English Apprenticeships: Our 2020 Vision
Executive Summary
Foreword

Over the last five years, we have put our country back on the right track. Over the next five years, we must maintain and consolidate our economic recovery, and ensure that it benefits everyone. Raising our nation’s productivity is one of this Government’s top priorities for achieving this.

A nation flourishes when it realises the full potential of all of its people. As a one nation Government, this is what we are committed to achieve. Around the world, apprenticeships have long been recognised as a crucial way to develop the skills wanted by employers. That is why the Government will increase the quality and quantity of apprenticeships in England, reaching three million starts in 2020.

Our goal is for young people to see apprenticeships as a high quality and prestigious path to successful careers, and for these opportunities to be available across all sectors of the economy, in all parts of the country and at all levels. This will support our aim for young people to get the best start in life, through the opportunity that high quality education and training provides.

Nobody understands the skills employers need better than the employers themselves. That is why we are placing them in the driving seat. They are designing apprenticeships so that they focus on exactly the skills, knowledge and behaviours that are required of the workforce of the future. A levy will put employers at the heart of paying for and choosing apprenticeship training, and place the funding of apprenticeships on a sustainable footing. Employers will choose between high quality education and training providers, or be able to train their apprentices themselves.

Raising our productivity and training our workforce requires a truly national effort. This document sets out the Government’s plan for achieving this – working with employers, education and training providers and others in the sector.

The Rt Hon Sajid Javid MP
Secretary of State for Business, Innovation and Skills

The Rt Hon Nicky Morgan MP
Secretary of State for Education and Minister for Women and Equalities
The benefits of apprenticeships

Apprenticeships already deliver real benefits to business and young people: new reforms aim to boost these even further.

The benefits of apprenticeships

Apprentices:
Individual apprentices achieve higher levels of qualification and increase their own employment prospects, productivity and wages.

- 83% of apprentices said their career prospects have improved.
- Apprentices completing an apprenticeship at level 4 or above could earn £150,000 more, on average, over their lifetime.

Employers:
Apprenticeships deliver important benefits to employers in terms of service and productivity.

- 70% of surveyed employers said apprenticeships improved product quality and service.
- The cost of apprenticeship training pays for itself within a couple of years of completion through increased productivity.

The Economy:
Apprenticeships represent an excellent investment for both the Government and employers, delivering significant benefits for the taxpayer.

- Apprenticeships provide a typical return of £26-£28 for every £1 of government investment in apprenticeships at levels 2 and 3.

Improving our work skills

UK productivity stands at approximately 20% below the rest of the G7.

A significant factor in this is the low levels of skills in the workforce. And we have a critical need for millions of new technical and professional skilled workers over the next decade.

Our aims to grow and improve the quality of apprenticeships will help address this.

By incorporating some of the best features of apprenticeship systems overseas, we are enhancing our own: with greater employer ownership, improved grounding in English and maths, careers guidance, and high quality, well-equipped training providers.

Investing in our future

The investment of UK employers in training has rapidly declined over the last 20 years, and is low when compared to our international competitors.

The apprenticeship levy builds on the experience of other countries such as Denmark and France. It will shift incentives so that it is far more in employers’ interests to take on apprentices. It will put investment in apprenticeships on a long-term, sustainable footing.

By increasing the number of apprenticeships significantly to reach three million in 2020, our goal is to secure greater benefits from apprenticeships for more apprentices, employers and our economy.

Mark Carter, Dale Power Solutions
“Higher level skills are vital to business performance and economic growth. Through higher apprenticeships we have been able to fill our higher level skills gaps efficiently and effectively.”

Apprenticeships provide a typical return of £26-£28 for every £1 of government investment in apprenticeships at levels 2 and 3.
Quality

Our vision for 2020

- All apprenticeships will provide substantive training in a professional or technical route, transferable skills and competency in English and maths for all ages
- Apprenticeships will be an attractive offer that young people and adults aspire to go into, as a high quality and prestigious path to a successful career
- Apprenticeships will be available across all sectors of the economy and at all levels, including degree level
- Every apprenticeship will be a high quality opportunity that delivers the skills, knowledge and behaviours that employers are looking for

Reforms to increase quality

The existing apprenticeship programme already delivers excellent benefits, but we want to go further to make it truly world-class, relevant and fit for purpose for the future, with:
- An emphasis on quality and rigour;
- Training that is trusted and transferable;
- Relationship between employer and apprentice is at the core;
- Employers at the heart of apprenticeship design and delivery;
- A focus on what apprentices can do at the end of an apprenticeship – not how they get there.

Defined core principles of quality for an apprenticeship:

- It is a job in a skilled occupation;
- It requires substantial and sustained training, lasting a minimum of 12 months and involving at least 20% off-the-job training;
- It develops transferable skills, and English and maths, to progress careers;
- It leads to full competency and capability in an occupation, demonstrated by the achievement of an apprenticeship standard;
- It trains the apprentice to the level required to apply for professional recognition where this exists.

Established milestones, standards and criteria:

An Apprenticeship Agreement establishes a contract of service between the apprentice and the employer, confirming that the apprentice is undertaking an apprenticeship and the standard they are following.

An additional Statement of Commitment signed by the employer, provider and apprentice sets out the key expectations, roles and responsibilities of each party involved in the apprenticeship, as well as key milestones and delivery schedules.

New employer-designed standards will replace current frameworks. End-point assessment will test the skills, knowledge and behaviours set out in the standard to assess that the apprentice is fully occupationally competent in that role. This could include:
- Written examinations;
- Interviews or viva assessments, on the content of an apprentice portfolio;
- Production of a showpiece;
- Observed practice in the workplace;
- Simulation exercise, if appropriate.

FOR EMPLOYERS

2015 September – December

- Ongoing - Sign Apprenticeship Agreements and Statements of Commitment
- Ongoing - Monthly approval opportunities for EOIs, standards and assessment plans (with employer occupational briefs as appropriate)
- Ongoing - National Apprenticeship Service support for small and large employers
- Ongoing - Apprenticeships considered in government procurement contracts

2016 January – March

- UBD April 2017 - Submit EOIs, standards and assessment plans to BIS
- 2016 summer term 2017 - Apprenticeship Grant for Employers

2016 April – June

- From October 2016 - Roll-out of Digital Apprenticeship Service
- Functions of find an apprenticeship course and training provider

2016 July – December

- Summer 2016 - Consultation with ITB members on apprenticeship levy
- April 2016 - End of NI contributions for apprentices under 25

2017 January – March

- Summer 2016 - Top 100 Apprenticeship Employer lists
- January 2017 - National Apprenticeship Awards
- March 2017 - National Apprenticeship Week

2016

- December 2015 - Updated Trailblazer guidance
- January 2016 - Funding guidance for 2016/17
- February 2016 - Employers can post vacancies on new digital service: Find an Apprenticeship
- March 2016 - National Apprenticeship Week

2015

- December 2015 - Consultation on public sector duty
- January 2016 - National Apprenticeship Awards

2016

*Subject to Parliamentary approval
Apprenticeships must require **transferable skills**, so that they train for more than a single job.

**Higher and degree apprenticeships** widen access to the professions. From September 2016, they will be posted on UCAS. They are designed by employers, universities and professional bodies and already exist for such diverse occupations as Solicitor, Software Developer, Accountant, Dental Technician and Space Engineer.

Similarly to the term ‘degree’, we are legislating to protect the term ‘apprenticeship’ in law from misuse by training providers.

**Examples of apprenticeship standards available or in development**

- **Junior Journalist**
  - **Media**
- **Aerospace**
  - **Manufacturing**
  - **Fitter**
  - **Aerospace**
- **Dental Laboratory**
  - **Assistant Dentistry**
- **Software Developer**
  - **Digital**
- **Nuclear Welding**
  - **Inspection Technician**
  - **Nuclear**
- **Laboratory Scientist**
  - **Life & Industrial Sciences**
  - **Bespoke Tailor and Cutter**
  - **Bespoke Tailoring**
  - **Chartered Surveyor**
  - **Surveying**
  - **Solicitor**
  - **Law**
  - **Professional Accountant**
  - **Accountancy**

**Developing standards**

- **Groups of employers representing their sectors or occupations come together to design apprenticeships that meet business needs;**
- **Involving experts from professional bodies, education and training providers, and assessment organisations, to provide further integrity;**
- **Approval of standards by Government, then the Institute for Apprenticeships from April 2017 – before they are published and up and running;**
- **We will continue to simplify this process for employers.**

**Our vision for 2020**

- Apprenticeships will be widely recognised and respected as a highly effective means for all businesses to build their pipeline of skilled future staff in all parts of the country
- The new Digital Apprenticeship Service will be simple for employers, particularly smaller businesses, to navigate and use
- Employers will feel full ownership of apprenticeships, designing and owning the content of all apprenticeship standards and assessments
- Employers will be the main advocates of apprenticeships among their partners, peers and supply chain

- **Groups of employers representing their sectors or occupations come together to design apprenticeships that meet business needs;**
- **Involving experts from professional bodies, education and training providers, and assessment organisations, to provide further integrity;**
From April 2017: Large and small businesses can start or expand their apprenticeship programmes.

The Digital Apprenticeship Service (NAS) provides direct support and advice to large employers to start or expand their apprenticeships. It offers a dedicated account management service and provides the latest independent and impartial advice on apprenticeships.

The Apprenticeship Grant (AG) continues to support smaller businesses starting apprenticeships, providing advice and support.

Jez Brooks, Early Professionals Manager, IBM, UK, says: “We hire apprentices at IBM because there’s just so much talent out there and not all of that talent wants to go to university. Apprentices come to IBM with such passion and enthusiasm, why wouldn’t we want to bring them on board?”

Financial support: The Apprenticeship Grant for Employers (AG) currently provides £500 of funding for small businesses to support their first five apprentices under the Levy funding framework. The Apprenticeship Grant for Employers is being extended until the end of the 2018/19 academic year to provide transitional support until the levy funding framework is in place.

Employers tell us that concerns about bureaucracy and red tape can get in the way of them choosing to hire an apprentice. We need to make sure this is as easy as possible for all employers.

By February 2016, employers will be able to post their vacancies themselves on the existing online Find an Apprentice service.

From October 2016, we will start to roll out the Digital Apprenticeship Service. From April 2017, employers will be able to: find an apprenticeship course and training provider, manage their apprenticeship, and pay for apprenticeship training and assessment.

Area-based reviews of apprenticeship programmes will continue to support advice and support to smaller businesses starting apprenticeships.
The Apprenticeship Grant for Employers (AGE) currently provides £1,500 of funding for small businesses to support each of their first five apprentices aged 16-24.

Local Enterprise Partnerships will also be encouraged to play an increased role and to share best practice.

Apprenticeship Training Agencies and Group Training Associations are also important in supporting smaller businesses to engage with apprenticeships, and we want support to smaller businesses to expand in future.

Stephanie Dunkley, Lettings Manager, AJR Estate Agents (East Midlands Small Employer of the Year 2015)

“July 2015 was our best month in lettings since we started. We believe this success is a direct result of taking on our apprentices - injecting fresh new energy. We have developed and motivated individuals to become exceptional, skilled staff. As a result, our customers feel valued and targets have been exceeded by 150%. For us, apprentices are the future of estate agency.”

Apprenticeship growth across the public sector

- The NHS has committed to delivering over 17,000 apprenticeships starts during 2015/16, reaching more than 100,000 in 2020.
- The Department for Transport’s Skills Strategy will support the ambition to deliver 30,000 apprenticeships across the road and rail industry.

The Enterprise Bill will seek to introduce statutory targets of 2.3% for public sector bodies with a workforce of 250 or more in England to employ their fair share of apprentices.

The rules for public procurement have been amended: bidders for all relevant government contracts over £10m, and more than 12 months in duration, will also need to compete on the basis of their contribution to apprenticeships and skills.15

Ryan Davies, healthcare assistant at South Tees Hospital and regional Intermediate Apprentice of the Year:

“My apprenticeship has motivated me to learn more, aim higher and change career direction to become a fully qualified paramedic.”

Promoting the value of apprenticeships:

The National Apprenticeship Service will continue to raise the profile of the programme, with its support of National Apprenticeship Week, and the National Apprenticeship Awards.

The ‘5% Club’ has been developed and run by businesses who are committed to achieving 5% of their UK headcount being an apprentice, a sponsored student or on a graduate programme.

Following the success of the Get In, Go Far marketing initiative, January 2016 will see the launch of a new integrated promotional campaign.
Supporting routes to apprenticeships and work

Our vision for 2020

- All young people at school will be able to hear from and be inspired by employers and apprentices
- There will be clear progression routes through technical and professional education and into skilled employment, including apprenticeships
- Traineeships will support more young people into apprenticeships and sustainable employment
- Young people from all backgrounds will get the preparation they need to be high quality candidates for apprenticeships

Advice, guidance and support

Quality advice, guidance and support are vital to ensure young people have a full range of career options and are inspired by the prospect of an apprenticeship.

- Schools have a statutory duty to ensure young people have a full range of career options and are inspired by the prospect of an apprenticeship.

The National Careers Service

- Provides information, advice and guidance to help young people and adults make informed choices on learning, work and apprenticeships.

The Careers and Enterprise Company

- Will publish a strategy in early 2016 to ensure young people have access to top quality careers advice.

Schools

- Will be held to account for what their pupils do next, including where they go onto an apprenticeship.

The Careers and Enterprise Company’s network of Enterprise Advisers will see volunteers from businesses working with schools and colleges to make careers advice relevant and engaging.

From September 2016, UCAS will include Higher and degree apprenticeships on their website.

With high quality data, information and advice on post-16 routes, institutions and courses, as well as on job demand and availability.

94% of employers consider traineeships an effective preparation for work.

We will improve advice and guidance further:

- With high quality data, information and advice on post-16 routes, institutions and courses, as well as on job demand and availability.

-OFFICIAL-
Rolls-Royce
Jessica is a final year technical apprentice with Rolls-Royce. Her career choice was inspired by the Rolls-Royce Bloodhound Supersonic Car (SSC) and their Science, Technology, Engineering and Maths (STEM) and Education Teams, through a school assignment on the Bloodhound SSC project. The Bloodhound Education Team also ran an extra-curricular activity at Jessica’s school. This, as well as a GCSE in electronics, and work experience at Rolls-Royce, prompted her to apply for a technical apprenticeship at their Bristol base. Jessica was recently highly commended in the Jaguar Land Rover Evoque Scholarship and the National Apprenticeship Service Advanced Apprentice of the Year for the South West Region.

Supporting more young people who are unemployed or at risk of being unemployed or not in education or training
- We want the highly popular traineeships programme to continue to grow and flourish and we will enable more providers to deliver it.
- Jobcentre Plus (JCP) will work with schools to raise awareness of local opportunities including apprenticeships, traineeships and work experience.
- A new Youth Obligation will be introduced from April 2017 for 18-21 year old benefit claimants to help them develop the skills and experience needed to gain apprenticeships and other jobs.
- Apprenticeships will better promoted in jobcentres, supported by improved guidance for JCP advisers.

Supporting diversity in apprenticeships and access for all
- Over the last five years, between 53% and 54.7% of apprenticeship starters have been women, and we want to extend this positive representation across all sectors.
- We will refresh our strategy for care leavers in spring 2016.
- We are committed to increasing the proportion of apprentices from BAME backgrounds by 20%.
- Support is available for people with special educational needs and disabilities who require extra help to gain apprenticeships and other employment, including supported internships for eligible 16-24 year olds.

Ground-breaking reforms to technical and professional education
- Reforms will mean clearer progression paths from school to employment and high level skills, through up to 20 new technical and professional routes, created with direct input from employers.
- An independent panel, led by Lord Sainsbury,²⁹ and made up of industry experts and education professionals, will help deliver these reforms – we will set out next steps in spring 2016.

The long-term apprenticeships system

Our vision for 2020
- The design and delivery of high quality apprenticeships will be overseen by a new, independent and respected quality body – the Institute for Apprenticeships
- All new apprentices will be trained to meet levels of professional competence set out in employer-designed standards
- Employers will be confident customers of apprenticeship training programmes, which will be developed by agile training providers to meet the evolving needs of business
- Employers will have the opportunity to choose between more high quality providers and it will be easier for employers to train their apprentices directly

A new governance body for employers
An independent and employer-led body, the Institute for Apprenticeships, will be set up by April 2017. It will regulate the quality of apprenticeships within the context of reaching three million starts in 2020.

An independent Chair will lead a small Board of employers, business leaders and their representatives, to continue to drive up apprenticeship quality to the highest level and approve apprenticeship standards.

Opportunities for education and training providers in the transition
The Government’s reform and growth aims for apprenticeships offer significant opportunities for providers, positioning apprenticeships as the biggest part of the vocational market.
allocations-based approach transitions over to the new funding system.

**Higher quality provision:**

Area-based reviews of post-16 education and training will examine economic and educational needs in local areas and how current provision must change to meet these needs, involving Local Enterprise Partnerships. Following these reviews and the introduction of the levy funding, we expect to see fewer, larger and higher quality colleges.

By 2020, we will expect to see further education colleges taking a greater share of the apprenticeship training market (including Institutes of Technology and National Colleges), alongside employers offering apprenticeship training directly, universities providing higher and degree apprenticeships, and independent and new types of providers all playing a part.

We will streamline processes to reduce barriers to new providers entering the market and getting on the Register of Training Organisations. The arrangements for sub-contracting between providers will also be reviewed, to ensure these meet the needs of employers and apprentices.

The Education and Training Foundation (ETF) programmes support training providers in preparing to deliver the new standards and work with employers.

A new ETF programme, ‘Future Apprenticeships’, will be available until at least March 2016. It focuses on supporting providers in designing training programmes for the new standards and their strategic employer engagement strategy.

### Adviser support to IPS International Ltd

IPS International Ltd, a specialist independent apprenticeship training provider and a leading provider of training and consultancy, operates across the UK and overseas.

Through the Education and Training Foundation programme, IPS accessed support from an adviser, enabling senior management to:
- Work through a provider readiness assessment tool, mapping current delivery of frameworks to new standards, and identifying which standards they would be best placed to deliver
- Begin to review their business and marketing strategy
- Start to develop their action plan with heads of departments for implementing the reforms, setting clear targets with timeframes

### Funding for Apprenticeships

#### Our vision for 2020

- Employers will choose and pay for the apprenticeship training they want through a Digital Apprenticeship Service
- The funding system will support the commitment to increase the quality and quantity of apprenticeships
- Funding for apprenticeships will be placed on a sustainable footing through a levy on employers

We have already increased the minimum wage for apprentices by over 20% to £3.30 per hour in October 2015, and from April 2016, employers will no longer have to pay National Insurance contributions for any apprentice under the age of 25.

#### Making apprenticeships sustainable in the long term

The Government is introducing a levy on employers to fund apprenticeships from April 2017. It will be collected from eligible employers through the Pay As You Earn system and apply to both the public and private sectors across the UK.

The rate for the levy will be set at 0.5% of an employer’s pay bill. Each employer will receive an allowance of £15,000 to offset against their levy payment. This means that the levy will only be paid on any pay bill in excess of £3 million and that fewer than 2% of UK employers will pay it. By 2019-20, the levy is expected to raise £3 billion in the UK. Spending on apprenticeships in England will be £2.5 billion, and Scotland, Wales and Northern Ireland will receive their fair share of the levy.

#### The levy - key features

- All employers will have access to the Digital Apprenticeship Service to choose and pay for the apprenticeship training and assessment they want, whether they have contributed to the levy or not.
- Those employers who have paid the levy will be able to use the Service to cover or subsidise an apprenticeship with registered providers of their choice.
- Employers who pay the levy and are committed to apprenticeship training will be able to get out more than they pay in, through a top-up to their digital accounts.

**The levy will be set at 0.5% of an employer’s pay bill. It will only be paid on any pay bill in excess of £3 million.**

Employers will have an allowance of £15,000 to offset against their levy payment.
Employers who have not had to pay the levy will be able to access government support for apprenticeships through the Digital Apprenticeship Service.

Every employer will have the opportunity to direct the funds that are available in their digital accounts to meet their apprenticeship training needs with approved training providers and will be given a reasonable amount of time to do so.

Where employers choose not to use the funds in their digital accounts we will make these more widely available.

We want to give employers in England flexibility on how they use their levy contributions, without introducing additional and unintended complexity into the system. We will continue to engage with employers in England until the levy is implemented, to fully understand the consequences of any approach before deciding on how to proceed.

**Information on the funding arrangements under the levy will be made available by spring 2016**

Guidance on funding both frameworks and standards for the 2016/17 academic year will be issued at the end of January 2016.

Once the levy is introduced, we want to make sure that employers are still encouraged to take on 16-18 year old apprentices recognising the additional costs of training and managing younger apprentices. We also want to encourage improvement in the quality of training through greater take-up of apprenticeship standards rather than frameworks.

Information on the funding arrangements under the levy will be made available by spring 2016, with further dialogue with providers and employers in the interim.

There will also be opportunities for employers to be involved in the design of the Digital Apprenticeship Service.

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**Funding apprenticeships**

The funding arrangements for providers for 2015/16 are already in place and we are running the employer led trials for delivering apprenticeships against standards. Ahead of the levy, providers (including direct grant employers) will continue to be funded to deliver apprenticeship frameworks.

The trial approach on funding apprenticeship standards will also continue with minimal change and small improvements, until the new funding model is introduced alongside the levy.

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**How to get involved**

We hope that after reading this document you may like to get involved by employing an apprentice or working on the development of a new standard.

Further information can be found at: https://www.gov.uk/government/publications/apprenticeship-reforms-progress-report

If you would like to employ an apprentice, then please contact the National Apprenticeship Service, either by calling 08000 150600

Or via the following link: http://www.apprenticeships.org.uk/employers/employer-online-enquiry-form.aspx

If you would like to join a group already developing a standard, or if you would like to develop a new standard, then please see the guidance at: https://www.gov.uk/government/collections/apprenticeship-changes

Employers interested in contributing to the development of the Digital Apprenticeship Service should contact DAS@bis.gsi.gov.uk
Endnotes

1 Apprenticeship Evaluation: survey of learners (2014)
2 AAT and CEBR (2013) University education – is this the best route into employment?
3 Apprenticeship Evaluation: survey of employers (2014)
5 BIS research paper 229 (2015) Further education: measuring the net present value in England
7 OECD Skills Outlook 2013: First results from the survey of adult skills, Figure 0.3 (OECD 2013). UK Skills Levels and International Competitiveness 2013, Derek L Bosworth, August 2014
9 OECD (2014), Skills Beyond School: Synthesis Report, OECD Reviews of Vocational Education and Training
10 BIS (2015) Training away from the workplace and reduced hours: January 1995 to December 2014
11 Alison Wolf, Social Market Foundation (July 2015) Fixing a broken training system: the case for an apprenticeship levy
12 Ibid.
13 Find an Apprenticeship is at https://www.findapprenticeship.service.gov.uk/apprenticeshipsearch
14 CBI/Pearson education and skills survey 2015
16 Further Education and Skills Statistical First Release November 2015
17 Traineeships First Year Process Evaluation March 2015
18 Traineeships First Year Process Evaluation March 2015
19 Former Minister of Science and Innovation, 1998–2006
20 This applies to apprentices aged 16–18 and those 19 and over who are in the first year of their apprenticeship.
Further information can be found at: https://www.gov.uk/topic/further-education-skills/apprenticeships

If you would like to employ an apprentice, then please contact the National Apprenticeship Service, either by calling 08000 150600

Or via the following link: https://contact.findapprenticeship.service.gov.uk/

If you would like to join a group already developing a standard, or if you would like to develop a new standard, then please see the guidance at: https://www.gov.uk/government/collections/apprenticeship-changes or contact apprenticeship.trailblazers@bis.gsi.gov.uk

If you are a Trailblazer group and would like to make contact with providers please contact trailblazers@aoc.co.uk

Employers interested in contributing to the development of the Digital Apprenticeship Service should contact DAS@bis.gsi.gov.uk

If you would like to search for apprenticeship opportunities, you can visit https://www.gov.uk/apply-apprenticeship

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