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Apprenticeship levy: making the most of it



Image: Dreamstime.com

James Grinnell from construction consultancy Currie & Brown discusses what companies need to consider when forming a strategy to spend their apprenticeship levy funds - and shares insight into how his company formed its new apprenticeship scheme.



James Grinnell

As many will be aware, the apprenticeship levy requires companies with an annual payroll of £3m or more to invest 0.5% of their total payroll in apprenticeships. The Department for Education has set a target of training three million new apprentices by 2020, and payments into the levy began on 6 April this year.

While many businesses operating in the construction and property industries have been investing in apprenticeships for a while, for some, the introduction of the levy will have provoked the consideration of taking on an apprentice for the very first time.

Can apprenticeships really benefit your business?

For us, apprentices already form an important proportion of our workforce – and we believe in the value of apprenticeships for securing future talent. Others in the industry, however, may not yet have a clear

understanding of how apprenticeships can help their business.

When the levy was first announced, one of the initial concerns was that this could bring significant costs for companies. However, it's important to consider what you're getting for your money - the cost of bringing in and developing new talent is rising, and opportunities are increasingly rare.

Although we already had a graduate recruitment programme in place at Currie & Brown, we launched an apprenticeship scheme over three and a half ago as many graduates were coming to us without the workplace skills their roles required. When we first launched the scheme we took on nine apprentices, and have recruited a further 15 since and we're now looking at taking on 10 more apprentices by the end of the year.

While investing in apprentices means that your business is contributing financially to their education and development, the return on investment is vast. Apprentices are essentially fast-tracking their careers by developing skills, learning theory and gaining valuable work experience, while simultaneously progressing to becoming chartered. This is something which is incredibly difficult for a company to buy.

Allocating your funds and time

It's sometimes difficult to know where to begin when a new government employment initiative is introduced, but there are a number of beneficial ways that companies can utilise the levy. For a start, it provides a great opportunity for businesses to invest even more – both financially and time-wise – in developing and retaining talent.

As the implementation date approached, we had to examine exactly how to adapt our employment strategy. One option is to use the funds to progress existing staff into higher or same level apprenticeships, where they can learn new skills. As well as taking on new apprentices, we will be transitioning some of our employees onto an apprenticeship scheme.

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Whether you've employed apprentices before or not, it can take a lot of internal time to adapt your processes to make the best use of the levy. To get the most out of your apprentices, you need to dedicate some time to them, for example, providing a support mechanism and ensuring that your apprentices have a mentor to guide their development.

At Currie & Brown, we took the decision to rotate our apprentices around every department so they have a complete understanding of how the company operates.

It's also beneficial to encourage shared learning; our apprentices set up the first ever construction apprentice network, which is now widely used by apprentices wanting to share experiences and insights with each other. It's vital to treat your apprentices like tomorrow's future leaders from day one.

Choosing the best training provider

When it comes to choosing a training provider for your apprentices, it pays to partner with one that offers more than just an educational function. When we revisited our strategy in light of the levy, we decided that to get the most value out of our future apprentices we needed to build our scheme around the core skills required.

It was imperative that we worked with an apprenticeship partner that could mould the training to our business goals.

There are many providers out there, but it was an easy decision for us to switch to partnering with University College of Estate Management (UCEM). UCEM has a fantastic reputation within the built environment sector for providing high-quality online education and apprenticeships, and all programmes are designed with significant input from the industry itself.

The institution also knows the levy inside out, and our account manager, Martin Cawley, has been an invaluable resource for information and recommendations on how we can best utilise our funds.

With UCEM, the process of recruiting apprentices has been made a lot easier than before. It offers an end-to-end apprenticeship management service; helping to source apprentices and support them along the whole journey with progress and learning reviews. This process has saved us a lot of time and money.

Another reason for us switching to UCEM was their flexibility. Almost all of the apprentices' training can be completed online, which means that apprentices based anywhere in the country can participate.

An important aspect for consideration is the qualifications that your apprentices will receive. Training comes at various levels, from A-level equivalent right up to degree level and beyond.

One of the key motives for us partnering with UCEM was that we could map out a programme for our apprentices that takes them all the way through from leaving school to becoming chartered; rather than going through the complexities of working with many different stakeholders to train apprentices at various levels.

Learnings from the levy

We've now finalised our apprenticeship plans in time for the levy. Through scrutinising our wider employment strategy, including our graduate scheme, and calculating our levy spend it's become apparent that investing in apprenticeships makes good business sense.

Companies paying into the levy have already incurred the cost of apprenticeship training, so it's wise to utilise this. Although additional cost is required in the form of salaries and support for apprentices, you're given the opportunity to create a future workforce for your company with shared experiences and a skillset that you have determined.

Targeting employment opportunities with 16-18-year-olds means you're getting the pick of the best talent out there; people that age are at their peak for learning and developing skills.

"Our experience with apprentices so far has been fantastic. They're all very happy with the way their career is progressing, and they're often way ahead of their peers who have gone to a traditional university."

My only frustration with the levy so far is that it's clear that some work needs to be done to alter the public perception of apprenticeships in order to maximise opportunities that the levy can bring.

For some, the word "apprenticeship" still evokes an image of the old fashioned notion of cheap labour; despite the current definition being miles apart from this. For this reason, there is a risk that the apprenticeship levy may be under-valued due to its name alone.

For young people, an apprenticeship is a very enticing opportunity. We're in a position to offer them employment within our industry, while paying for their degree, meaning that when they become chartered they'll have gained years of valuable experience – and no debt. Apprenticeships benefit both the employer and the employee, but I think many people still don't recognise this.

Our experience with apprentices so far has been fantastic. They're all very happy with the way their career is progressing, and they're often way ahead of their peers who have gone to a traditional university.

The retention rate is also much higher than with our graduates, as apprentices are embedded within the business

throughout their education. The time we've invested as a company has certainly paid off.

We've had some additional unexpected benefits too; the design of our scheme saw us formally recognised as a Top 100 Apprenticeship Employer at the National Apprenticeship Service awards. We've also had some fabulous feedback from our clients who are thoroughly happy with our apprentices. They're a great asset to our business – and looking to the future, we're planning for apprentices to make up 10 per cent of our workforce by 2020.

Revisiting our apprenticeship strategy has also put a spotlight how we can further enhance the continued professional development of our workforce. We now plan to offer further training for many of our staff through UCEM, from short courses to master's degrees. It's a brilliant way to introduce new knowledge and skills into the organisation.

Apprenticeships could hold the answer to many of the current issues within the built environment sector. When it comes to widening participation, it's far easier to recruit a diverse range of staff at a younger age.

And in light of Brexit and the uncertainties of our future workforce, apprentices are also vital for guaranteeing talent within our sector. Although you may not be paying into the levy by choice, the benefits you can gain from it will aid your business and the built environment for years to come.

James Grinnell is group people director at Currie & Brown

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