



SME Engagement with Apprenticeships and Funded Skills Programmes

Introduction

In May, the St Martin's Group, in partnership with the Association of Apprentices, brought together a number of small and medium sized businesses and organisations that support them, to share their experiences of apprenticeships and other funded skills programmes.

The forum explored the earlier research conducted by the St Martin's Group in response to the FE White Paper - Skills for Jobs, published in January. 500 SMEs were asked about their awareness of funded skills programmes and the barriers to using them. The forum's aim was to use the collective voices and experiences of the 30 attendees to help shape future approaches with regards to funded skills programmes for SME businesses and their learners, and particularly for those not engaged with the system.

Key findings

Key messages from the research and discussions with SMEs are:

- We need to replicate the support provided to apprentices in larger organisations for those working in SMEs
- It's not just apprentices who need support, their SME employer needs it too
- There are many barriers to SMEs engaging with apprenticeships or other skills programmes
- There's still a lot to do to debunk myths about apprenticeships and wider skills programmes
- We need to improve communication and services to SMEs
- We need to find better ways to engage with those who aren't currently using the system

Further information

For enquiries or further information, please contact secretariat@stmartinsgroup.org.

We need to replicate the support provided to apprentices in larger organisations for those working in SMEs

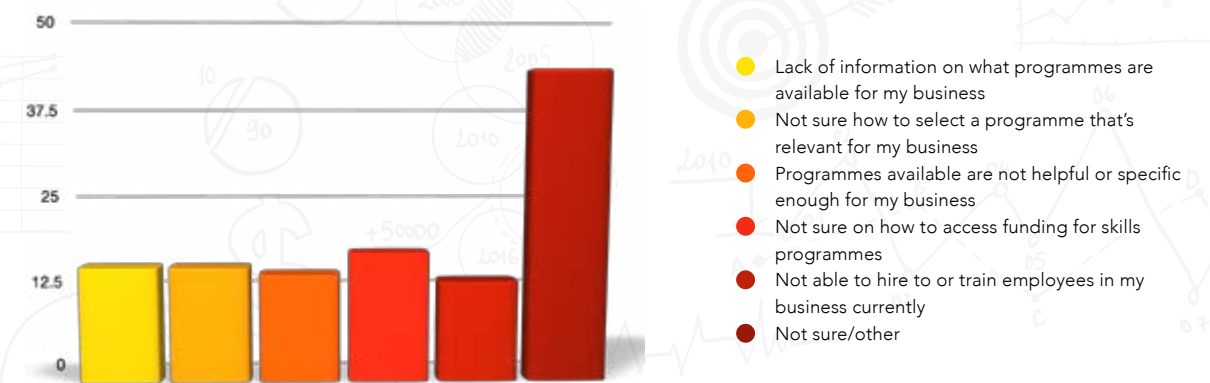
1. Apprentices working in SMEs can feel isolated from their peers, particularly if they have taken a different educational route from friends or colleagues at work and are feeling on their own with regards to balancing study and work;
2. A peer network, together with access to mentors and coaches would provide a sense of community belonging, and support those at risk of not completing their programmes;
3. These communities should be linked to the industry they work in, not just with other apprentice communities but with organisations and experts from their field, helping to cover areas that their workplace might miss and to create opportunities on a broader scale;
4. Creating this sense of potential, will increase awareness that apprenticeships are a springboard for careers. But it is not only career development support SME apprentices need. There is a vast array of on-programme advice that would be welcomed from apprentice peers, such as how to get the best outcome from progress reviews or end-point assessments;
5. This advice needs to be complemented with softer skills development, something larger organisations tend to provide. Of particular benefit would be information and tools on well-being and mental health.

It's not just apprentices who need support, their SME employer needs it too

1. Managers of apprentices in SMEs need support too, particularly help to understand the journey an apprentice goes through from on-boarding, to providing the right support, to mentoring opportunities;
2. There is a need to replicate the support larger organisations may have in place for line managers of apprentices;
3. A support network for SME Employers could help to provide information and help alleviate concerns about managing an apprentice;
4. Support networks work well when managed within the industry or sector the organisation works in; for example, the Advanced Therapies Apprenticeship Community (ATAC) is coordinated by the Cell and Gene Therapy Catapult and brings together SMEs in regional networks for advice on programmes and managing apprentices <https://advancedtherapiesapprenticeships.co.uk/>.

There are many barriers to SMEs engaging with apprenticeships or other skills programmes

Common Barriers to SME Engagement



1. There is no single barrier that appears to be the biggest challenge. SMEs face a number of challenges to engaging with apprenticeships or other skills programmes;
2. Uncertainty as a result of the pandemic has paused conversations with SMEs, particularly in the hardest hit industries such as Retail and Hospitality;
3. Knowing where to access funding is one barrier, but it's not only accessing it; understanding the 'mechanics' of funding and then the process needed to obtain it, is challenging;
4. It's hard for SMEs to identify what is appropriate for their business, for example traineeships, kickstart or skills bootcamps, and how these different programmes could be linked together to create progression routes. Often apprenticeships are selected because they are simply better known, and the range of other skills programmes is confusing and too complex to navigate;
5. If an apprenticeship is selected as the right route, finding the right apprenticeship standard can be an issue. Firstly, there is a lack of understanding as to the breadth of apprenticeship programmes available. Secondly, SME roles are multi-skilled and sometimes not specific enough to meet an apprenticeship standard's requirements. Flexibility within the current system is important;
6. There are differences to the barriers encountered by sector but not necessarily by size of SME. For example, SMEs from Construction reported a lack of information on programmes available to them as the largest barrier whereas, SMEs in Manufacturing stated the biggest barrier as programmes not being specific enough. Sector focus will be key in breaking barriers;
7. Regardless of sector however, 'hand-holding' is a frequently used term to describe the support needed by SMEs to overcome these barriers.

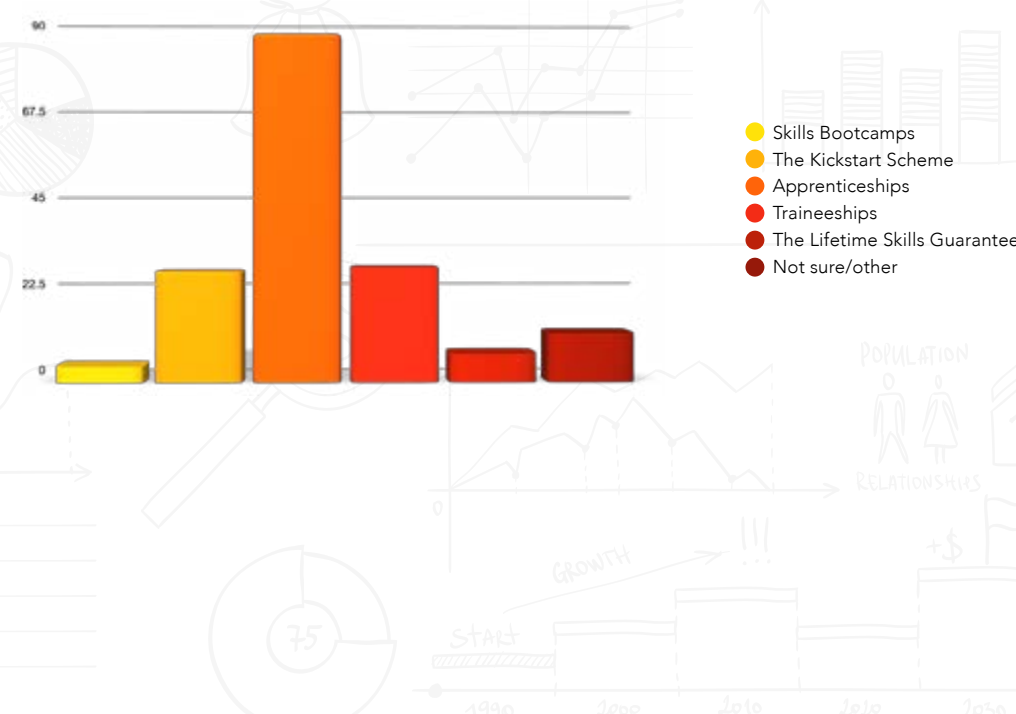
There is still a lot to do to debunk myths about apprenticeships and wider skills programmes

1. Those organisations working with SME businesses report there are still many misconceptions about apprenticeships;
2. Discussions regarding apprenticeships being for new joiners only and not for existing staff are commonplace. Other examples include whether apprenticeships exist outside of 'traditional' trade programmes and what 20% off the job training means in reality;
3. There is also the perception that learners on funded skills programmes will require a lot of management time, and that it takes a while before any return is realised;
4. There is wariness regarding the employment of learners for funded skills programmes versus hiring graduates or pre-skilled workers.

We need to improve communication and services to SMEs

While apprenticeships are widely recognised, other skills programmes are not yet well known, and it is difficult to source information on these.

SME Awareness of Funded Skills Programmes



Local sources are not where SMEs seek or receive information. Gov.uk and providers are the most widely used sources for information.

Information Sources for SMEs



1. SMEs would value a trusted source for all the information and links they need in one central place. This could be a government or a professional or industry body site;
2. Intermediaries are playing an essential role for many SMEs in helping to navigate the system. Some SMEs reported that they would not be using funded skills programmes if they had not received advice and support from such organisations;
3. Services offered by intermediaries differ, but usually focus on facilitating the transfer of levy funds from large employers. Many provide advice and guidance on selecting appropriate programmes and some have built networks of SME employers to support the on-going management of programmes and learners;
4. Intermediary organisations advised that more apprenticeships could be created if SMEs had help to co-ordinate industry cohorts. Bespoke training for groups of apprentices would be more attractive to providers who are often unable to service single requests. This is working well already in primary health and social care;
5. Although locality is important, this type of approach need not be confined by geography. Technological approaches seen during the pandemic could pave the way for those across the country to be included in larger cohorts;
6. Building on this theme, shared apprenticeships work well in some industries such as construction or in the NHS. SMEs and intermediaries welcomed current policy on flexible apprenticeships for further expansion;
7. In addition, the increase to apprenticeship levy transfer amounts and the forthcoming pledge and matching service are also viewed positively, although the requirement for 'hand-holding' will not disappear, for example helping to set up SME accounts on the Apprenticeship Service. There is also some mistrust from SMEs who have been offered funding, again pointing to the need for one, trusted source of information.

We need to find ways to engage with those who aren't currently using the system

1. The majority of respondents to the research's survey said they did not intend to use funded skills programmes in the next 12 months, or they were not sure yet of their plans;
2. There is some correlation between awareness of programmes and intent to use them in the next 12 months; SMEs in regions with higher awareness of programmes indicated a higher intent to use and less uncertainty regarding plans;
3. Working with existing SME networks or service providers to include education and skills in their messaging was advised, for example in banking or accounting;
4. Partnerships with industry, sector or professional associations were recommended, particularly for the inclusion of skills in other communications to SMEs;
5. Large employers can support by working with procurement colleagues to reach their supply chains;
6. Overall, better communication to demystify the process of engaging with the system and sell the benefits of skills programmes is required. In one example, an Intermediary shared the simple practice of calculating the sum of apprentice incentives plus the reduction of co-investment using a levy transfer to clearly demonstrate savings SMEs can make.



Recommendations

1. Create a 'one-trusted' source of information for SMEs with information and relevant links to funded skills programmes linked to Gov.uk;
2. Develop a suite of communication tools for SMEs including videos, how to guides and a calculator tool to show savings made with transfers and incentives;
3. Increase the apprenticeship incentive amount and extend beyond September for SMEs;
4. Further support via sponsorship or funding, the work of intermediaries and providers to provide advice, link employers and co-ordinate industry cohorts;
5. Seek engagement with industry, sector or professional associations. Provide resources for cascade to SMEs, utilising the associations' existing channels;
6. In building an apprenticeship community, facilitate links to wider industry bodies and communities and provide advisory information for SME businesses employing apprentices.

About the authors.



The St Martin's Group

The St Martin's Group is a membership organisation established to support the UK's apprenticeship and wider funded skills system. Bringing together employers, training providers and end-point assessment organisations, the Group aims to increase participation in apprenticeships and skills programmes by providing evidence-based solutions, raising awareness, and encouraging collaboration in the sector. <https://stmartinsgroup.org/>



Association of Apprentices

The Association of Apprentices is a new membership organisation led by apprentices for UK apprentices who are either currently on programme or have recently completed their apprenticeship. The community was created to provide what does not exist elsewhere - peer-to-peer support, guidance, additional learning for continuous development, access to a programme of events, news, and information in a central place. <https://www.associationofapprentices.org.uk/>

