

BE PART OF THE APPRENTICESHIP FOR ENTREPRENEURS AND SOCIAL ENTREPRENEURS

A new apprenticeship for a new
economic reality

An apprenticeship in entrepreneurship has the potential to shape the entrepreneurial landscape within the UK, enable employers to access innovation and empower thousands of aspiring entrepreneurs and social entrepreneurs to launch innovative ventures.

A FIRST OF ITS KIND LEARNING EXPERIENCE BACKED BY THE UK GOVERNMENT

In July 2015, a group of employers led by UnLtd gained government backing for a first of its kind learning experience: the apprenticeship for entrepreneurs and social entrepreneurs. This paved the way for a new industry standard to be developed, through the collaboration of over 100 organisations including large corporations (e.g. PWC, Santander, Deutsche Bank), SMEs, social enterprises (Impact Hub Kings Cross, Reason Digital, Walk the Line), city councils (Wandsworth City Council, Sheffield City Council) networks (Federation of Small Businesses, National Enterprise Network), awarding bodies (SFEDI, Institute of Leadership and Management) and training providers (universities, colleges and independent training providers).

The apprenticeship will offer aspiring entrepreneurs and social entrepreneurs the opportunity to develop their own ventures and business skills. Employers gain a fast-track to innovation from the next generation of enterprise leaders, while aspiring entrepreneurs / social entrepreneurs gain an opportunity to learn by doing, acquiring valuable skills, work experience and a structured pathway into entrepreneurship.

An apprenticeship for entrepreneurs and social entrepreneurs has the potential to make a systemic change and shape the entrepreneurial landscape within the UK, enabling thousands of aspiring entrepreneurs to launch innovative ventures. It will also enable organisations across a wide range of industries to shape their corporate culture towards a more entrepreneurial approach.

A NEW APPRENTICESHIP FOR A NEW ECONOMIC REALITY

The UK is facing a skills gap. Employers are increasingly looking for talent with entrepreneurial zeal; employees who can problem-solve, make decisions, bring people on board, communicate well and self-start (UK Commission for Employment and Skills).

An apprenticeship for entrepreneurs and social entrepreneurs was a key component of the the 2015 election 'manifesto' by the Social Economy Alliance, a group of more than 700 individuals and organisations campaigning for a more society-friendly economy.

It reflects the fact that nearly half of people aged 18-30 want to start their own business. There's also a growing appetite among millennials to make a positive impact on the world.

Seven in ten (70%) prospective start-ups are influenced by social causes, while 19% would choose to form a social enterprise. However, only a fraction of aspiring entrepreneurs actually start up, with many lacking the skills to begin, or the confidence to succeed.

The apprenticeship will allow young people to gain work experience while building their entrepreneurial skills and key character traits such as resilience, determination and self-management, as well project management, customer service and networking.

“Apprenticeships offer people a ladder of opportunity to gain the vital skills they and businesses need to succeed. Our reforms have been putting more control in the hands of employers, and this is clearly working. It’s fantastic to see how over 100 organisations have successfully worked together to create the Apprenticeship For Entrepreneurs and Social Entrepreneurs standard.”

Robert Halfon

Minister of State for Apprenticeships and Skills

WHY BE PART OF THE APPRENTICESHIP FOR ENTREPRENEURS?



ATTRACT AND DEVELOP THE TALENT YOU NEED FOR TOMORROW'S ECONOMY;



BE PART OF THIS FIRST-OF-ITS KIND INITIATIVE IN THE WORLD FOCUSED ON ENTREPRENEURSHIP, AN INITIATIVE THAT WILL SHAPE THE FUTURE OF BUSINESS;



GET ACCESS TO INNOVATION: INCUBATE IDEAS THAT WILL ENHANCE YOUR BUSINESS AND YOUR INDUSTRY FROM WITHIN YOUR ORGANISATION;



IMPROVE YOUR SUPPLY CHAIN: WORK CLOSELY WITH POTENTIAL NEW VENTURES THAT WILL PROVIDE INNOVATIVE SOLUTIONS TO YOUR BUSINESS CHALLENGES, UNDERSTANDING HOW YOUR ORGANISATION WORKS;



CHANGE YOUR ORGANISATIONAL CULTURE: THE ENTREPRENEUR/SOCIAL ENTREPRENEUR APPRENTICES WILL INSPIRE AND MOTIVATE OTHERS IN THE COMPANY TO THINK "OUTSIDE THE BOX";



DEMONSTRATE YOUR ORGANISATION'S COMMITMENT TO INNOVATION AND ENTREPRENEURSHIP IN A TANGIBLE WAY;



REDUCE TRAINING AND RECRUITMENT COSTS AS THE GOVERNMENT CO-INVESTS IN THE TRAINING OF APPRENTICES.

WHAT DOES AN APPRENTICESHIP INVOLVE?

The apprenticeship for entrepreneurs and social entrepreneurs is a Level 4 apprenticeship, equivalent to a foundation degree. This will typically take 2 years to complete.

 <p>AN APPRENTICE WORKS FULL TIME (MINIMUM OF 30 HOURS PER WEEK)</p>	<p>THE NATIONAL MINIMUM WAGE FOR AN APPRENTICE IS £3.40/HR £5,200/YEAR (ANY AGE, FOR THE FIRST YEAR)</p>	 <p>AN APPRENTICE RECEIVES OFF-THE-JOB TRAINING REPRESENTING 20% OF THEIR TIME (I.E. 1 DAY PER WEEK)</p>
 <p>THE TRAINING FOR AN APPRENTICE IS CO-FUNDED BY THE GOVERNMENT</p>	 <p>AN APPRENTICE HAS 20 DAYS OF HOLIDAY PER YEAR</p>	 <p>LEVY-PAYING EMPLOYERS CAN USE THE LEVY TO COVER THE TRAINING FOR THE APPRENTICES</p>

1. INCUBATOR MODEL

A larger employer or group of employers recruit a cohort of entrepreneur and/or social entrepreneur apprentices. The employer offers them a space to work from and a mentor. The apprentices focus on solving business challenges set by the employer (that are related to their ideas), gain a practical understanding of the industry and co-develop their businesses/social ventures together with the employer.

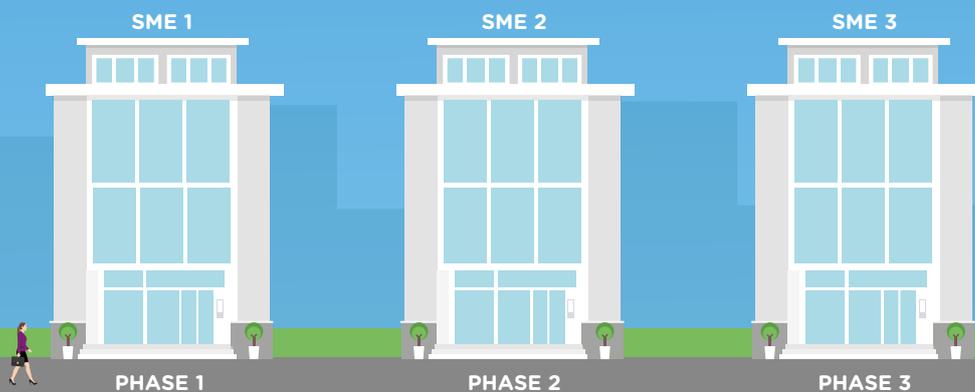


In practice: A large bank is interested in identifying innovative financial products/services. A small social enterprise in Manchester is looking to develop innovative digital media products. Both companies are interested in incubating a cohort of apprentices as they see the potential of improving their supply chain or incubating a potential spin off.



3. UMBRELLA MODEL

A group of SMEs/social enterprises recruit several entrepreneurs and/or social entrepreneurs as apprentices. The apprentices rotate between the SMEs in the group and bring innovative solutions to existent business projects that are related to their ideas, while co-developing their ventures with the input of the employer(s).



In practice: A group of SMEs decide to work together in “sharing” one or more entrepreneur and/or social entrepreneur apprentices to help them with specific projects/tasks. This enables them to take an apprentice in a cost-effective way.

This model can be organised and overseen by an Apprenticeship Training Agency (ATA) or organised by employers between themselves. If an ATA is involved, the ATA will employ the apprentices and agree with the employers on the rotation.

2. FRANCHISE MODEL



A small company/social enterprise interested in growing and expanding in a different location recruits a small number of entrepreneur and social entrepreneur apprentices with an interest in their industry.

The entrepreneurs work closely with the employer, understand the business model and bring innovative perspectives to existing business challenges.



Upon completion of the apprenticeship, the entrepreneurs/social entrepreneurs set up new branches of the employer's organisation in different locations, therefore contributing directly to the growth of their employer.

In practice: A small social enterprise wants to offer ex-offenders a chance to make a living by helping them set up franchises of their coffee shops. They provide the apprentices with training and mentoring to get started.

4. DIRECT MODEL

An employer of any size takes on an entrepreneur or social entrepreneur apprentice to focus on solving business challenges. They offer the apprentice a space to work from, a salary and mentorship.



In practice: A company/social enterprise/university/college/city council takes on an entrepreneur or social entrepreneur apprentice. The apprentice can work in one part of the organisation or he/she can rotate between different parts of the business in order to gain a well-rounded understanding of the company.

This can lead to incubating ideas that will enhance the industry from within and to the creation of innovative services/products that will improve the employer's supply chain. The apprentice can also inspire a cultural shift towards a more entrepreneurial approach.



ARE YOU READY FOR THE APPRENTICESHIP LEVY?

In order to encourage more employers to take on apprentices and create three million apprenticeships over the next 5 years, a levy will be introduced in May 2017. This will impact all organisations with a paybill in excess of £3 million (including corporations, charities, city councils, universities, colleges) and will be valued at 0.5% of their annual paybill. The Apprenticeship levy will be paid monthly to HMRC as ring-fenced funds to train apprentices. The funds paid through the levy will be transferred into a digital account and the organisation can only use it to cover the training and final assessment of apprentices. These funds will be topped up monthly with 10% contribution from the Government and will expire in 24 months. From 2017, the employers who are eligible to pay the Apprenticeship Levy need to register on the Digital Apprenticeship Service from where they will be able to manage their apprenticeship programmes and purchase training. For more information please visit: <https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>.

HOW MUCH DOES IT COST?

When taking on an entrepreneur or social entrepreneur apprentice, an employer should take into consideration:

- The salary of the apprentice - this will be covered fully by the employer;
- The training and assessment of the apprentice: this will be covered partly by the government and partly by the employer;

1. The cost of the salary of an apprentice:

The national minimum wage for an apprentice in its first year is £3.40/hour. This is 45% - 55% less than the national minimum wage. For the second year the minimum wage for the apprentices corresponds to the national minimum wage for their age. Historically Level 4 apprentices have attracted mainly apprentices aged over 19.

Total salary for the two years of the apprenticeship:

The overall salary for two years for an apprentice will depend on the salary rate you choose to pay. There are three scenarios:

- Scenario 1: National Minimum Wage: £16,000 (£5,000 in the first year; £11,000 in the 2nd year);

- Scenario 2: The Living Wage rate: £25,740 (£8.25 per hour) (£12,870 per year);
- Scenario 3: The London Living Wage rate: £29,330 (£9.4 per hour) (£14,665 per year)

2. The cost for the training and assessment of the apprentice:

Is it estimated that the total cost for the training and assessment of an entrepreneur / social entrepreneur apprentice is £4,500 per year, £9,000 overall. However, the UK Government encourages the employers to negotiate this cost with the training providers as well as the timeline (i.e. monthly or quarterly payments).

The UK Government will co-invest in covering this cost based on the following scenarios:

A. You are an SME with less than 50 employees and a paybill less than £3 million per year

- If the apprentice is aged 16-18 Government. pays the full cost for training and assessment. The employer and the training provider also receive £1,000 each. The same applies if the apprentice is aged 19-24 and is a care leaver or is on Local Authority Education or Health and Care Plan;
- If the apprentice is over 19, Government will cover 90% of the cost for training and assessment and the employer will cover the remaining 10%.

B. You are an SME with more than 50 employees and a paybill less than £3 million per year

- The Government will cover 90% of the costs for the training and assessment of all the apprentices and the employer will cover the remaining 10%;
- If the apprentice is aged 16 - 18 or if he/she is 19-24 and a care leaver or part of Local Authority Education or Health and Care plan, the employer and the training provider will receive £1,000 each as an incentive.

C. You are an organisation with a paybill of over £3 million per year and therefore you qualify to pay the Levy

- You can use the funds in your digital account to pay for the training and assessment of the apprentices. You will need to pay the Levy monthly. The Government will contribute every month with 10% of the value of your monthly Levy payment;
- If the apprentice is aged 16 - 18 or if he/she is 19-24 and is a care leaver or part of Local Authority Education or Health and Care plan, the employer and the training provider will receive £1,000 each as an incentive.

FREQUENTLY ASKED QUESTIONS

1. When will this apprenticeship for entrepreneurs and social entrepreneurs be launched?

We estimate the apprenticeship will receive final approval from the Government in 2017, from which point it will be available for employers and training providers.

2. I am an employer and I am interested to take on an entrepreneur apprentice. How do I sign up to take on an apprentice?

If you are interested in taking on an entrepreneur/social entrepreneur apprentice let us know by signing up on www.unltd.org.uk/apprenticeships. We will keep you updated with the progress of this initiative.

Once the apprenticeship has been approved, please take the following steps:

- A. Go online on: <https://findapprenticeshiptraining.sfa.bis.gov.uk/>
- B. Click on “Start” and insert “entrepreneur”. Then open the link for the occupation of “entrepreneur”. The details for this occupation apply for entrepreneur and social entrepreneur apprentices.
- C. Select “Find training providers” then insert your postcode. This will enable you to connect with training providers nearby, see what they offer and agree on the cost and terms of payment (i.e. monthly, quarterly). The training providers will also help you with the recruitment process.

3. I am a levy-paying employer and I wish to take on more apprentices whose training costs would exceed the available funds generated by the Levy. Can I do that?

Yes, should a levy-paying employer wish to take on more apprentices whose training costs would exceed the available budget, they can do so. The government will cover 90% of the costs of the training and assessment for the apprentices that levy paying employers take on top of their digital funds.

4. How long does an apprenticeship last?

The apprenticeship in entrepreneurship is expected to last typically two years. The length might decrease if the aspiring entrepreneur has acquired and demonstrated the skills, knowledge and behaviours specific to the role (specified in the Standard) in a shorter amount of time.

5. Who is eligible for this apprenticeship?

This apprenticeship is open to any individual aged 16 or above as long as their last completed qualification is of a similar or lower level than this Apprenticeship (lower than Foundation degree) or if their previous qualification (regardless of its level) has been in an area significantly different than entrepreneurship or social entrepreneurship. On top of this requirement, each employer can add their own requirements based on their particular circumstances and recruitment policies.

6. What is the age of the individuals who are expected to apply for this apprenticeship?

Although the eligibility criteria are broad, historically the individuals who applied for apprenticeships of this level have been over 19 years old.

For further details about the overall apprenticeship scheme please visit the official website:

www.gov.uk/topic/further-education-skills/apprenticeships.

GET INVOLVED

There are many ways you can help us make the apprenticeship for entrepreneurs a success:

- **BECOME A SPONSOR: SUPPORT THIS FIRST-OF-ITS-KIND INITIATIVE BY FUNDING ITS DEVELOPMENT AND PROMOTION.**
- **EMPLOY AN APPRENTICE: SIGN UP TO TAKE ON AN APPRENTICE ENTREPRENEUR FROM 2017.**
- **BECOME A SUPPORTER: CHAMPION THIS INITIATIVE THROUGHOUT YOUR NETWORK.**

To find out more, get in touch with apprenticeships@unltd.org.uk

