WE’RE ON THE PRECIPICE OF MASSIVE CHANGES TO BRITISH HAIRDRESSING. AS NEW APPRENTICESHIP SCHEMES ARE INTRODUCED, MORE COMPLICATED TAX SYSTEMS COME INTO PLAY AND RISES TO BASIC WAGES ARE LEVIED, SALONS ARE STRUGGLING TO KEEP A GRIP ON THE RED TAPE... IT’S THREATENING TO OVERWHELM THEM AND POSSIBLY WIPE OUT MANY BUSINESSES FROM THE UK HIGH STREET.

IT’S TIME TO TAKE ACTION

AS THE LAST attendee left Creative HEAD’s business networking event, Salon Smart 2016, it was apparent that there was a growing sense of unease among owners and managers over the day-to-day running of their salons. It’s something the National Hairdressers’ Federation is witnessing too: rising wages and pension contributions will affect profitability unless salons adjust their prices and reduce costs elsewhere. Independent salons face increasing competition from chains and franchises, similar to what we’ve seen with high street coffee shops. And, perhaps most importantly, all salons are facing difficulties in recruiting high quality apprentices.

Recruitment is proving to be a particular headache for salon owners – where did all the eager, bright-as-a-button 16-year-olds go? And then, when a salon does take on an apprentice, the lack of financial commitment on their part means getting them to not only be motivated but to stay on at your salon, can be a battle in itself.

With all this to contend with, is it any wonder that half of all new businesses don’t survive beyond five years? The UK tax system, business rates and too much red tape are all reasons business owners give for their operations failing. And the reams of red tape are only going to get longer as the government aims to increase the National Living Wage to £9 per hour by 2020 and introduce a new tax system that could see small businesses forced to file tax returns four times a year, instead of just once every 12 months. Salons are being strangled, profits are plummeting and changes to apprenticeship funding mean salons keen to invest in the younger generation don’t actually know how much they could end up spending on them.

According to Habia, there are currently 40,000 hair and beauty salons in Britain – but how many will there be in five or 10 years’ time? It is this question that prompted Creative HEAD to say ‘enough is enough’. The issues affecting the future of UK salon businesses need to be addressed right now which is why we’re launching Futureproof. This campaign is a call to arms to try to tackle the key issues affecting salon owners and managers today. By identifying all the ways you can ‘Futureproof’ your salon, we hope that when we next ask what will the industry look like in five years’ time, you can answer with confidence that the future is bright.

In each issue between now and Salon Smart 2017, we will tackle a different subject head on. We begin with recruitment, specifically apprenticeships, as without the younger generation’s input there will be no future for the British hairdressing industry. This is a campaign to help you, and we want to hear from you – your questions, your experiences, your solutions – so together we can build that brighter future. Let’s get started...
APPRENTICESHIPS – INVESTING IN THE FUTURE OR PART OF THE PROBLEM?

IT USED TO BE straightforward. Apprenticeships were a way for young people to enter work by learning a trade on the job. Employers weren’t expected to contribute anything towards them, other than paying their wages at their choice of rate. Then a National Minimum Apprenticeship Wage was introduced, and the government began an overhaul of apprenticeships with employers expected to contribute to the apprenticeship training costs at the rate of £2 from government for every £1 contributed by an employer.

We don’t yet know how much salons could end up paying towards apprenticeship fees as the funding bands that will determine the maximum amount an employer pays have yet to be decided, but we do know that the new levy is set to be introduced in April next year.

“The issue for employers is not just the cost, but also the administration involved – most would prefer to leave funding with the training providers,” argues Hilary Hall, chief executive of the NHF.

Further issues affecting apprenticeships are the recent hikes in age for compulsory education and the quality of apprentices that join the industry. School leavers now need to be 18; for them to leave before this age they have to be in some kind of vocational training, but schools are incentivised to keep students in education.

For Richard Phillipart, owner of The Boutique Atelier in Cheshire, there has been a direct correlation between more students staying in school and the amount of young people applying for apprenticeships in his salon. “We have seen a huge drop in applications since the law was changed. Three years ago we had 17 applications a year, two years ago it was nine, last year it was five and so far this year we’ve had none,” he says. “The kids due to leave this year have never known anything else so I’m not surprised.”

Richard suspects that schools are no longer promoting apprenticeships as an option – something Angelo Vallillo, creative director of Zullo & Holland and head of the Angelo Vallillo Hair Academy, agrees with. “The problem I’m finding is that there’s more funding being put into keeping students in school rather than into apprenticeships and academies,” he says.

It has made Richard decide to approach apprenticeships differently. “I’m focusing on talking to the parents. I want them to realise what a fantastic opportunity hairdressing is.” Angelo believes the conversation with young people needs to happen a lot sooner; not during their careers meeting aged 16, but when they are 14. “This is when they’re deciding what sort of career they want. They then have two years to research and find the right path for them,” he says.

“We need to spread the word and get our industry the right recognition.” Career fairs, open days and after-school clubs are all great ways to spread the word.

HOB Salons regularly sends representatives to school careers fairs and has found its Academy apprenticeship numbers increase from 43 in November 2014 to more than 130 now. Yet the quality of apprentices isn’t always up to scratch. “We find some apprentices who join us, especially on the younger end of the spectrum, choose hairdressing as a career without understanding how much work goes into it. Many also struggle to adjust to the work environment,” says Claire Ennor, HOB Apprenticeship Academy manager.

Then there is the issue of dropouts; once you have an apprentice and have invested in them, how do you ensure they stay? Some salons have suggested that apprentices should front the cost of some of their training with the aim that with a financial incentive, the emotional incentive follows. However, as the NHF’s Hilary points out, at present this does not form any part of the government’s plans.

One approach is recruiting older, more mature students, rather than from when they’re 16. “Often the more mature apprentices are keen to learn, progress more quickly, are easier to manage and reach ‘salon-ready’ standard earlier, justifying the additional cost,” admits Hilary.

Caroline Sanderson, owner of Eglo Hair Design and Most Wanted Business Thinker 2015, recently trained and then hired Rhona, a mother of four who is in her 30s. “We wanted to open up the opportunity to train as a hairdresser to anyone who has passion,” explains Caroline. “Age shouldn’t be a restriction, but there are many older people who don’t have the chance to become hairdressers due to a lack of funding. We were unable to get traditional funding where they work. We paid the salary full time and go to college one day a week, so instead Rhona was funded to do a fast-track course at the college over one year, and we employed her at the salon on the other days.”

Caroline found Rhona’s commitment outstanding; she never even took a sick day! She advises: “Look for passion regardless of age and find a way of to make it work. In the long term, you’re more likely to see a return on investment.”
Richard Ashforth, owner of Saco, has also started hiring older apprentices. “I used to have my head firmly stuck in the good old days when our industry was inundated with committed young people wanting to learn our craft, but this is no more,” he says. “It’s a huge struggle to recruit UK school leavers, especially in London where the cost of living is astronomical. The younger generation doesn’t necessarily see employment in the same way as employers. Their perspective seems to reflect a transient approach where, rather than ‘toughing’ things out to get through their training, they would rather move or change careers if things become too difficult.”

This has led Richard to start employing older trainees who have a “more mature approach to their careers and feel and act in a more committed way”. He adds: “It’s a huge cost to pay the National Living Wage for someone in their mid to late 20s, but I would rather have a stable and committed team than a revolving door of youngsters who haven’t the foresight to invest in themselves at an early stage.”

But let’s talk numbers for a second. Just how much more would you spend on training an older apprentice? Ken Wurt, director of Ik+K, has done the sums: train a 16-year-old for three years, at £3.30 per hour, the cost is £20,592. Train a 21-year-old for a year at £3.30 per hour and a year at £6.70 per hour National Minimum Wage, the cost is £20,800 (based on a 45-hour week). It’s only a couple hundred pounds more to train an older apprentice and, although it means qualifying in two years, an older but committed student should be able to achieve this.

But if the extra costs really aren’t an option for you, there is another way: traineeships. “It takes away the struggle from finding the right apprentice and helps the younger generation who may lack the level of skills and knowledge required to work in your salon,” says Abby Whittaker, director of Hair Academy South West. She describes the traineeship as a quality work experience placement, which can last up to six months. “The advantage is that the trainee will achieve a City & Guilds Level 1 certificate in Employability Skills, and all training costs are covered by the government,” she explains. “This gives the salon owner the opportunity to work with a trainee without having to pay or commit to long-term recruitment costs, avoiding early employment complications. The traineeship then simply ends or the trainee goes on to do an apprenticeship.”

Whether you home-grow your talent or get them from college, it’s clear that the current apprenticeship model has massive issues. And there’s a very real fear that the next round of changes to apprenticeships by the government will only increase salons’ workload, with no certainty that the quality of apprentices will rise with it.
DO IT DIFFERENTLY
YOU NEED TO THINK OUTSIDE THE BOX WHEN IT COMES TO RECRUITING APPRENTICES

A LITTLE HELPING HAND
Mahogany Hairdressing in Oxford decided to target young people looking for a job and work experience, rather than a specific career in hairdressing. This led to them recruiting ‘general helpers’ who tended to be university students keen to work somewhere that was a little bit different to a shop or bar. “Our ‘general helpers’ focus on keeping the salon tidy, ensuring fresh towels are available for the stylists and to serve refreshments to clients,” explains operations director Russell-John Barker. With the helpers doing everyday salon tasks, it frees up the apprentices to concentrate on what matters most: hairdressing.

ADULTS ONLY
Mitchell Wilson, co-owner of Laundry in Sheffield, has found that age is a big issue as “with age comes experience, but many get overlooked due to financial reasons”. To pay an apprentice an apprenticeship wage only until they’re 19 often means older and potentially better candidates get overlooked. But Laundry has found a way around this conundrum. “The average age of our five apprentices is 21, so to justify their increase in salary they work part time as a receptionist or barista in our coffee shop – jobs that I’d pay National Minimum Wage for that they can do while continuing their training,” he says.

TRY BEFORE YOU BUY
Jayne Prigent, owner of Most Wanted 2015 Best Local Salon, Jas Hair Group, runs a ‘give it a go’ hair scheme for potential apprentices every March. “The event is for school leavers who want to try their hand at hairdressing. We open it up to 14- to 17-year-olds and they come along to one of our salons for a few hours after school,” she says. “We do also ask for them to bring along a chaperone who is over 18 and doubles up as their hair model. They get to apply colour, wash hair, carry out a relaxing treatment and blow-dry the hair. It’s a fun but informative after-school session.” And after the events, they usually find at least one apprentice.

NEXT MONTH: NATIONAL MINIMUM AND LIVING WAGE
WHAT PROBLEMS ARE YOU FACING… AND WHAT ARE YOU DOING TO FUTUREPROOF YOUR SALON? TELL US NOW:

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