

How to solve skills shortages and diversify your talent pipeline through apprenticeships.

A guide for UK business leaders on upskilling your team with apprenticeships.

Contents.

03

Foreword

04

**A Word from
Richard Thompson,
CEO at ANS**

06

Identifying the problem

09

**What is an
apprenticeship
and how do you pay?**

12

**The benefits of
apprenticeships
for businesses**

18

**A word from Toria
Walters, Chief People
Officer at ANS**

20

**Five steps to building
a successful program
in your business**

25

Quick checklist

26

Conclusion

27

Additional resource

29

References



Foreword.

Following COVID and the reported ‘Great Resignation’, businesses are finding it tougher than ever to attract and retain talent, especially in the tech sector. A long-term skills shortage has become even more acute, with local talent now more able to secure remote roles with organisations around the world.

ANS’s approach is to develop homegrown talent with the necessary skills to fill roles that the recruitment market simply can’t provide enough candidates for. We’ve been doing it for over a decade and have moulded hundreds of highly skilled technical individuals through our Academy.

ANS is at the forefront of technology, delivering a huge range of technologies to thousands of organisations, large and small, including cutting-edge technologies like AI and Power Platform.

Now looking past our own talent pipeline, ANS Academy aims to support businesses across the UK to develop diverse and business-ready talent.

In our many years of working with apprentices, we’ve seen the impact they have on the businesses they have been placed into.

ANS Academy brings the lessons learned during the last 11 years, to support the development of talent within businesses facing familiar tech industry recruitment struggles. Rated ‘Outstanding’ by OFSTED, ANS Academy combines true teaching experience and specialisms with years of know-how from the coal face of the tech industry.

In this whitepaper, we will explore how apprenticeships can help UK business leaders achieve their strategic goals and build a diverse pipeline of talent to integrate into their business. We will also provide some practical steps and actions that will enable businesses to effectively implement and manage apprenticeship programmes.

A word from Richard Thompson, CEO at ANS.

If we look back 10 years, we probably couldn't have imagined what ANS Academy would become by 2024. If we fast forward another 10 years from now, the potential possibilities for apprenticeships are endless.

Technology develops so quickly that traditional education simply can't match the requirements of modern tech businesses. We're seeing huge demand for AI technologies and for Power Platform applications. Where will the workforce of the next 5-10 years come from to deliver these new technologies? We must create and promote new routes to develop amazing talent.

People that have curiosity and innovation at their hearts, but who perhaps would not have found their way to a career in tech through college and university.

**“Without
apprenticeships,
ANS would not
be the business it
is today.”**

Richard Thompson
CEO



Through the ANS Academy we have taken the opportunity to diversify our talent pool to deliver truly world-class service for our customers, while giving the amazing young people on our doorstep in Hulme, Manchester, fantastic career opportunities.

Without apprenticeships, ANS would not be the business it is today. But we want to do more. We want to widen our reach beyond Manchester to support the North West & the whole of the UK, nurturing new talent. We want to see more women in tech and more diversity overall.

Apprenticeships offer amazing benefits. For businesses; for apprentices themselves; for wider communities and for our whole society. By offering ANS Academy out to other businesses 'as a service', we aim to take the amazing benefits of apprenticeships and realise them on a whole new level.



Richard Thompson
CEO
ANS Group





Identifying your Problem.



Are you suffering from any of these issues?



Unspent levy/difficulty finding funds for training.



Retention issues of technical staff.



Struggling to promote staff due to lack of junior talent to replace training.



Unfilled roles.



Lack of learning & development opportunities for staff.



New technology skills gaps (cloud, cyber, AI).



Skills Gap.

Businesses are facing a new normal when it comes to developing and retaining talent. A recent Korn Ferry study (2023) highlighted a potential 4.26 million shortfall of technical workers by 2023 due to the rapid advancement of technologies¹.

In 2022 there was a reported 2,000,000 job vacancies in the industry. Think tanks predict that around 12 million workers in the market lack digital skills to start within this field².

Talk of the skills gap is nothing new, and businesses cannot afford to wait for a societal or sector-wide solution to the problem.

Retention, attrition and cost.

COVID-19 has also played a part. New workplace cultures and expectations are developing, adding to the issues of employee retention and attrition.

This can be seen with average staff turnover rates sitting at 26.9% (move to another employer)³. The cost to a business of replacing a lost employee earning £25,000 is estimated to be around £30,6144. For over a decade, ANS and ANS Academy have used training via apprenticeships to beat

**What is an
apprenticeship
and how do
you pay?**



Apprenticeships blend on-the-job training with off-the-job learning. The range of apprenticeships spans from level 2 (equivalent to GCSEs) to level 7 (equivalent to a master's degree) and covers diverse sectors and occupations.

Apprenticeships can offer fantastic benefits to businesses of all sizes, in all sectors, such as:



Reducing recruitment costs and increasing retention rates.



Enhancing skills and performance of your workforce.



Improving customer satisfaction and loyalty.



Boosting innovation and competitiveness.



Supporting social mobility and diversity.



Regulated by the Institute for Apprenticeships and Technical Education (IfATE), apprenticeships adhere to rigorous standards and quality criteria.

Funding for apprenticeships comes from the apprenticeship levy, a 0.5% tax on the pay bill of employers with an annual turnover exceeding £3 million. Employers utilise their levy funds to cover training and assessment costs for their apprentices or transfer up to 25% of funds to other employers.

What this means in practice is that if you're a business with a £3 million annual turnover, you have to pay into the levy fund. If you pay in to the levy but don't use your pot to cover training costs through apprenticeships, you lose it. You're effectively turning down free funding.

For employers not subject to the levy or lacking sufficient funds, government funding covers 95% of training and assessment costs, with employers contributing the remaining 5%. In most instances, the government will fully fund apprenticeships for SME's (not paying the levy) that meet certain criteria as of 1st April 2024.

Investment in your people from a learning & development perspective is key to improving employee engagement in your business. Utilising the funds from your own levy or from the government is a great way to boost your skills and engagement at a very low cost to your bottom line.



Tom Robinson
Head of Apprenticeships
ANS Academy

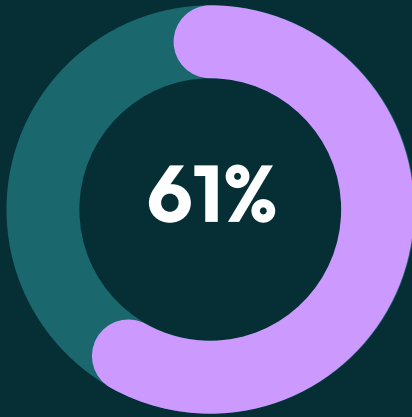
Additionally, employers can claim government incentives for hiring new apprentices, particularly those from disadvantaged backgrounds. These incentives also apply to supporting existing employees in reskilling or upskilling through apprenticeships.



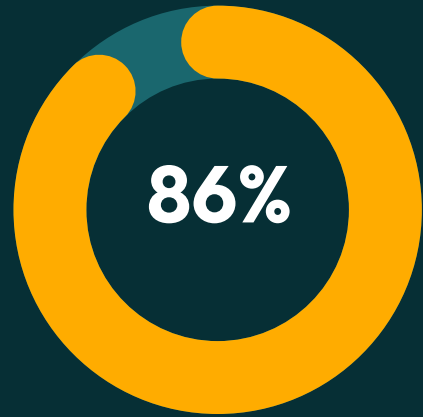
The benefits of apprenticeships for businesses.



What does it look like in numbers?



61% staying with the same employer for over 5 years.⁵



86% of employers asked agreed apprenticeships improved business critical skills.⁶



25% of consumers would pay more for products from businesses employing apprentices.⁶



70% of surveyed employers said apprenticeships improved product quality and service.⁷

Apprenticeships can offer several benefits for businesses, depending on their specific needs and objectives.



Reducing recruitment costs and increasing retention rates.

Apprenticeships can help businesses save money on hiring and training new staff, as they can recruit from a wider pool of candidates, including school leavers, career changers, and existing employees.

Apprenticeships also help businesses retain their staff, as they offer a clear career path, a recognised qualification, and a sense of loyalty and commitment.

According to a survey by the Department for Education, 90% of apprentices stay with the are offered roles with their employer after completing their apprenticeship with 61% staying with the same employer for over 5 years⁵, according to the Institute of Student Employers.



Enhancing the skills and performance of the workforce.

Apprenticeships can help businesses develop the skills and competencies they need to thrive in a changing and competitive market.

According to the Department for Education (DfE) 86% of employers asked agreed apprenticeships helped their organisations develop skills relevant to them⁶.

Apprenticeships can also help businesses address skills gaps and shortages, as training can be tailored to specific requirements and standards. At ANS Academy we supplement core apprenticeship programs with new flavours of technology, like AI, Cloud and Power Platform.



Improving customer satisfaction and loyalty.

Apprenticeships can help businesses improve the quality and consistency of their products and services, as they can ensure that their staff have the relevant skills and knowledge to meet customer expectations and needs. The ANS Academy ensures that all learners have the chance to take part in 'Power Skills' sessions that can develop business-critical skills for your apprentices. In fact, according to the Department for Business, Innovation and Skills, 70% of surveyed employers said apprenticeships improved product quality and service⁷.

Apprenticeships can also help businesses enhance their reputation and brand image, as they demonstrate a commitment to social responsibility and corporate citizenship. According to a study by the National Apprenticeship Service, 81% of consumers prefer to buy from companies that employ apprentices⁸. Apprentices can also support you with ESG targets and are always welcomed when tendering for new business. ANS has found many businesses now asking for information on apprenticeship recruitment when tendering for new managed service business. This is particularly important to those in the public sector.

Giving apprentices the opportunity to work with our partner schools & charities – supporting young people in the community – really helps to build well-rounded individuals who can thrive in any business.



Tom Robinson
Head of Apprenticeships
ANS Academy





Supporting social mobility and diversity.

Apprenticeships can help businesses promote social mobility and diversity, as they can provide opportunities for people from different backgrounds, ages, and abilities to access and progress in their careers.

Apprenticeships can also help businesses reflect the diversity of their customers and communities, as they attract and retain a more diverse and inclusive workforce. Building a diverse talent pool in the tech sector can be challenging, but apprenticeships can give opportunities to everyone.

According to a report by the Social Mobility Commission, apprenticeships can increase the earnings of disadvantaged learners by 16%⁹. At ANS we have seen the huge benefits of giving opportunities to demographics that struggle to enter tech otherwise.

As an example, in 2023 the Tech Talent Charter reported that 25% of employees in the IT workforce were ethnic minorities¹⁰.

ANS utilised apprenticeships across the last 4 years to increase that representation to 41% across multiple cohorts of apprentices.



Businesses can save money on salary costs and earn bonuses by employing apprentices from certain demographics.

Employers do not have to pay NICs for apprentices under 25 on earnings below £50,270 a year. This can save up to £1,000 a year for each eligible apprentice employed.

Employers can also earn a £1,000 payment for each apprentice aged 16 to 18, or 19 to 24 who were in care or have a local authority plan.

An apprentice can start on anywhere from £12,500 (£6.40 an hour) to National Living wage, depending on your area or the competitiveness of the marketing your field.

See gov.uk for more information on National Minimum Wage and National Living Wage rates.

[Find out more](#)

Over 50% of ANS Group's business comes from the Public Sector and nearly all these organisations now expect partners to have a meaningful impact in the regions in which they operate.

Public Sector contracts are subject to tender and to due process, and many of the tenders we now bid on have up to 25% of the marks allocated to social value. One of the most meaningful ways we contribute to these partnerships is via our apprenticeship program.

Without this program in place, ANS would undoubtedly have been awarded fewer Public Sector contracts.

Ed Knowles
Director of
Commercial Operations
ANS Group



A word from Toria Walters, Chief People Officer at ANS.

With technical skills in high demand, good pay, great office spaces and other benefits are a baseline essential. Showing people a clear career path, with opportunities for development and progression, is where you can really motivate people to stay with you for the long term. Apprenticeships offer this.

We talk about a digital skills gap, and we talk in the same breath about a lack of diversity in tech. The truth is we have a powerful tool at our disposal to tackle both issues simultaneously!

Not everyone has the same opportunities in life, but at ANS we have used apprenticeships to create an environment where anyone can learn about technology and become the best possible version of themselves, even if they're not from a tech background. Apprenticeships provide a platform for people to achieve things they never expected.

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Toria Walters
Chief People Officer
ANS Group

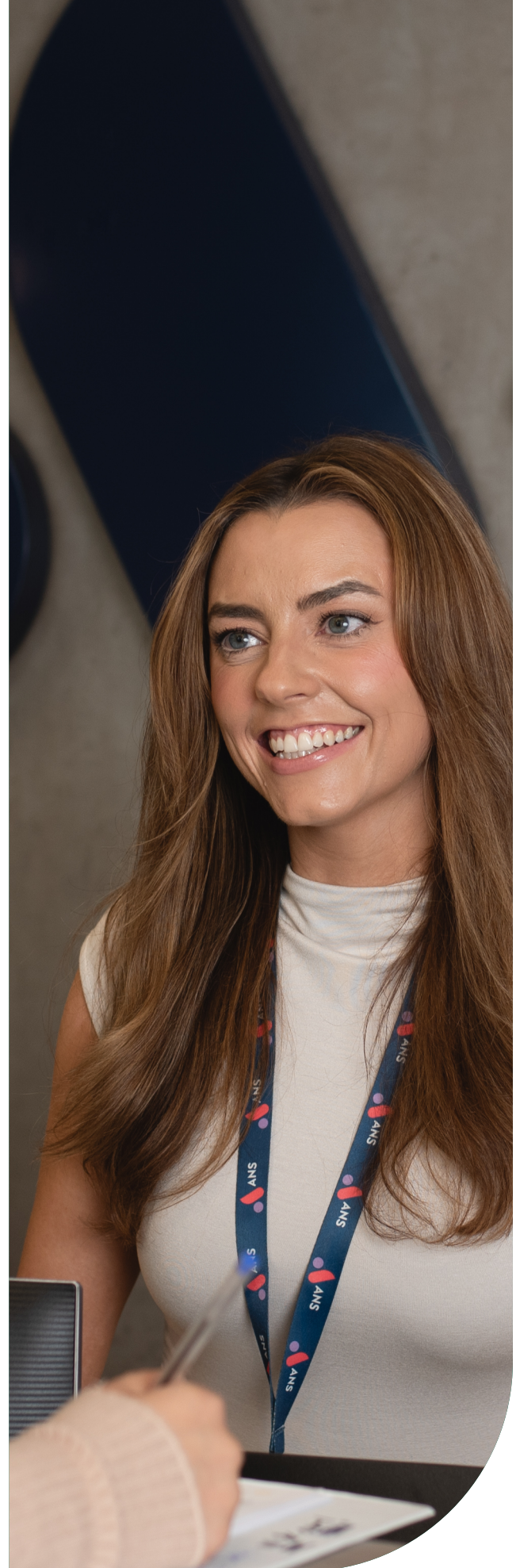


Apprenticeships can really move the dial for People and Culture teams, not only in terms of recruitment, retention and skills, but also to broaden the diversity of your workforce. We've boosted the diversity of our apprenticeship cohorts in recent years, and these individuals have flowed into our full-time permanent workforce, to the benefit to our business.

I want the ANS apprenticeship journey to keep evolving, and to help other organisations to nurture young people that may not have the opportunity to go to university. University doesn't work for everyone, and ANS Academy gives an alternative that allows people to learn and develop, earning qualifications while they earn a salary.



Toria Walters
Chief People Officer
ANS Group



**Five steps
to building
a successful
program in
your business.**

ll



Apprenticeships can be a valuable investment for businesses, but they also require careful planning and management to ensure their success and sustainability.

We've put together a set of five key steps to help business leaders effectively implement and manage apprenticeship programmes:

01 **Don't immediately consider apprentices as full-time employees.**

Rather than considering apprentices as full-time employees within your headcount, view them as development assets. This mindset allows you to provide apprentices with the flexibility to work beyond conventional boundaries.

They can acquire skills across your organisation, going beyond their specific job role. Additionally, allocate specific time for them to complete off-the-job hours and engage in extracurricular work.

Offering this holistic approach gives apprentices more time to see the bigger picture of your organisation, enabling them to swiftly develop a broader skillset that positively impacts your business.

02 **Choose the right apprenticeship standard.**

Business leaders should then choose the appropriate apprenticeship standard and provider for their needs and objectives. They should consult the list of approved apprenticeship standards and providers on the Institute for Apprenticeships and Technical Education website, and compare the quality, cost, and flexibility and most importantly suitability for the job.



03

Choose the right apprenticeship provider.

With so many to choose from, understanding what you're looking for in a provider is crucial.

Choose a provider that aligns with your goals and that specialises in your area. Look out for third-party validation of their credentials, particularly their OFSTED reports.

ANS Academy specialises in technical apprenticeships, utilising ANS Group's expertise and partnerships with the likes of Microsoft to CompTIA to be at the forefront of tech and learning. As an award-winning, OFSTED 'Outstanding' provider, working with ANS guarantees industry-recognised training for your apprentices. You can use the Government's provider portal to find the right provider for you.

Find apprenticeship training if you're an employer.

[Find out more](#)

04

Select suitable apprentices.

Business leaders should recruit and select the suitable apprentices for their programme, based on their eligibility, suitability, and potential.

They should advertise the apprenticeship opportunities on the Find an Apprenticeship service and use a fair and transparent recruitment process that assesses the candidates' skills, aptitude, and attitude. They should also provide clear and accurate information and guidance to the candidates on the apprenticeship programme and expectations.

Remember that apprenticeship candidates may not be the finished article, but finding the right level of potential and innate drive is key to a successful apprenticeship. ANS Academy has experience recruiting over 300 apprentices across 11 years for ANS Group and can support in that journey.

**Apprentices
strive to achieve
to the best of
their ability in
the workplace.
All apprentices
go on to be
successful
and move into
permanent
or promoted
posts within the
company.**

ANS Academy
OFSTED Report
2021

Ofsted
Outstanding
Provider

05

Support and mentor apprentices throughout the programme.

Business leaders should support and mentor apprentices throughout the programme, to ensure their engagement, retention, and achievement. They should assign a dedicated mentor or supervisor to each apprentice, who can provide regular feedback, coaching, and advice. They should also ensure that the apprentices have a positive and safe working environment, a balanced and relevant workload, and access to the necessary resources and support.

Over the years we have seen the tide turn from university towards apprenticeships in the tech sector.

When we began this journey 11 years ago, it felt like we were the only people talking about apprenticeships.

We very quickly saw how apprentices progressed compared to their graduate colleagues.

Having seen graduates from ANS Academy that have gone on to work for household names and look after core tech infrastructure, we are now more certain than ever that universities are not the only route.



Arlene Bulfin
Director of People
Development
ANS Group

Quick checklist.

If you're feeling ready to start out on your apprenticeship journey, we've summarised the steps you can take to get the ball rolling!





Conclusion.

Apprenticeships are a powerful tool for UK business leaders to build diverse pipelines of talent for their business. They offer a huge range of benefits, such as reducing recruitment costs, enhancing skills, improving customer satisfaction, boosting innovation, and supporting social mobility.

However, apprenticeships also require careful planning and management to ensure their success and sustainability.

By defining programme objectives; carefully choosing your standard and provider; recruiting the right individuals and supporting and mentoring them, business leaders can expect to maximise the return on their investment and achieve their strategic goals.

Don't forget to build in a process to reviewing and evaluate your programme, to ensure you continue to do the right thing for future apprentices coming through your business.

ANS Academy is here to support you every step of the way, from the recruitment process, to designing bespoke programs that fit your skills requirements. ANS Academy could be your perfect partner to develop a diverse and loyal talent pool to take your business to the next level!



Additional resource.

How to summarise the benefits of apprenticeships to your key stakeholders.

Apprenticeships offer huge benefits to businesses, apprentices themselves and the communities around them. We've created this handy cheat sheet to help you summarise those benefits.

Benefit	Business	Apprentice	Community
Skills Development	Apprenticeships can help businesses develop the skills they need, both technical and soft, to meet their current and future needs.	Apprenticeships can help apprentices gain valuable skills, qualifications, and experience that can enhance their employability and career prospects.	Apprenticeships can help the local community address the skills gaps and shortages that hamper economic growth and competitiveness and give opportunities to those that may not be able to access certain careers.
Productivity	Apprenticeships can help businesses improve their productivity, performance, and profitability by increasing the quality and efficiency of their products and services.	Apprenticeships can help apprentices improve their productivity, performance, and earnings by increasing their knowledge and confidence.	Apprenticeships can help the local community improve outcomes of those within it.
Diversity	Apprenticeships can help businesses enhance their workforce diversity by attracting and retaining talent from different backgrounds, perspectives, and experiences.	Apprenticeships can help apprentices enhance their social diversity by accessing and progressing in sectors and occupations that may otherwise be inaccessible or unappealing to them.	Apprenticeships can give opportunities to those in the local community by promoting equality of opportunity, inclusion, and cohesion.

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Retention	Apprenticeships can help businesses improve their retention rates by increasing the loyalty, satisfaction, and motivation of their employees.	Apprenticeships can help apprentices improve ability to stay at a business for long periods of time by increasing their commitment, loyalty and engagement with a specific employer.	Apprenticeships can help the local community to reduce unemployment.
Reputation	Apprenticeships can help businesses improve their reputation by demonstrating their social responsibility, innovation, and quality to their customers, suppliers, and partners.	Apprenticeships can help apprentices improve their reputation by demonstrating their skills, achievements, and professionalism to employers, peers, and customers.	Apprenticeships can help the local community to deliver education and develop opportunities for those around the business.

Find training and employment schemes for your business.

[Find out more](#)



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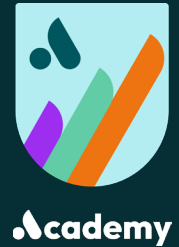
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