



BRIEFING PAPER

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Apprenticeships Policy, England 2010-2015

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Inside:

1. Background
2. Policies introduced in 2010-15
3. Timeline



Contents

Summary	3
Background	3
Improving quality	3
The Richard Review of Apprenticeships in England	3
1. Background	4
Apprenticeship Targets	4
Apprenticeship Statistics	4
The National Apprenticeship Service	4
2. Policies introduced in 2010-15	5
2.1 Higher Apprenticeships	5
2.2 Education Act 2011	5
2.3 Access to apprenticeships	6
2.4 Employer Ownership of Skills Pilot	6
2.5 Apprenticeship Grant for Employers of 16 to 24 year olds (AGE 16-24)	7
Payment	7
2.6 Minimum standards for apprenticeships	7
A minimum length of 12 months	7
280 hours guided learning	7
Employed for 30 hours a week	8
Training to level 2 in Maths and English	8
Safeguards and quality issues	8
Apprenticeship Agreements	8
2.7 The Richard Review of Apprenticeships in England	9
2.8 Advanced Learning loans for apprentices	9
2.9 Traineeships	10
2.10 New Apprenticeship Standards and Funding	10
2.11 Deregulation Act 2015	11
3. Timeline	12

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Summary

Apprenticeships are a devolved area. This Briefing Paper covers apprenticeship policies introduced in England between May 2010 and May 2015. Sources of where to find information on apprenticeships in Scotland, Wales and Northern Ireland are included in the Briefing Paper [Apprenticeships Policy, England](#).

Background

Throughout the 2010-15 Parliament the Government made commitments to increase both the number of apprenticeships and their quality.

There was a large increase in the number of people starting apprenticeships over the Parliament. Between 2009/10 and 2013/14 the number of people starting an apprenticeship aged under 19 increased by 3,000 (3%), the number aged 19-24 increased by 45,300 (40%) and the number aged 25 and over increased by 112,500 (229%).

Improving quality

Early in the 2010-15 Parliament the Higher Apprenticeship Fund was created to fund 20,000 Higher Apprenticeships. Extra money was also made available in the 2013 Autumn Statement for a further 20,000 Higher Apprenticeships.

As part of the Government's aim to improve the standards of apprenticeships, The *Statement on Apprenticeship Quality* was published in May 2012. The statement summarised which aspects of apprenticeships would be subject to minimum standards.

Increasing participation

The *Education Act 2011* replaced a previous duty to provide apprenticeship places to all qualified 16-19 year olds, with one to "make reasonable efforts to ensure employers participate in Apprenticeship training".

The Government introduced Access to Apprenticeships and then later Traineeships to help targeted groups of young people into apprenticeships.

The Apprenticeship Grant for Employers of 16-24 year olds (a grant of £1,500) was introduced in February 2015 to encourage small businesses to hire apprentices aged 16-24.

The Richard Review of Apprenticeships in England

The 2012 Richard Review of Apprenticeships made a number of recommendations which have been taken forward by Government. As a result of the review, new employer led apprenticeship standards and a new funding model are being developed.

1. Background

Apprenticeship Targets

In 2010, the Coalition Agreement stated that:¹

We will seek ways to support the creation of apprenticeships, internships, work pairings, and college and workplace training places as part of our wider programme to get Britain working.

Over the first financial year of the 2010-15 Parliament the Government set a target of 50,000 more apprenticeship starts by people aged 19 and over, compared with the previous financial year. This means that the Government aimed for a total of 203,000 adult apprenticeship starts in the 2010/11 financial year.²

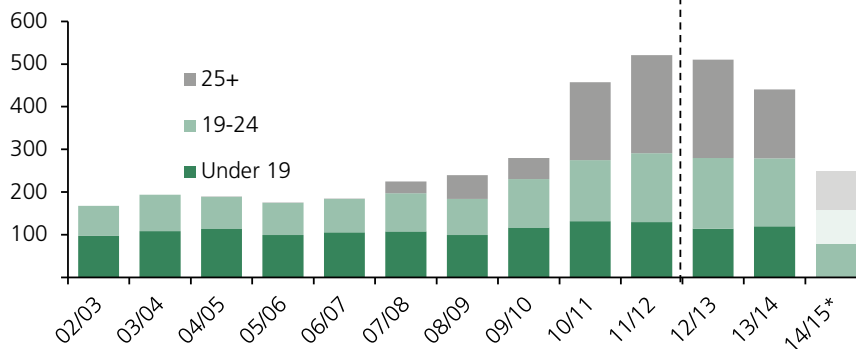
There were 256,000 starts by people aged 19 and over during the 2010/11 financial year, 53,000 more than the Government's target.³

Apprenticeship Statistics

The number of people starting apprenticeships in England increased significantly over the 2010-15 Parliament, with particularly large increases for older apprentices.

The number of starts increased from 279,700 in 2009/10 to 457,200 in 2010/11, an increase of 63%. Between 2009/10 and 2013/14 the number of people starting an apprenticeship aged under 19 increased by 3%, the number aged 19-24 increased by 40% and the number aged 25 and over increased by 229%.

Apprenticeship starts by age, thousands



* Data for 2014/15 are for August to January only

Notes

Academic years (August 1st to July 31st)

Source: BIS FE data library: apprenticeships

The National Apprenticeship Service

The National Apprenticeship Service, created in 2009, had end-to-end responsibility for apprenticeships. It was responsible for promoting apprenticeships to employers and learners, supporting employers and maintaining the online vacancy system.

¹ [Coalition Government Agreement](#), May 2010, page 31

² BIS, [Statistical First Release DS/SFR12](#), October 2011, pp 14.

³ *Ibid*

2. Policies introduced in 2010-15

2.1 Higher Apprenticeships

Apprenticeships can be studied at different qualification levels, with the highest level being Higher Apprenticeships, which lead to qualifications at Level 4 and above.

The Government's Skills Strategy published in November 2010 committed to improve apprenticeship standards:⁴

We will not only increase numbers, but we will also improve the programme. As an advanced economy needs advanced skills, we will reshape Apprenticeships so that technician level – Level 3 – becomes the level to which learners and employers aspire. To widen access, there will be clear progression routes from Level 3 Apprenticeships to higher level skills, including Level 4 Apprenticeships or higher education.

The delivery of this commitment involved the establishment of the Higher Apprenticeship Fund. The fund aimed to develop a range of higher level apprenticeships, and fund 20,000 apprentices by 2015. The fund totalling £25 million was awarded to 29 higher apprenticeship projects, in sectors including accountancy, engineering and law.⁵

An extra £40 million was announced in the 2013 Autumn Statement, to deliver an additional 20,000 Higher Apprenticeship starts in the 2013-14 and 2014-15 academic years.⁶

2.2 Education Act 2011

The *Apprenticeships, Skills, Children and Learning Act 2009* introduced a duty to provide an apprenticeship place to all qualified young people aged 16-19 who did not have one and wanted one. This was due to commence in 2013, but The *Education Act 2011* removed this duty.

Instead The *Education Act 2011* placed a new duty on the Government to fund apprenticeships for young people who have already secured a place. This new "apprenticeship offer" came into effect in 2013 and applies to England only.⁷ The 2011 Act also created a new duty on the government to "make reasonable efforts to ensure employers participate in Apprenticeship training."

⁴ BIS, [Skills for Sustainable Growth: Strategy Document](#), November 2010, page 7

⁵ BIS, [Press release: Apprenticeship starts almost double in two years](#), January 2013

⁶ HM Treasury, [Autumn Statement 2013](#), December 2013

⁷ *Education Act 2011*, Part 7, Section 37, [explanatory notes](#)

2.3 Access to apprenticeships

The Access to Apprenticeships 'pathway' was announced in May 2011 and closed to new starts in January 2014.⁸ The pathway was targeted at 16 to 24 year olds requiring extra support and aimed to prepare them for an apprenticeship.⁹ People on the Access to Apprenticeship pathway were not employed and not counted as apprentices.

The pathway involved unpaid work experience focusing on specific elements of an apprenticeship framework, for up to six months. The expectation was that people on the pathway would begin a full apprenticeship before the end of the six months. To be eligible, individuals needed to be either eligible for Additional Learning Support, or not in education, employment or training (NEET) for the whole of the preceding 13 weeks. However, they also had to be assessed as able to participate in a full apprenticeship to at least the Intermediate level.

There were 14,400 starts on the Access to Apprenticeships pathway between 2011/12 and 2013/14, of which 5,600 converted to a full apprenticeship.¹⁰

2.4 Employer Ownership of Skills Pilot

The Employer Ownership of Skills Pilot was a fund awarded to businesses in England engaged in designing and delivering their own training solutions. The fund totalled £340 million spent over four years. The pilot was split into two rounds with many of the successful bids featuring provision for apprenticeships.¹¹

An evaluation of projects funded through the first round was published in March 2015. The initial evaluation raised concerns about the sustainability of projects without continued public funding. It also stated that the initial targets of many pilots were unrealistic and that subsequent revised targets were also not met.¹²

⁸ Skills Funding Agency, [Funding Rules 2013/14](#), November 2013

⁹ NAS, *Access to Apprenticeships*, August 2012,

¹⁰ BIS, [Further education and skills: statistical first release](#), 25 June 2015

¹¹ UKCES, [Employer Ownership of Skills – Pilot](#), 2 April 2014

¹² BIS, [Evaluation of the Employer Ownership of Skills Pilot, Round 1: initial findings](#), March 2015

2.5 Apprenticeship Grant for Employers of 16 to 24 year olds (AGE 16-24)

The Apprenticeship Grant for Employers of 16 to 24 year olds (AGE 16-24) was set up to pay £1,500 to small businesses hiring a young apprentice if the firm had not hired an apprentice before. The scheme was announced in November 2011¹³ and began in February 2012.¹⁴ The eligibility criteria were initially as follows:

- The apprentice must be 16-24 years old when hired.
- The firm must have 1,000 employees or fewer when they take on the apprentice.
- For a business to be eligible for payment, the employer must not have taken on an apprentice in the last 12 months. An employer can claim up to 10 grants.

After January 2015, the number of grants which could be claimed was reduced to 5 and only employers with 50 or fewer employees remained eligible.

Payment

Employers were paid the full £1,500 the 13 weeks after the apprentice's appointment, with the expectation that the apprentice would progress to complete their apprenticeship.¹⁵

95,200 AGE 16-24 payments were made between February 2012 and July 2014. The scheme was initially intended to encourage 20,000 new apprentices, funded from money already allocated to apprenticeships.

2.6 Minimum standards for apprenticeships

As part of the Government's aim to improve the standards of apprenticeships The *Statement on Apprenticeship Quality* was published in May 2012. The statement summarised the aspects of apprenticeships subject to minimum standards:¹⁶

A minimum length of 12 months

A minimum length of 12 months was introduced for apprenticeships. Some apprentices aged over 19 are able to complete an apprenticeship in a shorter time period if they demonstrate prior attainment of certain relevant qualifications. In these cases, the minimum length is six months.¹⁷

280 hours guided learning

Apprentices must spend at least 280 hours in 'guided learning' in their first year. 100 hours or 30% (whichever is greater) of all guided learning

¹³ BIS, [Press release: Apprenticeships: Cable guarantees quality, slashes red tape and delivers cash boost for firms](#), 16 November 2011

¹⁴ BIS, [Press release: PM: We'll make apprenticeships a gold standard option for ambitious young people](#), 7 February 2012

¹⁵ *Ibid*

¹⁶ NAS, [Statement on Apprenticeship Quality](#), May 31 2012

¹⁷ BIS, [Press release: Tough standards released by Skills Minister to drive up quality](#), 1 April 2012

must be delivered off-the-job. Clear and verifiable evidence must be provided of all learning undertaken.¹⁸

Employed for 30 hours a week

Apprentices must be employed for a minimum of 30 hours per week, including time training away from the workplace. If an apprentice's personal circumstances or if the nature of employment in a given sector make it impossible to work these hours, then an absolute minimum of 16 hours a week must be worked. In these exceptional cases, the total duration of the apprenticeship is extended accordingly.¹⁹

Training to level 2 in Maths and English

Apprenticeships must offer training to Level 2 in Functional Skills or English and Maths, if the apprentice does not already have these or equivalent qualifications.²⁰

Safeguards and quality issues

The Government introduced safeguards, designed to strengthen the monitoring and reporting process for apprenticeship training providers and employers. An 'enquiry panel' was established in the National Apprenticeship Service to manage poor quality providers. The panel reported directly to the relevant Minister and has powers to impose sanctions on sub-standard training providers.²¹

The National Apprenticeship Service published the *Apprenticeship Quality Action Plan* detailing how apprenticeship quality issues have been and are intended to be addressed in the future. The document outlined how the NAS would escalate concerns over the quality of specific apprenticeships and the way in which relevant bodies will intervene to improve individual apprenticeships.²²

Apprenticeship Agreements

Apprentices must sign an Apprenticeship Agreement with their employer before the apprenticeship begins. This is a contract stipulating the framework being followed and the skill, trade or occupation the apprentices is working in. It is not a legally binding contract of employment, but without it an apprenticeship completion certificate cannot be issued.

¹⁸NAS, [Specification of Apprenticeship Standards for England](#), January 2011, pp 9

¹⁹SFA, [Funding rules for 2014/15](#), May 2014, pp 37

²⁰*Ibid*, pp 27

²¹BIS, [Press release: Tough standards released by Skills Minister to drive up quality](#), 1 April 2012

²²NAS, [Apprenticeship Quality Action Plan](#), April 2012

2.7 The Richard Review of Apprenticeships in England

A review into the future of apprenticeships by Doug Richard, CEO and Founder of School for Startups, was published in November 2012.²³ The review examined how apprenticeships meet the needs of the economy, deliver quality training, and how to maximise the impact of government investment in apprenticeships. The review made the following recommendations:

- Apprenticeships should be targeted at people new to a job who required substantial training.
- All apprentices should achieve Level 2 in English and maths before completion.
- There should be one qualification for each apprenticeship occupation. The focus should be on outcomes, setting out what apprentices should know and be able to do at the end of an apprenticeship. Employers should be invited to design and develop apprenticeship qualifications for their sector, through Government contests for the best qualification.
- Testing should take place at the end of an apprenticeship with employer involvement. Assessors should be entirely independent with no incentives related to the outcome.
- Apprenticeships should be achievable via many paths and approaches. Unnecessary prescription and regulation should be removed to encourage diversity and innovation.
- The Government has a role in promoting good quality delivery, by making some off-site learning and a minimum duration for apprenticeships mandatory.
- The Government should contribute to the cost of apprenticeships, but funding should be routed via employers. Payments should be partly linked to apprentices passing the test.
- Relevant data should be made open and accessible to employers and learners.
- The Government must boost awareness of the new apprenticeship model, for example through an 'apprenticeship milk round'. More effort should be made in informing young people about high quality apprenticeships.

2.8 Advanced Learning loans for apprentices

Advanced Learning loans were the first time apprentices were expected to pay towards the cost of their training. Advanced Learning loans affected apprentices aged 24 and over, studying at Level 3 and above. Employers contributed up to half of the training costs, and apprentices were expected to contribute the remainder through Advanced Learning loans.

Advanced Learning loans for apprentices ran from April 2013 but ended after low take up 2,800 people aged 25 and over started an Advanced

²³ Doug Richard, [The Richard Review of Apprenticeships](#), November 2012

or Higher Apprenticeship in August-October 2013, compared with 25,100 a year earlier.²⁴ Only 795 Advanced Learning loans for apprentices were made between April 2013 and January 2014.²⁵ After the loans ended, funding was made available for affected learners from the Adult Skills Budget and those who had taken out loans were not required to repay them.²⁶

2.9 Traineeships

Traineeships provide education, training and work experience to young people to help them get an apprenticeship or other job. Traineeships were introduced in August 2013 for people aged under 24. Traineeships are suitable for people who are unemployed and have little work experience but can be prepared for employment or an apprenticeship within six months. Traineeships last between six weeks and six months.²⁷

10,500 people started a traineeship in the 2013/14 academic year, of whom 7,000 were aged under 19.²⁸

2.10 New Apprenticeship Standards and Funding

Employer-led apprenticeship standards are being developed through employer groups to make apprenticeships more responsive to employer needs. Some new standards have been in use since September 2014,²⁹ with further standards coming into use in the 2015/16 academic year.³⁰

In line with recommendations from the Richard Review the government will route apprenticeship funding through employers rather than paying training providers directly. The 2015 Budget announced employers will be given funding control through a digital Apprenticeship Voucher, which would be trialled before full implementation in 2017.³¹ Previously consideration had been given to funding for training being routed via employers, either through a PAYE system or an “apprenticeship credit” model.³²

The simplified funding model trialled in 2014/15 and 2015/16 would involve:

- For every £1 spent by an employer on training the Government will contribute £2, up to a maximum cap.
- There are five caps, as outlined in the table below, which depend on the apprenticeship being undertaken.

²⁴ Further information is available in the House of Commons Library Blog post, [No more Advanced Learning loans for apprentices after low take-up](#).

²⁵ BIS, [24+ Advanced Learning Loans: Application Information](#), 27 February 2014

²⁶ BIS, [Skills Funding Statement 2013-16](#), February 2014

²⁷ NAS, [What are Traineeships?](#), June 2014

²⁸ Skills Funding Agency, [Statistical First Release](#), November 2014

²⁹ Skills Funding Agency, [Apprenticeship Standards](#), 12 November 2014

³⁰ BIS, [Vince Cable celebrates two million apprenticeships](#), 9 December 2014

³¹ HM Treasury, [Budget 2015](#), 18 March 2015

³² HM Government, [The Future of Apprenticeships in England, Funding Reform Technical Consultation](#), March 2014

- Additionally, three incentive payments are available to employers for recruiting 16-18 year olds; for small businesses; and on the successful completion of the apprenticeship.
- The Government will fully fund qualifications in Maths and English up to Level 2.³³

New Apprenticeship Funding Model (£)

	Cap 1	Cap 2	Cap 3	Cap 4	Cap 5
Core Government Contribution Cap*	2,000	3,000	6,000	8,000	18,000
<i>Additional incentive payments</i>					
Recruiting a 16-18 year old	600	900	1,800	2,400	5,400
For a small business (<50)	500	500	900	1,200	2,700
For successful completion	500	500	900	1,200	2,700
Maximum total Government contribution	3,600	4,900	9,600	12,800	28,800

* £2 for every £1 from employer

Source: Gov.uk, *Future of apprenticeships in England: guidance for trailblazers*, October 2014

2.11 Deregulation Act 2015

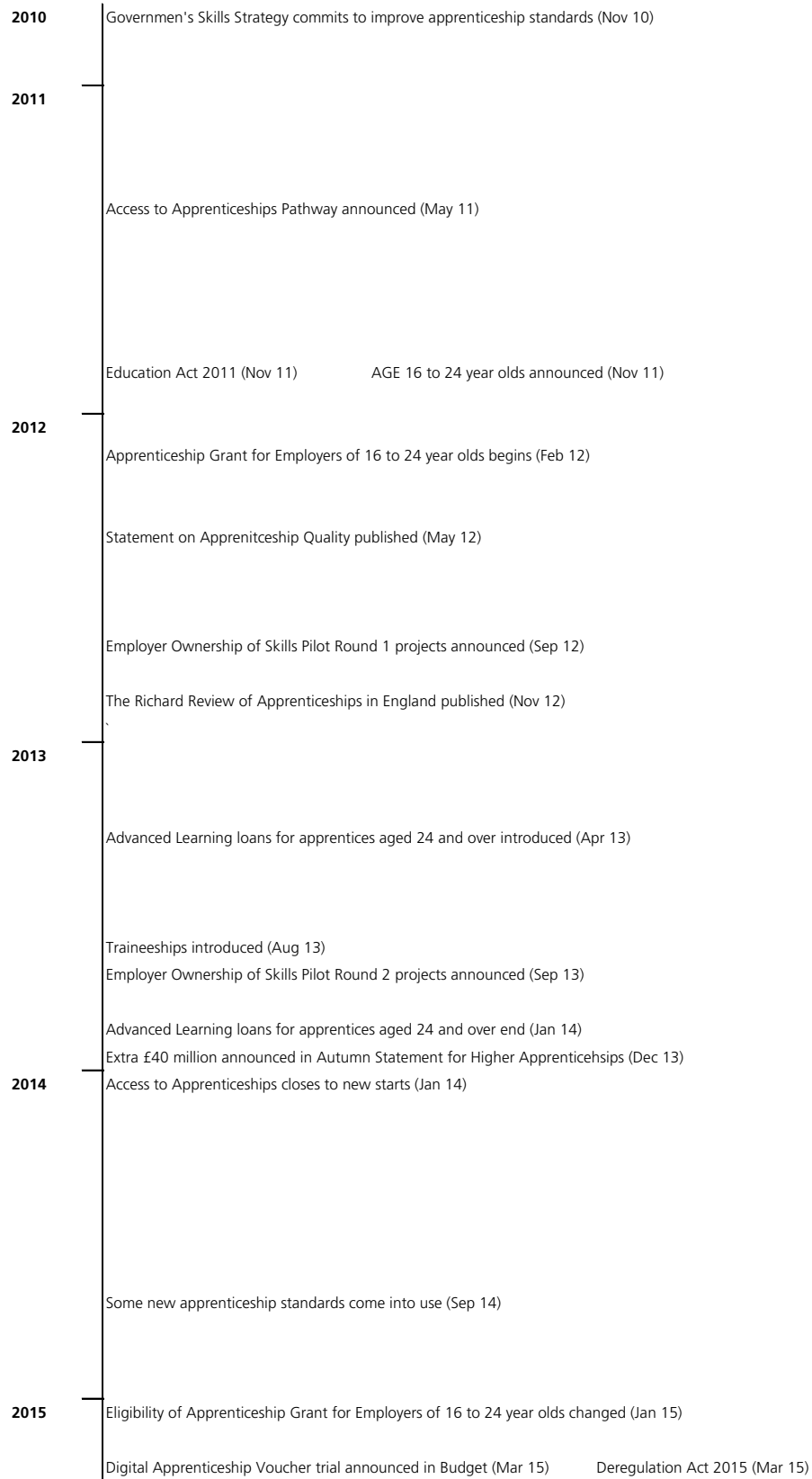
The *Deregulation Act 2015*³⁴ made a number of changes to simplify the existing apprenticeship system:

- Apprenticeships in England and Wales were formally separated by the Act. In practice the systems in England and Wales operated separately before the Act.
- Minimum standards set out in the *Specification of Apprenticeship Standards for England* were removed and instead the Secretary of State is now able to “prepare and publish standards for such sectors of work as the Secretary of State thinks appropriate”
- Payments for training can now be made directly to employers. Funding was previously only made by direct payments to training organisations.
- The statutory position of Chief Executive of Skills Funding was abolished and the associated powers transferred to the Secretary of State.

³³ Further information is available from Gov.uk, [Future of apprenticeships in England: guidance for trailblazers](#)

³⁴ www.parliament.uk, [Deregulation Act 2015](#), 30 March 2015

3. Timeline



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