

#### **BRIEFING PAPER**

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# Apprenticeship Statistics: England

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## **Summary**

Skills and training are devolved policy areas. This Briefing Paper covers apprenticeships in England. Sources of information on apprenticeships in Scotland, Wales and Northern Ireland are included in the Commons Briefing Paper, Apprenticeships Policy in England.

Constituency data on apprenticeship starts are available in the <u>Constituency</u> <u>Apprenticeship Statistics spreadsheet</u> accompanying this Briefing Paper.

Unless stated otherwise data in this paper are from the FE Data Library.

#### Apprenticeship starts in 2016/17

In 2016/17, there were 491,300 apprenticeship starts in England, 18,100 less than the previous year.

There was a large reduction in the number of starts in the final quarter of 2016/17, following funding changes and the introduction of the apprenticeship levy in May 2017. Starts by apprentices aged 25 and over were particularly affected.

#### Starts by age

People aged 25 and over accounted for 46% of apprenticeship starts in 2016/17. People aged 19-24 accounted for 29% and those aged under 19 accounted for 25%.

The number of starts for those aged between 19 and 24 fell to its lowest level since 2009/10.

#### Level

In 2016/17 53% of apprenticeship starts were at intermediate level, 40% were at advanced level and the remaining 7% were at higher level.

The number of higher level starts has almost doubled in the last two years.

#### Sector and framework

As in previous years, the majority of apprenticeship starts were in the service sectors. 86% of all starts were in four subject areas: Health, Public Services and Care; Business, Administration and Law; Retail & Commercial Enterprise; and Engineering and Manufacturing Technologies.

#### Gender

In 2016/17, 54% of apprenticeships starts were by women and 46% by men. The number of women starting apprenticeship in England has been higher than men for every year since 2010/11.

## Participation and achievements

912,200 people were participating in an apprenticeship in 2016/17, 12,800 more than in the year before.

271,700 people successfully completed an apprenticeships in 2015/16, up 10,800 on the previous year.

### **Policy Developments**

In May 2017 the apprenticeship funding system was revised, and the apprenticeship levy was introduced. A list of significant policy developments since "Modern Apprenticeships" were introduced in 1994 is provided in section 5 of this paper.

# 1. Overview of apprenticeships in **England**

Skills and training are devolved policy areas and this Briefing Paper deals only with apprenticeship statistics for England.<sup>1</sup>

Apprenticeships are paid jobs that incorporate on and off the job training. A successful apprentice may qualify with a nationally recognised qualification on completion of their contract.

In 2016/17, there were 491,300 apprenticeship starts in England, while 912,200 were participating in an apprenticeship. 271,700 achieved an apprenticeship in 2015/16.

Over 3.4 million apprenticeships were started between 2010/11 and 2016/17, with 1.5 million achieving an apprenticeship between 2010/11 and 2015/16.

Apprenticeships can be studied at different qualification levels:

Name	Level	Equivalent educational level
Intermediate	2	5 GCSE passes at grades A* to C
Advanced	3	2 A level passes
Higher	4,5,6 and 7	Foundation degree and above

There are two different types of apprenticeship schemes, frameworks and standards. Apprenticeship frameworks are being progressively phased out and replaced by the newer apprenticeship standards, which were introduced in 2014. For further information see the Commons Briefing Paper, Apprenticeships Policy in England.

Constituency data on apprenticeship starts are available in the Constituency Apprenticeship Statistics spreadsheet accompanying this Briefing Paper.

## Changes to the funding system for apprenticeships

The way in which the government funds the training and assessment costs of apprenticeships was revised in May 2017, and the apprenticeship levy was introduced.

Prior to the changes being introduced the majority of apprenticeship starts were on apprenticeship frameworks. For this type of apprenticeship, the government paid all the training costs for 16-18 year olds, half the training costs for 19-23 year olds and up to half for apprentices aged 24 and over. Extra support was provided to apprentices living in the most deprived parts of the country or those in areas where training costs were higher.

New apprenticeships are referred to as a 'start', and the completion of an apprenticeship is referred to as an 'achievement'.

<sup>&</sup>lt;sup>1</sup> Data in this paper is taken from the FE Data Library.

#### The Apprenticeship Levy

All UK employers with a pay bill of over £3 million per year pay the apprenticeship levy. The levy is set at 0.5% of the value of the employer's pay bill, minus an apprenticeship levy allowance of £15,000 per financial year. The funds generated by the levy have to be spent on apprenticeship training costs. The government tops ups the funds paid by the employer by 10%.

Since May 2017, apprentices on both apprenticeship frameworks and apprenticeship standards have been funded in the same way. Employers who pay the apprenticeship levy will pay for their training costs from their levy funds, while employers who do not pay the levy will generally pay 10% of the cost of training with the government contributing the remaining 90%. The government will provide additional payments, mainly targeted at younger apprentices.

A full description of the funding changes and the apprenticeship levy is available in the library briefing note <u>Apprenticeships Policy in England:</u> 2017.

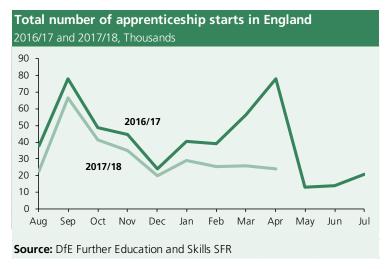
## 2. Total number of starts

This section provides a summary of apprenticeship starts in the first three guarters of 2017/18, in 2016/17, and the trends over time.

#### 2.1 Starts 2017/18

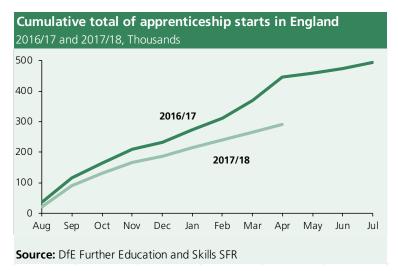
As shown in the chart below, the number of apprenticeship starts in every month of 2017/18 has been less than the number of starts in the same month in 2016/17.

Unless otherwise stated, the statistics within this paper are for academic years (August 1<sup>st</sup> to July 31<sup>st</sup>)



The number of starts fell following the introduction of a new apprenticeship funding system in May 2017. As shown in the chart above, this led to a large fall in starts in the final quarter of 2016/17, and the lower number of starts has continued into 2017/18. The impact of the new funding system is explained in more detail in Section 2.2 of this note.

Between August 2017 and April 2018 (Quarters 1 to 3 of the 2017/18 academic year), there were 290,500 apprenticeship starts in England, 156,400 fewer than in the same period in 2016/17. The cumulative total of starts in 2016/17 and 2017/18 are shown in the chart below.<sup>2</sup>



DFE/ EFSA, Apprenticeship and traineeships: January 2018, table 2.1

#### By age

In comparison with the same period in 2016/17, the age profile of people starting apprenticeships in the first three quarters of 2017/18 changed with a higher proportion belonging to the under 19 age group, and a lower proportion belonging to the over 24 age group.

111,300 (38%) of the apprenticeships started in 2017/18 were by people over the age of 24. The remaining starts were split evenly between those aged under 19 and those aged between 19 and 24 (31% of starts for both age groups).

In the first three quarters of 2016/17, 47% of apprenticeships were started by people over the age of 24, 24% by those aged under 19 and 29% by those aged 19-24.

#### By Level

Apprenticeships starts were more likely to be at either advanced or higher level in the first three quarters of 2017/18 than in the same period a year previously.

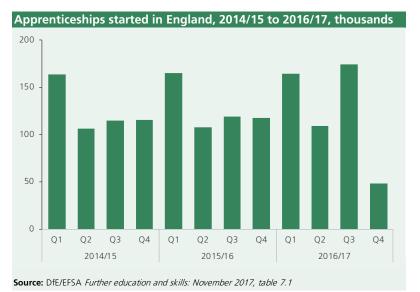
127,900 (44%) of apprenticeships started in 2017/18 were at advanced level, with 35,600 (12%) started at higher level. In the same period in 2016/17, 40% of apprenticeship starts were at advanced level and 7% were at higher level.

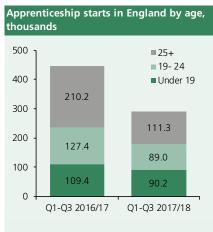
The proportion of apprenticeship starts at intermediate level fell from 53% in the first three quarters of 2016/17 to 44% in the same period in 2017/18.

## 2.2 Starts in 2016/17

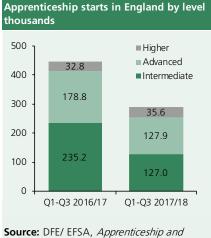
In 2016/17, there were 494,900 apprenticeship starts in England, 18,100 less than the previous year. This is the second lowest volume of starts in an academic year since 2011/12.

There was a large reduction in apprenticeships starts in the final quarter of 2016/17, following the funding changes that were introduced in June 2017.





**Source:** DFE/ EFSA, *Apprenticeship and traineeships: January 2018*, table 2.1



traineeships: January 2018, table 2.1

The number of starts in this quarter fell by 130,000 from the previous quarter, and by over 70,000 from the same quarter in the previous year.

The quarterly statistics also show that there was a large increase in the number of apprenticeship starts in quarter 3 of 2016/17, which was the quarter immediately before the funding changes came into place.

Apprenticeship starts in this quarter were 65,000 higher than the previous quarter, and 55,000 higher than for the same quarter in 2015/16.

#### Government assessment of the reduction in apprenticeship starts

The Government provided the following assessment of the reduction in apprenticeship starts:<sup>3</sup>

Our reforms, the largest changes to apprenticeships government has ever made, are supporting an increase in the quality of apprenticeships and allowing apprentices to develop their talents and progress their careers. It is only natural that employers, and the apprenticeship market, take time to reflect on what the changes mean and how to maximise the opportunities they represent.

In light of these changes, it is premature to draw definitive conclusions regarding the potential reasons for any fall in starts, on the basis of the limited data available. The Government's reforms are ultimately intended to invest in the potential of people of all ages and backgrounds.

We are consulting widely with employers, providers and apprentices and are continually reviewing the impact of these reforms.

#### 2.3 Starts since 1996/97

The current apprenticeship scheme was launched in 1994 but it wasn't until 2007/08 that apprenticeship starts exceeded 200,000 per year. Between 2009/10 and 2011/12 there was a large increase in starts, and since then there have generally been around 500,000 starts each year.



Changes were made to how information on apprenticeships is collected between 2001/02 and 2002/03, and between 2010/11 and 2011/12. These changes are denoted on the charts by dotted lines. Data either side of the dotted lines are not directly comparable.

<sup>&</sup>lt;sup>3</sup> PQ 112477, 21 November 2017

Apprenticeship starts increased from 279,700 in 2009/10 to 457,200 in 2010/11, an increase of 63%. There was then a further increase between 2010/11 and 2011/12. These increases can be attributed to the increase in government spending on apprenticeships between these years (see box to the right).

Between 2011/12 and 2015/16 the volume of starts per year has been relatively steady at just above 500,000. The exception was 2013/14 when the number of starts dropped by 70,000 from the previous year. The DfE have attributed this fall to the introduction and subsequent withdrawal of advanced learner loans for apprentices aged 24+ (see section 6).<sup>4</sup>

In May 2010 the Government announced that £150 million from the Train to Gain budget would be deployed to provide an extra 50,000 apprenticeship places.

As part of the March 2011 Spring Budget the Plan for Growth was announced which included an £180 million package for 50,000 additional apprenticeships.

DfE, <u>Further Education and Skills in England Statistical First Release</u>, October 2017, pg 15

## 3. Starts by apprentice characteristics

This section provides a summary of apprenticeship starts broken down by the characteristics of the apprentice.

## 3.1 By Age

#### 2016/17

121,000 people under 25 started an apprenticeship in 2016/17, 23,000 fewer than in 2015/16. Meanwhile the number of starts by apprentices aged 25 or over increased to its highest level since apprenticeships were made available for people over the age of 24 in 2004/05. Starts for those aged between 19 and 24 fell to its lowest level since 2009/10.

#### Apprenticeship starts in England in 2016/17, thousands

	Level	Proportion
Under 16	0	-
16	29	6%
17	41	8%
18	52	11%
19-24	141	29%
25-34	105	22%
35-44	62	13%
45-59	58	12%
60+	4	1%

#### Notes

Proportion is the percentage of all apprenticeship starts made by an age Under 500 people aged under 16 started an apprenticeship in 2016/17.

People aged 25 and over accounted for 46% of apprenticeship starts in 2016/17. People aged 19-24 accounted for 29% and those aged under 19 accounted for 25%.

The funding changes introduced in May 2017 had a particularly large impact on starts for those aged 25. In the guarter before the changes, the number of starts almost doubled from the preceding quarter. Between the final two guarters of 2016/17, the number of starts for these older apprentices decreased from 103,000 to 20,000.

#### Apprenticeship starts in England, 2016/17, thousands

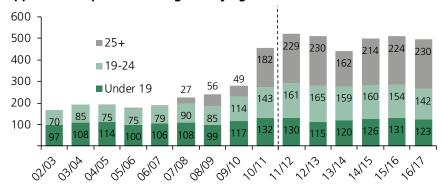
	2016/17									
	Q1									
Under 19	61	25	24	13						
19-24	48	32	47	15						
25+	55	52	103	20						
Total	164	109	174	48						

Source: DfE/EFSA Further education and skills: November 2017, table 7.1

#### Trend over time

The age breakdown of starts has generally been quite stable since 2011/12, with around a quarter under 19 years old, a further 30% aged between 19 and 24, and the remainder aged 25 or over. The exception was in 2013/14 when there was a large fall in the number of apprentices aged 25 or over, which can be attributed to the government's attempts in this year to make these apprentices pay for part of their apprenticeship.

#### Apprenticeship starts in England by age since 2002/03, thousands



Apprenticeship starts in England by age as a percentage of all starts since 2009/10

	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Under 19	42%	29%	25%	22%	27%	25%	26%	25%
19-24	41%	31%	31%	32%	36%	32%	30%	29%
25+	18%	40%	44%	45%	37%	43%	44%	46%

The growth in the number of apprenticeship starts between 2009/10 and 2011/12 was largely driven by people aged 25 and over, with the number of apprentices of this age increasing from 49,000 to 229,000 between these years. In 2016/17, people aged 25 and over made up 47% of all apprenticeship starts, compared to 18% in 2009/10.

## 3.2 By Gender

In 2016/17, 54% of apprenticeships starts were by women (262,820) and 46% by men (228,520).

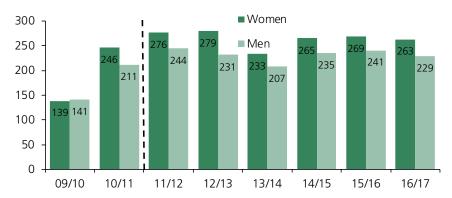
Starts for both men and women fell in 2016/17 from 2015/16, although the fall was greater for men (12,000) than it was for women (6,000).

#### Trend over time

The number of women starting apprenticeships has been higher than men in every year since 2010/11.

Prior to 2010/11, the number of men starting apprenticeships had been higher than the number of women in each year. This reversed in 2010/11 due a particularly large increase in the number of starts for women between 2009/10 and 2011/12. The increase for women between these years was 35,000 higher than the increase for men.

#### Apprenticeship starts by gender in England since 2009/10, thousands



Apprenticeship starts in England by gender since 2009/10

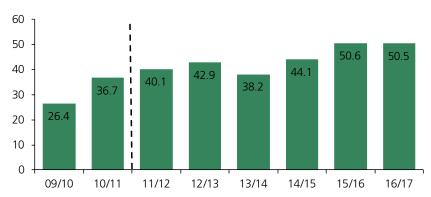
	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
% of total								
Women	49.6	53.8	53.1	54.7	52.9	53.0	52.8	53.5
Men	50.4	46.2	46.9	45.3	47.1	47.0	47.2	46.5

## 3.3 By Disability

In 2016/17, 10% (50,500) of apprenticeship starts were learners with learning difficulties and/or disabilities, slightly less than in 2015/16, but up 10,000 (25%) from 2011/12.

The proportion of starts by apprentices with learning difficulties or disabilities has been steadily increasing since 2011/12, and also increased slightly from 2015/16 to 2016/17.

#### Apprenticeship starts by learners with a difficulty/disability in England since 2002/03, thousands



Apprenticeship starts in England by learner difficulty/disability since 2009/10

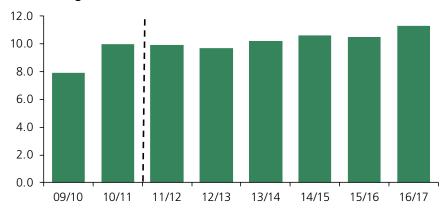
	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
% of total								-
Learning Difficulty/Disability	9.4	8.0	7.7	8.4	8.7	8.8	9.9	10.3
No Learning Difficulty/Disability	89.6	91.2	91.0	90.4	89.9	89.8	88.5	88.3
Not Known	0.9	0.8	1.3	1.2	1.4	1.3	1.5	1.4

## 3.4 By Ethnicity

The overwhelming majority (88% or 431,000 people) of all learners starting an apprenticeship were white in 2016/17. The proportion of starters who are non-white increased in 2016/17, from 10.5% in 2015/16 to 11.3% in 2016/17.

The number of non-white starters has been gradually increasing since 2011/12, from 51,350 to 55,000 in 2016/17. While the number of white starters fell between 2015/16 and 2016/17, the number of nonwhite starters increased by 1,500.

#### Proportion of total apprenticeship starts by learners who are nonwhite in England since 2002/03 (%)



Apprenticeship starts in England by learner ethnicity since 2009/10

	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Level (Thousands)								
Asian/Asian British	9	19	21	20	19	22	21	22
Black/African/Caribbean/Black British	6	15	17	17	14	17	18	18
Mixed/Multiple Ethnic Group	5	8	10	10	9	11	11	11
White	255	407	465	455	391	442	449	431
Other Ethnic Group	1	3	3	3	3	4	4	4
Not Known/Not Provided	3	5	4	5	4	4	7	6

## 4. Starts by apprenticeship characteristic

This section provides a summary of apprenticeship starts broken down by the characteristics of the apprenticeships.

## 4.1 By Level

#### 2016/17

In 2016/17 53% of apprenticeship starts were at intermediate level, 40% were at advanced level and the remaining 7% were at higher

Between 2015/16 and 2016/17, the number of starts increased for all levels except intermediate, which fell by 32,000. The number of higher level apprenticeship starts has almost doubled in the last two years, from 20,000 in 2014/15 to 36,000 in 2016/17.

The number of starts at intermediate level in 2016/17 were the lowest in any year since 2010/11. In contrast, the number of higher level starts were at their highest ever annual level, while the number of advanced level starts in 2016/17 were at their second highest annual level.

#### Trend over time

There were large increases in the number of Intermediate and Advanced Level apprenticeship starts between 2009/10 and 2011/12. Since 2011/12 the proportion of starts that are advanced level or higher has steadily been increasing, from 37% in 2011/12 to 47% in 2016/17.

Apprenticeship starts in England by level since 2009/10, thousands

	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Level								
Intermediate (Level 2)	191	301	329	293	286	298	291	259
Advanced (Level 3)	88	154	188	208	145	182	191	196
Higher (Levels 4-7)	2	2	4	10	9	20	27	36
Level 4	1	2	3	4	4	7	10	12
Level 5	-	-	1	6	5	13	17	23
Level 6	-	-	-	-	-	0	1	2
Level 7	-	-	-	-	-	-	0	0
Proportion								
Intermediate (Level 2) Advanced (Level 3)	68% 31%	66% 34%	63% 36%	57% 41%	65% 33%	60% 36%	57% 37%	52% 40%
Higher (Levels 4-7)	1%	0%	1%	2%	2%	4%	5%	7%

**Notes:** Proportion is the percentage of all apprenticeship starts made at each level.

Higher Level apprenticeships did not exist before 2006/07. The majority of Higher Apprenticeship starts in 2016/17 were at Level 5 (63%) with another 32% at level 4. There were only 50 level 7 starts in 2016/17.

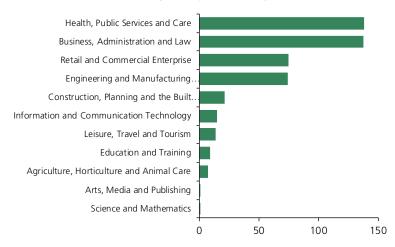
## 4.2 By Sector

#### 2016/17

86% of starts in 2016/17 were in the following four subject areas, with over half in the top two areas:

- Health, Public Services and Care: 138,000 starts, up 7,000 from 2015/16
- Business Administration and Law: 138,000 starts, down 4,000 from 2015/16.
- Retail and Commercial Enterprise: 75,000 starts, down 10,000 from 2015/16
- Engineering and Manufacturing Technologies: 74,000 starts, down 3,000 from 2015/16.

#### Apprenticeship starts in England by sector subject in 2016/17, thousands



#### Trend over time

The most common subject area for apprenticeship starts prior to 2016/17 had been Business, Administration and Law, but for the first time in 2016/17 there were more starts in Health, Public Services and Care. Starts in the former have fallen by almost 30,000 since 2011/12, while starts in the latter have increased by almost 30,000. The other area that has seen a significant change in starts between 2011/12 and 2016/17 was Retail and Commercial Enterprise where starts decreased by over 30,000 to 75,000 starts in 2016/17.

Apprenticeship starts in England by sector subject area since 2009/10, thousands

	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Health, Public Services and Care	44	90	109	123	109	130	131	138
Business, Administration and Law	77	134	165	160	126	143	142	137
Retail and Commercial Enterprise	62	103	108	101	87	90	84	75
Engineering and Manufacturing Technologies	43	55	70	66	65	74	77	74
Construction, Planning and the Built Environment	21	22	14	14	16	18	21	21
Information and Communication Technology	13	20	19	14	13	16	16	15
Leisure, Travel and Tourism	15	22	20	14	11	13	15	14
Education and Training	1	4	8	8	5	7	8	9
Agriculture, Horticulture and Animal Care	6	7	8	7	7	7	8	7
Arts, Media and Publishing	0	1	1	1	1	1	1	1
Science and Mathematics	-	0	0	0	0	0	0	0

#### 4.3 Frameworks and standards

#### 2016/17

In 2016/17 the vast majority (95%) of apprenticeship starts were on frameworks, although the number of framework starts fell by almost 40,000 between 2015/16 and 2016/17. There were 23,700 starts on apprenticeship standards in 2016/17, almost 20,000 more than in 2015/16.

The most popular framework in 2016/17 was Health and Social Care, where starts have increased by 16,000 from 2011/12. The highest number of starts in an apprenticeship standard was in the Retailer apprenticeship.

The table below shows starts in the 10 most popular apprenticeship frameworks and standards.

#### Apprenticeship starts in England by standards in 2016/17, thousands

10 most popular standards

#### Apprenticeship starts in England by framework in 2009/10, thousands

10 most popular frameworks in 2016/17

	16/17		16/17
Retailer	2.2	Health and Social Care	87
Installation Electrician/Maintenance Electrician	1.9	Management	47
Team Leader/Supervisor	1.9	Business Administration	46
Customer Service Practitioner	1.5	Children's Care Learning and Development	27
Infrastructure Technician	1.4	Hospitality and Catering	25
Hospitality Team Member	.8	Customer Service	20
Operations/Departmental Manager	.8	Construction Skills	20
Dual Fuel Smart Meter Installer	.6	Industrial Applications	17
Chartered Manager Degree Apprenticeship	.6	Engineering	15
Engineering Technician	.6	Care Leadership and Management	12

**Source:** DfE/EFSA FE data library: apprenticeships Source: DfE/EFSA FE data library: apprenticeships

#### Trend over time

In 2016/17 the vast majority (95%) of apprenticeship starts were on frameworks, although the number of framework starts fell by almost 40,000 between 2015/16 and 2016/17. There were 23,700 starts on apprenticeship standards, almost 20,000 more than in 2015/16.

#### Number of frameworks and standards since 2014/15

	14/15	15/16	16/17
Frameworks	499,630	505,130	467,730
Standards	380	3,860	23,740

The most popular framework in 2016/17 was Health and Social Care, where starts have increased by 16,000 from 2011/12. This is the only framework that has seen a sizeable rise in starts over this period. Starts in Hospitality and Catering and Customer Service have both fallen by over 10.000 since 2011/12.

The table shows starts since 2009/10 for the 10 most popular apprenticeship frameworks in 2016/17.

#### Apprenticeship starts in England by framework since 2009/10, thousands

10 most popular frameworks in 2016/17

	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Health and Social Care	18	54	71	81	70	85	86	87
Management	10	30	45	48	33	43	46	47
Business Administration	27	39	45	49	44	49	50	46
Children's Care Learning and Development	20	27	26	26	24	22	24	27
Hospitality and Catering	21	30	36	36	32	32	32	25
Customer Service	29	54	59	45	31	31	26	20
Construction Skills	14	16	14	14	16	18	20	20
Industrial Applications	1	4	19	15	15	17	19	17
Engineering	15	18	13	14	16	18	17	15
Care Leadership and Management	-	-		3	3	9	10	12

## 5. Apprenticeship achievements and participation

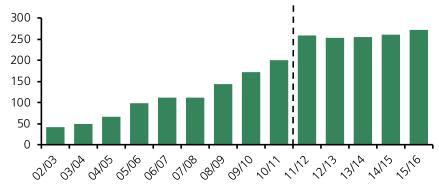
As well as statistics on apprenticeship starts, data are also available on the number of people who complete an apprenticeship (achievements) and the total number of people who were on an apprenticeship in a given year (participation).

#### 5.1 Achievements

There were 271,700 achievements in 2015/16, up 10,800 on the previous year. This marked the highest volume of achievements in any academic year.

Apprenticeship achievements followed a similar trend to starts, with the number of achievements increasing up to 2011/12, but since then volumes have stayed at a similar level.

Apprenticeship achievements in England since 2002/03, thousands

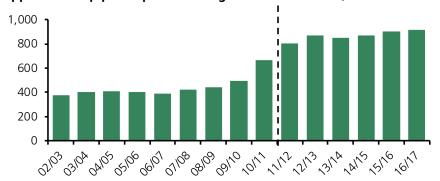


## 5.2 Participation

912,200 people were participating in an apprenticeship in 2016/17, the highest annual level of participation for the current apprenticeship scheme. 12,800 more people were participating in 2016/17 than in 2015/16.

The trend for apprenticeship participation is also similar to that for starts with large increases from 2009/10 to 2011/12, and relatively little movement since 2011/12. The number of people participating has gradually been increasing since 2011/12.

Apprenticeship participation in England since 2002/03, thousands



## 6. Significant apprenticeship policy developments

This section provides a summary of some of the key policy developments for apprenticeships.

#### 1994 to 2010

A new apprenticeship scheme called "Modern Apprenticeships" was launched in 1994 which offered an opportunity to work and be paid a wage, while working towards a NVQ level 3 qualification. These were aimed at 18 and 19 year olds. 5

Significant changes were made to the scheme in 2004 with the introduction of level 2 apprenticeships, revised level 3 apprenticeships and the removal of the upper age limit of apprenticeships, which meant that people over 25 could become apprentices. Higher level apprenticeships were introduced in 2006.6

In 2008, in response to the Leitch report that included a recommendation that the number of apprenticeships should be increased to 500,000 per year by 2020 (in the UK), the National Apprenticeship Service was created. It was launched in 2009. The government also committed to increase funding for apprenticeships between 2007/08 and 2010/11.7

#### 2010 to 2015

In May 2010 the Government announced that £150 million from the Train to Gain budget would be deployed to provide an extra 50,000 apprenticeship places. As part of the March 2011 Spring Budget the Plan for Growth was announced which included an £180 million package for 50,000 additional apprenticeships. Also, in December 2011, the Skills System Reform Plan was launched which included an initiative to provide 40,000 incentive payments to small employers who take on apprentices.

The Apprenticeship Grant for Employers of 16 to 24 year olds (AGE 16-24) was introduced in February 2012, and provided £1,500 to small businesses hiring young apprentices.

In 2013/14 advanced learner loans were introduced, and individuals aged 24 and over were required to take these loans to pay half of the cost of advanced level apprenticeships. This was the first time that apprentices were expected to contribute to the costs of their learning, and led to an 88% fall in the number of people aged 25+ starting an advanced or higher apprenticeship. In February 2014 the Skills Funding

**Further information** on apprenticeships policy in England is covered in the library briefing paper, **Apprenticeships** <u>Policy in England</u>.

House of Commons Library briefing paper, Apprenticeships Policy, England prior to 2010, July 2015, p5

Ibid, p7

Ibid, p8

Agency announced that apprentices would no longer be required to take out a loan, and those who had were not required to repay them.<sup>8 9</sup>

An extra £40 million was announced in the 2013 Autumn Statement to deliver an additional 20,000 higher level starts between August 2013 and July 2015.  $^{10}$ 

In 2014 apprenticeship standards were introduced, with the intention of replacing apprenticeship frameworks which are being progressively phased out.

#### 2015 to 2017

In 2015 the Government announced a commitment to create 3 million new apprenticeships by 2020. The Welfare Reform and Work Act 2016 placed an obligation on the Government to report annually on its progress towards meeting this target. The Enterprise Act 2016 provided the Secretary of State with the power to set targets for apprenticeships in public bodies in England to contribute towards meeting the national targets. <sup>11</sup>

In March 2015 <u>Degree apprenticeships</u> were launched.

The <u>Institute for Apprenticeships</u> was established in May 2016 and launched in April 2017 with an aim of ensuring high-quality apprenticeship standards and to advise the government on funding for each standard.

The funding system was revised in May 2017, and the Apprenticeship Levy was introduced. A brief summary of the levy and the funding changes is provided in section 1 of this paper.

<sup>&</sup>lt;sup>8</sup> BIS/SFA Skills Funding Statement 2013-2016, February 2014, pg 10

Second Reading, No more advanced learning loans for apprentices after low take up, February 2014

<sup>&</sup>lt;sup>10</sup> HM Treasury, Autumn Statement 2013: key announcements, December 2013

<sup>&</sup>lt;sup>11</sup> BIS, Apprenticeships (in England): vision for 2020, December 2015, pg 9

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