APPRENTICESHIP WORKFORCE DEVELOPMENT PROGRAMME

Better Employer Engagement (BEE) Project

Sunderland Engineering Training Association (SETA)

CREATED BY

seta

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The Cost of Recruiting An Engineering Apprentice

Retention of apprentices is a key focus for most employers so that they develop their future workforces, reinforcing existing skills and building new skills. The focus of the Better Employer Engagement Project was to look at how employers can better retain their apprentices when there is currently a national drop-out rate of around 35%.

With the introduction of Apprenticeship Standards, with the impact of COVID and other external influences – the Government has set national targets to raise apprenticeship retention to 65% by 2025.

Focus of Research

The partners in the project agreed to carry out a survey about the cost of recruiting an engineering apprentice. Why? The current rates of drop-out for engineering apprentices is approximately 35%. Not only is it important that employers do more to retain their apprentices, but the cost of replacement is a critical issue. Additionally, the hidden cost of replacing an apprentice cannot be over-estimated in terms of lost skills and wasted opportunity to the employer, to the training provider and to the sector.

This report has been developed primarily by Seta (Sunderland Engineering Training Association), lead partner in the Better Employer Engagement Project funded by ETF relating to Apprenticeship Workforce Development.

Contributors

Survey respondents from partners in the project include:

- SETA (Sunderland Engineering Training Association)
- IAE (Industrial Agricultural Engineers - Employer and Training Organisation)
- JCB (Apprenticeship Employer and Training Organisation)
- Peta (Portsmouth Engineering Training Association)
- The University of Sheffield, AMRC Training Centre
- Xtrac (Apprenticeship Employer and Training Organisation)

Other contributors (via AELP) include:

- HETA (Humberside Engineering Training Association)
- MTC (Training Provider) - Sunderland
- Rochdale Training (Training Provider)

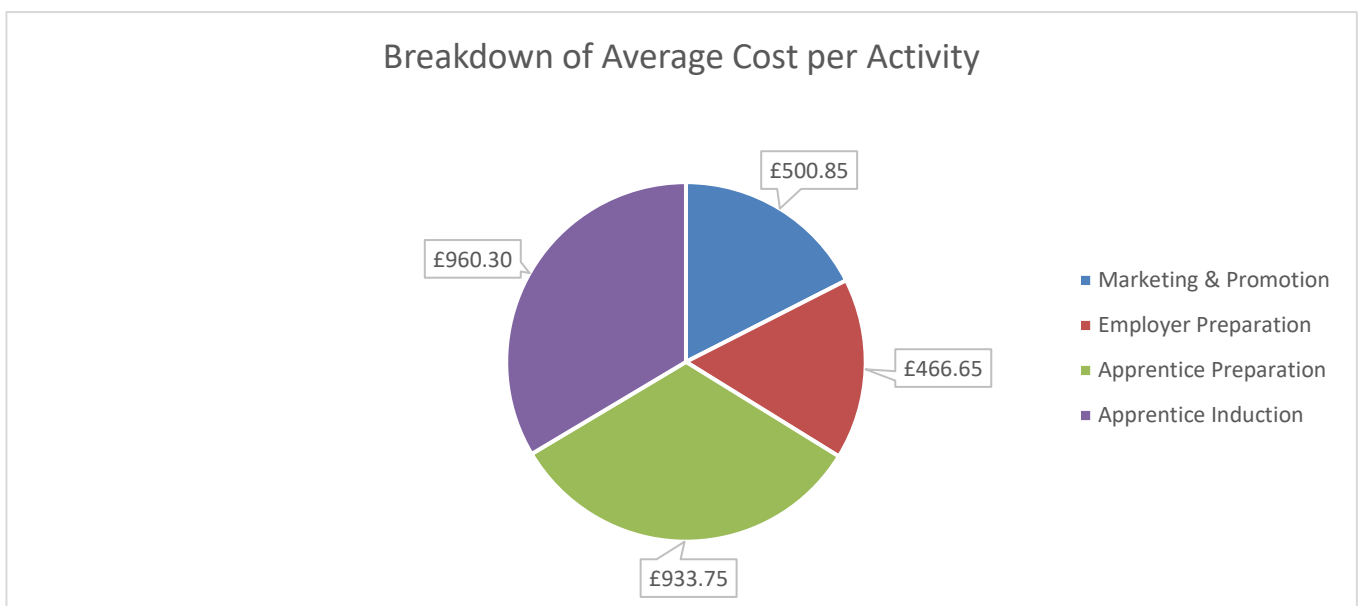# Contents

A. Executive Summary

The Better Employer Engagement Project (April – October 2023) partners consisted of 3 engineering training providers and 3 large employers with their own training provision internally.

Whilst the employers have much higher retention rates at over 90% than the training providers at around 65%, the cost of attrition was discussed as part of the project. Partners agreed that there appeared to be little or no evidence of any previous research to consider the labour costs when recruiting an engineering apprentice.

The questions were agreed with the partners along with a nominal value of £45 per hour to include oncosts of National Insurance, pension contributions etc.

AELP distributed the survey to it's engineering sector training providers and subsequently two additional training providers contributed.

The average total labour costs to recruit an engineering apprentice (based on £45 per hour): **£ per Apprentice = 63.58 hours x £45 = £2861.10**

Breakdown of Average Cost per Activity

- £500.85 — Marketing & Promotion
- £466.65 — Employer Preparation
- £933.75 — Apprentice Preparation
- £960.30 — Apprentice Induction

The data does try to take account:
- That some activities will be group activities, but respondents were asked to take that into consideration when responding

- Employer providers showed slightly lower cost overall as their status and reputation meant less need for marketing and promotion

The data does not take account of:

- subsistence, fuel, travel costs

4

The Cost of Recruiting An Engineering Apprentice

- software access and licencing or hardware costs

- PPE and workwear costs

- Exhibiting and promoting costs to various events to engage

The report findings show the costs associated with recruiting and onboarding an engineering apprentice and the ensuing cost of replacement. The findings should be of particular interest to:

Employers – to work harder to retain apprentices to retain skills and knowledge in ways that the project has seen to address:

- Better employer knowledge and understanding of the apprenticeship standards (Simplified Training Plan)
- Better employer engagement in the progress reviews (4 Part Progress Review)
- Better training of mentors of apprentices (Mentor Handbook & Presentation)
- Better efforts to retain apprentices working with training providers in collaboration – identifying the cost of replacement as a real cost to both parties

Training Providers – to work more closely with employers to engender better understanding of apprenticeship standards, better engagement in progress reviews with better target-setting to include employers. Many providers offer mentor training, and the project has developed a 1-day course to support this.

Government / College & Training Provider Associations

- To recognise the cost of recruiting an apprentice in the whole funding regime
- To support the sector through easing of compliance and regulations relating to breaks in learning to enable re-engagement of early leaver apprentices or easier transfer to different apprenticeship standards

The Cost of Recruiting An Engineering Apprentice

B. Findings

The partners agreed to a nominal sum of £45 per hour inclusive for the cost of labour for recruiting one engineering apprentice. Additional costs specified attempt to relate to only 1 engineering apprentice.

The questions were agreed by all partners and related to the full set of activities required to onboard an engineering apprentice up until and through their induction.

B1. Marketing & Promotion

Estimated labour costs were segregated into:

- Website updating including careers information, advice, and guidance (CIAG)
- Online application forms and other forms such as medical questionnaires
- Attending multiple events to promote to prospective apprentices, their parents, and also to employers

Additional costs were cited:
- Purchasing of fliers and handouts
- Fuel, parking, and food subsistence for staff
- "Freebies" to give out at events
- Sometimes event stand charges
- Banners, tablecloths, STEM equipment
- Support from STEM ambassadors - cannot quantify this value

B2. Employer Preparation

Estimated labour costs to engage employers and prepare them for apprentice onboarding:

Employer Preparation Activities:	Approx No. Hours per Apprentice
Discussion to Establish Needs	2.25
Health & Safety Assessment	1.35
Job Description	1.26
Contract	1.18
Agreement	1.35
Levy status and DAS information	1.83
Total negotiated price agreement	1.15

Additional costs were cited:
- Support often has to be face to face which incurs travel time, subsistence, and fuel costs.

B3. Apprentice Preparation

Estimated labour costs to engage prospective apprentices and prepare them for employment and onboarding with their employer:

Apprentice Preparation Activities:	Approx No. Hours Per Apprentice
Sifting application	1.55
Health questionnaire	0.94
Colour blind test	0.70
English, maths test	1.76
Skill scan for occupational engineering suitability	1.35
Identify additional learning needs	1.26
Interview recording	1.58
CV preparation	1.63
Match to appropriate employer	4.02
Job offer	1.07
Contract	0.98
Start date and joining instructions	1.12
Total negotiated price (using prior learning/quals)	1.38
Setting up technology, MIS, DAS	1.43

Additional costs were cited:
- Some training providers quoted an additional 1 hour for parental engagement

B4. Apprentice Induction to Training Provider

Apprentice Induction Activities:	Approx No. Hours per Apprentice
Personalised welcome pack	1.89
Document preparation	1.86
Induction schedule	1.88
Team welcome	2.36
Introduction to Training Plan	2.89
Introduction to Apprenticeship Standards	3.32
Introduction to technology / online approach	1.65
PPE distribution / explanation	1.5
Safety, Safeguarding briefing	2.52
Equality, Diversity, Prevent, British Values briefing	2.38
Setting up technology, MIS, DAS	1.11
Audit / compliance checks	1.54
Mentor training for employer supervisors if offered	**1.5**

B5. Apprentice Induction to Employer

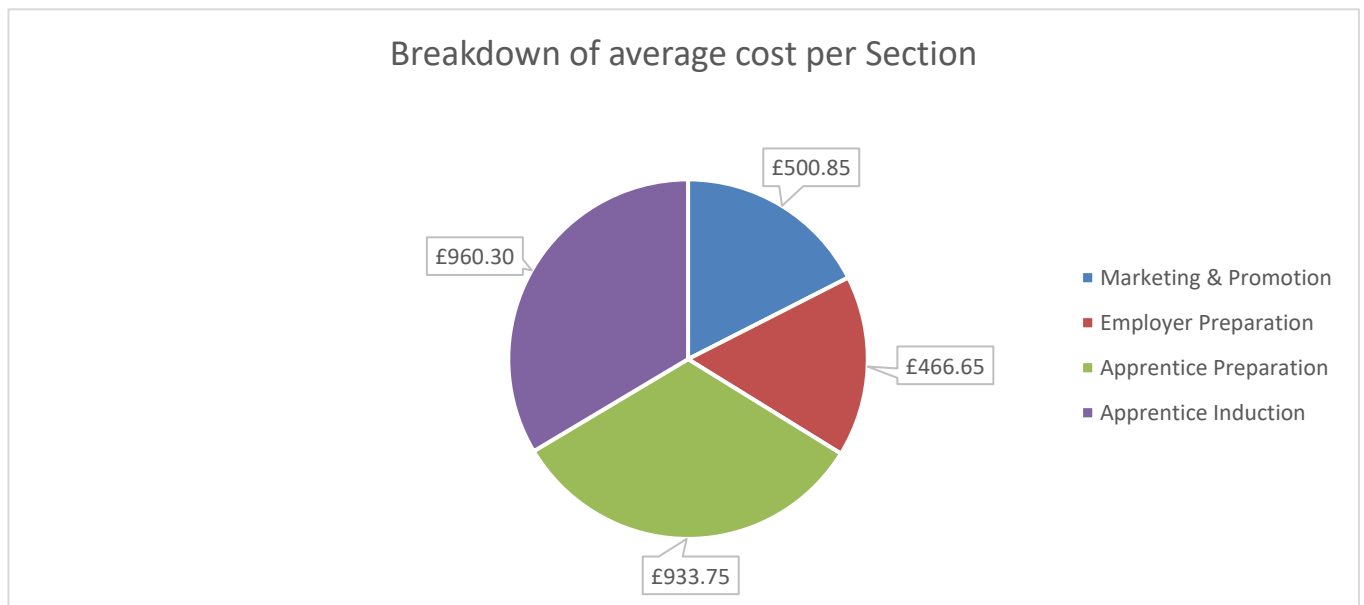| Apprentice Induction Activities	Approx No. Hours per Apprentice
Joining Instructions & Induction Schedule	0.87
Document preparation	0.92
Induction schedule	0.75
HR welcome	1.03
Team welcome	0.7
Supervisor welcome	0.7
Mentor welcome and training	1
Technology welcome	1.33
Workspace	0.83
PPE	0.38 (excluding one non-numerical response)
Safety & Security briefing	1

Additional costs cited:
- PPE and workwear approximately £150 per apprentice.
- Food and drink £15 per apprentice for their induction day.

C. Summary Findings

Average Total Labour Costs to Recruit An Engineering Apprentice (based on £45 per hour):

£ per Apprentice = 63.58 hours x £45 = £2861.10

Breakdown of average cost per Section

- £500.85 — Marketing & Promotion
- £466.65 — Employer Preparation
- £933.75 — Apprentice Preparation
- £960.30 — Apprentice Induction

Notes about the data:
- The total cost doesn't include additional costs
- When determining the total number of hours spent, the average hours between 'Apprentice Induction for Employers' and 'Apprentice Induction for Training Providers' are amalgamated
- Individually averaged hours/cost may not add up completely to the final total due to rounding when transferred into this report
- Some responses listed a range of hours, so the median was taken for the purposes of calculation. Eg: stated range of 5-10 hours gets treated as 7.5 hours

The Cost of Recruiting An Engineering Apprentice

D. Survey Questions

Project Better Employer Engagement

The Cost of Recruiting an Engineering Apprentice Survey – Training Providers / Employer Providers

The Education & Training Foundation has funded Project BEE (Better Employer Engagement) led by SETA (Sunderland Engineering Training Association) and partners (PETA, AMRC – training providers) (IAE, JCB, Xtrac – employer providers). This survey is to analyse all the activities and associated costs to recruit an engineering apprentice, prior to the actual start date and funding commenced.

This also links to the cost of an apprentice leaving – both in terms of retention statistics and the cost of replacement in light of UK skills shortages in engineering.

The partners agreed to a nominal sum of £45 per hour inclusive for the cost of labour for recruiting one engineering apprentice. Additional costs please specify but **try to relate to only one apprentice**. Deadline for completion is **12th July 2023.**

Marketing & Promotion

	Approx No. Hours per Apprentice		Approx. Additional Cost per Apprentice £	Specify briefly for what?
Website Updating and Information				
Online Application Form				
Attending Events to Promote				

Employer Preparation

	Approx No. Hours per Apprentice		Additional Cost per Apprentice £	Specify briefly for what?
Discussion to Establish Needs				
Health & Safety Assessment				
Job Description				
Commitment Statement				
Contract				
Agreement				
Levy status and DAS information				
Total negotiated price agreement				

The Cost of Recruiting An Engineering Apprentice

Apprentice Preparation

	Approx No. Hours		Additional Cost per Apprentice £	Specify briefly for what?
Sifting application				
Health questionnaire				
Colour blind test				
English, maths test				
Skill scan for occupational engineering suitability				
Identify additional learning needs				
Interview recording				
CV preparation				
Match to appropriate employer				
Job offers				
Contract				
Start date and joining instructions				
Total negotiated price (using prior learning/quals)				
Setting up technology, MIS, DAS				

Apprentice Induction to Employer (for Employer Providers)
Training Providers to ignore this section.

	No. Hours	Additional Cost per Apprentice/ specify briefly
Joining Instructions & Induction Schedule		
Document preparation		
Induction schedule		
HR welcome		
Team welcome		
Supervisor welcome		
Mentor welcome and training		
Technology welcome		
Workspace		
PPE		
Safety & Security briefing		

Apprentice Induction to Training Provider (for Training Providers)
Employer Providers to ignore this section.

	No. Hours	Additional Cost per Apprentice / specify briefly
Personalised welcome pack		
Document preparation		
Induction schedule		
Team welcome		
Introduction to Training Plan		
Introduction to Apprenticeship Standards		
Introduction to technology / online approach		
PPE		
Safety, Safeguarding briefing		
Equality, Diversity, Prevent, British Values briefing		
Setting up technology, MIS, DAS		
Audit check that all documentation meets govt reqts		
Mentor training for employer supervisors if offered		