



Department
for Education

Progress Report on the Apprenticeships Reform Programme

April 2020

DEPARTMENT FOR EDUCATION

Progress report on the Apprenticeships Reform Programme 2020

Presented to Parliament pursuant to section A8 of the Apprenticeships, Skills, Children and Learning Act 2009 as inserted by the Welfare Reform and Work Act 2016.



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Foreword:

In line with the requirements of the Apprenticeships, Skills, Children and Learning Act 2009, this report provides Parliament with an update on progress towards the apprenticeships target in England. It also provides additional information about apprenticeships that the Secretary of State considers appropriate. Specifically, we published a benefits strategy for the Apprenticeships Reform Programme in March 2017. We undertook to provide an annual report against those benefits and this report meets that commitment.

The latest data on apprenticeships and traineeships in England is currently published quarterly through the Further Education and Skills release.¹ This information is supplemented by monthly updates.² Information is submitted to Parliament through answers to Parliamentary Questions, inquiries and other regular parliamentary business. This report meets our legislative requirement to report on the period from 1 August 2018 to 31 July 2019. We have also included statistics and information covering the first two quarters of the 2019/20 academic year from 1 August 2019 to 31 January 2020. However, this report may also refer to information outside these reporting periods where the Secretary of State considers that this would be helpful and where this supports reporting against the benefits strategy.

¹ Further Education and Skills, England: November 2019

<https://www.gov.uk/government/statistics/further-education-and-skills-november-2019>

² Apprenticeships and Traineeships, England: March 2020

<https://www.gov.uk/government/statistics/apprenticeships-and-traineeships-march-2020>. This approach is transitional as the further education and apprenticeship releases move to a new dissemination platform. This will be through a new DfE statistics dissemination platform known as 'Explore Education Statistics' (EES) to make our data and statistics easier to find, access, navigate and understand. Please see here for more information: <https://www.gov.uk/government/organisations/department-for-education/about/statistics>.

Introduction:

The Apprenticeship Reform Programme was established in May 2015, with quality at its heart. We committed to a number of fundamental reforms that would overhaul England's apprenticeship system in line with best international practice, put employers in the driving seat, and build the skilled workforce this country needs for its future. We aimed to complete these structural reforms by 2020.

At this key point in our reform process, this report both reviews our progress towards these measures as this five-year transformation period comes to an end, and reflects on our future development as we move forwards.

Since 2015, we have transformed the apprenticeships landscape, with notable highlights including the introduction of degree apprenticeships in 2015, the apprenticeship levy in 2017, the introduction of the independent End-Point Assessments (EPAs) and the continual development of new employer-designed standards to replace the old frameworks system, which will soon be phased out. In February 2017 we launched our award-winning digital apprenticeship service for levy-paying employers; in January 2020 we entered the first transition of opening the service to smaller employers who do not pay the levy. By March 2021 we expect this transition to be complete and for all new apprentice starts to be funded via the Apprenticeship Service.

In April 2019, we changed our rate of co-investment from 10% to 5% so that smaller employers have even greater financial support accessing apprenticeships. We also increased the amount a levy-paying employer can transfer from 10% to 25% to provide even greater flexibility for businesses to spend their funds and support smaller employers in their supply chain to provide high-quality apprenticeship training.

We have instituted an ambitious programme to modernise technical education and match best international practice. As part of these wider reforms to technical education and the Further Education landscape, we have created T Levels—a new gold standard technical qualification so that young people gain the skills they need for employment—and these will launch this Autumn. T Levels are a high-quality technical alternative to A Levels, combining classroom theory, practical learning and a meaningful industry placement. T Levels follow the same occupational standards as apprenticeships, designed by employers and approved by the Institute for Apprenticeships and Technical Education. Both T Levels and the apprenticeship reforms mean that there are multiple ways for young people to secure the skills the country's workforce demands.

Thanks to our reforms, apprenticeships are now longer, higher-quality, with more off-the-job training and have a rigorous assessment at the end, ensuring that all apprentices are fully occupationally competent. They give people of all ages and backgrounds the chance to gain the skills to make a difference.

As we move into the next phase of the Apprenticeship Programme, we are reviewing how best to use the vast potential of apprenticeships. We are developing our new business case and using this as an opportunity to reassess and re-baseline our benefits, taking advantage of new technologies and infrastructure that were not available to us in 2015. We now have the opportunity to ensure that, going forwards, we are setting targets that will maintain quality, secure value for money, and guarantee apprenticeships remain a prestigious route to creating a skilled workforce for the future.

Apprenticeship Starts:

The government set itself the target of generating 3 million high quality apprenticeship starts in England between 2015 and 2020. This report updates Parliament on progress towards that target.

Since the apprenticeship reforms began in May 2015, there have so far been 2,087,300 starts on apprenticeships.³ This figure is 69.6% of the 3 million target. More importantly, this figure represents 2,087,300 people choosing to enter a training scheme that helps them progress in their chosen careers and provides valuable skills to the country's workforce.

In the reporting period of 1 August 2018 to 31 July 2019 there was a total of 393,400 apprenticeship starts.⁴ This is an increase of 4.7% compared with 375,800 starts in the 2017/18 reporting period. There were 198,600 apprenticeship starts reported for the first two quarters of the 2019/20 academic year, compared with 214,200 reported at this time in 2018/19, a decrease of 7.3%.⁵ However, this level is a 2.3% increase on the 194,100 starts seen at the same point in the 2017/18 academic year.

Throughout these reforms we have focused on boosting quality in apprenticeships so that apprentices gain the key skills, knowledge and behaviour that enable them to be competent and confident across their chosen sector.

As part of the transformation process, we have introduced new-employer-led standards to replace the existing frameworks. Over 3,000 employers across the country have been involved in shaping

³ Apprenticeships and Traineeships, England: March 2020
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875219/March2020_apprenticeships-and-traineeships.pdf

⁴ Further Education and Skills, England: November 2019
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/848534/FE_and_Skills_commentary_November_2019.pdf

⁵ Apprenticeships and Traineeships, England: March 2020
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875219/March2020_apprenticeships-and-traineeships.pdf

these new standards to ensure they reflect the skills and competencies that employers require. There are currently 538 standards available to apprentices, with a further 144 standards proposed or in development.⁶ These standards have been designed and driven by employers, creating a training programme that actively fulfils the needs of the workplace and equips apprentices with the skills that industry demands.

In 2018/19, 248,100 starts (63.1%) were made using these higher quality standards,⁷ rather than frameworks, up from 163,700 in 2017/18.⁸ This percentage is set to rise further as we approach the point at which starts on frameworks will no longer be available.⁹ After this point, all starts will be on standards and every employer can be confident that their chosen apprenticeships can supply the key skills they need for their business.

Our transformation of apprenticeships in the past five years goes deeper than moving from frameworks to standards.

We have introduced a minimum duration so that apprentices can truly develop full occupational competence: the expected duration for apprentices at all levels has increased year on year to an average of 611 days in 2018/19, compared to 498 days in 2015/16, an increase of 22.7%.¹⁰ We have introduced an end-point assessment (EPA) delivered by an independent end-point assessment organisation (EPAO) to ensure that apprentices are

⁶ <https://www.instituteforapprenticeships.org/apprenticeship-standards/> This figure is correct as of 24 April 2020.

⁷ Further Education and Skills, England: 2018/19 academic year
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/848534/FE_and_Skills_commentary_November_2019.pdf

⁸ Further Education and Skills Release, England: March 2019
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/789378/Further_Education_and_Skills_Release_March_2019.pdf

⁹ For this academic year, the percentage of starts on standards has increased again to 74.3%. Apprenticeships and Traineeships, England: March 2020
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875219/March2020_apprenticeships-and-traineeships.pdf

¹⁰ Further Education and Skills, England: 2018/19 academic year
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/848534/FE_and_Skills_commentary_November_2019.pdf. This figure does not include re-starters.

fully able to work in their chosen industry post-completion. We have introduced a minimum of 20% off-the-job training so that apprentices have space to learn new skills and increase their knowledge base, before embedding those skills through their on-the-job experience. We have stipulated that, since April 2017, all training providers must be registered on the Register of Approved Training Providers (RoATP) and adhere to their strict regulations. Furthermore, all new training providers are subject to an Ofsted monitoring visit within the first 24 months.¹¹

Our transformational reforms mean that the starts now made on the apprenticeship programme are indeed high-quality starts.

Widening Participation and Horizons:

Apprenticeships can be an engine for social mobility. They can benefit people from all backgrounds at all levels of learning. They offer a unique opportunity to earn and learn, build confidence and skills, and strengthen the workforce right from the start.

Consequently, the government has committed to widening participation in apprenticeships by increasing the proportion of starts from priority, under-represented groups, ensuring that everyone can access and benefit from these opportunities.

The Benefits Realisation Strategy set a target to increase the proportion of apprenticeships started by people of black, Asian and minority ethnic (BAME) backgrounds. We aimed to increase BAME starts by 20% by 2020, which would result in 12.1% of starts being by apprentices of BAME backgrounds.¹²

¹¹ <https://educationinspection.blog.gov.uk/2019/01/08/chris-jones-hmi-specialist-adviser-for-apprenticeships-on-ofsteds-new-provider-monitoring-visits/>

¹² When first calculated, this 20% increase resulted in a desired target of 11.9% of total starts. As a result of changes in the methodology for calculating this percentage, it is now 12.1%. See the technical information section of the July release: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/815291/Apprenticeships_and_Traineeships_release_July19_main_text.pdf

To further this increase in BAME representation, we launched the Five Cities Project,¹³ and in 2018 we launched 'Opportunities Through Apprenticeships', a pilot project working with four local authorities to help more apprentices from disadvantaged areas undertake high value apprenticeships with higher earnings potential and progression.¹⁴ In 2017 we launched the Apprenticeships Diversity Champions Network, which works with employers to ensure apprenticeships are undertaken by people from a diverse range of backgrounds, reflecting the widest spectrum of society.¹⁵

In 2018/19, 12.5% of starts were from people of BAME backgrounds, meaning that 48,400 BAME individuals entered the apprenticeship workforce.¹⁶ This is an increase on the 11.4% of starts that were made by BAME individuals in 2017/18, and means that we have achieved our BAME representation target before 2020. In the first two quarters of 2019/20 reported so far, 23,900 or 12.3%, of starts reported were made by people from BAME backgrounds.¹⁷

The Benefits Realisation Strategy also set the target of raising the proportion of starts from apprentices with learning difficulties and/or disabilities (LDD). We aimed to increase LDD starts by 20% by 2020, which would result in 12.1% of starts being by apprentices who declared a learning difficulty and/or disability.

In 2018/19, 12.0% of starts were from people who declared a learning difficulty and/or disability, meaning that 46,300 LDD

¹³ <https://www.gov.uk/government/news/new-project-to-boost-diversity-in-apprenticeships>

¹⁴ <https://www.gov.uk/government/news/opportunities-through-apprenticeships-project-is-launched>

¹⁵ <https://www.gov.uk/government/groups/apprenticeship-diversity-champions-network>

¹⁶ Further Education and Skills, England: 2018/19 academic year
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/848534/FE_and_Skills_commentary_November_2019.pdf

¹⁷ Apprenticeships and Traineeships, England: March 2020
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875219/March2020_apprenticeships-and-traineeships.pdf

individuals entered the apprenticeship workforce.¹⁸ As with BAME starts, this is an increase on 2017/18, which was 11.6% for LDD starts. In the first two quarters of 2019/20 reported so far, 24,400 or 12.6% of starts reported were made by apprentices who declared a learning difficulty and/or disability.¹⁹

Increasing the volume of starts from certain groups across the country begins the process of widening participation but that must be supported by a successful rate of achievement. Consequently, the Benefits Realisation Strategy set the targets of increasing the rate of achievements for minority groups and of maintaining the rate of achievement across the programme as a whole. We are deeply committed to supporting our learners and have undertaken research into reasons for non-completion and the challenges apprentices may face.²⁰

In the academic year 2018/19, of 32,050 apprentices from a BAME background, the average achievement rate was 61.3%, compared to 65.7% the previous academic year.²¹ Of the 33,220 LDD apprentices, the achievement rate was 61.8%, compared to 64.1% the previous academic year.

In the programme as a whole, there was a decrease in the volume of apprenticeship achievements, down to 191,540 from 277,500 in 2017/18. The overall apprenticeship achievement rate across the whole programme was therefore 64.7%, a decrease of 2.2% from the previous academic year.²²

¹⁸ Further Education and Skills, England: 2018/19 academic year

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/848534/FE_and_Skills_commentary_November_2019.pdf

¹⁹ Apprenticeships and Traineeships, England: March 2020

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875219/March2020_apprenticeships-and-traineeships.pdf

²⁰ DfE Learners and Apprentices Study: Reasons for non-completion

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/782190/DfE_Learners_and_apprentices-Reasons_for_non-completion.pdf

²¹ National Achievement Rate Tables, England: March 2020

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/874731/NARTs_statistical_release_201819.pdf

²² National Achievement Rate Tables, England: March 2020

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/874731/NARTs_statistical_release_201819.pdf

This rate of achievement has remained reasonably consistent for the past decade. Independent research from the Centre for Vocational Educational Research estimates that in the 2010-2015 Parliament, the 2.4 million reported apprenticeship starts translates to between 1.5 and 1.7 million achievements, a rate of between 62-71%.²³

However, achievement does not stop with the completion of the programme. Apprenticeships are a means to a better career, better opportunities and a better future, with genuine long-term impact.²⁴

Apprentices recognise the direct link between their training and their positive future employment prospects. The most common reason apprentices give for starting an apprenticeship is a desire to enter into or progress in a specific career.²⁵ This longer-term view of future progress and workplace benefit heavily outweighs immediate financial concern; fewer than one in ten apprentices said that receiving pay during training was their principle motivation.

Apprentices' trust in their future prospects is extremely well justified: 93% of apprentices who completed in 2017 were in work 15-25 months after completion, up from 91% the previous year.²⁶ A

²³ Apprenticeships in England: What Does Research Tell Us?

<http://cver.lse.ac.uk/textonly/cver/pubs/cverbrf008.pdf>. For the cohort of all 516,880 intermediate and advanced apprentices starting apprenticeships in England in 2011-12, the study found that one third were withdrawn and a further 10% were not completed within 36 months. Focus solely on the volume of starts, therefore, may not accurately reflect the realities of the apprenticeship landscape.

²⁴ Earnings and destination rates are currently available for learners who completed an apprenticeship in the academic years up to 2016-17. The nature of the reported measures and the requirement to add no burden on FE institutions and employers to supply the data means there will always be a time lag in reporting these measures. For further information on these figures and the processes underpinning their production please see the technical annex that is published alongside the annual statistical publication.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/841148/Methodology_Document.pdf

²⁵ 28% of respondents gave this as their motivation. 2018/19 Apprenticeship Evaluation Survey (AEvS) Learner Survey, 48.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875553/Apprenticeships_Evaluation_-_Learner_Report.pdf

²⁶ 2018/19 AEvS Learner Survey, 118. For certain sectors, sustained apprentice employment is almost universal; 98% of Construction apprentices and 97% of Engineering apprentices are in work 15-25 months after completion.

further 2% of completers were in education and only 4% described themselves as unemployed. Importantly, this standard was maintained across all levels with at least 92% of completers in work at each level of apprenticeship.

High levels of progression into sustained positive destinations—employment, learning, or both—are a key feature of the Apprenticeships Programme. Of the 1.0 million learners who achieved a learning aim funded by the ESFA in academic year 2016/17, apprentices had by far the highest sustained positive destination rate at 91%, compared to traineeships and FE Skills at 62% and 71% respectively.²⁷ Apprentices who completed in 2015/16 were also about as likely to be in a sustained positive destination one year later, at 90%,²⁸ as university students who graduated in the same year, for whom the sustained positive destination rate was 87.7%.²⁹

Apprenticeships build a skilled workforce with genuinely transferable skills. Both employers and apprentices recognise this. 70% of employers retain at least one of their apprentices for a sustained period after completion, and 58% retain all of them.³⁰ Where apprentices have left their employer, 85% of the time it is

²⁷ Further Education: Outcome-Based Success Measures (OBSM), Academic Years 2013/14 to 2016/17. We define sustained destinations as the following: Sustained employment – learners must be in paid employment as recorded in Pay-As-You-Earn (PAYE) records in five out of six months between October and March in the following academic year or have returned a self-assessment form stating that they have received income from self-employment during that financial year. Sustained learning – learners must be learning in all six months between October and March in the following academic year. These figures differ slightly from the Apprenticeship Evaluation survey as a result of differences in methodology and time lag.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/856797/FE_OBSM_Main_Text.pdf

²⁸ OBSM, Academic Years 2010/11 to 2015/16

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/748305/FE_learners_outcome_based_success_measures.pdf

²⁹ Graduate Outcomes (LEO): Employment and earnings outcomes of higher education graduates by subject studied and graduate characteristics in 2017/18. Sustained employment for higher education graduates is measured as above; further study is defined as a graduate having a valid higher education study record at any UK HEI/AP on the HESA database in the relevant tax year.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/874410/2020_03_HE_LEO_main_text.pdf

³⁰ 2018/19 Apprenticeship Evaluation Survey (AEVS) Employer Survey, 63.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875561/Apprenticeships_Evaluation_-_Employer_Report.pdf

the apprentice's decision—primarily to gain promotion or pay progression—showing that they are equipped to progress within their chosen occupation. Construction apprentices, in particular, are more likely to do so; 20% of Construction apprentices who completed in 2017 were self-employed 15-25 months after completion, meaning that their apprenticeship had given them the skills and opportunity to broaden their horizons and maintain independence in the workplace.³¹

Apprenticeships bring clear benefits to learners. 60% of apprentices who completed in 2017 saw a positive impact on either their pay or their career progression.³² A third (32%) received both a pay rise and a promotion. The fact that employers provide these financial benefits after completion suggests that employers value, and wish to retain, the skills developed throughout the apprenticeship.

In the longer term, doing an apprenticeship can have a significant positive effect on future earning potential when compared to other forms of education at the same level.³³ Analysis suggests that, after accounting for other factors that may influence earnings, men who start a Level 3 apprenticeship earn about 37% more than those who left formal education with A-levels (a Level 3 qualification), and earn about 35% more than those who left education with a Level 3 vocational qualification. Women who start a Level 3 apprenticeship earn about 9% more than those who left their education with A-levels, and earn roughly 15% more than those who left education with a Level 3 vocational qualification.³⁴ These earning differentials are seen across Level 2 as well, though not quite to such a marked degree (23% and 16% more for men,

³¹ 2018/19 AEvS Learner Survey, 118.

³² 2018/19 AEvS Learner Survey, 111.

³³ Long-term data studies, by necessity, can involve time lags of several decades. The CVER research discussed above, for example, is based upon a cohort of learners who completed their GCSEs in 2003. It will be several years before we are in a position to understand the exact impact of the reforms on apprentices' long-term or career earnings for those who are currently participating in the apprenticeship programme.

³⁴ Apprenticeships in England: What Does the Research Tell Us?

<http://cver.lse.ac.uk/textonly/cver/pubs/cverbrf008.pdf>. This earning differential is seen regardless of whether the apprentice actually completed.

compared to GCSEs and Level 2 vocational qualifications, and 15% and 4% more respectively for women).

More recent analysis of learners who completed in 2011/12 found that apprentices' earnings typically grew more rapidly in the five years after completion than for those who completed an FE and Skills course at the same level. On average, median annualised earnings rose 7% every year for intermediate apprenticeships, 6% every year for advanced apprenticeships, and 10% for higher (Level 4) apprenticeships compared to rises of 4%, 7% and 4% respectively for FE and Skills course completers.³⁵

Apprenticeship earnings also overtook FE and Skills earnings over five years. Median annualised earnings for intermediate apprentices started at £13,750 one year after completion and rose 33% to £18,230, whereas Level 2 FE and Skills completers' earnings started at £15,440 but rose only 17% to £18,120 five years after study. At Level 3, apprentices' earnings started at £16,450 and rose 26% to £20,710; FE and Skills completers started lower on £13,830 and rose 32% to just £18,190. Level 4 apprentices saw the greatest impact on their earnings: their earnings started at £18,330 and rose 49% to £27,240, far outstripping the 17% rise from £19,030 to £22,230 that Level 4 FE and Skills completers received. This level of earnings is slightly higher than that of university graduates. In 2016/17, median graduate annual earnings five years after graduation were £25,900, compared to £27,240 for Level 4 apprentices.³⁶

However, apprenticeships produce more than just financial gains for the apprentice. 97% of apprentices feel they have gained skills as a direct result of their apprenticeship.³⁷ 90% felt that these were skills and/or knowledge for their area of work, and/or for a range

³⁵ OBSM, Academic Years 2013/14 to 2016/17

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/856797/FE_OBSM_Main_Text.pdf

³⁶ Graduate outcomes (LEO): Employment and earnings outcomes of higher education graduates by subject studied and graduate characteristics in 2017/18. Graduate earning years start the first full tax year after graduation, so these earners graduated in 2010/11.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/874410/2020_03_HE_LEO_main_text.pdf

³⁷ 2018/19 AEvS Learner Survey, 111.

of jobs and industries. Over 80% reported improved softer skills, such as communication and team working.

These skills are clearly acknowledged and valued on both sides of the apprenticeship: 86% of employers said that apprenticeships helped develop skills that were relevant to their organisation,³⁸ and 85% of employers are satisfied with the apprenticeship programme.³⁹ Most tellingly, 83% of employers would recommend apprenticeships to others and 43% of employers would recommend them to other employers without being asked.⁴⁰ The proportion of employers saying they would recommend apprenticeships without being asked is up three percentage points on 2017, and has increased steadily since 2014, when only 35% of employers would recommend without being asked.⁴¹

This increasing willingness to advocate for apprenticeships, the clear recognition of skills that apprenticeships bring to a business, and sustained high levels of employer satisfaction demonstrated by the Employer's Apprenticeship Evaluation Survey suggest that the apprenticeships reforms are making strides towards fulfilling their original objective: to reduce the skills gaps in the country's workforce and meet the needs of employers.

There are two further aspects to consider when assessing the programme's overall success towards reducing the skills gap in the country's workforce: the overall impact that the apprenticeships programme has on nationwide productivity levels, and the return on investment for each individual apprentice.

The principal measure we use for monitoring productivity impact is the Further Education Skills Index. The Index is based on estimating the total value-added of all learners who had successfully completed their courses. The Index gives the aggregate value of

³⁸ 2018/19 AEvS Employer Survey, 102.

³⁹ 2018/19 AEvS Employer Survey, 94.

⁴⁰ 2018/19 AEvS Employer Survey, 86.

⁴¹ 2018/19 AEvS Employer Survey, 96.

the skills supplied by the Further Education system each year. It is the product of:

- The number of learners achieving qualifications.
- The expected employment rate for those learners.
- The expected additional earnings as a result of achieving those qualifications (this compares earnings for achievers with learners who do not achieve each type of qualification, taking into account their other background characteristics).

The Index covers funded skills training for FE learners over the age of 19 and apprenticeships of all ages, and takes into account the provision type, level and subject of the qualification.

The total value-added for apprenticeships achieved in the academic year 2018/19 fell by 26 percentage points.⁴² In spite of this drop, the Skills Index is still higher for apprenticeships than classroom-based learning, which has fallen 5% to 45. This change in the apprenticeship score is almost entirely as a result of lower volumes of apprenticeships being completed. There were fewer achievements in 2018/19 so the apprenticeships programme had a smaller overall impact than in 2017/18 when there were higher volumes of achievements. The total value-added for the whole Index fell by 17%, partly as a result of smaller volumes of achievements in classroom-based learning as well.

However, if we look at the value-added per learner, the apprenticeships programme is making a substantial difference at an individual level. The value-added per learner for apprentices has risen 10% on last year, even though the overall value-added for all further education has fallen by 11%. This has been driven by more achievements in Advanced and Higher apprenticeships compared to Intermediate apprenticeships, and potentially also by more achievements in higher value industry sectors.

⁴² Further Education Skills Index, England: April 2020
<https://www.gov.uk/government/publications/further-education-skills-index>

From these measures we see that individual apprenticeships are making a bigger positive impact on the country's productivity than ever before.

Public Sector Apprenticeships:

Apprenticeships strengthen the workplace. We believe the public sector should lead the way by using apprenticeships to deliver ever better public services, and that the benefits of apprenticeships must be considered regularly in public sector future workforce planning.

In order to further this vision, government introduced the public sector apprenticeship target, which came into effect from 1 April 2017. Public sector bodies in England with 250 or more staff have the target to employ an annual average of at least 2.3% of staff in England as new apprentices over the period 2017-2021. This is a cumulative target. As a result, public sector bodies are fully involved in developing new, high-quality standards that will enable them to deliver vital public services.

Public sector bodies in England with 250 or more staff employed 1.7% of staff as new apprentices in 2018/19, rising from 1.4% from 2017/18. This means that public sector employment of apprentices stood at an average of 1.6% between 2017/18 and 2018/19.⁴³ Apprenticeships are featuring more prominently in public sector workforce development: in 2018-19 apprentices accounted for 12.7% of new appointments, up from 10.3% the previous year, and a combined total of over 100,000 apprenticeship starts has been reported since April 2017.⁴⁴

⁴³ Further Education and Skills, England: November 2019
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/848534/FE_and_Skills_commentary_November_2019.pdf

⁴⁴ Different samples and coverage of the data collections mean that the number of apprentices is not directly comparable between 2017-18 and 2018-19.

The Armed Forces has already outstripped the target, employing average of 8.3% of employees as new apprenticeship starts between 2017-19.⁴⁵

Certain areas have seen dramatic expansions in apprenticeship starts. There was a particularly impressive increase in the Fire Authority apprenticeships, from 0.7% in 2017/18 to 2.1% in 2018/19, helped by the approval of the operational firefighter standard level 3 in February 2018.⁴⁶

The NHS introduced the new role of nursing associate in 2017 to bridge the gap between health and care assistants and registered nurses, and all nursing associates will qualify through this apprenticeship.⁴⁷

Apprenticeship starts are also set to increase substantially in the police force as the entry requirements for police officers change; by the end of 2020, all PC entrants will be required to have a degree or be working towards one by means of the new Police Constable Degree Apprenticeship.

In government we are working hard to increase Apprenticeships, which are core to our ambition to become a brilliant Civil Service. Not only do they support our commitment to building a broader set of skills in the Civil Service, but they allow us to offer more varied careers that will help us retain and attract the best talent, ultimately providing a better public service.

We have consistently increased our provision of apprenticeships since April 2017. 5,461 apprentices started in the Civil Service in 2018-19, and we are pleased to be making significant progress towards the public sector apprenticeship target. The number of new apprentices more than doubled between April 2017 and

⁴⁵ Public Sector Apprenticeships in England: 2018-19 Main Tables, Table 1

<https://www.gov.uk/government/statistics/further-education-and-skills-november-2019>.

⁴⁶ <https://www.instituteforapprenticeships.org/apprenticeship-standards/operational-firefighter/>

⁴⁷ <https://www.instituteforapprenticeships.org/apprenticeship-standards/nursing-associate-nmc-2018/>

March 2018, and this year we have seen a 22% increase in the number of new apprenticeship starts from 4,459 in 2018.⁴⁸

Several government departments recruited more than 2.3% of staff as apprentices in 2018/19. The National Crime Agency (4.8%), the Department for Education (3.2%), HM Revenue and Customs (3.1%), the Department for Digital, Culture, Media and Sport (2.8%), the Foreign and Commonwealth Office (2.7%), HM Treasury (2.5%) and the Ministry of Housing, Communities and Local Government (2.5%) have all made considerable progress in placing apprenticeships at the heart of their workforce.

⁴⁸ <https://www.gov.uk/government/publications/civil-service-apprenticeship-data-2018-to-2019>

Future Steps:

This report is based on the reporting year 2018/19 and was prepared prior to the Covid 19 outbreak. We have yet to determine the full impact of this unprecedented event and our actions going forward will need to be undertaken within this context.

In the past five years the apprenticeships landscape has altered dramatically, and it will continue to do so. New technologies are emerging, and with them new opportunities that were not available to us when we embarked on the reform programme. Infrastructure changes mean that we now have different options available for data collection and analysis; market demographic changes require a refreshed approach. We believe we must maximise these opportunities as we move into the next cycle of the programme, ensuring our next set of benefits are effective, streamlined, and ambitious as we address the new landscape.

Moving forwards, we will continue our drive to deliver high quality, relevant apprenticeships, that deliver the skills this country needs, for people of all backgrounds. We expect to publish a further update in 2021.

Glossary:

Term	Definition
Achievement	The point at which an apprentice on standards has completed all of their formal learning and assessment successfully. This is only possible if they have passed the end-point assessment.
Apprenticeship	An apprenticeship is a paid job with an accompanying skills development programme. This includes the training for an employee as part of a job, which must have a minimum duration of 12 months and include at least 20% off-the-job training.
Apprenticeship Service	The online service introduced as part of the levy reforms to allow employers to choose and pay for apprenticeship training more easily.
Apprenticeship Training Provider	An organisation that is approved to deliver off-the-job training to apprentices. Apprenticeship Training providers must be approved by the Education and Skills Funding Agency (ESFA) and placed on the Register of Apprenticeship Training Providers (RoATP) before provision commences.
BAME	Black, Asian and minority ethnic.
Completion	The point at which an apprentice has completed all of their formal learning. For frameworks, this is every mandatory element of the framework. For standards, this means taking (although not necessarily passing) the end point assessment.
DfE	Department for Education – the government department responsible for education policy in England.
Fire It Up	The Apprenticeships marketing campaign designed to promote apprenticeships to the

	wider public, prospective apprentices and employers.
LDD	Learning Difficulty and/ or Disability.
Levy	The UK wide apprenticeship levy came into force on 6 April 2017 requiring all UK public and private sector employers with an annual pay bill of £3 million or more to invest in apprenticeship training.
Non-levy	Smaller employers with a pay bill of under £3 million who do not pay the apprenticeship levy.
SFR	Statistical First Release – a quarterly document issued by the Department for Education containing a range of statistics regarding apprenticeship participation and achievement.

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