



Apprenticeships

The Chartered Insurance Institute's
guide to getting started

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1912–2012
A CENTURY OF
PROFESSIONALISM



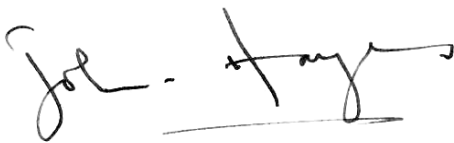
Ministerial Foreword

Apprenticeships are time honoured. For centuries they have characterised the transformation of valuable skills across generations. Though much has changed with Apprenticeships now offered in all kinds of hi-tech, up-to-date disciplines, it remains the case that people learn best whilst doing. An Apprenticeship is first and foremost a job – a job with significant new learning, the practice of new skills and achievement of nationally-recognised qualifications.

For young people, they can be a first step on the ladder that leads to fulfilling careers and further learning; for apprentices of all ages they can provide a route to career progression, re-skilling and up-skilling; and for employers they offer a sustainable way of building a workforce with the skills needed to succeed in business.

I want more people to benefit from high quality Apprenticeships. As a demand-led programme – a job with training – this depends on employers making places available. We are making it as easy and rewarding as possible for employers to take on an apprentice. Every Apprenticeship should deliver high quality training which employers really value. Research shows that Apprenticeships help employers improve productivity by giving them a competitive edge. Employers recoup their investment rapidly, with most Apprenticeships paying back in less than three years.

The economy benefits too; the National Audit Office recently concluded that for every £1 of government investment in Apprenticeships £18 was generated for the wider economy. Apprenticeships feed the national interest by fuelling the economy with the skills we need and they nourish the common good.



John Hayes MP

Minister of State for Further Education, Skills and Lifelong Learning



CII Introduction

As professions focused on managing risk and looking to the future, the insurance and financial services sectors are used to preparing for all eventualities. One challenge we continue to face is ensuring that our profession has a high quality and diverse supply of talent in order to compete in an ever more global market.

There are several pathways into insurance and financial services. Apprenticeships, traditionally, have been a relatively untapped resource but this is gradually starting to change. We have seen more employers change their recruitment mix in order to reflect the changing post-school landscape and the concerns that some have about university fees. Our profession has a track record of developing individuals whilst they work and Apprenticeships complement this.

Apprenticeships are subsidised programmes of study that develop existing and new staff, providing a route into insurance and financial services for those who might never have previously considered the sector. In addition Apprenticeships set individuals on the professional qualifications pathway, very much in keeping with principles of the Aldermanbury Declaration, a framework for professional standards in general insurance.

As more employers look to recruit school-leavers and Apprenticeships increase within our profession, we want to support this with the publication of this guidance document. This follows our recent guide on internships and provides assistance on Apprenticeships to businesses operating in our sector, highlights their value and suggests how best to utilise them.

The CII is committed to supporting our profession in attracting the best, brightest and most diverse talent for the future, as well as developing those already in the sector. Our Discover Risk and Discover Fortunes initiatives have proved powerful tools in introducing young people to the careers on offer in insurance and financial planning. Apprenticeships will play a role in shaping tomorrow's profession and the CII is here to help employers get involved.

Dr Alexander Scott
Chief Executive Officer
The Chartered Insurance Institute

May 2012



Summary

Benefits

- Funded learning and development for your staff – new and existing
- The opportunity to build a structured talent pipeline
- External support from a training provider – particularly helpful for SMEs
- Builds a foundation for professionalism across insurance and financial services

Step-by-Step

Identify the need

Apprenticeships can be used to support new entrant and develop existing staff.

Finding a training provider and funding

Providers help every step of the way, from accessing funding to helping with recruitment if you are creating new positions.

Recruit and enrol

There are a number of ways to recruit an apprentice. You need to decide what methods work best for you and your potential recruits. Remember that apprentices have a formal contract of employment and receive a wage.

Induct

Apprentices need a full and comprehensive induction; something that most employers will already have in place. This will include the Employer Rights and Responsibilities element of the programme.

Develop and manage

Support mechanisms are vital to ensure the apprenticeship runs smoothly. The apprentice should be clear of what is expected of them and receive regular feedback sessions over the course of the programme.

Feedback and evaluate

Employers should evaluate how the programme has gone with the apprentice and provider.

“Apprenticeships are at the heart of the economy we want to build.”

David Cameron, Prime Minister

What is an Apprenticeship?

Apprenticeships are work-based training programmes that are an excellent way of bringing new talent into the profession as well as developing the skills of existing members of staff. They allow apprentices to combine employment and training – earning whilst they learn. Apprentices develop technical knowledge, through the study of a professional qualification, learn key employment skills and demonstrate their competence in the world of work.

"Apprenticeship are ideal, providing necessary skills and knowledge whilst at the same time leading to nationally recognised qualifications."

Anne Entwistle – Bluefin

An apprentice can be anyone over the age of 16 (up to the age of 65), not in full time education or holding a university degree. One important point to remember is that apprentices can either be new recruits or be existing members of staff.

77% of employers believe Apprentices make them more competitive¹

Apprenticeships can be a cost-effective way of addressing skills gaps, as they attract funding. The level of funding received depends upon the age of the apprentice and where you are based in the UK (See box over). Employers work with a training provider to deliver the apprenticeship. Whilst most of the training is 'on the job' and so delivered in the workplace, there are elements that are delivered off-site by training providers. These provider partners help to take the stress out of the apprenticeship process, in particular with accessing funding.

At present there are over 240 apprentice frameworks across the whole of the UK, with four of these in insurance and financial services. The frameworks are developed by the Financial Skills Partnership in collaboration with employers and professional bodies like the CII.

There are three levels of apprenticeship available: intermediate; advanced; and higher. At present only intermediate and advanced apprenticeships are offered in insurance and financial services, though higher level pathways are being developed. Apprenticeships take between 12 and 24 months to complete.

Apprenticeship Frameworks

The current frameworks in insurance and financial services are:

Level 2 Intermediate Apprenticeship in Providing Financial Services (includes General Insurance pathway)

Level 3 Advanced Apprenticeship in Providing Financial Services (includes General Insurance and Financial services pathways)

Level 3 Advanced Apprenticeship in Providing Mortgage Advice

Level 4 Higher Apprenticeship in Providing Financial Advice

¹ National Apprenticeships Service <http://www.apprenticeships.org.uk/employers/the-benefits.aspx> (accessed 8 May 2012). Based on Populus research on behalf of Learning and Skills Council (February 2008)

There are a number of pathways within these frameworks which offer specialisation. These include: General Insurance; Life, Pensions & Investments; Administration for Mortgage and/or Financial Planning Intermediaries; and Pensions Administration (Level 3 only).

78% of employers say that Apprentices provide higher overall productivity²

The Level 2 framework provides a start on the professional qualification ladder as it includes CII's IF1 unit. Those finishing the Level 3 Apprenticeship will complete a Certificate-level CII qualification and will be awarded the Cert CII or Cert PFS designation. Completion of the Level 4 Higher Apprenticeship in Providing Financial Advice includes the award of the CII Diploma in Regulated Financial Planning (i.e. Retail Distribution Review compliant and DipPFS designation).

39% of employers in insurance and financial services said they would be willing to take on an apprentice, with a further 44% saying 'maybe'³.

Current Apprenticeship Funding Rules			
England	Northern Ireland	Scotland	Wales
16-18 years old – Full funding	16-24 years old – Full funding	Contribution towards costs	Fully funded regardless of age
18-24 years old – 50% funding	24 years and over – 50% funding		
25 years and over – Partial funding			

² National Apprenticeship Service (2012)

³ CII (2011) *The Skills Report 2011* http://www.cii.co.uk/media/852782/SS_2011_Final_Report_VF_ONLINE.pdf (accessed 8 May 2012)

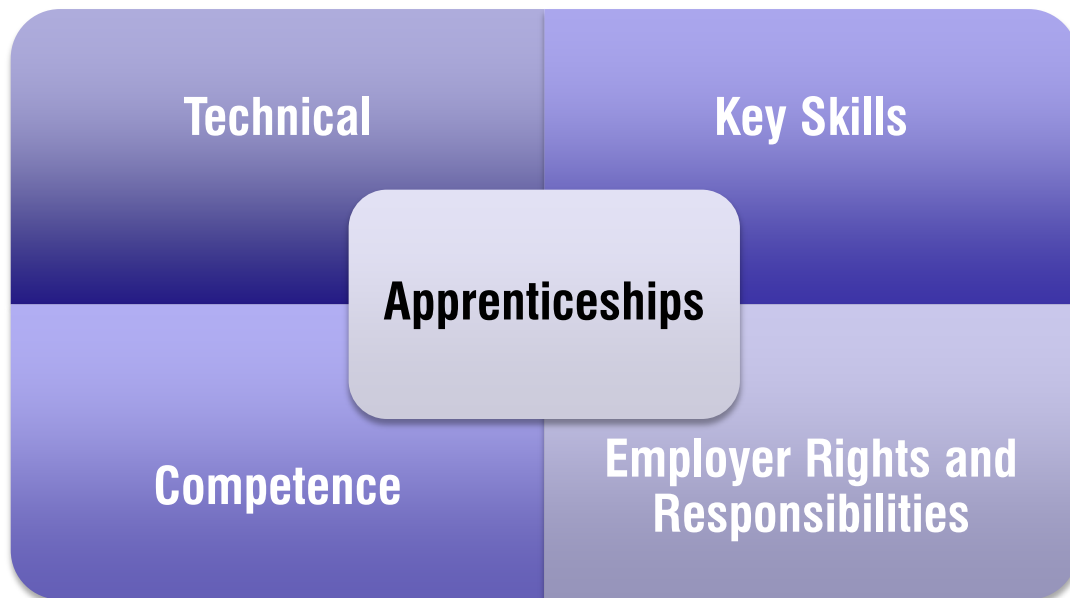
What makes an Apprenticeship?

“Basic skills. Rigorous courses. Practical experience.”

David Cameron, Prime Minister

Apprenticeships consist of four elements that can be tailored to the varying needs of your company. The technical and competence aspects allow for specialisation. The four elements are:

- **Technical:** Apprentices gain technical knowledge and an understanding of the theory behind this. This is the professional qualification element and a number of pathways include CII units and qualifications
- **Competence:** Competence qualifications cover technical skills based on National Occupational Standards and are very flexible, meaning that staff in different functions can take the units that are relevant to their specific roles
- **Key Skills:** This covers core skills, such as maths, English and ICT, which the apprentice will need for their future career. These are tested and externally assessed
- **Employer rights and responsibilities (ERR):** this forms part of the apprentice's induction and introduces the apprentice to issues such as employee rights, health and safety and equality and diversity. This is normally contained within a company's standard induction programme.



57% of employers report their apprentices going on to management positions within their company⁴

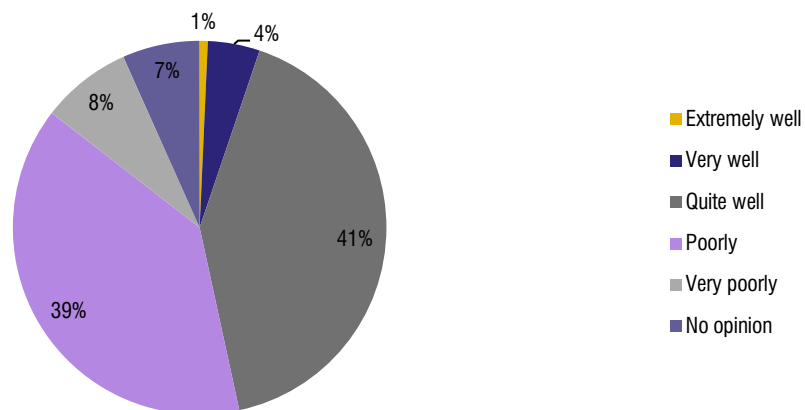
⁴ National Apprenticeship Service (2012)

The Benefits

Apprenticeships provide a pathway into the profession for new entrants, as well as a way of developing existing members of staff.

Recent CII skills surveys show that employers are worried about the quality of those entering the profession, in particular their 'employability skills' such as time keeping and communication⁵. Apprenticeship programmes help develop those skills.

Thinking of recent school leaver and graduate recruits, how well do you think that our education system is serving our industry?



We expect the number of people considering becoming an apprentice to rise over the coming years as the university fee system changes and young people consider alternative routes into careers.

Employers that recruit apprentices often build links with local schools and colleges. This increases awareness of our profession and can help to build a steady supply of recruits.

“Apprenticeships provide a wealth of knowledge about insurance as well as a platform for rapid development.”

Stephanie Willbond-Hill – Miles Smith

There are clear business benefits to using Apprenticeships. They are a cost-effective way of developing new and existing staff, with some qualifying for full funding. Research has shown that 59% of employers hiring apprentices believe that taking on an apprentice is more cost-effective than employing experienced staff⁶.

Apprenticeships can help provide a competitive advantage. 77% of businesses believe that apprentices make them more competitive, whilst 76% say apprentices provide overall productivity⁷. A contributing factor to this is the relevancy of the training, with 88% of employers are satisfied in this respect⁸.

⁵ CII (2011)

⁶ National Apprenticeship Service (2012)

⁷ Ibid

⁸ Department for Business, Innovation and Skills (2012) *BIS Research Paper Number 77 Evaluation of Apprenticeships: Employers* (accessed 15 May 2012) <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/e/12-813-evaluation-of-apprenticeships-employers.pdf>

Apprenticeships require an apprentice to be committed, which means they are likely to be a committed member of your staff during their apprenticeship and beyond. They are with you because they want to be and because they want to build their career in our profession. 80% of employers say that apprenticeships reduce staff turnover⁹. In addition, over half (57%) of employers report their apprentices going on to management positions within their company¹⁰.

As well as benefiting your company, Apprenticeships provide a real return on the public money invested in them and also for the UK economy. For every £1 spent on an apprentice they generate £18 for the UK economy.

Fact or Fiction?

Aren't Apprenticeships just for companies in factories?

No. There are over 240 Apprenticeship frameworks with several that cover insurance and financial services.

Won't hiring an Apprentice cost me a lot of money?

State funding is available and so Apprenticeships are a cost-effective way of developing talent within your workforce.

Isn't there a lot of bureaucracy involved?

No. Your training provider deals with the paperwork so you don't have to worry.

Aren't Apprenticeships a rigid, one-size-fits all programme?

No. Frameworks are designed by sector bodies and employers. Apprenticeships include elements that can be tailored to your needs.

I run a small company. Aren't Apprenticeships only for big employers?

No. Apprenticeships can benefit all sizes of business, including SMEs. There is specific support available for SMEs.

What benefits will my company see?

Apprenticeship help develop talent and meet your skills needs. They set individuals on the professional qualification journey and prove a good motivator for future development. Research has shown that apprentices help improve a company's competitiveness and productivity.

⁹ National Apprenticeship Service (2012)

¹⁰ Ibid

What Employers Need to Know

Identify the need

Before recruiting an apprentice you should identify a clearly-defined role within your business for them. It could be that you are looking to develop an existing member of staff or that you see a future need which an apprentice could be trained to fill. Taking on an apprentice is a commitment that should not be entered into lightly.

If you do not have a full-time role available but have outstanding projects, you might consider employing an intern. The CII recently published a best-practice guide to internships. To find out more about internships visit: <http://www.cii.co.uk/knowledge/resources/articles/internships-best-practice-guide/17474>

Finding a provider and funding

Once you have made the decision to hire an apprentice you will need, in most cases, to find an approved training provider. The CII can help you find the training provider that is right for you – email discover@cii.co.uk.

A training provider will deliver the Apprenticeship at your place of work, and will work with you throughout the programme, providing regular feedback – leaving you free to focus on your core business.

Training providers manage all elements of the funding process for employers. The National Apprenticeship Service (NAS) is the body that funds apprenticeship provision and allocates money to providers and colleges.

Providers will also support you in developing training plans, with recruitment, and evaluation (see below).

Recruit and enrol

There are a number of ways of recruiting an apprentice and how you do this will depend on the age of the apprentice you are looking to recruit. You could:

- Advertise and recruit in the same way you would any employee – for example using your company website or local media, and a formal interview process. Some employers include the training provider in this process, as they have experience and insight of knowing what makes a good apprentice.
- Liaise with NAS and utilise their vacancy matching service
- Use the CII's Discover Risk website.
- Recruit directly from schools/colleges. This is helpful if you have developed a good relationship with a particular institution, perhaps through supporting Discover Risk events.

When looking to recruit a younger apprentice (16-18) you should remember that they will have little, if any, work experience and so this should be a consideration when designing your recruitment process. It might also be necessary to involve parents as they could well play a part in the young person's decision making.

Once you have made your recruitment decision, please note that Apprentices will have a formal contract of employment that should reflect the fixed term nature of the apprenticeship¹¹; employment must be for at least 30 hours per week¹².

There is a national minimum wage (NMW) for apprentices, though many employers choose to pay their apprentices more than this.¹³

Induct

Apprentices should receive a full and comprehensive induction – as you would give any new member of staff. Introducing them to their new colleagues helps an apprentice feel part of their new team.

A discussion about expectations, role within the company and learning objectives should be at the heart of the induction so that the apprentice gains an idea of what to expect.

The induction also needs to include one of the compulsory parts of the apprenticeship, the Employer Rights and Responsibilities section. This introduces the apprentice to working life, what is expected of them as well as their rights¹⁴.

The induction also plays a role in providing the apprentice with a good impression of their new employer and a chance to understand the structure, values and culture of the company.

Develop and manage

For all parties to receive maximum benefit from the programme, you as the employer will need to provide the relevant support mechanisms. In the case of apprentices already with your company, this will be substantially less than a new joiner.

In addition to the support from the training provider on the programme, apprentices should have clear work plans and receive ongoing feedback and coaching from their manager. They are there to learn and gain the skills to succeed within our profession and so the tasks they undertake should reflect this. Apprentices should not be viewed as cheap labour or as someone to “do the photocopying”. They have made a big commitment in undertaking the apprenticeship and it is your responsibility as an employer to support them. Remember you are an advocate for the whole profession.

As well as a manager/mentor who has responsibility for the apprentice (providing guidance and the benefit of experience), the apprentice might find it useful to be assigned a ‘buddy’. This person could be junior to the manager and able to offer informal support and help. Having a buddy and mentor system offers an opportunity to develop management skills of other staff.

Feedback and evaluate

It is good practice to hold regular feedback sessions with the apprentice and the training provider. Apprenticeships are a collaborative learning process and companies should always take the time to review progress and make any required improvements.

¹¹ For more on employer rights and legislation see pg 28, CIPD (2012), *Apprenticeships that Work: a guide for employers*. Available at http://www.cipd.co.uk/publicpolicy/_apprenticeshipsthatwork (accessed 8 May 2012)

¹² Though there are some cases where this is 16 hrs p/w <http://www.apprenticeships.org.uk/Employers/The-Basics.aspx>

¹³ http://www.direct.gov.uk/en/employment/employees/thenationalminimumwage/dg_10027201 (accessed 8 May 2012)

¹⁴ Pg13 CIPD (2012)

What happens next?

The majority of those completing an apprenticeship remain with their employer – repaying the investment of time and money as well as becoming a committed full-time member of staff.

The end of an apprenticeship does not signal the end of that individual’s development. Recent Ofsted research shows that apprentices are likely to carry on studying higher levels of professional qualifications¹⁵.

82% of companies that have an apprentice say they build long-term skills and capacity¹⁶.

Three things to remember...

1. Apprenticeships provide a cost effective way to develop new and existing staff. They are a valuable tool in securing future talent.
2. Apprenticeships provide the first step on the professional qualifications ladder. Most apprentices go on to study higher lever qualifications.
3. The CII is here to help. Email: discover@cii.co.uk

¹⁵ Pg 7 Ofsted (2012), *Apprenticeships for Young People*. Available at <http://www.ofsted.gov.uk/resources/apprenticeships-for-young-people> (accessed on 8 May 2012)

¹⁶ Pg 4 British Chambers of Commerce (2011), *Skills for business - more to learn*. Available at http://www.britishchambers.org.uk/assets/downloads/policy_reports_2011/Skills%20for%20business%20-%20more%20to%20learn.pdf (accessed on 8 May 2012)

Case Study: Lisa Johnson Miles Smith

Lisa has been studying the Providing Financial Services Insurance level 3 Apprenticeship for the last 18 months. By the time Lisa completes the Apprenticeship, she will have an Advanced NVQ, CII's ALMI qualification and the Cert CII designation. Lisa was promoted from a reception role to High Net Worth broking department 18 months ago and embarked on the Advanced Apprenticeship to improve her technical knowledge and ability. Babington Business College have been working with Miles Smith for a number of years with great success.



Lisa commented: “Studying for the Apprenticeship has given me good foundation knowledge of insurance and the London Market.

It has helped me to expand my knowledge of different types of insurance and how the industry works. My Babington tutor has been particularly helpful with explaining the market and giving examples. It has helped me feel more confident in my role within High Net Worth and how I should be dealing with our clients and the insurers.”

Lisa’s line manager, Jerry Pringle, has been delighted with Lisa’s development. He feels she has been able to use the knowledge she has learned through the Apprenticeship and apply it directly to her role. He commented that “whilst out with a major insurer with Lisa recently, the insurer assumed that Lisa had been a High Net Worth Broker for 4-5 years, and was shocked when I explained she has only been in role for 18months, with no previous insurance experience. Lisa has always been keen to learn and the Apprenticeship has provided an accelerated platform, which has enabled Lisa’s rapid development in the role. She has gained a wealth of knowledge about the London Market and reinsurance, which has helped her to apply her knowledge to her current role.”

Case Study: Amy Williams

Bluefin

Amy Williams: “I am 19 years old and joined Bluefin private clients division in October 2008 as a new business team administrator after leaving Allerton High School in Leeds with eight GCSEs.

“Our apprenticeship provider, Skills Solutions, visits the office once a month. Typically, it provides three and a half hours tuition on the Cert CII subjects and a further hour on a one-to-one basis to review my files and ensure that my work meets the requirements of the NVQ element.



“The apprenticeship has broadened my knowledge of insurance and given me the confidence to ask customers the right questions so we can be sure of giving them the best service.”

Matthew Pitman (Amy’s manager): “When Amy joined Bluefin, we felt that the Level 2 apprenticeship was ideal for equipping her with the necessary skills and knowledge. The great thing is it enables Amy to achieve nationally recognised qualifications without much additional effort, since the apprenticeship provides credit for her day-to-day work.

“We are delighted that Amy has progressed onto Level 3 and now handles some of the more complex work for the team. Additionally, Amy is more willing to challenge the established processes and tends to think beyond her own role and about how compliance and regulation impact on her and the team.”

Useful Links

CII – www.cii.co.uk features the latest list of approved Apprenticeship providers and the frameworks that contain CII qualifications

Discover Risk – www.discoverrisk.co.uk the CII's student-facing website also features several providers as well as case studies of successful apprentices. You can use the site to build your profile and recruit apprentices

National Apprenticeship Service – www.apprenticeships.org.uk features plenty of information about the frameworks available. NAS can also advise on how to post opportunities on their Apprenticeship Vacancy Matching Service website

Financial Skills Partnership – www.directions.org.uk the Financial Skills Partnership own the Apprenticeship frameworks which are developed in conjunction with employers and employer organisations

Contact

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Email: discover@cii.co.uk

Visit: www.discoverrisk.co.uk

The CII: Promoting Skills Development

Discover Risk is an award-winning campaign that reveals the breadth of opportunity in the insurance profession to those still in education. Integral are interactive school sessions that introduce young people to the concepts of risk and how they are applied in everyday around the world.

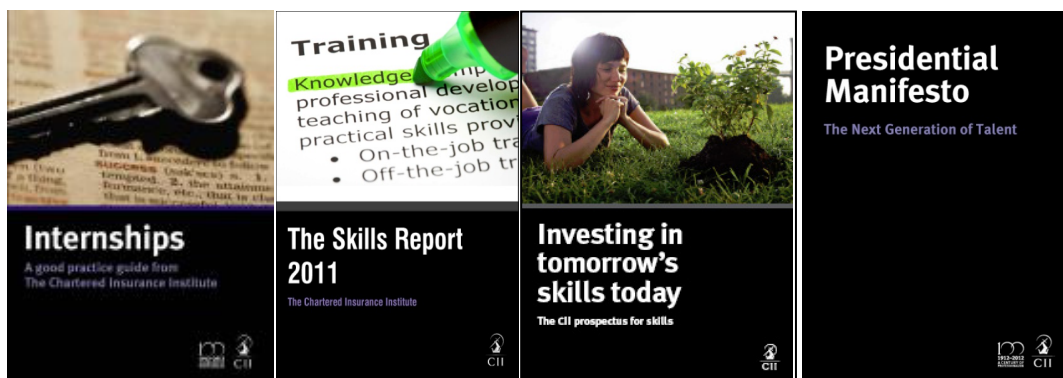


Discover Fortunes is a newly launched school activity that provides young people with an understanding of the role of a financial planner in helping people to secure their financial future.



For more information visit: www.discoverrisk.co.uk

Publications The Chartered Insurance Institute is a committed supporter of skills development. We regularly publish research, guidance and position papers on the issue of skills, both in terms of our profession and UK plc.



For more information visit: www.cii.co.uk/skills

The CII is the world's leading professional organisation for insurance and financial services, with over 100,000 members in 150 countries.

Our Charter remit is to protect the public by guiding the profession. We are committed to maintaining the highest standards of technical expertise and ethical conduct in the profession through research, education and accreditation.



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