications that has allowed them to successfully get on to one of the most sought-after graduate programmes in the country. So I think that shows the power of apprenticeships and for us it shows how you can join up your whole learning career, offering something very

seamless for the individual. Bar, we've probably run out of time now for my presentation, so can I hand back to you for the Q&A?

Bar Huberman:

Thank you very much, Mike. That was really inspiring, especially the achievements you've made around retaining apprentices and I'm sure you've given everyone some takeaways for their own apprenticeship programmes. So I'm going to launch straight into our Q&A and our first question comes from Olivia and this is for you, Simon. The risk with the new levy is that existing schemes will be relabelled as apprenticeships. Is this a problem?

Simon Ashworth:

That's a very good question. So some of the new apprenticeship standards are certainly opening up a number of new avenues. So I think as an organisation we do have some concerns, certainly on the degree apprenticeships, that there might be some rebadging of degree programmes within degree apprenticeships and in essence what was paid for commercially has been paid for with government-funded money, so it is an area we're concerned about, but it's still quite early to tell in regard to the degree apprenticeship programmes, but the FSA and the ISA are quite anti-qualifications in some of the new Standards, so there will probably be fewer and fewer qualifications in the new standards which will probably remove some of that portability of existing and rebadging that might have taken place previously.

Bar Huberman:

Okay. Thank you very much, Simon. I'm going to move on to a question from Becs and she asks, 'Apprenticeships are only appropriate in a small number of schemes within the organisation and paying the levy impacts financially before we even consider potential wage bills, so how are other organisations making this work for them?' Mike, could I start you off with that one, please?

Mike Thompson:

I'm not sure I'd agree necessarily that they are only available in a limited number of roles. If you look at the range of standards that have been approved, they are right across a huge number of different roles now, particularly in functional areas, so we have programmes running across pretty much every one of our functions, we've a finance apprenticeship programme, an HR apprenticeship programme, an audit apprenticeship programme, risk to client. So I think there is an increasing number of standards that are applicable right across pretty much every type of business. Leadership and management are a very good example of where there is an opportunity now to invest significantly more in leadership development perhaps than we could have done through our historic L&D budgets and I think many businesses will probably start there, with some of the low-hanging fruit around where we could invest at relatively low risk into an apprenticeship programme to get going. So I think it's worth just keeping an eye on the standards that are under development. There are a lot of them in the pipeline, so I think there will be far more choice moving forward about what you can spend your money on and then if there aren't standards that are there for your sector, then it's worth looking at the trailblazer route to create them if you genuinely think there is a gap in what's available.

Bar Huberman:

Okay, thank you, Mike. I'm going to move on to a question around off-the-job training. We've had lots of questions in on this issue. So, for example, Suzanne says, 'I'm concerned about the 20% off-the-job and would be keen to understand what other employers are doing to comply with this and what constitutes off-the-job?' So, Simon, could I ask for your view on that?

Simon Ashworth:

Prior to starting the job I have at the moment, I used to speak to a lot of levy-paying employers and they first question they always ask me is, they'd read the headlines, and they'd say the requirements are 20% off-the-job, what does that mean? I think it's important to say that off-the-job doesn't necessarily mean away from the workplace, it doesn't necessarily mean that your apprentices have got to, say, college, on a day release model. Off-the-job comes with a day release, block release, in-the-workplace. There is a degree of flexibility. But there is a concern certainly from employers on... I think we're looking due to some of the higher level standards where we describe 20% really as unproductive time, so people who are already employed, can you afford for them to be unproductive for what is in essence one day a week?

So off-the-job must be delivered within normal contracted hours, so individuals can't necessarily do it in their own time or self-study, an apprenticeship is a job with training, the job is linked to training, but there is flexibility around off-the-job, so off-the-job includes lots of different things. It can be one-to-one tuition, it can be blended learning, it can be self-study in the workplace, it can be mentoring, peer review, peer work – there is lots of flexibility around off-the-job, but I know that's certainly a concern for employers around some of the high level programmes. I think employers accept that if they're bringing in a Level 2 and Level 3 apprentice and paying them a low apprenticeship minimum wage, there is an expectation that there will be a degree of unproductivity. But one of the two questions to employers about existing staff is that's the trade-off really, about making the commitment and the commitment is there really to make sure that employers are not putting people on apprenticeships and not giving them real training, training that they say is training, but it isn't training *per se*.

Bar Huberman:

Okay, thanks very much, Simon that was a really comprehensive answer. I'm going to move on now to how you engage the business and Graham asks for some tips on culture change. So bringing apprentices into teams used to hiring experienced employees – Mike that's probably one for you to answer.

Mike Thompson:

Yes, I mean we went through quite a learning curve on this one. Typically most of our branches and contact centres where we started our programme would have been used to experienced hires, so we had to do a lot of pre-work in a number of ways, really. One was to choose branches where we thought it would provide a very supportive environment to the individual, so that meant really looking at who the branch manager was, the type of environment in that team, the pressures from a customer perspective. So the challenges, if you like,

that an apprentice would face. We didn't want to put them into some of the biggest, busiest branches where they would potentially not get the sort of support they would get, perhaps, in a smaller, quieter location. So we were very, very careful to select the locations. In our contact centres we were very careful to bring them in in cohorts, so they had their own support network from within the other apprentices that were joining and we were very careful to choose mentors within the business who we felt would be very supportive of the individuals and in the case of a conflict cohorts that could work with them to provide them with that extra pastoral care that you wouldn't perhaps put in place for a normal hire.

We also spent a lot of time briefing our branch managers, really talking to them about the differences that they should expect to see. The traineeship model helped a lot, because they were able to spend two weeks with the individual doing work experience, so they were able to meet them before they actually joined the team, they were able to spend time with them to understand some of the challenges they might face to get to know them, to get to know the team, so I think that in particular has really helped people land quite smoothly into the business, but I wouldn't underestimate the amount of effort required to prepare your branch teams or your teams in your offices and your businesses to ready themselves and also how important it is to select the right environment. We did make some mistakes where we put people in to very challenging, tough environments and we had some issues, so that's the sort of advice I would give.

Bar Huberman:

Thanks very much, Mike. Really thought provoking. So I'm just going to move on to a question on attracting apprentices and Sue asks, 'What are your thoughts and ideas on attracting potential apprentices? So not just school or college leavers.' Mike, could I start you off with that one?

Mike Thompson:

As you've seen from my presentation, we've targeted the long-term unemployed, apprentices from a very wide age demographic, so our engagement approach has been through the Job Centre, predominantly. We wanted to bring in a more diverse workforce and we felt that by going to schools or colleges we might not get the breadth of diversity we were looking for.

We work through a training provider, so our training provider helps us to work with Job Centres and a range of charity partners. We have over 60 different charities that we work with who provide young people or older job seekers that they are working with who they believe would be a good fit for our organisation and have the right skills to work in financial services.

So we build, if you like, a network of referral partners and they refer their clients or people they are working with into our partner organisation and then they will look at them and work with them through the traineeship model and filter them into the organisation in the right job and the right location.

So it's quite a refined model, but it's taken us a little while to get there. I think the only piece of advice I would give you is to, if you can, try and work with a provider that can help you to source candidates for your role suitable for your business, that match your business needs, and make sure your provider understands your business and understands what you're looking for and is able to work with you to attract the right people.

Bar Huberman:

That's great. Thank you, Mike. So we're running out of time. We've had so many brilliant questions in but I'm just going to ask you both to stay on the line for another minute if that is okay and I'm just going to ask you both a wrap-up question. If I could start with you, Simon. Georgina says, 'What's the biggest challenge facing companies using apprenticeships?'

Simon Ashworth:

I think 50% of employers paying the levy have never engaged with apprenticeships before and sometimes it's about getting started. We also find there is a bit of a stigma sometimes around the term apprenticeships, we talk to a lot of employers, a lot of parents and a lot of them think that apprenticeships are for sixteen to eighteen year olds in construction trades. The truth really is that two-thirds of apprentices are people who are already employed to make sure that they've got the skills that they need. But some of it's about the positioning of it and the value and I think certainly the new standards – and there are some really excellent progression rates where you can come in a Level 2 or Level 3 and you can progress on all the way up to degree level and you don't necessarily have the debt that you get with going to university. But certainly there's a notion in terms of apprenticeship, sometimes with the stakeholders there's a misunderstanding about the brands and what it is and what the apprenticeship is, and hopefully we have allayed some of those concerns today.

Bar Huberman:

Thanks very much, Simon. And Mike, could I ask you for your thoughts on that too? What is the biggest challenge facing companies using apprenticeships?

Mike Thompson:

Funnily enough I was thinking exactly the same thing that Simon was really, which is I think the brand of apprenticeships...I think the challenges we faced were people not really understanding the new world of apprenticeships, harking back to days of YTS or equivalent programmes and not really getting the fact that apprenticeships these days are modern, high-quality and, as Simon said, can take you all the way up to degree and masters level. So we have seen a lot of our colleagues had to overcome this stigma of an apprenticeship as being a second-class route for people. The reality is, through our degree programme, we have so many people coming through who had the choice to go to university and chose not to because they didn't want the debt, they wanted to get into work, they wanted to have a career, and they are as high a calibre if not even higher calibre than some of the people we see through our graduate programmes.

So I think you've got to overcome that stereotype in a lot of those minds and I think the other key challenge for anybody starting a

programme is get the right provider that understands your business, they can help you deliver the quality training you need and that's quite tough, there is a lot of choice out there and it's quite hard to land on who is going to be the best fit for your organisation, so I would do what Simon says and go out and look at a range of providers and do a tender process to get people to come and present themselves and sell themselves to you.

Bar Huberman:

Okay, great. Thanks so much, Mike. And unfortunately that's all we have time for today. I'd like to say a huge thank you to our speakers – Simon Ashworth and Mike Thompson – for joining us today.

If you want to know more about this subject, have a look at our resources on apprenticeships, including a how to guide on employing an apprentice, which gives you a practical overview of the process of employing an apprentice.

A few of you have asked about employers' legal duties towards apprentices and what kind of contract to use, so you may want to look at our model apprenticeship agreement and we've also just published some model letters to use as an apprenticeship reaches its conclusion, including an example letter offering a permanent job to an apprentice.

We are recording today's session and will have the slides, transcript and recording available shortly.

That brings us to the end of today's webinar brought to you by XpertHR in association with Personnel Today. Thanks for listening and goodbye.