



Department
for Education

Apprenticeship Reform Programme

Benefits Realisation

March 2017

Contents

Table of figures	3
Introduction	4
Benefits Realisation	4
Rationale for Change	5
Apprenticeship Reform Programme - Objectives	5
Fit with Broader Government Strategies	6
Social Mobility	6
Industrial Strategy	6
Wider Reform Programme for the Post 16 Sector	7
Context for Success Measures	7
Value of Apprenticeships	9
Summary of Success Measures	10
Objective: To meet the skills needs of employers	10
Objective: To create progression for apprentices	14
Objective: To widen participation in apprenticeships	20
Objective: To create more quality apprenticeships	22
Additional Measures of Importance	23
Reporting	25

Table of figures

Figure 1: Change in value added per learner, by level	12
Figure 2: Annualised earnings one year post training for apprenticeships – by level.....	15
Figure 3: Annualised earnings after completion of apprenticeship – by level.....	16
Figure 4: Suggested trajectory – apprentices who perceive their career prospects have improved	18
Figure 5: Percentage of apprentices who consider their career prospects have improved by level, age and sector	19

Introduction

1. In [English Apprenticeships: our 2020 Vision](#)¹ the government set out its ambition to increase the quality and quantity of apprenticeships through a transformational programme of change. By delivering benefits for individuals, businesses and the economy, the Apprenticeship Reform Programme (the Programme) will also help address growing skills shortages: by ensuring significant numbers of higher quality apprenticeships that meet employers' needs.
2. This paper defines the objectives the Programme will seek to achieve. It articulates our approach to benefits realisation and defines success for the Programme, proposing a range of high level indicators which will capture positive outcomes for stakeholders.

Benefits Realisation

3. A benefit is an outcome of change perceived by a stakeholder as measurably positive. Benefits Realisation is a method of ensuring we deliver the intended benefits identified for the Programme. It is a fundamental part of any improvement project, running from the project's beginning to its end and beyond, to realise the full long-term benefit of the change.
4. It is a valuable strategy to manage large, complex programmes of change, to ensure the business areas and specific work-streams undertaken on behalf of the Programme are working towards the realisation of identified benefits to meet the Programme's objectives, ensuring the Programme is *led* by realisation of benefits, rather than *driven* by targets.
5. This is particularly useful where change is to be delivered across a wide network of stakeholders and needs to be embedded by changes in culture and existing practices. A benefits strategy will help us to effectively communicate the core objectives of the Programme and how these will be delivered as real, demonstrable value for stakeholders.
6. The benefits identified for the Programme were initially developed in workshops attended by key stakeholders representing employers, providers and individuals / apprentices (and their influencers) and with senior leaders of the Programme.
7. Below we set out how the Programme will measure progress against delivery of end and key benefits and how we will be able to demonstrate success against high level indicators.

¹ <https://www.gov.uk/government/publications/apprenticeships-in-england-vision-for-2020>

8. Underpinning the end benefits and success measures identified in this paper is a comprehensive map of intermediate benefits, which we will use to manage and monitor the Programme internally.

Rationale for Change

9. Whilst apprenticeships are already successfully operating and providing significant returns to individuals, employers and the government, a number of key challenges were identified that the Programme has been established to address. These were acknowledged in the [2012 Richard Review of Apprenticeships](#).²

- We need to improve the **quality** of apprenticeship training – to ensure apprentices become fully competent in their occupation
- Apprenticeship training must be made more **relevant** – to meet the skills needs of employers
- Employer investment and **sustainable funding** for apprenticeships must be secured – to enable us to fund more apprenticeships of a higher quality
- We need to improve the **accessibility** of apprenticeships, supporting social mobility and priority groups
- We need **more apprenticeships** overall – to meet skills gaps and compete internationally

10. The Programme's overall vision is to create a world-class, sustainable apprenticeship system offering large volumes of high quality employer-led apprenticeship opportunities to a diverse range of individuals and to meet the skills needs of employers.

Apprenticeship Reform Programme - Objectives

11. The four key objectives for the Apprenticeship Reform Programme are set out below:

- **To meet the skills needs of employers** - and the country, by being high quality, relevant programmes that result in apprentices becoming fully competent in their occupation
- **To create progression for apprentices** - by creating high quality programmes that result in apprentices becoming fully competent with transferrable skills in an occupation that offers progression.
- **To widen participation and social mobility in apprenticeships** – to ensure

² <https://www.gov.uk/government/publications/the-richard-review-of-apprenticeships>

that more people from a diverse range of backgrounds have access to the benefits of apprenticeships at all levels.

- **To create more quality apprenticeships** - through our campaign work and by creating a sustainable funding system and a high quality apprenticeships offer.

Fit with Broader Government Strategies

12. The Programme will also contribute to the Government's industrial strategy and its drive for greater social justice, as well as the wider reform programme for the Post 16 sector.

Social Mobility

13. By creating more apprenticeships, we are increasing the number of opportunities to help individuals climb the ladder of opportunity by gaining job specific skills that support sustained labour market participation and so stop the cycle of short term jobs and short term unemployment (for young people in particular).

14. We aim to improve our understanding of how apprenticeships already contribute to social mobility and find ways in which they could go further. We are developing a strategy to improve equality of access, in particular to increase the number of apprentices from disadvantaged and just managing households, from black and ethnic minority groups, and from those with learning difficulties and disabilities who are starting, completing and progressing in apprenticeships. All the recommendations from the [Maynard Taskforce](#)³ have been accepted and will be incorporated into work-streams to support inclusion of individuals with learning disabilities.

15. This strategy will also look for opportunities in the Department for Work and Pensions' work on the youth obligation and identify obstacles to participation for particular types of people.

Industrial Strategy

16. Developing skills is one of ten key pillars in the government's proposed industrial strategy, as set out in the [Green Paper](#)⁴ published in January and currently open to consultation. Our Programme is a key supporting component of this theme, alongside Technical Education and Higher Education.

17. Apprenticeships already offer employers an excellent opportunity to develop the right skills at the required levels in their business. Through the development of

³ <https://www.gov.uk/government/publications/apprenticeships-improving-access-for-people-with-learning-disabilities>

⁴ <https://www.gov.uk/government/consultations/building-our-industrial-strategy>

apprenticeship standards, employers are able to ensure the range and scope of apprenticeships meets their needs. Our Programme intends to increase the relevance and quality of apprenticeship training thereby raising the skills levels of individual workers, and should contribute to increased national productivity and reduced reliance on overseas skilled workers as employers choose to 'grow their own' talent.

18. We are engaging closely with Industrial Strategy to consider the most effective and appropriate approaches to understand and tackle identified skills needs, using data on skills, the labour market and migration to understand how we are meeting skills deficits and to intelligently inform policy making.

Wider Reform Programme for the Post 16 Sector

19. Apprenticeships will play a key role in the emerging strategy to ensure the skills system for 16+ is coherent, and aligned with industrial strategy, particularly to ensure a clear role for apprenticeships within wider technical education, and an integrated process and structure through which quality will be assured.
20. The government has accepted all the recommendations made by the [Independent Panel on Technical Education](#)⁵, and has set out how they will be achieved in the [Post 16 Skills Plan](#)⁶. The recommendations include expanding the remit of the Institute for Apprenticeships from April 2018 to regulate the quality of classroom based technical education routes as well as apprenticeships.
21. Going forward apprenticeship standards and technical education routes will align to support the development of a streamlined system and a common framework of routes across all technical education.

Context for Success Measures

22. It should be noted that the full realisation of benefits will occur beyond the lifetime of the Programme. The impact of the changes will begin to be felt as the employer and provider base responds to the new funding system and policy from April 2017 and as employers and individuals benefit from new apprenticeships standards. However the benefit of standards will be fully felt on completion and beyond, as the fully competent successful apprentices use their newly developed skills in the workplace, impacting productivity and progression.
23. Our Programme has a long-term vision to positively impact on the progression and earning potential for apprentices over their lifetimes. As a result, we do not expect to

⁵ <https://www.gov.uk/government/publications/post-16-skills-plan-and-independent-report-on-technical-education>

⁶ <https://www.gov.uk/government/publications/post-16-skills-plan-and-independent-report-on-technical-education>

see a linear trajectory of achievement against many of our performance measures, but rather a trajectory where the initial impact of change will be minimal or even negative, followed by an increase as changes start to embed and benefits begin to realise.

24. Baselines for the measures below have been developed during a period of relative economic stability. They are established against the current labour market and the existing mix and make up of individuals and apprentices involved in the delivery of apprenticeships.
25. Our reforms will create significant change in many aspects of the system (e.g. different financial incentives, new standards, changes in the provider base, development of the assessment organisation market, new employers offering apprenticeships). As we report against identified success measures we will need to recognise changes in these dynamics and, potentially, control for external factors beyond the influence of the Programme in the measures themselves. If these changes are significant comparisons between future performance and past performance may not be valid.
26. We have identified a group of measures which will give us a high level indication of success for the Programme. We will want to consider the group of indicators as a cluster, as well as looking at movement in individual measures.
27. The broad combination of indicators will help us to understand the actual impact of what we are doing e.g. matched administrative data⁷ will tell us whether people actually go on to positive destinations (employment or further learning) and what they earn after their apprenticeship. But, by definition, it will take a while to know that. Therefore we are supplementing these performance measures with data from surveys with both learners and employers⁸ to give us an indication of the future value of the apprenticeships which are happening now. Survey results should be treated as indicative, especially when examining year-on-year changes where small changes could be within the margins of error expected when using samples rather than populations.
28. It should be noted that the Programme will run through to the end of 2020, and recorded impact against success measures will be reported from 2021, depending on the lag between activity and data collection. Further information is provided below for each measure, where available.

⁷ Learner records are linked to DWP and HMRC data to observe benefit and employment activity, and to other education datasets to observe prior and post learning activity.

⁸ The latest surveys are published here:

<https://www.gov.uk/government/publications/apprenticeship-evaluation-2015-learner-and-employer-surveys>

Value of Apprenticeships

29. The Programme will use available information to measure the value apprenticeships offer to individuals, employers and the economy. In order to measure this, the Department has previously calculated the Net Present Value (NPV) of government investment in apprenticeships⁹.
30. NPV was calculated by subtracting the total costs of an apprenticeship from the total benefit. Total costs are identified as government funding, assumed employer contributions and foregone output (i.e. the time apprentices spend learning rather than producing). Total benefits are identified by increased earnings for apprentices over the rest of their working life and increased profits for employers.
31. However, as changes in funding policy are implemented, our current assumption of employer contribution will no longer be appropriate, as employers with larger payroll commitments will contribute through the apprenticeship levy, and other employers will contribute 10% from April 2017.
32. In addition it is anticipated that apprenticeship standards will cost more than frameworks, reflecting the more rigorous content. This should also result in an increase in the long-term economic benefit (in the form of higher wages for learners and higher profits for employers) delivered by increasing take up of standards. However, while any increase in costs will be understood immediately, the economic benefits will not be felt and properly understood until several years after completion.
33. The overall NPV will be significantly impacted by the costs and benefit of apprenticeships in different subject areas. As the Programme is employer-led, it is challenging to estimate the sectoral mix going forward, and what impact that could have on the overall NPV.
34. Going forward the Programme is developing a new effective method of evaluating the value apprenticeships offer to individuals and to the economy. This is conceptually similar to NPV, but easier to track over time. It is part of a larger piece of work to develop a Further Education (FE) Skills Index which will enable us to compare the value of skills investments across the FE sector, including apprenticeships. Further information on the Index is available below.

⁹ For example, BIS Research Paper No. 229

<https://www.gov.uk/government/publications/further-education-measuring-the-net-present-value-in-england>

Summary of Success Measures

35. As we grow the Programme to meet our ambition of creating 3 million apprenticeships by 2020, we will raise the quality and widen participation in apprenticeships. We have identified a range of success measures which will allow us to understand the impact reform is having, and how benefits are being realised for our stakeholders.
36. Where data is available we have established baselines and trajectories towards our success measures. In some instances new data has been commissioned that will become available as the Programme develops.
37. For each success measure, we have indicated the data source, the frequency of availability, and how the data can be broken down by the learning, learner and / or employer characteristics.

Objective: To meet the skills needs of employers

Success measures for this objective are:

An increase in the proportion of employers benefitting from skills that are relevant to their business, demonstrated by:

- Improvements in the value of apprenticeships, as determined by the Skills Index
- An increasing proportion of employers who report that offering and training apprentices has helped to develop skills that are relevant to the needs of their business
- Using the progression measures detailed below as proxy measures for employer satisfaction with the quality of their apprentices and apprenticeship training

Improvements in the value of apprenticeships	
Baseline	Success Measure
Available by summer 2017	The Skills Index is in development and will be a simpler, more tractable way of monitoring changes in the value of the apprenticeship programme over time
<p>The Programme is developing a more effective method of evaluating the value apprenticeships offer to individuals and to the economy. The Index will show the value of apprenticeships, broken down by sector, level and learning type (apprenticeship or Further Education). It will be a simple tractable way of monitoring changes in the value of the apprenticeship programme over time.</p> <p>The Index is based on estimating the total value-added of learners who have successfully completed their courses. The value-added is based on the improvement in learners' ability to find employment and the higher wages they</p>	

receive, giving a clear indication of which sectors and levels are rewarded with higher employment and wage rates, and therefore better valued by employers.

Improvements in the Index could be caused by increasing volumes of learners and / or a rise in the achievement rate; and by improving the value of apprenticeships so apprentices are more likely to be employed and are more productive and able to earn higher wages. The value of apprenticeships will be affected by both the type of apprenticeships delivered, for example achievements shifting to more valuable sectors with higher wages; a significant increase in higher level skills which also attract a higher average rate of pay; or better quality programmes which deliver more skilled apprenticeships. Likewise a decrease in any of these rates would negatively impact on the Index.

The Programme can use the Index to determine trends in the pattern of value ascribed to apprenticeships, and in comparison with comparable levels of learning delivered across the FE sector. In addition the Programme will also use the Index to inform work to determine how the growth and mix of apprenticeships can contribute to the development of skills that can better meet the needs of the country. It will be a valuable tool to consider how apprenticeships can contribute to Industrial Strategy as this is developed.

The Index will be an annual measurement. As apprenticeship reforms are implemented, the Programme will look for trends in Index ratings, ideally looking to see apprenticeships move up the Index as the Programme supports the development and delivery of standards in greater volumes.

Source	Frequency	Data Breakdown
Skills Index	Annual	Learning type (FE or apprenticeship), level, sector

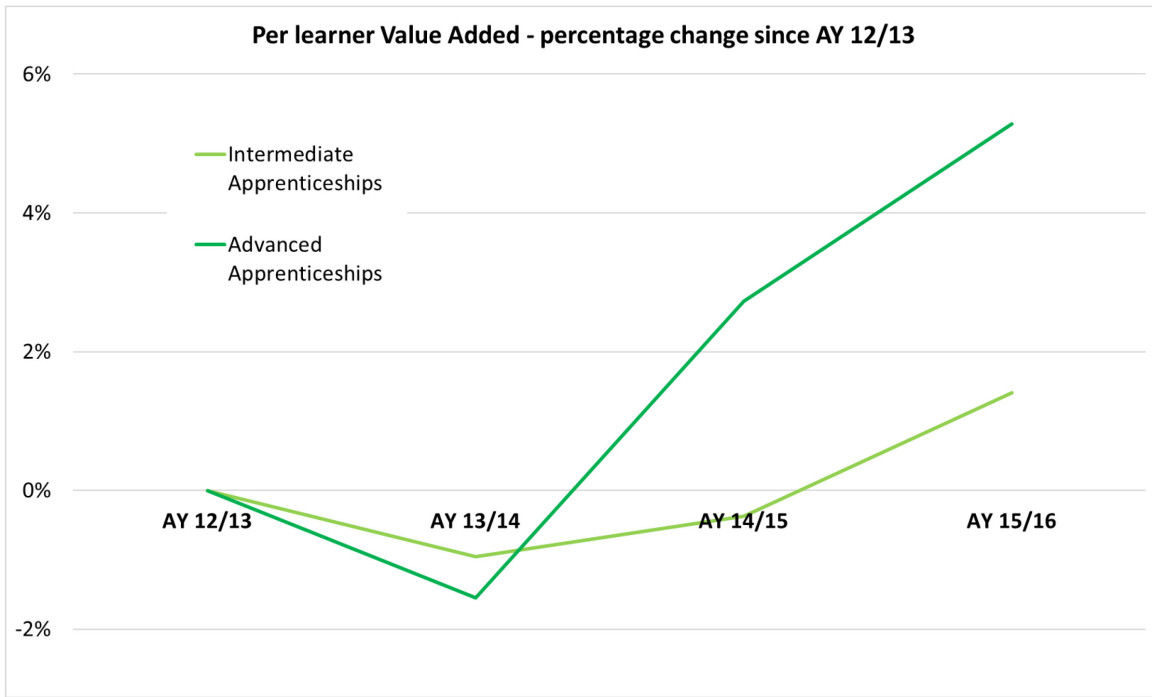


Figure 1: Change in value added per learner, by level

Source: Skills Index

The Index will be broken down by sector, level and learning type (apprenticeship or Further Education) over a given period of time, so that a clear understanding can be gained of which part of the apprenticeship programme is delivering greater value. This can be provided as value to the economy, or to the individual.

This chart shows trends in value added per learner.

In academic year 14/15 overall achievement numbers actually dropped slightly. However as a result of growth in the higher waged sectors of Engineering, Construction, and ICT, we have seen in a dramatic improvement in the average value added.

An increasing proportion of employers who report that offering and training apprentices has helped to develop skills that are relevant to the needs of their business

Baseline	Success Measure
Available from October	A new question that has been added to the Employer Survey to help us better understand the value that employers attribute to their apprenticeship programmes

This new question will provide a helpful measure of how our efforts to increase the quality and relevance of apprenticeships through market changes and new standards are working for employers.

In order to better measure whether employers are developing skills that are relevant and useful to their business, an additional question has been introduced into the Apprenticeships Evaluation Employer Survey, to more effectively measure the value that employers attribute to their apprenticeship programmes.

Employers are asked whether offering and training apprentices has *“helped to develop skills that are relevant to the needs of their organisation.”*

For context, we will include additional information from the employer survey on the proportion of employers who intend to offer more apprenticeships in their business, and the proportion of employers who would recommend apprenticeship to another organisation, as a proxy measures to demonstrate their overall satisfaction with the quality of their apprenticeship programme.

The survey is in the field at the time of publication and results will be available later in the year, at which point we will establish a baseline and appropriate measure of success.

We are anticipating publication in October 2017, from which we can establish a measure of success.

Source	Frequency	Data Breakdown
Apprenticeships Evaluation Employer Survey	Annual (Summer/ Autumn release)	Sector, size of employer

38. What is the Programme doing to achieve all the measures associated with this objective?

- Our full approach is set out in [English Apprenticeships: our 2020 Vision](#).
- Apprenticeship reform is focussed on improving the quality, as well as increasing the quantity of apprenticeships. We are undertaking activity to support employers to develop employer-led standards, to ensure apprenticeships meet the needs of businesses.
- The Programme is establishing the employer-led Institute for Apprenticeships from April 2017 to regulate quality and provide employers with a degree of control and assurance that they are investing in high quality training.
- The requirement for end point assessment will ensure successful apprentices fully meet the requirements of the standard and are competent in their jobs.
- As well as the opportunity to influence the content of apprenticeship standards, employers will have increased control of apprenticeships with the development of the new funding system and Apprenticeship Service (through which funds for apprenticeship training and assessment can be accessed).
- Through a range of provider readiness activity we will encourage and support the provider base to raise quality and increase their range of delivery, and support growth in the range of assessment organisations.
- We consider that the measurements for progression detailed below (and

associated activity) are meaningful demonstrations that employers value the individual. It is logical to assume that an employer is more likely to employ (and therefore is prepared to pay a higher wage premium for) an individual with skills that are required and appreciated within the business and therefore also relevant for the Progression Objective.

Objective: To create progression for apprentices

Success measures for this objective are:

<p>Improved earnings outcomes for apprentices, demonstrated by:</p> <ul style="list-style-type: none"> • Improvements to earnings outcomes, looking at average earnings over a period of 4 years. <p>A higher proportion of apprentices progressing to sustained destinations in employment or learning, demonstrated by:</p> <ul style="list-style-type: none"> • An increase in the proportion of learners who have progressed to a sustained destination in employment after completion • An increase in the proportion of learners who have progressed to a sustained destination in learning at a higher level after completion • An increase in the proportion of apprentices who agree their career prospects have improved
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An improvement to earnings outcomes, looking at average earnings over a period of 4 years	
Baseline	Success Measure
In development	Using matched administrative data we will publish data on actual earnings outcomes for apprentices 1, 2, 3 and 4 years after completion
<p>This success measure will allow us to understand the actual impact of higher quality apprenticeships on apprentices as more relevant skills and increased competence will be better valued by employers and therefore rewarded with an increased rate of pay over time.</p> <p>This measure is in development. Using matched data from various sources the Programme will report on actual earnings outcomes, looking at annual median earnings of apprentices 1, 2, 3 and 4 years after completion. This should provide us with a clearer sense of the long-term earnings outcomes for apprentices.</p> <p>The Programme is considering how we can benchmark this rate against a comparable group. We will want to see a continuing improvement to average earnings outcomes and to better understand the fluctuations in wage increases, in order to determine the added value that can be ascribed to the achievement of the</p>	

apprenticeship.		
Source	Frequency	Data Breakdown
Average earnings post apprenticeship – experimental stats release	Annual	Level, age, sector

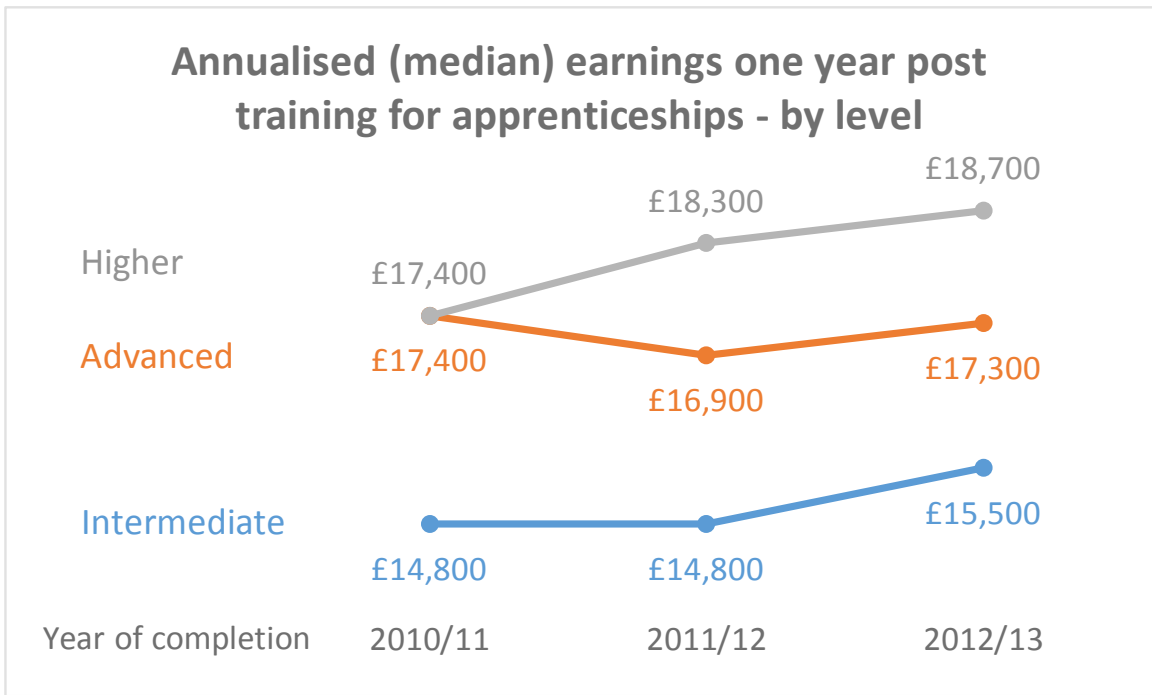


Figure 2: Annualised earnings one year post training for apprenticeships – by level

Source: Average earnings post apprenticeship – experimental stats release

Core reform objectives around increasing the quality and relevance of apprenticeships should be reflected here in an increase in average earnings. Employers should demonstrate how they value individuals who have undertaken an apprenticeship with a higher rate of pay over time.

We will want to compare changes in apprentices’ earnings with a comparable group (to be determined).

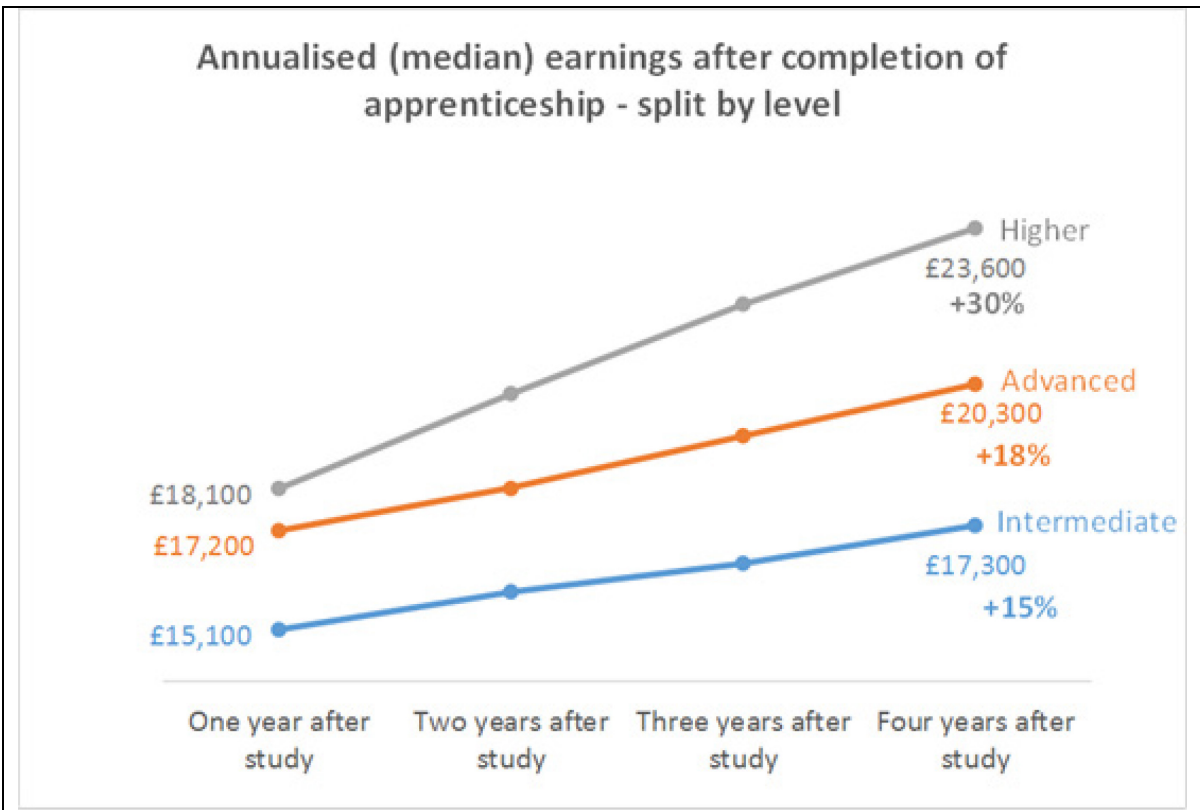


Figure 3: Annualised earnings after completion of apprenticeship – by level

Source: Average earnings post apprenticeship – experimental stats release

It should be noted that a pay rise is not an automatic expectation of either apprentices or employers. External economic factors will have an impact on earnings, and we will need to consider the broader economic context when reporting against this measure.

We will monitor earnings over the 4 year period, but it should be noted that owing to the timescales involved, during the lifetime of the Programme it is not possible to include data collected from apprentices who have been impacted by reform. We commit to continuing to report this rate following completion of the Programme in 2020.

An increase in the proportion of learners who have progressed to a sustained destination in employment after completion	
An increase in the proportion of learners who have progressed to a sustained destination in learning at a higher level after completion	
Baseline	Success Measure
This will be available from Autumn 2017	This measure is in development. We will use destination data to identify the proportion of people that actually go on to sustained destinations in employment and / or learning

This success measure will allow us to track actual positive destination outcomes for apprentices. Higher quality apprenticeships should result in individuals with increased competence and relevant skills that are valued by employers and will therefore support successful progression into employment. However, an apprenticeship should also open the door to further progression in the development of skills, through learning at a higher level (e.g. if they go on to higher education). Both these outcomes are positive for the individual and the Programme and are not mutually exclusive, as some learners may progress onto learning and employment, through higher apprenticeship opportunities.

This measure is in development. Using destination data the Programme will report on the proportion of apprentices who have completed their apprenticeship and then progressed to a sustained destination into learning and/ or employment as measured in the Outcome Based Success Measures.

Data for 2014/15 apprentices will be available in Autumn this year, and we will develop a success measure before the end of the year.

This data has been published for previous years, but the methodology improved in 2017, to include outcomes into self-employment, so previous years will not be directly comparable.

For context, 90% of apprentices in 2013/14 progressed to a sustained positive destination (88% into sustained employment, 15% into sustained learning).

We currently calculate the learning destination based on the duration of further learning activity, rather than the level. We are working with analysts to determine if a level-based learning destination measure would provide an additional success measure beyond sustained destination.

Source	Frequency	Data Breakdown
Adult Further Education: Outcome Based Success Measures	Annual (Autumn)	Age, level, sector

An increase in the proportion of apprentices who agree their career prospects have improved	
Baseline	Success Measure
83% in 2015	88% by 2020
<p>This success measure provides us with a helpful overview of how apprentices perceive their career prospects have improved as a result of their apprenticeship.</p> <p>Our trajectory is based on an annual increase of 1 percentage point from 2015 onwards. It is shown here as a flat profiled rate and we will want to revisit this trajectory when the Programme better understands when the impact of its work streams will be felt.</p>	

Source	Frequency	Data Breakdown
Apprenticeship Learner Survey	Annual (Summer/ Autumn release)	Age, level, sector, new / existing employees

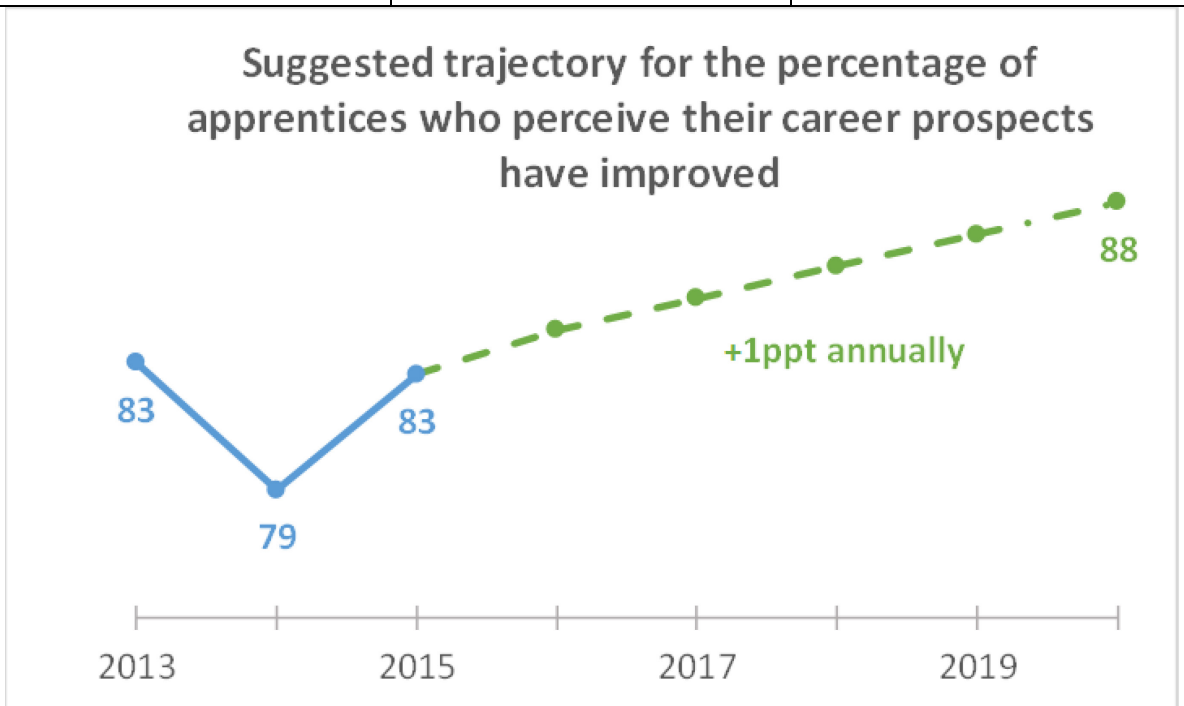


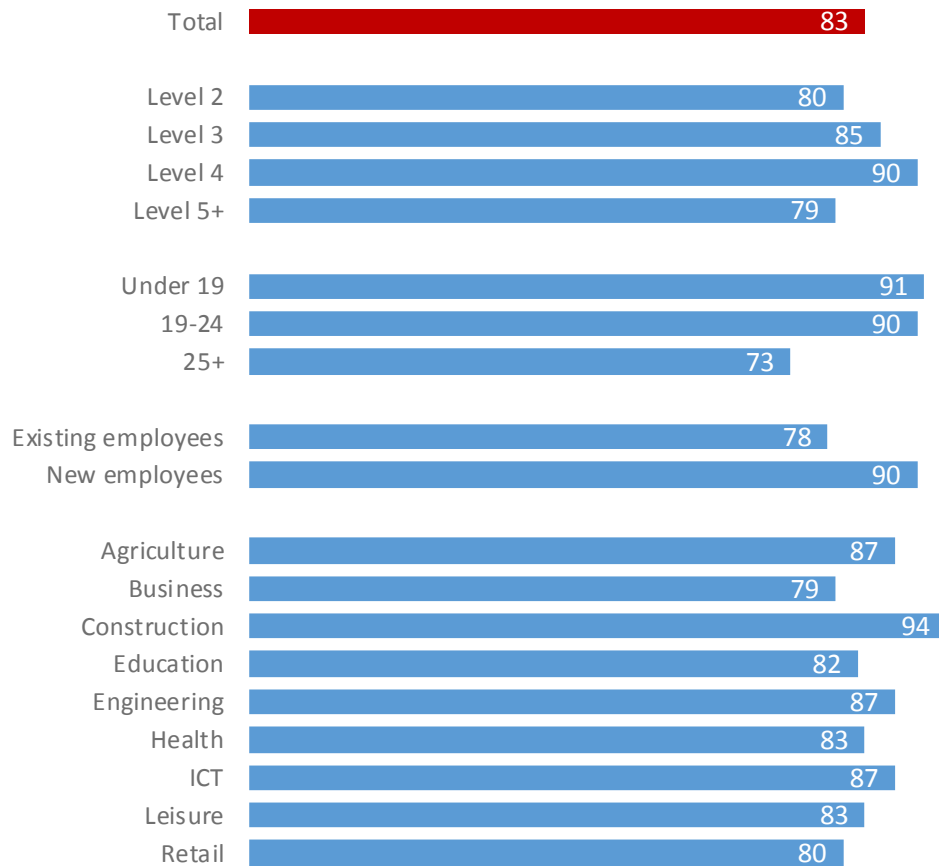
Figure 4: Suggested trajectory – apprentices who perceive their career prospects have improved

Source: Apprenticeships Learner Survey

Although we have seen a dip from 83% in 2013 to 79% in 2014 we anticipate that that the reforms we are making to increase the quality of apprenticeships through the introduction of employer led standards will positively impact on this rate.

While the take up of standards is slowly increasing, it will take time for the impact of increased quality to be felt by apprentices and appreciated by employers.

Percentage of apprentices who consider their career prospects to have improved since commencing on their apprenticeship



Source: Apprenticeship Evaluation Survey 2015: Learner. Basen=5,800

Figure 5: Percentage of apprentices who consider their career prospects have improved by level, age and sector

Source: Apprenticeships Learner Survey

This chart illustrates how responses differ depending on the characteristics of the apprentices participating.

For instance, there is a significant difference between the proportion of apprentices under the age of 19 who responded positively (91%) and those who are over 25 (73%). As the Programme grows, if the profile of apprentices shifts towards older employees, this is likely to have a negative impact on the overall average.

The Programme will need to monitor the changing mix of apprenticeships as it grows, and could look to review this success measure if there are significant alterations.

39. What is the Programme doing to achieve all the measures associated with this objective?

- Our full approach is set out in [English Apprenticeships: our 2020 Vision](#).
- Apprenticeship reform is focussed on improving the quality, as well as

increasing the quantity of apprenticeships. We are undertaking activity to support the development of employer-led standards, to ensure apprenticeships meet the needs of businesses. Quality will be regulated by the new Institute for Apprenticeships.

- Apprentices will benefit from quality training which should provide a secure foundation for a successful career. Apprenticeship standards will be measured by rigorous and holistic end point assessment, ensuring apprentices are fully competent on completion.
- Activity outlined to meet the skills needs of employers will ultimately support the achievement of this objective. By providing employers with the opportunity to influence the content of apprenticeships, and empowering them with more control over their apprenticeship programmes, they can ensure that apprentices develop skills that they value. In time this should be rewarded with improving pay rates and progression for the individuals concerned.
- A range of provider readiness activity will encourage and support the provider base to raise quality and increase their range of delivery, and support growth in the range of assessment organisations.
- By creating more high quality apprenticeships, we are offering more individuals the chance to benefit from these opportunities.

Objective: To widen participation in apprenticeships

Success measures for this objective are:

- An increase in the proportion of starts by BAME apprentices
- An increase in the proportion of starts by LDD apprentices
- An increase in the proportion of higher value apprenticeship starts for disadvantaged apprentices

An increase in the proportion of starts from defined groups		
Defined Group	Baseline	Success Measure
BAME	10.0% average across the last Parliament	20% increase by 2020: 11.9%
LDD	9.9% in 15/16	20% increase by 2020: 11.9%
Disadvantaged	25% in 15/16	Maintain volume and increase the proportion of higher value apprenticeships

The Programme's target to increase apprenticeship starts for the BAME group was announced by the Prime Minister in April 2015.

We have used the same methodology to identify a success measure for the LDD apprentices, and will look to increase the rate of LDD starts to 11.9% by 2020.

The Programme makes use of postcode data to recognise disadvantaged areas, and shows the proportion of apprentices from the 20% most deprived areas in the country, as defined by the Index of Multiple Deprivation. This is not a perfect measure, as individuals within these areas will not be disadvantaged, whereas individuals in other areas who are disadvantaged will not be included. However, it does give us a clear and timely measure in order to identify the broad group and support them sooner, while we look to establish other methods of more accurately identifying disadvantage.

We are already seeing a significant proportion of apprentices from these areas, with 25% of apprentices coming from the 20% most deprived areas. As this group is already well represented, our measure of success is improvements in the value of apprenticeships undertaken, rather than increases in the volume. For example, changes in the range of levels and / or sector, with more apprentices from disadvantaged areas undertaking apprenticeships at a higher level, or in sectors that offer increasing value to the learner, such as higher earnings potential and progression opportunities. This will better support social mobility and ensure a higher quality outcome for these individuals.

Source	Frequency	Data Breakdown
Statistical data set - FE data library: apprenticeships	Quarterly	Level, framework / standard, age group, sector subject area, region, diversity characteristics

40. What is the Programme doing to achieve all the measures associated with this objective?

- Apprenticeships are jobs with formal training and final decisions about recruitment into these opportunities are made by employers. We will support greater social mobility by developing a range of activity which will help improve awareness of, and access to apprenticeships for these groups, as well as supporting apprentices from these groups to get the best from an apprenticeship once they start.
- Through the funding model announced in October 2016 we have committed to additional financial support to providers in areas of disadvantage (for frameworks only) for one year in academic year 17/18 whilst we conduct a fuller review into the best way to support individuals from all backgrounds into apprenticeships. We will also be retaining, for both employers and providers, financial support for taking on a 16-18 year old on an apprenticeship framework or standard, as well as 19-24 year olds who were formerly in care or who have an Education and Health Care plan.

Objective: To create more quality apprenticeships

Success measures for this objective are:

<p>Increasing the number of starts, demonstrated by:</p> <ul style="list-style-type: none"> • Increasing the number of apprenticeship starts • Increasing the number of public sector apprentices
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Increasing the number of apprenticeship starts		
Baseline	Success Measure	
509,400 in 15/16	3 million starts from May 2015	
Not collected	Public sector bodies in scope will be expected to employ an average of at least 2.3% of their staff as new apprentices over the period 2017-2021	
<p>The Programme's target to increase the number of high quality apprenticeships, creating 3 million by 2020 is articulated in the BIS single departmental plan: 2015 to 2020.¹⁰</p> <p>Our starts target will include sub-measures to report against the following commitments:</p> <ul style="list-style-type: none"> • Increase the number of apprentices in the tourism industry • Treble the number of apprenticeships in food, farming and agri-tech, from 5,900 starts in 14/15 to 17,700 by 19/20 • Increase the number of degree apprenticeships <p>The public sector commitment comes into force from April 2017. All public bodies with a headcount of 250 or more in England at the start of a reporting year will be in scope of the target.</p> <p>We will report the volume of starts within a specific period, and how we are progressing towards our target of 3 million apprenticeships by 2020.</p> <p>Measurements identified for this objective are already targets that have been shared publically.</p>		
Source	Frequency	Data Breakdown
Statistical data set - FE data library: apprenticeships	Quarterly	Level, framework / standard, age group, sector subject area, region, diversity characteristics

¹⁰ <https://www.gov.uk/government/publications/bis-single-departmental-plan-2015-to-2020/bis-single-departmental-plan-2015-to-2020>

41. What is the Programme doing to achieve all the measures associated with this objective?

- Our full approach is set out in [English Apprenticeships: our 2020 Vision](#).
- Changes to funding policy and the development of the Apprenticeship Service will give employers more control of their funding and access to more information, enabling them to become more informed purchasers of provision.
- The implementation of the levy will ensure funding is placed on a sustainable footing to deliver this growth.
- The Programme is undertaking a comprehensive range of activity to promote apprenticeships to all employers, and to individuals, including young people. For the latter group we will develop support for schools and intermediaries to provide appropriate advice and guidance.
- Where appropriate, employers will be encouraged to develop standards if their sector requirements are not met by the current portfolio of frameworks or standards, putting the apprenticeships offer on a high quality footing that will meet employers' skills needs.
- By raising the profile and visibility of high quality apprenticeships success, we will support apprenticeships to be increasingly recognised as a respected route to a successful career and increase employer understanding of the opportunities that apprenticeships present to their businesses.
- The Programme will increase the supply of candidates that are a good fit by ensuring appropriate information is available and that support and advice supports preparation for apprenticeships, including referrals to work readiness programmes such as Traineeships where appropriate.

Additional Measures of Importance

42. In addition to the success measures set out above, there are a number of other aspects of the Programme that are of great importance to stakeholders, and will be vital in the full delivery of Programme objectives. While success measures may not be appropriate for these aspects, the Programme will monitor the impact of reform, using this information to manage progress, directing resource as appropriate. Where indicated, we will commit to publishing data regularly. These aspects are set out below:

Achievement Rate

43. The Programme is looking to increase the quality and quantity of apprenticeships. In order to meet the skills needs of employers and create progression for apprentices we must ensure that a healthy proportion of individuals achieve their apprenticeships, attaining competency in skills that are relevant and valued by businesses.

44. The Programme will raise the quality of apprenticeships by supporting the development and delivery of more apprenticeship standards. We anticipate that standards will be more stretching for apprentices and the introduction of end point assessment may make them harder to achieve, in comparison to frameworks. Achievement rates for apprenticeship standards are not yet available. A decrease in the rate in the short term may simply be a reflection of the higher quality, and more rigorous training undertaken by apprentices.
45. In addition, we recognise that many new employers and providers may engage with apprenticeships, and a new, untested assessment organisation market will be developed. In the short term this may drive achievement rates down.
46. Over time we are keen for the achievement rate to rise, but if that rise is a reflection of a reduction of quality, this will not be helpful indicator of the success of reform. The Programme will closely monitor the overall achievement rate to better understand the impact of these changes on the new, reformed apprenticeship landscape.
47. The Programme will also monitor the achievement rate for BAME, LDD and disadvantaged learners. We are keen to ensure that these learners are supported to achieve their apprenticeships, and where appropriate look to increase their achievement rate, over time. We will monitor and report this rate annually as it is of great importance to the Programme.

Retention rates

48. The high retention rates reported in the Employer Survey are a useful proxy measure to understand how employers are valuing their apprentices, and the skills developed through their apprenticeship programmes.
49. We recognise that for some employers, the increased loyalty demonstrated by apprentices is a key business benefit, and a key motivating factor in their decision to offer apprenticeships.
50. The Programme will raise the quality of apprenticeships, and we should see a corresponding rise in the value employers place on their apprentices, as demonstrated by increasing pay rates. While employers may wish to retain their staff, it is not an objective of the Programme to ensure that apprentices remain with the same employer. Indeed, it is not necessarily a bad outcome for the Programme if highly skilled apprentices enter the labour market and take up alternative opportunities that may provide them with better progression or increased pay outcomes.
51. We will monitor and report this rate annually as we know it is of great interest to employer stakeholders. For context we will also publish reasons why recent apprentices are no longer working for the same organisation.

Changing attitudes to apprenticeships

52. Improving attitudes to apprenticeships is a key benefit the Programme needs to realise in order to raise the profile and prestige of apprenticeships. This will encourage employers to engage and develop more opportunities and ensure a flow of suitable candidates for the vacancies on offer. Development of more high quality apprenticeships underpins all four objectives of the Programme.
53. Currently there is a high degree of satisfaction with apprenticeships among both employers that have participated in them and previous apprentices. But this is contrasted by less positive views among those that have not previously engaged.
54. The Programme will establish a long term communications strategy to change perceptions, attitudes and behaviours gradually by creating more direct experience of apprenticeships (and using more case studies, for example).
55. Key target audiences are employers, individuals, and key influencers such as parents and teachers. The Programme will regularly monitor the impact of its communications and the changing attitudes towards apprenticeships, using this information to effectively manage and deliver its communications strategy.

Gender Disparity

56. A core Programme objective is to widen participation, and we have identified high level success measures focusing on BAME, LDD and disadvantaged groups. We have not identified a programme-wide success measure focussed on gender as, overall, women have accounted for the majority of apprenticeship starts in recent years (53% in 2015/16, while they make up 48% of the working population). However, we know there are disparities in gender representation in some sectors that deliver the highest returns such as construction and engineering.
57. We are taking action to address these disparities, for example, through targeted communications through the Get in Go Far campaign featuring young women in STEM sectors, and we are looking to use the new employer Diversity Champions Network to champion gender representation in apprenticeships amongst employers in industries where improvement is needed.
58. We will monitor the rate of female participation across all sectors, to understand the impact actions are having on gender disparity.

Reporting

59. The Programme commits to reporting on a quarterly basis against success measures relating to increased growth taken from the statistical data sets. Other data will become available annually and we will publish progress against baselines accordingly, with a supporting narrative to consider how reform has impacted measures, providing an overview of planned mitigating action.

60. We may take the opportunity to review success measures where elements outside the control of the Programme impact significantly on progress, or if the mix of individuals and employers changes to a significant degree. Any review will be detailed within the report.



Department
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