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One voice,
representing members' views,
making a difference



ADEPT Autumn Conference Skills for Growth Workshop

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Who are AELP?

- Association of Employment and Learning Providers
- 950+ members including independent training providers, employers and universities
- 92% of membership base deliver apprenticeships, around 75% of all apprenticeships in the UK
- 30 staff with head office based in Bristol
- Strong links to Department for Education (DfE), Education and Skills Funding Agency (ESFA), Department of Work and Pensions (DWP), Government Ministers and the Institute for Apprenticeships (IfA)
- Strong political lobbying capability
- Deeply involved in shaping of current apprenticeship reforms
- Management of various DfE support programmes



UK Apprenticeship Reforms

English Apprenticeships – 2020 Vision Document

- 3m apprenticeships delivered by 2020
- Improving the quality and recognition of apprenticeships
- Employers in the driving seat
- Routes into apprenticeships and work
- Building the long-term apprenticeship system
- Funding for apprenticeships – employer levy and % contributions

Click [here](#) to read the full document



Funding/Reforms Update

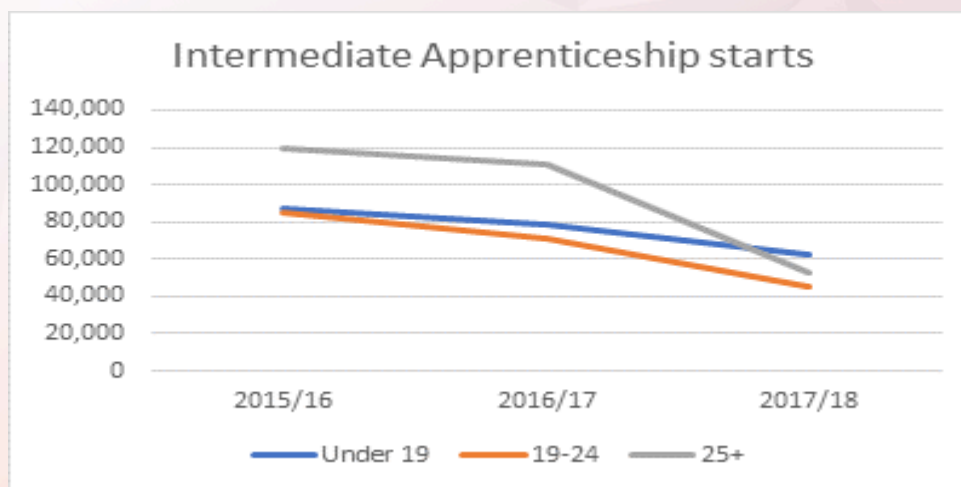
- Announcement in budget that 10% **SME contribution** will drop to 5% - no start date yet or announcement on whether it includes levy payers going into co-investment
- **Levy transfer** raised from 10% to 25% - **Non-Levy** – earliest for those without a non-levy contract being able to deliver to SMEs will be August 2019
- **Growth caps on providers** – not yet decided but ESFA have promised full discussion and consultation and they want to work with AELP to ensure it is workable
- **Standards** – getting a little bit faster and more positive feedback from employers is coming through.
- **Funding reviews** – AELP have stressed that this needs to be a more transparent process with input from the employer groups
- **Functional Skills** – AELP have written to Anne Milton to highlight that funding needs to double, that the re-sits policy needs to change, 20% OTJ should include FS and there needs to be support funding to train provider staff



Apprenticeship and Levy Statistics

Breakdown by Level:

- 159,400 Level 2 (see graph) starts for 2017/18 – **fall of 39%** compared to 2016/17 and 45% from 2015/16
- 163,300 Level 3 starts for 2017/18 – **fall of 17%** from 2016/17 and 14% from 2015/16
- **Increase of 28%** of higher apprenticeship starts in 2017/18 from 2016/17 and 72% from 2015/16 in particular within the 19-24 age group



(Figures as of 25th October 2018)



Apprenticeship and Levy Statistics

Breakdown by age group:

- 16-18 starts – 105,300 at all levels in 2017/18, a **fall of 14%** from 2016/17 and 20% from 2015/16
- 19-24 starts – 111,800. **Fall of 13%** from 2016/17 and **17%** from 2015/16
- 16-24 across all levels showing a **reduction of 18%** from 2016/17 and 24 from 2015/16
- 25+ starts – largest reduction in starts across levels – **34% reduction** from 2016/17 and 32% from 2015/16
- Higher apprenticeship starts showing a **growth from 12%** from 26,900 in 2016/17 to 30,200 in 2017/18, **up 54%** from 19,600 starts in 2015/16

(Figures as of 25th October 2018)



Apprenticeship and Levy Statistics

Progress towards the 3m target

- To reach the target by the end of March 2020, it would require 1,513,500 starts over the remaining 20 months or an average of **75,675 per month** or 227,025 per quarter

(Figures as of 25th October 2018)



AELP's Role

- AELP supports the principle of the levy – doubles public funding, significantly increases apprenticeship profile and worth. However, consistently predicted both scale of drop in starts and reasons behind it
- High-level consultation with AELP on design (after shaky early start) has led to several amendments.

Recent successes include:

- Moving from 33% to 10% employer co-investment for apprenticeships from April 2017
- A commitment from government to get non-levy paying employers on to the Apprenticeship Service in 2020 through a properly managed transition
- Agreement from Ofsted in 2018 that the 20% off-the-job training rule is not a measure of quality
- Publication of a [policy paper](#) to restate the importance of level 2 skills provision for UK workforce productivity, social mobility and response to the labour market challenges posed by Brexit



The 6 components which stalled the system:

1. Non-levy apprenticeship procurement exercise: swapped existing capacity for untried and untested new providers
2. New sub-contracting rules, not conducive for non-levy employers
3. A blunt approach to the 20% off-the-job training requirement
4. 10% co-investment model for non-levy paying employers
5. Inadequate funding arrangements of legacy provision on some standards
6. Lack of available product for employers to purchase

Questions to the audience:

Which of the above 6 components currently stalling the system are having the most effect for your organisation? Are there any others?

What is currently working well? Sharing of successes.



Thank you!

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