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for Education

Apprenticeships Evaluation 2018-19: Employers

Research report

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IFF Research



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Executive Summary

This report presents the findings of the 2018-19 Apprenticeships Evaluation Employer Survey. It is the sixth in the series, the first of which was published in 2012, with the previous survey taking place in 2017. It sits alongside the accompanying Learner report.

The core element of the employer research comprised 4,000 interviews with employers that had apprentices completing their apprenticeship between February and September 2017, 15 to 24 months prior to being interviewed¹. This approach was taken to allow time for impacts of the apprenticeship on the employer to be experienced, and to maintain comparability with previous waves. Fieldwork was conducted between December 2018 and March 2019.

The Individualised Learner Record (ILR), a database used to record enrolments of apprentices, was used to source employers in scope for the survey. It includes details of the site (i.e. workplace) at which every apprentice is employed, and the subject area of the apprenticeships concerned. The survey therefore took place at a site level, and the results provided in this report are also expressed in terms of sites, not enterprises. Interviewers asked to speak to the person in charge of training taking place at that site in the subject areas listed on the ILR. Referrals to a Head Office or HR site were accepted, on condition that the discussion would be about apprentices at the specific site listed on the sample, rather than in the organisation as a whole.

In addition, a small 'Level 6 and 7 survey' was also run in parallel alongside the main evaluation. This comprised 100 interviews with employers who employed Level 6 and Level 7 apprentices (including degree apprentices and Level 6+ non-degree apprentices) in August 2018, at the time of sampling. Results from this survey are discussed in Chapter 10. All other findings in this report are based on the core group of employers with completer apprentices.

The research is intended to help monitor key progress indicators and assess the impact of recent policy reforms to help shape future development of the apprenticeship programme. Specifically, the evaluation covers employers' experience of offering apprenticeships: who they took on and to what types of apprenticeship; their motivations for offering apprenticeships; the way the apprenticeships were delivered; the outcomes for their apprentices; and their satisfaction and their future intentions. It also assesses employers' awareness of, and response to the policy reforms introduced in Spring 2017.

¹ Throughout this report, these apprentices are referred to as 'completer apprentices', and their employers as 'apprentice employers'.

Who had apprentices complete?

The profile of employers in this study represents a snapshot in time (those who employed apprentices who completed their apprenticeship between February and September 2017) and therefore will vary from published annual figures on apprenticeship starts.

The population of apprentice employers was dominated by small workplaces; the majority of apprentice employers had fewer than 25 employees (60%) and the majority only had one apprentice complete their training in the sample window (68%), both in line with 2017.

Health and Social Work was the single largest sector employing apprentices, accounting for a quarter (25%) of apprentice employers, up from 22% in 2017. A number of other sectors accounted for around one in ten apprentice employers; Wholesale and Retail (12%), Education (10%), Construction (9%), Other Services (which includes Hairdressing and Barbering; 9%) and Manufacturing (8%). None of these showed a change since 2017.

Combining survey data with IDBR data to take into account employers with no apprentices (and thus not included in the survey data), the number of apprentice completers per 1,000 employees showed wide variation by size of employer site, employer sector and region. It was highest at sites with 10 to 49 employees and in the North East, and lowest at sites with 250 or more employees and in London.

Just under a quarter (23%) of employers interviewed were relatively new to apprenticeships, having offered them for three years or less, a reduction on 2017 (29%), suggesting a slowing of the growth in the number of employers involved.

What types of apprenticeship were on offer?

According to the ILR, Business, Health, Retail and Engineering sector subject areas remained the most common apprenticeships provided by employers to apprentices completing in the sample window (31%, 24%, 20% and 16% of apprentice employers respectively). In line with previous evaluations, the vast majority of apprentice employers (90%) provided apprenticeships in only one subject area.

Just over three fifths (62%) of all apprentice employers had completer apprentices at Level 2, while around half (48%) had completer apprentices at Level 3, again in line with previous surveys. However, the proportion with completer apprentices at Level 4 or above increased from 3% to 6%.

Employers were far more likely to say they currently offer or have ever offered apprenticeships to young people (74% of employers offered or had offered

apprenticeships to those aged under 19 and 80% to those aged 19-24) than to those aged 25 plus (53%). However, the proportion offering to those aged 25 plus has increased from 46% in 2015 and 2017, reflecting increases in both provision of apprenticeships to existing employees and an increase in provision at Level 4 and above.

Why were apprenticeships offered and how were apprentices recruited?

Employers who had started providing apprenticeships in the last five years at the time of the survey (and included in the survey because they had an apprentice completer in the period February to September 2017), were motivated to do so because they thought it was a good way to up-skill existing staff and/or to recruit new staff (both 31%). Some were motivated by altruistic reasons, with 16% saying they did it to help young people.

There were a wide variety of reasons why employers had chosen to offer apprenticeships rather than (or on top of) other forms of training. Most common were the inclusion of practical/vocational elements in the training (18%), that it is standard in the industry (17%) and cost and affordability (16%). More than one in seven (15%) employers who the survey highlighted as likely to be paying the Levy spontaneously said the Levy was a reason for choosing apprenticeships over other forms of training (5% of all employers). It should be noted that those employers who have started providing apprenticeships since the Levy was introduced would not be included in this figure, because they would not have had an apprentice completer in the February to September 2017 period.

The majority of apprentice employers (64%, down from 69% in 2017) had specifically recruited at least some of their apprentice completers for the apprenticeship, while 36% had provided at least some of those apprenticeships to existing staff (up from 32%). The proportion of employers whose apprentice completers were *all* existing staff prior to the apprenticeship starting has also increased (31%, up from 27%).

Three-quarters (75%) of employers felt that there was sufficient information, support and guidance available to employers interested in offering apprenticeships. This is an encouraging increase on the proportion in 2017 (68%), reversing the downward trend seen in the past few surveys.

Retaining apprentices

Employers were less likely to be retaining apprentices at the end of their apprenticeship than they were in 2017. Seven in ten employers (70%) had any of their completer apprentices still working for them at the time of the survey, 15 to 21 months after their completion (down from 76%), while 58% reported that *all* of their completer apprentices

were still with the company (down from 65%). It should be noted that none of these figures represent the retention rate for completer apprentices from a learner perspective.

Employers whose completer apprentices had been existing staff were more likely to have retained the apprentices (80%, compared to 66% among those where all their completers had been recruited as apprenticeships). Related to this, employers offering Health apprenticeships were most likely to have retained any of their completer apprentices (76%).

The majority of employers with completer apprentices who left (85%) reported that it had been the apprentice's decision to leave, in at least some cases. Employers reported this was primarily to move into another sector or to improve their promotion or pay prospects.

Less than a fifth of those with completer apprentices who left (18%) reported they had asked the apprentice(s) to leave (down from 26% in 2017). This was more common among employers whose apprentices completed Arts and Media, Education, ICT and Leisure apprenticeships. Of those employers who asked a completer apprentice to leave, close to half (48%) felt that the apprentice was not performing at the level required. This was more common than average among employers whose completer apprentices were in Retail (63%) and among the smallest employers with just 1-9 staff at the site (62%). Other key reasons were having an insufficient level of work (24%) or not being able to afford to retain the apprentice (10%).

Progression to higher level apprenticeships

Although a majority of apprentice employers had some knowledge of higher apprenticeships (59%), one in five (20%) had never heard of them and a similar proportion (21%) knew them in name only.

In total, 35% of apprentice employers were providing or planning to provide apprenticeships at Level 4 or 5, while a smaller but almost entirely overlapping group (18%) were providing or planning degree apprenticeships at Level 6 or 7. A small group (7%) were providing or planning Level 6+ non-degree apprenticeships at Level 6 or 7. These figures compare to a total of around half (51%) of apprentice employers who were providing or planning formal training at Level 4 or higher across the board, including non-apprenticeship qualifications.

In terms of progression, two-thirds of apprentice employers (66%) who had current higher apprentices in August 2018 reported that at least some of these had previously completed an apprenticeship at a lower level, indicating that progression to these qualifications was quite common. However, progression through other apprenticeships to Level 6 or 7 apprenticeships (including degree apprenticeships and Level 6+ non-degree apprenticeships) was less widespread; half (47%) of those who had current Level 6 or 7

apprentices in August 2018 reported that at least some of these had previously completed another apprenticeship.

The most common reason for employers to offer higher or degree level qualifications was to help staff develop new skills (66%), whilst the most common reason not to offer them was a lack of demand from their employees (29%), followed by believing that degree level qualifications are not relevant for jobs at the organisation (18%).

Delivery, assessment and influence

Almost all employers (94%) indicated that at least some of the training for their main apprenticeship programme was delivered by an external training provider, although three-quarters (77%, up from 75%) provided at least some of the formal training internally themselves. Employers whose main apprenticeship subject area was Retail (84%) or Engineering (81%) were more likely than average to provide formal training themselves.

The majority of employers (61%) felt they could influence the apprenticeship in terms of structure, content, delivery or duration, although this proportion has dropped from 65% in 2017. There was substantial variation by sector; only about half of employers whose main subject area for completer apprentices was Construction (46%) and ICT (53%) felt able to exercise any influence, compared to seven in ten (69%) of those whose main subject area was Retail. Almost one in five employers (18%) wanted more influence than they had over the structure of their apprenticeships (the same proportion as 2017).

More generally, employers' current awareness and understanding of apprenticeship standards have remained at the same levels as 2017: 35% of apprentice employers (rising to 52% of those with 100 or more staff) were aware of the standards at the time of the survey, while 20% had at least some knowledge of them.

Involvement in the new apprenticeship standards among apprentice employers at the time of the survey had increased to 11%, from 8% in 2017, primarily due to more employers having apprentices on the new standards (6%, up from 2%). However, fewer employers involved in apprenticeship standards felt they were an improvement over the previous frameworks (51%, down from 62% in 2017). The shift has been towards greater uncertainty, with 35% now saying they are unsure, or it is too early to say, up from 22% in 2017.

A third of employers (33%) wanted to change apprenticeship content, structure, delivery or duration. This was most commonly wanting the apprenticeship to be more specific to their needs (9%), followed by elements related to the training provider: 8% wanted to see improved communication, 6% an improvement in the quality of the teacher and/or teaching, 5% improved support and 5% improved organisation.

Recent apprenticeship policy has made it a requirement for employers to ensure their apprentices achieve at least a basic level of English and Maths. Almost three-quarters (72%) of employers said some or all their apprentices in the two years prior to the interview had studied English or Maths as part of their apprenticeship. This was most common among employers offering mainly Health apprenticeships (85%). The vast majority of employers (80%) felt it was important their apprentices have or achieve Functional Skills Level 2 or a GCSE standard pass in Maths and English by the end of their apprenticeship. Over half (54%) felt this was very important.

Satisfaction, benefits and future plans

Employers' overall satisfaction with their main apprenticeship programme remains high, with 85% of apprentice employers satisfied and 63% very satisfied. Overall, 5% of employers were dissatisfied. Satisfaction levels have not changed significantly from the 2017 survey.

Satisfaction was highest among employers providing Health apprenticeships (89%), and lowest in Arts and Media (66%). No changes were seen by subject area from the 2017 survey.

As in previous evaluations, employers were most satisfied with the quality of the assessment carried out by their provider (83%), the flexibility of how the provider offered training and / or assessment (82%) and the quality of training (82%). However, levels of satisfaction with most specific elements of apprenticeships have continued the downward trend reported in the 2017 survey and nearly all were significantly lower than in 2015. The notable exception is with the quality of applicants, which satisfaction has increased to 67% (from 64% in the 2017 survey and 63% in the 2015 survey).

Overall, more than eight out of ten (83%) of employers would recommend apprenticeships to others, the same proportion as 2017. Encouragingly, over two-fifths (43%) would recommend apprenticeships to other employers without being asked (up from 40% in 2017 and 37% in 2015).

Employers experienced a wide range of benefits as a result of providing apprenticeships, most commonly developing skills relevant to the organisation (86%), with improved productivity, better quality of product or service, and higher staff morale highlighted by around three-quarters of employers.

Most employers planned to continue offering apprenticeships (83%), compared to 84% in 2017. One in ten (10%) said they planned to stop (up from 8%) while the remaining 7% were undecided or said it would depend on other factors. Amongst employers continuing, almost a third (30%) intended to increase the number of apprentices at their site

(consistent with 31% in 2017). Conversely, just 5% planned to decrease their numbers (5% of all employers) meaning that 15% plan to decrease or stop provision).

Awareness and impact of funding reforms

Substantial changes to the funding of apprenticeships were introduced from Spring 2017. The data from this survey shows that among employers with completer apprentices, around a quarter (23%) were part of organisations eligible for a Levy payment (though noting that a further 12% were unsure if their organisation's UK-wide wage bill exceeded £3m), rising further among employers whose main subject area among completer apprentices was Education (45%), Leisure (29%), and Business (27%).

Three-quarters (76%) of apprentice employers had heard of the funding reforms (66% initially and 10% with further prompting), compared to 60% at the time of the last survey just prior to the introduction of the reforms. Levy eligible employers were much more likely to be aware of the changes (87%, compared to 74% of those not Levy eligible) as were those employers with apprentices at the time of sampling in August 2018 (83%, compared to 67% of those without).

Of the various elements of the reforms, apprentice employers were most likely to be aware of the introduction of the apprenticeship Levy, with over half aware of this policy (56%, up from 45% in 2017). Between a quarter and a half of apprentice employers were aware of other specific elements of funding reforms: 48% of the existence of the 20% off-the-job training requirement; 42% that the Levy applies only to employers with a wage bill of over £3m; 40% that employers paying the Levy can claim it back; 38% that the Levy is 0.5% of the employer's total wage bill; 28% that training providers receive a premium for recruiting from deprived areas.

The largest change from 2017 was a large increase in awareness of the 10% contribution (co-investment) paid by employers not paying the Levy to the cost of apprenticeship training (53%, up from 32% in 2017; note the co-investment rate has changed since the time of the survey to 5%).

Awareness of the reforms was higher amongst those employers with current apprentices and especially among Levy payers.

Approaching two-thirds of apprentice employers felt their organisation understood the apprenticeship reforms and the activities which count towards the 20% off-the-job requirement well or very well (65% and 63% respectively).

At a headline level, the impact of the reforms appears relatively limited with 13% of those apprentice employers aware of the reforms reporting that the overall number of apprentices at their site had increased due to the reforms, and 7% reporting that the

number had decreased (including 2% who said they had stopped providing apprenticeships altogether).

Those eligible for the Levy, and those with 100 or more staff at the site, were much more likely to have increased their apprenticeship usage (28% and 35% respectively).

Non-Levy paying apprentice employers, who must now pay a 10% contribution to the cost of any new apprenticeship, were far less likely to suggest that they would increase their apprenticeship usage as a result of the reforms (7%); but they were no more likely to say they would decrease usage.

These responses from employers might seem to conflict with the recent decline shown in the number of apprentices overall in England². However, the proportion of non-Levy eligible employers saying they were planning to stop apprenticeship usage *overall* without reference to the reforms has increased from 10% in 2017 to 14% in 2018-19, especially at the smallest sites with 1 to 9 employees (15% in 2017 to 20% in 2018-19). Many small employers also remained unaware of key details of the reforms; only 35% were aware of the 10% payment; survey results suggest that some less well-informed employers may hold training providers responsible for the charge, rather than the reforms.

It should also be borne in mind that while some employers of apprentices have been using the programme for many years, there is a high level of churn; for around a quarter (23%) of employers with completer apprentices it is likely that the apprentices asked about were their first apprentices. Given the relatively modest impact of the reforms on apprentice numbers shown so far among employers with prior experience of the benefits of apprenticeships (the group interviewed for this research), and the large impact seen on apprentice numbers since May 2017, it may be that a significant proportion of the recent reduction in apprenticeship usage relates to a deterrent effect on employers who might otherwise have taken on their first apprentice.

Among those apprentice employers eligible for the Levy, a quarter (24%) reported that, as a result of the reforms, they had increased or started apprenticeships for existing employees while around one in six had increased apprenticeships for managers (18%) or outside core business activities (17%). A third (31%) of those eligible for the Levy said they had introduced new apprenticeships. Among those not eligible for the Levy, no such widespread changes were seen; however, few of these apprentice employers reported substantial decreases in response to apprenticeship reforms either.

² Although survey questions only ascertained whether overall numbers had increased or decreased, and didn't explore apprentice volumes. It is possible to have more employers reporting an increase than a decrease, and for overall volumes to still go down.

Level 6 and 7 apprentice employers

Level 6 and 7 apprenticeships were first introduced in 2013, and have gradually become more significant in volume since then. These apprenticeships are divided into two key groups; degree apprenticeships, which contain at their core a full first degree, and Level 6+ non-degree apprenticeships, which instead contain content at an equivalent level to a degree.

The main survey is of employers with learners who completed their apprenticeships in February to September 2017, and since Level 6 or 7 apprenticeships have been introduced relatively recently, they do not feature in this. A separate survey was carried out of 100 employers with current Level 6 or 7 apprentices in August 2018.

Compared to employers from the core evaluation who had apprentice completers across all levels, employers offering Level 6 or 7 apprenticeships were larger in size (67% had 25 or more employees at the site). Linked to their size, the Apprenticeship Levy or funds in an Apprenticeship Account were the most likely reason for employers to offer a Level 6 or 7 apprenticeship (24%), rising to 42% for employers with 50 or more employees at the site.

For most (81%), offering Level 6 or 7 apprenticeships had not replaced an existing graduate recruitment programme but for a sizeable minority (37%) it had replaced other work-based learning at this level, primarily among those with Level 6+ non-degree apprenticeships (57%).

Satisfaction varied widely across the different elements of apprenticeship delivery measured by the survey. Employers with Level 6 or 7 apprenticeships were most satisfied with the quality of training delivered by the training provider (83%), with their ability to select a relevant apprenticeship framework (79%) and with the quality of applicants for their apprentice positions (78%). These were all comparable with the figures seen for all apprenticeships.

However, employers of Level 6 or 7 apprentices were less satisfied than across employers offering all apprenticeships in each of the other elements of apprenticeship delivery. This was most notable in their ability to influence the training (39% compared to 61% across all apprenticeship levels), the flexibility of training provision (61% compared to 82%), the quality of assessment (62% vs. 83%) and the complexity of the paperwork (53% vs. 72%).

The majority (84%) of employers with Level 6 or 7 apprentices said they intended to continue offering these apprenticeships in future. Benefits brought by offering Level 6 or 7 apprenticeships were most likely to be identified as bringing higher level skills (28%), cost benefit (23%) and up-skilling existing staff (18%).

Chapter 1 Introduction

This report presents the findings from the Employer element of the 2018-19 Apprenticeships Evaluation Survey. A summary of findings from the Learner survey can be found in the corresponding Learner report. The Employer Survey comprised 4,000 interviews, conducted between 12 December 2018 and 12 March 2019 with employers in England who had had employees complete an apprenticeship between February 2017 and September 2017.

Summary of Policy Context

Apprenticeships are central to the Government's vision to improve skills, build sustainable growth and to enable individuals to succeed and progress in their careers. The Government's Productivity Plan and policy document '*English Apprenticeships: Our 2020 Vision*' both made the case for apprenticeships improving productivity and helping economic prosperity, confirmed the target of 3 million apprentice starts by 2020, and continued the drive to deliver high quality apprenticeships.

Recent policy developments have been oriented toward driving up quality while at the same time delivering increased quantities of apprenticeship starts, and with a focus on the central role of employers in the design of suitable apprenticeships. These policy developments have included:

- The move from frameworks to standards
- New requirements for minimum levels of off-the-job training
- Changes to the approach to apprenticeship assessment (standards require end point assessment)
- The establishment of the Institute for Apprenticeships and Technical Education to oversee quality and to approve apprenticeship standards and assessment plans
- Increased emphasis on Maths and English

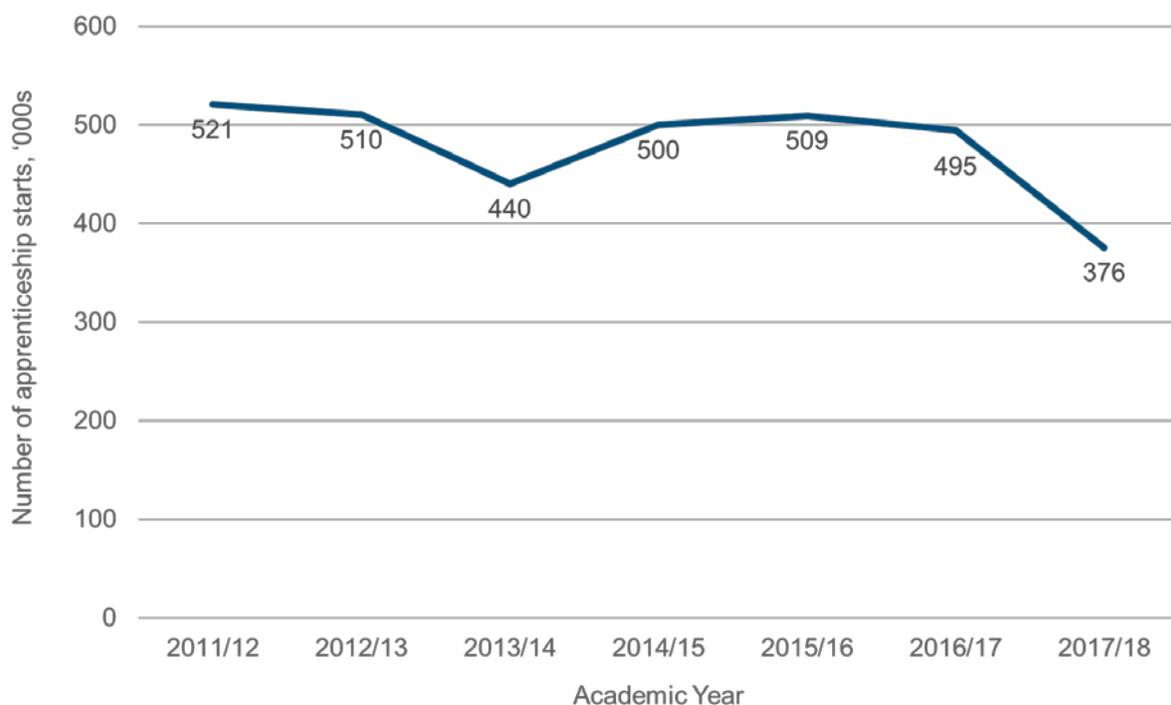
This has been accompanied by changes to the funding of apprenticeships, seeking to address perceived employer under-investment in training coupled with the need to fund the desired increase in apprenticeship volumes. The Apprenticeship Levy was introduced from May 2017, payable at 0.5% of the pay bill of employers in the UK whose annual pay bill exceeds £3m (estimated to be some 2% of all employers). Employers in England can access their Levy funds through a new digital service account to pay for approved apprenticeship training. Non-Levy payers need to make a 5% contribution (10% at the time of the survey) toward the cost of apprenticeships, with the Government covering the

remainder. Funding bands have been put in place to determine the maximum amount the Government is prepared to contribute towards off-the-job training and assessment for an apprenticeship: there are now 30 of these funding bands for different apprenticeship standards and frameworks, ranging from £1,500 to £27,000.

Figure 1.1 shows month by month apprenticeship starts from August 2015 through to July 2018. There has been a fall in apprenticeship numbers overall since the reforms were put in place in May 2017, from 494,900 starts in the academic year 2016/17 to 375,800 in 2017/18, a fall of 24%.³ The fall was particularly marked in the months after the funding reforms were introduced in the second quarter of 2017.

Preliminary data for the first three months of the 2018-19 academic year indicates a 10% increase for that period relative to 2017/18, but this remains 17% below figures for the same period in 2016/17.

Figure 1.1: Trend in apprenticeship starts, 2015/16 to 2017/18, from data gathered for the ILR



Source: Department for Education (2019): *Apprenticeship and Levy Statistics: May 2019 (reported to date)*. 30 May 2019. London, Department for Education.

³ Department for Education. (2019). *Apprenticeship and Levy Statistics: May 2019 (reported to date)*. May 2019. London, Department for Education. [\(Data\)](#)

Research Aims

This report forms part of a series going back to 2010/11, providing invaluable insight into how employer views of apprenticeships have evolved over time. The previous survey was carried out in 2017, immediately prior to the implementation of the reforms mentioned above. This survey provides an opportunity to study the impact of those reforms both through comparisons against the 2017 study on existing employers of apprentices and analysis of specific questions on impacts of the reforms.

It is worth noting that this survey contacted employers who had apprentices complete in the February to September 2017 period. This approach was taken in order to measure the impact of apprenticeships on employers after completion. The survey therefore covers employers who continued or stopped employing apprentices after the 2017 reforms, but does not cover the views of any employers that may have started offering apprenticeships as a result of the reforms.

The evaluation seeks to understand the reasons employers engage with apprenticeships, how they access the system, the progression and outcomes for apprentices when they finish their apprenticeship, and the impact apprenticeships have on their business. It looks at overall satisfaction with apprenticeships, and predicted future involvement. The evaluation also examines the way in which apprenticeships are delivered and the level of influence employers have and would like to have over the training their apprentices receive. In this year's evaluation, a small separate study was also carried out with current employers of Level 6 and 7 apprentices.

Understanding the impact of recent policy changes is an important element of the evaluation, and to that end new questions were introduced to ask how the reforms had affected participation with the apprenticeship programme.

Overview of methodology

The employer element to the evaluation involved a telephone survey with 4,000 employers in England who had had individuals complete an apprenticeship between 1st February and 30th September 2017. Fieldwork took place between 12th December 2018 and 12th March 2019. This timing gave a gap between apprentice completion and fieldwork of 15 to 27 months, allowing time to assess the subsequent impact of the apprentice on the employer, and keeping the gap between completion and survey broadly consistent with previous surveys.

To ensure comparability with previous studies, the research methodology closely followed that of the previous Apprenticeship Evaluation employer studies.

The Individualised Learner Record (ILR) was used to source employers in scope for the survey. The ILR is a database which is used to record enrolments of apprentices. It includes details of the site (i.e. workplace) at which every apprentice is employed, and this was used to compile the sample for the research. The survey therefore took place at a site level, and the results provided in this report are also expressed in terms of sites, not enterprises. Interviewers asked to speak to the person in charge of training taking place at that site in the subject areas listed on the ILR. Referrals to a Head Office or HR site were accepted, on condition that the discussion would be about apprentices at the specific site listed on the sample, rather than in the company as a whole. This referral process was used for 109 interviews, or 3% of the total.

The ILR also contains information on the number of apprentices who had completed an apprenticeship during the February to September 2017 period at the site of employment, as well as the subject area and level of each individual's apprenticeship framework or standard. This information was used to stratify the sample, and to weight the data to be representative of employers with apprenticeship completers. More information on the fieldwork, sampling and weighting is available in the Technical Report.

Apprenticeship frameworks and standards were classified using the Sector Subject Area (SSA Tier 1) classification for sampling and reporting purposes. The SSA classification is widely used within government, including in the ILR (Individualised Learner Record), and is managed by Ofqual. The SSA Tier 1 titles are shown in Table 1.1 alongside the abbreviated description used for each throughout the report. There are further categories in the full SSA Tier 1 classification which are not shown below; this is because no apprenticeships took place in the sample window in these other subject areas.

The same classification was used in previous evaluations, although prior to 2015 "Arts, Media and Publishing" and "Education and Training" were condensed into one group.

Table 1.1 Abbreviations of Sector Subject Area (SSA Tier 1) titles used in this report

Sector Subject Area (SSA) title	SSA Tier 1 code	Abbreviation
Agriculture, Horticulture and Animal Care	03	Agriculture
Arts, Media and Publishing	09	Arts & Media
Business, Administration and Law	15	Business
Construction, Planning and the Built Environment	05	Construction
Education and Training	13	Education
Engineering and Manufacturing Technologies	04	Engineering
Health, Public Services and Care	01	Health
Information and Communication Technology	06	ICT
Leisure, Travel and Tourism	08	Leisure
Retail and Commercial Enterprise	07	Retail
Science and Mathematics	02	Science

Source: Ofqual

The core measures used to track progress over time remained consistent in the questionnaire, to provide comparability across the years. New questions were added to reflect recent changes, in particular to ask in detail about the impact of recent apprenticeship policy reforms. The extension of apprenticeships to degree level also prompted a redesign of the section on progression.

Reporting conventions

The survey upon which this report is based was carried out at site level; that is, both branches/sites and head offices were interviewed. Where the report refers to the proportion of “employers”, this refers to specific workplaces/sites not whole organisations, unless otherwise specified.

Throughout the report, unless otherwise specified, “completer apprentices” refers to apprentices who completed their training within the sample window for the evaluation (February to September 2017).

Each chapter starts with a summary of the findings, followed by a list of key, statistically significant changes between the 2017 and the 2018-19 surveys.

All differences between sub-groups reported on in the text, and all differences between results for different years of the survey can be assumed to be statistically significant⁴, unless otherwise stated.

⁴ Significant differences were calculated at 95% confidence, using a z-test, comparing the weighted result for the sub-group being considered against the weighted result for the remainder of survey respondents.

Chapter 2 Who employed apprentices?

This chapter profiles those employers with apprentices who completed their programme in February to September 2017 (referred to throughout this report as ‘completer apprentices’), and compares them to those employers interviewed in the previous survey, who had apprentices complete their studies in the June 2015 to January 2016 period.

This is important to contextualise the other findings in the report.

This focus on employers with apprentice completers differs from official statistics based on administrative data⁵ which look at apprenticeship **starts** by employer characteristics. Additionally this report shows figures at a local site level (the official statistics are mainly shown at enterprise level).

Key findings

Employer profile

- Most employers with completer apprentices (three-fifths) had fewer than 25 employees at the site at the time of the survey, in line with the 2017 survey. Around a quarter of sites (23%) reported being part of organisations with an annual payroll wage bill of more than £3m across the UK at the time of the survey, and hence eligible to pay the Apprenticeship Levy.
- Employers with completer apprentices operated across the full spectrum of sectors: Health and Social Work was the single largest sector accounting for a quarter (25%) of all employers with completer apprentices. The concentration in this sector has increased slightly from the 2017 research (22%).
- The majority of employers (68%) had only one apprentice completing their studies in the February to September 2017 period.
- Just under a quarter (23%) of employers with completer apprentices were new to apprenticeships, having offered them for three years or less at the time of the survey. This is lower than in the 2017 and 2015 studies (29% and 25%). Employers using Arts and Media (41%), Education (34%) and Business sector subject areas (31%) were particularly likely to be new to apprenticeships.

Ratio of apprentices to overall employee numbers

- Taking into account employers without any completer apprentices, mid-size sites with 10 to 49 employees had the highest intensity of use of apprenticeships, at just over 11 completer apprentices per 1,000 employees at the time of the survey. This was around double the level found among larger or smaller sites (each around six per 1,000).

Growth prospects

⁵ Department for Education (2018): <https://www.gov.uk/government/statistics/apprenticeships-in-england-by-industry-characteristics>

Key findings

- Approaching six in ten private sector employers (57%) expected their business to grow over the next 12 months at the time of the survey, slightly lower than in the 2017 (60%), 2015 (59%) and particularly 2014 (66%) studies. There was also a significant increase in the proportion of employers expecting their business to contract (3% in 2017 to 4% in 2018-19). Expected business growth was strongly linked to expected growth in their number of apprentices at the time of the survey.

Awareness of apprenticeships among employers

- Most employers were aware that their completer apprentices' training had been an apprenticeship (81%), though this proportion is lower than in the 2017 research (85%). Awareness was much lower among employers whose completer apprentices had all been existing staff (61%) compared to those who recruited all of their completer apprentices specifically for the apprenticeship (93%). Awareness was much higher among employers whose main apprenticeship subject areas at the time of the survey were Construction (95%), Engineering (94%) and Agriculture (93%).

Sector and size profile

The sector profile of employers with completer apprentices (who completed their studies in the February to September 2017 period) remained broadly unchanged from the 2017 research (which surveyed employers with apprentices who completed their programme in the June 2015 to January 2016 period). The distribution by sector is shown in Figure 2.1, which also shows the distribution of types of organisation within sectors through the shading of the bars.

As in 2017, Health and Social Work was the single largest SIC⁶ sector among apprentice employers, accounting for about a quarter (25%) of these employers. This was an increase in percentage share, up from 22% in the 2017 research.

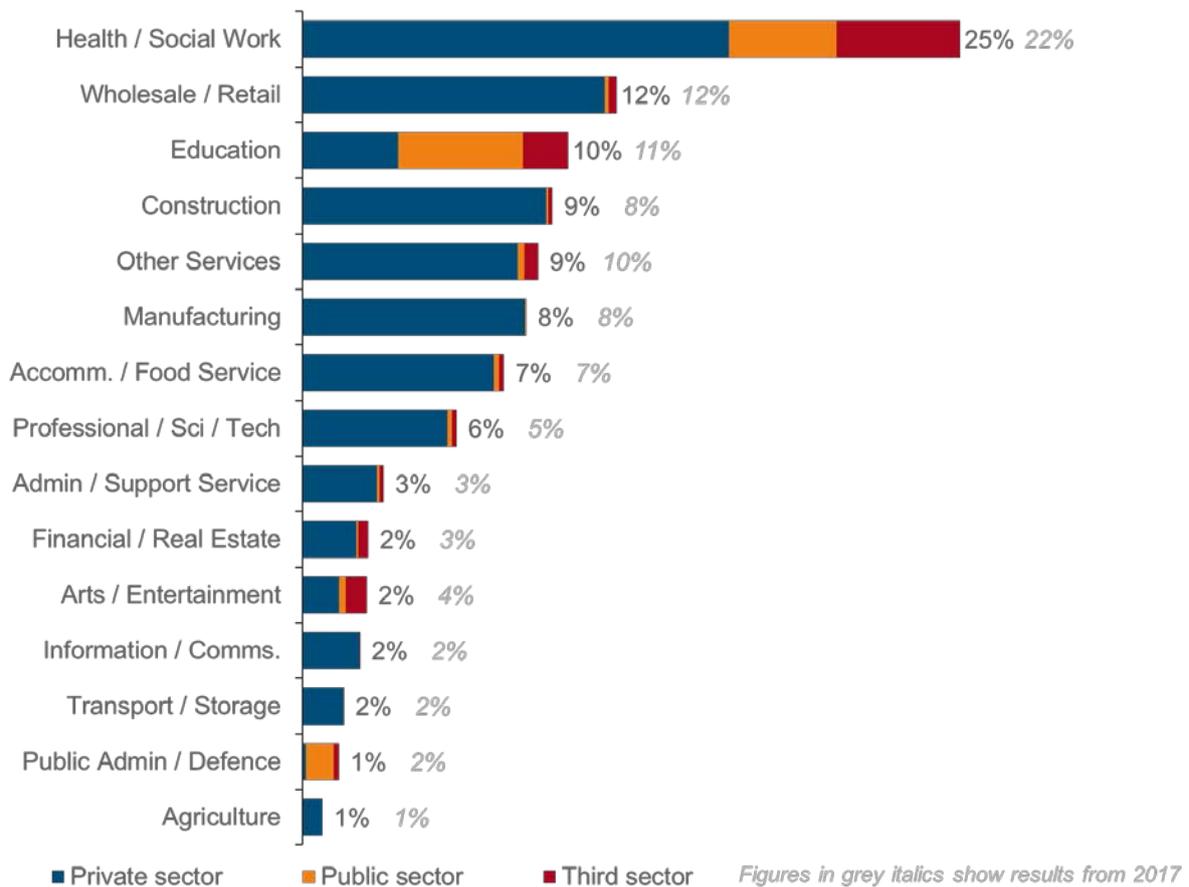
Other prominent sectors included the Wholesale and Retail sector (12%), Education (10%), Construction (9%), Other Services (which includes Hairdressing and Barbering; 9%), Manufacturing (8%), and Accommodation / Food Service (7%). None of these showed a significant change since the 2017 research.

As can also be seen in the chart, apprentice employers tended to be mostly in the commercial sector (79%; not significantly different to 77% in the 2017 research). Apprentice employers in the public sector (11%; not significantly different to 12% in the

⁶ ONS Standard Industrial Classification 2007

2017 research) tended to be in specific sectors – Education, Health & Social Work and Public Administration & Defence. Those in the third sector (9% of apprentice employers, as in the 2017 research) were found particularly in Health & Social Work, Education, and Arts & Entertainment.

Figure 2.1 Sector profile of employers with completer apprentices



Base: All employers (4,000), Health/Social Work (868), Wholesale / Retail (369), Education (553), Construction (368), Other Services (273), Manufacturing (356), Accommodation / Food Service (233), Professional / Scientific / Technical (238), Administrative / Support Services (132), Financial / Real Estate (79), Arts / Entertainment (177), Information / Communications (140), Transport / Storage (60), Public Administration / Defence (64), Agriculture (61)

Looking at the subject areas studied by completer apprentices at each employer, rather than the sector of the employer, employers for almost all subject areas of apprenticeship were predominantly in the private sector, including for Health⁷ apprenticeships (69% private sector, 12% public sector, 17% third sector).

The only exception is the education subject area, for which 84% of apprentice employers were in the public sector, and just 8% in the private sector, as well as 7% in the third

⁷ Health, Public Services, and Care

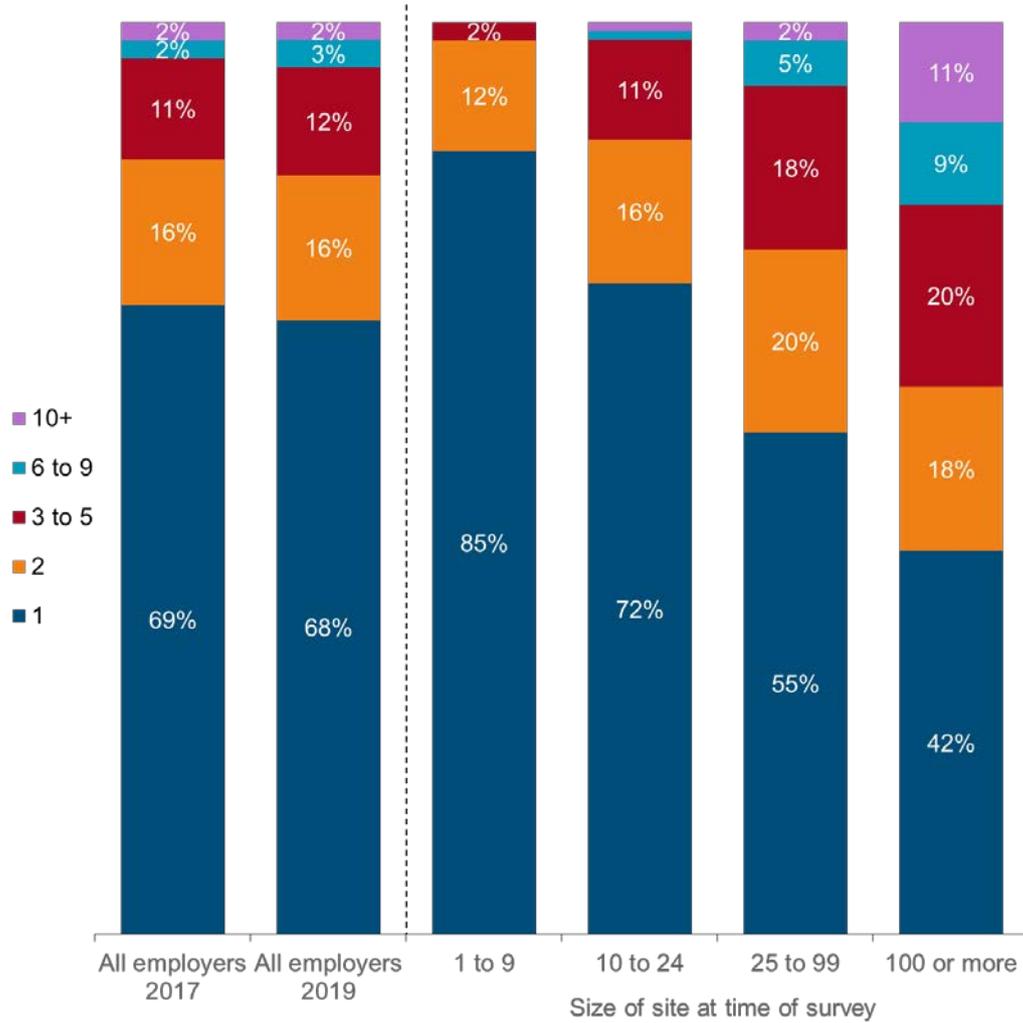
sector. Two-fifths of apprentice employers (40%) had 25 or more employees at the site interviewed at the time of the survey, in line with the findings of the 2017 research (39%).

Number of apprentices

The majority of apprentice employers (68%) had only one completer apprentice in the February to September 2017 sample window; only 2% had 10 or more completer apprentices during this sample window. This profile was not significantly changed to that found in the 2017 research, which studied employers who had apprentices completing their studies in the June 2015 to January 2016 period.

The large proportion of employers with only one completer apprentice shown above is partly because the population of apprentice employers is dominated by small sites. However, even at large sites with 100 or more employees at the time of the survey, a substantial proportion (42%) had only one completer apprentice, and only just over a tenth (11%) had ten or more completer apprentices, as shown in Figure 2.2. Even at sites with 250 or more employees at the time of the survey, it was still more likely for that site to have only one completer apprentice (35%) than 10 or more (18%).

Figure 2.2 Number of completor apprentices, by size of site at the time of the survey



Base: All employers 2017 (4,004), All employers 2018-19 (4,000), 1 to 9 employees (1,090), 10 to 24 (1,015), 25 to 99 (1,253), 100+ (589)

Apprentices as a proportion of employees

When building a picture of apprenticeship use by employers in England, it is important not only to look at the number of employers involved, but to consider the number of apprentices that those employers have compared to the number of people they employ. It is possible to gain some insight using survey data into the relative intensity of apprenticeship use by different sizes of employer, albeit regarding apprenticeships completed in the February to September 2017 period (completer apprentices).

Comparing the number of completer apprentices with the number of employees at the time of the survey, the number of completer apprentices per 1,000 employees varied from 276 at sites with two to nine employees to 21 at sites with 100 or more employees (and falling further to 14 at sites with 250 or more). These figures have not changed significantly since the 2017 research, which considered apprentice employers with learners completing their studies in the June 2015 to January 2016 period.

However, this does not provide a full picture of the relative intensity of apprenticeship use by different sizes of employer, because the survey dataset by design excludes those sites with no completer apprentices (and clearly in small sites with apprentices, a single apprentice will by definition comprise a large proportion of the employees). To take these employers into account, IDBR data can be used alongside survey data to show the proportion of all sites of each size that had completer apprentices, shown in the third column of Table 2.1. In total, 5% of sites in England with more than one employee are estimated to have had completer apprentices in the February to September 2017 period.

A much larger proportion of sites with 100 or more employees (28%) had completer apprentices than sites with two to nine employees (2%). Hence, although small employers who did have completer apprentices had a much larger number of completer apprentices relative to their size, they were far less likely to have had any completer apprentices in the first place.

The final column brings this information together to show the number of completer apprentices per 1,000 employees at the time of the survey at the average workplace of each size across England, taking into account those sites without any completer apprentices. This shows that the average workplace in England had about seven completer apprentices per 1,000 employees.

As in previous years, it was the smaller mid-size sites (with 10 to 24 employees) which tended to make the most intensive use of apprenticeships; around twice that found among the largest and smallest employers. This is closely in line with the findings from the 2017 study; the differences shown do not amount to a significant change.

Table 2.1 Number of completer apprentices per 1,000 employees at the time of the survey, by size of site at the time of the survey

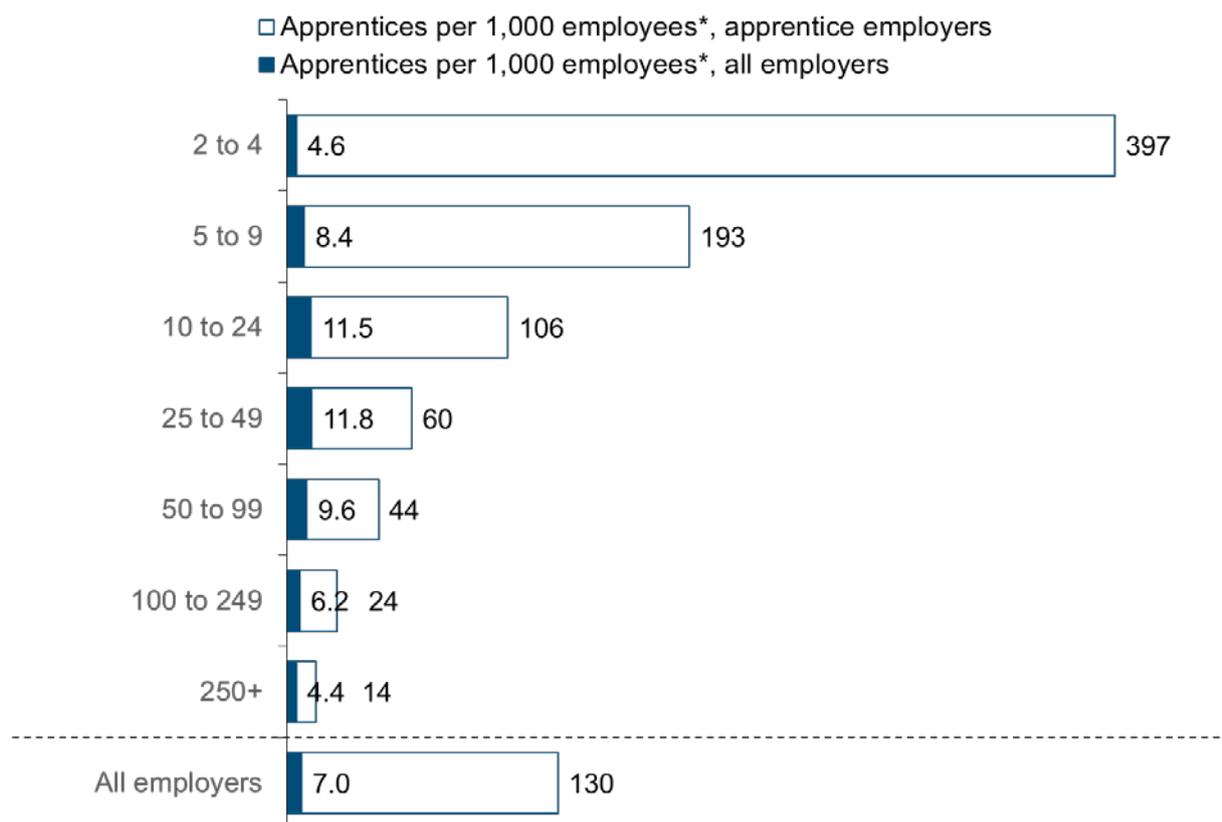
Size of site (staff) at time of survey	Base	Employers with completer apprentices (survey results)		All employers (sites with and without completer apprentices)		
		Size of site at time of survey: 2018-19 survey profile	Completer apprentices* per 1,000 employees (average)	% of all workplaces of this size with completer apprentices*	Completer apprentices* per 1,000 employees (2018-19 survey)	Completer apprentices* per 1,000 employees (2017 survey)
2 to 9	1,024	30%	276	2%	5.7	6.2
10 to 24	1,015	29%	106	11%	11.5	11.6
25 to 99	1,253	30%	54	20%	11.0	10.3
100+	589	11%	21	28%	5.8	5.8
All **	3,934	100%	130	5%	7.0	7.3

**Apprentices completing framework or standard in sample window (February to September 2017) vs. employees at the time of the survey ** Excludes those with only one employee at the time of survey*

This finding clearly has policy relevance, showing that mid-sized employers with 10 to 99 employees at a site tend to have had more completer apprentices than those with more employees, if their size is taken into account. Figure 2.3 gives further detail, showing that the number of completers per 1,000 employees peaked at 11.8 among employers with 25 to 49 employees, and was lowest among the largest employers with 250 or more employees (4.4).

The Apprenticeship Levy has been designed to create an incentive for larger employers to increase their use of apprenticeships. However, the figures shown above all relate to completer apprentices, completing their studies in the February to September 2017 period, who would have started their apprenticeships prior to the reforms. The available evidence from the survey on the impact of the apprenticeship reforms on employer behaviour is addressed in detail in Chapter 9.

Figure 2.3 Number of completer apprentices per 1,000 employees at the time of the survey, by size of site at time of survey

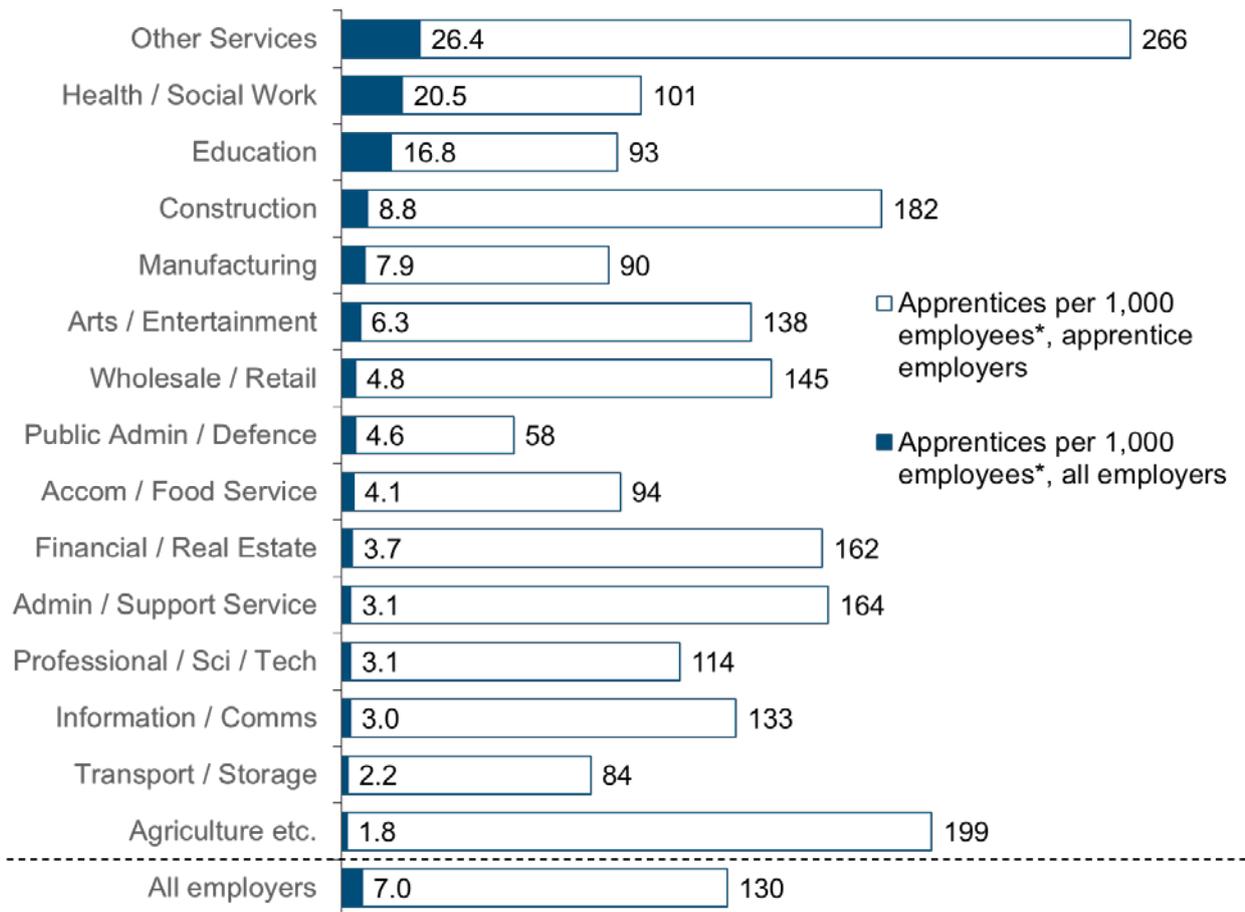


* Apprentices completing framework or standard in sample window (February to September 2017) per 1,000 employees at the time of the survey ** Excludes those with only one employee at site at the time of survey
 Base: All employers with more than one employee (3,934); 2 to 4 employees (427), 5 to 9 (597), 10 to 24 (1,015), 25 to 49 (741), 50 to 99 (512), 100 to 249 (359), 250+ employees (230).

A similar analysis by sector is shown in Figure 2.4. The hollow bars show the number of completer apprentices per 1,000 employees, broken down for each SIC2007⁸ sector, without taking into account workplaces who had no completer apprentices. The solid bars take into account the estimated proportion of employers with no apprentices completing their studies in that period (using IDBR data). These bars provide an estimate of the average number of completer apprentices per 1,000 employees at the average site in each SIC sector in England.

⁸ ONS Standard Industrial Classification 2007, used to classify employers and/or workplaces by activity

Figure 2.4 Number of completer apprentices per 1,000 employees at the time of the survey, by industrial sector (SIC2007)



* Apprentices completing framework or standard in sample window (February to September 2017) per 1,000 employees at the time of the survey ** Excludes those with only one employee at the time of survey
 Base: All employers with more than one employee (3,934); Agriculture (219), Arts & Media (72), Business (795), Construction (270), Education (231), Engineering (546), Health (828), ICT (239), Leisure (188), Retail (528).

The patterns shown in Figure 2.4 are quite different by sector. In some sectors (indicated by the solid bar being relatively large in comparison to the hollow bar) a large number of apprentice employers had a small number of completer apprentices each (e.g. Health and Social Work, Education, or Public Administration and Defence). In others, a relatively small group of apprentice employers had a large number of completer apprentices relative to their size (e.g. Agriculture, Construction or Administrative and Support Services).

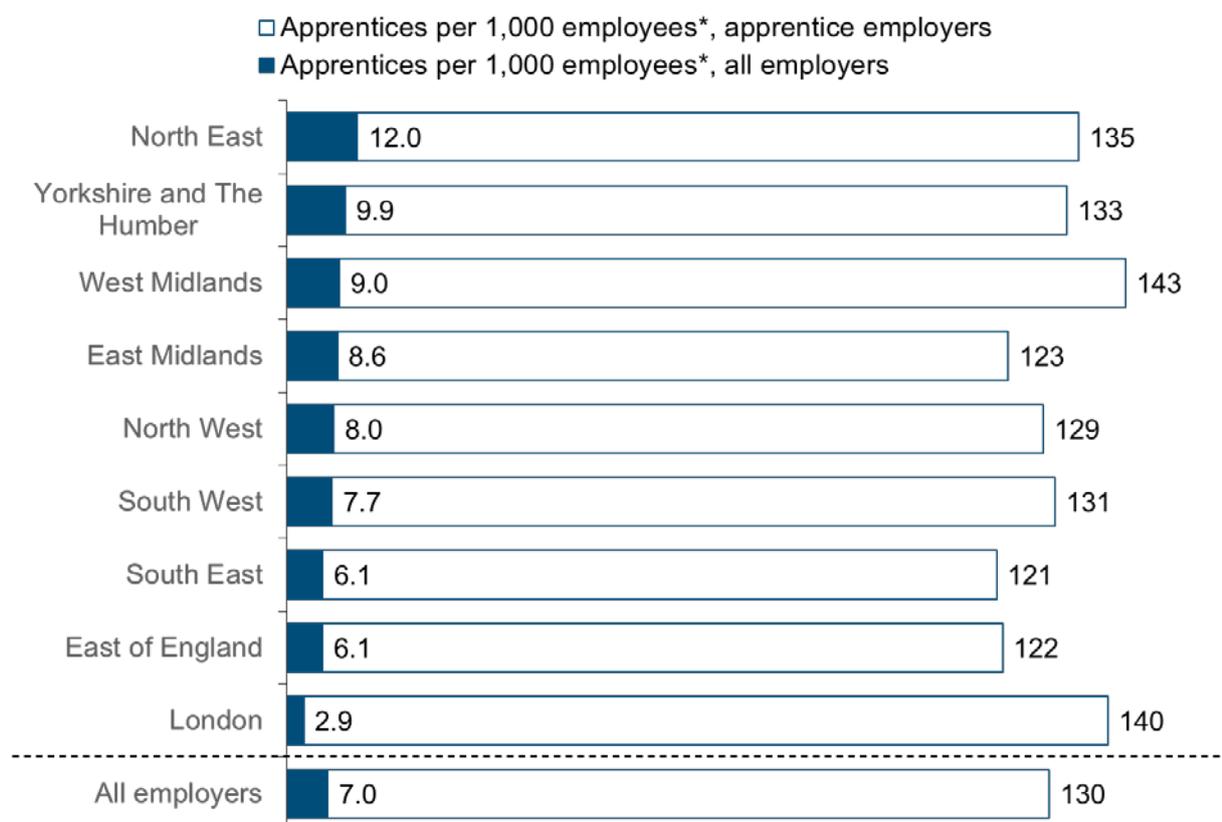
This may help identify where uptake of apprenticeships in particular sectors could be increased. For example, in Agriculture a very small proportion of employer sites had completer apprentices, so the number of apprentices per 1,000 current employees for the average employer site in the sector (1.8) is well below the average for all employers (7.0). However, looking only at apprentice employers in this sector, the number of completer apprentices per 1,000 employees is very high per employer, at 199 per 1,000. Therefore, this may suggest that in this sector it would be a better use of resources to

seek to increase the proportion of employers engaged with the programme, rather than to increase the number of apprentices employed by those already involved.

Meanwhile, the reverse is true in Public Administration and Defence; although the number of completer apprentices per 1,000 employees is very low among apprentice employers (only 58 per 1,000) in this sector, the large proportion of employers with completer apprentices in that sector means that overall it performs around average in terms of intensity of apprenticeship usage (4.6 completer apprentices per 1,000 employees). Here, there might be more scope instead to encourage employers already engaged with the programme to train more apprentices.

There is also variation in the number of completer apprentices per 1,000 employees at the average employer in each region, ranging from 3 completer apprentices per 1,000 employees in London to 12 per 1,000 in the North East, as shown in Figure 2.5. This pattern is broadly consistent with the 2017 research. It is notable that this variation occurs almost exclusively due to differences in the overall proportion of employers with completer apprentices, rather than the number of completer apprentices that apprentice employers each had relative to their size, which does not vary substantially by region.

Figure 2.5 Number of completer apprentices per 1,000 employees, by region (ONS)



* Apprentices completing framework or standard in sample window (February to September 2017) per 1,000 employees at the time of the survey ** Excludes those with only one employee at the time of survey
 Base: All employers with more than one employee (3,934), North East (269), Yorkshire and the Humber (487), West

Apprenticeship Levy eligibility

Apprentice employers were asked if they had a payroll wage bill of more than £3m across all their sites in the UK, the threshold for the Apprenticeship Levy. Around a quarter (23%) of apprentice employers interviewed were eligible. Around two-thirds (64%) said they were not; and a minority (13%) were unsure.

Levy eligibility increased with the number of current employees at the site; only 3% of sites with 1 to 9 employees at the time of the survey reported being part of an organisation paying Levy, rising to 74% at sites with 100 or more employees.

Table 2.2 Levy eligibility by number of employees at site at the time of the survey

Employees at site at time of survey	Base	Eligible	Not eligible	Don't know	Refused
1 to 9 staff	1,090	3%	92%	5%	0%
10 to 24 staff	1,015	15%	72%	14%	0%
25 to 99 staff	1,253	30%	51%	18%	1%
100+ staff	589	74%	13%	12%	0%
All employers	4,000	23%	64%	13%	0%

Reported Levy eligibility varied substantially by industrial sector, ranging from 6% in Agriculture to 63% in Public Administration and Defence. It also varies by type of organisation; among commercial businesses and the third sector, only 19% and 23% of apprentice employers reported being Levy eligible, whereas in the public sector (45%) the proportion is much larger.

Length of time offering apprenticeships

Just under a quarter (23%) of apprentice employers interviewed were new to apprenticeships, having offered them for three years or less at the time of survey, a reduction on the 2017 research (29%). (It should be remembered that this relates to employers with apprenticeship completions in February – September 2017 versus those with completions between June 2015 and January 2016, so does not tell us about changes since the 2017 reforms.)

Employers with larger apprenticeship schemes were less likely to be new to apprenticeships; 19% of those with 10 or more completer apprentices had been involved for three years or less. This may be because employers start small when introducing an apprenticeship scheme and build their numbers over time if they find it suits them.

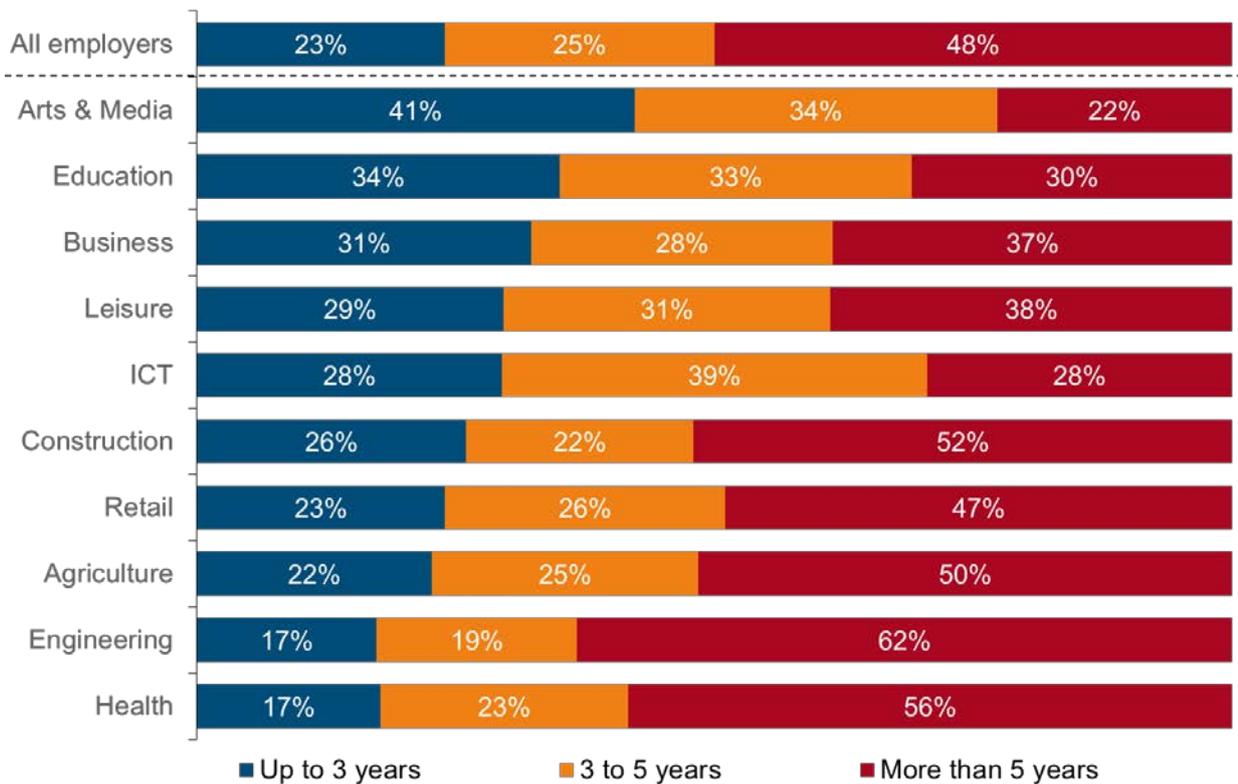
There was also a particularly strong link with size of site; those employers with less than 10 employees at the time of the survey were particularly likely to have been involved for three years or less (31%), compared to just 18% among those with 100 or more employees at the time of the survey. This is likely to reflect the fact that smaller employers are much more likely to be new than larger employers⁹, and may also reflect that involvement in apprenticeships is a one-off or occasional activity for smaller employers.

There was also variation in the length of time apprenticeships had been offered by the main subject area in which the employers' apprentices had completed their apprenticeships in the February to September 2017 period, as shown in Figure 2.6. Employers with some main subject areas were more likely to be new to apprenticeships than others, particularly those whose completer apprentices mainly took Arts and Media apprenticeships (41% started in three years before the survey), Education apprenticeships (34%) or Business apprenticeships (31%).

Among employers whose main subject area was Construction, a substantial proportion (26%) were new to apprenticeships in the three years prior to the survey, close to the average despite the long history of widespread use of apprenticeships in this subject area. This may be because of the high proportion of small employers in construction; nearly half (48%) of employers whose main subject area was construction said they had 1 to 9 employees at the time of the survey, compared to an average of 30%, and most (80%) had only one completer apprentice.

Figure 2.6 Variation in length of time apprenticeships offered at the time of the survey, by main subject area provided to completer apprentices

⁹ ONS statistics on business births suggests that in 2016 around 18% of businesses with under 10 employees were new, contrasting with less than 1% of those with 250 or more employees. ONS statistics on [enterprise births](#) and [overall numbers of enterprises](#).



Base: All (4,000), Agriculture (231), Arts & Media (73), Business (801), Construction (285), Education (231), Engineering (555), Health (829), ICT (241), Leisure (195), Retail (541).

Growth Outlook

Private sector apprentice employers were asked to give an overview of their business outlook over the 12 months following the survey. Overall six in ten private sector employers (57%) said they expected their business to grow over the next 12 months, slightly lower than in the 2017 research (60%) and also lower than in the 2015 (59%) and 2014 (66%) studies. The decrease relative to the 2017 research was also found in the proportion expecting significant growth (16% to 13% in the 2018-19 research).

This is important because those who expect their business to grow significantly are much more likely to expect their number of apprentices to grow (44% vs. an average of 27%) in the 12 months after the survey.

Growth expectations were stronger among larger employers, as shown below in Table 2.2.

Table 2.3 Growth outlook by number of employees at site at the time of the survey, commercial only (row percentages)

	Base	Grow Significantly	Grow slightly	Remain about the same	Contract
1-9 staff	983	10%	42%	42%	5%
10-24 staff	799	13%	42%	38%	3%
25-99 staff	846	16%	46%	31%	3%
100+ staff	335	21%	44%	25%	3%
Total (2018-19)	2,991	13%	43%	36%	4%
Total (2017)	2,885	16%	45%	35%	3%

**Total Base includes 43 employers who did not know their size band. Row percentages do not sum to 100% due to “Don’t know” responses not being shown.*

Awareness of apprenticeships

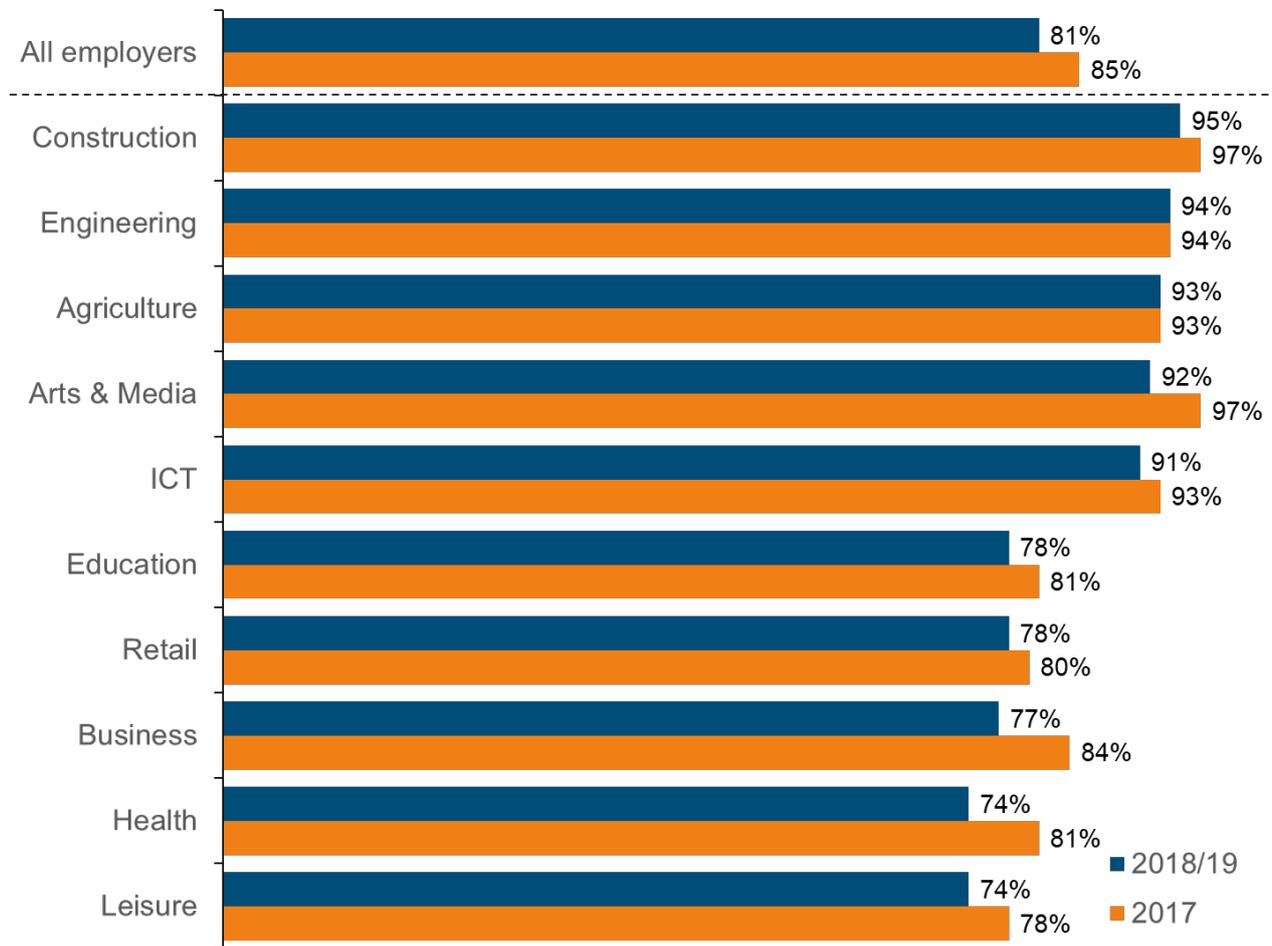
Employers were asked whether they were aware that the training their employees had completed in the February to September 2017 period was an apprenticeship, for each of the subject areas in which they had completer apprentices. Awareness was high, with 81% of employers in total aware they had been providing apprenticeships in at least some of the subject areas documented on the ILR.

This comprised 78% of employers who were aware that their staff had completed apprenticeships across all of the subject areas in which they had completer apprentices, and a further 3% aware for some but not all of the subject areas. This is a slight fall relative to the 2017 research, when 85% of employers were aware. Awareness was much lower among employers whose completer apprentices were all existing staff prior to their apprenticeship starting (61%) compared to those who recruited all of their completer apprentices from outside the organisation specifically for the apprenticeship (93%).

As shown in Figure 2.7, awareness was also higher – and held up between the 2017 and 2018-19 studies – for apprenticeships in Construction (95%), Engineering (94%) and Agriculture (93%). Meanwhile, more substantial falls were seen in awareness relative to the 2017 research of apprenticeships in the Business (84% to 77%) and Health (81% to 74%) subject areas.

Awareness did not, however, vary substantially by the length of time apprenticeships had been offered at the site at the time of the survey.

Figure 2.7 Awareness that the training completed by completer apprentices was an apprenticeship, by subject area (all provided to completer apprentices, each asked separately) – time series



Base 2018-19: All (4,000), Agriculture (232), Arts & Media (76), Business (1,098), Construction (299), Education (245), Engineering (592), Health (870), ICT (285), Leisure (228), Retail (633).

Chapter 3 What types of apprenticeship are on offer?

This chapter covers (unless otherwise stated) employers with apprentices completing their studies in the period February to September 2017. Throughout this report, these apprentices are referred to as ‘completer apprentices’, and in this chapter their employers are referred to as ‘apprentice employers’.

Key findings

Subject areas provided

- The most common apprenticeship subject areas provided by apprentice employers to completer apprentices continue to be Business (31%), Health (24%) and Retail (20%), as in the 2017 and 2015 studies.
- Most apprentice employers (90%) had completer apprentices in only one subject area, consistent with the 2017 and 2015 studies.
- Just under two-thirds (62%) of all apprentice employers had completer apprentices at Level 2 (lower than the 65% in the 2017 study), and around half (49%) had completer apprentices at Level 3 (very similar to the 47% in 2017). In total, 6% had completer apprentices at higher or degree apprentice level (Level 4 to 7) – an increase on the 3% in the 2017 study.
- Two-fifths of apprentice employers (41%) described Level 2 apprenticeships as the most important to their business at the time of the survey, though this rose to over half among employers who said Retail, Agriculture or Construction was their most important subject area of apprenticeship at the time of the survey. Just over half (52%) felt Level 3 was the most important to their business at the time of the survey, and 6% selected Level 4 or 5. Only 1% selected Level 6 or 7.

Age of apprentices

- Apprentice employers most commonly said they offered apprenticeships to people aged 19-24 at the time of the survey (80%), and/or those aged 16-18 (74%). These figures were almost unchanged from the 2015 and 2017 studies. It was less common for employers to offer apprenticeships to people aged 25 plus (53%). Overall, 14% offered apprenticeships only to those aged under 19 at the time of the survey.
- There was substantial variation by subject area: those whose main subject area was Agriculture (89%), Construction (87%) or Engineering (84%) at the time of the survey were the most likely to say they offered apprenticeships to under 19s at the time of the survey, and also more likely than average to *only* offer them to under 19s (26% for Agriculture, 20% for Construction and 23% for Engineering).
- Employers were also asked how they had recruited their completer apprentices. Those who had recruited them all specifically as apprentices were more likely than average to offer apprenticeships to under 19s (85%) at the time of the survey. Those where the completer apprentices were all existing staff prior to the apprenticeship starting were far more likely than average to offer apprenticeships to those aged 25 or over (73%) at the time of the survey.

Key changes since 2017

(All differences noted here are statistically significant unless stated otherwise)

Types of apprentices employed

- The number of employers with completer apprentices has continued to rise, from around 84,800 in 2015 to 88,300 in 2017, to 92,000 in 2018-19 (an increase of 4% compared with the 2017 survey, with a particularly marked increase in the number of apprentice employers using the Health subject area (up from 19,300 to 22,000 in 2018-19).
- In total, 6% of employers had a completer apprentice at Level 4 or 5, an increase on the 3% in 2017.
- Although employers were most likely to say that at the time of the survey they offered apprenticeships to people aged 19 to 24 (80%) and/or those aged 16-18 (74%), the proportion offering them to people aged 25 or older (53%), was higher than in the 2017 (46%) or 2015 studies (also 46%).

Subject Areas

The hundreds of standards and frameworks of apprenticeship available are classed into broad 'Sector Subject Areas'. Data on which frameworks and standards employers have provided to completer apprentices was taken from the ILR, which records all apprenticeships carried out in England. This is shown in Table 3.1.

Since the 2015 survey there has been an increase in the overall number of employers with completer apprentices and thus eligible for the survey, from 84,800 in 2015, to 88,300 in 2017, and an increase again to 92,000 in 2018-19, an increase of 4% since 2017.

Although the range of subject areas covered has broadened over the last few years, three subject areas continue to stand out as being particularly widespread. About a third of employers with completer apprentices (31%) provided at least some of these in the Business subject area, while just under a quarter provided each of Health (24%) and Retail (20%).

It should be borne in mind that these figures are not strictly comparable from year to year, since eligibility for the survey is based on having apprentices completing their studies in a sample window, which has varied somewhat from year to year in terms of seasonality, as shown in Table 3.1.

Nevertheless, for most subject areas the numbers remain close to previous years, although with a marked increase since 2017 in the number of employers with apprentices in the Health subject area (up from 19,300 to 22,000).

Table 3.1 Employers with completer apprentices in each subject area, for apprenticeship evaluation research since 2014

Subject Area	2014 survey	2015 survey		2017 survey		2018-19 survey	
	Employers with apprentices completing in the Aug 2012-Mar 2013 period**	Employers with apprentices completing in the Mar-Oct 2014 period		Employers with apprentices completing in the Jun 2015-Jan 2016 period		Employers with apprentices completing in the Feb-Sep 2017 period	
	%	%	Number*	%	Number*	%	Number*
Agriculture	3%	3%	2,400	3%	2,500	3%	2,500
Arts and Media	n/a	*%	300	*%	400	*%	400
Business	34%	34%	29,200	31%	27,400	31%	28,400
Construction	9%	7%	6,100	6%	5,000	6%	5,500
Education	n/a	2%	2,000	2%	1,700	2%	2,300
Engineering	10%	13%	11,300	16%	14,500	16%	15,100
Health	22%	23%	19,200	22%	19,300	24%	22,200
ICT	3%	3%	2,500	4%	3,100	3%	3,000
Leisure	3%	3%	2,700	3%	2,500	3%	2,600
Retail	23%	22%	18,800	22%	19,300	20%	18,000
Science	n/a	n/a	*	*%	100	*%	100
All employers	***	***	84,800	***	88,300	***	92,000

Source: Individualised Learner Record (2013 to 2018) * rounded to the nearest 100 ** only percentages available.

***Percentages sum to greater than 100% because employers can have completers in multiple subject areas.

Specific frameworks and standards

The subject areas shown in the previous table are broad, and while some are dominated by one or two specific apprenticeships, they often contain a wide range of specific frameworks and standards.

The largest single apprenticeship standard or framework in terms of employer numbers was Business and Administration, used by 12,400 employers (13% of employers with apprentices completing in the sample window of February to September 2017), closely followed by Health and Social Care (12,200 or 13%). Five other apprenticeships involved more than five per cent of apprentice employers: Management (8,900 or 10%), Children & Young People's Workforce (6,000 or 7%), Customer Service (4,900 or 5%), Hospitality (4,800 or 5%), and Hairdressing (4,600 or 5%). These were also the largest single apprenticeships in terms of employer numbers in both 2017 and 2015. There are also hundreds of other frameworks and standards, some involving just a handful of employers, although in a minority of cases these employers employ a large number of apprentices each.

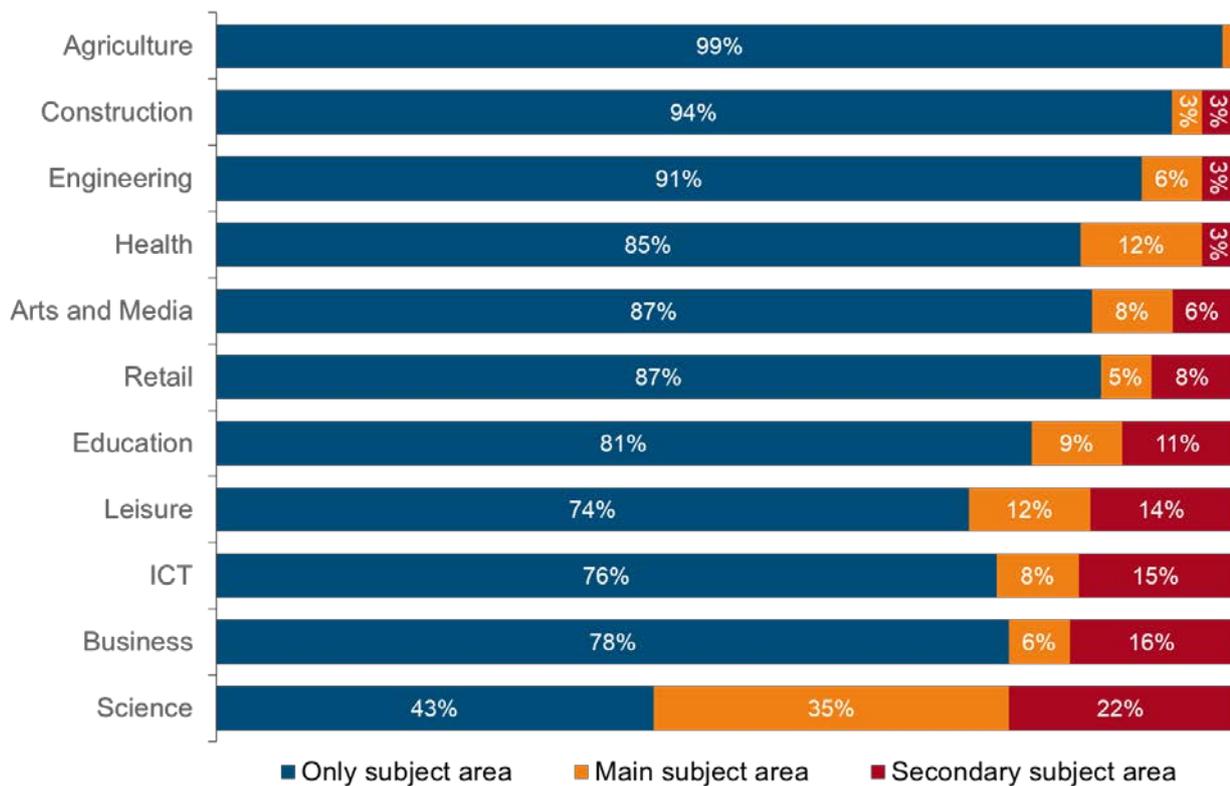
In recent years, many apprenticeship frameworks have been replaced by apprenticeship standards. However, the approach taken to this survey, considering employers with apprentices completing their apprenticeship during a sample window of February to September 2017, means that this has taken time to filter through to the data used. In total, only 74 employers in England had completers of an apprenticeship standard during that time.

Subject areas – all provided, and main subject areas

Most apprentice employers (90%) only had completer apprentices in the February to September 2017 period in one subject area, exactly in line with the 2017, 2015 and 2014 apprenticeship evaluations. The remaining ten per cent of apprentice employers were asked which individual framework or standard they considered to be most important to their business. We refer to the subject area of this apprenticeship framework or standard as their 'main' subject area throughout this report. The chart below shows that some subject areas were much more likely to be secondary to apprentice employers than others, in line with previous apprenticeship evaluations.

Some subject areas of apprenticeship were particularly likely to be secondary to the employer (i.e. not chosen in the report as their 'main' subject area), as shown in Figure 3.1. These were Business (17%), ICT (11%) and Education (11%). Science also showed a higher proportion of apprentice employers considering it to be secondary, at 22%, but this should be considered indicative due to the small sample size. In contrast, fewer than five per cent of apprentice employers with completer apprentices in the Agriculture, Construction, Health or Engineering subject areas had completer apprentices in the February to September 2017 period in another subject area that they considered more important to the business.

Figure 3.1 Subject areas: Only, main or secondary subject area

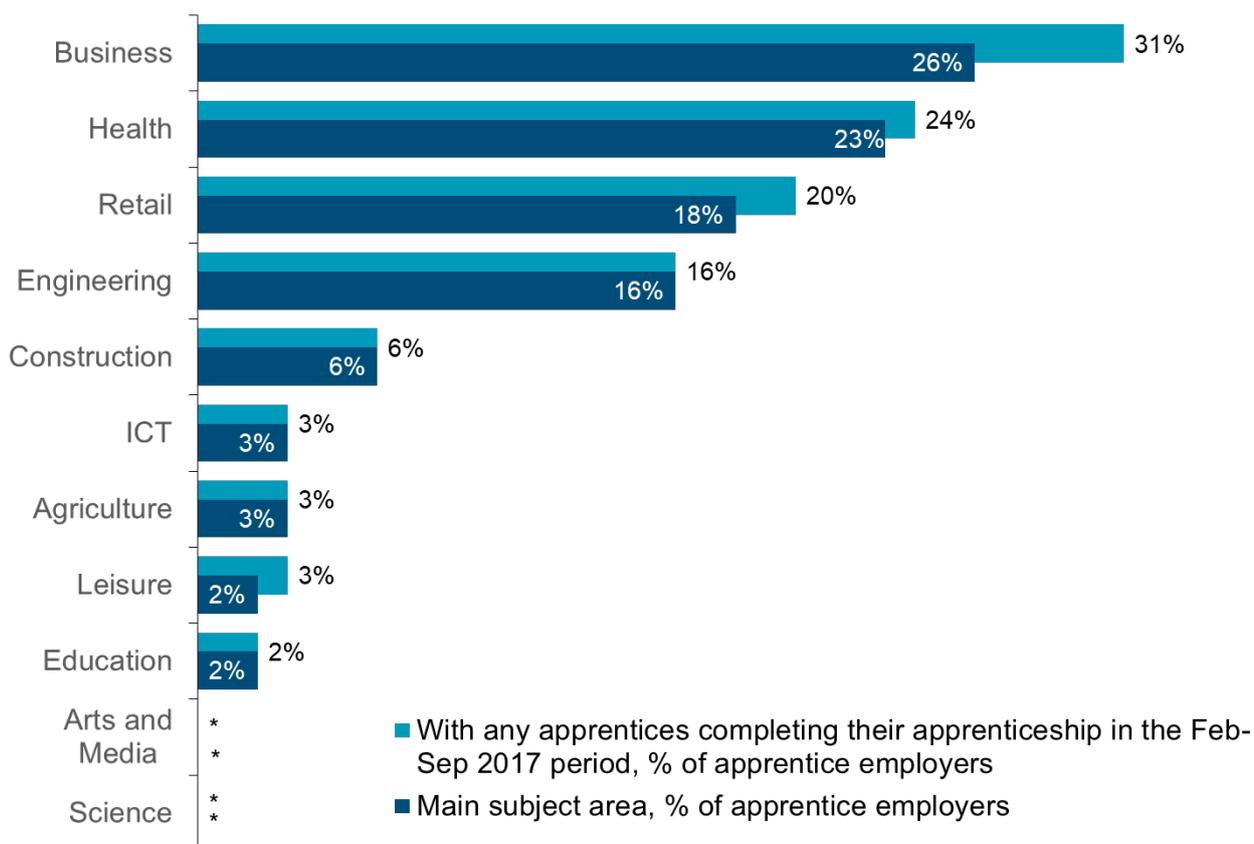


Base: All (4,000), Agriculture (231), Arts & Media (73), Business (801), Construction (285), Education (231), Engineering (555), Health (829), ICT (241), Leisure (195), Retail (541).

For the remainder of this report, in line with reports from previous years, we report on the basis of main subject area only. This is either the only or most important subject area listed on the ILR with apprentices completing their apprenticeship in the February to September 2017 period for that employer (at a site level) rather than including secondary subject areas.

Figure 3.2 compares the proportion of apprentice employers with completer apprentices in each subject area of apprenticeship, with the proportion for whom that was the main subject area for completer apprentices.

Figure 3.2 Subject areas: Percentages of apprentice employers with any completer apprentices in each subject area, and with each main subject area



Base: All (4,000), Agriculture (231), Arts & Media (73), Business (801), Construction (285), Education (231), Engineering (555), Health (829), ICT (241), Leisure (195), Retail (541). * = less than 0.5% but more than 0%

Levels of apprenticeship

Consistent with previous years, the level of apprenticeship most commonly completed by completer apprentices was a Level 2 apprenticeship, as shown in Table 3.2. Just under two thirds (62%) of all the employers in the survey had an individual complete an apprenticeship at this level between February and September 2017, compared to 65% in the 2017 sample window (June 2015 to January 2016). Around half (49%) had completions at Level 3, in line with previous years. In total, 6% had apprentices completing a higher apprenticeship at Level 4 or 5 – this is a substantial increase on the 3% in 2015/16, indicating higher apprentice completions starting to come through in larger numbers.

Table 3.2 Employers with completer apprentices at each level

Level	2015 survey	2017 survey	2018-19 survey	
	Employers with apprentices completing in the Mar-Oct 2014 period	Employers with apprentices completing in the Jun 2015-Jan 2016 period	Employers with apprentices completing in the Feb-Sep 2017 period	
	%	%	%	Number*
2	65	65	62	57,200
3	49	47	49	44,800
4	n/a	1	2	2,000
5	n/a	2	4	4,100

Source: Individualised Learner Record (2013 to 2018) * rounded to the nearest 100
Percentages sum to greater than 100% since employers can have completers in multiple levels. There were no completers at Level 6 or Level 7

Employers were also asked about the most important level of apprenticeship to the company, specifically in their main subject area for completer apprentices. The selection of main level was not limited to the levels of apprenticeship found among completer apprentices (i.e. to select a level they did not need to have had completer apprentices completing an apprenticeship at that level in the sample window of February to September 2017).

As shown in Figure 3.3, employers whose main subject area was in Retail, Agriculture or Construction tended to emphasise the importance of Level 2 to the business. More than half of employers for each of these three main subject areas chose Level 2 as the most important level to their business, well above the average of 41%. In contrast, a third or fewer of employers whose main subject area was Health, Engineering or ICT selected Level 2.

Overall, 52% of employers felt Level 3 was the most important to their business, and 6% selected Level 4 or 5; only 1% selected Level 6 or 7. Level 4 or 5 apprenticeships were rarely chosen as the most important to the business in some sectors (e.g. Retail, 1%) but were much more widely chosen in Business and ICT (12% and 14% respectively).

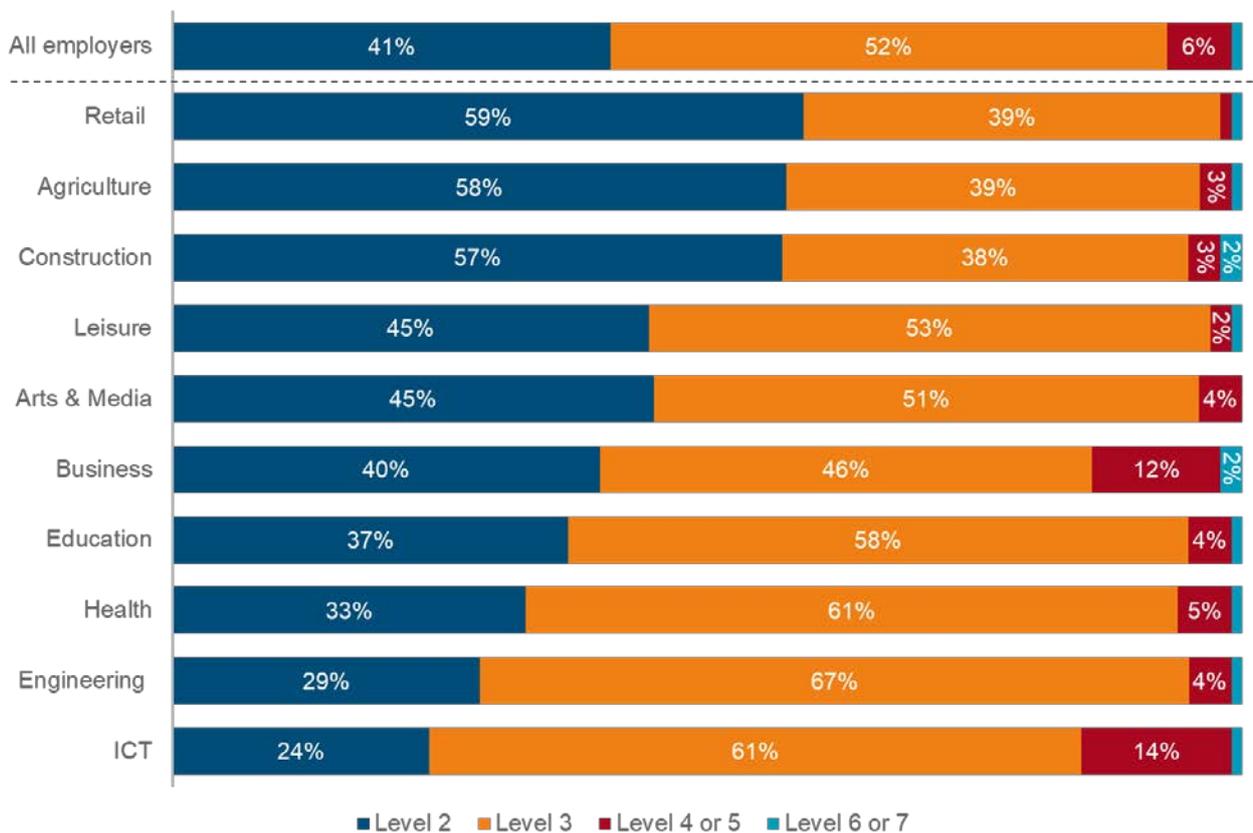
Employers who are newer to apprenticeships tended to say that Level 2 was the more important level (44% of those who had been offering apprenticeships for less than five years at the time of the survey said Level 2 was the most important, and 49% said Level 3). Employers who had been involved for a longer period tended more toward saying Level 3 was the most important (58% of those offering apprenticeships for more than 10

years at the time of the survey said Level 3 was the most important to their business, and only 35% said Level 2). This difference in levels identified as the most important to their business by length of involvement in apprenticeships does not extend to higher or degree levels.

For the remainder of this report, the level identified by employers as the most important level of apprenticeship to their business (within the main subject area in which they had completed apprentices completing their apprenticeship in the February to September 2017 period) is referred to as the employer’s main level of apprenticeship.

Further breakdowns of the main level of apprenticeship by other key variables can be found in the Technical Report associated with the evaluation.

Figure 3.3 Main level of apprenticeship by main subject area of apprenticeship, among apprentice employers



Base: All (4,000), Agriculture (231), Arts & Media (73), Business (801), Construction (285), Education (231), Engineering (555), Health (829), ICT (241), Leisure (195), Retail (541).

Age groups

At the time of the survey, apprentice employers most commonly said they currently offered or had ever offered apprenticeships to people aged 19 to 24 (80%), and/or those aged 16 to 18 (74%). These figures were very close to those seen in the 2017 research

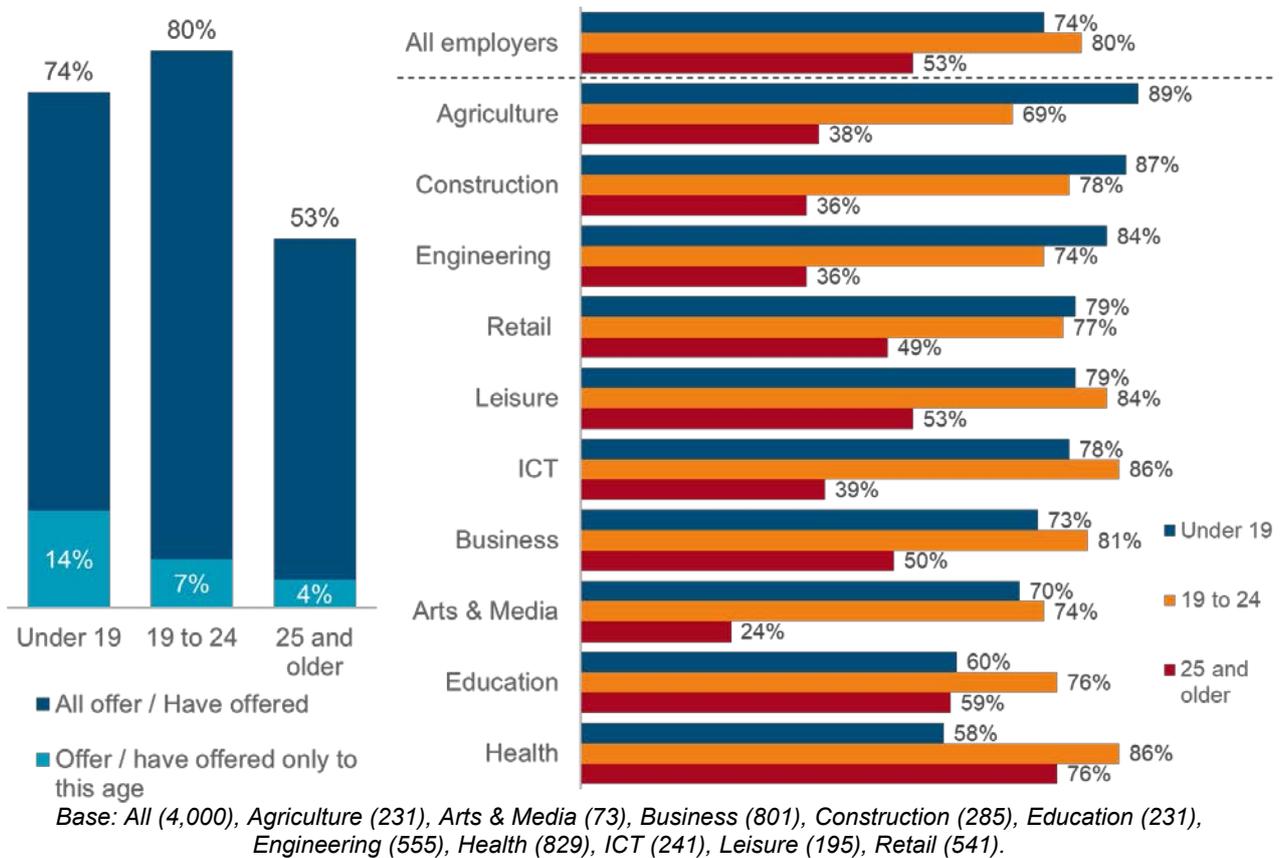
(80% and 75% respectively) and identical to those for the 2015 research. It was less common for employers to offer or have offered apprenticeships to people aged 25 or older (53%), but this was an increase on the 2017 research (46%) and the 2015 research (also 46%).

A minority of employers (14%) offered or had offered apprenticeships only to those aged under 19 at the time of the survey (almost the same proportion as in the 2015 and 2017 research; each 15%). Figure 3.4 shows the proportion of employers who were offering or had offered apprenticeships to each age group, and how this differed by main subject area.

There was substantial variation by main subject area; those whose main subject area among completer apprentices was Agriculture (89%), Construction (87%) and Engineering (84%) were the most likely to offer or have offered apprenticeships to under 19s. A substantial proportion of employers with each of these main subject areas (26% in Agriculture, 20% in Construction and 23% in Engineering, as well as Arts and Media 22%) offered apprenticeships *only* to those aged under 19.

It is worth mentioning that the result for employers whose main subject area (for completer apprentices) was Retail was quite different when those whose main specific apprenticeship was Hairdressing and Barbering were taken separately. Those whose main apprenticeship framework was in Hairdressing and Barbering were far more likely to offer or have offered apprenticeships to Under 19s (94%), and 22% offered or had offered apprenticeships *only* to this age group. The remainder of those employers whose main subject area for completer apprentices was a different area of Retail showed the reverse pattern; only two thirds offered or had offered apprenticeships to under 19s (69%, and 11% exclusively to this group), and a larger proportion than average (60%) offered or had offered apprenticeships to those aged 25 and over.

Figure 3.4 Age groups to which employers were offering or had offered apprenticeships at the time of the survey, overall and by main subject area of completer apprentices



There were also differences in other key areas; employers with larger apprenticeship schemes were much more likely to offer apprenticeships to older learners, with 85% of those with 10 or more completers in the sample window offering or having offered apprenticeships to those aged 25 or older, compared to 53% on average. This is not simply a matter of employing a wider range of people of all ages as a result of their larger size: they were also less likely to offer apprenticeships to those aged under 19 (65%, compared to 74% on average).

This tendency among employers with larger apprenticeship schemes to favour those aged 25 or older has the effect that even though fewer *employers* said that they offered or had offered apprenticeships to those aged 25 or older, they still made up the single largest group of *apprentices* overall (43%, according to the separate survey of learners carried out for the evaluation).

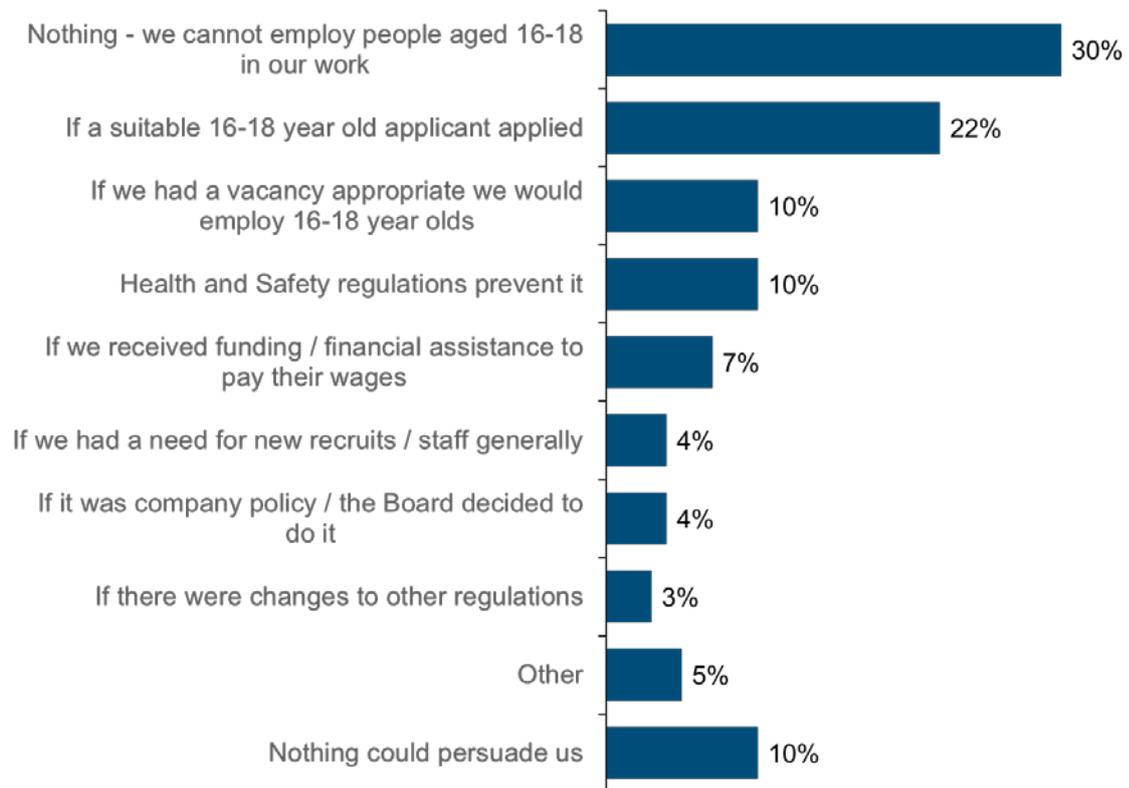
A similar trend was observed in relation to the number of employees. Among small sites with 1 to 9 employees at the time of the survey, nearly a quarter (23%) had only offered apprenticeships to those aged under 19.

Those employers whose main level of apprenticeship was above Level 2 tended to be more open to employing older apprentices. For employers whose main level was Level 2, 49% said they would offer apprenticeships to those aged 25 or over; this rose to 64% among those whose main level was Level 4 or above.

Employers who had only recruited people specifically as apprentices (as opposed to providing apprenticeships to existing employees) were more likely to have offered apprenticeships to younger people: 87% had offered apprenticeships to people aged under 19, compared to just 56% among employers who only offered apprenticeships to existing staff. Conversely, those offering apprenticeships only to existing staff were far more likely to have offered apprenticeships to those aged 25 or over (74%) than those who only recruited specifically for apprenticeship roles (42%).

The main barriers employers identified to offering apprenticeships to people aged under 19 were restrictions on the age of people they could employ overall. Figure 3.5 shows the factors that employers said may make them more likely to take on younger apprentices. Employers could give more than one response. Around one third (30%) said they could not employ this age group in their line of work. Notably, 10% believed that Health and Safety regulations prevent them employing 16 to 18-year olds; this was particularly likely for employers whose main subject area was Health (14%), who were also more likely to state that they could not employ people aged 16 to 18 generally (46%). This closely reflects results seen in 2017.

Figure 3.5 What would persuade employers to offer apprenticeships to people aged under 19



Base: All who had not offered apprenticeships to those aged under 19 (1,042)

Chapter 4 Why are apprenticeships offered and how were apprentices recruited?

This chapter looks at reasons for offering apprenticeships, whether they are offered to new or existing staff and the prevalence of fixed-term contracts for new apprentice recruits. It also explores awareness and participation in Traineeships. As with most of the rest of the report, the chapter covers employers with apprentices completing their studies in the period February to September 2017. Sections on recruitment and participation in Traineeships are specifically focussed on “completer apprentices’ from this sampling window. Other aspects of the chapter primarily focus on motivations and awareness at the time of the interview.

Key findings

The decision to offer apprenticeships

- Employers that had started to offer apprenticeships in the five years leading up to the survey had most commonly done so because they thought it was a **good way to up-skill existing staff and a good way to recruit new staff (both 31%)**.
- Key reasons for choosing to offer apprenticeships rather than (or on top of) other training were the inclusion of practical/vocational elements in the training (18%), that it is standard in the industry (17%, though this was mentioned by just over a quarter of those offering mainly Engineering or Construction apprenticeships), the cost and affordability (16%) and the benefits gained by the apprentice (13%).

The recruitment of apprentices

- Over a third (36%) of employers in the 2018-19 survey said some of their completer apprentices had been existing staff before they started their apprenticeship, an increase from the 32% seen in the 2017 survey, and 31% provided them *only* to existing staff (up from 27% in 2017). At the same time the proportion of employers that had recruited people specifically to start an apprenticeship (whether to start immediately on recruitment or not) has fallen to 64% from 69% in the 2017 survey.
- The majority of employers felt that there was sufficient information, support and guidance available to employers interested in offering apprenticeships (75%, an increase from 68% in 2017).

Traineeships – awareness and participation

- **Awareness and knowledge about Traineeships has fallen since 2017.** Overall, three-fifths (60%) employers were aware of Traineeships and just under two-fifths (38%) had some or good knowledge about them (down from 64% and 43% respectively in 2017).
- **Participation has also decreased to 14% from 16% in 2017.** Overall 4% of employers said any of their completer apprentices had undertaken a Traineeship with them before starting the apprenticeship (down from 6% in 2017). A further

Key findings

6% planned to begin offering them in future (also down from 8% in 2017). The greatest engagement in Traineeships came from the public sector.

Reasons for starting to offer apprenticeships

Around half of employers (48%) had offered apprenticeships for fewer than five years at the time of the survey. These employers were asked why they had decided to start offering apprenticeships. The top two reasons were that they believed it to be a good way to up-skill existing staff (31%) or a good way of recruiting new staff (also 31%). Some were motivated by altruistic reasons, with 16% saying they did it to help young people. A similar proportion (15%) said it was to get more young people into the business. Other frequently mentioned reasons were that they were approached by a training provider (7%), the financial benefits apprenticeships bring to the organisation (7%) and that existing staff asked for it or wanted it (6%).

Employers offering apprenticeships in different subject areas had different motivations. Employers offering mainly Health apprenticeships and those from organisations with 100 or more staff were more likely to say that it was a good way to up-skill current staff (both 40%), whereas employers in Arts and Media and ICT were more likely to say it was because apprenticeships are a good way to recruit new staff (46% and 43% respectively). Businesses with 10-24 staff were also most likely to cite this as a reason (40%).

Employers offering apprenticeships mainly in Arts and Media (28%), Construction (26%) and Engineering (23%) were more likely to say it was to get young people into the business/industry compared to the 15% average. Employers in Education were more likely to be motivated by financial benefits to their organisation (15% compared to 7% average), as were the smallest organisations with just 1-9 staff (10%).

One in ten (10%) employers who the survey identified as likely Levy payers and had started offering apprenticeships in the previous five years said the decision was influenced, at least in part, by apprenticeship funding reforms.

Why offer apprenticeships rather than other forms of training?

Employers who were aware that some or all of the employees that had completed training from February to September 2017 had been undertaking an apprenticeship were asked for the reasons why their site offers apprenticeships to their staff rather than (or on top of) other forms of training (note the question was asked about offering apprenticeships generally, not specifically in regard to the apprentices that completed in

2017). The inclusion of practical and/or vocational training was the reason most commonly given, at 18%. A similar proportion (17%) said it was the standard in their industry – this particularly applied to employers whose main apprenticeship subjects were Construction (28%) and Engineering (26%).

Cost and affordability was also commonly mentioned (16%), particularly among employers offering apprenticeships in mainly Arts and Media (34%), Education (27%), ICT (24%), Leisure (24%) and Business (21%). The benefits to the apprentice and/or community were cited by 13%, this was particularly common among employers offering apprenticeships in Education (22%). The content or design of the training and the level of influence the employer has over the training were each mentioned by one in ten (10%).

Around one in seven (15%) employers who the survey highlighted as likely to be paying the Levy said the Levy was a reason for choosing apprenticeships over other forms of training. This equates to 5% of all employers who had apprentice completers between February and September 2017.

The overall results are shown in Figure 4.1.

Figure 4.1 Reasons for offering apprenticeships over other forms of training (spontaneous)



*Base: Employers who knew the training completed by their completer apprentices was an apprenticeship (3,269)
Responses given by 4% or more of employers shown only.*

New recruits and existing employees

Employers were asked, in relation to the apprentices that had completed between February and September 2017, whether these individuals had been recruited specifically to start an apprenticeship with the training starting straight away, recruited with the intention that they would start an apprenticeship though with the training not starting immediately, or existing employees that were already working for the employer. Respondents could answer across more than one of these categories.

The proportion of employers that had provided apprenticeships to existing employees was higher than in the 2017 survey. Over a third (36%) of employers in the 2018-19 survey provided them to existing staff, an increase from the 32% seen in 2017, and 31% provided them *only* to existing staff (up from 27% in 2017). At the same time the proportion of employers that had recruited people specifically to start an apprenticeship (whether to start immediately on recruitment or not) has fallen to 64%, from 69% in the 2017 survey. This fall has been among employers that had recruited people to start their apprenticeship straight away (55%, down from 60% in the 2017 survey); the proportion recruiting where the training did not start immediately has remained stable at 11% vs. 10% in 2017.¹⁰ Results are shown in Figure 4.2.

Figure 4.2 Sources of completer apprentices in 2017 and 2018-19

¹⁰ Related findings are discussed, from the apprentice perspective, in chapter 3 of the 2018-19 Learner Evaluation Survey report [\[##ADD LINK ONCE PUBLISHED##\]](#). Apprentices were asked if they had worked for their employer before starting their apprenticeship. Recruitment to an apprenticeship covered those where the apprenticeship started immediately (it did not include those who may have been recruited specifically as an apprentice but where the apprenticeship did not start immediately). Matching the findings of the employer survey, the 2018-19 learner survey showed a fall compared to the 2017 survey in the proportion recruited to start their apprenticeship straight away.

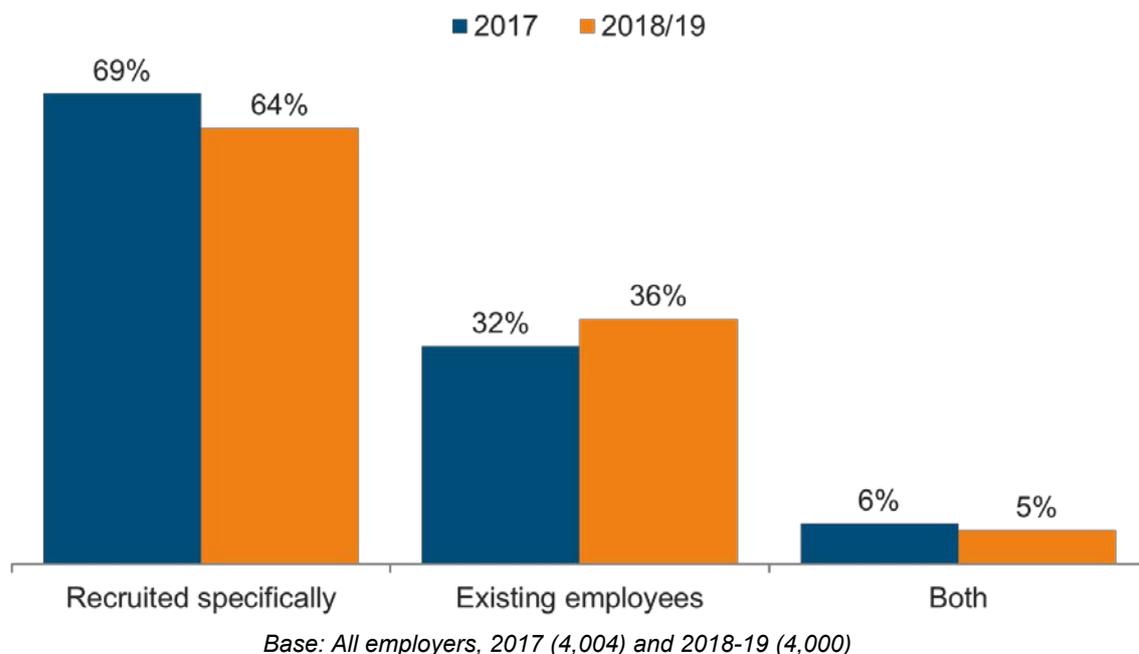
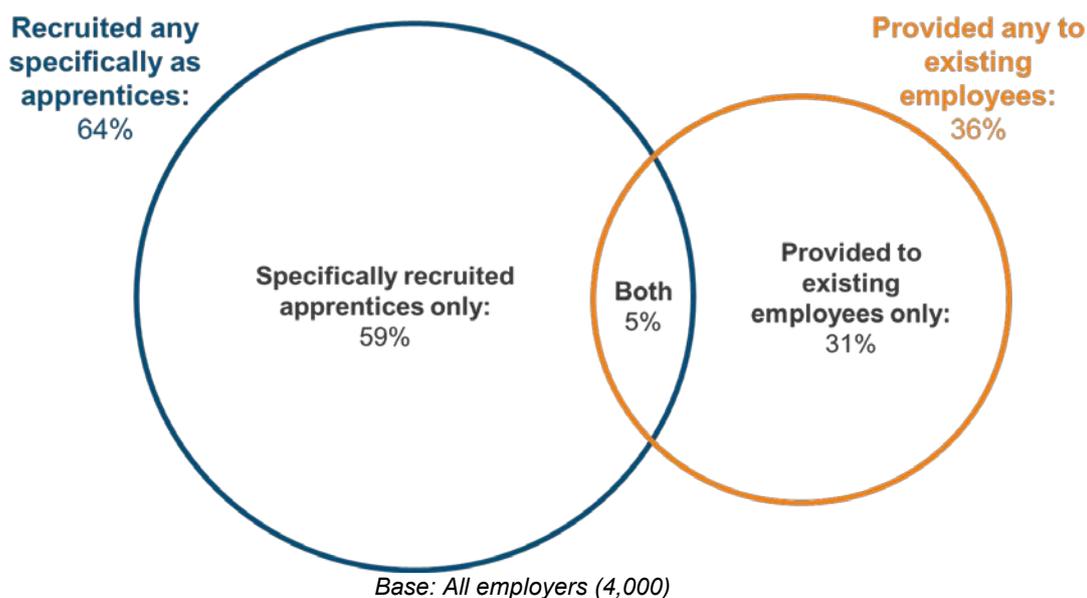


Figure 4.3 demonstrates the overlap between the three groups:

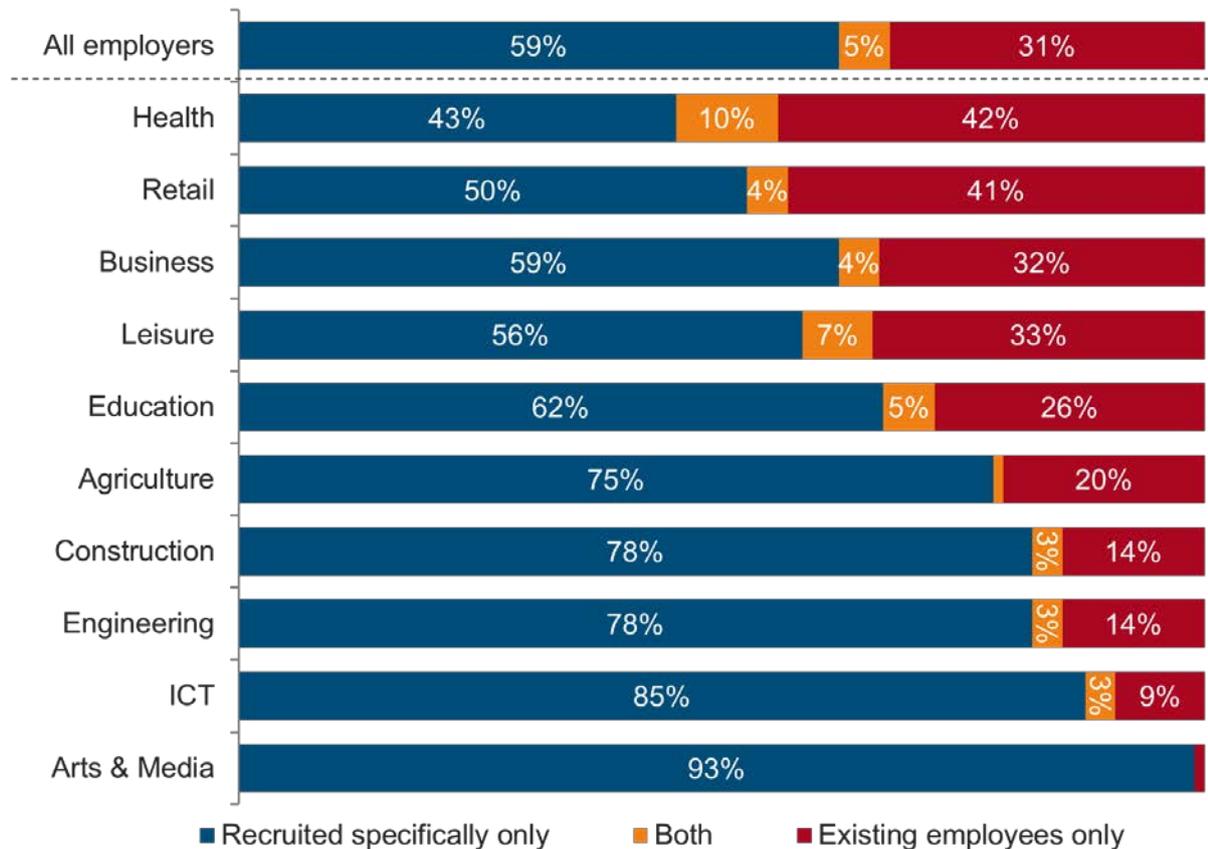
Figure 4.3 Sources of completers apprentices in the 2018-19 survey- overlap



There were large variations in the source of apprentices between employers offering apprenticeships in different subject areas. As Figure 4.4 shows, employers offering apprenticeships in Health and Retail were less likely than average to have recruited anyone specifically as an apprentice; employers in these subjects were more likely than average to have enrolled existing staff. Employers in Arts and Media, on the other hand, almost exclusively recruited people specifically for their apprenticeship schemes. Employers offering apprenticeships in ICT, Engineering, Construction and Agriculture were all also more likely than average to specifically recruit their apprentices.

As mentioned earlier, those employers with apprentice completers at higher levels were much more likely to provide these apprenticeships to existing staff (46% of those whose main level was Level 4 or higher, compared to an average of 36%).

Figure 4.4 Sources of completer apprentices by subject



Base (all employers): All (4,000), Health (829), Retail (541), Business (801), Leisure (195), Education (231), Agriculture (231), Construction (285), Engineering (555), ICT (241), Arts and Media (73)

Around one in nine (11%) employers said that in relation to the apprentices that had completed between February and September 2017 some or all had been recruited specifically to do an apprenticeship but that their training had not started straight away – this equated to around a sixth of all employers recruiting specifically. The main reason why the apprenticeship had not started straight away was the need to complete an induction and/or probation period beforehand (37%), followed by the training provider dictating the timings (24%), wanting to ensure the employee was suitable/capable before committing (18%) and to give the employee time to become familiarised with the organisation (12%). This is consistent with reasons from previous evaluations.

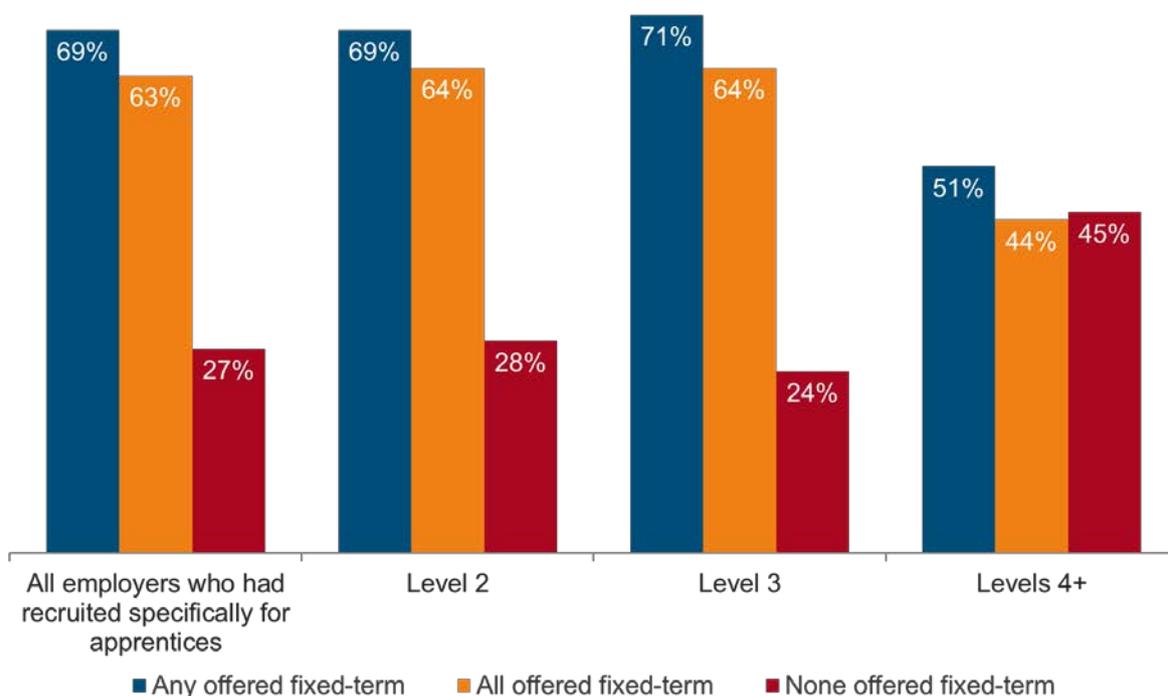
At the point of recruitment a large proportion of employers are offering apprentices jobs on a fixed-term contract only for the period of their apprenticeship training and not beyond this. Among employers who recruit specifically for apprentices over two-thirds (69%) had initially offered a fixed-term contract for the duration of the apprenticeship to at

least one of their apprentices, indeed the majority had offered fixed-term contracts to *all* of their apprentices (63%).

Fixed-term contracts were particularly common among employers offering apprenticeships in Education (87%), Arts and Media (82%), Leisure (79%), Retail (78%) and Agriculture (72%), but employers offering apprenticeships in Construction and Engineering were far less likely (65% and 61% respectively). Fixed-term contracts were also more common in the public sector (81% had offered them to at least one new apprentice recruit) when compared with the commercial sector (67%).

Employers offering lower level apprenticeships were more likely to offer these on fixed-term contracts: 69% of employers whose main level was level 2 compared to 71% at level 3 and 51% at levels 4 and above (see Figure 4.5).

Figure 4.5 Proportion of employers offering fixed-term contracts to apprentices who completed their apprenticeships in the February to September 2017 period (new recruits only), by main level



Base: Employers who recruited specifically for completer apprentices (2,639); with main level as: Level 2 (1,079), Level 3 (1,378), Level 4 or above (182)

The vast majority of employers who provided apprenticeships to existing employees were doing so to improve their skills for their existing job (94%) and a majority (55%) provided apprenticeship training to existing employees *only* to improve their skills for their existing job rather than also preparing employees for new roles. Fewer than half (45%) were using the apprenticeship to prepare employees for a new job (though this is higher than

the 40% doing so in the 2017 survey). As found in the 2017 survey, employers offering apprenticeships to older apprentices were most likely to be using them to improve existing skills rather than as preparation for a new role, with 70% of employers whose apprentices were all aged over 25 saying they used apprenticeships this way, compared to just 52% of employers whose apprentices were all aged under 25.

Support available for employers

Three-quarters (75%) of employers said that there was sufficient information, support and guidance available to employers interested in offering apprenticeships. This is an increase on the proportion in 2017 (68%), reversing the downward trend seen in the past few evaluations and even surpassing levels seen in 2014 (73%). Larger employers were more likely to say the information and support was sufficient, with 82% of those with 100 or more staff agreeing compared to 70% of those with fewer than 10 staff.

Gains in the proportion of employers saying the information, support and guidance was sufficient have been concentrated in a handful of subject areas:

- Engineering (71%, up from 55% in 2017);
- Health (82% up from 73%);
- Construction (74% up from 66%); and
- Retail (72% up from 66%).

Employers who did not feel the information, support and guidance available was sufficient were asked what they felt was missing. The availability of funding and how to access it was most commonly mentioned, by 28% (equating to 6% of all employers). A further quarter (24%) said the existing information needs to be clearer and a similar proportion (23%) said that it needs to be promoted more. Table 4.1 lists the suggestions given by at least 5% of employers reporting information insufficiencies.

Table 4.1 Information/support/guidance employers felt was missing from what was available at the time of the survey

	% of employers who felt currently available information was insufficient
	<i>Base: 920</i>
What funding is available and how to get it	28
Existing information needs to be clearer / better written	24
Existing information needs to be promoted more	23
Understanding the requirements and benefits of an apprenticeship	20
Who to approach / how to get information on apprenticeships	20
How to find suitable training providers	17
How to recruit apprentices	16
How to set up training for apprentices	15
Information about the level of fees / payments for apprenticeships	12
What standards and frameworks are available	9
More involvement, support and communication from the colleges	8
A specific person they could contact regarding apprenticeships	7
How to access Levy funds	6
How to deliver the qualifications	5
Legal obligations / employment contracts	5

Traineeships – awareness, participation and future plans

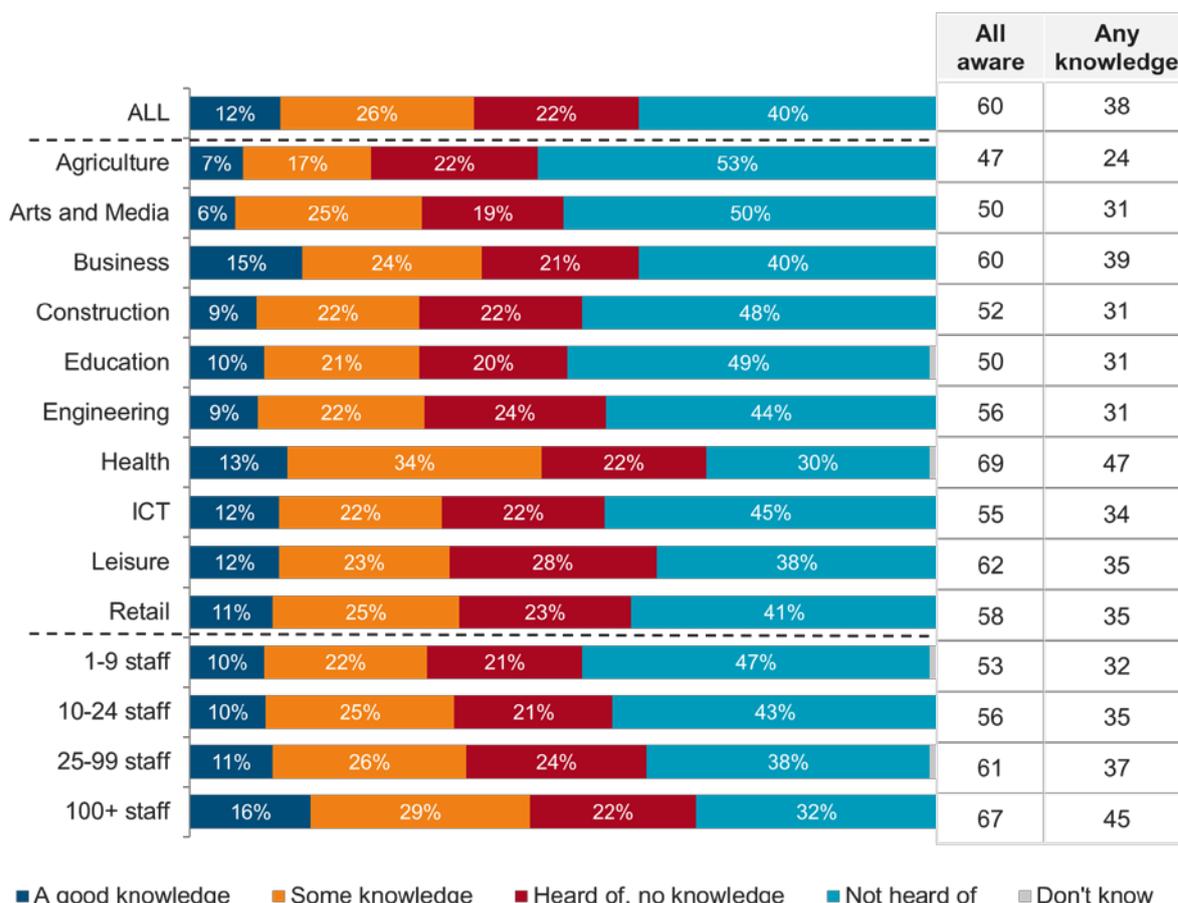
Traineeships are now a well-established part of the education and training landscape, having first been introduced in 2013. The purpose of Traineeships is to provide work experience to people not in work who need additional skills to get a job or an apprenticeship. The programme specifically targets 16 to 24-year olds and includes support with basic skills such as maths and English to help them become ‘work ready’.

Overall, six in ten employers (60%) had heard of Traineeships at all and 38% had at least some knowledge of them. This is a decrease on the 64% and 43% seen in the 2017 evaluation. This fall does not appear to be isolated to any one or any group of employers, it has been seen across the board.

Larger employers were more likely than smaller to have heard of Traineeships and to have any knowledge of them. There were also considerable differences in awareness by

the main subject offered for apprenticeships. Figure 4.6 illustrates the awareness and knowledge by subject and by size.

Figure 4.6 Awareness and knowledge of Traineeships among employers, by site size and main subject area



Base: All employers (4,000), Health (829), Retail (541), Business (801), Leisure (195), Education (231), Agriculture (231), Construction (285), Engineering (555), ICT (241), Arts and Media (73); 1-9 staff (920), 10-24 staff (691), 25-99 staff (930), 100+ staff (1,259)

Employers in the public sector were more likely to have heard of Traineeships (69%) or have any knowledge of them (47%) than those in the private sector (57% and 35% respectively).

Around one in seven (14%) of all employers were currently participating in Traineeships at the time of the survey, either as a provider or by offering work experience placements as part of the programme. This was slightly lower than in 2017 (16%) which in turn was lower than in 2015 (19%).

There was some variation in participation by main apprenticeship subject offered. Employers offering apprenticeships in Health were most likely to be participating in Traineeships too (22%), but they were less common in Agriculture (9%), Construction (9%) and Engineering (10%).

Traineeships were also more commonly offered by larger employers, with just 8% of employers with fewer than 10 employees in the organisation participating in the programme compared to 14%, 16% and 18% respectively of those with 10-24, 25-99 and 100 or more staff.

Public sector employers were more likely to be participating in Traineeships (20%) than those in the private sector (12%). This is likely to be driven, at least in part, by the fact that public sector employers tended to be part of large organisations (42% reported that their organisation employed 100+ staff, compared to 25% among private sector firms).

Traineeships as a route into apprenticeships

Traineeships are intended to provide a platform for individuals to learn the basic skills they need to start an apprenticeship. Around one in twenty (4%) employers said any of their completer apprentices had undertaken a Traineeship with them before starting the apprenticeship (down from 6% in 2017). This was highest among employers with fewer than 10 staff (7%) and those offering apprenticeships in Retail (also 7%).

Future Traineeship offering

Approaching a third (30%) of employers who were aware of Traineeships but were not currently offering them said they planned to offer them in future. This equates to 6% of all employers, a fall from the 8% seen in 2017. This figure should be treated with caution when looking for an indication of future growth: no timeframe has been given for the employers to introduce the Traineeships, and whilst 8% intended to start offering them in 2017 the overall proportion of employers offering Traineeships, as we have just seen, has actually reduced. This suggests that the vast majority of those that intended to offer did not act on their intentions or that more employers have stopped offering Traineeships than have started.

Combining those who currently offer Traineeships with those who say they intend to do so in future gives us an indication of the *potential* appetite for Traineeships among employers. Overall a fifth (21%) either currently offered Traineeships or intended to start doing so. The biggest differences were seen by sector; the proportion was higher among employers in the public sector (26%) than it was in the commercial sector (19%). In terms of specific sectors, Public Admin (40%), Transport and Communications (31%) and Health and Social Work (29%) were most likely to be engaged in Traineeships.

Larger employers were more likely to offer or plan to start offering Traineeships (24% with 100 or more staff), compared to small employers (16% with fewer than 10 staff).

Chapter 5 Retaining apprentices

This chapter explores issues of retention and the reasons employers believed apprentice completers no longer worked for them. Again, the chapter covers employers with apprentices completing their studies in the period February to September 2017 with all sections focussed on ‘completer apprentices’ from this sampling window.

Key findings

- **Seven in ten employers (70%) had any of their completer apprentices still with the organisation 15-25 months after they had completed, and almost three-fifths (58%) reported all their completer apprentices were still with the organisation.** Both figures were lower than the comparable figures from the 2017 survey (76% and 65% respectively).
- **Employers who offered apprenticeships to existing staff were more likely to have retained at least some of their apprentices (80%, compared to 66% among those who had only offered apprenticeships to people they had specifically recruited).** Retention was highest in Health, and lowest in Retail and in Arts and Media.
- **Where apprentices had left the organisation, 85% of employers felt that it had been the apprentice’s decision to leave in at least some cases** (up from 82% in the 2017 survey). This was primarily to move into another sector, or improve their promotion or pay prospects.
- Approaching a fifth (18%) of employers with any leavers said they had asked the apprentice(s) to leave, this much lower than in the 2017 survey (26%). Asking apprentices to leave was more common among employers offering Arts and Media, Education, ICT and Leisure apprenticeships.
- Of these employers who asked the apprentice to leave, close to half (48%) felt that the apprentice was not performing at the level required. Other key reasons were having an insufficient level of work (24%) or not being able to afford to retain the apprentice(s) (10%).

Retaining apprentices

Employers were asked whether any of the apprentices that had completed their apprenticeship between February and September 2017 (15 to 25 months prior to the interview) were still working for them at the time of the survey. Seven in ten employers (70%) had any of these completer apprentices still working for them at the time of the survey, down from three-quarters (76%) in the 2017 survey (though the gap between fieldwork was a little shorter for that survey, at between 13 to 22 months between apprenticeship completion and interview). Furthermore in 2018-19, fewer than three-fifths

(58%) reported that *all* of their completer apprentices were still with the company 15-25 months after their completion, down from around two-thirds (65%) in the 2017 survey.

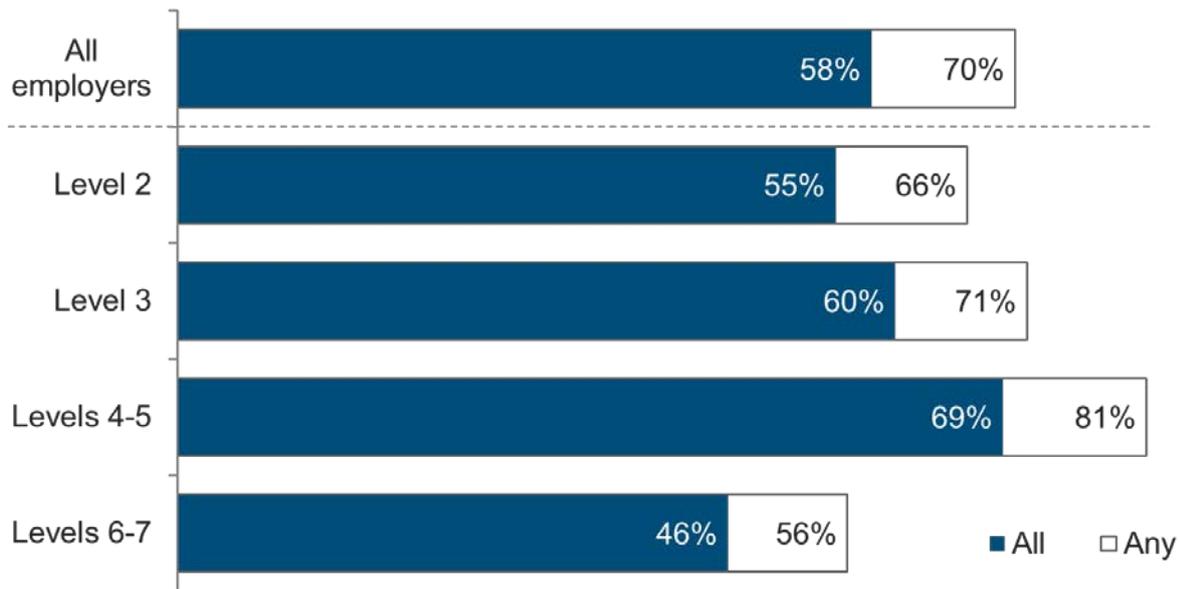
In the accompanying Learner survey, among those that were sampled as having completed their apprenticeship from February to September 2017, by the time of interview (November 2018 to March 2019, hence 14 to 21 months after completion) over half (56%) were with the same employer.

Employers who offered apprenticeships to existing staff were more likely to have retained at least some of their apprentices 15-25 months after the apprenticeship had finished (80%, compared to 66% among those who had only offered apprenticeships to people they had specifically recruited). Relating to this, there was also some variation by the main apprenticeship subject area offered by employers. Employers offering Health apprenticeships were most likely to have retained any of their apprentices (76%), these employers were also most likely to have sourced apprentices from their existing staff. Conversely employers offering Arts and Media apprenticeships were least likely to have retained any apprentices (41%) – these employers were most likely to have recruited apprentices specifically. Employers offering apprenticeships in Retail were also less likely to have retained apprentices than average (63%), however this was despite being more likely than average to have enrolled existing staff onto the programmes.

The proportion of employers retaining apprentices increased with the main level of apprenticeship offered, then drops at the very highest levels, although note the low base for Level 6 or 7¹¹ (see Figure 5.1): retention was highest where employers mainly offered apprenticeships at Level 4 or 5 (almost seven in ten of these employers had retained all their apprentices at this level).

¹¹ The base size for employers where the main apprenticeship level offered was at Level 6 or 7 was 51 respondents. On this base the sampling error is approximately +/- 13.7% for the two results shown on Figure 5.1 for these employers i.e. we are 95% confident that the true result, if a census rather than a sample had been undertaken, lies within +/- 13.7% of the results shown. The results for Level 6/7 employers are statistically different to those for Level 4/5 and Level 3 employers.

Figure 5.1 Whether completer apprentices were still working for the organisation at the time of the survey, by main level



Base: All employers (4,000); Main level: Level 2 (1,613), Level 3 (2,074), Levels 4-5 (261), Levels 6-7 (51)

Reasons for completer apprentices leaving their employer

Of employers who, at the time of interview, had not retained all of their apprentices over the 15 to 25 months following their completion (from February and September 2017), the majority (85%) said that in some or all cases it had been the apprentice’s decision to leave (79% said all the leavers had chosen to go; 6% also had at least some apprentice(s) they had let go themselves). This was slightly higher than the 82% seen in 2017. Employers with leavers offering apprenticeships mainly in Retail were more likely to have had apprentices choose to leave them (92%), as were employers who had enrolled any existing staff onto an apprenticeship (92%).

The most common reasons why employers believed their completer apprentices had decided to leave were related to the job itself: a desire to move into another sector (26%), seeking a promotion or improved career prospects (19%) or wanting a higher salary (18%). This was followed by personal reasons relating to health or family (15%) or moving away from the area (12%).

There were some differences in perceived reasons for leaving by main subject area:

- Employers offering apprenticeships in ICT were most likely to say completer apprentices left to move to another sector (39% vs. 26% average), and far more likely than average to say they had left to go to university (14% vs. 4%).

- Employers offering mainly Engineering apprenticeships were most likely to believe their completer apprentices had left to seek higher pay (29% vs. 18%).
- Employers offering mainly Health apprenticeships were more likely to report completer apprentices leaving for personal reasons – 22% for health or family reasons and 19% to move away.
- Employers offering mainly Construction apprenticeships were more likely to report completer apprentices leaving to become self-employed, with one in twenty (5%) of these employers saying this was a reason completer apprentices had left them compared to fewer than 1% among all employers who had had completer apprentices leave them.

Reasons for employers not retaining completer apprentices

Approaching a fifth of employers who had not retained all of their completer apprentices (18%) said that they (the employer) had made the decision to either not offer an apprentice a job after their apprenticeship finished, or to ask them to leave at some point before the survey interview (12% said it had been their decision to let go of all the apprentices that had left, whilst 6% had also had at least some who had decided to leave themselves). This was a lower proportion than in the 2017 survey when a quarter (26%) of employers with apprentice leavers had chosen to let an apprentice go.

Employers deciding not to retain completer apprentices was much more common among those offering apprenticeships mainly in Education (42%), Arts and Media (40%), ICT (34%) and Leisure (29%). It was also most common among employers who had specifically recruited all of their apprentices (21%).

Almost half of employers (48%) who had asked an apprentice to leave said it was because the standard of work fell short of what was required. This was more common than average among employers offering apprenticeships mainly in Retail (63%) and among the smallest employers with just 1-9 staff (also 63%).

Outside of the apprentice's personal competence, it was also common to find employers who did not have a sufficient workload to take someone on (24%) or who could not afford to do so (10%). These two reasons were particularly common among employers offering apprenticeships in Education, where 38% said they did not have enough work on and 37% could not afford it.

Chapter 6 Progress to higher apprenticeships

Most apprenticeships in England have historically been at Levels 2 and 3, equivalent to GCSEs and A-Levels. In 2005, the first higher apprenticeships at Levels 4 and 5 were introduced, sitting between A-Levels and degrees in the qualification level classification. These higher apprenticeships have since expanded in both volume and range of subjects to be a significant part of apprenticeship delivery, and were the main levels of apprenticeship for 6% of employers in the evaluation.

Higher apprenticeships now also include degree and other Level 6+ apprenticeships. The first degree apprenticeships were launched in 2015, with numbers increasing with the introduction of apprenticeship standards over subsequent years. Degree apprenticeships contain a full first degree as a core component; Level 6+ non-degree apprenticeships do not, but have content which places them at the same academic level, frequently including a professional qualification in an area such as accountancy.

This chapter explores employers' knowledge of higher and degree apprenticeships and why they did or did not offer them. It also explores perceptions of their relevance and employers' future plans to utilise them. The chapter covers employers with apprentices completing their studies in the period February to September 2017 but focusses on awareness, knowledge and practices at the time of the interview.

Key findings

- **Most employers had some knowledge of higher apprenticeships at Level 4+ (59%). However, 20% had never heard of them, and 21% knew them in name only.**
- 30% of all employers felt they had a great deal or a fair amount of knowledge about apprenticeships at Level 4+. This was higher among public (40%) and third sector employers (37%) than those in the commercial sector (27%).
- At the time of the interview, **37% of employers provided or planned to provide higher or degree level apprenticeships.** This was much higher among large organisations with over 100 employees (64%) and employers in the Public Administration and Defence sector (77%).
- Amongst those employers who had apprentices at Level 4 or 5 in August 2018, two-thirds (66%) reported that at least some of these had previously completed an apprenticeship at a lower level (though not necessarily with them). Progression to a degree or Level 6+ non-degree apprenticeship from a previous apprenticeship was less common (47%), suggesting that there are more varied routes in to apprenticeships at Level 6+.
- The most common reason for employers to offer apprenticeships at Level 4+ was to help staff develop new skills (66%) or as part of a strategy to develop the workforce (39%), whilst the most common reasons for not offering them

Key findings

was a lack of demand from their employees (29%) and thinking they were not relevant to the job (18%).

- **Around a third of employers not already offering them felt that higher apprenticeships at Level 4 and 5 were relevant to their organisation (32%), unchanged from 2017.** Fewer employers that did not offer Level 6 or 7 apprenticeships felt that they were relevant to their organisation (21%). This will often be impressionistic to the extent that most a minority felt they had good or even a fair amount of knowledge of apprenticeships at these levels.

How much do employers know about higher apprenticeships at Level 4+?

Employers were asked how much they knew about higher apprenticeships, described to them as apprenticeships at Levels 4 to 7, including degree apprenticeships. Most employers felt they had some knowledge of higher apprenticeships (59%), whilst a fifth had never heard of them (20%), and a further fifth had heard of them but knew nothing about them (21%). This represents a slight reduction in awareness since 2017, when 61% said they had some knowledge of higher apprenticeships. A third (30%) said they had more than a little knowledge (i.e. either knowing 'a great deal about them' or a 'fair amount').

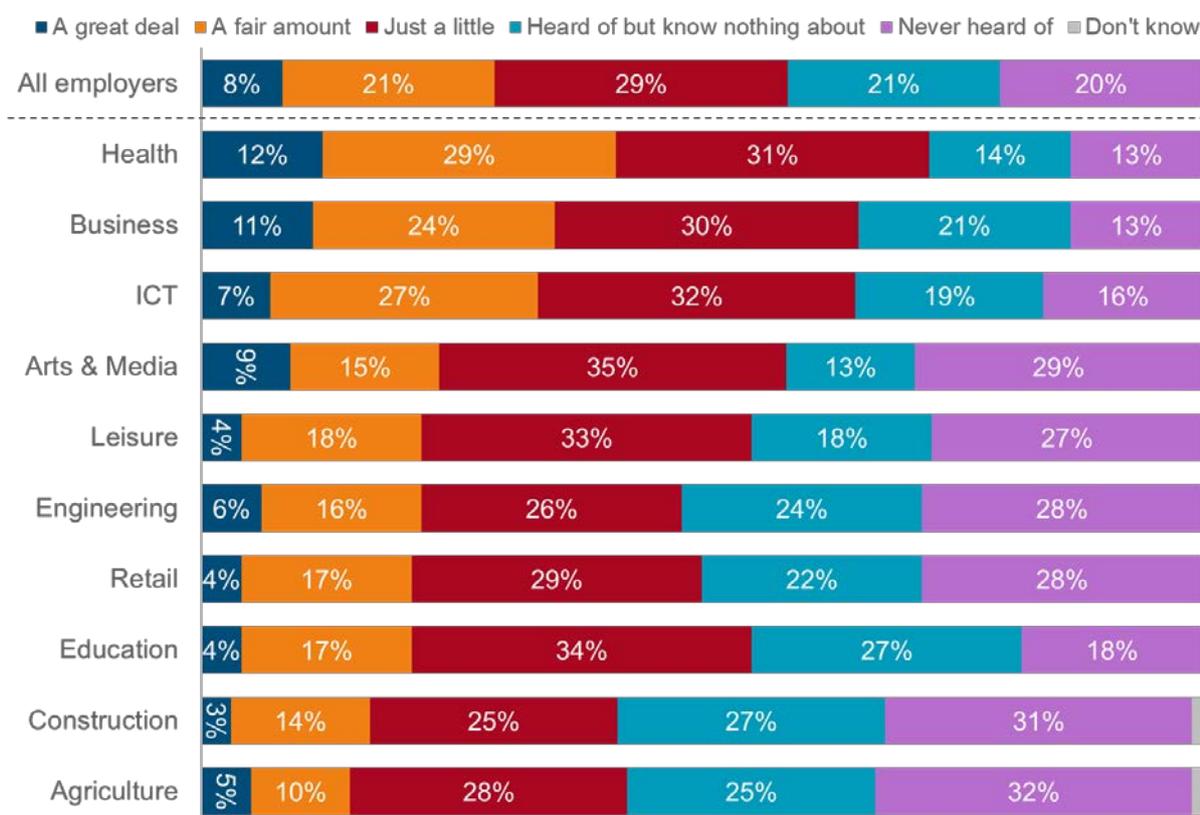
It is important to note that employers generally rated their knowledge quite poorly; even among those who said their main level of apprenticeship was 4 or above, less than half (47%) said they had a great deal or a fair amount of knowledge of them.

By subject area, employers whose main apprenticeship subject area was Business (35%) and Health (41%) were most likely to know a great deal or a fair amount about them. Conversely, those whose main subject area was Agriculture (15%), Construction (17%), Education (21%), Engineering (21%), Retail (21%) or Leisure (22%) were less likely than average to have 'more than a little' knowledge of higher apprenticeships.

Business size was also an important factor in awareness and knowledge of higher apprenticeships at Level 4+. As seen in 2017, awareness of higher apprenticeships increased with size. This trend was apparent in both site and organisation size but was slightly more pronounced by site size. At sites with 100 or more employees, 51% of employers had more than a little knowledge, compared to 17% for sites with 1-9 employees.

Awareness also varied by broad sector classification, with commercial sector employers being substantially less likely (27%) to have a great deal or a fair amount of knowledge than public (40%) or third sector employers (37%).

Figure 6.1 Knowledge of higher apprenticeships, by main subject area



Base (all employers): All (4,000), Health (829), ICT (241), Business (801), Arts and Media (73), Engineering (555), Leisure (195), Retail (541), Construction (285), Agriculture (231), Education (231), Science and Maths (18)

Employers offering or planning to offer apprentices to over 25s were more likely to have at least a fair amount of knowledge of higher apprenticeships (38%), compared to an average of 30%.

Plans for offering higher apprenticeships at Level 4+

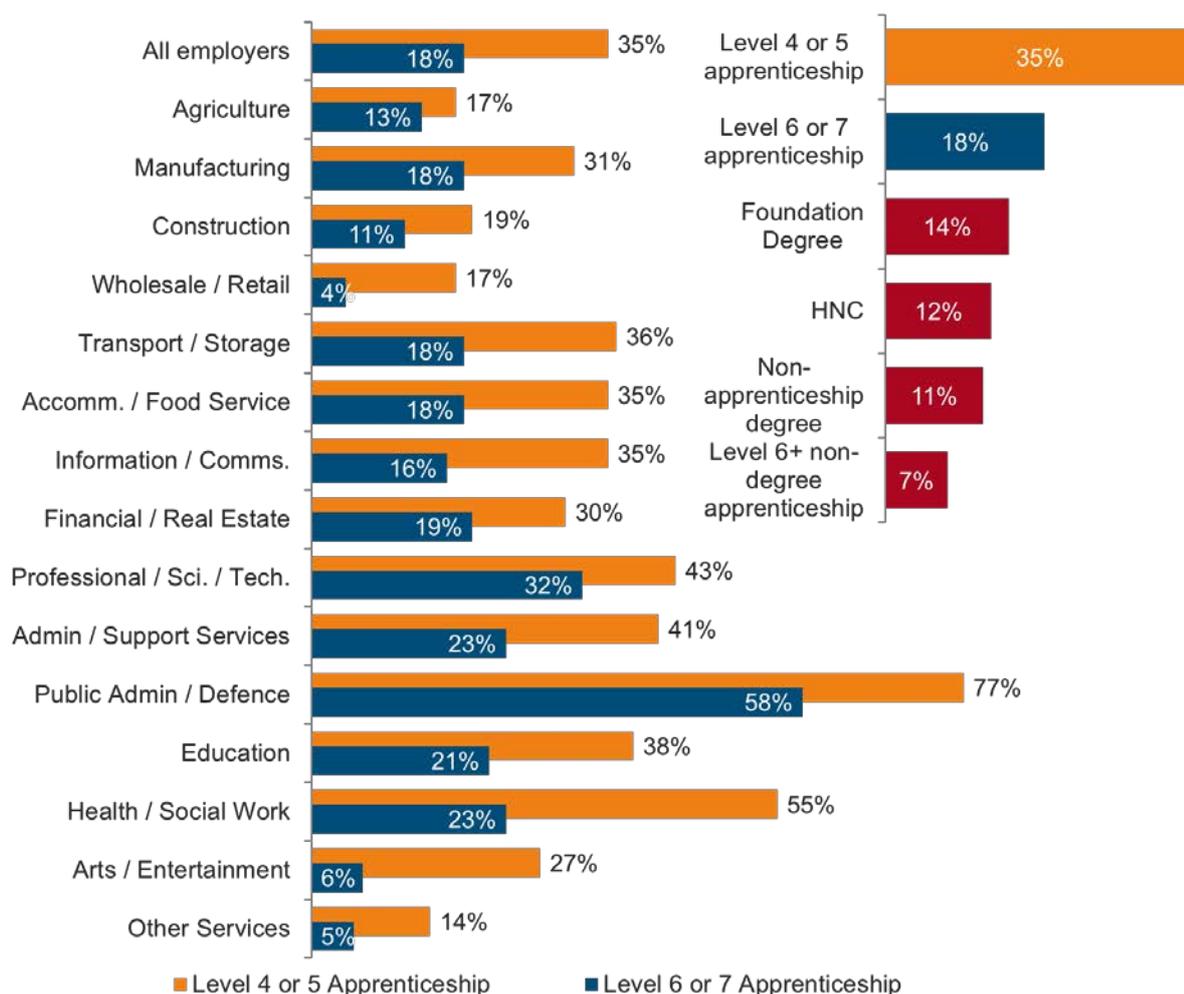
More than half of employers (51%) said they were providing or planning to provide any type of qualification at Level 4 or above (including non-apprenticeship training) for training staff or new recruits. For 37% of all employers, the higher-level training provided or planned included an apprenticeship at Level 4 or above.

Within this, most commonly (35% of all employers) higher apprenticeships at Level 4 or 5 were provided or planned; degree apprenticeships (18%) and Level 6+ non-degree apprenticeships (7%) were less widespread.

Larger businesses were more likely to provide, or have plans to provide, any sort of apprenticeship at Level 4 or higher, with 64% of organisations with over 100 employees doing so, whilst only 17% of organisations with 1 to 9 employees had plans in this area.

Employers in Public Administration and Defence (77%), Health and Social Work (57%) and Professional, Scientific and Technical services (46%) were most likely to provide, or be planning to provide, any apprenticeships above Level 4. Other Services (15%), Wholesale and Retail (18%), Agriculture (19%) and Construction (21%) were the least likely to have plans to do this. Relatedly, the public sector and third sector were most likely to provide or be planning to provide apprenticeships at Level 4 or above (47% and 46% respectively), whilst commercial sector employers were the least likely to do so (35%).

Figure 6.2 Offering or planning to offer higher level qualifications, by main subject area



Base (all employers): All (4,000), Agriculture (61), Manufacturing (356), Construction (368), Wholesale / Retail (369), Transport / Storage (60), Accomm. / Food Service (233), Information / Comms. (140), Financial / Real Estate (79), Professional / Sci. / Tech. (238), Admin. / Support Services (132), Public Admin. / Defence (64), Education (553), Health / Social Work (868), Arts / Entertainment (177), Other Services (273)

Progression to higher and degree level apprenticeships

Employers with apprentices at Level 4 or higher in August 2018 were asked if any of these apprentices had completed an apprenticeship at a lower level within the last four

years. For simplicity, this apprenticeship did not need to have been completed at the current employer's business, and could have occurred before they joined, and could be in any subject area.

Amongst those employers who currently had higher level apprentices, two-thirds (66%) had apprentices who had previously completed an apprenticeship. For most employers (60%), apprentices had previously completed a Level 3 apprenticeship. This was especially common amongst employers at smaller sites (80%), in the manufacturing sector (76%) and amongst employers who had offered apprenticeships for longer amounts of time (68% of those offering apprenticeships between 6 and 10 years). Some apprentices at Level 4 or above had also progressed from Level 2 (at 42% of employers with apprentices at Level 4 or above).

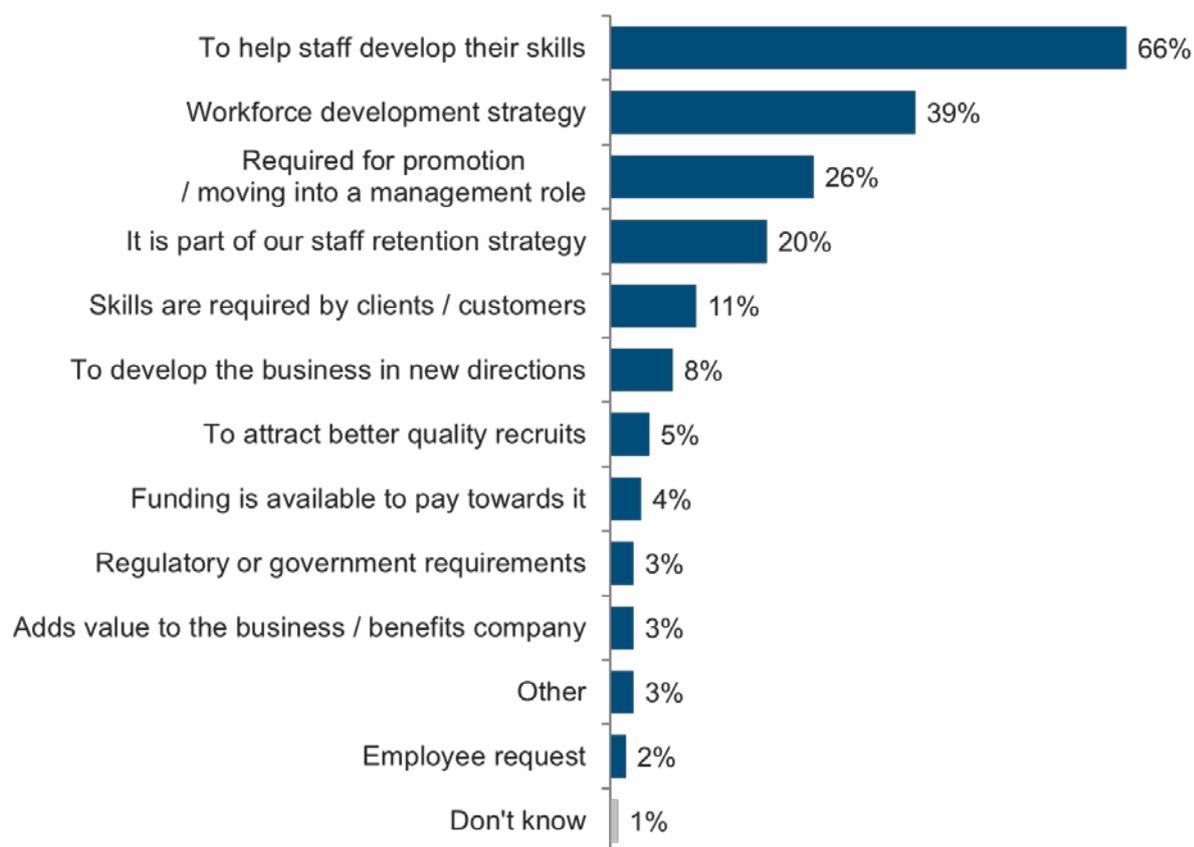
Progression from a previous apprenticeship to a degree or Level 6+ non-degree apprenticeship was less common, with just under half of employers (47%) with current apprentices at these levels having had apprentices done so. This suggests that many more learners come to these qualifications through other routes than Level 4 or Level 5 apprenticeships. Of those that had progressed from lower level apprenticeships, most advanced from either a Level 3 (33%) or level 4 (32%), with advancement from Level 2 (18%) and Level 5 (17%) being less common. This suggests that it is reasonably common for apprentices to go straight from a Level 4 or even Level 3 apprenticeship to a degree or Level 6+ non-degree apprenticeship.

Reasons for offering higher apprenticeships

The most common reason employers provided or planned to provide higher or degree level apprenticeships was to help staff develop new skills (66%), followed by offering progression as part of a strategy to develop the workforce (39%). Other common reasons were a requirement for higher level qualifications as part of the job (26%), it being part of a staff retention strategy (20%), or skills being required by clients or customers (11%).

There were some variations by sub-group; among those employers whose main apprenticeship subject area was Health, a larger proportion (32%) said that higher level qualifications were a requirement for job roles. For those whose main subject area was Construction, it was more common to say that skills were required by client or customers (22%). Employers at larger sites with 100 or more employees were more likely to say that it was part of a workforce development strategy (46%).

Figure 6.3 Reasons for offering higher or degree apprenticeships at Level 4 or above



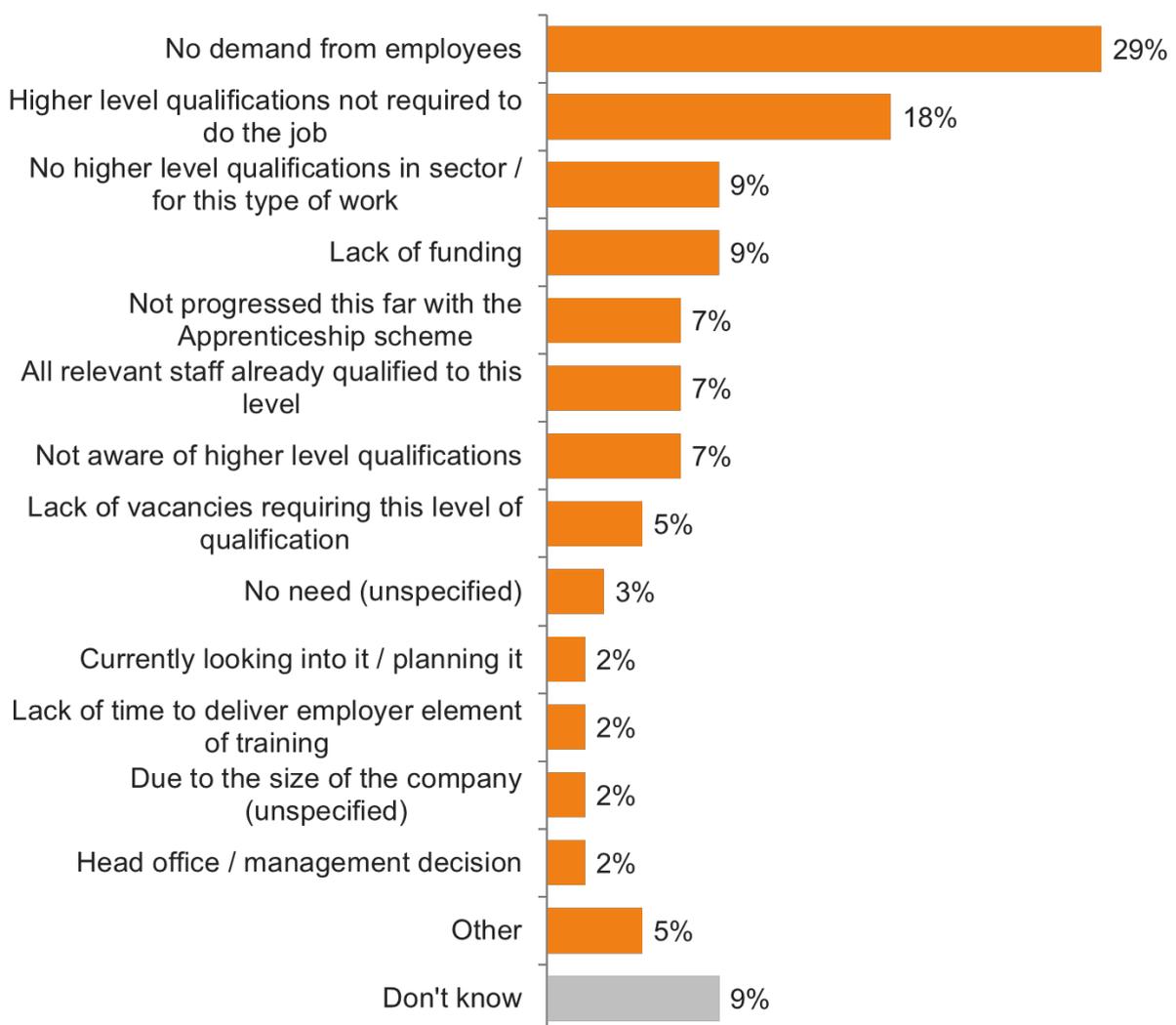
Base: All employers offering or planning to offer higher or degree level qualifications (1,461)

Reasons for not offering higher apprenticeships

Amongst those not offering progression to higher or degree level apprenticeships, the most common reason was a lack of demand from their employees (29%), mentioned particularly often among those whose main apprenticeship subject area was Construction (42%) or Health (36%). The next most common reason for not offering higher level apprenticeships was thinking they were not relevant to the job (18%). This was particularly high amongst those whose main subject area was Leisure (27%) or Engineering (23%).

Almost one in ten (9%) of employers did not think there were higher level apprenticeships in their industry or sector; this perception was particularly widespread among those whose current main apprenticeship subject area was in Engineering (14%), or who were in the Other Services sector (16%). The same proportion also cited a lack of funding as a barrier (9%), especially employers in the Health (13%) and Education (13%) sectors, and in the public sector (13%) and third sector (14%) more generally. Other issues included not having reached that stage of their apprenticeship offering as an organisation (7%) and all relevant staff already being qualified (7%), and not having heard of these qualifications prior to the survey (7%).

Figure 6.4 Reasons for not offering higher or degree level apprenticeships at Level 4 and above



Base: All employers not offering and not planning to offer higher or degree level apprenticeships (1,674)

Relevance of higher and degree level apprenticeships

Around a third of employers not already offering them felt that higher apprenticeships were relevant to their organisation (32%), in line with 2017 (32%).

Employers were more likely to feel that higher apprenticeships were relevant if their main subject area was Health (55%) or Education (42%) and were at larger site sizes, with over 250 employees (62%) being the most likely.

Fewer employers not providing or planning to provide Level 6 or 7 apprenticeships felt that they were relevant to their organisation (21%). Most employers felt these levels of apprenticeship were either not very relevant (30%) or not at all relevant (41%).

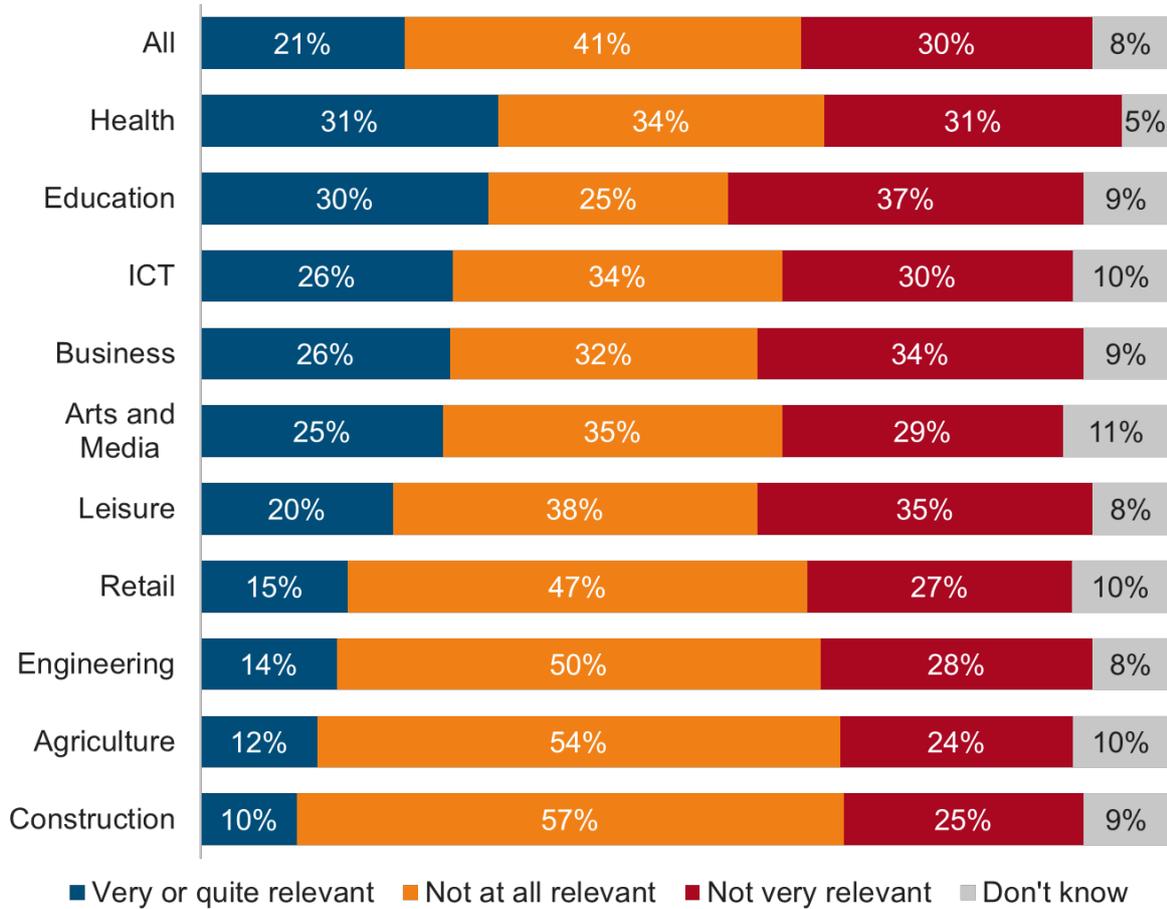
Employers working at larger organisations were more likely to think they might be relevant, with a third (34%) thinking they were relevant at sites with over 100 employees, but only 14% at sites with 1 to 9 employees.

Employers whose main subject area is Health (31%) or Education (30%) tend to see these as more relevant, as did those mainly using Business (26%) apprenticeships.

Those offering apprenticeships in some subject areas were much more sceptical, such as Construction (10% relevant), Agriculture (12%), Engineering (14%) and Retail (15%).

There was a strong association with existing use of higher apprenticeships; 44% of those who said their main level was Level 4 or Level 5 felt that Level 6 or 7 apprenticeships were relevant, far higher than among employers whose main level was Level 2 (15%) or Level 3 (24%).

Figure 6.5 Thoughts on relevance of degree apprenticeships, overall and by main subject area



Base: Employers not offering Level 6,7 or degree level apprenticeships: All (3,211), Health (620), ICT (190), Business (578), Arts and Media (65), Engineering (456), Leisure (179), Retail (473), Construction (235), Agriculture (211), Education (200)

Chapter 7 Delivery, assessment and influence of apprenticeship training

This chapter examines the delivery and assessment of apprenticeship training, as well as employers' level of influence on that training. Awareness and involvement with the new apprenticeship standards is covered, along with what (if anything) employers would like to change about apprenticeships. Finally, this chapter discusses the extent to which employers have included basic English and Maths skills in their apprentices' training, and the importance of these skills to employers.

The chapter covers employers with apprentices completing their studies in the period February to September 2017. However, delivery and assessment of apprenticeship training, and the ability of the employer to influence training, relates specifically to the subject area and level felt to be the most important to the business at that site¹². Other aspects of the chapter primarily focus on employer perceptions and practices at the time of the interview.

Key findings

Delivery of training

- **The vast majority of employers (94%) used an external training provider to deliver at least some of their training for their 'main' apprenticeship programme, whilst 77% provided at least some formal training themselves** (a slight but statistically significant increase compared with the 75% reporting this in the 2017 survey).
- Employers whose main apprenticeship subject was Retail or Engineering were more likely than average to provide formal training themselves (just over four-fifths did so), whereas those whose main subject was Education, Business or ICT were less likely to (just over two-thirds in each case).

Influence

- **Six in ten workplaces (61%) had been able to influence the structure, content, delivery or duration of their apprentices' training** at some point, either before (46%) or during (53%) delivery. The overall proportion with influence was lower than in the 2017 survey (65%), primarily due to fewer reporting any influence during the apprenticeship (down from 57% to 53%).
- **Of those who had no influence over the training, a third (32%) would like to have had more influence. This equates to nearly a fifth (18%) of all employers.** These figures are consistent with findings in the 2017 survey.

¹² This could relate to just completer apprentices from the sampling window or also to subsequent apprentices undertaking this subject / level, including those still with the employer at the time of the interview.

Key findings

Apprenticeship Standards

- **Awareness of the new apprenticeship standards has remained steady since the 2017 survey: 35% were aware and a fifth (20%) had some knowledge of them.**
- **11% of all employers reported involvement in apprenticeship standards at the time of interview, up from 8% in 2017.** This increase was primarily in the proportion who had had any apprentices undertaking apprenticeship standards (6%, up from 2% in 2017).
- **Fewer employers, however, involved in standards felt they were an improvement over the previous frameworks** (51% down from 62% in the 2017 survey). The shift has been towards uncertainty, with 35% now saying they are unsure, or it is too early to say (compared with 22% in 2017).

What employers would change about apprenticeships

- A third of employers (33%) would like to change some elements of apprenticeships (up from 28% in 2017). This was most commonly wanting the apprenticeship to be more specific to their needs (9% of all employers), followed by elements relating to the training provider, namely improved communication from the provider (8%), improved teaching quality (6%), better support from the provider (5%) and the provider being better organised (5%).

Maths and English

- **Almost three-quarters (72%) of employers said at least one of their apprentices had studied Maths or English as part of their apprenticeship.** This was most common among employers offering mainly Health apprenticeships (85%).
- **The vast majority (80%) said it was important their apprentices have or achieve Functional Skills Level 2 or a GCSE standard pass in Maths and English by the end of their apprenticeship – 54% felt it was “very important.”** Just one in eight (12%) did not think this was important.

Delivery and assessment of apprenticeship training

Employers were asked how the apprenticeship training was delivered for the specific sector subject area and level which they considered the most important to their business at their site (of the ones where they had completers in the February to September 2017 sampling period)¹³. In nearly all cases (94%) apprenticeship training was delivered at least in part by an external provider (whether at the provider’s premises or those of the

¹³ For some employers this will only relate to completer apprentices from February to September 2017 (if they haven’t had any since), whereas for others it will also encompass current practices.

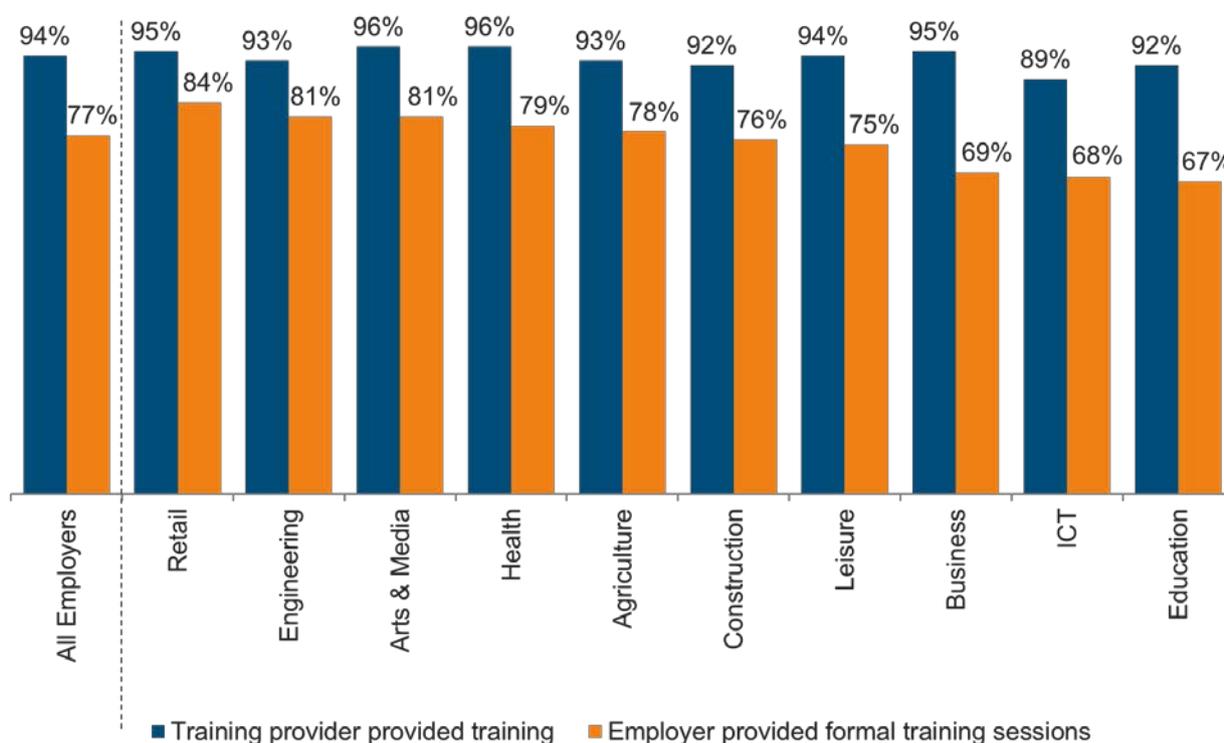
employer), and just over three-quarters of employers provided formal training sessions as part of the apprenticeship themselves (77%, slightly higher than the 75% in 2017).

Most employers (73%) provided both internal training and training from an external training provider. A fifth (20%) used only external training providers; very few (3%) offered only internal training they provided themselves. (The remainder were unsure of exactly how the training had been delivered).

Employers offering apprenticeships in mainly Health subjects were slightly more likely to have used an external training provider than average (96%). Employers whose main apprenticeship subjects were Engineering or Retail were more likely than average to provide formal training themselves (81% and 84% respectively).

Employers who offered apprenticeships in ICT were both less likely than average to use a training provider (89%) and less likely to provide training themselves (68%). This could indicate that there was less formal training in this subject, or it could be that these employers tended to focus on one method of delivery or the other, less commonly both. Employers offering apprenticeships in Education (67%) and Business (69%) were also less likely to have provided any of the training themselves. Figure 7.1 shows how training delivery differed by main subject.

Figure 7.1 Whether apprentices received training from a training provider and from their employer, by main subject area



Base: All employers (4,000); Agriculture (231), Arts & Media (73), Business (801), Construction (285), Education (231), Engineering (555), Health (829), ICT (241), Leisure (195), Retail (541).

Employers in the commercial sector were more likely to have provided formal training to their apprentices themselves (78%) than employers in the public sector (72%). There was little difference by size of employer with one exception: employers with less than 10 staff across their organisation were more likely to have provided some of the training themselves (83%). Those who had been involved in apprenticeships for over five years were also more likely to have provided formal training to their apprentices themselves (80%).

The age of their apprentices also influenced the likelihood of employers providing formal training themselves as part of the apprenticeship: those with completer apprentices who do or have offered apprenticeships to under 19s were far more likely to have provided training themselves (81%) than those who do or have only provided them to those age 19 or over (66%).

Employers who had enrolled only existing employees onto their apprenticeship programme were much less likely to have provided any formal training towards the apprenticeship themselves (68%) than employers whose apprenticeships were all specifically recruited (81%), though there was no difference in the use of external training providers between these two groups.

Assessment of apprenticeship

Employers were asked if a training provider assessed the apprentices and, if not, if this assessment was undertaken by their own staff – note the question did not specify when this assessment took place (for example before, during, or at the end of the apprenticeship). Nearly all (97%) employers had an external training provider assess their apprentices, even if they did not use them to deliver any training. This figure is consistent with 2017. Just 1% had carried out the assessment themselves, this was more likely among employers offering apprenticeships in Construction or Retail (both 3%), and among those in the public sector (3%).

Employer influence on apprenticeship training

Since the apprenticeship reforms employers have had the opportunity to collaborate with other employers to design their own standards and assessments. There is an emphasis on the importance of the employer's input into the training their apprentices receive.

Employers were asked whether they were able to influence the structure, content, delivery or duration of their apprentices' training either before or during delivery (or both): the question was asked in relation to the specific sector subject area and level which they

considered the most important to their business of the ones where they had completers in the February to September 2017 sampling period¹⁴.

In total, six in ten employers (61%) felt they had been able to influence the structure, content, delivery or duration of their apprentices' training at some point either before or during delivery (or both). This was lower than in the 2017 survey when 65% reported having an influence.

- Just under half (46%) reported being able to influence the training **before** it commenced, comparable to results from the 2017 survey (48%).
- Just over half (53%) were able to exert some influence **during** the training; this was lower than in 2017 (57%).
- Just under two-fifths (38%) had been able to influence the training both before and after it began; this was also lower than the 41% in 2017.
- A third of employers (34%) did not feel they were able to influence the training at all (no significant change on the 33% in 2017).

The proportion of employers who were able to influence training both before it started and once it had commenced was highest among employers mainly offering apprenticeships in Health (43%) and Retail (42%). Employers with were less likely to report having had an influence in Construction (24%), ICT (30%), Engineering (30%) and Education (31%).

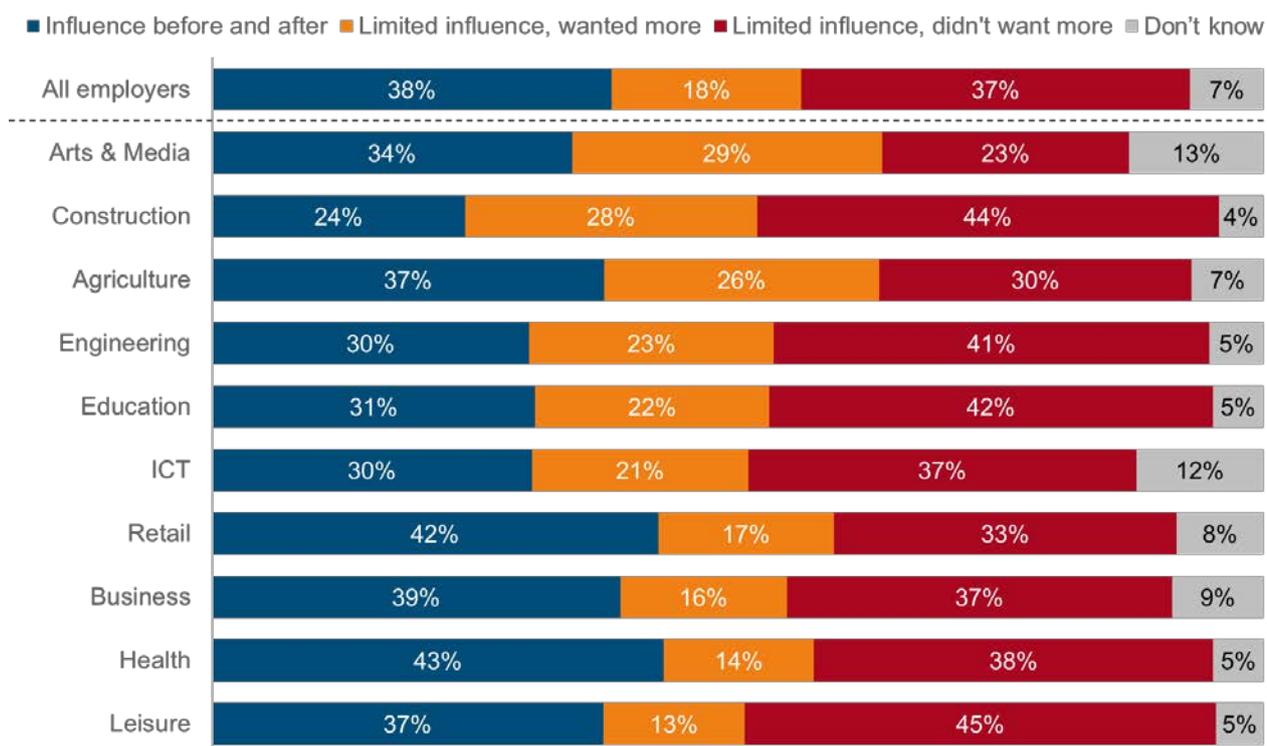
Employers in the public sector were more likely to feel they had an influence than those in the commercial sector: 55% of public sector employers said they had an influence before training started, compared to 45% of commercial sector employers, and 60% felt they had been able to have an influence once training had started, compared to 52% of commercial sector employers.

Overall just over half (55%) of employers had neither influenced the training before nor during the training. A third (32%) of these employers would have liked to have had more influence, equating to nearly a fifth (18%) of all employers. This figure is consistent with findings in 2017. However, most of these employers with limited or no influence (66%, or 37% of all employers) did not want additional influence over the training; in Leisure and Construction nearly half of all employers were in this position (45% and 44% respectively).

¹⁴ It is worth noting that this was asked of the person in charge of apprenticeship training at the site. For large organisations influence might also be exercised at head office level.

Figure 7.2 shows how the influence employers had and their desire for more differs by subject area. Employers offering apprenticeships in Arts and Media (29%), Construction (28%), Agriculture (26%) and Engineering (23%) were most likely to desire more influence than they had, conversely those offering apprenticeships in Leisure (13%), Health (14%) and Business (16%) were least likely to say they would have liked more.¹⁵

Figure 7.2 Employer level of influence on apprenticeship training, by main subject area



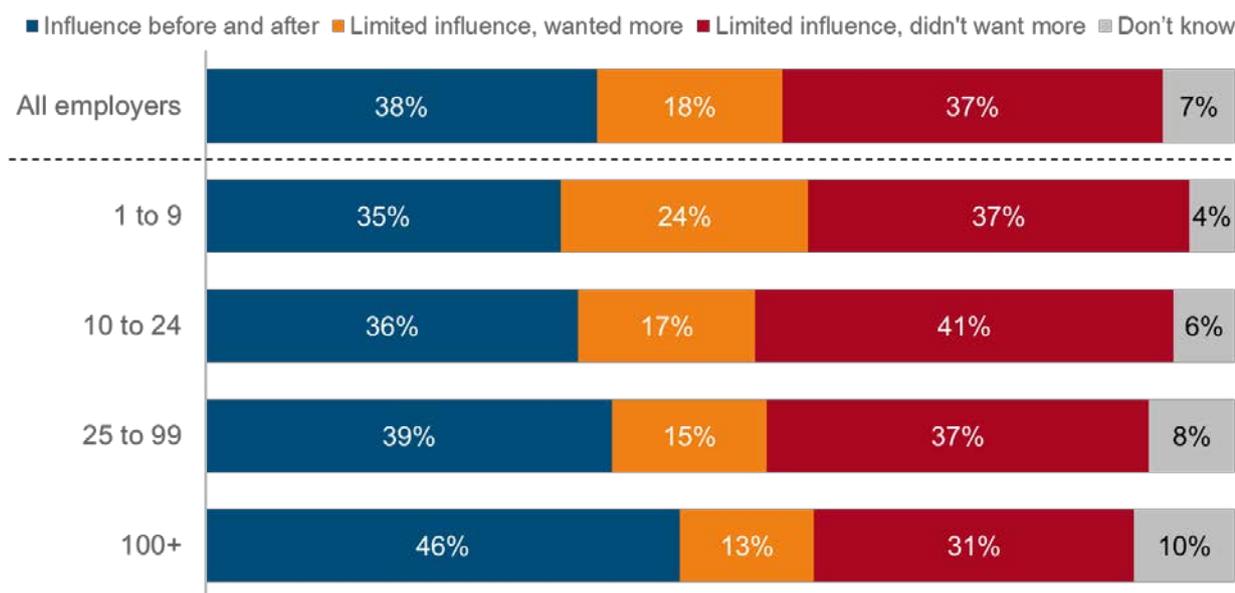
Base: All employers (4,000); Agriculture (231), Arts & Media (73), Business (801), Construction (285), Education (231), Engineering (555), Health (829), ICT (241), Leisure (195), Retail (541)

Smaller employers were more likely to want greater influence over the training than they had; a quarter (24%) of all employers with 1 to 9 staff at the site wanted more influence over apprenticeship training compared to just 13% of those with 100 or more staff. As shown in Figure 7.3, this largely reflects the extent of influence they already feel they have.

Employers who recruited specifically for an apprenticeship were more likely to want more influence over training (20%) than those who only enrolled existing employees (16%).

¹⁵ Due to the lower base size the 13% figure for employers whose main subject was Leisure does not significantly differ from the average.

Figure 7.3 Employer level of influence on apprenticeship training, by number of staff at site



Base: All employers (4,000), 1 to 9 employees at site (1,090), 10 to 24 (1,015), 25 to 99 (1,253), 100 or more (589)

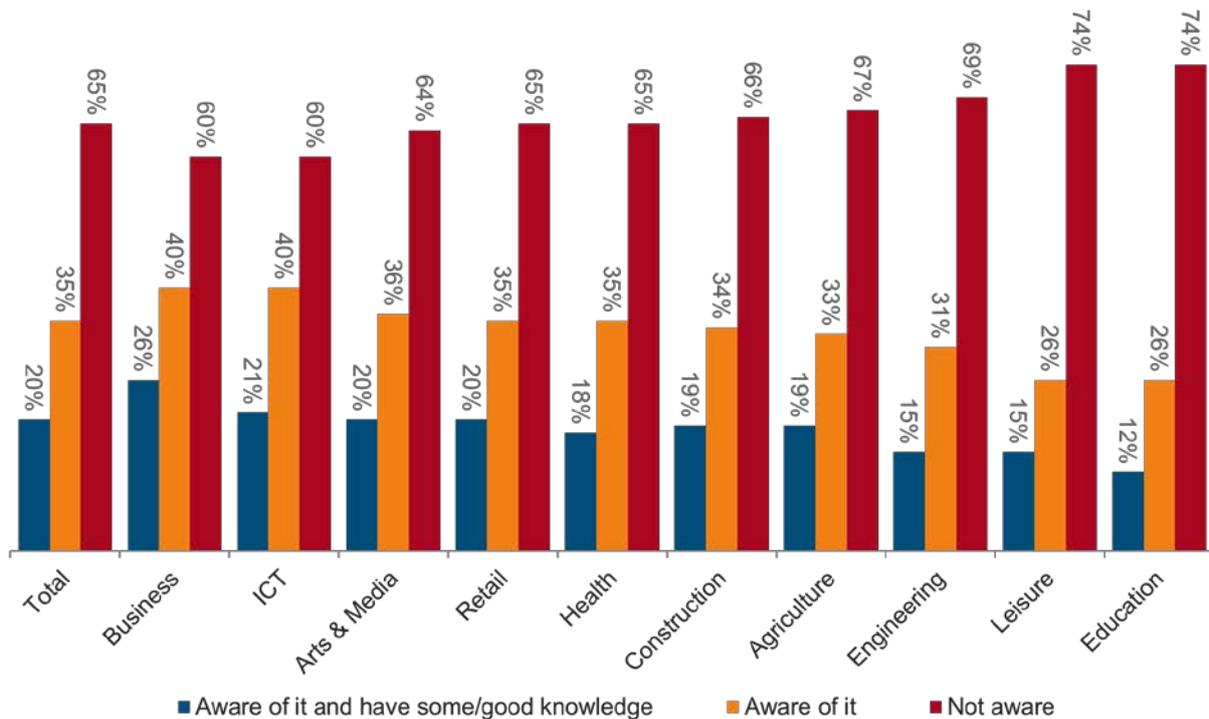
Awareness of the apprenticeship standards

In total, just over a third (35%) of employers with completer apprentices (from February to September 2017) were aware of apprenticeship standards, described to them as being “where groups of employers known as Trailblazers collaborate to design a new apprenticeship”. One fifth (20%) said they had at least some knowledge of them. This has changed little from 2017 when 37% were aware and 20% had some knowledge.

The proportion of employers having any awareness was highest among those offering mainly Business or ICT apprenticeships (40%).¹⁶ Knowledge of apprenticeship standards was also highest among those offering mainly Business apprenticeships (26% had any knowledge). At the lower end of the spectrum, employers offering apprenticeships in Education were least likely to be aware (26%) or to have any knowledge (12%). Employers offering apprenticeships in Leisure and Engineering were also significantly less aware of apprenticeship standards than average (26% and 31% respectively), and those in Engineering were also significantly less knowledgeable about them (15%).

¹⁶ The awareness figure was also 40% for employers offering ICT, however due to a lower base size this was not statistically significantly higher than the average.

Figure 7.4 Awareness and knowledge of apprenticeship standards by main subject area



Base: All employers (4,000); Agriculture (231), Arts & Media (73), Business (801), Construction (285), Education (231), Engineering (555), Health (829), ICT (241), Leisure (195), Retail (541)

Awareness and knowledge was higher among larger organisations, with over half (52%) of employers with 100 or more staff aware and over a third (35%) saying they had at least some knowledge of them, compared with just 22% and 12% respectively among the smallest organisations with 1 to 9 staff. Related to this, employers with a higher volume of apprentices were more likely to have higher levels of awareness and knowledge. In addition, those with apprentices in August 2018 (when the sample of employers was drawn) were far more likely than other employers to be aware of apprenticeship standards (41% vs 29% respectively)

Involvement and views on the new apprenticeship standards

At the time of the interview, one in nine employers (11%) had had some involvement with the new apprenticeship standards, either through having apprentices on those standards or through involvement and consultation in developing the standards or their associated assessments. This represents an increase on the 8% seen in the 2017 survey and the 6% in 2015. This reflects the ongoing roll-out of the standards, with many more having

been published since the last evaluation, giving many more employers the chance to start using them.¹⁷

Involvement increased with the number of apprentices an employer has had, from just 8% of those with one apprentice completing their apprenticeship during the sample window, to 14% of those with 2 or 3-5, 27% with 6-9 apprentices, reaching 37% of those with 10 or more apprentice completers. Related to this, larger employers were more likely to be involved, from just 5% of the smallest employers with 1-9 staff up to 21% of those with 100 or more staff.

Employers in the public sector were also more likely to be involved, with 18% having some involvement compared to just 10% in the commercial sector.

The most common form of involvement was to have had some apprentices on the standards (6% of all employers), this was an increase from just 2% in 2017. A smaller proportion had been involved in developing the standards (4%), consulted on the standards (3%) or had contributed to developing the assessments (2%).

Employers most likely to have had some apprentices working towards the new standards were:

- Employers offering apprenticeships in Business or Retail (both 8%);
- Employers with 6 or more apprentices (16%);
- Employers with 100 or more staff (10%);
- Public sector employers (7%).

Employers whose main subject area was Arts and Media or Business were more likely to have been involved with the development of the new apprenticeship standards or assessments (9% and 6% for Arts and Media, 5% and 4% for Business).

Those employers involved with the new standards were asked whether they considered them to be an improvement over the previous frameworks. Half (51%) said they were, with a further third (35%) unsure of feeling it was too early to say. This is a shift from 2017 when three-fifths (62%) considered them to be an improvement, with one-fifth (22%) being unsure. The overall proportion who felt it definitely was not an improvement has remained steady (14% in 2018-19, 15% in 2017). The shift from “yes” to “unsure / too

¹⁷ The Institute for Apprenticeships and Technical Education website lists all the apprenticeship standards which are available, together with the date they were approved.
<https://www.instituteforapprenticeships.org/apprenticeship-standards/>

early to say” is noteworthy, and may reflect the shift from employer involvement shifting from consultation and development to having apprentices on the standards.

The uncertainty was particularly strong among employers offering Education apprenticeships, where 53% said they did not know whether they were an improvement and just 34% thought they definitely were.

What employers would like to change about apprenticeships

A third of employers (33%) could cite some element they would like to change about the apprenticeship programme content, structure, delivery or duration. This is an increase on the proportion seen in 2017 (28%). As in 2017, this was most commonly wanting the apprenticeship to be more specific to their needs (9% - an increase from 6% in 2017).

The next four most common changes employers would like to see all related to the training provider: 8% of employers wanted to see improved communication from the training provider, 6% an improvement in the quality of the teacher and/or teaching, 5% improved support from the training provider and 5% improved organisation from their provider.

There were also some comments on the structure of the programmes: 5% wanted a more flexible structure or more flexible timings, 4% wanted to see more practical/“hands-on” training.

Employers offering apprenticeships in the Arts and Media were most likely to want to see changes (51%). In particular, 30% wanted the programme to be more specific to their needs, and 16% wanted to see improvements in the communication and support given by the training provider. They were also the least happy with the training: 11% wanted better quality teaching, 9% more hands-on training and 5% more theoretical/classroom training.

Change was also commonly desired from employers offering Construction apprenticeships (41%). The main issue again was the training, with 12% seeking better quality teaching, 7% more “hands-on” training and 5% looking for longer apprenticeships.

Small employers were more likely than average to want to change some element of their apprenticeship programme (41% of those with 1 to 9 staff, compared to 27% with 100 or more staff). They particularly felt apprenticeships should be better tailored to their own needs (11% vs. 7% overall) and wanted better communications (10% vs. 6%), teaching (9% vs. 3%) and support (7% vs. 4%) from their training providers.

Whether apprentices studied Maths or English GCSE as part start of their apprenticeship

It is the responsibility of the government and employers to ensure that everyone in the workplace has a basic level of Maths and English; to this end it is expected that employers will support apprentices to achieve at least Level 1 and, if possible, Level 2 by the end of their apprenticeship.

Employers were asked whether any of their apprentices studied Maths or English as part of their apprenticeship in the two years prior to the interview. Overall, almost three-quarters (72%) said that some or all of their apprentices had done so, whereas fifth (21%) said none of their apprentices had studied Maths or English as part of their apprenticeship (6% did not know).

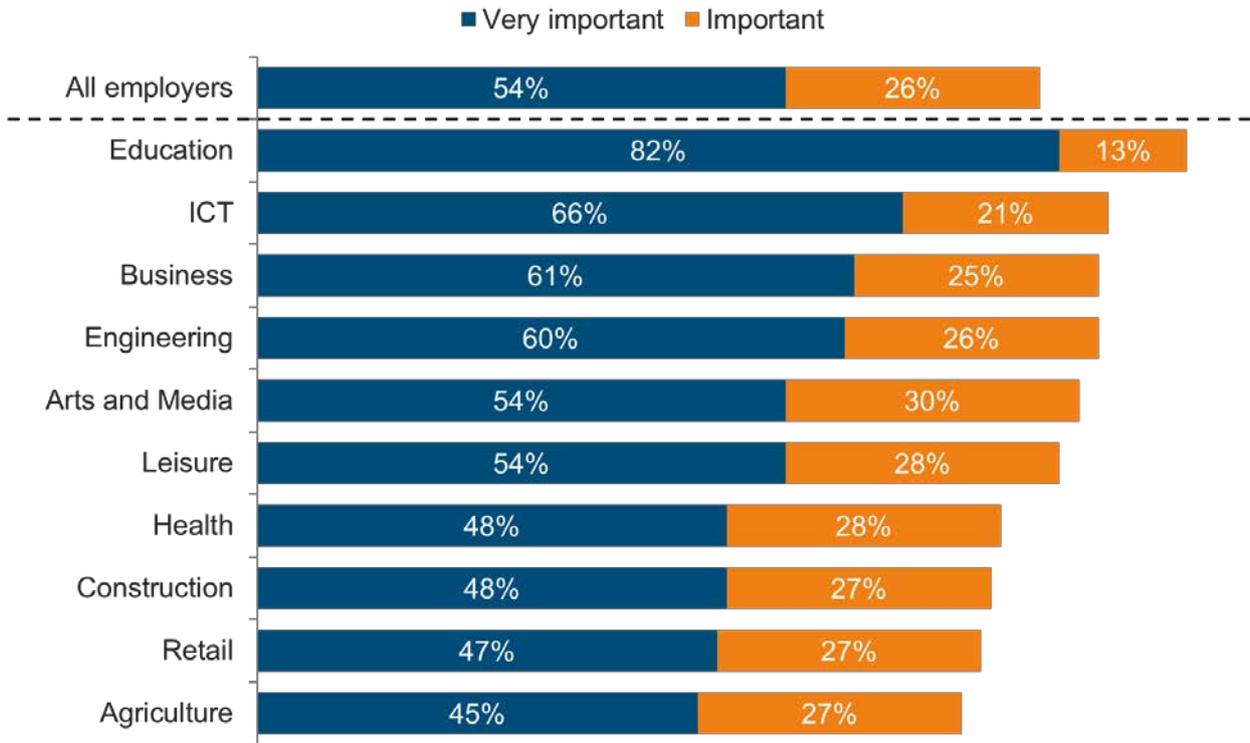
There was considerable variation by subject area. Employers offering apprenticeships in mainly Health subjects were most likely to say some or all of their apprentices had studied Maths or English as part of their apprenticeship (85%), followed by employers offering apprenticeships in Retail (77%). On the other hand, employers offering Arts and Media apprenticeships were least likely to have had apprentices studying Maths or English (40%), followed by employers whose main subject was ICT (48%).

Importance of Maths and English to employers

The vast majority of employers (80%) considered that it was important that their apprentices have or achieve Functional Skills Level 2 or a GCSE standard pass in Maths and English by the end of their apprenticeship, with over half (54%) considering it to be “very important”. Just one in eight (12%) did not think it was important.

As Figure 7.5 shows, there was considerable variation in the importance placed on Maths and English skills by main subject area. Nearly all employers in Education felt it was important (94%), indeed 82% of these employers felt it was “very important”. In contrast, fewer than three-quarters (72%) of employers whose main subject was Agriculture considered it important that apprentices have or achieve Maths and English skills at this level, and fewer than half thought it very important. While overall 12% did not think it was Maths and English skills at the level described were important, this was higher for employers whose main subject area was Retail (17%), Health (16%), Agriculture (15%) and Construction (14%).

Figure 7.5 The importance of apprentices having Functional Skills Level 2 or a GCSE standard pass in Maths and English by the end of their apprenticeship, by main subject area



Base: All employers (4,000); Agriculture (231), Arts & Media (73), Business (801), Construction (285), Education (231), Engineering (555), Health (829), ICT (241), Leisure (195), Retail (541)

Results varied by employer size, with smaller employers (whether measured by site or organisation size) less likely to consider it was important that their apprentices have or achieve Functional Skills Level 2 or a GCSE standard pass in Maths and English by the end of their apprenticeship. Among employers which were part of organisations with fewer than 10 staff, 76% considered this important, while 16% thinking this unimportant. In comparison, among employers which were part of organisations with 100 or more employees, 84% thought it important, while 9% considered it unimportant. It is worth noting though that the proportion of employers believing it very important that their apprentices have or achieve Functional Skills Level 2 or a GCSE standard pass in Maths and English by the end of their apprenticeship did not vary by organisation size (this proportion was 54% - 55% among employers with 1-9, 10-24, 25-99 or 100 plus staff within the organisation).

Related to the differences by size described above, employers indicating that their organisation had an annual pay bill across the UK of over £3 million (i.e. those eligible to pay the apprenticeship Levy) were more likely to think having or gaining Functional Skills Level 2 or a GCSE standard pass in Maths and English by the end of their apprenticeship was important (86% vs. 7% thinking this unimportant) than those indicating that their annual UK pay bill was not over £3 million (79% vs. 13% thinking it unimportant).

Employers who specifically recruited all of their apprentices were more likely to consider it very important that completers have or achieve Maths and English Functional Skills Level 2 or a GCSE standard pass than employees who only put existing employees

through their apprenticeships (59% and 48% respectively). It was also more important to employers in the public sector than those in the commercial sector (64% rated it very important vs. 54%).

There were also differences by the age of the apprentices that employers engaged with. Employers that only offered apprenticeships to those aged 25 or over (a small group comprising 4% of the overall sample of employers) were less likely than average to say it was important that their apprentices have or achieve Functional Skills Level 2 or a GCSE standard pass in Maths and English by the end of their apprenticeship (74%), while around one in six thought this unimportant (16%).

Chapter 8 Satisfaction and Future Plans

This chapter looks at employers' overall satisfaction with their 'main' apprenticeship programme and how this varies by types of employer and apprenticeship offered. Specific attributes are probed to see which elements employers are most and least satisfied with. These questions relate to the sector subject area and level where employers had apprenticeship completers from February to September 2017 – if they had completers in this period across multiple subjects and / or levels they were asked to consider the one felt to be most important to the business at their site¹⁸.

At an overall level, it also looks at whether employers would recommend apprenticeships to other employers, what benefits involvement in the apprenticeship programme brings, any elements they wish to change and their future plans for their apprenticeship programmes.

Key findings

- **Levels of overall satisfaction with the apprenticeship programme remain high (85%).** Overall 5% were dissatisfied. Satisfaction levels have not changed significantly from the 2017 survey.
- **Satisfaction varied widely by sector subject area,** and as seen in 2017, satisfaction was highest within Health (89%), and lowest in Arts and Media (66%).
- **Employers were most satisfied with the quality of the assessment carried out by their provider (83%), the flexibility of how the provider offered training and / or assessment (82%) and the quality of training (82%).** Levels of satisfaction with these and other specific elements of apprenticeships, however, have continued the downward trend reported in the 2017 survey (satisfaction with the quality of the training delivered by the provider, their support and communication and the quality of assessment carried out by the provider are each 2-3 percentage point lower than in the 2017 survey), and are nearly all significantly lower than in 2015.
- The exception is **satisfaction with the quality of applicants, which has increased,** among those recruiting any of their completer apprentices, to 67% (from 64% in the 2017 survey and 63% in 2015).
- **More than eight in ten (83%) employers would recommend apprenticeships to others.** Over four in ten (43%) would recommend apprenticeships to other

¹⁸ As with the part of the previous chapter, for some employers this means satisfaction will only relate to completer apprentices from February to September 2017 (if they haven't had any since), whereas for others it could also refer to subsequent apprentices undertaking apprenticeships in the same subject area and level.

Key findings

employers without being asked (an increase on the 40% seen in 2017 and 37% in 2015).

- **Employers experienced a wide range of benefits** as a result of training apprentices. The most frequently mentioned was **developing skills relevant to the organisation (86%)**, followed by increased productivity, product or service quality, and staff morale, which were each cited by around three-quarters of employers.
- **The majority of employers plan to continue offering apprenticeships (83%)**, and over a quarter of all employers (27%) intended to increase the number of apprenticeship places that they offer at their site. Overall the data suggests a likely increase in apprenticeship provision, despite the proportion planning to stop offering apprenticeships increasing to 10% (from 8% in the 2017 survey).

Overall satisfaction

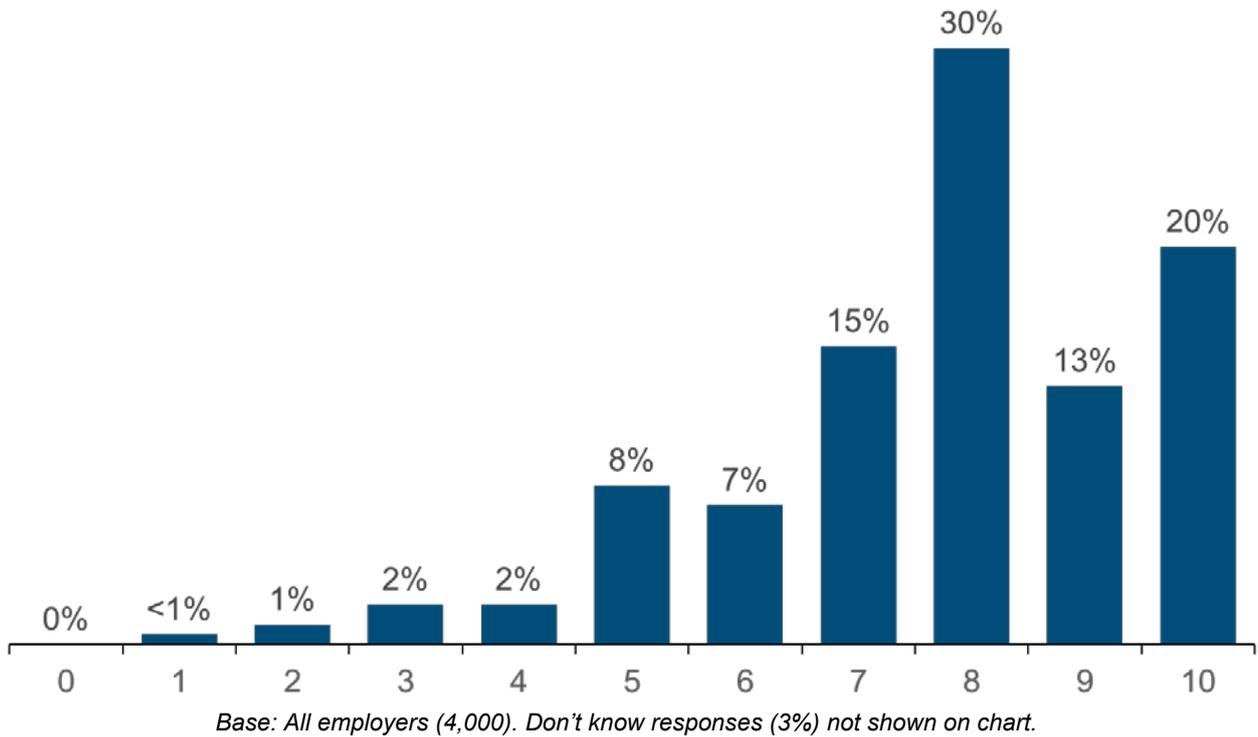
Throughout this section employers' ratings of satisfaction are based on the subject area and level of apprenticeships completed in the February to September 2017 period. Where employers had completions across multiple levels and / or subject areas in that time, they were asked to answer about the specific level and subject area that they consider to be the most important one for their business.¹⁹

Employers were more likely to be satisfied with their "main" apprenticeship programme than not. When giving a rating on a scale of 0 to 10 (where 0 was very dissatisfied, 5 was neither satisfied nor dissatisfied, and 10 was very satisfied), approaching two-thirds (63%) were very satisfied (a rating of 8 or higher), and 85% gave a rating of 6 or higher. Reassuringly no employers gave their programme a "0" rating, although 5% did give a rating of below 5, indicating dissatisfaction.

Figure 8.1 shows the distribution of responses on the 11-point scale.

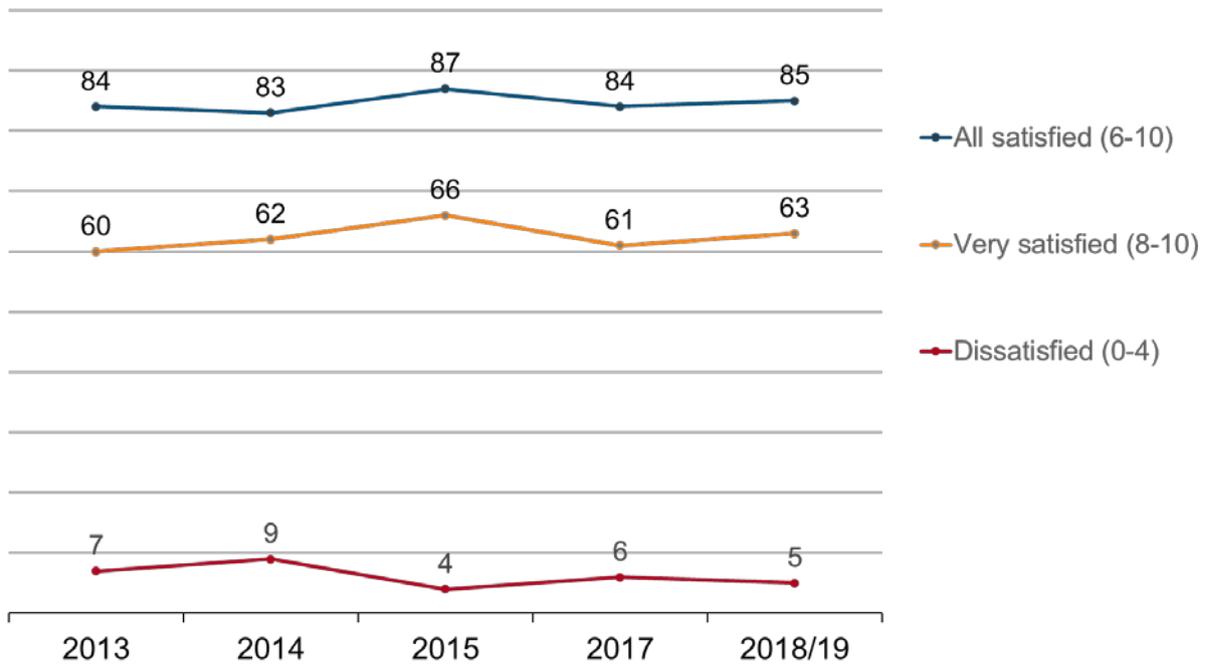
Figure 8.1 Overall satisfaction rating (out of ten)

¹⁹ 92% of employers provided apprenticeships in only one subject area. The remaining 8% were asked which subject area they considered to be most important to their business; we refer to this as their 'main' subject area.



These satisfaction ratings have not changed significantly since the last survey in 2017. Figure 8.2 shows the changes in satisfaction over time.

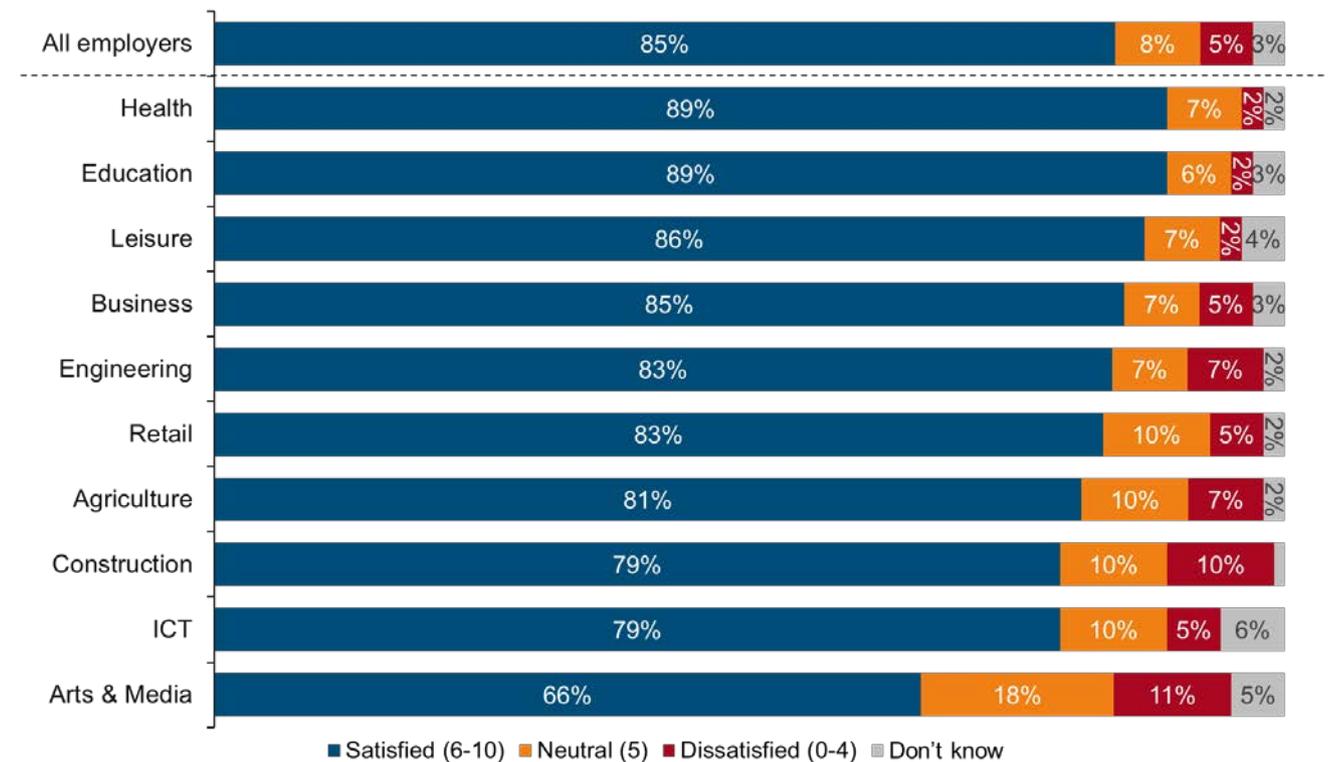
Figure 8.2 Changes in overall satisfaction with apprenticeships over time



Base: All employers 2019 (4,000), 2017 (4,004), 2015 (4,000), 2014 (4,030), 2013 (4,009)

There were large differences in satisfaction by subject area. As seen in 2017, satisfaction was highest within the Health subject area (89%), and lowest in Arts and Media (66%), and as seen in 2017 Health, Education, Leisure and Business were all above average, and Arts and Media and Construction below average. Figure 8.3 shows the satisfaction scores for each subject, and Table 8.1 shows time series data. No significant changes were seen by subject from the 2017 survey.

Figure 8.3 Satisfaction by main subject offered



Base: All employers (4,000); Agriculture (231), Arts & Media (73), Business (801), Construction (285), Education (231), Engineering (555), Health (829), ICT (241), Leisure (195), Retail (541)

Table 8.1 Total proportion satisfied (scoring 6-10) by main subject area

	2018-19		2017		2015		2014	
	Base	%	Base	%	Base	%	Base	%
All employers	4,000	85	4,004	84	4,000	87	4,030	83
Agriculture	231	81	278	84	270	85	99	82
Arts & Media	73	66	70	67	51	76	n/a	n/a
Business	801	85	783	87	854	89	1,118	83
Construction	285	79	308	76	345	77	331	76
Education	231	89	245	87	201	85	n/a	n/a
Engineering	555	83	532	81	495	87	401	83
Health	829	89	683	89	720	90	856	86
ICT	241	79	228	85	179	84	83	80
Leisure	195	86	235	86	240	91	126	84
Retail	541	83	611	79	645	83	867	84

Small employers were less likely to be satisfied than larger employers, with just 78% of organisations with fewer than 10 staff saying they were satisfied compared to 89% of employers with 100 or more staff in their organisation, and 9% dissatisfied compared to just 3% of those with 100 or more staff. This continues the pattern that has been seen across previous evaluations. Related to this, those who report a wage bill in the UK over £3m annually (i.e. those liable to pay the apprenticeship Levy), were more satisfied than average (88%, with 67% very satisfied).

Employers who were relatively new to offering apprenticeships were less likely to be satisfied than those who had been offering them for longer (82% among those offering them for three years or less vs. 86% among other employers). This is perhaps to be expected; firstly, because employers who are not satisfied with apprenticeships will be more likely to stop offering them, and secondly one might expect satisfaction to increase after the initial process of introducing apprenticeships into an organisation has finished and programmes become embedded in the organisation and its processes.

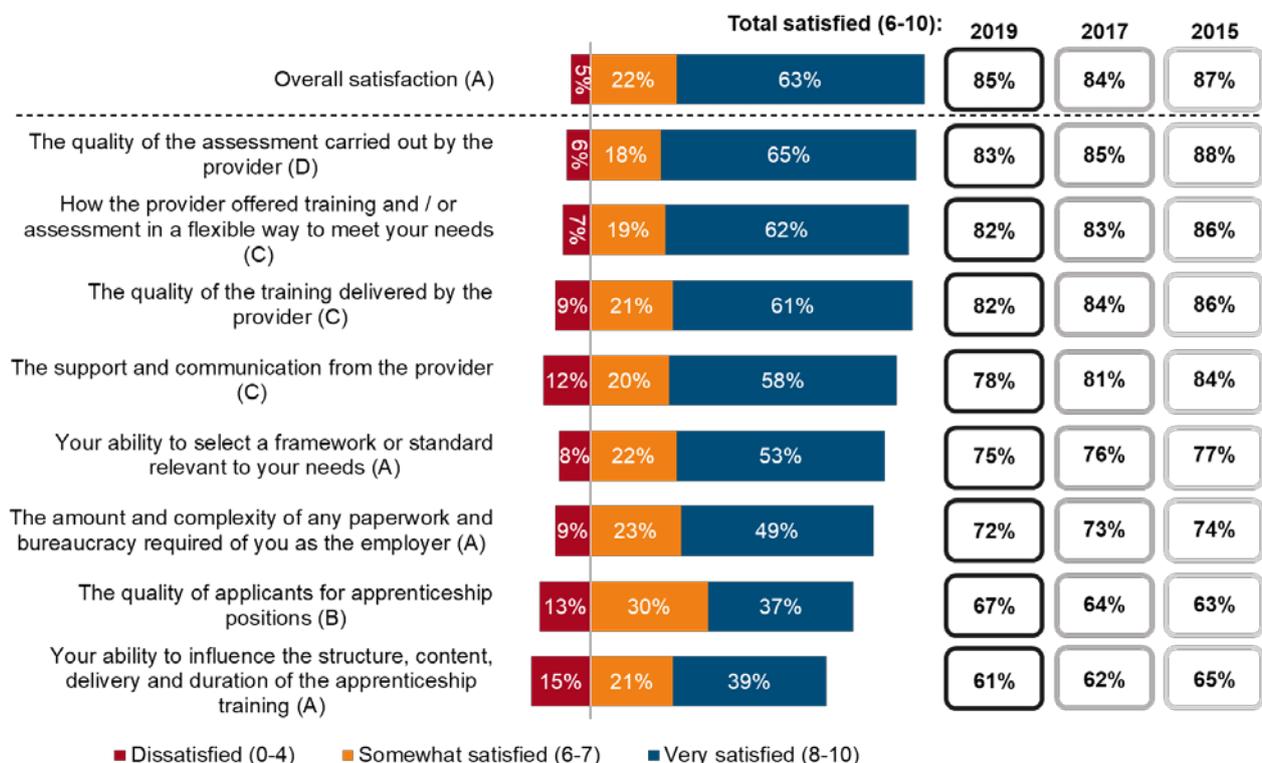
The types of staff employers sign up onto apprenticeships also makes a difference to the levels of satisfaction. Employers whose completers (in the February to September 2017 sampling period) had all been existing employees when they started their apprenticeship were slightly more likely to be satisfied (87%) than employers whose completers had all been recruited specifically to the apprenticeship (84%). Reasons for this are explored in the next section.

Levels of satisfaction were also lower among employers with just one apprentice completing in the survey period (83%) than those with two or more apprentices completing (88%). This difference appears to be explained by a combination of the factors cited above, since employers with just one completer in the sampling period were more likely than those with multiple completers to have the following characteristics associated with lower satisfaction: being sites or parts of organisations with fewer than ten staff; being more likely to have completers in Engineering and in Retail and less likely to offer those in Health; having offered apprenticeships for three years or less; and their apprentices all being recruited specifically to the apprenticeship.

Satisfaction with specific elements of apprenticeships

Employers were asked to rate their satisfaction with eight different elements of their 'main' apprenticeship programme relating to quality and service received from the provider, the extent to which programme and delivery met their needs, the level of bureaucracy involved and the quality of applicants. As with overall satisfaction, these ratings are based on the subject area and level of apprenticeships completed in the February to September 2017 sampling period with employers being asked for their most important where they had completers in this period across multiple subjects and / or levels. Figure 8.4 shows the results for each element.

Figure 8.4 Satisfaction with specific elements of apprenticeships



Base A: All employers (4,000); Base B: Employers who recruit specifically (2,640); Base C: Employers whose Apprenticeship provider carries out the training (3,768); Base D: Employers whose Apprenticeship provider carries out the training and assessments (3,871)

Despite employers' satisfaction remaining static at the overall level, satisfaction levels are lower for all but one specific element (quality of applicants for apprenticeship positions) compared with the 2017 survey. Whilst this change does not reach statistical significance for all elements, this downward trend is longer term, and satisfaction levels for all but one element are significantly lower than they were in the 2015 survey. The exception is satisfaction with the quality of applicants for apprenticeship positions, which is significantly higher than it was in both the 2015 and 2017 surveys.

The reduction in satisfaction has been seen across almost all subject areas, the exceptions being Education, which has seen a slight but not significant upward trend across the elements, and Engineering.

Employers offering apprenticeships in Arts and Media were the least likely to say they were satisfied with the programme overall (66%), and this subject was consistently amongst the lowest scoring for each of the specific elements. The 2017 Apprenticeship Evaluation Employers report suggested that this might be because the apprenticeships in this subject were quite new, and employers were still getting used to them. However, it is discouraging that two years on this is still the case and scores are showing no signs of improving (indeed if anything, scores have fallen). Satisfaction for these employers was lower on every specific measure covered. For example, only just over half of employers whose main subject area was Arts and Media were satisfied with the quality of the training from the provider (52%, far lower than the next lowest, 71% among those in ICT), and similarly satisfaction was far lower for support and communication from the provider (58% satisfied, vs the average of 78%). Table 8-2 shows results by subject area.

The largest decreases in satisfaction with specific aspects of the apprenticeship have been among employers whose main subject is ICT. ICT was one of the subjects with the lowest satisfaction ratings across the board, in particular for the elements relating to the service received from the training provider (including quality of training, support and communications, flexibility of delivery and quality of assessment). This was the subject which saw the largest decrease in percentage point terms in overall satisfaction levels, although this did not quite reach statistical significance. The subject has however seen significant falls in the level of satisfaction with the support and communication given by the training provider and in the quality of applicants.

'Traditional' apprenticeship subjects such as Construction, Agriculture and Engineering and Manufacturing generally received lower satisfaction scores than subjects such as Education and Health. These traditional subjects scored particularly poorly on the flexibility of delivery and the level of influence employers were able to have over the programmes' structure and content. Employers offering Construction apprenticeships

were, however, far more positive about the amount and complexity of the paperwork and bureaucracy required than they had been in 2017 (an increase of 10 percentage points from 67% to 77% satisfied) and in the quality of applicants they were seeing (an increase of 13 percentage points, from 58% to 71% satisfied).

Employers offering apprenticeships in Health-related subjects were among the most satisfied overall (89%) and consistently gave among the highest satisfaction ratings for each of the specific elements covered in the survey. However, ratings for this subject have still seen slight (non-significant) decreases in satisfaction with the elements relating to the service received from the training provider including a significant decrease in the quality of assessment.

Table 8.2 shows the satisfaction levels for each element by main subject area for 2018-19.

Table 8.2 Satisfaction with specific elements of apprenticeship programme, by subject area

	All employers	Agriculture	Arts and Media	Business	Construction	Education	Engineering	Health	ICT	Leisure	Retail
	%	%	%	%	%	%	%	%	%	%	%
<i>Base: All employers</i>	4,000	231	73	801	285	231	555	829	241	195	541
Overall satisfaction	85	81	66	85	79	89	83	89	79	86	83
Ability to select framework / standard relevant to needs	75	68	52	78	74	75	71	79	71	75	72
Ability to influence the structure, content, delivery and duration of training	61	53	47	62	49	55	55	64	56	61	66
Amount and complexity of paperwork required	72	68	68	68	77	74	72	75	71	73	73
<i>Base: Employers whose provider carries out the training</i>	3,768	216	70	755	263	213	519	801	218	183	514
Quality of training	82	79	52	82	76	80	81	86	71	86	80
Support and communication from provider	78	81	58	77	72	80	78	82	68	80	78
Flexibility of training/assessment	82	76	69	81	75	81	78	87	73	88	83
<i>Base: Employers whose provider carries out the training and assessment</i>	3,871	224	72	772	276	224	539	810	232	191	514
Quality of assessment	83	83	68	82	77	83	84	86	73	82	84
<i>Base: Employers who recruit specifically</i>	2,640	174	68	501	231	165	437	435	207	127	278

Quality of applicants	67	62	64	72	71	70	65	73	56	69	52
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Whilst overall there was little difference in satisfaction by level of apprenticeship offered, some differences were observed in the specific elements of the programmes. Satisfaction with the quality of applicants increased with the main level of apprenticeship, from 66% at Level 2 and Level 3, up to 76% at Level 4 or higher. Perhaps due to the way they have been developed, employers whose main apprenticeship offer was at Level 4 or higher were more satisfied with their ability to select a framework or standard to match their needs (83% vs the 75% average). They were also happier with the quality of training (87% vs. 82%), and the support and communication from the provider (84% vs. 78%), while those using mainly Level 2 were less happy (76%).

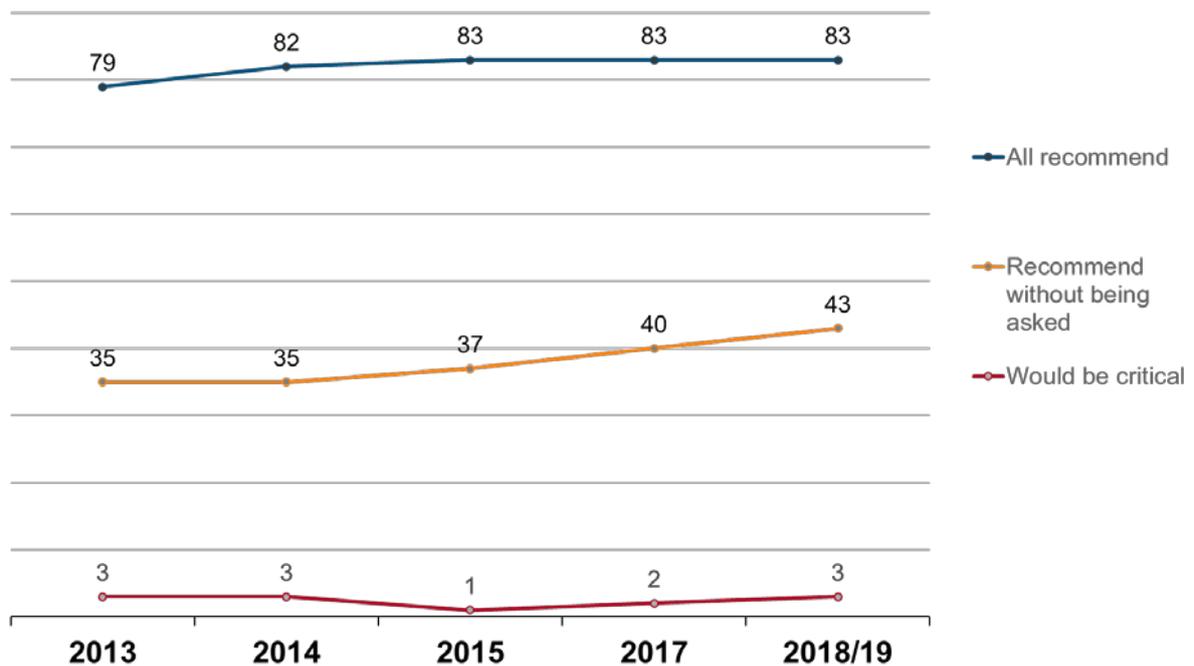
Those whose main apprenticeship offer was at Level 6 or 7 were substantially less happy with the level of paperwork and bureaucracy (57% vs. 72%). This may partly relate to the fact that employers who indicated that their main apprenticeship offer (in regard to completers in 2017) was at Level 6 or 7 were more likely than average to be relatively new to apprenticeships: 33% had offered apprenticeships for less than four years compared to 23% among all employers.

As mentioned previously, employers with only one apprentice completing during the survey sampling period (February to September 2017) were less satisfied overall with their apprenticeship programme. This difference was reflected in all but one (the complexity of paperwork) of the elements rated by employers. This was particularly the case for their ability to influence the programme (58% compared to 66% among employers with 2 or more apprentices), their ability to select a framework or standard that met their needs (73% compared to 80% of those with 2+ apprentices) and the flexibility they received from their provider (79% vs. 86%). Employers with only one completer in the sampling window tended to be smaller organisations, to have recruited their apprentice rather than provided them to existing employees, and to offer them only to those aged under 25.

Advocacy

Overall, 43% of employers said they would recommend apprenticeships without being asked. This has continued the upward trend seen since 2013 (see Figure 8.5). This was asked about apprenticeships at an overall level, rather than any specific frameworks, standards or levels, or about completer apprentices from the 2017 sampling window. A further 40% said they would recommend apprenticeships if they were asked, giving a total of 83% of employers who would recommend apprenticeships to other employers. This figure is the same as in 2017. Just 2% of employers would be critical of apprenticeships if asked, and 1% would be critical without being asked.

Figure 8.5: Advocacy over time



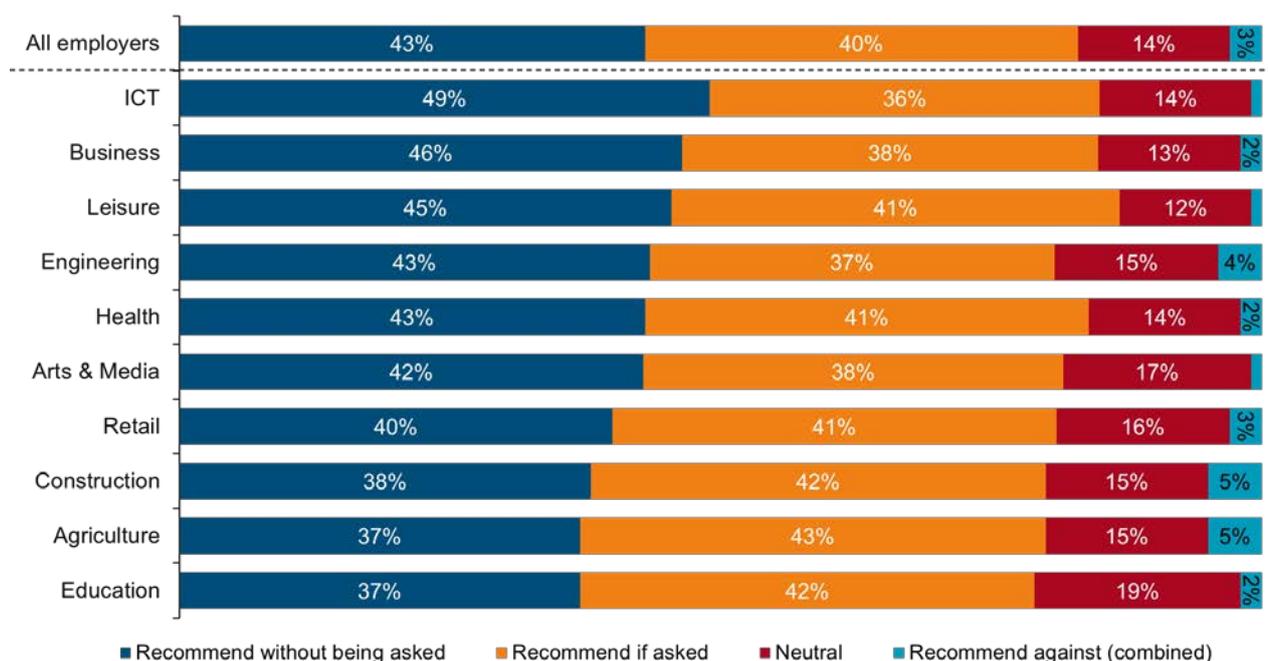
Base: All employers 2019 (4,000), 2017 (4,004), 2015 (4,000), 2014 (4,030), 2013 (4,009)

As one would expect advocacy was linked quite closely to satisfaction: 87% of those satisfied overall with their involvement in the apprenticeship programme would recommend them, rising to 91% of those very satisfied and falling to just over half (52%) of those dissatisfied.

Employers whose main apprenticeship subject was ICT were most likely to say they would recommend without being asked (49%). This was despite being one of the subject areas where employers were least satisfied (79% compared to an 85% average). Conversely, employers offering apprenticeships in Education were the least likely to recommend, despite being among the most satisfied. This was also seen in the 2017 survey. Differences between satisfaction and advocacy may be due to a range of factors such as the distinction between apprenticeships as a concept and their execution; the availability and suitability of alternative training in that sector; and the importance of external factors (government, industry standards, client requirements) influencing the use of apprenticeships. In this sector, use of apprenticeships is often determined by central government guidance, meaning even if an employer were very happy with their apprenticeship programme it would make little sense to recommend it to other employers in the same situation.

Figure 8.6 shows the breakdown of advocacy by subject area.

Figure 8.6 Advocacy by main subject area



Base: All employers (4,000); Agriculture (231), Arts & Media (73), Business (801), Construction (285), Education (231), Engineering (555), Health (829), ICT (241), Leisure (195), Retail (541)

Employers offering higher levels were more likely to recommend than those offering lower levels. Half (50%) of employers whose main level was Level 4 or higher said they would recommend without being asked, compared to 40% of employers offering mainly Level 2 apprenticeships. The equivalent figure for those offering mainly Level 3 apprenticeships was 44%, in line with the average of 43%.

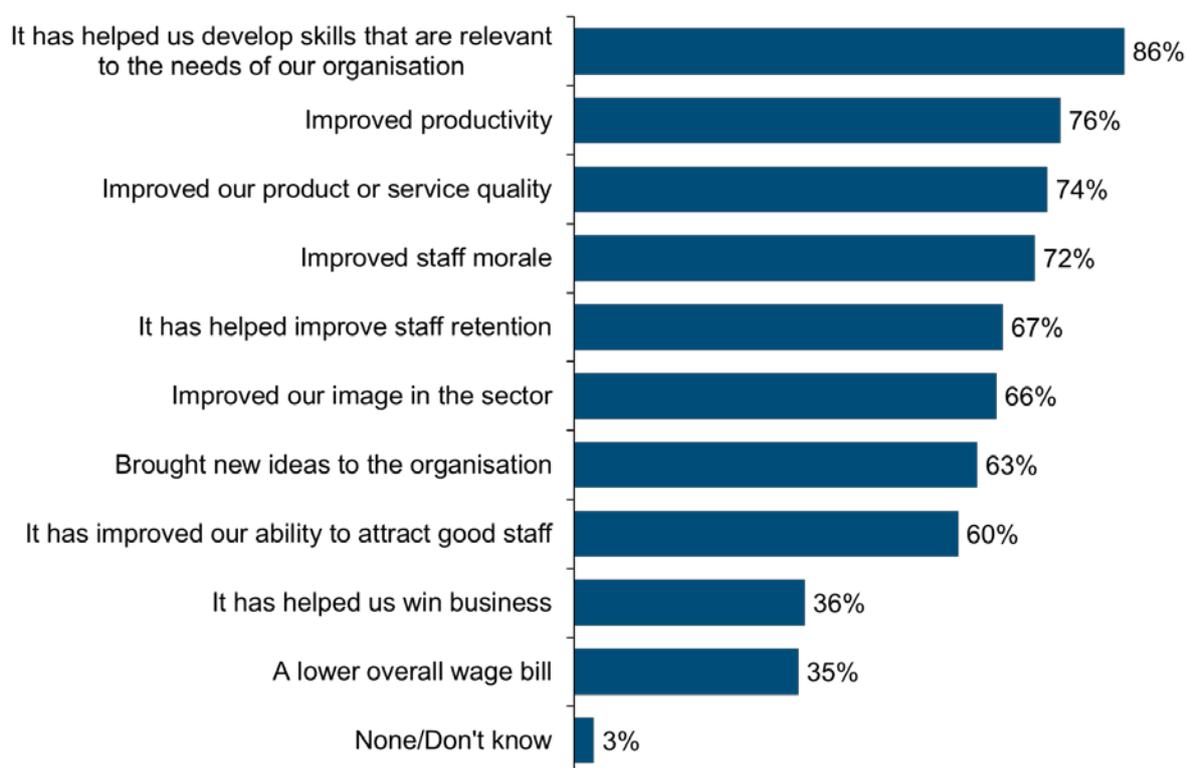
Benefits to the employer

Employers were read a list of ten potential benefits and asked which, if any, their organisation has experienced as a result of offering and training apprentices. Again, this was asked about apprenticeships at an overall level, rather than any specific frameworks, standards or levels, or about completer apprentices from the 2017 sampling window.

The vast majority (97%) had experienced at least one, with the average (mean) number of benefits being 6.4. This is lower than in 2017 where on average employers reported they had seen 7.8 of the ten benefits they were asked about (the list was unchanged between the two surveys).

Figure 8.7 shows the proportion of employers who said they had experienced each of the listed benefits.

Figure 8.7 Benefits of offering apprenticeships (prompted)



Base: All employers (4,000)

Most commonly, employers reported that apprenticeships helped them develop skills relevant to the needs of the organisation (86%). This was most common among employers whose main subject area was Health (92%), but less common among Arts and Media (75%), Agriculture (78%) and Construction (81%).

Improved productivity, product or service quality, and staff morale were reported by three-quarters of employers.

Employers who mainly offered Health apprenticeships reported the highest number of benefits (average 6.9); in particular they were 12 percentage points more likely than average to report improved service quality (86%) and 10 points more likely to report an improved ability to attract good staff (70%). They were also higher than average for developing skills (92%), improved staff morale (78%), improved staff retention (75%), improved image in the sector (74%) and bringing in new ideas (72%).

Employers offering apprenticeships mainly in Leisure also reported a high number of benefits (an average of 6.8). These employers were particularly likely when compared to the average to agree that their apprenticeships had led to higher productivity (84%), improved quality of products and services (84%), improved image in the sector (75%) and an improved ability to attract good staff (66%).

Employers offering apprenticeships in Retail and in Construction were much more likely than average to find their apprenticeship had led to them winning more work (50% and 46% respectively, compared to just 36% overall). Employers offering apprenticeships in Construction were also more likely to report that offering apprenticeships improved their image in the sector (74%, vs. 66% overall).

A lower wage bill was the least commonly seen benefit, mentioned by just over a third (35%) of employers. It was more common for certain subjects however: ICT (55%), Agriculture (48%), Leisure (45%) and Education (41%).

Employers who only offered apprenticeships to existing staff showed a very different pattern of benefits to those who only had apprentices they had recruited specifically onto the programme, as shown in Table 8.3. Employers who had only recruited specifically to apprenticeships (had none for existing staff) were much more likely than average to list a reduction in their wage bill among the benefits they had experienced (44% vs. 20% of those who only offered apprenticeships to existing staff). Conversely, employers who only offered apprenticeships to existing staff were more likely to report:

- The development of new skills relevant to the organisation (92% vs. 83% of employers who had only specifically recruited);
- An improvement in the quality of products and services (82% vs. 70%);
- Increased staff morale (79% vs. 68%);
- Increased staff retention (71% vs. 65%); and
- It brought new ideas to the organisation (68% vs. 60%).

Table 8.3 Perceived benefits of apprenticeships to employers, by recruitment method

Benefit	Offer to new recruits	Only offer to new recruits	Offer to existing employees	Only offer to existing employees	All employers
<i>Base:</i>	2,640	2,348	1,456	1,164	4,000
It has helped us develop skills that are relevant to the needs of our organisation	84%	83%	92%	91%	86%
Improved productivity	77%	76%	77%	75%	76%
Improved our product or service quality	71%	70%	82%	82%	74%
Improved staff morale	70%	68%	79%	79%	72%
It has helped improve staff retention	66%	65%	72%	71%	67%
Improved our image in the sector	65%	64%	68%	67%	66%
Brought new ideas to the organisation	61%	60%	69%	68%	63%
It has improved our ability to attract good staff	60%	59%	61%	60%	60%
It has helped us win business	36%	35%	37%	36%	36%
A lower overall wage bill	43%	44%	22%	20%	35%
Summary: Any benefits	97%	97%	97%	97%	97%

This suggests that those offering apprenticeships to upskill existing staff are seeing more benefits to their performance and staff satisfaction than employers who are using apprenticeships to give newly recruited staff their initial training. This might be expected as new staff are often starting from scratch in an industry and need to learn the skills taught by the apprenticeship to do their job, however existing staff will already (presumably) have some level of competence in their sector, and the apprenticeship then helps them to take their skills to the next level. This will lead to improvements in skills and quality, and the investment in their development leads to improved morale and retention.

The benefits seen by employers also differed by the size of the organisation. Large employers were significantly more likely than small ones to see each of the benefits, with two notable exceptions. Smaller employers were more likely to say offering apprenticeships has helped them win business (41% of those with 1 to 9 staff compared to 34% of those with 100 or more staff). This gap has narrowed however – in 2017 just

24% of employers with 100 or more staff had seen this benefit. Smaller employers were also more likely to report that having apprentices has had an impact in bringing down their overall wage bill (40% among those with 1-9 staff and 39% of those with 10-24 compared to 29% of those with 100 or more staff). This relates to a previous point discussed that those only recruiting their apprentices were more likely than average to report a reduction in their wage bill as a benefit - smaller employers were more likely to recruit their apprentices rather than place existing employees on apprenticeships.

The likelihood of benefits accruing also varied by the main level of apprenticeship offered, and in nearly all cases the incidence of the benefit occurring increased from Level 2 to Level 3 and to Level 4+. For example, apprenticeships helping them win business was mentioned by 33% of employers whose main level was Level 2, by 38% of those where the main level was Level 3 and by 44% of employers with Level 4+ as the main level. Similarly, for improved staff results increased from 69% at Level 2, 74% at Level 3 and 78% to Level 4+. The exception to this pattern as a lower wage bill, mentioned by 36% of employers whose main level was either 2 or 3, but by 27% of those with level 4+ at their main level.

Future provision of apprenticeships

The vast majority (83%) of employers planned to continue offering apprenticeships in future. This is a small reduction on proportion saying this in the 2017 survey (84%). In addition, one in ten (10%) said they planned to stop offering apprenticeships entirely; this is also an increase on the 8% who said this in 2017. The remaining 7% were undecided, or said it would depend on other factors.

Reflecting their respective levels of satisfaction, employers whose main apprenticeship subject was Health were most likely to plan to continue offering apprenticeships (90%) and those whose main subject was Arts and Media were least likely (70%). Employers offering Business apprenticeships were also less likely than average to plan to continue (79%).

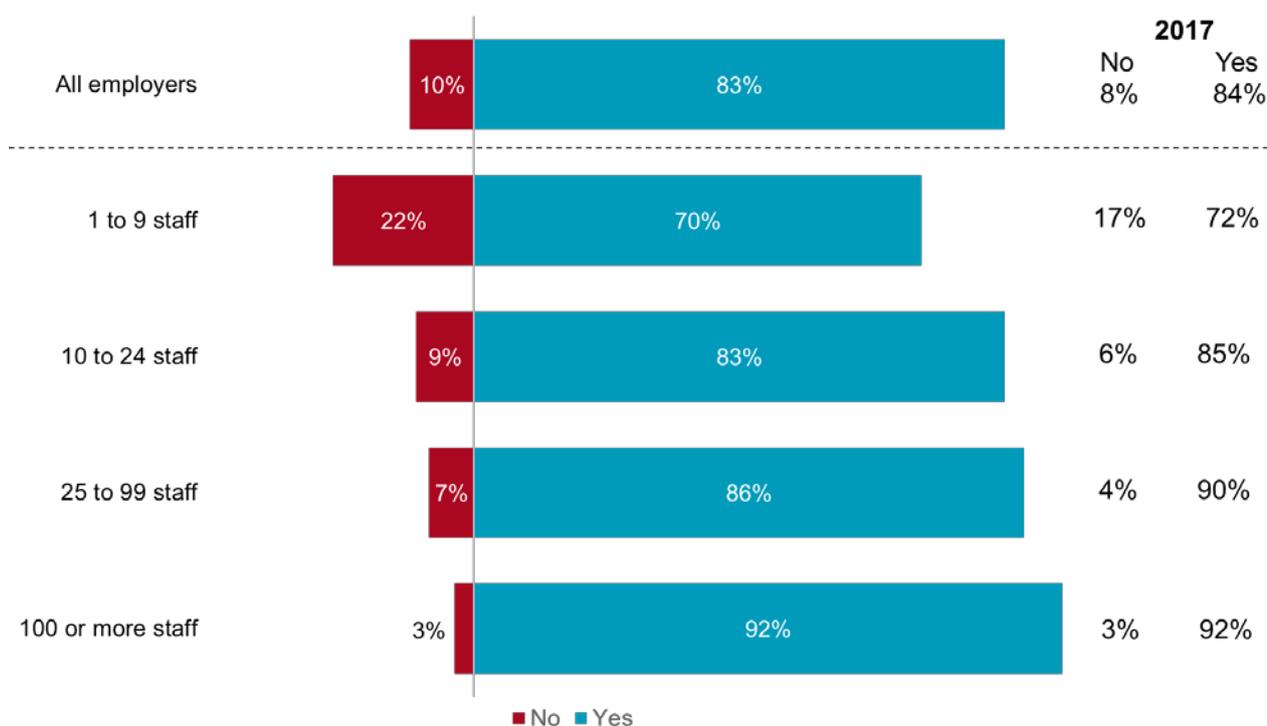
Employers offering higher level apprenticeships were more likely to plan to continue. Only 80% of employers whose main level was Level 2 apprenticeships planned to continue, whereas 85% of employers offering apprenticeships at Level 3 or above planned to continue.

Employers with just one apprentice completing within the sample window were less likely to continue (80%) than those who had had two or more (89%). Combined with the fact that employers with one apprentice were more likely to be new to the apprenticeship market in the last three years (see Chapter 4), this would suggest the apprenticeship may have been a one-off exercise for them – they were much more likely to be small

employers and recruiting people specifically for the apprenticeship role – and it also ties in with their lower levels of satisfaction.

Likelihood to continue offering apprenticeships was strongly related to organisational size. Employers with 1-9 staff were much less likely than larger employers to plan to continue – just seven in ten (70%) said they would whereas 22% said they would not. This latter figure represents a significant increase on 2017 when 15% of the smallest employers planned to stop offering apprenticeships. Figure 8.8 shows the differences by size (note that the proportion uncertain, 7% overall, though rising to 13% among those whose main subject area was Arts and Media) is not shown.

Figure 8.8: Likelihood to continue offering apprenticeships by organisation size



Base: All employers (4,000), 1 to 9 staff at organisation (920), 10 to 24 staff (691), 25 to 99 staff (930), 100 or more staff (1,259).

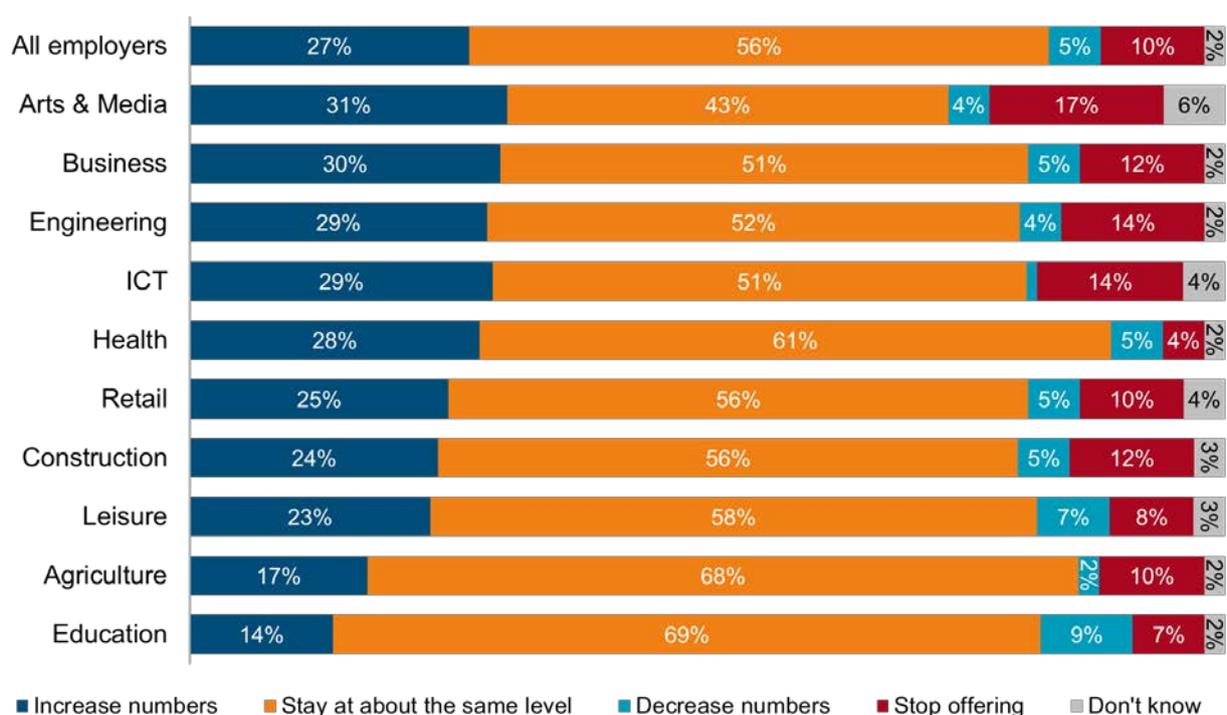
The data suggests a likely increase in apprenticeship provision, although it should be noted that this was suggested by the previous survey and was not followed by a subsequent increase. Of the majority of employers who intended to continue offering apprenticeships, 30% planned to increase their apprenticeship numbers (this equates to 27% of all employers). Conversely, just 5% planned to decrease their numbers (this also works out as 5% of all employers) meaning 15% plan to decrease or stop provision²⁰.

²⁰ It should also be noted that the survey doesn't collect data on apprenticeship volumes. If those employers decreasing decreased by twice as much as those increasing, this would result in a net fall. The net effect is also affected by the flow of new employers taking up apprenticeships.

Employers intending to increase apprenticeship numbers were more likely to be larger employers (41% with 100 or more staff compared to 19% with 1-9) and, as seen above, those intending to stop altogether tended to be smaller. Over half (56%) of all employers expect their numbers to remain at the same level.

Figure 8.9 shows how future intentions vary by subject area. Employers offering apprenticeships in Agriculture and Education were significantly less likely to say they intended to increase their apprentice numbers. However, employers offering these subjects were most likely to say they intended to keep numbers consistent – they were no more likely to plan to decrease or stop than the average. Conversely, whilst employers offering Arts and Media apprenticeships were most likely to want to increase numbers (although this figure was not significantly higher than the average), they were also the most likely to intend to stop offering apprenticeships altogether.

Figure 8.9 Future intentions for apprenticeship numbers by subject area



Base: All employers (4,000); Agriculture (231), Arts & Media (73), Business (801), Construction (285), Education (231), Engineering (555), Health (829), ICT (241), Leisure (195), Retail (541)

Employers in the public sector were more likely than average to plan to increase apprenticeship numbers (32%) and less likely to stop offering (6%). Conversely, those in the private sector were less likely than average to be planning an increase (26%) and more likely to be planning to stop offering them altogether (11%). Public sector organisations tend to be much larger organisations than private sector ones (42% employed 100 plus staff in the organisation, compared to 25% within the private sector), and their being more likely to plan to increase apprenticeship numbers may often relate to wanting to spend their Levy funds.

Reasons for employers' future plans for their apprentice numbers were closely linked to their future business expectations. Employers planning to increase the number of apprenticeships they offer most commonly said this was because the company was expanding (52%), and the top reason for planning to decrease or stop offering apprenticeships was that they were not planning to recruit new staff (21%), followed by the business either not growing or contracting (14%).

This was particularly the case for smaller employers, with 64% who planned to increase numbers putting this down to company expansion and 20% saying their reason for decreasing numbers was because the business is not growing.

The funding reforms had less impact than in the 2017 research on intentions to increase apprenticeship numbers. Among large employers with 100 or more staff who were planning to increase numbers, a tenth (10%) said it was to ensure they claimed back their whole Levy payment and 2% cited funding changes more generally. This is down from 39% and 4% in 2017. This suggests that the initial impact of the reforms (among employers who are offering apprenticeships) is starting to plateau as large employers have made the changes needed to make sure they are maximising the benefit they see from their Levy payments.

On the other hand, 8% of employers planning to decrease numbers or stop offering apprenticeships altogether cited the funding reforms, and 2% specifically said it was because they needed to start paying. This is closer to the figures seen in 2017 (10% and 4% respectively) suggesting the impacts for smaller employers who have to contribute to the costs of apprenticeship training are still being seen as a deterrent in some cases.

Employers looking to increase their apprenticeship numbers also commonly said apprenticeships were a good way to meet their skills needs (35%).

Employers looking to decrease numbers commonly said this was because all their staff were fully skilled (14%) or the costs (12%). They also often cited negative experiences: 12% had had bad experiences with training providers, 11% blamed a lack of good candidates and 10% said their previous apprentices had not been up to the required standard.

Table 8.4 displays the most common reasons employers gave for their plans to increase, retain or decrease their apprenticeship numbers.

Table 8.4 Top reasons for future plans for apprentice numbers (spontaneous)

Increase		Remain the same		Decrease	
<i>Base: 1,105</i>	%	<i>Base: 2,223</i>	%	<i>Base: 569</i>	%
Business expanding	52	Content with current number	53	Not currently recruiting	21
Good way to meet skill needs	35	Low staff turnover	14	Business not growing	14
Becoming easier to recruit	8	Business not growing	10	Staff all fully skilled	14
High staff turnover	7	Staff all fully skilled	9	Cannot afford more	12
Reclaim Levy payment	5	Not currently recruiting	8	Bad experience with training providers	12
Staff request	4	Cannot afford more	7	Lack of good candidates	11
Investment in future of company/industry	3	Lack of staff/time to mentor/train apprentices	5	Previous apprentices not up to standard	10
Increased options (incl. degree level)	3	No capacity to take on more	3	Funding reform	8
Ability to influence content of training	3	Will depend on number of good applicants	3	No time to deal with apprenticeships	4
Introduction of apprenticeship standards	2	Keep balance between skilled staff and apprentices	2	Low staff turnover	4
Changes to apprenticeship funding	2	It will depend on level of interest/number of applicants	2	Business closing down	4
				Prefer other forms of training	3
				Prefer to recruit experienced staff	3

Reasons are shown if mentioned by 2% or more in the 'increase' and 'remain the same' columns, and if mentioned by 3% in the 'decrease column'.

Chapter 9 Awareness and impact of funding reforms

The Spring of 2017 saw the introduction of fundamental changes in the way apprenticeships are funded, with the aim of giving employers more control over designing, choosing and paying for their apprenticeship training. The new funding system came into force in May 2017.

The main impact for employers is in the way they pay for apprenticeships and the funding they receive from government to help with this. A Levy payment (of 0.5% of their wage bill) was introduced for employers whose total annual wage bill exceeds £3 million. This payment goes into a digital account along with a 10% top-up from the government, which is redeemable against the employer's own apprenticeship costs if they have any. Unspent funds expire after 24 months.

Employers not in scope of the Levy, and Levy payers wanting to invest more in apprenticeships than they hold in their apprenticeship account, continue to benefit from government contribution to the costs, with this now set at 95% of the total cost, leaving employers required to co-invest the remaining 5% of the costs of apprentice training (10% at the time of the survey). Funding bands set the maximum amount the government is willing to co-contribute for each framework or standard. There are some uplifts and top-up support for employers and providers who wish to train young or disadvantaged apprentices, and employers with fewer than 50 staff who wish to train apprentices aged under 19 continue to benefit from a 100% funding contribution from government. Full details of the new policy can be found on the Government website²¹.

Results in this section relate to awareness and impact of the reforms in late 2018 and early 2019, approximately 18 months after their introduction. Since the survey was sampled on the basis of having an apprenticeship *completed* in the February to September 2017 sample window, the survey does not cover any employers who might have *started* offering apprenticeships as a result of the reforms.

Data is compared in places with the results from the 2017 survey, which finished in March 2017 – shortly before the changes were introduced. It was noted in 2017 that this would provide a useful benchmark for awareness, and where possible we have compared results here.

²¹ <https://www.gov.uk/government/publications/apprenticeship-funding-from-may-2017>

Key findings

- Three-quarters of employers who had apprentices complete their apprenticeship between February and September 2017 (76%) were aware that the way apprenticeships were funded in England changed in May 2017, an increase from 60% in the 2017 survey, just before the reforms were brought in.
- Awareness was higher among Public sector employers (86% vs 75% among those in the private sector), Levy eligible employers (87%) and those with current apprentices in summer 2018 (83%).
- Awareness of specific aspects of the reforms was highest regarding the introduction of the Levy (56% of all employers), followed by the 10% contribution / co-investment that, at the time of the survey, was paid by non-Levy-paying employers (53%)²² and the 20% off-the-job training requirement (48%).
- Around two-fifths were aware that the Levy applies only to employers with a wage bill of over £3m (42%), that the Levy is 0.5% of the employer's total wage bill (38%) and that employers paying the Levy can claim it back (40%). Far fewer were aware that training providers receive a premium for recruiting from deprived areas (28%).
- Awareness of these specific measures has increased compared to the 2017 survey, typically by around eight to 10 percentage points, though much higher for the 10% co-investment rate for non-Levy payers (a 21-percentage point increase).
- Most employers (65%) felt their organisation understood the apprenticeship reforms well. This was higher among larger employers (90% of those with 100 or more staff compared to 46% of those with fewer than 10 staff, and 55% of non-Levy eligible employers). Amongst non-Levy paying employers, those providing apprenticeships mainly in Health and Education had higher levels of understanding than average; those in Arts & Media, Engineering, Construction and Agriculture had lower than average levels of understanding.
- The impact of the reforms on employer's behaviour appeared relatively limited, and slightly more positive than negative: 13% of those aware of the reforms said that the overall number of apprentices at their site had increased due to the reforms, compared with 7% that said the number had decreased or stopped altogether.
- Among employers eligible for the Levy, almost a third (31%) had introduced new apprenticeship frameworks or standards in response to the apprenticeship reforms, a quarter had increased or started apprenticeships for existing employees (24%), and just under a fifth had increased apprenticeships for managers (18%) or outside of core business activities (17%) in response to the reforms.

²² The 10% figure applied at the time of the fieldwork. It has subsequently been reduced to 5%.

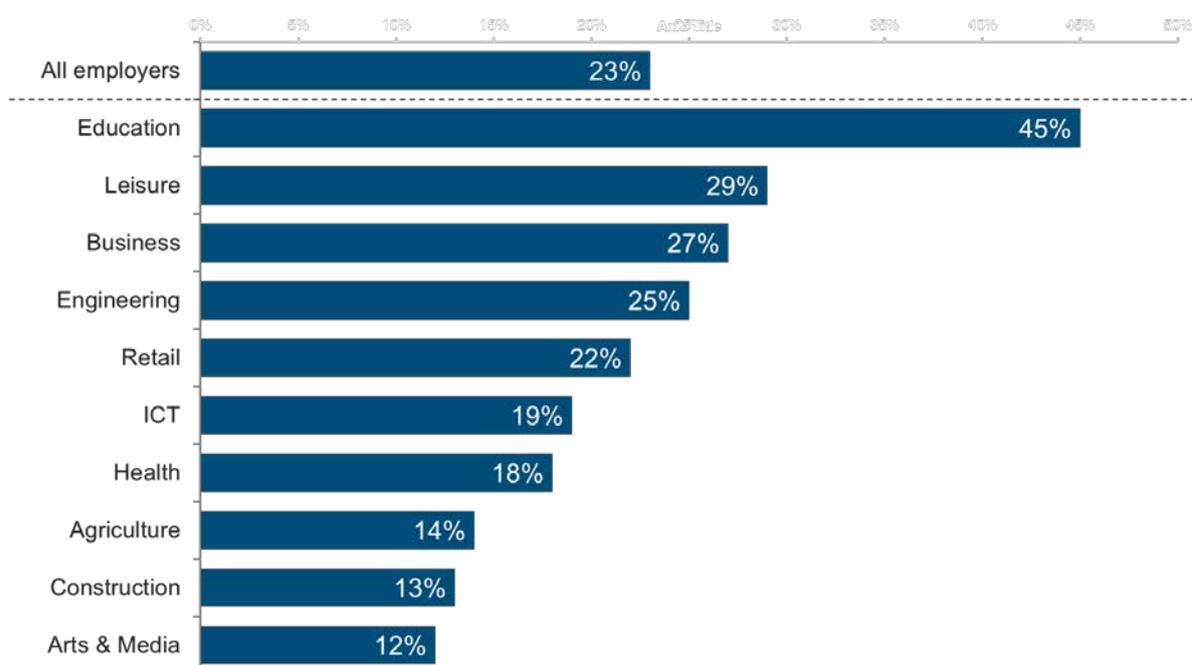
Eligibility for Levy payments

The Apprenticeships Levy payment, introduced in May 2017, requires all employers with a wage bill of over £3 million to pay an amount equivalent to 0.5% of their wage bill, which can be claimed back to fund Apprenticeship training. It was expected prior to implementation that 2% of all *organisations* would be required to make this payment.

The data from this survey shows that among employers already offering apprenticeships 23%²³ of *sites* were part of organisations which would, according to their responses, be eligible for this Levy payment²⁴ (though note 12% were unsure if their organisation's UK-wide wage bill exceeded £3m, and so the true number could be higher).

Reflecting their size profile, employers offering apprenticeships in Education (45% of sites), Leisure (29%) and Business/Admin (27%) were most likely to be eligible for the new Levy payment, similar to the pattern seen in 2017. This contrasts to those offering apprenticeships in Agriculture (14% of sites), Construction (13%) and Arts and Media (12%), where far fewer employers are eligible for the Levy. Figure 9.1 shows the variation by subject area.

Figure 9.1 Eligibility for Levy payment by subject area, based on survey responses regarding payroll



²³ It should be noted that because the survey is carried out at a site level, rather than an organisation level, this is not comparable to the 2% figure shown in the previous paragraph. The survey suggests that about half of sites with apprentices in the sample window (54%) were single site organisations.

²⁴ Employers were asked "Does your organisation have a payroll wage bill of over £3m, across the UK?", with the options of "Yes", "No" and "Don't know".

Base: All employers (4,000); Agriculture (231), Arts & Media (73), Business (801), Construction (285), Education (231), Engineering (555), Health (829), ICT (241), Leisure (195), Retail (541)

Public sector employers were far more likely to be eligible (45% of sites) than private sector (19%), reflecting the fact that public sector organisations tend to be larger than those in the private sector.

Awareness of funding reforms

All employers who had apprentices complete their apprenticeship between February and September 2017 were asked whether they were aware that the way apprenticeships are funded in England changed in May 2017. Two thirds (66%) initially said they were aware compared to just over half (53%) in the 2017 survey, just before the reforms were brought in.

After the changes were described²⁵, a further 10% said they had in fact heard about them totalling 76% of employers with apprentice completers in the sample window, compared to 60% in the 2017 survey, just prior to the introduction of the reforms, suggesting a substantial increase in awareness among employers over time.

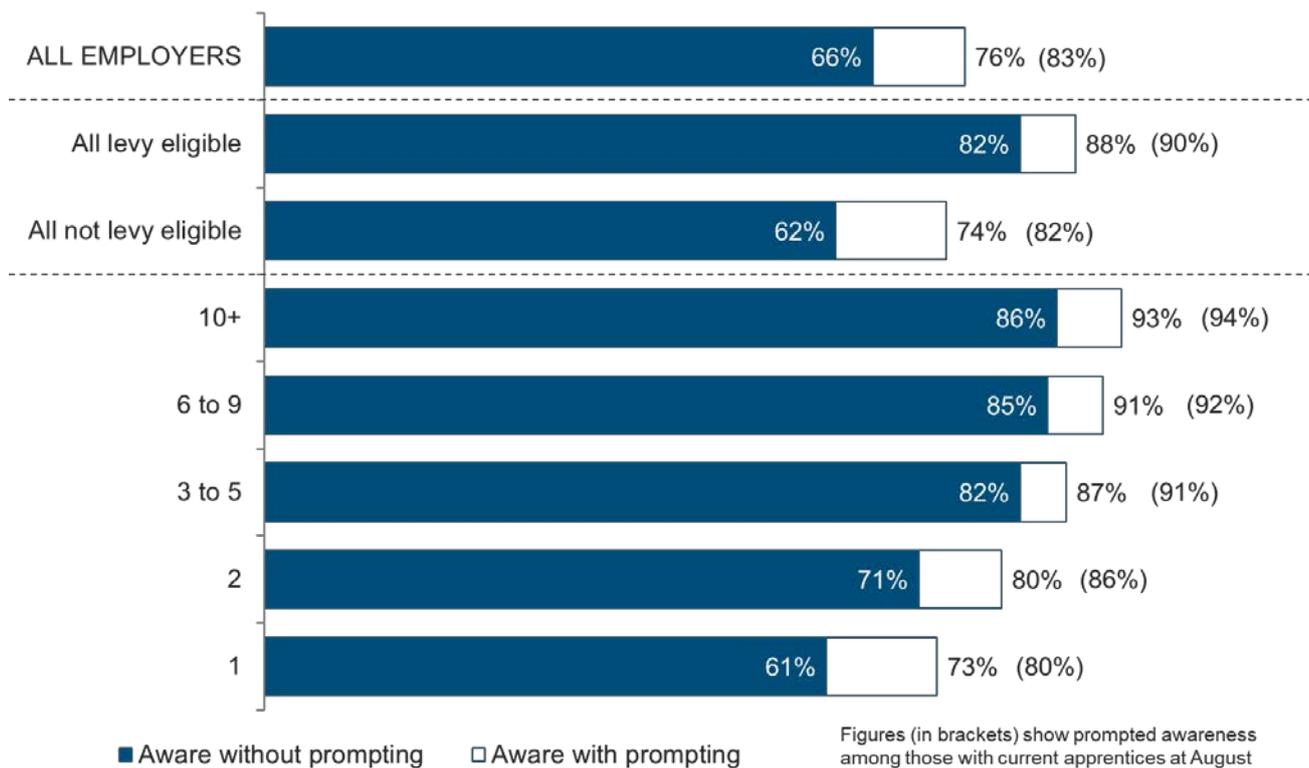
This leaves 24% of those employers with apprentices completing in the sample window who remain unaware of the changes to apprenticeship funding. Levy eligible employers were much less likely to be unaware of the changes (13%, compared to 26% of those not Levy eligible). Employers with small apprenticeship schemes were much less likely to be aware; only 73% of employers with only one completer in the sample window were aware of the changes to funding when prompted compared to 93% amongst those with 10 or more apprentice completers.

There was a significant link to current employment of apprentices; those with apprentices in August 2018²⁶ were much more likely to be aware (83% aware with prompting; 17% unaware) than those without (67% aware with prompting; 33% unaware). This link still holds true within sizes of apprenticeship scheme, as shown in Figure 9.2.

Figure 9.2 Awareness of funding changes by eligibility for Levy, size of apprenticeship scheme, and current apprentice employment

²⁵ “For employers with a wage bill of over £3m, the government has introduced an Apprenticeship Levy of 0.5% of their wage bill, which they will be able to claim back to fund apprenticeship training. For non-Levy payers wanting to train apprentices, and for Levy payers wanting to invest more in apprenticeship training than they hold in their apprenticeship account, employers will now need to make a 10% contribution toward the cost of an apprenticeship.”

²⁶ Employers who had apprentices complete their apprenticeship between February and September 2017 were cross checked against an August 2019 ILR release, the most up-to-date at the time the sampling process was taken, to check if they still had apprentices at this time.



Base (main chart): All employers (4,000), Levy eligible (1,035), Not Levy eligible (2,451), 1 apprentice (2,454), 2 apprentices (624), 3 to 5 apprentices (417), 6 to 9 apprentices (256), 10+ apprentices (249);

Base (figures in brackets): Employers with current apprentices (2,278); Levy eligible (700), Not Levy eligible (1,279), 1 apprentice (1,164), 2 apprentices (384), 3 to 5 apprentices (318), 6 to 9 apprentices (206), 10+ apprentices (206).

Reflecting their size profile and the fact they are more likely to be Levy payers, employers in the public sector (86%) were more likely to be aware of the changes when prompted than those in the private sector (75%). Unlike in 2017, employers in the third sector were no more likely than those in the private sector to be aware (75%).

Awareness of funding reform details

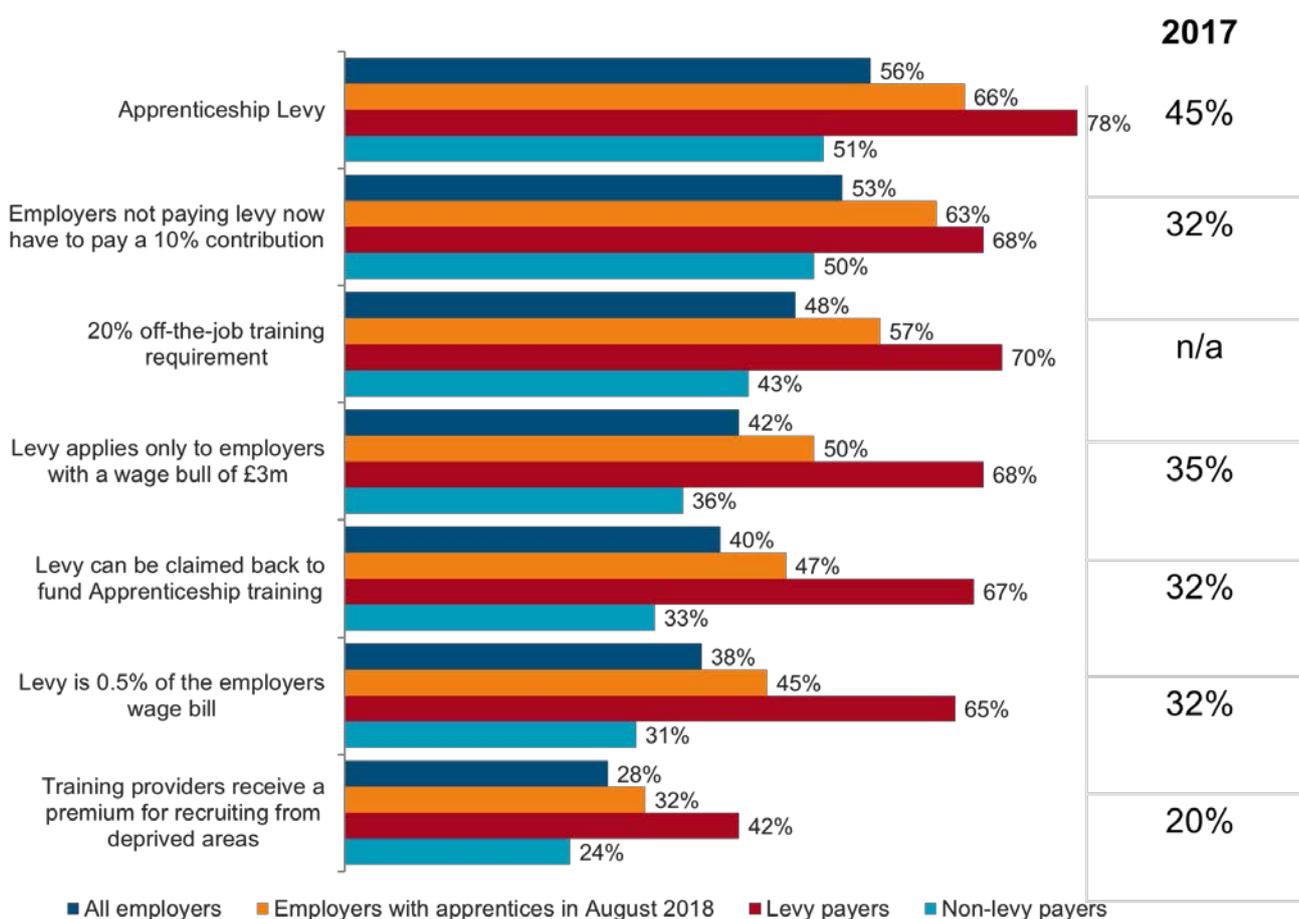
Employers who had apprentices complete their apprenticeship between February and September 2017 and who were aware of the funding changes without prompting were asked about awareness of specific details of these changes. Employers were most aware of the introduction of the Levy, with over half of all employers aware of this policy (56%, up from 45% in the 2017 survey), compared to 66% aware of the changes overall. Fewer were aware that the Levy applies only to employers with a wage bill of over £3m (42%, up from 35% in 2017), and that the Levy is 0.5% of the employer's total wage bill (38%, up from 32% in 2017). A similar proportion were aware that employers paying the Levy can claim it back (40%, up from 32% in 2017).

The largest change from 2017 was seen in awareness of the 10% contribution / co-investment that is paid by employers not paying the Levy towards the cost of

apprenticeships (53%, up from 32% in 2017 survey).²⁷ There was also a similar level of awareness of the existence of the 20% off-the-job training requirement (48%; this was not asked about in 2017). Fewer employers were aware that training providers receive a premium for recruiting from deprived areas (28%, up from 20% in 2017).

Figure 9.3 shows awareness of specific elements of the funding changes among all employers, and then those with apprentices in August 2018, and separately those in scope and not in scope of the Levy.

Figure 9.3 Awareness of specifics of funding changes, by eligibility for Levy payments



Base (main chart): All employers (4,000), with current apprentices (2,278), Levy eligible (1,035), Not Levy eligible (2,451) Base (2017): All employers (4,004)

Further analysis of these figures shows some potential misconceptions about the reforms among employers; for example, among employers not eligible for the Levy, 16% were aware of the existence of the Levy, but unaware that they were exempt from paying it.

²⁷ The 10% figure applied at the time of the fieldwork. It has subsequently been reduced to 5%.

Among employers eligible to pay the Apprenticeship Levy, 12% were aware of the Levy's existence but at the same time were not aware that they could claim it back to pay for apprenticeship training.

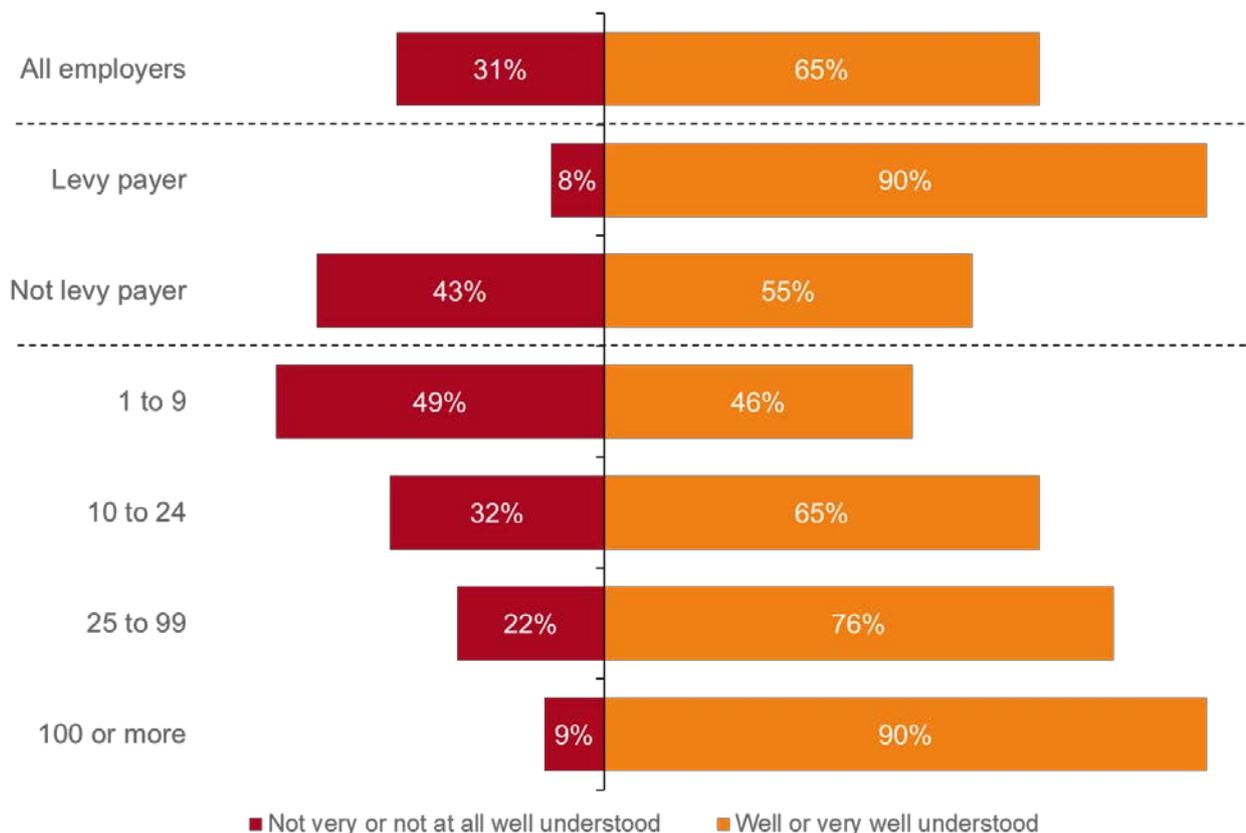
Understanding of apprenticeship reforms

Most employers who had apprentices complete their apprenticeship between February and September 2017 (65%) felt their organisation understood the apprenticeship reforms well or very well; a third (31%) felt their organisation understood them not very well or not at all, and a further 3% felt they did not know how well their organisation understood the reforms (this response occurred mostly among respondents at small sites of large organisations). A small proportion (1%) responded without being prompted that they felt they had no need to understand the reforms.

It is worth noting that while understanding of the reforms did show a close relationship to the prior questions on specific aspects of awareness of the reforms, there were respondents who were unaware of the reforms personally even after prompting, yet who felt their organisation as a whole understood the reforms well or very well (41% of those unaware of the reforms). This may indicate some over-claiming of knowledge among respondents, but it may also reflect situations where responsibility for operational and financial matters regarding apprenticeships is split.

As shown in Figure 9.4, larger employers felt they had a better understanding than smaller employers; 90% of those with 100 or more staff felt they had a good understanding of the reforms, compared to 46% of those with fewer than 10 staff, and 43% of non-Levy eligible employers.

Figure 9.4 Self-assessed understanding of apprenticeship reform, by Levy status and employees at site

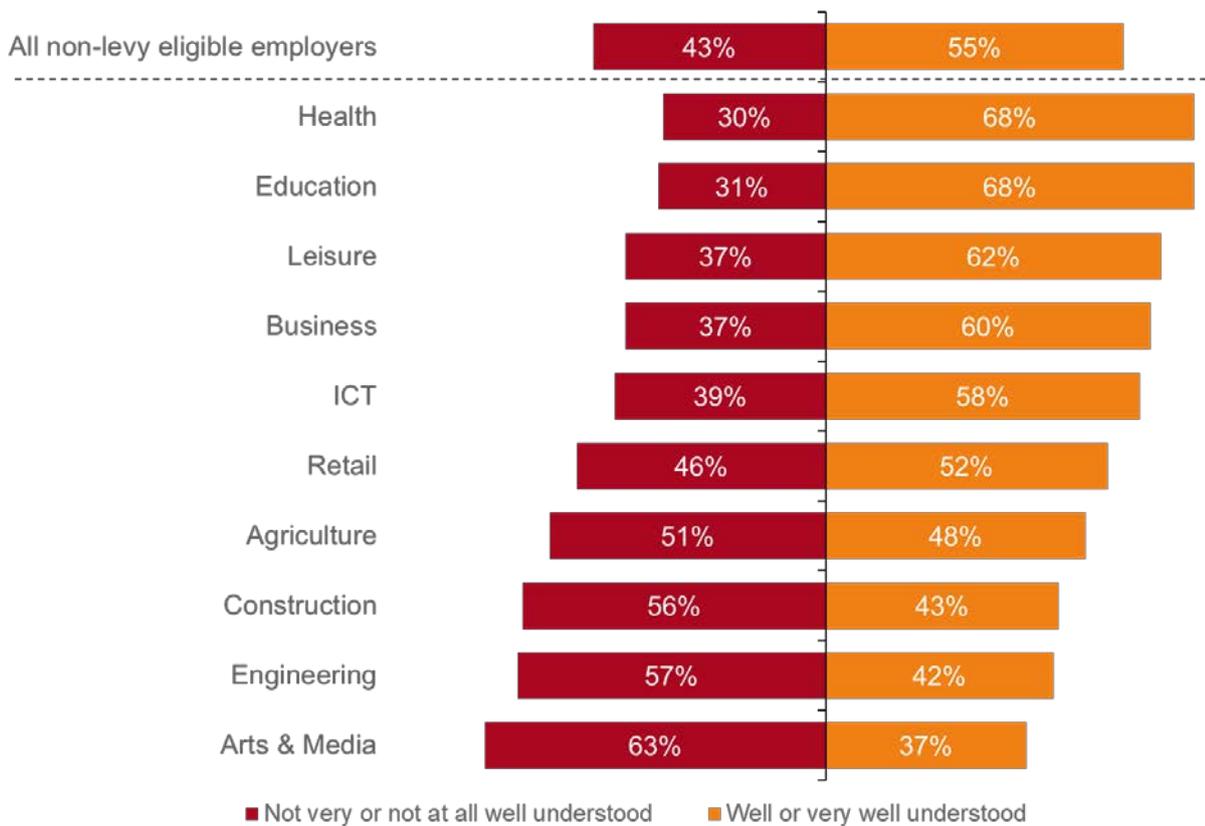


Base: All employers (4,000), Levy eligible (1,035), Not Levy eligible (2,451), 1 to 9 employees at site (1,090), 10 to 24 (1,015), 25 to 99 (1,253), 100+ (589).

There was also substantial variation in understanding of apprenticeship reform by the main subject area of the apprenticeships the employer offered, as shown in Figure 9.6. However, this variation occurs almost exclusively among smaller employers who are not eligible to pay Levy. The only difference found by subject area among Levy eligible employers was a higher percentage of those offering Education apprenticeships feeling they understood the reforms not very well or not at all well (14%) compared to Levy eligible employers as a whole (8%). Therefore, only non-Levy eligible employers are shown in Figure 9.5, which summarises differences by subject area.

Amongst non-Levy paying employers, those providing apprenticeships mainly in Health and Education tended to have a better understanding than average; those providing them in Arts & Media, Engineering, Construction and Agriculture tended to admit a lesser level of understanding.

Figure 9.5 Self-assessed understanding of apprenticeship reform, by main subject area; non-Levy eligible employers only



Base: All not eligible for Levy (2,451), Agriculture (183), Arts & Media (55), Business (471), Construction (225), Education (106), Engineering (333), Health (450), ICT (172), Leisure (98), Retail (350).

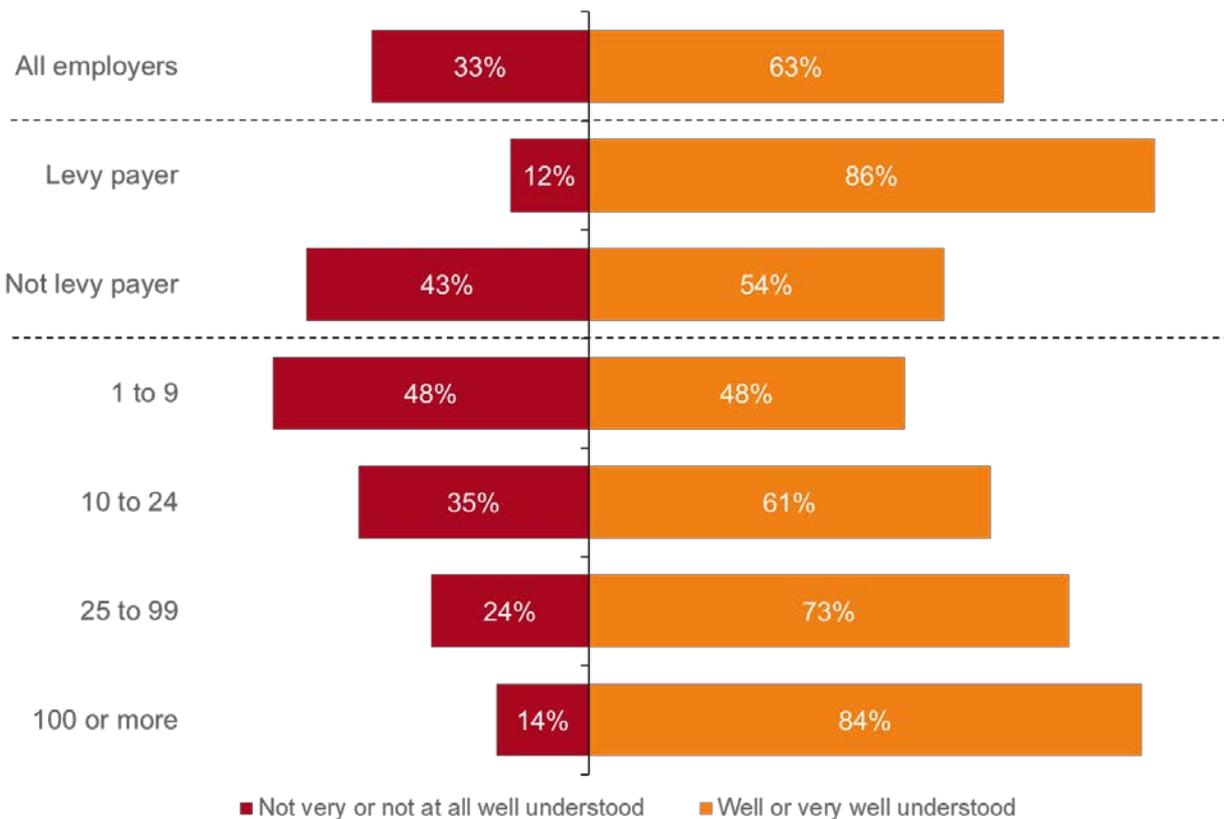
Employers were separately asked about their understanding of which activities count toward the 20% off-the-job training requirement. Level of understanding was comparable to those for the reforms as a whole; 63% of organisations felt they understood this very or fairly well, compared to 65% understanding the reforms as a whole.

Again, there is an apparent contradiction between the number of employers stating they were aware of the off-the-job training requirement, and the number stating that their organisation understood the detail of the policy. Of those who had never heard of the policy before the survey, 43% believed their organisation as a whole understood it fairly or very well. This may be explained by a combination of over-confidence and differences in personnel dealing with these aspects of the activity.

A very similar pattern of understanding to the reforms generally is shown, with Levy payers and large employers particularly likely to be confident in this area, and small employers with 1 to 9 employees at the site much less likely to be confident, as shown in Figure 9.6.

By subject area of apprenticeship, an almost identical pattern is again shown to overall awareness of apprenticeship reform.

Figure 9.6 Self-assessed understanding of the activities counted toward the 20% off-the-job training requirement, by Levy status and employees at site



Base: All employers (4,000), Levy eligible (1,035), Not Levy eligible (2,451), 1 to 9 employees at site (1,090), 10 to 24 (1,015), 25 to 99 (1,253), 100+ (589).

Impact of funding reforms

In the 2017 survey, employers with apprentice completers in the sample window were asked about what they felt would happen when the reforms were implemented. At the time, over a third of employers who were aware of the funding reforms (36%) predicted an impact on the number of apprentices they train. A fifth (19%) said they expected the number of apprentices they train to increase, compared with 15% expecting a decrease and 2% expecting to stop offering apprenticeships altogether. Larger employers likely to pay the Levy were much more likely to suggest they would increase apprenticeship usage.

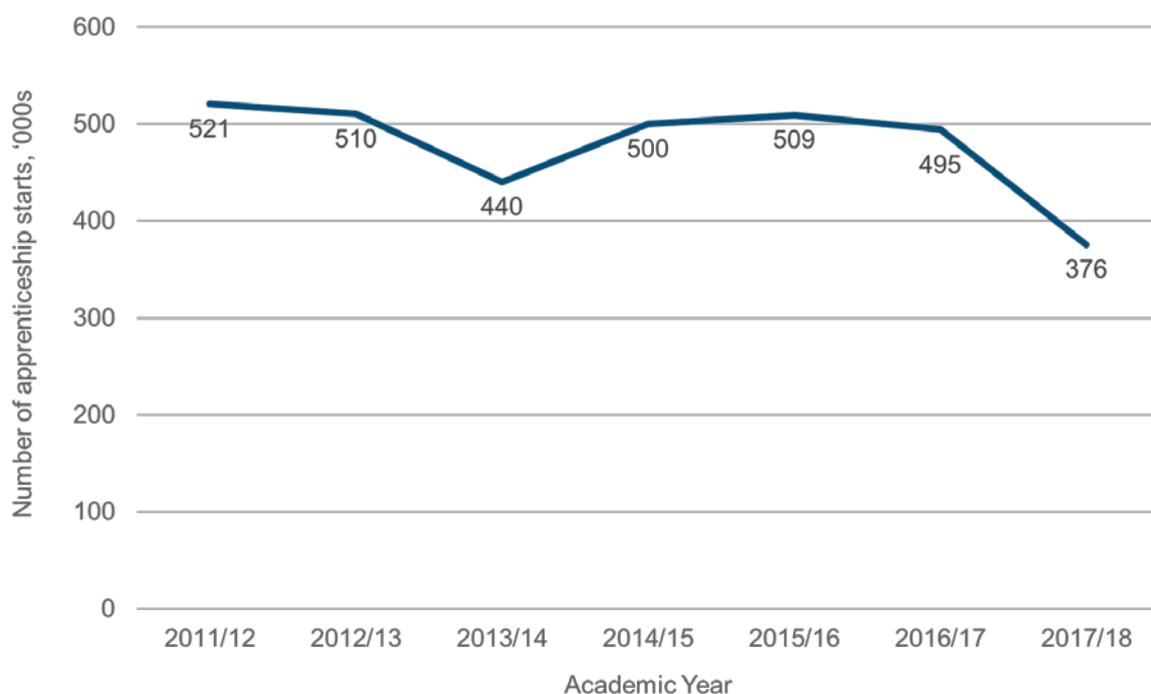
However, it was difficult to meaningfully extrapolate from this to employers' likely actions and the likely impact of those actions, due to a lack of widespread awareness in 2017 of the 10% contribution to apprenticeship costs that smaller employers would be required to pay in some circumstances. Even where there was awareness of the 10% contribution, it was unclear how aware employers were of the *overall* cost of a typical apprenticeship, and therefore the likely practical cost of this 10% contribution.

Now, revisiting the issue in 2018-19, with the majority of respondents at least partially aware of the reforms, and many participants having recruited apprentices since the reforms, a series of questions were asked about the practical impact of the reforms on apprenticeship use.

This is an area of particular importance to consider given the recent changes in volumes of apprentices. There has been a net fall in apprenticeship starts overall since the reforms were put in place in May 2017, from 494,900 in the academic year 2016/17 to 375,800 in 2017/18, a fall of 24%.²⁸ The fall was particularly marked in the months after the apprenticeship Levy was introduced in the second quarter of 2017.

Preliminary data for the first two quarters of the 2018-19 academic year indicates a 10% increase for that period relative to 2017/18, but this remains 17% below figures for the same period in 2016/17.

Figure 9.7: Trend in apprenticeship usage, 2011/12 to 2017/18



Source: Department for Education (2019): *Apprenticeship and Levy Statistics: May 2019 (reported to date)*. 30 May 2019. London, Department for Education

It should be noted that this reduction was not anticipated by employers; in the 2017 survey, both small and large employers anticipated a continuation of past patterns of recruitment of apprentices. However, the 2017 report also highlighted that awareness

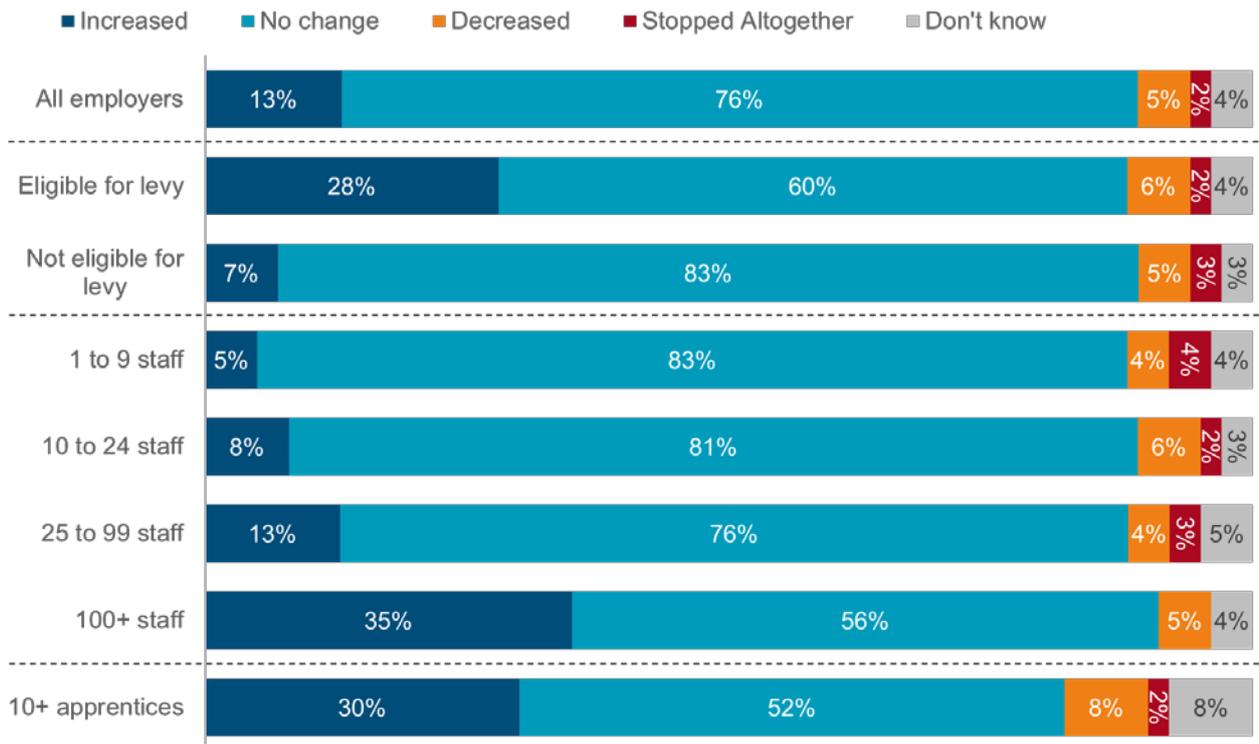
among employers of the reforms was low, and that as employers were presented with more information as the survey progressed, they became more negative. In particular, despite the survey including only those with completer apprentices, only 26% of non-Levy eligible employers were aware of the 10% contribution toward the cost of an apprenticeship that they would be expected to pay for new apprenticeship starts.

Looking to the 2018-19 results, at a headline level, the impact appeared relatively limited according to employers, and slightly more positive than negative. Some 13% of employers (among those aware of the reforms and thus able to comment) said that the overall number of apprentices at their site had increased due to the reforms, and 7% said the number had decreased (including 2% who said they had stopped).

However, positive change is much more likely to be seen at larger employers, and at sites with larger schemes, as shown in Figure 9.8. Those eligible for the Levy or with 100 or more staff at the site are much more likely to have increased their apprenticeship usage than other employers (28% and 35% respectively).

This is also the case for employers with ten or more apprentices (30%), although they are also more likely than other groups to have to decreased or stopped the use of apprenticeships (10%). It is important to remember here that the actions of larger employers and operators of larger apprenticeship schemes will have a greater impact on apprenticeship usage as a whole.

Figure 9.8 Impact so far of apprenticeship reforms on usage of apprenticeships among employers, self-assessed



Base: All employers aware of reforms (3,128); of which Levy eligible (935), Not Levy eligible (1,829), 1 to 9 employees at site (684), 10 to 24 (785), 25 to 99 (1,072), 100+ (543), 10+ apprentices (230)

Non-Levy paying employers – who at the time of the survey fieldwork paid 10% of the cost of an apprenticeship to the training provider – were not significantly more likely than any other group to say that they intended to decrease or stop their apprenticeship usage, and about equally likely to point to an increase (7%) as a decrease (7%) in their apprenticeship numbers. They were, on the other hand, far less likely to suggest that they would increase their apprenticeship usage as a result of the reforms (7%) than Levy-eligible employers (28%).

These responses from employers might seem to conflict with the recent decline shown in the number of apprentices overall in England²⁹. However, the proportion of non-Levy eligible employers saying they were planning to stop apprenticeship usage overall has increased from 10% in the 2017 survey to 14% in 2018-19 survey, and this was most pronounced among the smallest sites with 1 to 9 employees (15% in 2017 to 20% in 2018-19). This question did not attribute the change to the reforms; but many small employers remained unaware of key details of the reforms. Only one third (35%) of small employers (1 to 9 employees at site) said they were aware that the reforms mean that

²⁹ Although survey questions only ascertained whether overall numbers had increased or decreased, and didn't explore apprentice volumes. It is possible to have more employers reporting an increase than a decrease, and for overall volumes to still go down.

they will need to meet 10% of the cost of any new apprenticeship (again, please note that the co-investment rate was 10% at the time of the survey but has now reduced to 5%).

There is a possibility that among some of those unaware of this reform, the increased cost was being erroneously attributed to a decision made by their training provider. Supporting this theory, the proportion of small employers (1 to 9 employees at site) stopping provision due to a “bad experience with a training provider” almost doubled from 9% to 16% between 2017 and 2019.

Finally, it should also be borne in mind when interpreting these results that while some employers of apprentices have been using the programme for many years, there is a high level of churn, particularly among the smallest sites. About half (48%) of employers had been offering apprenticeships for less than five years; nearly a quarter (23%) had been offering them for less than three years. For this latter group, comprising around 21,500 of the approximately 92,000 employers with apprentices completing their apprenticeship in the sample window (February to September 2017), those apprentices are quite likely to have been their first apprentices at that site.

There is likely to be a similarly sized group of employers now in the same situation, of considering the possibility of recruiting their first apprentices; some of these employers may have decided against using apprenticeships on the basis of the financial contribution now required, but the survey cannot provide evidence regarding reaction to the reforms among these employers.

Specific impacts

In terms of specific impact, among those employers eligible for the Levy, they were most likely to mention specifically increasing or starting apprenticeships for existing employees (24%) in response to the reforms, as shown in Figure 9.9. Just under a fifth also said they had reacted by increasing apprenticeships for managers (18%) or outside core business activities (17%) in response to the reforms. A third (31%) of those eligible for the Levy also said they had introduced new apprenticeship frameworks or standards in response to apprenticeship reform.

Figure 9.9 Impact so far of apprenticeship reforms on specific usage of apprenticeships among employers eligible for the Levy, self-assessed



Base: All employers aware of reforms and eligible to pay Levy (935)

Among those not eligible for the Levy, no such widespread changes were seen, as shown in Figure 9.10; however, few of these employers reported any specific decreases in response to apprenticeship reforms either. A total of 10% of employers not eligible for the Levy and aware of the reforms said they were introducing new apprenticeship frameworks or standards.

Figure 9.10 Impact so far of apprenticeship reforms on specific usage of apprenticeships among employers not eligible for the Levy, self-assessed



Base: All employers aware of reforms and not eligible to pay Levy (1,829)

Among those introducing new apprenticeships due to the reforms, a wide range of new standards and frameworks were considered, but most frequently in the broad subject area of Business (39% of those introducing new standards or frameworks), followed by Health (17%), Retail (12%), ICT (10%) and Engineering (9%).

Comparing the subject areas of the planned standards and frameworks with the subject areas of completer apprentices at the same employer, it is clear that the introduction of new frameworks and standards in Business and ICT is not limited to those with completer apprentices in this subject area. In contrast, employers introducing new apprenticeships in other subject areas such as Health, Retail and Engineering are usually already offering other apprenticeship frameworks or standards in the same broad subject area.

There were some sub-group differences among those eligible for the Levy; those providing apprenticeships in Business subjects were more likely to have increased the offer to existing employees (14% vs. 10% average), but this was less likely among Construction employers (5%). Other groups more likely to increase the offer to existing employees included employers with larger sites (27% of those the 100+ employees at the site), and those considering Level 4+ apprenticeships their main level (14%), as well as those with larger schemes with six or more apprentices (21%) completing in the sample window.

There was less sub-group variation in the proportion increasing the number of managers trained; this was most likely in Business (9%) and Leisure (13%). Again, larger sites (19% of those with 100+ employees) and larger schemes were more likely to increase

this type of provision, including those with 6 to 9 (13%) or 10 or more apprentices (19%) completing in the sample window.

Finally, among those reducing provision of apprenticeships due to the reforms, about half reported that they had not replaced that with non-apprenticeship training in any way (49%). Only 15% said they had replaced it in full, and a third (33%) said they had only partly replaced it.

The group of employers reducing apprenticeship training was too small for many detailed sub-group differences to be discerned, but the smallest employers with 1 to 9 employees in the organisation were particularly likely not to be replacing the training (67%), more so than those with 100 or more employees (37%). Similarly, those providing apprenticeships to new recruits were much more likely to be withdrawing the training without replacement (57%) than those who gave apprenticeships to existing employees (42%).

Chapter 10 Level 6 and 7 apprentice employers

This chapter profiles workplaces which are providing apprenticeships at Level 6 and 7, exploring the experiences of employers, their reasons for providing these apprenticeships, whether they fit in with or replace other training at this level, how they are delivered and employers' satisfaction with this. It also looks at the benefits of providing Level 6/7 apprenticeships and future plans for doing so.

The findings in this chapter come from a separate small "Level 6 and 7 apprenticeships survey" run in parallel with the main evaluation with a sample of employers who were providing Level 6 or 7 apprenticeships at the time of sampling (August 2018).

Key findings

- Larger employers were more likely to offer Level 6 or 7 apprenticeships; 67% of Level 6 or 7 employers had 25 or more employees at their site (compared to 40% amongst those offering apprenticeships at any level). Over a third had more than 100 employees on site.
- Linked to their size, the Apprenticeship Levy, or funds in an Apprenticeship Account were the most likely reason for employers to offer a Level 6 or 7 apprenticeship (for 24%), rising to 42% for employers with 50 or more employees at the site. Those using Level 6+ non-degree apprenticeships only often cited financial motivations other than the Levy or Account³⁰ (24% vs. 8% for degree apprenticeships).
- Level 6 or 7 apprenticeships are most frequently offered to existing employees (65% had provided to existing employees compared to 36% amongst employers offering all apprenticeship levels). It was most common to have a single apprentice at Level 6 or 7 (64%), although eight per cent had over five.
- Only 1% of employers had replaced *in full* an existing graduate recruitment programme with the introduction of Level 6 or 7 apprenticeships, and a further 14% *in part*. However, for a sizeable minority (37%, 10% *in full*), these apprenticeships had replaced other work-based learning at this level, primarily among those with Level 6+ non-degree apprenticeships only (57%).
- Level 6 or 7 employers were more likely to rely *only* on external provision with half providing their own formal training sessions as part of the apprenticeship compared to around three-quarters of those offering apprenticeships at all levels.
- Employers were more likely to be satisfied with the quality of training from the external provider (83% satisfied) and the quality of applicants (78%) than with their ability to influence training (39% satisfied).

³⁰ Levy paying employers can claim back Levy payments they have made, by purchasing apprenticeships through an account made available to them via the gov.uk website.

Key findings

- The majority (84%) of employers currently offering Level 6/7 apprenticeships reported that they intended to continue offering them in future.
- Benefits brought by offering Level 6/7 apprenticeships were most likely to be bringing higher level skills (28%), the cost benefit (23%) and up-skilling existing staff (18%).

Introduction

Higher apprenticeships (Level 4 and Level 5) have been available since 2005. Apprenticeships at levels equivalent to a degree (Level 6 and Level 7) were introduced in 2013, and have gradually become more significant in volume since the introduction of apprenticeship standards in 2015. These apprenticeships are divided into two key groups; degree apprenticeships, which contain at their core a full first degree, and Level 6+ non-degree apprenticeships, which instead contain content at an equivalent level to a degree. Typically, this type of programme might involve an advanced professional qualification, for example in accountancy.

Due to the time these apprenticeships take to complete, and their recent introduction, they do not feature in the main employer survey, with very few having been completed by the time of the sample window in 2017.

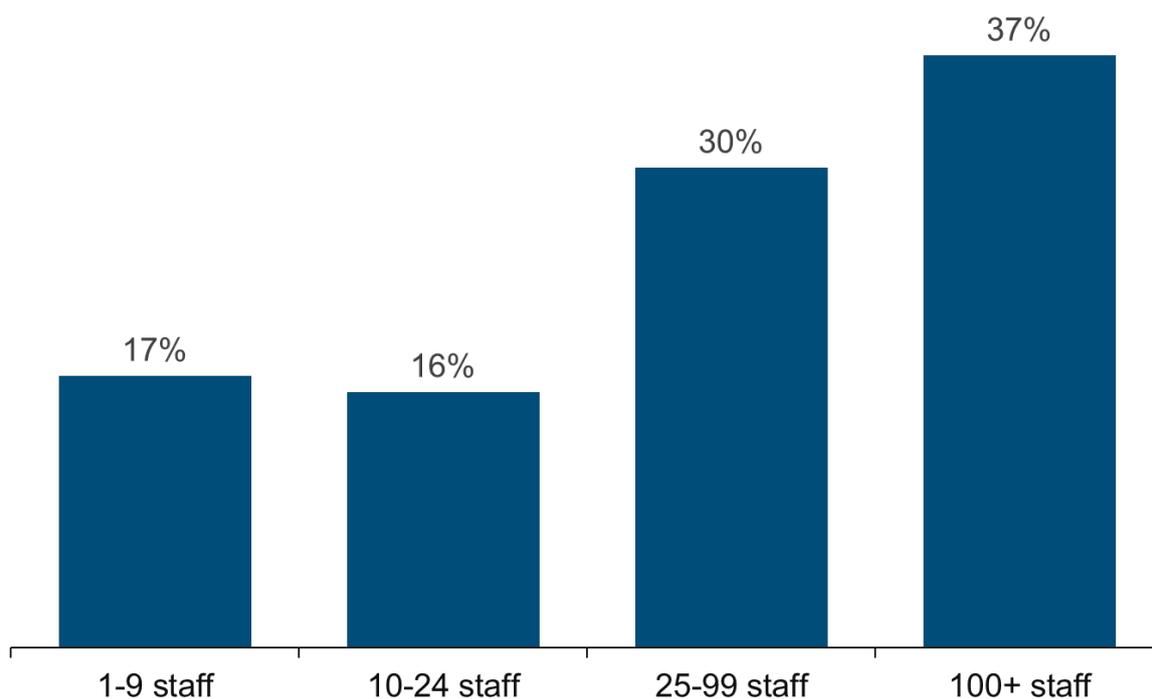
For this reason, a separate survey was conducted of 100 employers who had either current degree apprentices or Level 6+ non-degree apprenticeships at their site as of August 2018. The survey fieldwork took place between 5th February and 7th March 2019, and involved a 10 to 15-minute survey of employers about their experience of the programme. Since the apprenticeships concerned would not yet be complete, the ability to consider impacts on the business is relatively limited at this point in time. It is also worth noting that because of the small size of the overall sample, results for sub-groups have been kept to a minimum and where provided are highly approximate.

Profile of employers providing Level 6 and 7 apprenticeships

The majority of employers offering Level 6 and 7 apprenticeships were larger sites (see Figure 10.1). They tended to be larger than employers offering apprenticeships generally: two-thirds (67%) had 25 or more employees at the site interviewed, compared to just two-fifths (40%) of employers with recent completers from the main evaluation.

Degree apprenticeships showed a substantially different distribution; 48% of employers of degree apprentices were sites with 100+ staff, compared to 19% of those providing Level 6+ non-degree apprenticeships.

Figure 10.1 Size profile of employers offering level 6/7 apprenticeships (site)



Base: All employers of Level 6 or 7 apprentices (100)

Employers providing Level 6 or 7 apprenticeships tended to be mostly in the commercial sector (75%); 18% were public sector and 5% third or non-profit sector. Employers most commonly had just one apprentice at Level 6 or 7 (64%), however 15% had two, 13% had three to five and 8% had six or more.

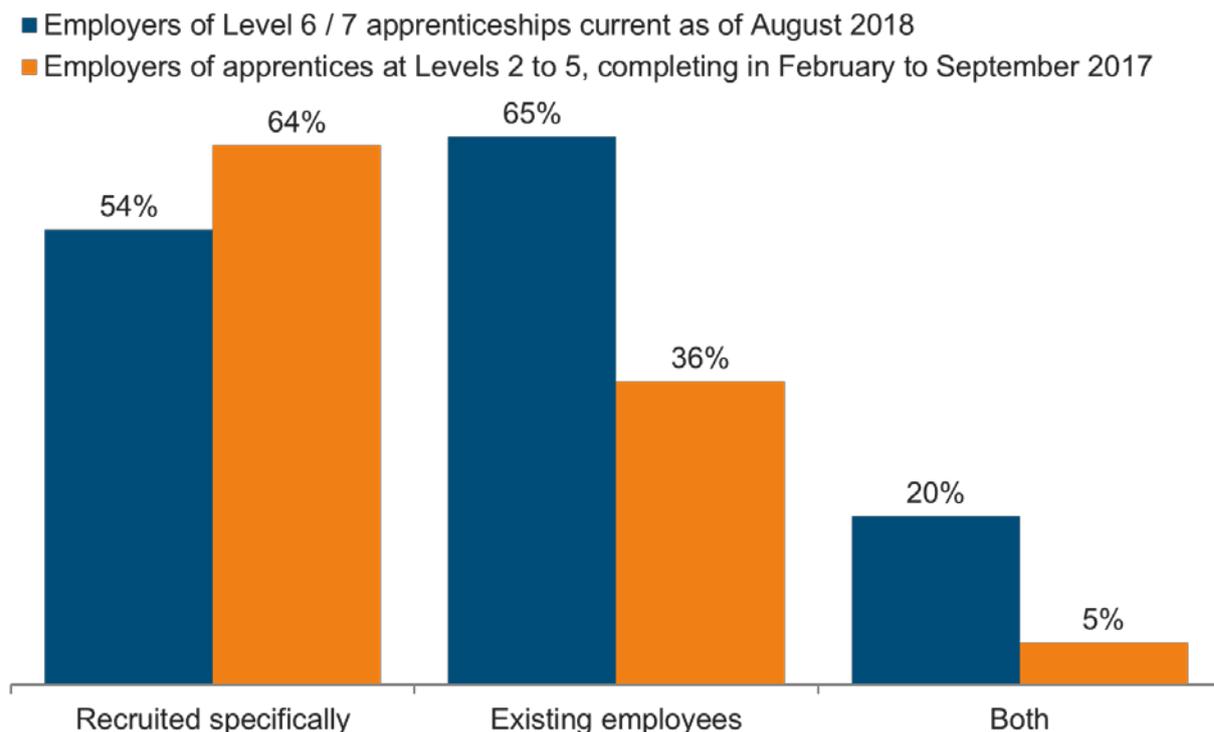
New recruits and existing employees

Employers offering Level 6 or 7 apprenticeships were more likely to have offered them to existing employees than they were to have specifically recruited them. Two-thirds (65%) had offered Level 6 or 7 apprenticeships to existing staff, and almost half (45%) had offered them exclusively to this group. Conversely, just over half (54%) had specifically

recruited people onto their Level 6 or 7 apprenticeship schemes who were not employees prior to the start of the apprenticeship and a third (34%) had *only* provided apprenticeships in this way.

As Figure 10.2 illustrates, employers were far more likely to provide Level 6 or 7 apprenticeships to existing staff than they were across all levels of apprenticeship.

Figure 10.2 Source of Level 6 or 7 apprentices compared with all apprenticeship levels



Base: All employers of Level 6/7 apprentices (100), All employers of recent apprentices (4,000)

There was some variation by size of employer; employers with fewer than 50 staff at the site were more likely to have specifically recruited any of their apprentices (67%, compared to 40% of employers with 50 or more staff) and employers with 50 or more staff were more likely to have offered Level 6 or 7 apprenticeships to existing employees (79% compared to 52% with fewer than 50 staff).

Those who offered Level 6 or 7 apprenticeships *and* had apprentices at lower levels were much more likely to offer to existing employees (77%) than those who had only Level 6 and 7 apprentices (54%).

Among employers who had offered Level 6 or 7 apprenticeships to existing staff, a third (34%) said it was *only* to improve skills for their existing job (compared to 55% in the main evaluation for all levels of apprenticeships). Two-thirds (63%) said it was to prepare

them for a new job (9% said it was only for this reason). Over half (54%) said it was both to prepare them for a new job and to improve their skills in an existing job.

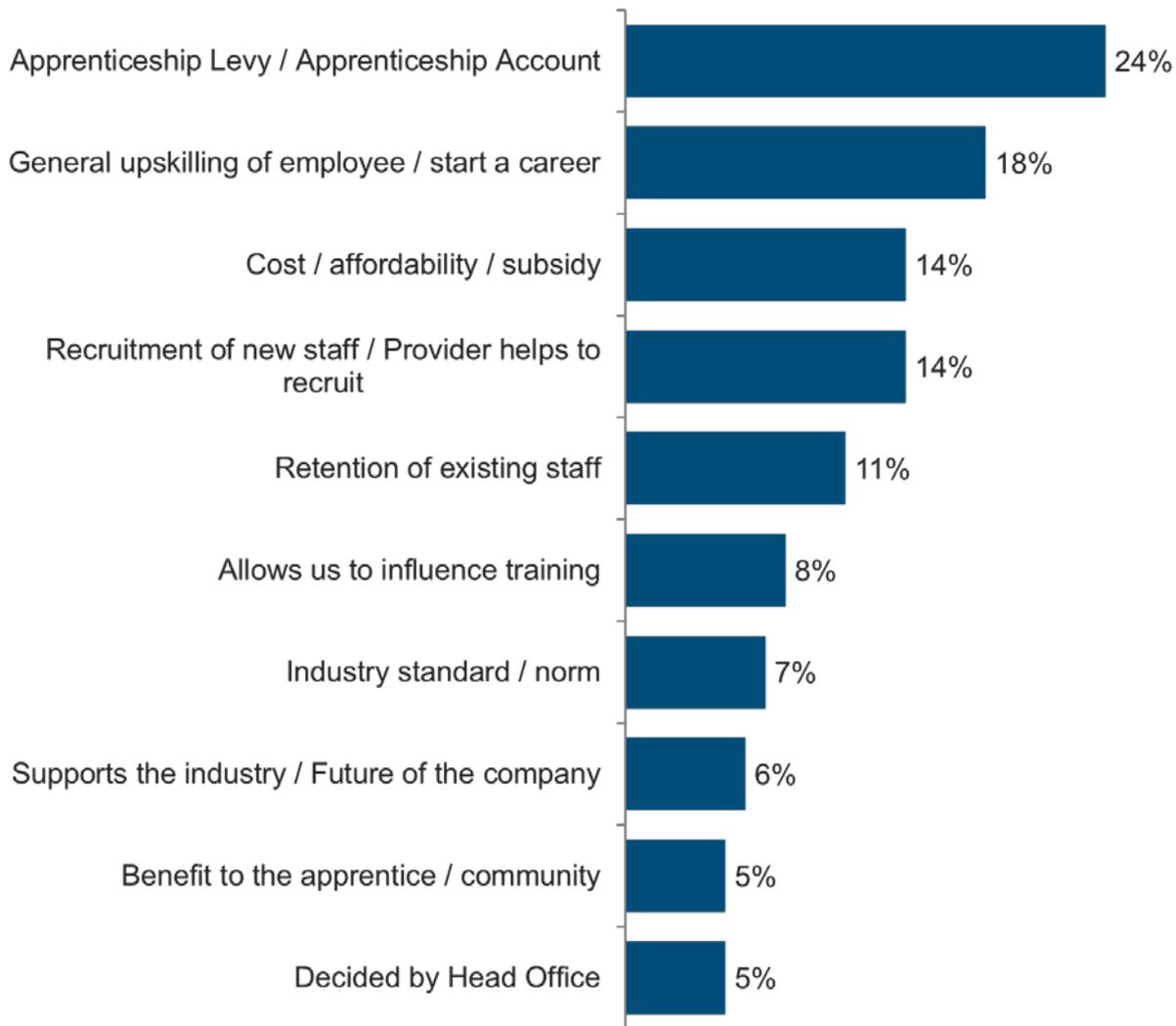
Reasons for offering Level 6 or 7 apprenticeships rather than other options

The reasons for offering Level 6 or 7 apprenticeships, rather than recruiting graduates or offering alternative on the job training, primarily centred on financial issues. A quarter (24%) directly said it was because of the Apprenticeship Levy or to use the funds in their Apprenticeship Account, and a further 14% mentioned the affordability of apprenticeship training. This is in part due to the difference in the size profile of this group of employers, with the majority being larger employers who would be paying the levy; among those with 50 or more employees at the site, approach (42%) mentioned the Apprenticeship Levy or Account. Conversely, smaller employers were more likely to mention general cost, affordability or subsidy (25%, vs 2% for those with 50+ employees).

In addition, within those employers with Level 6 or 7 apprentices, concerns regarding cost, affordability or subsidy were more widespread among those only employing Level 6+ non-degree apprentices than degree apprentices (24% vs. 8% for degree apprentice employers). This might relate to the relative cost of obtaining the skills associated with some professional qualifications via other routes.

Approaching a fifth (18%) of employers said the reason was for the general upskilling of staff or to help an employee progress their career, and 14% and 11% respectively said it helped them to recruit and/or retain staff. Figure 10.3 shows the reasons mentioned by 5% or more of employers.

Figure 10.3 Reasons for offering Level 6 or 7 apprenticeships over other options



Base: All employers of Level 6 or 7 apprentices (100)

Whether Level 6 or 7 apprenticeships replaced graduate recruitment or other forms of training

The vast majority of employers offering Level 6 or 7 apprenticeships (81%) did not say that introducing these apprenticeships had replaced any programme to recruit graduates; 14% said it had “in part” and just 1% said Level 6 or 7 apprenticeships had fully replaced their graduate recruitment programme (the remaining 4% weren’t sure or refused to respond).

The story was slightly different, however, when it came to other training, with more than a third of employers offering Level 6 or 7 apprenticeships (37%) saying they had used them to replace a programme of other work-based learning at these levels. A tenth (10%) had replaced the other programme “in full” and 27% “in part”. Among those employing Level 6

and 7 apprentices, this was more common among employers with only Level 6+ non-degree apprentices (57%) than those with degree apprentices (25%).

Delivery of Level 6 or 7 apprenticeships

Nearly all employers offering Level 6 or 7 apprenticeships (96%) said that at least some of the training was delivered by an external provider; this is similar to the figure for all apprenticeships (94%). There is a difference however when it comes to providing formal training sessions as part of the apprenticeship themselves: just half (50%) of employers offering Level 6 or 7 apprenticeships said they had done so, compared to 77% of employers offering apprenticeships at any level.

In nearly all cases (93%) the training provider had assessed the prior qualifications and training that the apprentice had had prior to starting the Level 6 or 7 apprenticeship.

Perceived levels of employer influence over the training was much lower for Level 6 or 7 apprenticeships than it was for apprenticeships in general. Just 22% said they had been able to influence the structure, content, delivery or duration of the apprenticeship before training had begun (compared to 46% across all apprenticeships) and 24% once training had started (compared to 53% across all apprenticeships).

It is worth noting that levels of influence prior to training were substantially lower if the employer did not have other apprentices – only 10% had influence before training, compared to 35% of employers who had other types of apprentice. There was no difference between these groups regarding influence during training.

Satisfaction with Level 6 or 7 apprenticeship delivery

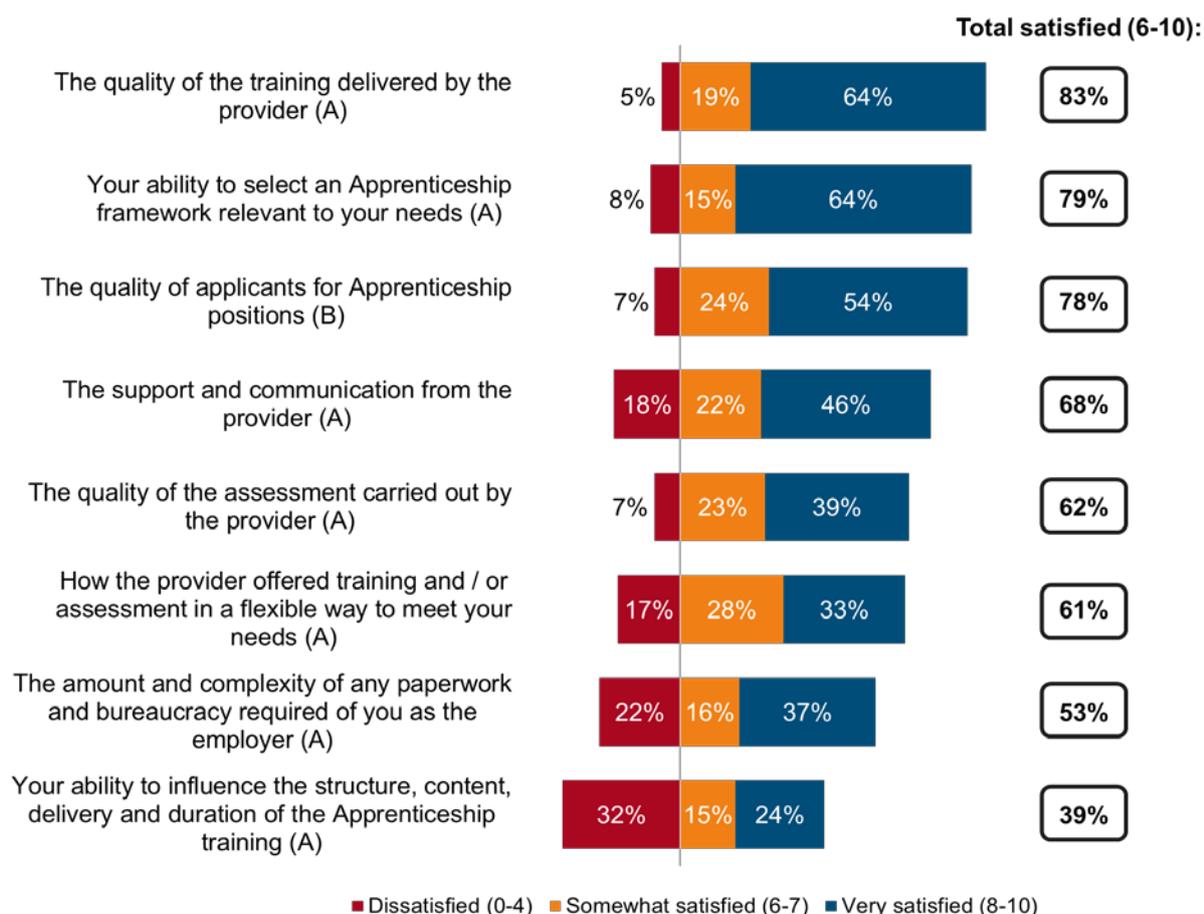
Satisfaction varied widely across the different elements of apprenticeship delivery measured by the survey. Employers with Level 6 or 7 apprentices were most satisfied with the quality of training delivered by the training provider (83%). However, only 76% were satisfied among those with degree apprentices compared to 95% of those with Level 6+ non-degree apprenticeships only. Employers with Level 6 or 7 apprentices as a whole were also generally satisfied with their ability to select a relevant apprenticeship framework or standard (79%) and with the quality of applicants for their apprentice positions (78%). These were all comparable with the figures seen for all apprenticeships.

However, employers offering Level 6 or 7 apprenticeships were less satisfied than across employers offering all apprenticeships in each of the other elements of apprenticeship delivery. This was most notable in their ability to influence the training (39% compared to 61% across other apprenticeship levels), the flexibility of training provision (61%

compared to 82%), the quality of assessment (62% vs. 83%) and the complexity of the paperwork (53% vs. 72%).

It is also notable that satisfaction with level of influence was very low among employers with less than 50 employees at the site (29%, compared to 50% among those with 50 or more). A larger proportion of employers at smaller sites were also dissatisfied with the flexibility of the training provision (25%, vs 8% among those with 50 or more employees).

Figure 10.4 Satisfaction with specific elements of Level 6 or 7 apprenticeship delivery



Base: (A) All employers of Level 6 or 7 apprentices (100); (B) All recruited via Level 6+ / Degree apprenticeships (54)

Benefits of Level 6 or 7 apprenticeships

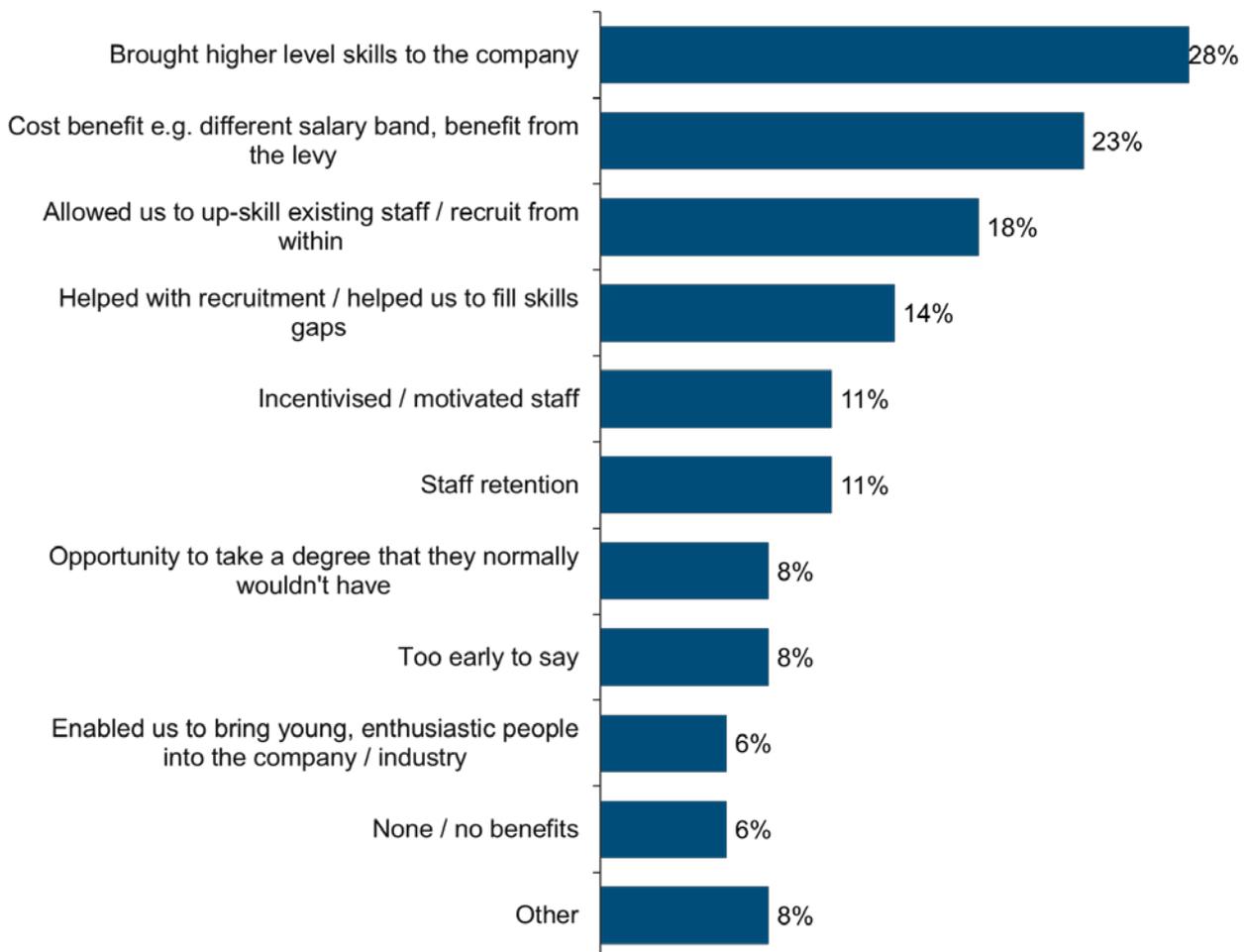
The most commonly mentioned benefit of Level 6 or 7 apprenticeships was that it brought higher level skills to the company, mentioned by 28% of those offering them. Also relating to skills, 18% mentioned the benefit of up-skilling existing staff allowing them to recruit from within for higher level roles, rising to 27% of those who only provide Level 6 and 7 apprenticeships to existing employees.

Benefits in cost terms were also commonly mentioned (23%); this ties in with the high incidence of employers citing cost as a key reason for offering the apprenticeships.

Among employers with Level 6 and 7 apprentices, those with Level 6+ non-degree apprentices only were particularly likely to mention benefits in cost terms (38% compared to 14% of those employing degree apprentices), as were smaller employers (35% of those with fewer than 50 staff in the organisation compared to 13% of those with 50 or more staff).

Overall, 14% of employers mentioned that Level 6 or 7 apprenticeships helped with recruitment or filled skills gaps, rising to 21% amongst those outside London and the surrounding area.

Figure 10.5 Benefits of Level 6 or 7 apprenticeships



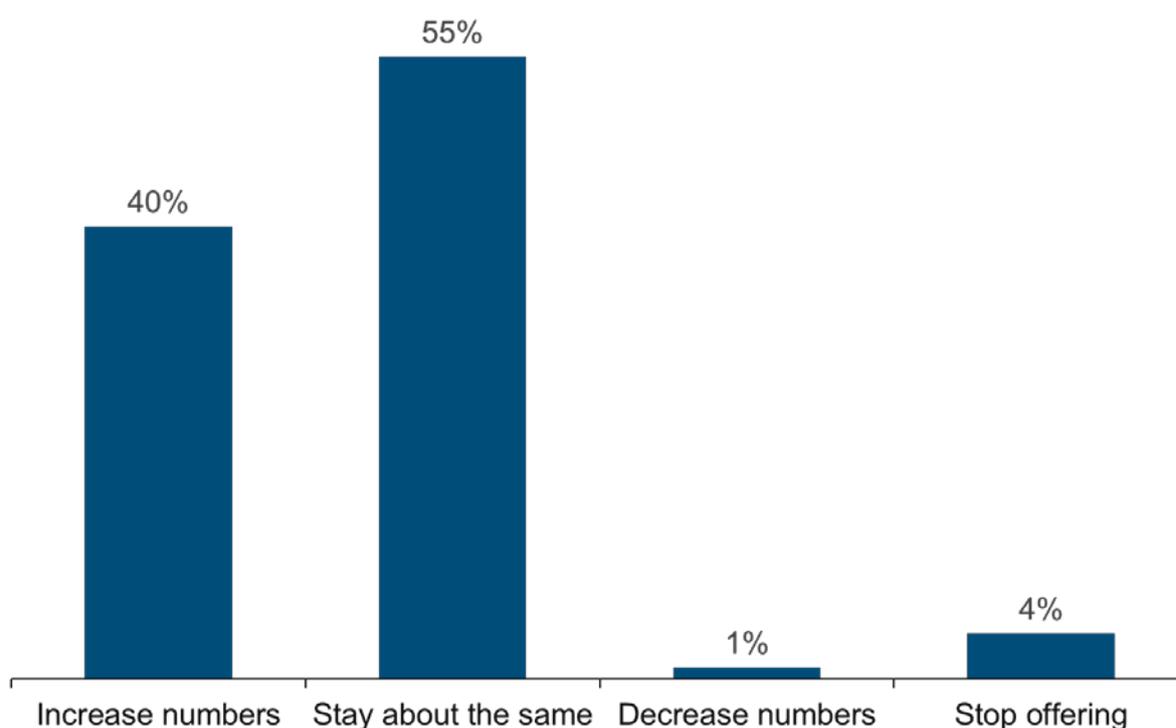
Base: All employers of Level 6 or 7 apprentices (100)

Future plans for offering Level 6 or 7 apprenticeships

The majority (84%) of employers currently offering Level 6 or 7 apprenticeships said they intended to continue offering them in future. Just 4% intended to stop, with the remainder saying they were undecided. Larger organisations (with 50 or more staff) were more likely to plan to continue (91%). Those without apprentices at other levels were less certain; only 77% planned to continue, with most of the remainder undecided. There was no difference here between types of Level 6 or 7 apprenticeships, with results the same for employers with degree and Level 6+ non-degree apprenticeships.

Of those who expected to continue or were unsure, 42% expected to increase the number of apprentices they had. This equates to 40% of all employers offering Level 6 or 7 apprenticeships (see Figure 10.6). Again, expected increases were more likely among larger employers, with half (50%) of all organisations with 50 or more staff expecting to increase numbers.

Figure 10.6 Future plans for offering Level 6 or 7 apprenticeships



Base: All employers of Level 6 or 7 apprentices (100)

The most common reason for intending to increase Level 6 or 7 apprentice numbers was that employers felt it was a good way to meet their skill needs (43%), followed by the business expanding (33%). Almost a quarter (23%) said they expected to increase numbers to make sure they are claiming back their Apprenticeship Levy payment.

Only five employers were planning to reduce or stop provision, and so reasons for this are difficult to determine from the research; two employers mentioned bad experiences with training providers.

Employers who do plan to continue offering Level 6 or 7 apprenticeships are evenly split between those who plan to introduce a different or additional Level 6 or 7 apprenticeship within the next few years and those who do not (48% each).

Larger employers were considerably more likely to plan this (77% of those with 50 or more employees on site, compared to just 20% with fewer). Among those employing Level 6 or 7 apprentices, those with degree apprentices were also much more likely to plan to introduce new apprenticeships (60%) than those with only Level 6+ non-degree apprentices (28%). Those with apprentices only at Level 6 or 7, and not at Levels 2 to 5, were also less likely to plan this (35%).

Around a third of employers planning new Level 6 or 7 apprenticeships (34%) planned to introduce a Level 7 apprenticeship and a similar proportion (30%) a Level 6 apprenticeship – this equates to 15% and 13% of all employers offering Level 6 or 7 apprenticeships in total. Business was the subject most likely to be introduced (17% of all Level 6 or 7 apprenticeship employers), followed by Health (10% of all Level 6 or 7 apprenticeship employers), ICT (8%) and Engineering (6%).

Chapter 11 Conclusions

This report has presented the findings of the Employer element of the 2018-19 Apprenticeships Evaluation Survey, the first of this series of surveys carried out since the introduction of apprenticeship funding reforms in May 2017.

This survey contacted employers who had apprentices complete in the February to September 2017 period with interviews taking place between December 2018 and March 2019. It is worth noting that the survey therefore covers employers who continued or stopped employing apprentices after the 2017 reforms, but does not cover the views of employers that first started offering apprenticeships after (and potentially because of) the apprenticeship reforms.

Official data shows that since the introduction of reforms in May 2017, there has been a fall in apprenticeship numbers. Despite this reduction in numbers, the vast majority (83%) of employers surveyed planned to continue offering apprenticeships in future, as in the 2017 research when awareness of the reforms was much lower. In addition, more employers who had apprentice completers in 2017 said they had *increased* their apprenticeship recruitment as a result of the reforms than *decreased* it. (However, Levy payers were much more likely to say that they had increased apprenticeships as a result of the apprenticeship reforms than non-Levy paying employers.) Given that there is churn in which employers offer apprentices – about a quarter (23%) of employers with completers in the February to September 2017 period had been offering them for less than three years – it could be that at least some of the fall in apprenticeship starts was due to employers deciding against using apprenticeships for the first time.

Positively, the vast majority of employers who had apprentices completing in the February to September 2017 period were satisfied with the apprenticeship programme, and considered there to be multiple benefits to the organisation, including a range of tangible business benefits, especially in terms of productivity. This finding is consistent with the 2017 survey. Those offering apprenticeships to upskill existing staff tended to see a wider range of benefits than employers using apprenticeships to give newly recruited staff their initial training but were less likely to report benefits in terms of reduced costs.

Employer satisfaction varied by apprenticeship subject. Apprenticeship subjects such as Construction, Agriculture, and Engineering and Manufacturing received lower satisfaction scores among employers. They scored particularly poorly on the flexibility of delivery and the level of influence employers were able to have over structure and content. However, Arts and Media apprenticeships had the lowest satisfaction rate with the programme overall (66%), and this subject was consistently amongst the lowest scoring for each of the specific elements; this was also the case in 2017.

Most employers said that there was sufficient information, support and guidance available to employers interested in offering apprenticeships, more than in previous surveys. Those who said there was insufficient information, support or guidance most commonly mentioned availability of funding and how to access it, clarity of existing information and promotion of existing information.

For the first time, a separate survey was also conducted of 100 employers who had either current degree apprentices or Level 6+ non-degree apprenticeships at their site as of August 2018. These employers were generally satisfied with quality of training delivered by the training provider, their ability to select a relevant standard, and the quality of applicants. However, they were less satisfied on all other measures, particularly on complexity of paperwork and ability to influence the training.

About a quarter of employers with Level 6+ apprentices cited the Apprenticeship Levy as their main reason for recruiting these apprentices, although there was little evidence to suggest widespread replacement of graduate recruitment. It was more common for employers to report that it had (in full or in part) replaced other work-based training. Employers most often saw the benefits of Level 6 or 7 apprenticeships in terms of bringing in higher level skills, but also often mentioned cost benefits, something less frequently mentioned by employers of other apprentices. The vast majority of employers with current Level 6 or 7 apprentices planned to continue offering these apprenticeships in future, with most of the remainder undecided. Nearly half of these employers planned to increase the size of their apprenticeship programme.



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