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Research report

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Executive Summary

This report presents the findings of the Apprenticeship Evaluation Employer Survey 2021. It is the seventh in the series, the first of which was published in 2012, with the previous survey taking place in 2018-19. It sits alongside the accompanying Learner report.

The research helps DfE to monitor apprenticeships from the employer perspective and to shape future development of the apprenticeship programme. Specifically, it examines the profile of employers with apprentices and the types of apprenticeship they offer, why and how apprentices are recruited, apprenticeships during COVID-19, retention and progression of apprentices, experiences and views on delivery, assessment and their ability to influence training, satisfaction with apprenticeships, views on recent policy changes, and future plans regarding offering apprenticeships.

Method and interpretation

The employer element of the evaluation involved a telephone survey, taking place from May to August 2021, with 4,085 employers in England. The employers interviewed were grouped in two windows; firstly, those who had staff complete an apprenticeship between 1st July 2019 and 29th February 2020 (977 interviews), and secondly, those who employed current apprentices (3,108).¹ All interviews were conducted at site level, rather than organisation.

There was a timing gap between the fieldwork and those in the apprentice completer strand of 15 to 26 months, allowing time to assess the subsequent impact on the employer, and keeping the gap between completion and survey broadly consistent with previous surveys. The inclusion of employers with current apprentices is a change from the 2019 and earlier surveys in the series, which only sampled employers with completer apprentices.² This inclusion enabled the study to explore the impact of recent policy changes and the impact of the COVID-19 pandemic.

There is a substantial overlap in eligibility for the two sample windows; on the sample from the ILR, about a fifth (22%) of employers of current apprentices also had completer apprentices, and nearly half (42%) of employers of completer apprentices also had current apprentices. For employers with larger apprenticeship schemes, nearly all employers were eligible for both windows, since they would have ongoing apprenticeship schemes, with a continuous flow of completer apprentices and new starts. Employers in the overlap between sample windows were given a double chance of selection, but were

¹ As of 1st January 2021, the most recent date for which sample data was available from the Individualised Learner Record (ILR), the official record of FE learning in England, which was used for sampling. Employers were only included in fieldwork if they were expected to have apprentices during the fieldwork period.

² Employers spoken to in 2019 could also have apprentices at the time of the survey, but those with current apprentices were not explicitly sampled.

only interviewed regarding apprentices in one sample window to avoid excessive survey length.

Due to the inclusion of the new group of employers of current apprentices, where comparisons are made with 2019 and earlier surveys, this is only done among employers in the 'completer' group. A number of changes to the methodology, including to the sampling, interviewing and weighting approach (detailed further in the introduction and Technical Report), also mean some caution is needed when comparing findings from 2021 with previous surveys.

Profile of employers

The profile of employers using apprenticeships, estimated using a combination of ILR data and survey data, was not found to have changed in broad terms since 2019. Although the absolute number of employers with completer apprentices had reduced substantially.

Employers of apprentices were often new to the scheme. In 2021, 33% of all employers with current apprentices had offered them for three years or fewer. About a quarter (23%) had offered them for more than ten years. The majority of sites employing current apprentices were part of small businesses; more than half (58%) had less than 50 employees³. However, it is important to note that the majority of *apprentices* are employed in larger employers, with around half (49%) of apprentices estimated to work at sites containing 100 or more staff. This reflects the fact that larger employers account for the majority of employment.

The profile of employers with completer apprentices varied slightly from the profile of employers with current apprentices (despite significant overlap as noted above). The key differences relate to the change from frameworks to standards during the period since completer apprentices would have started their training⁴, and also relate to the fact that in some sectors (e.g., Health and Social Care) apprenticeships tend to be short. This means that they have fewer apprentices in training at any one time, compared to the number of completer apprentices. This means that the Health and Social Work sector is the largest SIC⁵ sector for employers of completer apprentices (21% of employers), but the Construction sector is the largest sector for employers of current apprentices (18%).

³ Statistics presented in this report for employers will therefore tend to reflect the views of these more numerous, smaller employers. These may differ from the views of the largest employers of apprentices.

⁴ Frameworks were replaced slowly over several years starting in March 2014, being fully replaced by standards on 31st July 2020. Completer apprentices would have started their training mostly between 2017 and early 2019, while current apprentices would mainly have started their training at some point in 2019 or 2020. There is not a precise defined window in which apprentices must start the training to be eligible for the survey, because sample windows for the survey were defined by being on provision or having completed provision at specified dates, and apprenticeships can vary in length.

⁵ Employers were classified according to the ONS standard SIC2007 classification, based on a survey question designed to capture this data.

In addition, employers of current apprentices are more likely to be small with fewer than 10 employees (at a site level, 35% of employers vs. 28%).

Most sites of employment in the UK do not have apprentices, and are thus not included in the survey. By combining survey data with IDBR data to take into account employers with no apprentices, it is possible to estimate that 8% of sites of employment in the UK have current apprentices. Combining this with survey data on the number of apprentices at each site shows wide variation in usage of apprentices by size of employer site. In general, use of apprentices is highest among small but not micro employers (with 10 to 24 employees), and lower for larger employers, up to 500 employees. The very largest sites, however, with 500 or more employees, are the group with the most apprentices per 1,000 employees.

There was also wide variation by SIC sector and region, with Construction, Health and Social Work, Education, and Other Services⁶, as well as employers in the North East, North West and Yorkshire and the Humber regions, making the most use of apprentices

Nearly two thirds of businesses with either current or completer apprentices expect to grow in the next 12 months (62%). Among employers of completer apprentices, the proportion expecting growth was slightly lower (59%), close to the level reported in 2019 (57%).

Types of apprenticeship provided

Less than a quarter (23%) of employers with current apprentices have any current apprentices on frameworks, with the transition to standards now well underway. Among employers of completer apprentices, due to the greater time elapsed since the training started, less than half (40%) have apprentices on standards, although this compares to <1% in the 2019 survey.

In 2021, the number of employers using Level 4, 6 and 7 apprentices rose substantially, while in absolute terms the number using Level 3 apprentices fell by around a fifth (21%). The number of employers with completer apprentices at Level 2 almost halved (fell by 43%).

Despite these changes, Business remains the largest subject area in terms of number of employers with completer apprentices (at 27% of the total). The percentage of apprentice employers whose main subject area is Retail has fallen from 22% to 17% from 2015 to 2021.

More than half of apprentice employers said that they would consider apprenticeship applications, if a place were available, from people of all ages (56%). However, over 25s were the group most commonly not considered for apprenticeships (by 25% of apprentice employers), especially in Construction, Engineering, Manufacturing or Retail. Under 19s

⁶ 'Other services' includes Hairdressers, Barbers and Beauty Salons, alongside a range of other activities.

were not considered by 21% of employers, particularly in Health and Care and Education.

When asked why they do not consider under 19s for apprenticeships, employers often said that they cannot employ people aged under 19 for reasons other than Health and Safety (22%), or Health and Safety regulations (15%), or other regulations or laws (10%).

Why and how apprentices are recruited

Key reasons employers chose to offer apprenticeships rather than other forms of training were the benefit to the apprentice and/or the community (22%), the inclusion of practical/vocational elements in the training (17%), that it is standard form of training in their industry (15%), and their cost and affordability (13%). Among those employers likely to pay the Apprenticeship Levy, the Levy itself was the most frequently mentioned reason for recruitment (22%).

Among employers with apprentice completers, the proportion that had provided apprenticeships to existing employees or only to existing employees (32% and 26% respectively) was lower than in the previous survey in 2018-2019 (36% and 31%), and had returned to the level seen in 2017 (32% and 27%). Conversely, more had recruited people specifically to start an apprenticeship (71% in 2021, up from 64% in 2019).

Those with completer apprentices who mainly provided Levels 4 or 5 were more likely to provide apprenticeships to existing staff (54% and 49% *only* to existing staff). There was no significant difference among those employers with completer apprentices mainly providing Levels 6 or 7.

Most employers felt that there was sufficient information, support and guidance available to employers interested in offering apprenticeships (77%). Among those with completer apprentices the figure had increased from 75% in 2019 to 79% in the 2021 survey).

Employing apprentices during COVID-19

COVID-19 had a substantial effect on apprentice recruitment. In the early stages of the pandemic less than half the number of apprenticeships were being started than at the same time in 2019. However, numbers of starts had recovered to normal levels by November 2020.

One in ten employers of completer apprentices⁷ (9%) said they had recruited more apprentices than in a usual year in the 12 months before the survey (which took place between May and August 2021), while about two-fifths (41%) had recruited less. Larger employers with 100 or more employees, at a site level, were more likely than average to have recruited more apprentices than in a 'usual' year (13%), unlike smaller sites with

⁷ This is not reported for current apprentices due to selection bias – to a large extent, they could not be included in the survey unless they had continued to recruit apprentices during COVID-19.

less than ten employees (4%). Those providing apprenticeships mainly in Retail were more likely to have recruited less (50%) than average,⁸ understandably given the closure of retail outlets during lockdowns over the course of the COVID-19 pandemic. Those with apprentices mainly in Health were more likely than average to have recruited more apprentices than in a normal year (14%).

A third (31%) of employers with current apprentices also had at least one apprentice take a break in learning due to COVID-19. It was rare for only some apprentices in a workplace to pause learning due to COVID-19; where any apprentice paused, generally all (24%) or none (67%) did so.

There was a fall in recruitment of apprentices in 2019/20 and 2020/21 (of 18% relative to 2018/19), due to the impact of COVID-19.⁹ To help address this, as part of the government's Plan for Jobs, a financial incentive was put in place for employers recruiting apprentices of any age, excluding existing staff.¹⁰ From 1st August 2020 to 31st March 2021, a payment of £2,000 was made to employers for every apprentice recruited aged under 25, and £1,500 for every apprentice aged 25 and over.¹¹ The incentive was increased to £3,000 for employers recruiting a new apprentice from 1st April 2021 to 31st January 2022, regardless of the age of the apprentice.¹²

During the employer survey, which took place between 24th May and 6th August 2021, employers of apprentices were asked if they were aware of this incentive payment for employers to recruit new apprentices. In most cases, the majority of apprentices referred to would have been recruited *before* the increase in the incentive to £3,000, although it is not possible to say for certain for any individual employer which specific levels of incentive(s) would have been received.

Just over two thirds of employers said they were aware of the incentive (68%). Among employers with eligible apprentices, eight in ten (80%) were aware of the incentive. Awareness was higher among some sub-groups, for example larger employers, and in specific sectors (Public Administration and Defence, Other Services, and Information and Communication).

Most apprentice employers (61%) had recruited no eligible apprentices, and more than half of these (38% of all apprentice employers) had heard of the incentive scheme but not

⁸ More among those employers with mainly Retail apprentices but without Hair and Beauty apprenticeships (52%, significantly above average) than those with Hair and Beauty apprenticeships (49%, not significantly above average).

⁹ Department for Education (2021). *Apprenticeship and Traineeships Statistics: October 2021 (reported to date)*. 7 October 2021. London, Department for Education. Accessed at: <https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships-and-traineeships/2020-21>.

¹⁰ Department for Education (2021). *A Plan for Jobs 2020*. July 2020. Accessed at: <https://www.gov.uk/government/publications/a-plan-for-jobs-documents/a-plan-for-jobs-2020>

¹¹ Department for Education (2021). *Apprenticeship Funding in England from November 2021*. November 2021. Accessed at: <https://www.gov.uk/government/publications/apprenticeship-funding>.

¹² Department for Education (2021). *Apprenticeship Funding in England from November 2021*. November 2021. Accessed at: <https://www.gov.uk/government/publications/apprenticeship-funding>.

recruited any new apprentices as a result. The remainder (23%) had not heard of the scheme.

Around one in five of all employers of apprentices had applied or planned to apply (22%), with 18% having made an application, and 10% having received the payment for some or all of the apprentices they had recruited since 1st August 2020. In total, half (51%) of those employers with eligible apprentices had applied to the scheme. Only a small group of employers (7%¹³) had eligible apprentices but had not applied for the payment, most of whom (6%¹⁴ of all employers of apprentices) had not heard of the scheme.

Employers that had applied for or received the incentive payment (18% of all apprentice employers) were asked whether they would have recruited the same volume of apprentices without the incentive payment. Most said they would have recruited exactly the same number of apprentices (76%), while around a fifth (22%) of employers said it caused them to recruit more apprentices, including a smaller group (14%) who said they would not have recruited any apprentices without the incentive.

The impact of the incentive was significantly lesser on large sites; those with 100 or more employees at the site were much less likely to say that the incentive had caused them to recruit more (14%), compared to employers with 10 to 99 employees at the site (26%). This lesser impact on larger employers (who as a group employ a high proportion of apprentices) weakens the impact on overall apprentice numbers.

To provide an estimate of the overall impact of the incentive of the number of apprentices recruited, employers were asked about the number of apprentices:

- That they had recruited as new staff between 1st August 2020 when the incentive was introduced, and the date of the survey.
- That they would have recruited in that period without the incentive; and
- That they recruited earlier than planned in order to receive the incentive.

Calculations based upon these responses showed that the impact of the incentive was small; from employer responses, an impact of around an 11% increase in recruitment of apprentices was estimated for the period between the introduction of the incentive and the survey, although some of this was recruitment 'brought forward' rather than 'new' recruitment. If this is taken into account, the incentive is estimated to have resulted in around a 6% increase in apprentice numbers.

Most of those who had not acted on the incentive said that they had not done so because they had no work for any additional apprentices (69%); the level of the incentive was not considered a problem, and no widespread problems were identified with the administration of the incentive or understanding of the process among employers.

¹³ 5% of those with completer apprentices, 8% of those with current apprentices, a significant difference.

¹⁴ 4% of those with completer apprentices, 7% of those with current apprentices, a significant difference.

Keeping apprentices

Among employers with completer apprentices eight to 15 months prior to interview, more than seven in ten (73%) had retained any of their completer apprentices as staff, and over three-fifths (62%) had retained all of their completer apprentices.

Employers who provided apprenticeships at Level 4 or 5 were more likely to have retained all of their completer apprentices as staff than those offering lower levels (85% vs. 61% at Level 2 or 3). Retention was highest for employers with a main subject area of Engineering (79%), and lowest in Leisure (34%).

In cases where apprentices had left the organisation after the apprenticeship was completed, two-thirds of employers (67%) reported it was the apprentice's decision to leave, while one fifth (20%) reported asking the former apprentice to leave. Employers believed that the main reasons for former apprentices choosing to leave were wanting to go into another sector (20%), to improve their career prospects (19%) or to improve their pay (16%). The main reason for employers asking former apprentices to leave was related to poor job performance (43%), or due to the impact of COVID-19 on the business (25%).

Usage of Higher and Degree apprenticeships

In terms of progression from Level 2 or 3 to Higher levels of apprenticeship, around six in ten (58%) of all employers of apprentices reported having heard of Higher and Degree apprenticeships, consistent with 2019. Awareness was highest among employers with the main subject areas of Health (69%) and Business (69%).

A third (34%) of employers who had heard of them reported providing or having plans to provide a Higher apprenticeship at Level 4 or 5, while one fifth (20%) had plans for Degree apprenticeships at Levels 6 or 7, and a small group (9%) had plans for Level 6+ non-Degree apprenticeships. Where employers did not plan to provide Higher or Degree apprenticeships, the main reason was a lack of demand from employees (28%).

Delivery and influence over learning

Most apprenticeships were reported to contain all the key elements expected, such as training from an external training provider (95%) and the employer (74%), and an assessment of apprentices' prior skills (88%). However, a quarter (24%) of employers with completer apprentices reported that (other than via the external training provider) they provided no learning sessions separate to the apprentice's day-to-day work duties, unchanged from 2019. While apprentices may receive mentoring or training during their day-to-day work, this remains a potential concern.

Most employers (83%) reported that a training provider assessed apprentices' existing qualifications and training prior to starting. A further 6% of employers said that they

carried out the assessment in house; in all, 88% were aware of an assessment taking place. While employers mostly using frameworks were less likely to have a training provider carrying out the assessment (79%), they were more likely to carry it out in-house, making them equally likely to have an assessment carried out overall.

Overall, 43% of employers reported being able to influence the structure, content, delivery or duration of apprenticeships. Of those who could not influence the apprenticeship, 28% (or 14% of all employers) wanted to do so, rising to 33% among those commenting regarding completer apprentices. A third of all employers (36%) had no influence over their staff's apprenticeships but did not seek any.

Employers with apprentices mostly on frameworks (47%) were also more likely to report being able to influence training than employers with apprentices mostly on standards (41%).

Satisfaction

Levels of satisfaction with apprenticeships remain high. Considering the main or most important apprenticeship they provide, 83% of employers (85% of those with completer apprentices, 83% of those with current apprentices) were satisfied overall. Amongst those with completer apprentices this was in line with satisfaction levels in the 2019 and 2017 surveys (85% and 84% respectively).

Employer satisfaction varied widely by subject area and by level within subject area, and was highest within Education and Leisure (92% satisfied), and lowest in Construction (73%) and Engineering (77%). Overall, 7% of employers were dissatisfied. Smaller employers were most likely to be dissatisfied (10% of those with fewer than 10 employees).

Employers were particularly likely to be satisfied that they had been able to select an apprenticeship relevant to their needs (82%). Satisfaction with being able to choose a relevant apprenticeship had increased amongst those with completer apprentices from 75% in 2019 to 81% in 2021.

Employers who had used providers for learning and / or assessment were also highly likely to be satisfied with the quality of initial assessment (82%), the quality of learning they delivered (79%) and the flexibility they offered to meet employers' needs (78%).

Amongst employers with completer apprentices, satisfaction with the quality of applicants has continued to improve slowly over time (from 63% in 2015 to 70% in 2021).

Breaks in programmes due to COVID-19 may have impacted satisfaction amongst employers with current apprentices; only 78% whose apprentices had experienced breaks in learning were satisfied overall, compared to 85% whose apprentices did not experience breaks in learning. In addition, those employers who had selected their own End Point Assessment Organisation (EPAO) were more satisfied overall (92%) than those where it was selected by the training provider (84%).

Most employers (85%) would recommend apprenticeships to other employers.

Employers experienced a wide range of benefits as a result of training apprentices. The most common was the development of skills relevant to their organisation (85%), while over three-quarters benefitted from increased productivity (78%). Amongst those who train existing employees as apprentices, improved staff retention was also commonly reported (76%). Employers whose main apprenticeship programme was at Level 4 or above were more likely to report most of the benefits listed.

Policy changes - understanding and satisfaction

Two-fifths (40%) of employers of apprentices were aware that all new apprenticeship starts from August 2020 were on standards. This was lower amongst employers with smaller schemes, those whose main programme was at Level 2 or 3, and those operating in the Construction or Administration and Support Services SIC sectors.

Employers who were aware of the change were considerably more likely to think standards were an improvement (35%) than to think them worse (8%), though the majority felt there was either little difference (40%) or that it was too early to say (17%). Favourable views of standards were most likely to be based on them offering more structure, better skills outcomes, and a better assessment process.

Results show some uncertainty about the end-point assessment (EPA) process: one in ten employers with apprentices who had completed standards did not think the apprentice had undertaken an EPA (10%) and the same proportion were unsure (9%), and amongst employers with current apprentices on standards 15% were unaware they would be required to undertake an EPA.

For the majority (63%) of employers who were aware that their apprentices had done or would be doing EPAs the learning provider chose, or is expected to choose, the End-point Assessment Organisation (EPAO). The vast majority (87%) of employers who had experienced completer apprentices undergoing EPAs felt it had been a good test of the occupational competence of the apprentice(s).

Three-quarters (76%) of employers thought their organisation understood the 20% off-the-job training requirement well. Understanding has improved since 2019 (75% of employers with completer apprentices felt it was well understood in 2021, up from 63% in 2019). Two-thirds (67%) of employers thought their organisation understood the apprenticeship funding process well.

Future plans

Many more employers of completer apprentices in 2021 than in 2019 were planning to increase their apprentice numbers in the next 2 to 3 years (36% vs. 27%). Many employers of current apprentices also said they were likely to increase apprenticeship

numbers (37%). Overall, an average of 36% of all apprentice employers expected to see an increase, rising to 55% among those expecting business growth in the next 12 months. Around half of all employers expected recruitment to stay at the same level (52%), and very few expected to decrease recruitment (4%) or stop offering apprenticeships (6%).

Those employers whose main subject area was Arts and Media (43%) or Business (41%), or whose main Level of apprenticeship was Level 4 or 5 (48%) were particularly likely to expect growth in numbers, as were employers in the Accommodation and Food Service (52%) and Administrative and Support Services (51%) SIC sectors. There was a strong link between reporting a plan to increase apprenticeship numbers and having previously reduced apprentice recruitment due to COVID-19 (50% of these employers planned to increase recruitment).

Taken together, this suggests that although apprenticeship starts regained their pre-COVID-19 level in November 2020, there is still potential for starts to exceed pre-COVID-19 levels in 2021/22 as employers seek to 'catch up'. Employers planning to increase their number of apprentices most commonly said this was because the company was expanding (54%). The top reasons for planning to decrease or stop offering apprenticeships were that they were not planning to recruit new staff (25%), followed by the business either not growing or contracting (11%).

1. Introduction

This report presents the findings from the Employer element of the 2021 Apprenticeships Evaluation Survey. Findings from the Learner survey can be found in the corresponding Learner report. The Employer survey comprised 4,085 interviews, conducted between 24th May 2021 and 6th August 2021 with employers in England who had had employees complete an apprenticeship between 1st July 2019 and 29th February 2020 (977) or who employed current apprentices as of 1st January 2021¹⁵ (3,108).

Policy background to survey

Apprenticeships remain a priority policy for government in England, supporting the government's vision to improve skills, build sustainable growth and stronger communities, and to enable individuals to succeed and progress in their careers. The Department for Education (DfE), acting through the Education and Skills Funding Agency (ESFA), has overall accountability for the apprenticeship programme and all aspects of apprenticeships policy and strategy. This includes overall programme governance and operational management of the apprenticeship funding system. The DfE also works in partnership with the Institute for Apprenticeships and Technical Education (IfATE), and other government departments such as the Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Work and Pensions (DWP). There is an ongoing need to understand the programme from the point of view of current and recent apprentices and apprentice employers in order to monitor quality, customer satisfaction and likely social and economic impacts.

The Apprenticeship Evaluation Surveys, first undertaken in 2012, have been an integral part of the evaluation strategy for the apprenticeships programme in England. The surveys enable robust time series monitoring of the programme, in particular regarding quality, satisfaction, motivation, benefits, progression and post-apprenticeship retention.

The Apprenticeship Evaluation Surveys have helped both to shape and to monitor the impact of recent apprenticeship policy developments.

The Government's Productivity Plan and 2015 policy document '*English Apprenticeships: Our 2020 Vision*¹⁶' made the case for apprenticeships improving productivity and helping economic prosperity, confirmed the target of 3 million apprentice starts by 2020, and continued the drive to deliver high quality apprenticeships. The changes outlined in this policy document were orientated toward driving up quality while at the same time delivering increased quantities of apprenticeship starts, and with a focus on the central

¹⁵ Because this was the most recent complete data available at the time of sample design (ILR extract R06 for 2020/21). The number of current apprentices was updated in the survey to be correct at the time of the survey, although those who did not have apprentices on 1st January 2021 could not be included.

¹⁶ HM Government (2015). *English Apprenticeships: Our 2020 Vision*. December 2015. Accessed at: <https://www.gov.uk/government/publications/apprenticeships-in-england-vision-for-2020>

role of employers in the design of suitable apprenticeships. This has been accompanied by changes to the funding of apprenticeships, seeking to further facilitate take-up of training which is high-quality and provides value for money.

The Productivity Plan continues to set the direction for apprenticeships policy today, although updates and changes have been made over time.¹⁷ The key policy changes made as a result since 2017, including updates and changes, are:

- **The introduction of the Apprenticeship Levy.** The Levy was introduced from 1st May 2017, and is now payable at 0.5% of the pay bill of employers in the UK whose annual pay bill exceeds £3m (estimated to be some 2% of all employers). Employers in England can access apprenticeship funds through a digital service account to pay for approved apprenticeship training, and Levy-paying employers can also transfer a percentage of their levy funds to other employers (the transfer allowance percentage is currently set at 25%).^{18, 19}
- **The introduction of a new ‘co-investment rate’ of 5% which applies to non-Levy paying employers whereby employers and government share the cost of training and assessing apprentices.** Since 1st April 2019 non-Levy paying employers have paid 5% toward the cost of training for new apprenticeships. For employers with less than 50 staff recruiting a 16- to 18-year-old, no contribution is levied.²⁰ Initially the co-investment rate was set at 10% (for apprenticeships that started between 6th April 2017 and 31st March 2019).²¹ Funding bands have been put in place to determine the maximum amount the Government is prepared to contribute to providers towards off-the-job training and assessment for different apprenticeship standards, which can range from £1,500 to £27,000.²²
- **A mandatory 20% minimum off-the-job training requirement for an apprenticeship to receive government funding.** This requirement was clarified in May 2017 to make clear that off-the-job training is a) about upskilling an individual to reach full occupational competency, not accrediting their existing skills, and b) must be for the purpose of achieving the apprenticeship, not training

¹⁷ House of Commons Library (2020). *Briefing Paper CBP 03052, 7 September 2020. Apprenticeships and skills policy in England*. Accessed at: <https://researchbriefings.files.parliament.uk/documents/SN03052/SN03052.pdf>

¹⁸ Education and Skills Funding Agency (2021). *Apprenticeship funding rules and guidance for employers: August 2021 to July 2022*. Version 2. November 2021. Accessed at: <https://www.gov.uk/guidance/apprenticeship-funding-rules>.

¹⁹ Education and Skills Funding Agency (2021). *Funding an apprenticeship for Levy payers*. October 2021. Accessed at: <https://www.apprenticeships.gov.uk/employers/funding-an-apprenticeship-levy-payers>.

²⁰ House of Commons Library (2020). *Briefing paper: Number CBP 03052: Apprenticeships and skills policy in England*. 7 September 2020. Accessed at: <https://researchbriefings.files.parliament.uk/documents/SN03052/SN03052.pdf>.

²¹ Education and Skills Funding Agency (2021). *Funding an apprenticeship for non-Levy employers*. April 2021. Accessed at: <https://www.apprenticeships.gov.uk/employers/funding-an-apprenticeship-non-levy>

²² Education and Skills Funding Agency (2021). *Apprenticeship Funding Bands*. October 2021. Accessed at: <https://www.gov.uk/government/publications/apprenticeship-funding-bands>

delivered for the sole purpose of enabling the apprentice to perform the work for which they have been employed. This requirement applies to both apprenticeship frameworks and apprenticeship standards.²³

- **All apprenticeships in England required to last at least 12 months from May 2017.** This requirement was first introduced in 2012, but previous exemptions for apprentices aged 19 and over with relevant prior experience were removed in May 2017. The 2020/21 funding rules²⁴ clarified that apprentices who had withdrawn from an apprenticeship could return to complete it – the time previously completed would be taken into consideration but overall, their study should still last for at least 12 months.²⁵
- **The creation of new apprenticeship standards to replace frameworks.** Frameworks were 'switched off' from 31st July 2020, so from 1st August 2020, all apprenticeship starts were on the standards model.²⁶
 - One of the key changes in the transition from frameworks to standards was the introduction of **end-point assessments (EPAs)**. EPAs are an independent assessment of the knowledge, skills and behaviours which have been learnt throughout an apprenticeship standard and tests the apprentices' ability to apply them in the workplace. Every apprentice is required to undertake an assessment at the end of their training to confirm that they have achieved occupational competence and completed the apprenticeship. EPAs are delivered by End Point Assessment Organisations (EPAOs).²⁷
 - **The Institute for Apprenticeships and Technical Education (IfATE)**²⁸ **was established** to oversee quality and to approve apprenticeship standards and training plans.²⁹

²³ Education and Skills Funding Agency (2017). *Apprenticeships: off-the-job training*. September 2019. Accessed at: <https://www.gov.uk/government/publications/apprenticeships-off-the-job-training>

²⁴ Education and Skills Funding Agency (2021). *Apprenticeship funding rules and guidance for employers: August 2021 to July 2022*. Version 2. November 2021. Accessed at: <https://www.gov.uk/guidance/apprenticeship-funding-rules>.

²⁵ FE Week (2020). *ESFA scraps minimum duration repeat rule for returning apprentices*. Accessed at: <https://feweek.co.uk/esfa-scraps-minimum-duration-repeat-rule-for-returning-apprentices/>

²⁶ Education and Skills Funding Agency (2019). *Statement on frameworks withdrawal - May 2019*. July 2020. Accessed at: <https://www.gov.uk/government/publications/removal-of-apprenticeship-frameworks>

²⁷ HM Government (2015). *English Apprenticeships: Our 2020 Vision*. December 2015. Accessed at: <https://www.gov.uk/government/publications/apprenticeships-in-england-vision-for-2020>

²⁸ Formerly the Institute for Apprenticeships.

²⁹ HM Government (2015). *English Apprenticeships: Our 2020 Vision*. December 2015. Accessed at: <https://www.gov.uk/government/publications/apprenticeships-in-england-vision-for-2020>

- A move to **increase the range and supply of Higher and Degree apprenticeships** at Levels 4, 5, 6 and 7, in order to widen access to the professions, and support businesses to compete internationally.³⁰
- **From May 2017, the introduction of additional payments for apprentices aged 16 to 18, care leavers, or those with an Education, Health and Care Plan (EHCP).** An additional payment is offered for apprentices aged 16 to 18, or those aged 19 to 24 who are care leavers or who have an EHCP. This additional payment is set at a level of £1,000, paid to both the employer and learning provider³¹. The 5% employer contribution also does not apply to these apprentices.
- **A statutory obligation for public sector bodies** to employ their fair share of apprentices, through the setting of a minimum target of 2.3% of apprentices on public bodies with 250 or more people working for them in England.³²
- The Skills for Jobs white paper³³, published in January 2021, set out plans to build on earlier reforms to improve quality further, and make apprenticeships more flexible so that they meet the needs of employers better.
- New quality measures include providing employers with tools, advice, and guidance to give their apprentices a high-quality experience, such as the roadmap.³⁴ For providers, new initiatives include refreshing the Register of Apprenticeship Training Providers³⁵ with more stringent criteria and investing in a new national online Apprenticeship Workforce Development programme.³⁶
- The government has also introduced changes to make the apprenticeship system more flexible for employers. It is supporting new flexi-job apprenticeships to enable apprentices to move between different host employers in a sector or region.³⁷ This is alongside encouraging a greater proportion of off-the-job training

³⁰ HM Government (2015). *English Apprenticeships: Our 2020 Vision*. December 2015. Accessed at: <https://www.gov.uk/government/publications/apprenticeships-in-england-vision-for-2020>

³¹ Department for Education (2021). *Apprenticeship Funding in England from November 2021*. November 2021. Accessed at: <https://www.gov.uk/government/publications/apprenticeship-funding>.

³² HM Government (2015). *English Apprenticeships: Our 2020 Vision*. December 2015. Accessed at: <https://www.gov.uk/government/publications/apprenticeships-in-england-vision-for-2020>

³³ Department for Education (2021). *Skills for jobs: lifelong learning for opportunity and growth*. January 2021. Accessed at: <https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth>

³⁴ HM Government. *The road to a quality apprenticeship*. Accessed at:

<https://www.apprenticeships.gov.uk/employers/the-road-to-a-quality-apprenticeship>

³⁵ Education and Skills Funding Agency (2021). *Register of apprenticeship training providers*. December 2021. Accessed at: <https://www.gov.uk/guidance/register-of-apprenticeship-training-providers>

³⁶ The Education and Training Foundation. *Apprenticeship Workforce Development – The ETF*. Accessed at: <https://www.et-foundation.co.uk/professional-development/apprenticeships/>

³⁷ Department for Education (2022). *Flexible apprenticeships to boost jobs in key sectors*. February 2022. Accessed at: <https://www.gov.uk/government/news/flexible-apprenticeships-to-boost-jobs-in-key-sectors>

being completed at the start of the apprenticeship (front-loading), so that apprentices can be productive more quickly in the workplace.

- Since September 2021, employers have been able to benefit from improvements to the transfers system. Large employers can now pledge unspent levy funds to employers in their supply chain, sector or region, helping to address local and regional skills needs.³⁸ An enhanced recruitment service will be developed in 2022, alongside a new return on investment tool for employers.
- Apprenticeships will also contribute to the new ‘Skills Mission’ set out in the Levelling Up White Paper, to increase the number of high-quality course completions annually by 200,000, by 2030.^{39,40}

COVID-19 context

The year leading up to fieldwork (which took place in May and June 2021) saw significant disruption to the economy and to apprenticeships as a result of COVID-19. Figure 1.1 shows apprenticeship starts by academic year from 2011/12 through to 2019/20.

There has been a fall in apprenticeship numbers overall since the reforms were put in place in May 2017, from 494,900 starts in the academic year 2016/17 to 320,000 in 2017/18, a fall of 24% in a single year.⁴¹ There has been a further fall in 2019/20 and 2020/21 (of 18% relative to 2018/19), likely to be due to the impact of COVID-19. As will be seen later in the report, in [Chapter 5](#), the level of recruitment in these years for those months less affected by COVID-19 lockdowns remained similar to that seen in 2018/19.

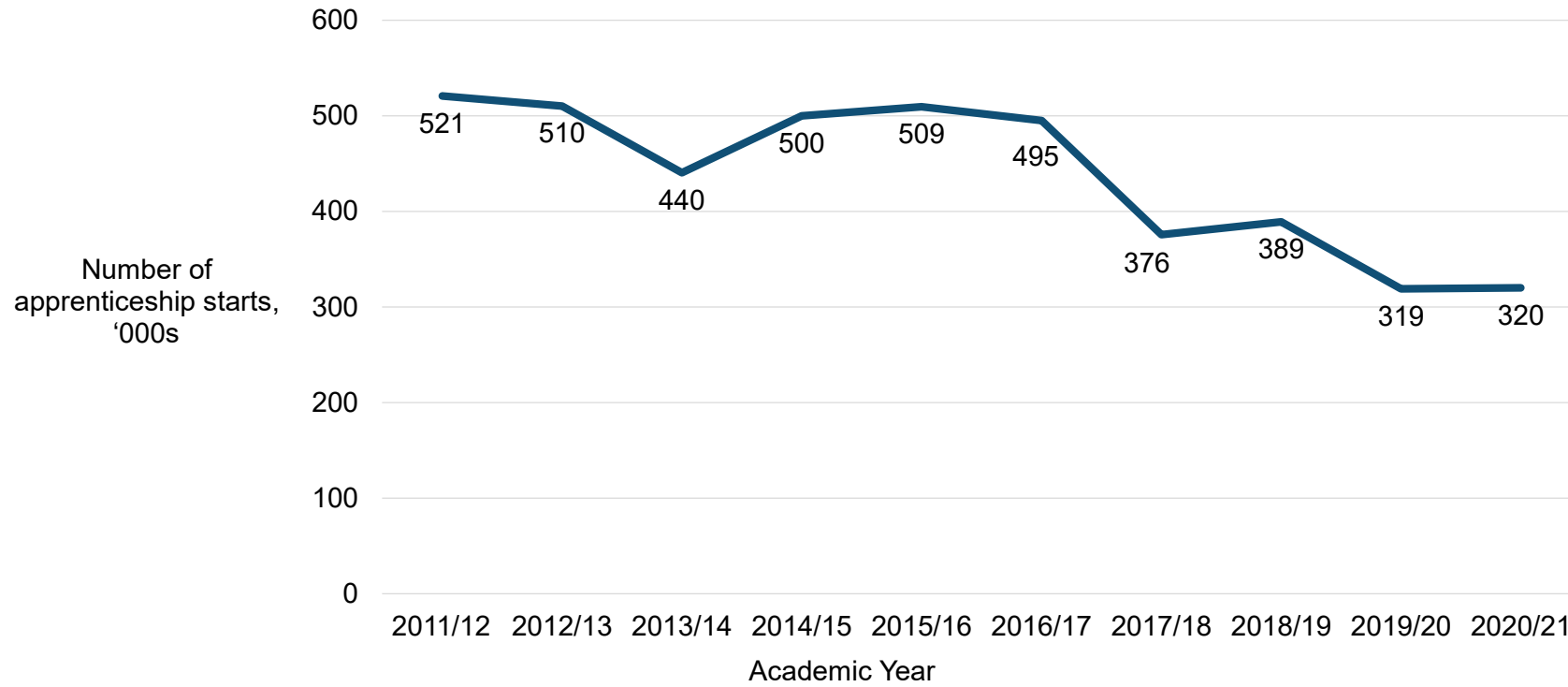
³⁸ Education and Skills Funding Agency (2022). Transferring your apprenticeship levy to another business. February 2022. Accessed at: <https://www.gov.uk/guidance/transferring-your-apprenticeship-levy-to-another-business>

³⁹ Department for Levelling Up, Housing and Communities (2022). Levelling Up the United Kingdom. February 2022. Accessed at: <https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>

⁴⁰ Department for Levelling Up, Housing and Communities (2022). Levelling Up the United Kingdom: missions and metrics Technical Annex. February 2022. Accessed at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1054767/Technical_annex_-_missions_and_metrics_accessible_version.pdf

⁴¹ Department for Education (2021). *Apprenticeship and Traineeships Statistics: October 2021 (reported to date)*. 7 October 2021. London, Department for Education. Accessed at: <https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships-and-traineeships/2020-21>.

Figure 1.1 Trend in apprenticeship starts, 2015/16 to 2020/21, from data gathered for the ILR



Source: Department for Education (2021): Apprenticeship and Traineeships Statistics: October 2021 (reported to date). 11 October 2021. London, Department for Education.

To help address the fall in the period impacted by COVID-19, as part of the government's Plan for Jobs, **a financial incentive was put in place for employers recruiting apprentices of any age**, excluding existing staff.⁴² From 1st August 2020 to 31st March 2021, a payment of £2,000 was made to employers for every apprentice recruited aged under 25, and £1,500 for every apprentice aged 25 and over.⁴³

The incentive was increased to £3,000 for employers recruiting a new apprentice from 1st April 2021 to 31st January 2022 regardless of the age of the apprentice.⁴⁴

To maintain progress, achievement and delivery of EPA, IfATE introduced flexibilities and discretions to assessment plans. These allow apprentices to complete their apprenticeship in the event of disruption.⁴⁵

IfATE extended all EPA flexibilities and discretions put in place due to COVID-19⁴⁶ until 28th February 2022⁴⁷. Some flexibilities will be retained beyond this date and will apply to all apprenticeships. IfATE has provided guidance how the retained flexibilities will be applied.⁴⁸

The 2021 survey asked a series of questions to better understand the effect of COVID-19 on employers providing apprenticeships. All employers were asked about the impact on their recruitment of apprentices. Those with current apprentices (who had apprentices as of January 2020) were asked about any breaks in learning or working due to the pandemic. Those with completer apprentices who would have seen their apprentices finish by February 2020, and so delivery would not have seen that apprenticeship impacted by the pandemic, were asked whether any who had since left their organisation did so due to COVID-19.

More generally, the impact of COVID-19 for the 2021 survey should be considered throughout when comparing results to the 2019 and earlier surveys.

⁴² [A Plan for Jobs 2020 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

⁴³ Department for Education (2021). *Apprenticeship Funding in England from November 2021*. November 2021. Accessed at: <https://www.gov.uk/government/publications/apprenticeship-funding>.

⁴⁴ Department for Education (2021). *Apprenticeship Funding in England from November 2021*. November 2021. Accessed at: <https://www.gov.uk/government/publications/apprenticeship-funding>.

⁴⁵ Department for Education (2020). *Providing apprenticeships during the COVID-19 pandemic*. Updated December 2021. Accessed at: <https://www.gov.uk/government/publications/coronavirus-covid-19-apprenticeship-programme-response/providing-apprenticeships-during-the-covid-19-pandemic#disruption-to-assessment>.

⁴⁶ IfATE (2020). *COVID-19 guidance: end-point assessment of apprenticeship standards*. Updated November 2021. Accessed at: <https://www.instituteforapprenticeships.org/eqaepa-guidance-during-covid-19/>.

⁴⁷ IfATE (2022). *Institute acts fast on COVID-19 flexibilities following latest government guidance*. Accessed at: <https://www.instituteforapprenticeships.org/about/newshub/news-events/institute-acts-fast-on-covid-19-flexibilities-following-latest-government-guidance/>

⁴⁸ IfATE (2022). *Flexibility framework*. Accessed at: <https://www.instituteforapprenticeships.org/developing-new-apprenticeships/resources/flexibility-framework/>

Research aims

This report forms part of a series going back to 2010/11, providing invaluable insight into how employer views of apprenticeships have evolved over time. The previous survey was carried out in 2018/19. This study provides an opportunity to assess the longer-term impact of the 2017 reforms as well the impact of the emphasis on Higher and Degree level apprenticeships. Furthermore, this study will assess the impact COVID-19 has had on apprenticeships.

The survey contacted two groups of employers, those who had apprentices successfully completing a programme between 1st July 2019 and 29th February 2020 and those who, on 1st January 2021⁴⁹, were employing an apprentice. The time delay before interviewing employers of completer apprentices was used in order to measure the impact of apprenticeships on employers after completion.

The survey seeks to understand the reasons employers engage with apprenticeships, how they access the apprenticeship system, the progression and outcomes for apprentices when they finish their apprenticeship, and the impact apprenticeships have on their organisation.

It also explores overall satisfaction with apprenticeships, the way in which apprenticeships are delivered, and the level of influence employers have and would like to have over the training their apprentices receive. In this year's evaluation, there were new elements that focused on the impact of COVID-19 on apprenticeships and opinions on the move to standards. The survey also looks toward the future, asking about future plans for apprenticeships, and the reasons for those plans.

Methodology

Survey design

Where appropriate, questions and language in the survey remained the same as the previous 2019 survey so as to maximise time-series comparability. However, in this survey, employers with current apprentices were also included to enable examination of the impact of recent policy as well as how COVID-19 may have affected their use of apprenticeships (as outlined above).

Many (although not all) of the questions that focused on the impact of 2017 policy changes were removed to reflect that these are now embedded in the programme. New questions on apprenticeship standards and End Point Assessments (EPAs) were added in their place. A small number of questions were added that focused on Higher level and Degree apprenticeships, adapted as appropriate for those being interviewed, regarding

⁴⁹ Because this was the most recent complete data available at the time of sample design (ILR extract R06 for 2020/21).

current or completer apprentices. The report makes clear which questions were asked of those with current or completer apprentices in each section.

Detail is provided on all amendments to the questionnaire in Chapter 3 of the accompanying Technical Report, together with a copy of the final questionnaire.

Survey scope

The employer element of the evaluation involved a telephone survey with 4,085 employers in England who had had individual staff complete an apprenticeship between 1st July 2019 and 29th February 2020 (977) or who currently employed apprentices (3,108).⁵⁰

The employers of current apprentices were a new element for the 2021 survey, allowing more up-to-date analysis of how employers are reacting to current apprenticeship policies. The employers of completer apprentices are broadly comparable with the group of employers interviewed in the 2019 survey.⁵¹

There is a substantial overlap in eligibility for the two sample windows: on the sample from the ILR, about a fifth (22%) of employers of current apprentices also had completer apprentices, and nearly half (42%) of employers of completer apprentices also had current apprentices. For employers with larger apprenticeship schemes, nearly all employers would be eligible for both windows, since they would have ongoing apprenticeship schemes, with a continuous flow of completer apprentices and new starts. Employers in the overlap between sample windows were given a double chance of selection⁵², but were only interviewed regarding apprentices in one sample window⁵³ to avoid excessive survey length.

⁵⁰ As of 1st January 2021, the most recent date for which sample data was available from the Individualised Learner Record (ILR), the official record of FE learning in England, which was used for sampling. Employers were only included in fieldwork if they were expected to have apprentices during the fieldwork period.

⁵¹ There was a difference in seasonality; employers interviewed in the 2019 survey had completer apprentices who finished their studies between February and September 2017, compared to July 2019 to February 2020 for the 2021 survey; this is consistent in terms of the number of months before interview (15-25 in 2019, vs. 15-24 in 2021) but at a different time of year. Both, however, include the key peak of recruitment in September each year. This approach was taken since the length of time between completion and interview is important for measuring benefits for the business consistently.

⁵² This sampling was carried out sequentially; however, because the availability of sample was taken into account in the calculation of targets and thus in the quantity of sample drawn, no shortfalls occurred except due to rounding error. Where availability of sample in a cell was limited, sample was allocated in a ratio of 3:1 between the current survey and the completer survey, in line with the planned relative sizes of those surveys. Therefore, both the first and second samples drawn could be considered to have been randomly drawn.

⁵³ Selected using a skewed random selection process to account for the differing target numbers of interviews in each sample window. For more details, see Chapter 2 of the Technical Report.

Sampling

The Individualised Learner Record (ILR), the government database held by ESFA (the Education and Skills Funding Agency) which contains records of all apprenticeships in England, was used to identify the population of employers in scope for the survey. The extracts used included all apprenticeships started up to 1st January 2021.⁵⁴

The ILR includes details of the site (i.e., workplace) at which every apprentice is employed, and this was used to compile the sample for the research. The survey therefore took place at a site level, and the results provided in this report are also expressed in terms of sites, not enterprises.⁵⁵ The following ILR data was used to stratify the sample:

- The size of apprenticeship scheme at the site of employment, in terms of number of apprentices.
- The most commonly used level of apprenticeship at the site.
- The most commonly used subject area of apprenticeship at the site.

As in previous Apprenticeships Evaluation surveys, these subject areas are defined using the Ofqual Sector Subject Area (SSA Tier 1) classification, with abbreviated titles, as shown in Table 1.1. Further information on stratification is provided in the technical report.

⁵⁴ The extracts used for sampling were 2018/19 R14 (final release), 2019/20 R14 (final release) and 2020/21 R06 (17th February 2021 release, the latest available at the time of sampling, containing complete data up to 1st January 2021).

⁵⁵ The ILR database does not contain any information that enables the linking of sites of employment with other sites of the same business or enterprise.

Table 1.1 Abbreviations of Sector Subject Area (SSA Tier 1) titles used for analysis

Sector Subject Area (SSA Tier 1) title	SSA code	Abbreviation
Agriculture, Horticulture and Animal Care	03	Agriculture
Arts, Media, and Publishing	09	Arts & Media
Business, Administration and Law	15	Business
Construction, Planning, and the Built Environment	05	Construction
Education and Training	13	Education
Engineering and Manufacturing Technologies	04	Engineering
Health, Public Services and Care	01	Health
Information and Communication Technology	06	ICT
Leisure, Travel and Tourism	08	Leisure
Retail and Commercial Enterprise	07	Retail
Science and Mathematics	02	Science
Social Sciences ⁵⁶	11	Social Sciences

Source: Ofqual / IFF Research

In a change from previous Apprenticeships Evaluation surveys, Random Probability Sampling (RPS) was used, in order to improve the representativeness of the resulting survey dataset.⁵⁷ The sampling took place for each sample window through a four-stage process, which is detailed in the Technical Report.

The final profile of sample, and more detail on the process of sampling, is provided in Chapter 2 of the Technical Report.

Fieldwork

Fieldwork took place between 24th May 2021 and 6th August 2021.

Interviewers asked to speak to the person in charge of training taking place at that site in the subject areas listed on the ILR. As in previous surveys, referrals to a Head Office or HR site were accepted,⁵⁸ on condition that the discussion would be about apprentices at the specific site listed on the sample, rather than in the company as a whole. This referral process was used for 211 interviews, or 5% of the total.

⁵⁶ Less than 20 employers in England had these types of apprentices in either sample window; eight were sampled and none responded to the survey. They therefore do not feature in the remainder of the report.

⁵⁷ A detailed explanation of the rationale for the use of Random Probability Sampling is provided in the Technical Report.

⁵⁸ Also as in previous surveys, referrals to an external training provider or consultant were not accepted.

In a change from previous Apprenticeships Evaluation surveys, telephone fieldwork was managed in accordance with a Random Probability Sampling (RPS) approach, in which a respondent, once selected, was called an agreed minimum number of times (12) and, unlike in previous surveys, sample was not withdrawn once targets had been reached. The impact of this is that it helps to increase participation among busier or more difficult-to-reach employers, increasing the representativeness of the resulting dataset.

Employers were interviewed about either current or completer apprentices; where they had both types of apprentice recorded on the ILR, a random selection process was used.⁵⁹ For employers interviewed regarding completer apprentices, there was a timing gap between the apprentices discussed completing their studies and fieldwork of approximately 15 to 26 months. This allowed time to assess the subsequent impact on the employer, and kept the gap between completion and survey broadly consistent with previous surveys.

In total, 4,085 interviews were completed, 3,108 regarding current apprentices, and 977 regarding completer apprentices. The overall response rate across all employers was 28%, if ineligible and unusable sample are removed from the base calculation. More detail is provided in the Technical Report on sample batching (in Chapter 2), the fieldwork technique (in Chapter 4) and response rates (in Chapter 5).

Weighting

Although the sampling and fieldwork approach took care to achieve a spread of interviews close to the survey population, some groups of employers were significantly oversampled in order to allow separate analysis. The survey dataset was therefore weighted to produce reported results in line with the population distribution, derived from the ILR.

Two weights were produced, both of which are used to generate figures in this report:

- **Current / completer employers** – a weight which provides separate results for employers of current apprentices and employers of completer apprentices. This is used for figures which relate only to one of these groups. If used to combine these groups, this weight would produce data which included the group of employers with both current and completer apprentices twice.
- **All employers** – weighting employers of current apprentices, employers of completer apprentices and employers of both in line with their relative numbers in the population. This is used for figures representing all employers of apprentices, and sub-groups of employers not broken down by whether they have current or completer apprentices. Due to the larger population of employers of current apprentices, they are the dominant group in this weight; 62% are employers of

⁵⁹ Selected using a skewed random selection process to account for the differing target numbers of interviews in each sample window. For more details, see Chapter 2 of the Technical Report.

current apprentices only, 23% employers of completer apprentices only, and 15% employers of both types of apprentices.

Further information is provided on weighting in Chapter 6 of the Technical Report.

Structure of the report

Each chapter begins with a summary of key findings and includes analysis of changes from 2019 to 2021 where available.

- [Chapter 2](#) looks at who employs apprentices, giving an overview of the profile of apprentices' employers, combining secondary data with survey data.
- [Chapter 3](#) looks at what types of apprenticeships are on offer giving an overview of the profile of employers in terms of the apprenticeships they provide, combining secondary data with survey data.
- [Chapter 4](#) looks at why and how apprentices were recruited, giving an overview of employers' practices when it comes to stating employees on apprenticeships. Including why they have used apprenticeship and what purposes they have used them for.
- [Chapter 5](#) looks at employing apprentices during COVID-19, a new chapter for 2021, including recent trends in employer use of apprenticeships and decisions made during COVID-19.
- [Chapter 6](#) looks at keeping apprentices through retention and progression
- [Chapter 7](#) examines awareness and use of Higher and Degree apprenticeships.
- [Chapter 8](#) looks at delivery, assessment, and influence of apprenticeship training, including initial assessment of apprentices' skills prior to starting and employer influence on apprenticeships training.
- [Chapter 9](#) looks at satisfaction of employers with apprenticeships, including advocacy from employers, benefits to employers, and what employers would like to change.
- [Chapter 10](#) looks at apprenticeship policy changes including understanding of and satisfaction with End Points Assessments and apprenticeship standards.
- [Chapter 11](#) looks at the future plans of employers with regards to apprenticeships.

- [Chapter 12](#) provides conclusions from the research relevant for apprenticeships policy.

Reporting conventions

This report is structured to lead with figures for all employers combining those with former apprentices and current apprentices, followed by discussion of differences among subgroups. The key subgroups that are analysed include:

- **Main subject area**, as selected by the employer. Sample data was used (looking at the most numerous specific apprenticeships offered) if they declined to select a subject area. This approach was also taken in 2018/19.⁶⁰ The main subject area of apprenticeships should not be assumed to be the same as the main sector the employer's operations (i.e., SIC sector).
- **Main level**, as selected by the employer. Sample was used if they declined to select a subject area, or to select a level within a selected subject area. Levels 4 and 5 are grouped together to represent Higher apprenticeships, and separately, levels 6 and 7 are grouped together to represent Degree and L6+ non-Degree apprenticeships.⁶¹
- Use of apprenticeships **frameworks and standards**, from the ILR. This is split into 'mostly standards' and 'mostly frameworks'.⁶²
- **Sector of the employer**, using the ONS SIC2007 classification, as given by respondents in the survey.⁶³
- **Size of employer** by number of staff at the site, as given by respondents in the survey,⁶⁴ banded into groups for convenient analysis (less than ten employees, ten to 99 employees, and 100 or more employees). In a small number of cases, where specifically required for analysis, the number of staff at the organisation level is used.

⁶⁰ Employers were asked to select a single specific apprenticeship standard or framework which was 'most important to the business', from a list of the three they most commonly used within the survey window they were being interviewed about (current apprentices or completer apprentices). They were able to give a different apprenticeship if they did not wish to select any of these. Where they were unable to choose a specific standard or framework, the most commonly used within the survey window the employer was being interviewed about was used instead. The specific apprenticeship programmes were grouped for analysis based upon the Sector Subject Area (Tier 1) of the programme.

⁶¹ This approach was in broad terms also used in 2019. However, in 2019, employers interviewed were given a free choice of levels 2 to 7 regardless of the specific apprenticeship programme chosen. In 2021, due to advances in survey programming software, it was possible to restrict the employer's choice only to levels actually available for the specific apprenticeship programme chosen.

⁶² Where there was a 50/50 split in the number of apprentices between standards and frameworks, this classification attributed these to 'mostly standards', on the basis that the transition is likely to be toward standards.

⁶³ This information is not collected on the ILR.

⁶⁴ This classification uses employment at the site – i.e., including working proprietors – rather than employees. This information is not collected on the ILR.

Other subgroup analysis is included where it is important for the narrative. For example, regional breakdowns⁶⁵ are shown where clear regional trends have emerged. In some cases, breakdowns are given by Levy eligibility. This is based on a question in the survey which asks if the organisation had a wage bill of £3m or more in the UK at the time of the survey; if they state that they did, it is assumed that they would be eligible for the Levy.

In addition, in some cases the Retail subject area is broken down into Hair and Beauty and other apprenticeships. This is because employers of Hair and Beauty apprentices often show markedly different opinions or behaviours to other employers of Retail subject area apprentices.

The survey upon which this report is based was carried out at site level; that is, both branches/sites and head offices were interviewed. Where the report refers to the proportion of 'employers,' this refers to specific workplaces/sites not whole organisations unless otherwise specified.

Throughout the report, unless otherwise specified, "completer apprentices" refers to apprentices who completed their training within the sample window for the evaluation (1st July 2019 to 29th February 2020) and "current apprentices" refers to apprentices working for the employer at the time of the survey.

All differences between sub-groups reported on in the text, and all differences shown between results or different years of the survey can be assumed to be statistically significant unless specified otherwise. No analysis based on an unweighted sample size of less than 30 is shown in the text or in tables or charts.

A note on comparability

Throughout the report, comparisons are made with the previous 2019 Apprenticeship Evaluation Survey (and earlier surveys where possible).⁶⁶ For the 2019 survey, fieldwork took place between 12th December 2018 and 12th March 2019, and interviews were conducted with 4,000 employers, all of whom had apprentices who completed between 15 and 27 months prior to the interview, broadly equivalent to employers of completer apprentices in the current survey in terms of the time interval between completing and the survey interview. There is no 2019 comparison group for employers with current apprentices.

Consistency with the 2019 methodology was largely maintained for the 2021 survey. However, a number of key differences in methodology mean that direct comparisons should be made with caution. These are detailed further in the Technical Report.

⁶⁵ ONS classification of English regions.

⁶⁶ There were substantial changes in questionnaire design between the 2017 and 2019 surveys, making the scope for comparisons with data from prior to the 2019 survey limited.

2. Who employs apprentices?

Introduction

This chapter profiles employers with apprentices completing in the ‘completer’ survey window of July 2019 to February 2020, and compares them to those employers interviewed in the previous 2019 survey. It also profiles employers with apprentices as of 1st January 2021, included in the survey as ‘current’ employers. This is important to contextualise the other findings in the report.

The chapter brings together survey data with data from the Individualised Learner Record (ILR) to produce an estimated profile of employers. The ILR is the same source that is used for official statistics regarding apprenticeships; however, the survey data adds important dimensions to the data, for example employer size, type and sector (i.e., SIC sector). The survey data enables an estimated profile of employers of apprentices to be produced (and presented in this chapter) which would not be available from statistics derived solely from the ILR.

It should be noted that figures shown in this chapter are not directly comparable to official statistics on apprentice employers since they refer to the sample windows defined for the survey.

Key findings

Sector and size profile

- **Employers of current apprentices** were most commonly in the Construction (17%) or Health and Social Work (16%) SIC sectors, and mostly in the private sector (81%).
- The majority of sites employing apprentices were part of small organisations; **more than half of them (58%) had less than 50 employees.**
- Despite this, **around half (49%) of apprentices were estimated to work at sites containing 100 or more staff.** Around a third of current apprentices (33%) worked at sites with 10 to 99 staff, and only 11% at sites with less than 10 staff.

Intensity of apprenticeship use

- Taking into account the fact that most (92%) of sites of employment in the UK have no apprentices, **overall the average site of employment has 14 apprentices per 1,000 employer staff.**
- **Apprenticeship usage per head was much lower at some sizes of sites than others,** with a peak of usage at sites with 10 to 24 staff (21 apprentices per 1,000

staff) and 500 or more staff (22 per 1,000 staff), and the lowest usage among sites with 2 to 4 staff (9 apprentices per 1,000) and 250 to 499 staff (10 per 1,000).

- By sector, **the greatest use of apprenticeships was made in Construction** (40 apprentices per 1,000), **Health and Social Work** (30 per 1,000), **Education**, (29.9 per 1,000), **and Other Services** (28 per 1,000), which includes Hairdressers and Barbers.
- The **lowest level of usage of apprenticeships was in Accommodation and Food Service** (3 per 1,000) and **Transport and Storage** (2 per 1,000).
- In London, there were only six apprentices per 1,000 staff at the average employer, compared to around triple that number in the North East (22 per 1,000 staff), the North West (19), East Midlands (18) and Yorkshire and the Humber (17).

Time using apprenticeships and future plans

- **Employers of apprentices were often new to the scheme** – in 2021, 33% of all employers with current apprentices had offered them for three years or fewer. About a quarter (23%) had offered them for more than ten years.
- **Nearly two thirds of private sector employers with either current or completer apprentices expect to grow in the next 12 months** (62%). Among employers of completer apprentices, the proportion expecting growth was slightly lower (59%), close to the level reported in 2019 (57%).
- **More than half (56%) of learners were already employed by their apprenticeship employer before the apprenticeship commenced** (44% were ‘new recruits’).
- **As found in the 2018-19 survey, older apprentices were much more likely to have already been working for their employer** (82%, compared with 45% of those aged 19-24 and 25% of those under 19).

Sector and size profile

The SIC sector profile of employers with current apprentices is shown in Figure 2.1, which splits employers both by sector and broad type of organisation (private sector, public sector and third sector).

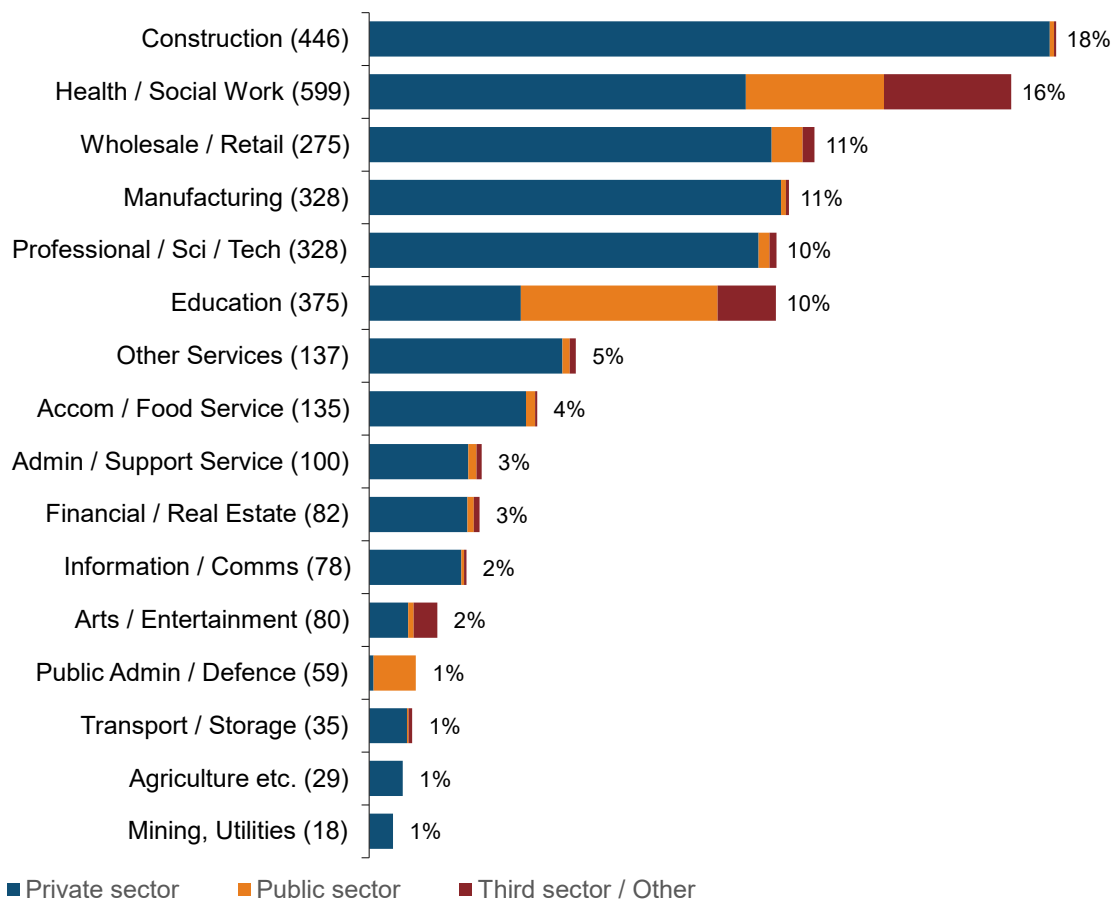
This chart is expressed in terms of the number of employers at a site level, not the number of apprentices. Since some sites of employment have many more apprentices than others, this is not the same as the distribution of apprentices by sector.

The largest number of employers of current apprentices were found in Construction (18%), closely followed by Health and Social Work (16%). Other major sectors include

Wholesale and Retail (11%), Manufacturing (11%), Professional, Science and Technology (10%), and Education (10%). There is a long tail of sectors with fewer employers of current apprentices.

Most sectors, in terms of employers of current apprentices, are dominated by private sector employers (who make up 81% of employers of current apprentices overall), with the exceptions of Health and Social Work, Education and Public Administration and Defence. Overall, the public sector accounts for 12% of employers of current apprentices, while the third sector makes up just 6%.⁶⁷

Figure 2.1 SIC sector profile of employers with current apprentices (site level)



Base: Employers of current apprentices (3,108). Base for split of private / public and third sector within sectors shown by each bar. Breakdown not shown for Agriculture or for Mining, Utilities due to low base sizes (<30). Classification used is the ONS SIC2007 classification, 1-digit level.

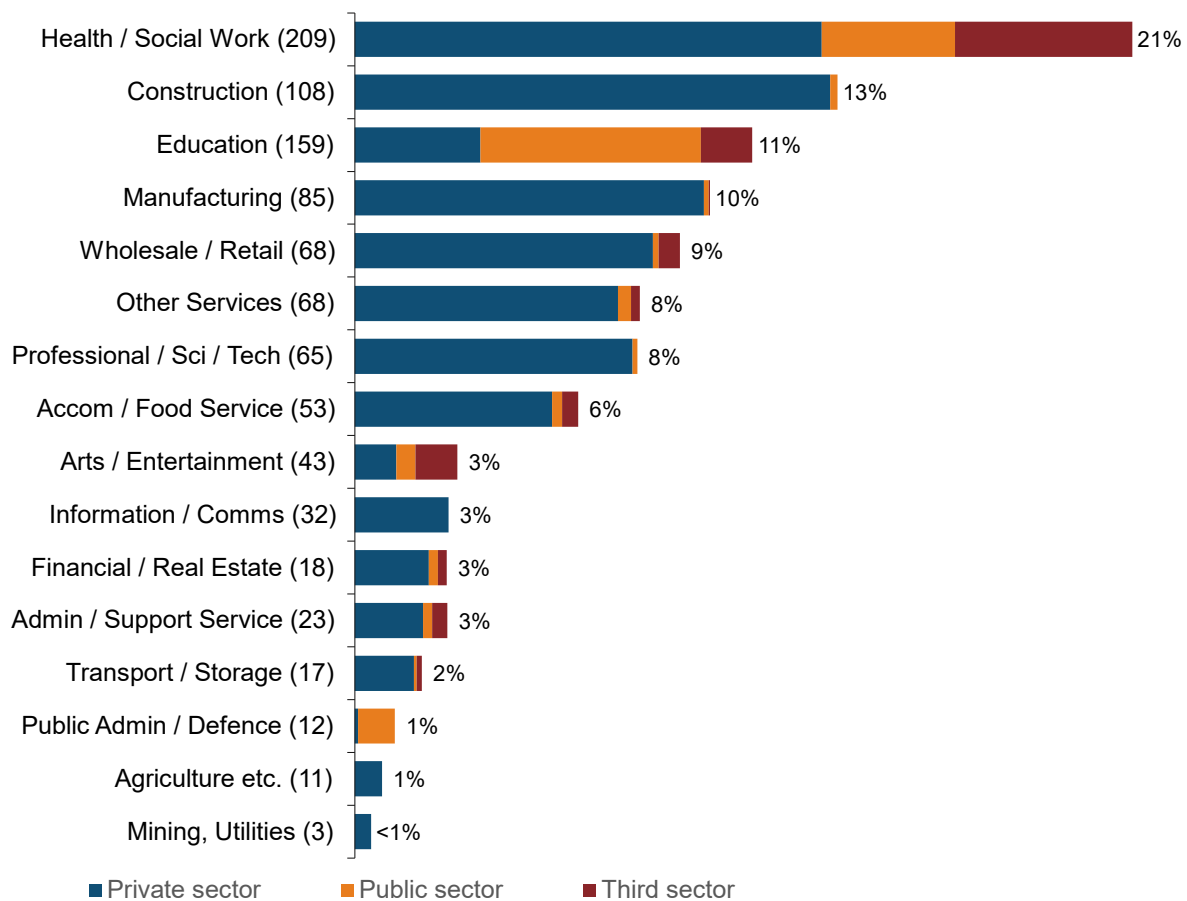
⁶⁷ The sector and organisation type figures do not sum to 100%; this is because for a small proportion of employers (1%) their sector of operation could not be identified.

The SIC sector profile of employers with completer apprentices is shown in Figure 2.2, including all employers with apprentices completing in the period July 2019 to February 2020.

This differs from the profile of employers with current apprentices not only due to change over time, but also because apprenticeships vary in length. There will be more apprenticeships completed relative to the number of apprentices in employment in sectors where apprenticeships are shorter.

As a result, Health and Social Work is by far the largest SIC sector in terms of numbers of employers with completer apprentices (21%), with Construction (13%), Education (11%) and Manufacturing (10%) well behind.

Figure 2.2 SIC sector profile of employers with completer apprentices (site level)



Base: Employers of completer apprentices: 2021 (977). Base for split of private / public and third sector within sectors shown by each bar. Breakdown not shown for various sectors due to low base sizes (<30). Classification used is the ONS SIC2007 classification, 1-digit level.

As shown in Table 2.1, it is possible to compare the SIC sector results from the 2021 survey to the results from previous surveys back to 2015.

Since the 2019 survey, which asked employers about apprentices who would have started their training before the apprenticeship funding reforms, the proportion of Construction apprentice employers has increased significantly (from 9% to 13%) while the proportion of Wholesale and Retail employers has reduced (from 12% to 9%). The proportion of Professional, Scientific and Technical apprentice employers has also increased (from 6% to 8%). It should be borne in mind that the overall number of employers of completer apprentices also fell substantially between the 2019 and 2021 surveys (from 92,001 to 66,778 according to ILR data).

As can be seen in Table 2.1, prior to 2019 the proportion of apprentice employers in each sector was very stable, with no changes of more than 2% in the relative size of any sector.

Table 2.1 Percentages of apprentice employers in each SIC sector, since 2015

Sector Subject Area	2015 Employers with apprentices completing in the Mar-Oct 2014 period	2017 Employers with apprentices completing in the Jun 2015-Jan 2016 period	2019 Employers with apprentices completing in the Feb-Sep 2017 period	2021 (completers) Employers with apprentices completing in the July 2019-Feb 2020 period	2021 (current) Employers with apprentices current as of 1 st January 2021
Health / Social Work	24%	22%	25%	21%	16%
Construction	7%	8%	9%	13%	18%
Education	11%	11%	10%	11%	10%
Manufacturing	9%	8%	8%	10%	11%
Wholesale / Retail	12%	12%	12%	9%	11%
Other Services	10%	10%	9%	8%	5%
Professional / Sci / Tech	5%	5%	6%	8%	10%
Accommodation / Food Service	9%	7%	7%	6%	4%
Arts / Entertainment	4%	4%	2%	3%	2%
Information / Communications	1%	2%	2%	3%	2%
Financial / Real Estate	2%	3%	2%	3%	3%
Administrative / Support Services	2%	3%	3%	3%	3%
Transport / Storage	1%	2%	2%	2%	1%
Public Admin / Defence	2%	2%	1%	1%	1%
Agriculture / Horticulture etc.	1%	1%	1%	1%	1%
Mining / Utilities	<1%	<1%	<1%	<1%	1%

Source: Apprenticeship Evaluation Surveys (2015 to 2021). Base: employers of completer apprentices in... 2015 (4,000), 2017 (4,004), 2019 (4,000), 2021 (977), employers of current apprentices in 2021 (3,108)

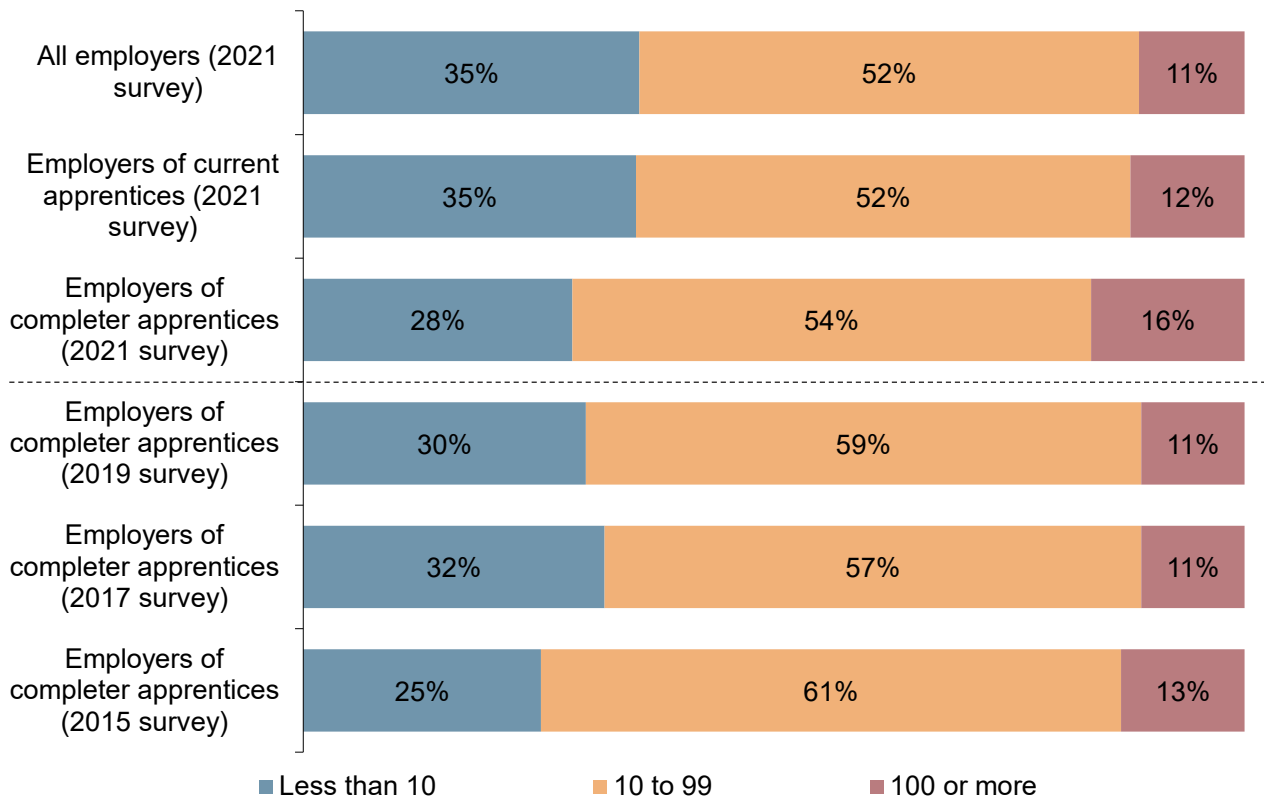
The majority of sites employing current apprentices were part of small organisations; more than half of them (58%) had less than 50 employees in the organisation. Therefore, where the views or practices of the largest employers of apprentices vary from average, these will not be reflected in overall statistics regarding employers. The proportion of employers with less than 50 employees in the organisation among employers of current apprentices was higher (58%) than among employers of completer apprentices (53%).⁶⁸

However, it is important to note that due to the fact that larger employers are much larger in their scale of employment overall, the majority of apprentices were still at larger employers; around half (49%) of current apprentices were estimated to work at sites containing 100 or more staff. Around a third of current apprentices (33%) worked at sites with 10 to 99 staff, and 11% at sites with less than 10 staff.

As shown in Figure 2.3, in the 2019 survey, 11% of sites employing completer apprentices had 100 or more employees. By the time of the 2021 survey, this had increased to 16%. These large sites are likely to have started paying the Apprenticeship Levy in the time period since they recruited the apprentices who completed their studies within the 2019 survey window, and therefore will have experienced a new incentive to recruit apprentices.

⁶⁸ This is not necessarily due to change over time; it may be that small employers are more likely to employ apprentices on longer apprenticeship programmes, and therefore to have fewer completers relative to the number of apprentices they have at any one time.

Figure 2.3 Size profile of sites employing apprentices⁶⁹



Base: All employers (4,085), Employers of current apprentices (3,108), Employers of completer apprentices in... 2021 (977), 2019 (4,000), 2017 (4,004), 2015 (4,000)

Apprentices as a proportion of employees

Using survey data combined with secondary data, and taking into account the number of apprentices as well as the number of employers, it is possible to gain some insight into the relative intensity of apprenticeship use overall by different sectors or types of employer. This allows groups of employers who are making lesser or greater usage of apprenticeships to be identified.

This analysis is not possible from the ILR alone, since it does not record any information about employers (e.g., number of employees, SIC sector) beyond their employees' use of apprenticeships and other adult learning.

⁶⁹ It is important to note that this is a profile of numbers of employers, not a profile of numbers of apprentices. The proportion of apprentices employed by employers of each size will differ markedly from the profile shown in this chart, since large employers will on average employ many more apprentices per site than small employers.

As shown in Table 2.2, which compares the number of apprentices with the number of employees using survey data,⁷⁰ the number of apprentices per 1,000 employees varied from 294 at sites with less than 10 employees to 30 at sites with 100 or more employees.

Table 2.2 Number of current apprentices per 1,000 staff, by employment at site, sites with apprentices only

Employment at site*	Base	% of sites with this level of employment*	Apprentices per 1,000 employment* (average)
2 to 9	778	33%	294
10 to 99	1,632	52%	107
100+	598	12%	30
All**	3,088	100%	174

*Current apprentices vs. employment, both at the time of the survey. **Excludes sites with 1 employment.

Source: Survey data

However, this does not provide a full picture of the relative intensity of apprenticeship use by different sizes of employer, because the survey dataset by design excludes those sites with no current apprentices.⁷¹ A comparison of the number of sites of employment identified on the ILR as having apprentices with the number of sites of employment in England on the IDBR shows that these make up the majority of sites of employment in England; only an estimated 8% of sites of employment across the economy have apprentices.

To take these sites of employment into account, IDBR data can be used alongside survey data to show the proportion of all sites of each size that had current apprentices, and further to extrapolate the number of apprentices per 1,000 staff at the average employer across the economy, as shown in Table 2.3.⁷²

Taking this into account, at the average site of employment in England, there are 14 apprentices for every 1,000 staff.

⁷⁰ Both at the time of the survey; this was not possible in previous waves of the survey since only employers of completer apprentices were surveyed in 2019. Therefore, these figures are not comparable with 2019.

⁷¹ Clearly in small sites with apprentices, a single apprentice will by definition comprise a large proportion of the employees.

⁷² This measure is based on the number of apprentices employed at a given time (the point of survey); it will be lower relative to numbers of apprenticeship starts for employers who use short apprenticeships, and higher for employers who use long apprenticeships.

Table 2.3 Number of current apprentices per 1,000 staff, by employment at site, all sites, including those both with and without apprentices

Employment at site*	Base	% of <i>all</i> sites of this size which have apprentices*	Apprentices* per 1,000 employment*
2 to 9	778	4%	11
10 to 99	1,632	18%	20
100+	598	45%	13
All**	3,088	8%	14

*Current apprentices vs. employment, both at the time of the survey. **Excludes sites with 1 employment.

Source: Survey data combined with IDBR data

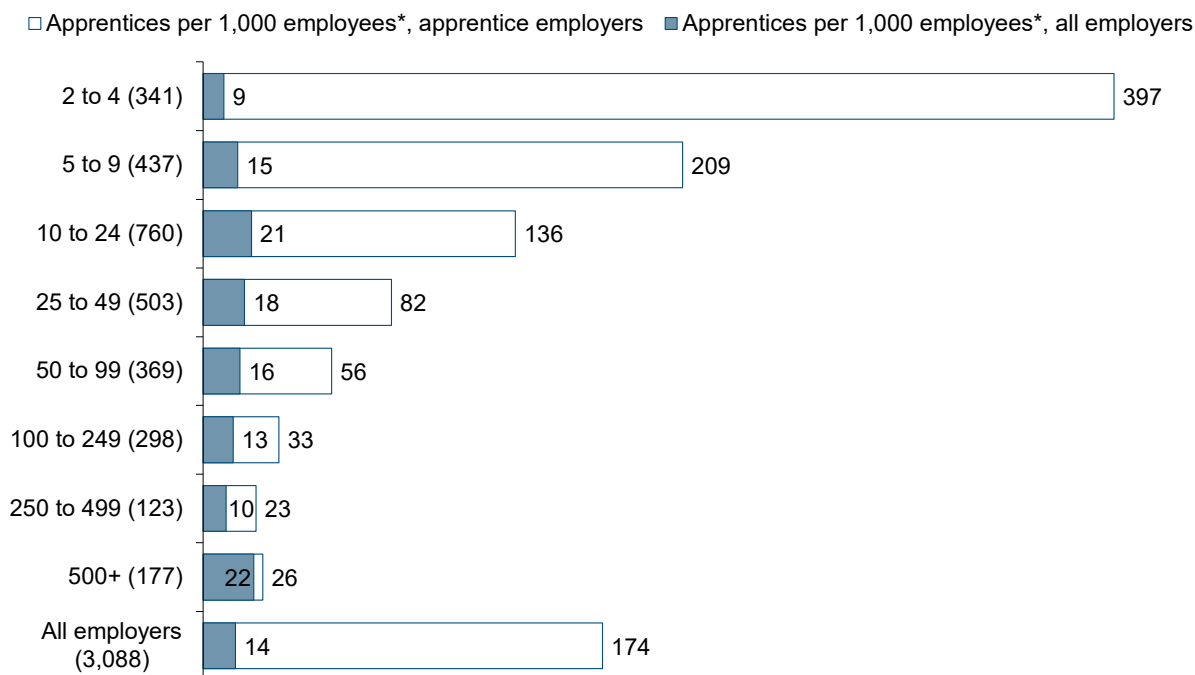
Figure 2.4 shows this analysis in more detail; the hollow bars show the number of apprentices per 1,000 staff at sites which do have apprentices. The solid bars take into account those sites without apprentices.

It can be seen that there are two peaks in the distribution; the employers who on average have the largest number of apprentices relative to their workforce, all things considered, were the largest companies with 500 or more employees (22 apprentices per 1,000 employees on average), and small companies with 10 to 24 employees (21 per 1,000 employees). However, these two groups of employers show large numbers of apprentices in the workforce for quite different reasons:

- Almost all sites with 500 or more employees now participate in the apprenticeships programme (86%). All such sites would be expected to be eligible for the Levy. However, they have very few apprentices each (only 26 per 1,000 employees on average among those with apprentices).
- Sites with 10 to 24 employees are much less likely to have apprentices (only 15% have apprentices), but when they do, they have a much larger proportion of apprentices in the workforce (136 apprentices per 1,000 employees on average). Only 11% of these sites reported being part of wider organisations with a wage bill large enough to be eligible for the Levy, so it is unlikely this is driving this trend.

The sites with the smallest proportion of apprentices in the workforce, all things considered, were those with 2 to 4 employees (9 apprentices per 1,000 employees on average), and those with 250 to 499 employees (10 per 1,000 employees).

Figure 2.4 Number of current apprentices per 1,000 staff, by employment at site (detailed bands)



Source: Survey data combined with IDBR data. Base: Shown in bar labels. *Current apprentices vs. current employment at the time of survey.

This analysis can be repeated by SIC sector, as shown in Figure 2.5, showing sectors where lesser or greater use is made of apprenticeships, overall. The sector making the most use of apprenticeships⁷³ was shown to be Construction (40 per 1,000 employees at the average site of employment), followed by Health and Social Work (30), Education (30) and Other Services (28).⁷⁴ The sectors that made the least use of apprenticeships are Transport and Storage (2), Accommodation and Food Service (3), Administrative and Support Services (6), and Information and Communication (6).

It can also be seen in Figure 2.5 that in some SIC sectors (e.g., Administration and Support Services), the number of apprentices employed at a site which does use apprentices was very high (221 apprentices per 1,000 staff, or 22% of all employees); however, very few sites in that sector (3%) used apprentices. In sectors such as this, strategies engaging new employers without an apprenticeship scheme might be more likely to drive up apprenticeship usage.

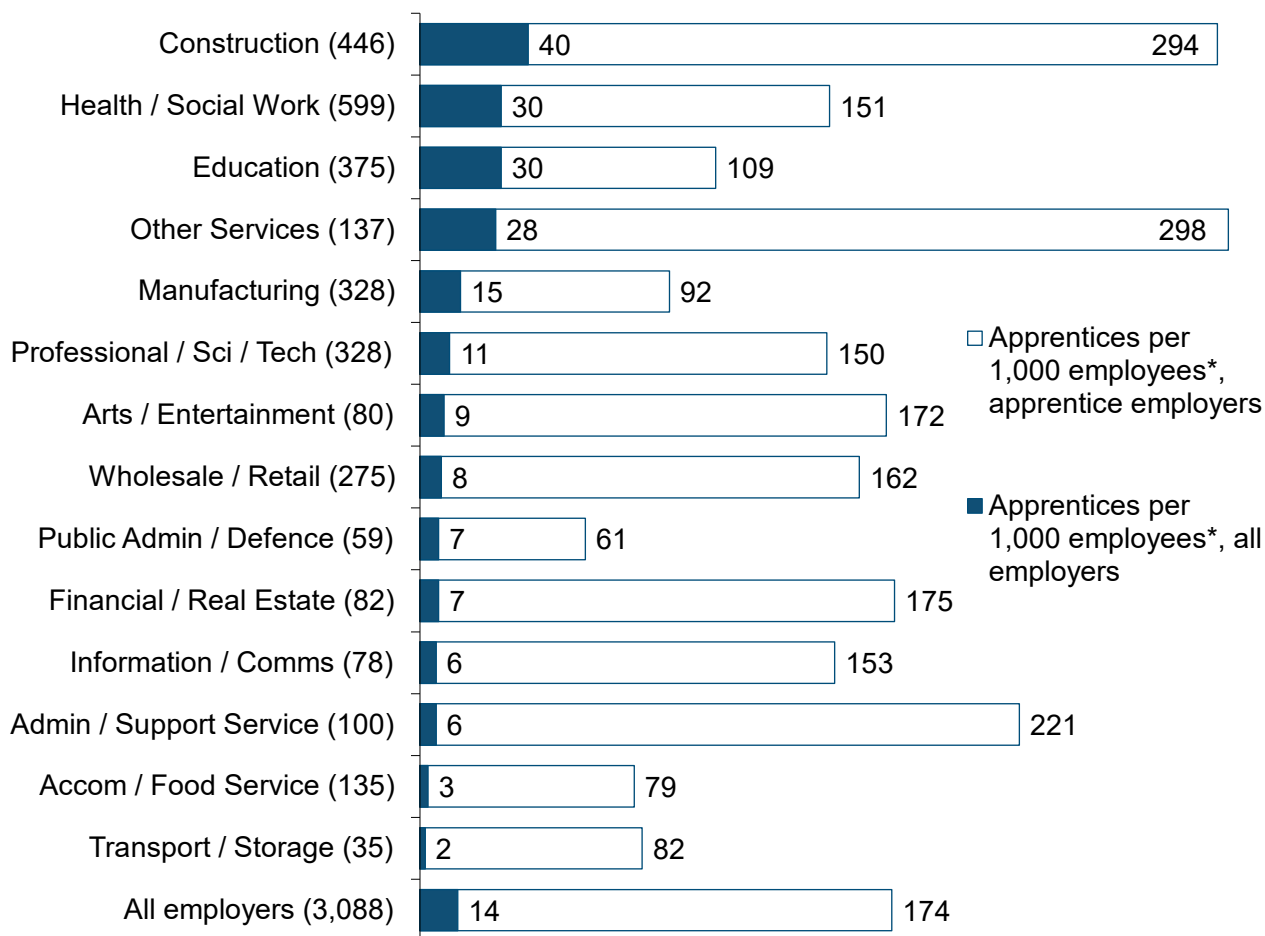
Meanwhile in other sectors (e.g., Public Administration and Defence) the proportion of sites with apprentices was *relatively* high (12%), but the sites which had apprentices tended to employ fewer each (61 per 1,000 staff, or 6% of all employees). In these

⁷³ This measure is based on the number of apprentices employed at a given time (the point of survey); it will be lower relative to numbers of apprenticeship starts for employers who use short apprenticeships, and higher for employers who use long apprenticeships.

⁷⁴ 'Other services' includes Hairdressers, Barbers and Beauty Salons, alongside a range of other activities.

sectors, strategies to increase the scale of apprenticeship use at already engaged employers might be particularly effective in driving up use of apprenticeships.

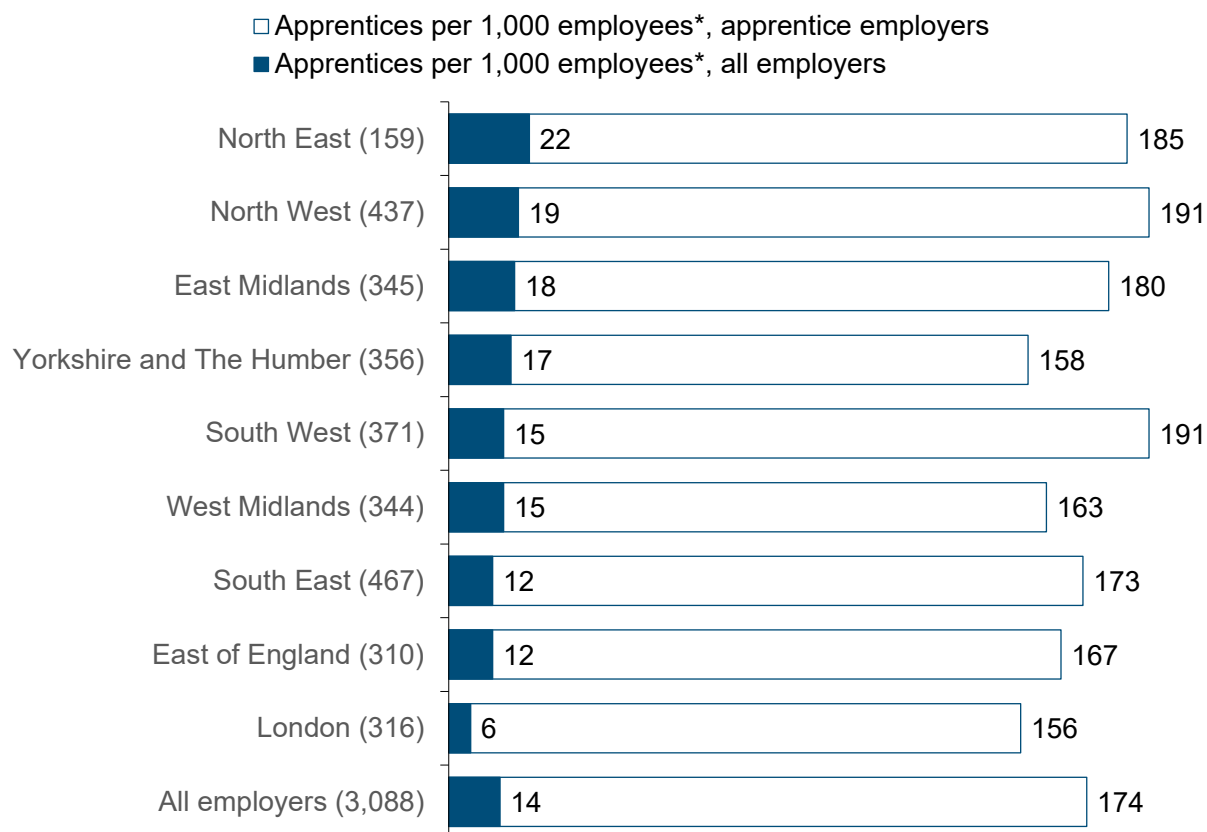
Figure 2.5 Number of current apprentices per 1,000 staff, by SIC Sector (SIC 2007)



Source: Survey data combined with IDBR data. Base: Shown in bar labels. *Current apprentices vs. current employment at the time of survey. Agriculture and Mining / Utilities excluded due to low base size (<30).

Finally, a trend is also shown by region. In London, there were only six apprentices per 1,000 staff at the average employer, compared to around triple that number in the North East (22 per 1,000 staff), the North West (19), East Midlands (18) and Yorkshire and the Humber (17).

Figure 2.6 Number of current apprentices per 1,000 staff, by ONS region



Source: Survey data combined with IDBR data. Base: Shown in bar labels. *Current apprentices vs. current employment at the time of survey.

Length of time offering apprenticeships

As in previous years, the survey asked employers how long they had been offering apprenticeships. Employers of apprentices were often new to the scheme; in 2021, one third of all employers with current apprentices (33%) had offered them for three years or fewer. Most of the remainder (43%) had offered them for more than five years, and nearly a quarter (23%) for more than ten years.

Employers of completer apprentices (as expected given that up to 18 months would have elapsed since the start of the apprenticeships discussed in the survey) had typically been offering apprenticeships for longer – only 18% had been offering them for three years or fewer. This is a significant reduction on the 23% who said this in 2019, suggesting a reduction in the engagement of new employers in apprenticeships between approximately 2016 and 2019. The longer-term trend is shown in Table 2.3.

Table 2.4 Number of years apprentice employers have used apprenticeships for, change since 2015

Sector Subject Area	2015 Employers with apprentices completing in the Mar-Oct 2014 period	2017 Employers with apprentices completing in the Jun 2015-Jan 2016 period	2019 Employers with apprentices completing in the Feb-Sep 2017 period	2021 (completers) Employers with apprentices completing in the July 2019-Feb 2020 period	2021 (current) Employers with apprentices current as of 1 st January 2021
Up to 3 years	25%	29%	23%	18%	33%
3 to 5 years	17%	23%	25%	27%	22%
5 to 10 years	21%	18%	22%	25%	20%
More than 10 years	32%	27%	26%	27%	23%

Base: Employers with completer apprentices in... 2015 (4,000), 2017 (4,004), 2019 (4,000), 2021 (977),
Employers with current apprentices in 2021 (3,081).

Looking across both employers of current apprentices and completer apprentices in 2021, 31% had offered apprenticeships for 3 years or fewer, 23% for 3 to 5 years, 21% for 5 to 10 years, and 23% for more than ten years.

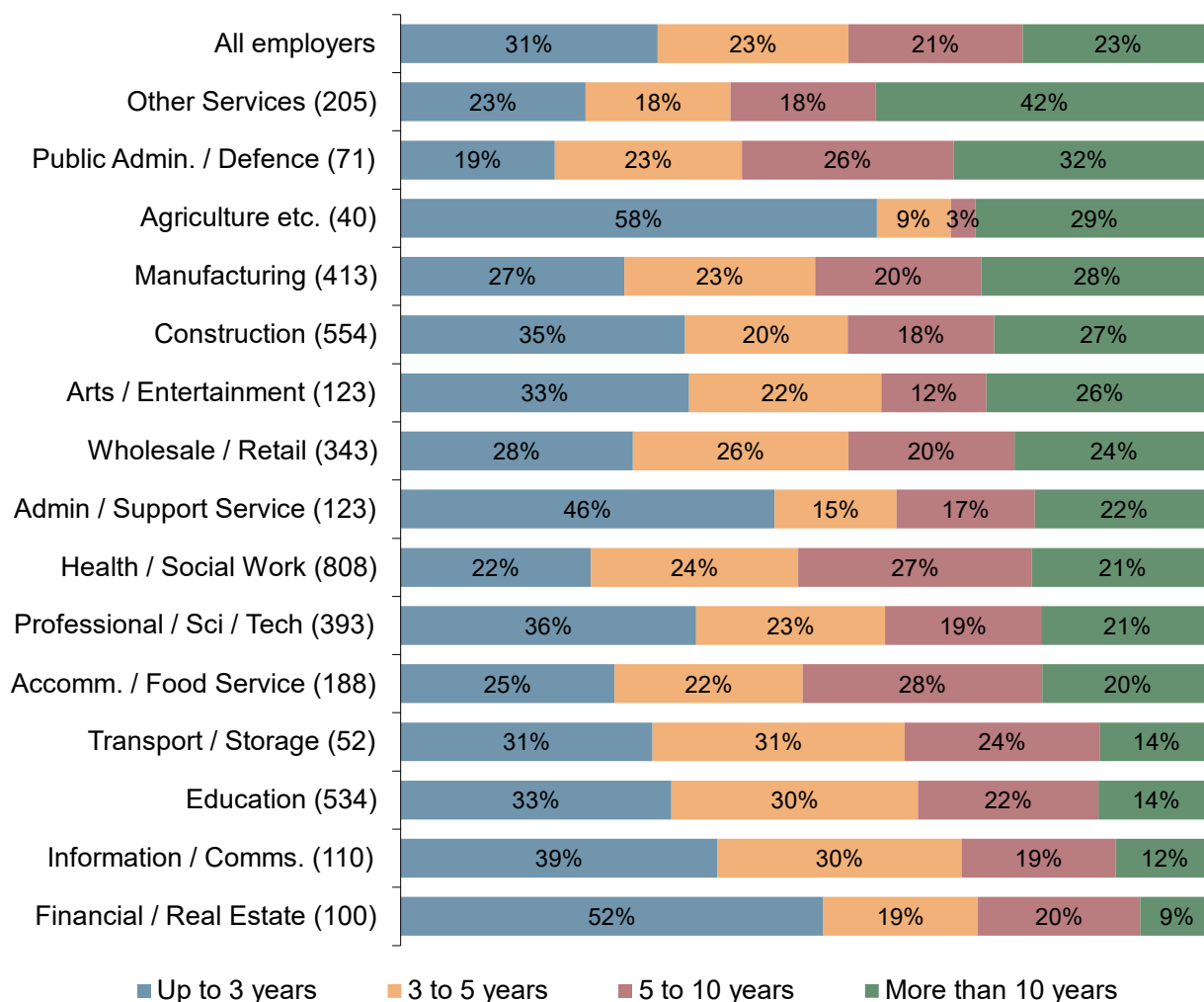
There was significant sub-group variation within this; the sector with the longest-standing connection with apprenticeships was 'Other Services',⁷⁵ where 42% had offered apprenticeships for more than 10 years.

Agriculture, Horticulture and Animal Care had a polarised distribution – while more than half (58%) of employers with apprentices in this sector have been offering apprenticeships for three years or fewer, most of the rest (29%) had been offering them for ten years or more. This may relate to the presence of equine sector employers (e.g., horse racing, blacksmithing) with a long tradition of apprenticeship usage as a large minority of apprentice employers in this sector, while the majority of the sector has no long-standing tradition of apprenticeships.

Other than Agriculture, the sectors where employers were most likely to be new to apprenticeships were Financial and Real Estate (52%), Administrative and Support Services (46% offering for less than three years), Professional, Scientific and Technical (36%) and Construction (35%). This analysis will be influenced not only by whether a sector is increasing its apprenticeship usage, but also by a sector tends toward having a rapid turnover of short-lived sites of employment, or mostly stable, long-lasting locations.

⁷⁵ 'Other Services' includes Hairdressers, Barbers and Beauty Salons, alongside a range of other activities.

Figure 2.7 Length of time offering apprenticeships, by SIC sector (SIC 2007)



Source: Survey data. Base sizes shown in chart. Mining and Utilities not shown due to low base size (<30).

The following other groups of employers were more likely than average (31%) to have offered apprenticeships for three years or fewer, indicating recent adoption:

- Those whose main subject area was Arts and Media (55%), Agriculture (40%), ICT (40%), Construction (39%) or Business and Administration (37%);
- Those whose main level of apprenticeship was 4 to 7 (38%);
- Those with a high proportion of apprentices (a quarter or more) in the workforce (44%);
- Those with only one apprentice (36%);
- Those with fewer than 10 employees at the site (42%), or not paying Levy (36%);
- Those providing apprenticeships to existing employees only (38%);
- Employers in London (37%); and

- Those private sector employers expecting significant (35%) or slight (34%) growth in employment.

Growth outlook

In 2021, nearly two thirds of private sector employers with either current or completer apprentices (62%) expected to grow in the next 12 months, rising to 64% of employers with current apprentices. Among those with completer apprentices, the proportion expecting growth was slightly lower (59%), close to the level reported in 2019 (57%), 2017 (60%) and 2015 (59%).

However, there was significant variation between groups of employers in the extent to which growth was expected. The following groups were more likely than average to expect growth:

- Those whose main subject area was ICT (83%), Arts and Media (75%), Business (72%), or Retail, excluding those with Hair and Beauty apprentices (73%).
- Those whose main level of apprenticeship was Level 4 or 5 (71%) or Level 6 or 7 (72%).
- Larger sites with 10 to 99 (64%) or 100 or more (75%) employees.
- Employers operating in the Professional, Science and Technology SIC sector (74%), in Administrative and Support Services (74%), Accommodation and Food Service (76%), Financial and Real Estate (86%) or in Information and Communications (87%).
- Those likely to pay the Levy (74%).

The following groups were less likely than average to expect growth:

- Those whose main subject area was Health and Care (52%), Hair and Beauty within Retail (52%), Agriculture (54%), Construction (56%) or Engineering (59%).
- Those whose main level of apprenticeship was Level 2 (58%).
- Smaller sites with fewer than 10 employees (56%).
- Employers operating in the Agriculture SIC sector (45%), in Education (50%), in Other Services (53%), in Construction (55%), or in Health and Social Work (56%).
- Those unlikely to pay the Levy (59%).

3. What types of apprenticeship are on offer?

Introduction

This chapter explores the range of apprenticeships used by employers, considering levels and subject areas in use, and includes analysis of the transition from apprenticeship frameworks to apprenticeship standards. In addition, the practice of offering apprenticeships to specific age groups of apprentice is explored in detail. The chapter draws on both data from the Individualised Learner Record (ILR) and the employer survey.

Key findings

Types of apprenticeship in use

- Business remains the largest subject area in terms of number of employers with completer apprentices (at 27% of the total). The percentage of **apprentice employers with completer apprentices whose main subject area is Retail has fallen from 22% to 17%** from 2015 to 2021.
- **Less than a quarter (23%) of employers with current apprentices have any current apprentices on frameworks**, with the transition to standards now well underway.
- **Most employers of current apprentices use only one framework or standard (77%)**. Apprenticeships in Arts and Media, ICT, Business subject areas are the most likely to be used as 'secondary' to another subject area (by about 20% of the employers who currently use them each).
- In absolute terms, **the number of employers with Level 4 completer apprentices rose by 70%**, while the number with Level 3 completer apprentices fell by around a fifth (21%). **The number of employers with completer apprentices at Level 2 almost halved** (fell by 43%).
- Around 7% of apprentice employers had current Level 6 apprentices, and 6% had current Level 7 apprentices.
- Employers with a higher proportion of apprentices (representing more than 25% of their staff) were more likely to see Level 2 as the most important level (46%) than average (33%). In general, employers were most likely to see Level 3 as most important (50%), while smaller groups chose Level 4 or 5 (10%) or Level 6 or 7 (6%) – bearing in mind that not all employers have apprentices at all levels.

Age groups of apprentice

- **More than half of apprentice employers said that they would consider apprenticeship applications, if a place were available, from people of all ages (56%).** Over 25s were the group employers were most likely to decide not to consider for an apprenticeship (by 25% of employers), especially in Construction, Engineering, Manufacturing or Retail. Under 19s were not considered for apprenticeships by 21% of employers, particularly in Health and Care and Education.

Total number of employers

Data regarding all apprenticeships in England is gathered by ESFA in the Individualised Learner Record (ILR) database, which was also used as the sample source for the survey. The initial part of this chapter analyses the ILR data used for sampling to assess change since the time of the 2019 survey.

Since the 2019 survey there has been a decline of more than a quarter (27%) in the number of employers eligible for the completers survey, from 92,000 to 66,800.⁷⁶ This is due in part to seasonality, since the survey window does not cover a complete year, and is timed to be a fixed period of time before fieldwork, rather than a specific time of year.⁷⁷ However, there was also a reduction in the number of apprenticeship starts in England following the apprenticeship reforms of 2018.⁷⁸ This would appear in completion statistics around 2019 and 2020 (the period covered by the 2021 survey), since apprenticeships last for at least 12 months.⁷⁹ Because this reduction was mostly due to reduced use of apprenticeships amongst small employers,⁸⁰ this would be expected to have a stronger impact (in percentage terms) on the absolute number of employers involved than on the absolute number of apprenticeships provided.

⁷⁶ This compares to 84,800 in 2015, and 88,300 in 2017. Meanwhile, the ILR shows there were 131,700 employers of current apprentices (as of 1st January 2021) eligible for the survey.

⁷⁷ This approach is taken because it allows comparable measures to be taken of outcomes for apprentices who completed a set number of months before fieldwork commenced. However, it does mean that if fieldwork takes place at a different time of year relative to the previous wave, as occurred in this case, there will be seasonal differences in the number and type of apprenticeships covered.

⁷⁸ Department for Education (2019). *Apprenticeship evaluation 2018 to 2019: employer survey*. March 2020. Accessed via: <https://www.gov.uk/government/publications/apprenticeship-evaluation-2018-to-2019-learner-and-employer-surveys>.

⁷⁹ Education and Skills Funding Agency (2019). *Apprenticeship funding rules for main providers*. March 2019. Accessed via: <https://www.gov.uk/guidance/apprenticeship-funding-rules-for-training-providers/what-is-an-apprenticeship>.

⁸⁰ Department for Education (2019). *Apprenticeship evaluation 2018 to 2019: employer survey*. March 2020. Accessed via: <https://www.gov.uk/government/publications/apprenticeship-evaluation-2018-to-2019-learner-and-employer-surveys>.

Subject areas

The hundreds of standards and frameworks of apprenticeship which exist in England are classed in the ILR into broad 'Sector Subject Areas'.

ILR data shows that there has been a change in the subject area distribution of apprenticeships in recent years. Employers providing apprenticeships in Retail declined from 22% to 17% of the total over the 2015 to 2021 period, and employers providing Engineering (which includes Manufacturing) increased from 13% to 19% of the total. Business remains the largest subject area in employer terms, at 27% of employers, although down from 31% in 2015. Health continues to be the second largest subject area, at 22% of employers with completer apprentices. This is level with 2015 although a reduction in absolute terms. This is shown in Table 3.1 and Table 3.2.

ICT, although remaining relatively small in terms of employer numbers, is the only subject area other than Engineering to have increased in terms of absolute numbers, now making up 5% of all apprenticeships.

Table 3.1 Numbers of employers with apprentices in each Sector Subject Area covered, for apprenticeship evaluation research since 2015

Sector Subject Area	2015 survey Employers with apprentices completing in the Mar-Oct 2014 period	2017 survey Employers with apprentices completing in the Jun 2015-Jan 2016 period	2019 survey Employers with apprentices completing in the Feb-Sep 2017 period	2021 survey (completers) Employers with apprentices completing in the July 2019-Feb 2020 period	2021 survey (current) Employers with apprentices current as of 1 st January 2021
Agriculture	2,400	2,500	2,500	1,900	5,000
Arts / Media	300	400	400	300	700
Business	29,200	27,400	28,400	18,300	34,100
Construction	6,100	5,000	5,500	5,600	18,400
Education	2,000	1,700	2,300	1,700	3,600
Engineering	11,300	14,500	15,100	12,600	34,000
Health	19,200	19,300	22,200	14,700	27,100
ICT	2,500	3,100	3,000	3,300	7,200
Leisure	2,700	2,500	2,600	1,600	1,300
Retail	18,800	19,300	18,000	11,400	16,200
Science	0	100	100	<50	200
All	84,800	88,300	92,000	66,800	131,700

Source: Individualised Learner Record (2014 to 2021). *employers, rounded to the nearest 100 **less than 0.5%. ***Percentages sum to greater than 100%: since employers can have apprentices in multiple subject areas.

Table 3.2 Percentages of employers with apprentices in each Sector Subject Area covered, for apprenticeship evaluation research since 2015

Sector Subject Area	2015 survey Employers with apprentices completing in the Mar-Oct 2014 period	2017 survey Employers with apprentices completing in the Jun 2015-Jan 2016 period	2019 survey Employers with apprentices completing in the Feb-Sep 2017 period	2021 survey (completers) Employers with apprentices completing in the July 2019-Feb 2020 period	2021 survey (current) Employers with apprentices current as of 1 st January 2021
Agriculture	3	3	3	3	4
Arts / Media	<.5	<.5	<.5	0	1
Business	34	31	31	27	26
Construction	7	6	6	8	14
Education	2	2	2	3	3
Engineering	13	16	16	19	26
Health	23	22	24	22	21
ICT	3	4	3	5	5
Leisure	3	3	3	2	1
Retail	22	22	20	17	12
Science	0	<.5	<.5	<.5	<.5

Source: Individualised Learner Record (2014 to 2021). *employers, rounded to the nearest 100 **less than 0.5%. ***Percentages sum to greater than 100%: since employers can have apprentices in multiple subject areas.

The numbers of employers with current apprenticeships for 2021, also shown in Table 3.1, are not comparable with the numbers of employers with completer apprenticeships for 2021. This is because if apprenticeships in a sector are on average longer (e.g., in Engineering) there will be more of them in progress – relative to the number of starts or completions – at any one time.

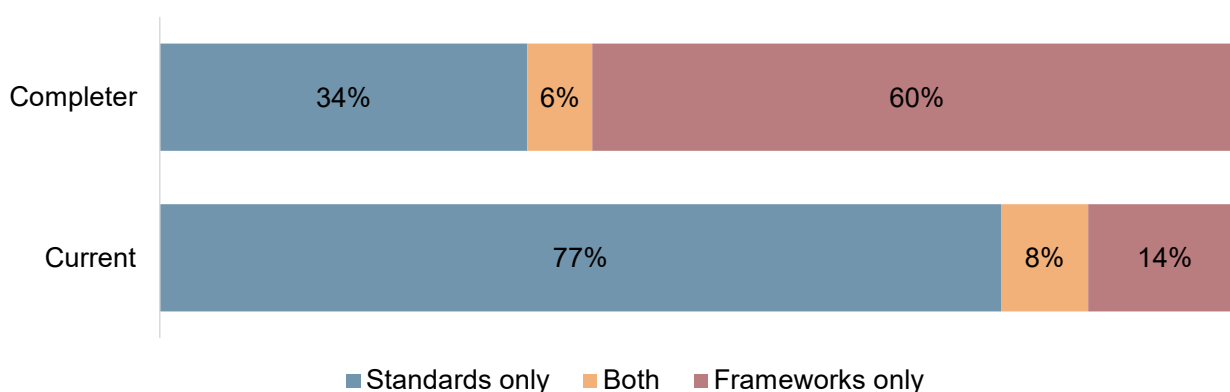
Frameworks and standards

Historically, apprenticeships have been provided as frameworks, a container for a main qualification and a series of supporting qualifications. These were designed by a group of organisations relevant to the apprenticeship, such as training providers, exam boards and Sector Skills Councils (SSCs), in consultation with employers.

This model had some scope for employers to influence the design of apprenticeships, but not for employers to lead in the creation of apprenticeships. Apprenticeship standards were introduced in response to the Richard Review in 2012 to address this, involving employers to lead in the creation of simplified routes to competency.⁸¹ These new standards need not contain a core qualification but must instead have an End Point Assessment (EPA), which forms part of the apprenticeship itself.

ILR data shows that some apprentices remain on frameworks in 2021, but frameworks have been phased out for new learning, so no new frameworks can now be started. The impact of this can be seen in Figure 3.1. The use of frameworks for current apprentices is now found among less than a quarter (23%) of employers with current apprentices.⁸² The use of frameworks for completer apprentices finishing in the survey window was much more widespread, involving around two thirds (66%) of employers with completer apprentices. This shows the acceleration of the transition to standards in the last two years. For context, at the time of the 2019 survey, only 74 out of 92,000 apprentice employers had a completer of an apprenticeship standard in the survey window (between February and September 2017).

Figure 3.1 Usage of frameworks and standards among employers with current apprentices and employers with completer apprentices in the survey window



Source: Individualised Learner Record (2021).

This does have important implications, in that comparisons between standards and frameworks are to a significant extent comparisons between employers with apprentices who started their apprenticeships more recently and less recently. It is important to bear this in mind when reading findings split by these breaks.

⁸¹ Richard, D. (2012). *The Richard Review of Apprenticeships*. School for Start-ups, London. November 2012. Accessed at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/34708/richard-review-full.pdf

⁸² No combined figure for employers of current apprentices and employers of completer apprentices is given here; due to the large difference between these two groups, it would not be meaningful to combine these overall or for sub-group analysis.

Specific frameworks and standards

The subject areas shown above in Table 3.1 are broad, and while some are dominated by one or two specific apprenticeships, ILR data shows that they often contain a wide range of specific frameworks and standards.

Looking at employers of current apprentices, the largest single apprenticeship standards or frameworks in terms of employer numbers, involving 2,000 or more employers, were:

- Installation Electrician and Maintenance Electrician (Standard) – 9,400 employers;
- Early Years Educator (Standard) – 5,200 employers;
- Motor Vehicle Service and Maintenance Technician (light vehicle) (Standard) – 3,900 employers;
- Plumbing and Heating: Plumbing (Framework) – 2,500 employers;
- Chartered Manager (Degree) (Standard) – 2,300 employers;
- Children and Young People’s Workforce: Early Years Educator (Framework) – 2,200 employers;
- Care Leadership and Management: General Adult Social Care (Framework) – 2,100 employers; and
- Early Years Practitioner (Standard) – 2,100 employers.

The list above shows that although the transition from standards to frameworks is largely complete for many subject areas and for most employers, many of the most widespread individual apprenticeships active in January 2021 were still frameworks.

Subject areas – all provided, and main subject areas

According to information on the survey sample sourced from the ILR, most employers of completer apprentices in the July 2019 to February 2020 period used only one specific framework or standard (82%), fewer than in the 2019, 2017 and 2015 evaluations (90%). This is likely to reflect the shift from frameworks to standards, which unlike frameworks do not allow the same apprenticeship being available at multiple levels, requiring employers to offer more than one apprenticeship in order to cater for learning at both Level 2 and Level 3.

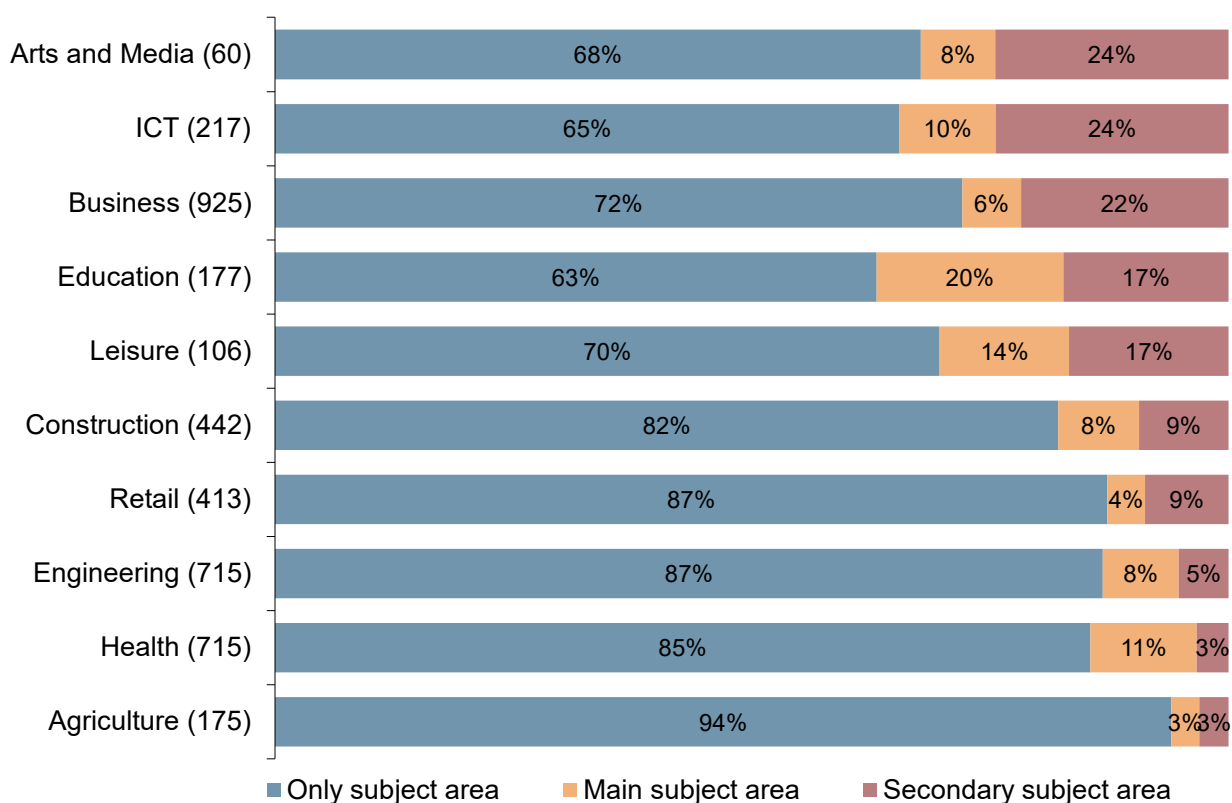
Employers of current apprentices showed a similar trend; most (77%) had only one current apprenticeship framework or standard.⁸³

⁸³ Given how these figures are derived differently for employers of completer apprentices and employers of current apprentices (because the definitions of the survey windows are different, one based on completions between specific dates, and the other on a snapshot in time of active apprentices), no combined figure is given.

In the survey, the remaining 18% of employers of completer apprentices, and 23% of employers of current apprentices, were asked which individual framework or standard they considered to be most important to their organisation, from a list provided based on their records on the ILR, covering either current apprentices or completer apprentices, depending on which the survey was asking about.⁸⁴ We refer to the subject area of this apprenticeship framework or standard as the employer’s ‘main’ subject area throughout this report.

As shown in Figure 3.2 and Figure 3.3, some subject areas were much more likely to be secondary to apprentice employers than others. Education, Business, ICT and Leisure (and Arts and Media, among employers of current apprentices) are apprenticeships which are more likely than others to be used in combination with other subject areas by employers. This is a broadly similar pattern to that seen in 2019. Employers offering apprenticeships in Agriculture, Health, Engineering, Retail and Construction are less likely to provide other forms of apprenticeship at the same time.

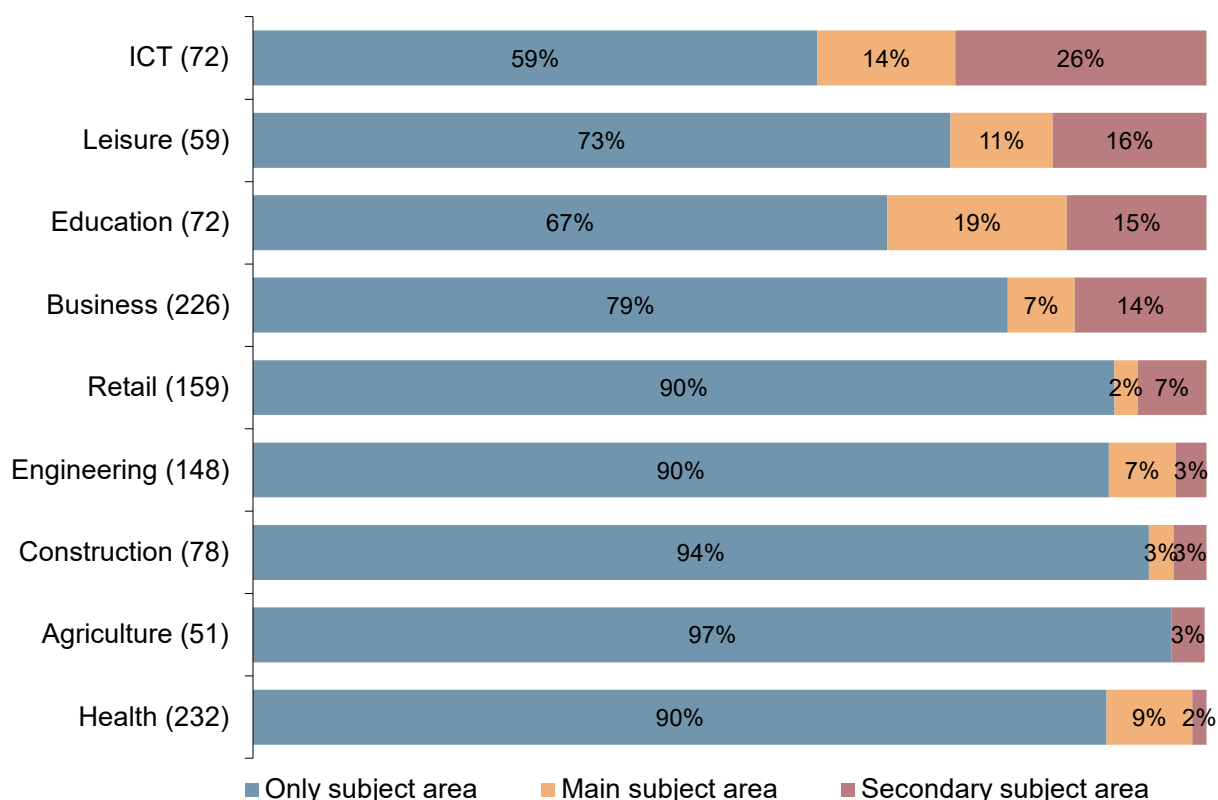
Figure 3.2 Subject Area: Only, main or secondary subject area, employers with current apprentices



Base: Employers of current apprentices with any current apprentices in each subject area (base shown in brackets next to each bar). Science not shown due to low base size (<30). Source: AEvs Employer Survey (2021).

⁸⁴ In a minority of cases, employers rejected the information from the ILR and selected another ‘most important’ apprenticeship not listed on the ILR. In those cases, the ‘main subject area’ is based on interpretation of the name they gave their most important apprenticeship. This was coded to a list of possible apprenticeships available in England in the appropriate survey window.

Figure 3.3 Subject Area: Only, main or secondary subject area, employers with completer apprentices



Base: Employers of completer apprentices with any completer apprentices in each subject area (base shown in brackets next to each bar). Science not shown due to low base size (<30). Source: AEvS Employer Survey (2021).

For the remainder of this report, in line with reports from previous years, we report on the basis of main subject area only.

Levels of apprenticeship

Apprenticeships are offered for study at a range of levels, from Level 2 to Level 7 (equivalent to a Masters' Degree). Historically, all apprenticeships were at Levels 2 and 3, but policy changes since 2012 have slowly introduced apprenticeships at Levels 4 and 5 ('Higher apprenticeships'), and subsequently at Levels 6 and 7 ('Degree apprenticeships' and 'Level 6+ non-Degree apprenticeships'). The distribution of levels seen among employers eligible for the 2021 research changed markedly from 2019, as shown in Table 3.3.

The percentage of apprentice employers with Level 2 completer apprentices on the ILR fell from 62% to 49% (a reduction in the absolute number of apprentices of 43%), while the percentage with Level 3 completer apprentices increased from 49% to 53% (although this was an absolute terms reduction of 21%). The numbers with Level 4 completer

apprentices rose substantially from 2% to 5% (an absolute terms increase of 70%), while the number with Level 5 completer apprentices fell slightly from 5% to 4% (an absolute terms reduction of 15%). Level 6 and Level 7 completer apprentices were registered for the first time in the 2021 survey window.

In 2021, for the first time, the research covered employers with current apprentices. Data from the ILR showed that only a third (34%) of employers of current apprentices had apprentices at Level 2⁸⁵, with more than half (57%) having apprentices at Level 3. Substantial numbers of employers had both Higher and Degree apprentices as of 1st January 2021.

Table 3.3 Numbers of employers with any completer apprentices at each level

Level	2019 survey Employers with apprentices completing in the Feb-Sep 2017 period	2021 survey (completers) Employers with apprentices completing in the July 2019-Feb 2020 period	2021 survey (current) Employers with apprentices current as of 1 st January 2021
2	57,200	32,800	45,300
3	44,800	35,600	75,700
4	2,000	3,400	11,600
5	4,100	3,500	12,600
6	n/a	300	8,700
7	n/a	300	8,200
All	92,000	66,800	131,700

Source: Individualised Learner Record (2017 to 2021) *employers, rounded to the nearest 100 **less than 0.5%. ***Percentages sum to greater than 100% since employers can have apprentices at multiple levels.

⁸⁵ This does not necessarily indicate change over time between the completer and current cohorts; since Level 2 apprenticeships are shorter, it would be expected for there to be more Level 2 completers per month relative to the number of Level 2 apprentices studying at any one time.

Table 3.4 Percentages of employers with any completer apprentices at each level

Level	2015 survey Employers with apprentices completing in the Mar-Oct 2014 period	2017 survey Employers with apprentices completing in the Jun 2015-Jan 2016 period	2019 survey Employers with apprentices completing in the Feb-Sep 2017 period	2021 survey (completers) Employers with apprentices completing in the July 2019-Feb 2020 period	2021 survey (current) Employers with apprentices current as of 1 st January 2021
2	65	65	62	49	34
3	49	47	49	53	57
4	n/a	1	2	5	9
5	n/a	2	4	5	10
6	n/a	n/a	n/a	**	7
7	n/a	n/a	n/a	**	6

Source: Individualised Learner Record (2014 to 2021) *employers, rounded to the nearest 100 **less than 0.5%. ***Percentages sum to greater than 100% since employers can have apprentices at multiple levels.

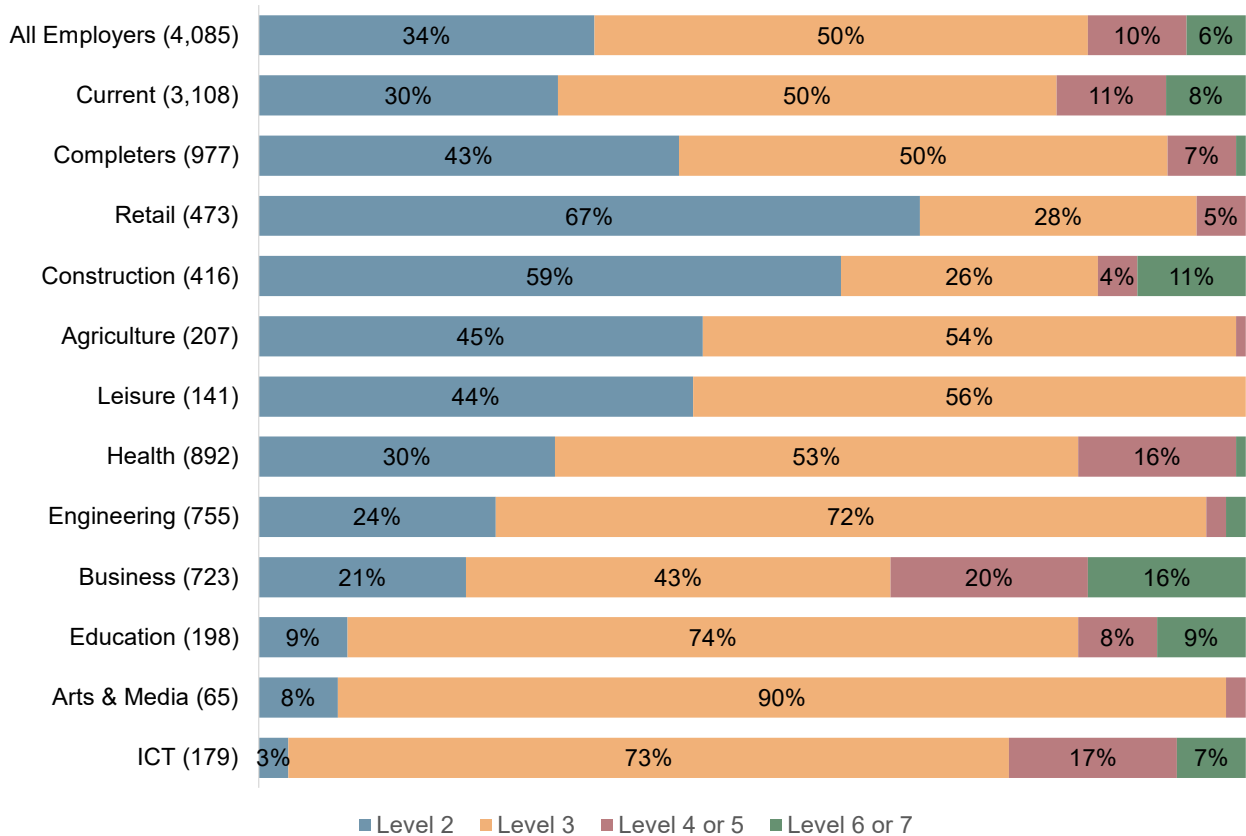
Employers were also asked about the most important level of apprenticeship to the company, specifically within their main subject area, as shown in Figure 3.4. The selection of most important level was, unlike previous years, limited to the levels at which they had an apprentice, and so is not directly comparable to 2019 data.

However, there are some commonalities with 2019. Again, employers whose most important apprenticeship subject area was Retail, Agriculture or Construction were the most likely to state that Level 2 was important to them. In Retail, this was driven by employers with Hair and Beauty apprenticeships, 81% of whom stated that Level 2 was their most important level, compared to 55% of other employers in Retail.

In contrast, employers where Arts & Media, Education or ICT were the most important apprenticeship subject areas were highly unlikely to consider Level 2 to be the most important to them (8% or less); most instead chose Level 3.

There were no subject areas where a majority of employers selected Level 4 or above as their most important level. However, Levels 4 or 5 were most likely to be chosen as the most important level by employers whose main subject area was in Business (20%), ICT (17%) or Health (16%). Levels 6 or 7 were most likely to be chosen by employers whose main subject area was in Business (16%), Construction (11%) and Education (9%).

Figure 3.4 Employers' main (most important) level of apprenticeship, within their main (most important) subject area



Source: AEVS Employer Survey (2021). Science not shown due to low base size (<30). Base: Shown next to each bar.

The choice of most important level also varied in other ways. Those employers with a high proportion of apprentices (more than 25%) were more likely to see Level 2 as the most important (46%) than average (34%). This may reflect that where numbers of apprentices are large, this is likely to indicate that they are being used as a major recruitment route for new employees joining the organisation at lower levels.

Those with mostly frameworks were more likely to say that Level 2 was their most important level (42%) than those with mostly standards (30%). However, frameworks are being phased out, so employers with completer apprentices are more likely to have used mostly frameworks (67%) than employers with current apprentices (15%). Therefore, differences between employers using mostly frameworks and using mostly standards may relate to change over time, rather than being directly caused by the use of frameworks or standards.

There is some indication of a likely continuing trend away from Level 2 toward Higher levels, indicating some employer buy-in to the move toward Level 3 and above. Those who have offered apprenticeships for 10 or more years were marginally more likely to consider Level 2 the most important (37%) than average (34%). Those planning to

increase provision in future were less likely to consider Level 2 important (31%) than average (34%).

By size of site, smaller sites with fewer than 10 employees were more likely to consider Level 2 to be the most important level (41%), compared to sites with 10 to 99 (31%) or 100 or more staff (21%). Conversely, large sites with 100 or more staff were much more likely to consider Levels 4 or 5 the most important (17%) than small sites with fewer than 10 employees (5%). The same trend with size of site was shown for Levels 6 and 7 (14% vs. 3%).

Those employers who stated in the survey that they had a sufficient UK wage bill (£3m+) to be eligible for the Apprenticeship Levy were less likely to consider Level 2 to be their most important level (24%) than employers who stated that they did not have a sufficient wage bill to be eligible (37%). They were, conversely, much more likely than those not eligible to consider Level 4 or 5 important (16% vs. 7%), and Level 6 or 7 (11% vs. 5%).

Employers in London and the West Midlands were far less likely to consider Level 2 to be the most important (26% and 29% respectively) than those in the South West (42%). This may relate to variation in the characteristics of employers in these regions, rather than regional difference in the behaviour of similar employers.

Age groups

At the time of the survey, more than half of apprentice employers said they would consider apprenticeship applications, if a place were available, from people of all ages (56% for all apprentice employers, 56% among employers of current apprentices, 59% among employers of completer apprentices). Questions in this area were amended from 2019, and therefore data cannot be compared with previous years.

The group most commonly not considered for apprenticeships by employers were those aged 25 or over, excluded by a quarter (25%) of employers (26% among employers of current apprentices, 21% among employers of completer apprentices). The exclusion of this group was most common among:

- Those whose main apprenticeship subject area was Construction (43%), Engineering or Manufacturing (38%), Retail (32%). For employers using mostly Retail apprenticeships, exclusion of this group was rare, but it was very widespread among those using Hair and Beauty apprenticeships (61%);
- Those whose main level was Level 2 (32%);
- Those with 10 to 25% of their workforce being apprentices (30%) or more than 25% being apprentices (39%);
- Those with less than 10 employees at the site (41%);
- Those unlikely to be eligible for the Apprenticeship Levy (32%);

- Employers using fixed-term contracts for apprentices (32%); and
- Those who have offered apprenticeships for 10 or more years (33%).

A significant number of employers (21%) also did not consider those aged under 19 for apprenticeships (the same for both employers of current and completer apprentices).

This was most common among:

- Employers whose main subject area was Health and Care (34%), or Education (27%);
- Employers whose main level was Level 4 or 5 (40%), or to a *lesser* extent Level 6 or 7 (29%);
- Larger employers with 100 or more staff at the site (25%);
- Employers with less than 10% of apprentices in the workforce (24%);
- Employers who give apprenticeships only to existing employees (32%); and
- Employers in the public sector (26%) or third sector (32%).

To summarise, those employers who might be considered more ‘traditional’ employers of apprentices, in sectors with long-standing apprenticeship usage, and who recruit large numbers of apprentices relative to their size at entry-level, seem to be the most likely not to consider over 25s for apprenticeships. Those who do not consider under 19s for apprenticeships, by contrast, are more likely to be larger organisations providing apprenticeships in subject areas such as Health or Education, with a focus on giving Higher level apprenticeships to their existing workforce.

When asked why they do not offer apprenticeships to people aged under 19, employers often cited being unable to employ people aged under 19 (22%), or Health and Safety regulations (15%), or other regulations or laws (10%). Specific issues such as insurance (2%) or driving licences (2%) were only very rarely mentioned. A fifth said they would offer an apprenticeship to a suitable applicant of that age if they applied (20%), although they had previously said they would not consider applications from that age group.

4. Why and how were apprentices recruited?

This chapter looks at reasons for offering apprenticeships and whether they are offered to new or existing staff. It also covers any other types of training provided by employers which led to either a Level 2 or a Level 3 qualification, as well as views on the support available for employers interested in offering apprenticeships.

Key findings

Reasons for providing apprenticeships

- Key reasons for choosing to offer apprenticeships rather than (or on top of) other training were **the benefit to the apprentice and/or community (22%)**, the inclusion of practical/vocational elements in the training (17%), that it is standard in the industry (15%), and the cost and affordability (13%).
- The Levy was the most frequently mentioned reason for recruitment among employers likely to pay it (23%).

The recruitment of apprentices

- Among employers with completer apprentices, **the proportion of employers that had provided apprenticeships to existing employees decreased significantly compared to 2019**, and returned to the level seen in 2017. A third (32%) of employers in 2021 provided apprenticeships to existing staff (36% in 2019 and 32% in 2017).
- A quarter of employers with completer apprentices in 2021 (26%) provided apprenticeships *only* to existing staff, down from 31% in 2019, and returning closer to the level seen in 2017 (27%). At the same time, **the proportion of employers with completer apprentices that had recruited people specifically to start an apprenticeship (whether to start immediately on recruitment or not) rose to 71% in 2021, up from 64% in 2019**.
- The **majority of employers felt that there was sufficient information, support and guidance available to employers interested in offering apprenticeships (77%)**. There was no difference here between employers with current apprentices (77%) and employers with completer apprentices (79%).
- Among the group of employers with completer apprentices, this is an increase compared to 2019, when only 75% felt there was sufficient information, support and guidance available.

Reasons for providing apprenticeships

Employers were asked for the reasons why they offered apprenticeships rather than, or in addition to, other forms of training or qualification. The top three reasons provided in 2021 were the same provided in the 2019 survey⁸⁶, although there were some changes in their ordering. As shown in Figure 4.1, responses between employers with current apprentices and completer apprentices were similar.

The benefit to the apprentice and/or community was the reason most commonly given for offering apprenticeships, at 22%. A similar proportion (23%) gave this reason for among employers with completer apprentices, compared to only 13% in 2019. This reason was most prevalent among those in the Accommodation/Food Service SIC sector (31%) and those mainly providing Level 2 apprenticeships (25%) and those in the Retail subject area excluding those providing Hair and Beauty apprenticeships (30%).

Around one in six employers (17%) said they offered apprenticeships because they valued the inclusion of practical and/or vocational training (15% among employers with completer apprentices vs. 18% in 2019). This was most common among employers in the Other Services SIC sector (28%) and those mainly providing apprenticeships in Hair and Beauty within the Retail subject area (30%).

A similar proportion (15%) explained that offering apprenticeships is the industry standard or norm (also 15% among employers with completer apprentices, vs. 17% in 2019), most notably in the Construction SIC sector (27%). This was also more likely to be reported among employers mainly providing apprenticeships in Construction (20%), Engineering and Manufacturing (25%) and at Level 3 (16%), as well as those with fewer than ten employees (17%).

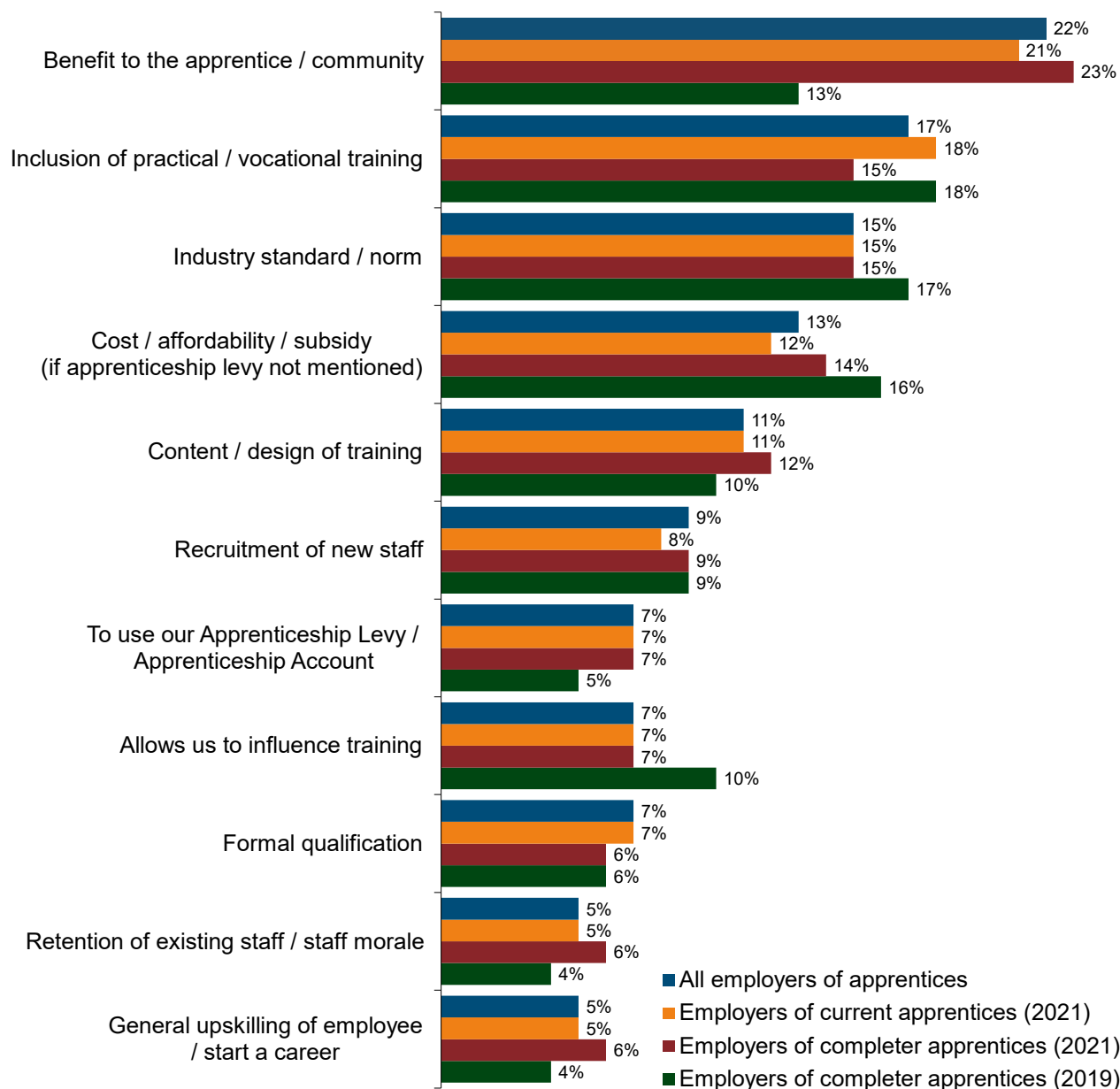
Around one in eight employers (13%) offered apprenticeships because of their affordability. This was more likely among employers mainly providing apprenticeships in Arts and Media (23%), Business and Administration (20%), Education (23%), ICT (22%), and Leisure (23%). This reason was also more prominent among those providing mainly Levels 4 to 7 (18%), driven by employers mainly providing Levels 6 and 7 (24%). Offering apprenticeships due to their affordability was also more likely among those in the Transport and Storage (23%); Financial and Real Estate (23%); Professional, Science and Technology (21%); Education (18%); and Arts and Entertainment (19%) SIC sectors. This reason was also more commonly mentioned than average among employers with 10 to 99 employees (14%).

Around one in ten employers (11%) said they offered apprenticeships due to the content and design of the training. This was more prevalent among those mainly providing apprenticeships mainly at Levels 4 to 7 (15%), and in particular at Levels 4 and 5 (18%). In terms of SIC sector, this reason was more commonly mentioned among those employers in Information and Communication (18%).

⁸⁶ This question was not asked prior to 2019.

More than one in five employers (23%) who were likely to be paying the Levy⁸⁷ said the Levy was a reason for choosing apprenticeships over other forms of training. However, because Levy-payers are a minority of apprenticeship employers, this equates to only 7% of all apprentice employers. Looking at just those with completer apprentices, 22% of employers likely to be paying the Levy said the Levy was a reason for choosing apprenticeships, significantly higher than the 15% in 2019.

Figure 4.1 Reasons for offering apprenticeships over other forms of training (spontaneous)



Base: All employers in 2021 (4,046); Employers in 2021 with current apprentices (3,087), Employers in 2021 with completer apprentices (959); Employers who knew the training completed by their completer apprentices was an apprenticeship in 2019 (3,269). Responses given by 5% or more of employers in 2021 shown only.

⁸⁷ Based on having a wage bill of more than £3m across the organisation in the UK, asked in the survey.

New recruits and existing employees

All employers were asked whether their apprentices⁸⁸ were recruited specifically to start an apprenticeship with the training starting straight away, recruited with the intention that they would start an apprenticeship but with the training not starting immediately, or whether they were existing employees that were already working for them. Respondents could answer across more than one of these categories.

Among employers with current apprentices, over seven in ten (73%) recruited people specifically to start an apprenticeship (whether to start immediately on recruitment or not). Over a third (37%) of employers provided them to existing staff, and 25% provided them *only* to existing staff. Employers with current apprentices who mainly provided Levels 6 or 7 were more likely to provide apprenticeships to existing staff (55% and 35% *only* to existing staff), as were those providing mainly Levels 4 or 5 (69% and 48% *only* to existing staff).

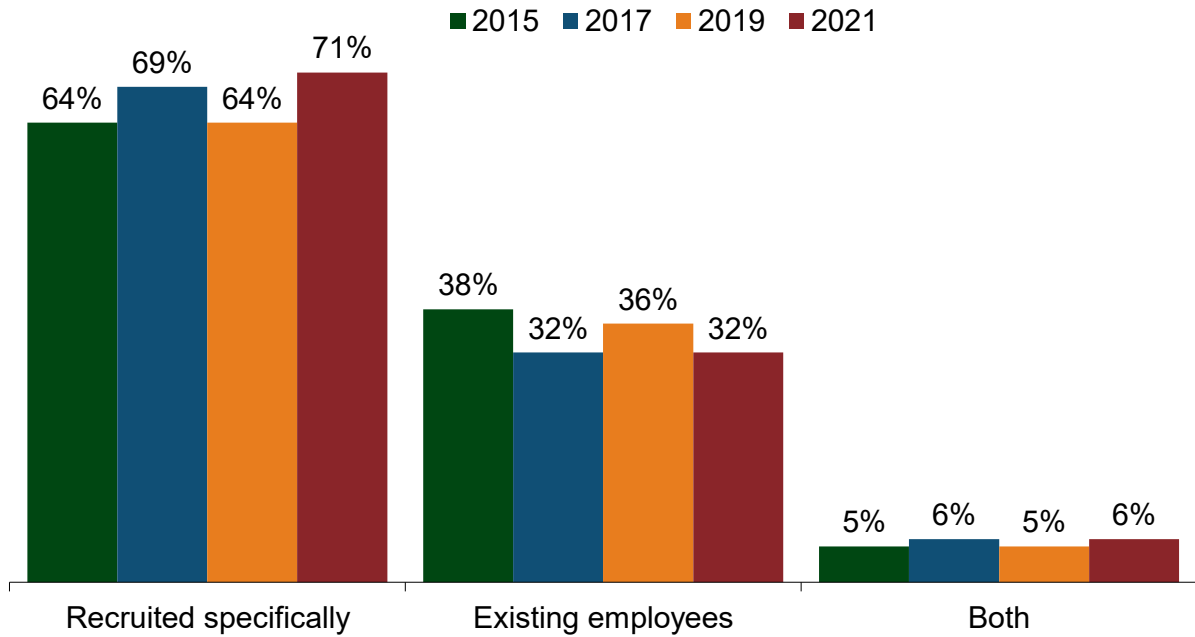
Among employers with completer apprentices, the proportion of employers that had provided apprenticeships to existing employees decreased significantly compared to 2019, and returned to the level seen in 2017. A third (32%) of employers in 2021 provided apprenticeships to existing staff (36% in 2019 and 32% in 2017). A quarter of employers in 2021 (26%) provided apprenticeships *only* to existing staff, down from 31% in 2019 and returning closer to the level seen in 2017 (27%).

At the same time, the proportion of employers with completer apprentices that had recruited people specifically to start an apprenticeship (whether to start immediately on recruitment or not) rose to 71% in 2021, from 64% in 2019, returning to close to the level seen in 2017 (69%). This rise was accounted for mainly by employers that had recruited people to start their apprenticeship straight away (60%, up from 55% in the 2019 survey); the proportion recruiting apprentices where the training did not start immediately has remained relatively stable at 13% vs. 11% in 2019 and 10% in 2017, and 9% in 2015. Results are shown in Figure 4.2.

As with employers with current apprentices, those with completer apprentices who mainly provided Levels 4 or 5 were more likely to provide apprenticeships to existing staff (54% and 49% *only* to existing staff). In the case of employers with completer apprentices, there was no significant difference among those mainly providing Levels 6 or 7.

⁸⁸ For those surveyed about current apprentices, they were only asked about how their current apprentices at the time of the survey were recruited; for those surveyed about completer apprentices, they were only asked about how their completer apprentices in the window July 2019 to February 2020 were recruited.

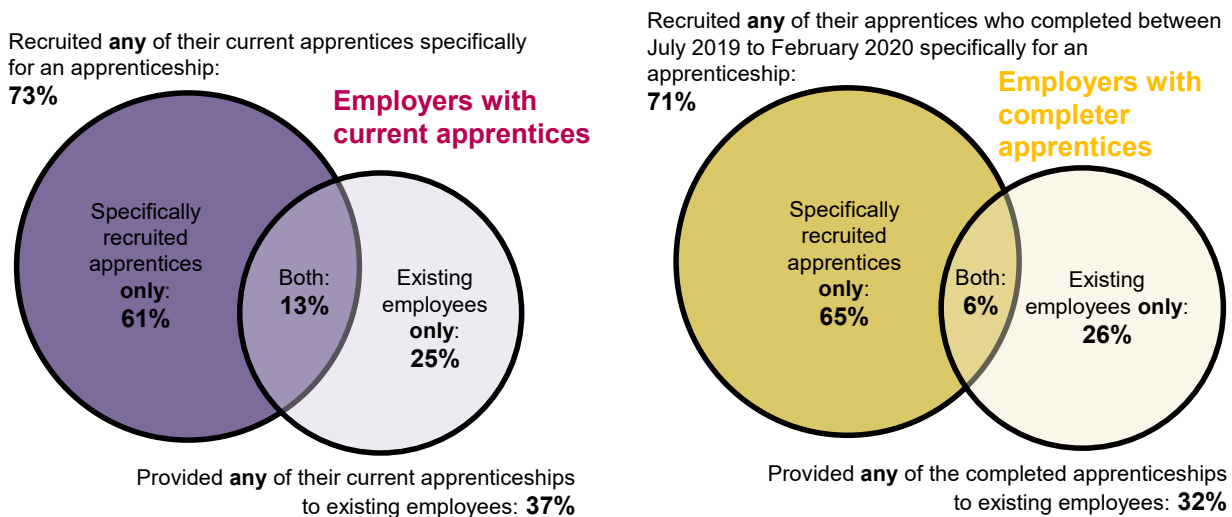
Figure 4.2 Sources of completer apprentices, 2015 to 2021



Base: All employers in 2017 (4,004), 2019 (4,000) and employers with completer apprentices in 2021 (977)

Figure 4.3 demonstrates the overlap between the three groups in 2021:

Figure 4.3 Sources of apprentices in the 2021 survey – overlap

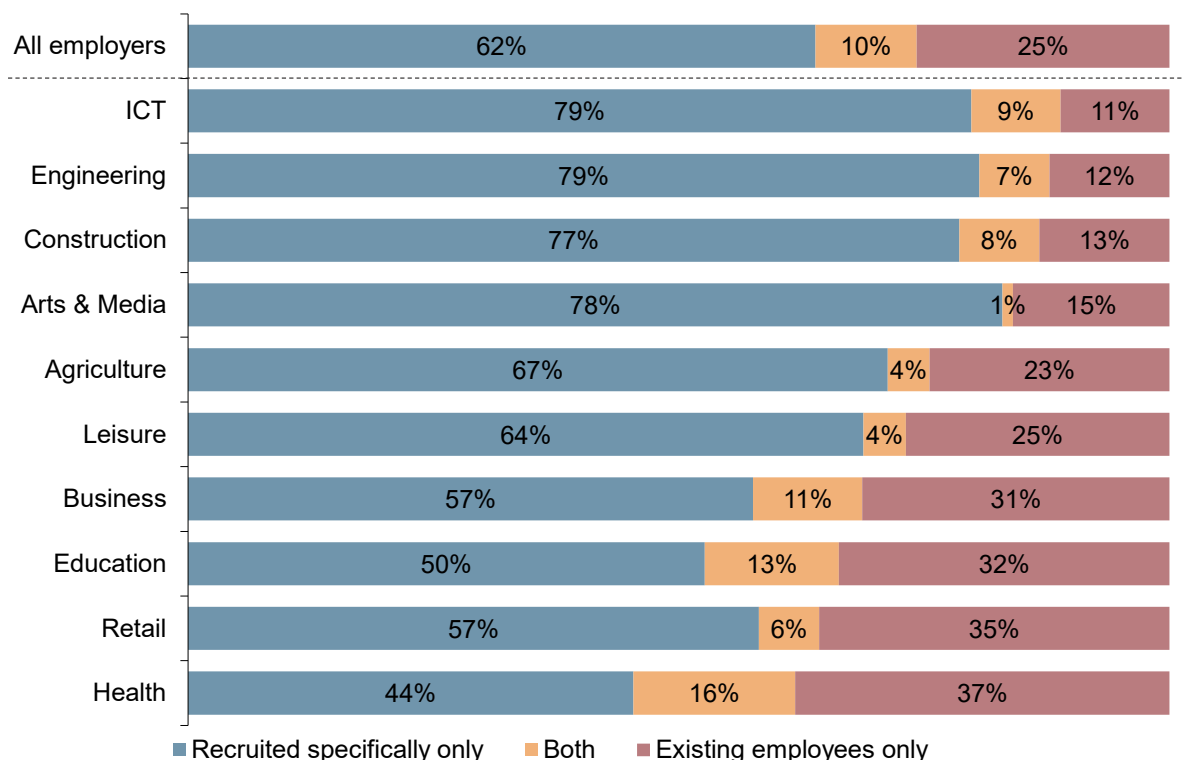


Base: Employers with current apprentices (3,108), Employers with completer apprentices (977)

As shown in Figure 4.4, there were large variations in the sources of apprentices between employers providing apprenticeships in different subject areas. Employers whose main subject area was Arts and Media (78%), Construction (77%), Engineering (79%), ICT (79%), and also Retail where apprenticeships were provided in Hair and

Beauty (83%) were more likely than average to only specifically recruit their apprentices for the apprenticeship, not giving any to existing employees. Meanwhile, those providing apprenticeships mainly in Business (31%), Education (32%), Health (37%), and Retail excluding Hair and Beauty (53%) were more likely than average to only have enrolled existing staff.

Figure 4.4 Sources of apprentices by main subject area



Base (all employers): All (4,085), Engineering and Manufacturing (755), Construction (416), Arts and Media (65), ICT (179), Agriculture (207), Leisure (141), Retail (473), Business and Administration (723), Education (198), Health and Social Care (892). Science not shown due to low base size (<30).

Employers with apprentices at Higher levels were much more likely to provide these apprenticeships to existing staff only (50% of those whose main level was Level 4 or 5, and 36% of those whose main level was Level 6 or 7, compared to an average of 25%).

Employers mostly providing apprenticeship frameworks were more likely to only recruit specifically for the apprenticeship (68% vs. 60% among those mostly providing standards), whereas those providing mostly standards were more likely to only recruit existing employees (26% vs. 23% among those mostly providing frameworks).

In terms of SIC sector, the following groups of employers were more likely to only recruit apprentices specifically for the apprenticeship compared to the average of 62%:

- Agriculture (80%)

- Manufacturing (69%)
- Construction (77%)
- Wholesale and Retail (67%)
- Information and Communication (78%)
- Professional, Science and Technology (74%)
- Other Services (82%)

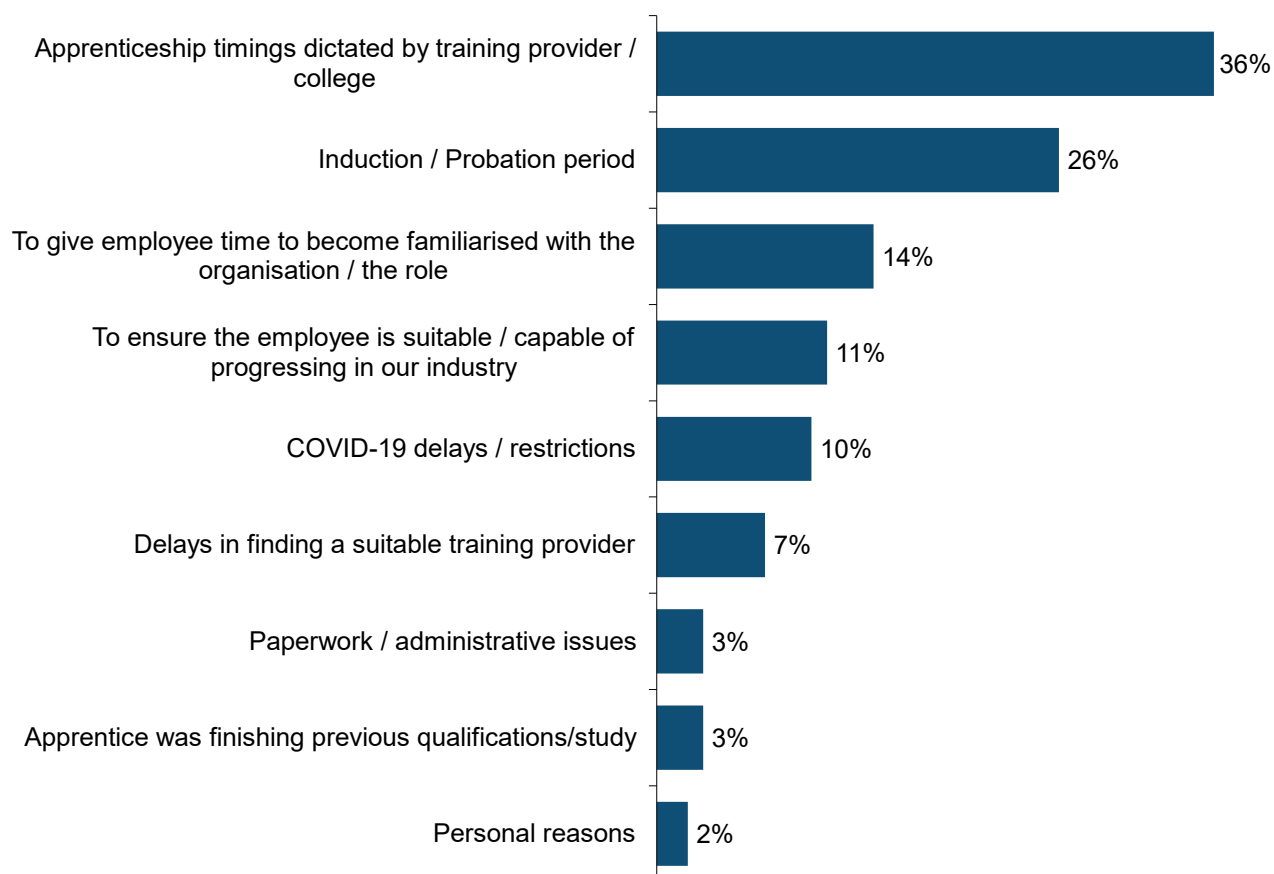
Meanwhile, employers in the following SIC sectors were more likely to provide apprenticeships only to existing employees, compared to the average of 25%:

- Accommodation and Food Services (62%)
- Education (29%)
- Health and Social Work (42%)

Employers with fewer than ten employees were more likely to only recruit specifically for apprentices (75% vs. the average of 62%), whereas larger employers with 10 to 99 or 100 or more employees were more likely to only provide apprenticeships to existing staff (27% and 34% respectively vs. the average of 25%).

Around one in six employers (16%) said that some or all of their apprentices had been recruited specifically to do an apprenticeship, but that their training had not started straight away – this equated to around one in five of all employers recruiting specifically for apprentices (22%). The main reason why the apprenticeship had not started straight away was the training provider dictating the timings (36%), followed by the need to complete an induction and/or probation period beforehand (26%), to give the employee time to become familiarised with the organisation (14%) and wanting to ensure the employee was suitable or capable before committing (11%).

Figure 4.5 Why the apprenticeship training did not start straight away



Base: Employers who specifically recruited apprentices with a delayed start: 2021 (741). Responses given by 2% or more of employers in 2021 shown only.

As shown in Table 4.1, the reasons for apprenticeship training not starting straight away varied between employers of completer apprentices and employers of current apprentices. Employers of completer apprentices were more likely to mention probation periods (34%) and delays in finding a training provider (12%), while employers of current apprentices were much more likely (as might be expected given the timing of the start of the COVID-19 pandemic) to cite COVID-19 as a cause.

Over time, employers of completer apprentices' reasons for delayed start of apprenticeships have remained broadly similar. In 2019, employers were much less likely to say that timings had been dictated by the training provider or college; however, this may relate to changes in the months in which survey fieldwork took place.

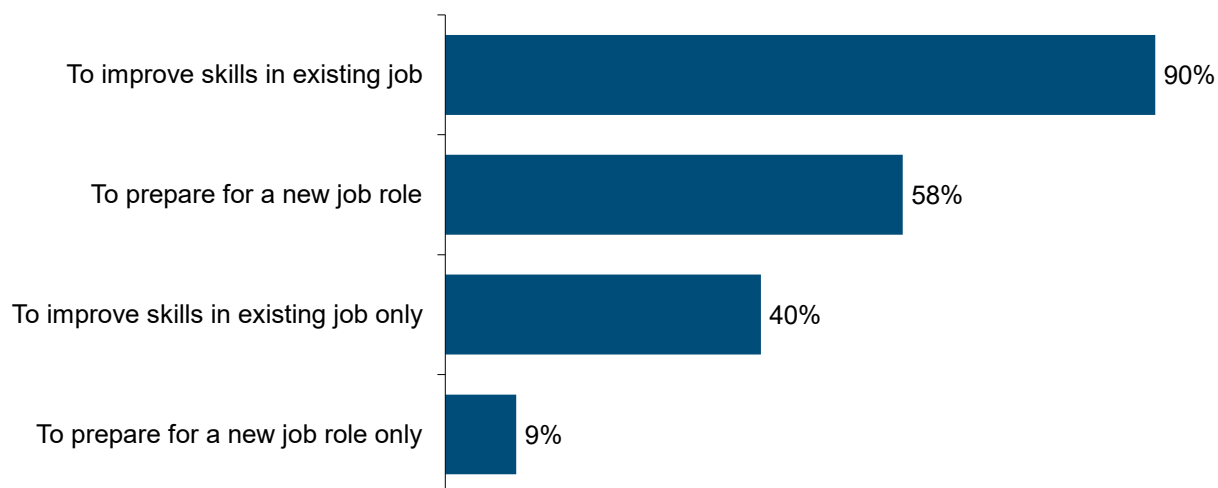
Table 4.1 Why the apprenticeship training did not start straight away – completer apprentices vs. current apprentices, and changes since 2015

	2015	2017	2019	2021 (completer apprentices)	2021 (current apps.)
Apprenticeship timings dictated by training provider / college	26%	31%	24%	31%	37%
Induction / probation period	40%	34%	37%	34%	25%
To give employee time to become familiar with the organisation / role	16%	12%	12%	18%	13%
To ensure the employee is suitable / capable of progressing	14%	16%	18%	11%	11%
COVID-19 delays / restrictions	n/a	n/a	n/a	2%	13%
Finding suitable training provider	2%	7%	8%	12%	6%
Apprentice finishing previous qualifications / study	2%	3%	5%	3%	3%
Paperwork / administrative issues	3%	2%	*	1%	3%
Personal reasons	2%	1%	*	1%	2%

Base: Employers with completer apprentices in... 2015 (393), 2017 (421), 2019 (455), 2021 (126), Employers with current apprentices in 2021 (615). Responses given by 2% or more of employers in 2021 shown only. *less than 0.5%

The vast majority of employers who provided apprenticeships to existing employees were doing so to improve their skills for their existing job (90%), as seen in previous evaluations. A majority (58%) were also using the apprenticeship to prepare employees for a new job role, which has increased from 45% in 2019. Two fifths (40%) provided apprenticeship training to existing employees *only* to improve their skills for their existing job.

Figure 4.6 Broad purpose behind existing staff starting their apprenticeship



Base: Employers in 2021 with any completer apprentices drawn from existing staff (1,698).

As shown in Table 4.2, the reasons for providing existing staff with apprenticeships remained consistent from 2015 to 2019, but there was a significant shift between 2019 and 2021 toward using the apprenticeships for preparing for a new job role (from 45% in 2019 to 56% in 2021), rather than improving skills in an existing job (from 94% in 2019 to 89% in 2021). In 2021, there were no significant differences between employers with completer apprentices and employers with current apprentices.

Table 4.2 Broad purpose behind existing staff starting their apprenticeship, 2015-2021

	2015	2017	2019	2021 (completer apprentices)	2021 (current apps.)
To improve skills in existing job	92%	93%	94%	89%	91%
To prepare for a new job role	42%	40%	45%	56%	60%
To improve skills in existing job only	57%	58%	55%	42%	39%
To prepare for a new job role only	6%	5%	5%	8%	9%

Base: Employers with completer apprentices in... 2015 (1,133), 2017 (1,241), 2019 (1,456), 2021 (326),
Employers with current apprentices in 2021 (1,372).

Other types of qualification

Employers in 2021 were asked if, besides the training delivered through apprenticeships, they had funded or arranged any training for employees in the last 12 months which led to either a Level 2 or a Level 3 qualification. The majority said they had not at 71% (70% among those with current apprentices and 68% among those with completer

apprentices). Around one in six had conducted training at Level 2 (17%)⁸⁹ and Level 3 (18%)⁹⁰. Seven per cent⁹¹ had only conducted training at Level 2, while 8%⁹² had only conducted training at Level 3.

Employers mainly providing apprenticeships in Health and Social Care and Leisure were more likely to only offer Level 2 qualifications (9% and 13% respectively), meanwhile those mainly providing apprenticeships in Engineering and Manufacturing were more likely to only offer Level 3 qualifications (11%). By apprenticeship level, those mainly providing Level 2 were more likely to say they do not offer other qualifications (74%).

Employers in the Public Administration and Defence SIC sector (45%), those in Health and Social Work (30%) and those in Arts and Entertainment (24%) were more likely than average to have conducted other training at Level 2. Employers in Public Administration and Defence (31%), Education (24%) and Health and Social Work (27%) were more likely to have conducted other training at Level 3.

Employers mostly providing apprenticeship frameworks were more likely to only offer Level 3 qualifications (9%). In terms of size of employer, those with fewer than ten employees were more likely to offer no other qualifications besides apprenticeships (81%). Those with 10 to 99 employees were more likely than average to only provide Level 2 qualifications (8%), while those with 100 or more employees were more likely than average to provide only Level 3 (11%).

Support available for employers

Just over three-quarters (77%) of all employers said that there was sufficient information, support and guidance available to employers interested in offering apprenticeships. There was no difference here between employers with current apprentices (77%) and employers with completer apprentices (79%). Among the group of employers with completer apprentices, this is an increase compared to 2019, 2017 and 2015, when only 75%, 68% and 71% respectively felt there was sufficient information, support and guidance available.

Employers with 10 to 99 employees were more likely to say the information and support was sufficient (81%), whereas those with fewer than ten employees were less likely at 69%. By SIC sector, employers in the Health and Social Work (83%) and Arts and Entertainment (85%) sectors were more likely than average to state there was sufficient information, support and guidance available to employers interested in offering apprenticeships. However, those in Agriculture and Construction were less likely than average to say this, at 59% and 65% respectively.

⁸⁹ 17% of employers with current apprentices and 20% of employers with completer apprentices.

⁹⁰ 18% of employers with current apprentices and 21% of employers with completer apprentices.

⁹¹ 7% among both employers with current apprentices and those with completer apprentices.

⁹² 7% of employers with current apprentices and 9% of employers with completer apprentices.

By main subject area, those providing apprenticeships mainly in Business and Administration (81%) and Health and Social Care (82%) were more likely to feel that there was sufficient information and guidance available, however, those mainly providing apprenticeships in Construction (64%) and Engineering and Manufacturing (74%) were less likely. Employers mainly providing apprenticeship Levels 4 to 7 were more likely to feel that the information available was sufficient (80%).

Among employers of completer apprentices, there was an increase in the proportion of employers providing mainly apprenticeships in Education saying the information, support and guidance available was sufficient (80%, up from 66% in 2019).

Employers who did not feel the information, support and guidance available was sufficient were asked what they felt was missing. Three in ten (30%)⁹³ felt that information on who to approach / how to get information on apprenticeships was missing (6% of all employers). More than a quarter (27%, 5% of all employers)⁹⁴ said the existing information needs to be clearer, and the same proportion (27%, 5% of all employers)⁹⁵ said it needed to be promoted more. Nearly a fifth (19%, 4% of all employers)⁹⁶ said that information on what funding is available and how to get it was missing.

Table 4.3 lists the suggestions given by at least 2% of employers reporting information was insufficient.

However, compared to 2019, the belief that this is missing has decreased overall, from 28% to 15% in 2021 among employers with completer apprentices. The need for existing information to be both clearer and better promoted remains in the top three responses provided in 2021.

⁹³ 28% of employers with current apprentices and 37% of employers with completer apprentices.

⁹⁴ 30% of employers with current apprentices and 21% of employers with completer apprentices.

⁹⁵ 27% of employers with current apprentices and 27% of employers with completer apprentices, not a significant difference.

⁹⁶ 19% of completers with current apprentices and 15% of employers with completer apprentices, not a significant difference.

Table 4.3 Information/support/guidance employers felt was missing from what was available at the time of the survey

	% of employers who felt currently available information was insufficient	% of all employers	% of all employers with current apprentices	% of all employers with completer apprentices
<i>Base size:</i>	683	4,085	3,108	977
Who to approach / how to get information on apprenticeships	30%	6%	5%	7%
Existing information needs to be clearer / better written	27%	5%	6%	4%
Existing information needs to be promoted / provided more pro-actively	27%	5%	5%	5%
What funding is available and how to get it	19%	4%	4%	3%
A specific person they could contact regarding apprenticeships	13%	2%	3%	2%
Information about the level of fees / payments for apprenticeships	12%	2%	2%	2%
How to find suitable training providers	12%	2%	2%	2%
How to recruit apprentices	11%	2%	2%	2%
Understanding the requirements and benefits of an apprenticeship	9%	2%	2%	2%
More involvement, support and communication from the colleges	9%	2%	2%	2%
How to set up training for apprentices	7%	1%	1%	1%
What standards are available	4%	1%	1%	1%
Haven't found any information	4%	1%	1%	1%
How to access Levy funds	3%	1%	1%	*
Progression Pathways	3%	1%	1%	*
Personal advice and support	3%	1%	1%	*

* indicates <0.5%

5. Employing apprentices during COVID-19

This chapter covers the new questions asked in the 2021 survey to explore the impact of the COVID-19 pandemic on the recruitment of apprentices. It includes how many people employers had recruited to start an apprenticeship in the last twelve months and how this compares to a 'usual' year. It also explores whether any apprentice has taken a break in learning due to COVID, as well as the role of the incentive payment on the recruitment of apprentices.

Key findings

Breaks in learning due to COVID-19

- **Employers with current apprentices were asked whether any apprentice had taken a break in learning because of COVID-19.** Three in ten (31%) said they had. A quarter of employers with current apprentices (24%) said all of their apprentices had taken a break in learning due to COVID-19.

Role of incentives

- There was a fall in recruitment of apprentices in 2019/20 and 2020/21 (of 18% relative to 2018/19), due to the impact of COVID-19.⁹⁷ To help address this, as part of the government's Plan for Jobs, a financial incentive was put in place from 1st August 2020 for employers recruiting apprentices of any age, excluding existing staff.⁹⁸
- **Just over two thirds of employers said they were aware of the incentive to recruit apprentices (68%).** Among employers with eligible apprentices, based on their time of recruitment during the period in which the incentive was available (between August 2020 and the time of the survey), eight in ten (80%) were aware of the incentive.
- Employers who took on apprentices since August 2020 but did not apply for the incentive (5% of all apprentice employers, or 14% of employers with eligible apprentices) were asked why they did not apply for it. **About a quarter (27%) explained that they had not yet considered claiming, because they had only just taken on the apprentice, and/or the training hadn't started yet.** Around one in eight (13%) said they did not have the time or resources to explore it and one in ten (11%) did not understand the eligibility criteria.

⁹⁷ Department for Education (2021). *Apprenticeship and Traineeships Statistics: October 2021 (reported to date)*. 7 October 2021. London, Department for Education. Accessed at: <https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships-and-traineeships/2020-21>.

⁹⁸ Department for Education (2021). *A Plan for Jobs 2020*. July 2020. Accessed at: <https://www.gov.uk/government/publications/a-plan-for-jobs-documents/a-plan-for-jobs-2020>

- Employers who had heard of the incentive payment, but did not apply for it, and did not take on any apprentices in that time period were asked why the incentive payment did not cause them to recruit apprentices since 1st August 2020. **Over a quarter said they already have apprentices (27%) or explained they were not recruiting due to a reduction in work (26%).** Around one in six (17%) said that COVID-19 had caused a reduction in work and meant they were not recruiting.
- Employers that had received or were expecting to receive the incentive payment were asked whether they would have recruited the same volume of apprentices without the incentive payment. **Around a fifth (22%) of employers applying for the incentive said it caused them to recruit more**, and 11% said they had brought some recruitment forward which they would otherwise have carried out later.
- **The impact of the incentive was significantly lesser on large sites;** those with 100 or more employees at the site were much less likely to say that the incentive had caused them to recruit more (14%), compared to employers with 10 to 99 employees at the site (26%). This lesser impact on larger employers (who as a group employ a high proportion of apprentices) weakens the impact on overall apprentice numbers.
- **The additional apprentices that employers claiming the incentive said they recruited as a result accounted for an estimated 11% of all apprentices recruited as new staff by those employers**, during the time between the introduction of the incentive on 1st August 2020 and the survey, which took place between 24th May and 6th August 2021.

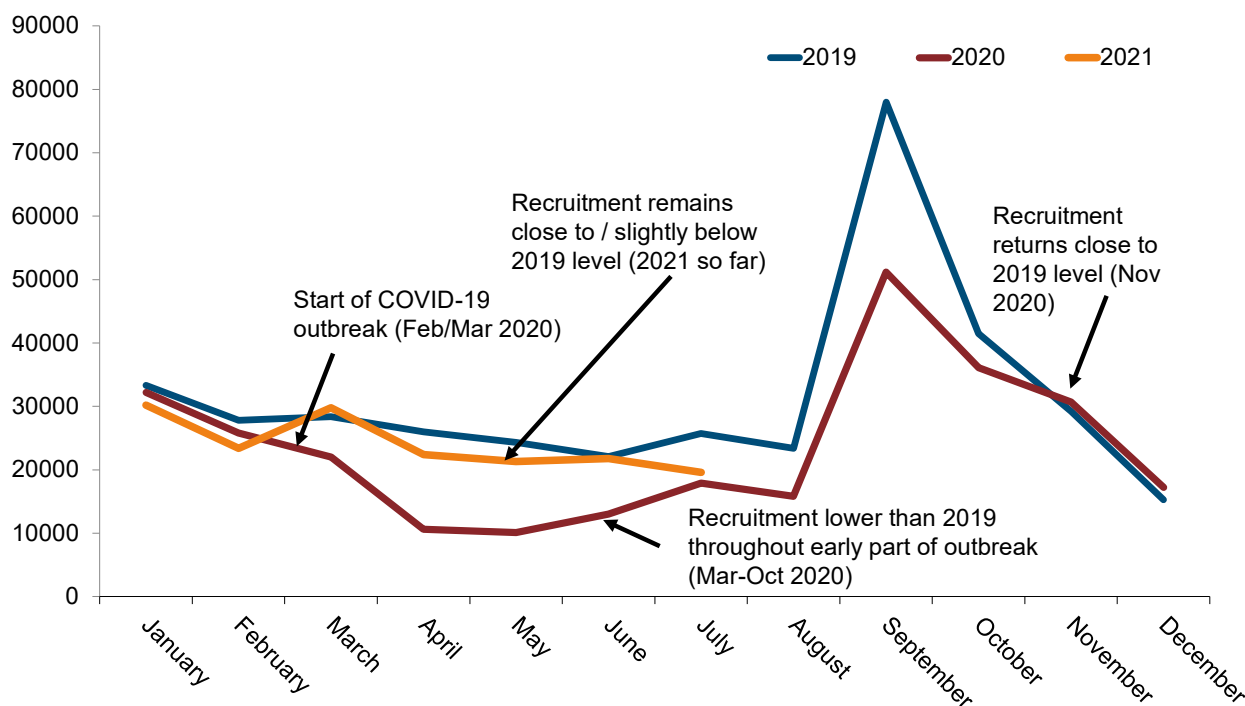
Recent trends in apprenticeship starts

To put the rest of this chapter in context, Figure 5.1 shows how recruitment of apprentices by employers was affected by the COVID-19 outbreak month-by-month, comparing it to 2019 using ILR data.

The largest impact was in April and May 2020, when the number of apprentices starting apprenticeships was less than half that seen in the previous year. Through 2020, the impact lessened, with starts down by around a third during June to September 2020. In October 2020, the gap narrowed and the number of starts returned to approximately their pre-COVID-19 level in November 2020. Since then, the number of starts has fluctuated around the 2019 level. However, the number of September 2021 starts – traditionally a peak in recruitment each year – is not yet known.

The remainder of this chapter discusses the employer perspective on these events relating to the recruitment of apprentices.

Figure 5.1 Recruitment through the 2020/21 COVID-19 outbreak, compared to 2019



Source: ILR, via ESFA Apprenticeships and Traineeships statistics⁹⁹

Decisions during COVID-19

Among those employers interviewed regarding completer apprentices¹⁰⁰, the majority (58%) had not recruited any apprentices in the last 12 months, while around a third (32%) had recruited between one and five. The average number of apprentices recruited in the last twelve months was 2.4.

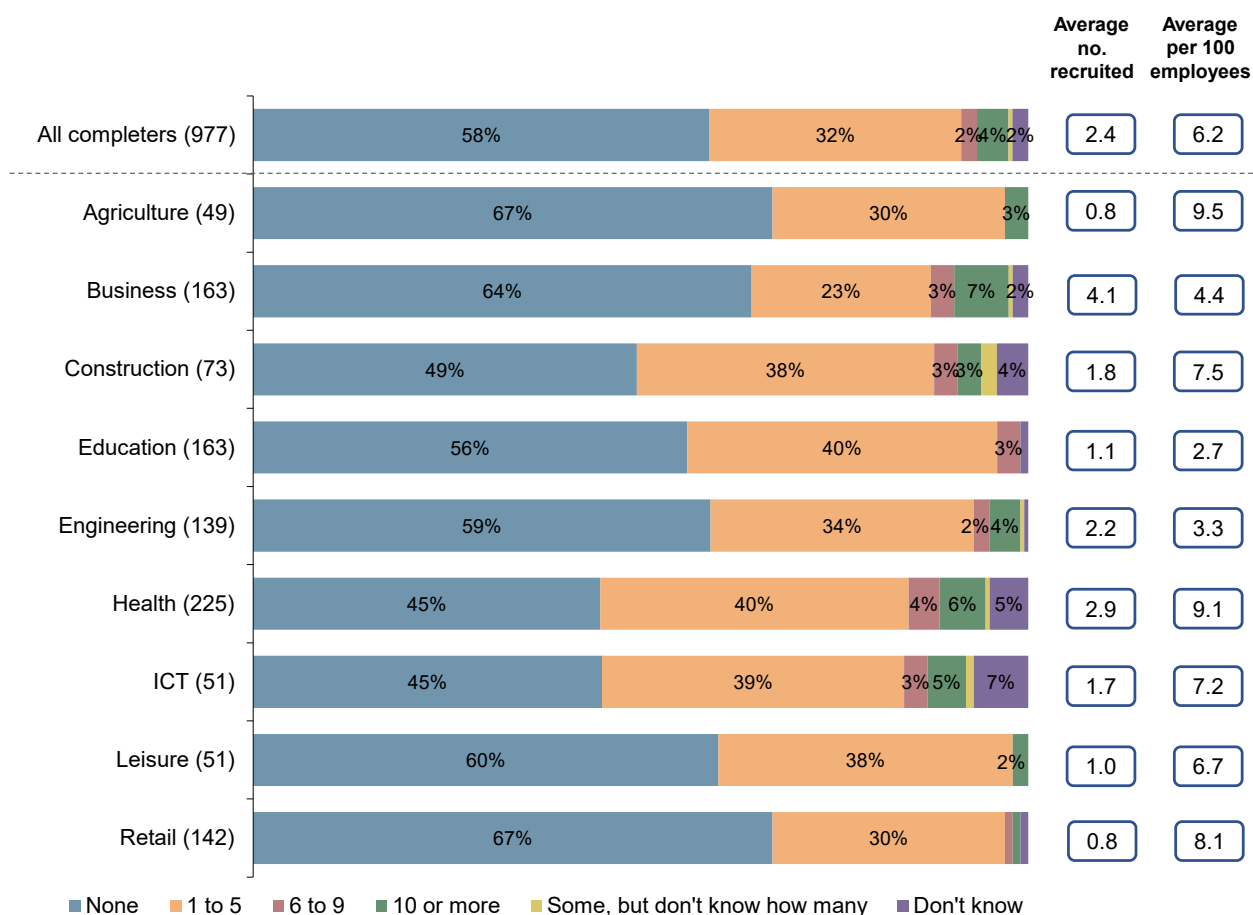
Relative to the number of staff at the time of the survey, employers of completer apprentices had recruited 6.2 apprentices in the last 12 months for every 100 employees at the time of the survey. By main subject area, those providing apprenticeships mainly in Agriculture (9.5), Health (9.1), Retail (8.1)¹⁰¹, Construction (7.5) and ICT (7.2), were more likely to have a higher than average number of apprentices recruited in last 12 months per 100 employees (at the time of survey) than those mainly providing apprenticeships in Education (2.7), and Engineering (3.3).

⁹⁹ ESFA (2021). *Academic Year 2020/21 Apprenticeships and Traineeships Statistics*. October 2021. Accessed at: <https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships-and-traineeships/2020-21>.

¹⁰⁰ This part of the analysis is presented only for employers sampled due to having completer apprentices in the survey window (i.e., asked in the survey about their completer apprentices). This is because the answers to these questions would be skewed for those apprentice employers sampled due to having current apprentices, since they would by definition have recently recruited apprentices, having done so despite COVID-19.

¹⁰¹ Mainly among those with Hair and Beauty apprenticeships (14.3 per 100 employees, vs. 2.8 per 100 employees in the remainder of the Retail sector).

Figure 5.2 Number of people recruited to start an apprenticeship in the last 12 months



Base: Employers interviewed regarding completer apprentices (977). Science not shown due to low base size (<30).

Sites with fewer employees were more likely to have recruited more apprentices per 100 employees over the last twelve months. Sites with 100 or more employees had recruited, on average, only 1.9 apprentices per 100 employees. This compares to 5.6 among employers with 10 to 99 employees and 9.6 among those with less than 10 employees.

Employers were asked if they had recruited more, less or about the same as if the last twelve months had been a 'usual' year. As shown in Figure 5.3, among those employers interviewed regarding completer apprentices¹⁰², only one in ten (9%) said they had recruited more, while two fifths (41%) had recruited less. Those providing apprenticeships mainly in Retail were more likely to have recruited less (50%) than

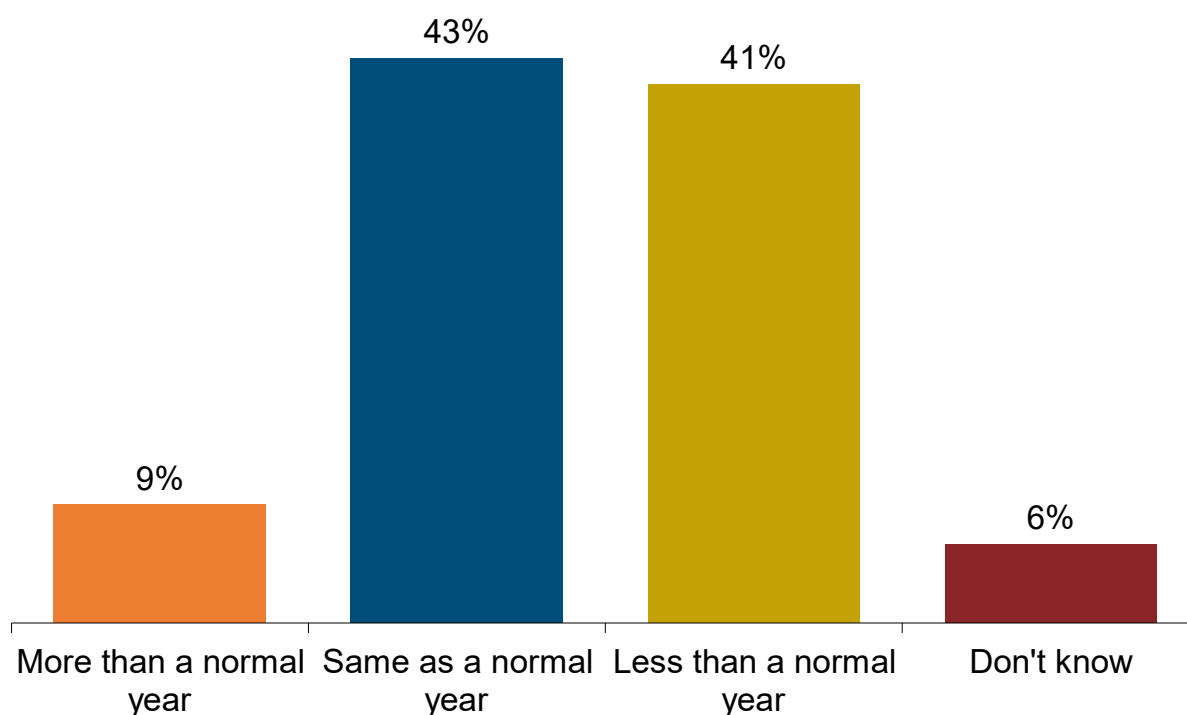
¹⁰² This part of the analysis is presented only for employers sampled due to having completer apprentices in the survey window (i.e., asked in the survey about their completer apprentices). This is because the answers to these questions would be skewed for those apprentice employers sampled due to having current apprentices, since they would by definition have recently recruited apprentices, having done so despite COVID-19.

average¹⁰³, understandably given the closure of retail outlets during lockdowns over the course of the COVID-19 pandemic. Supporting this, an even larger proportion of employers in the Accommodation and Food Service SIC sector reported recruiting fewer apprentices in the last 12 months than a normal year (62%). Those with apprentices mainly in Health were more likely than average to have recruited more apprentices than in a normal year (14%), as were those in the Education SIC sector (20%).

Meanwhile, for around two fifths of employers (43%), their recruitment had been the same as in a 'usual' year (22% would have recruited the same number of apprentices and 21% said they would not have recruited any apprentices anyway).

Larger employers with 100 or more employees, at a site level, were more likely than average to have recruited more apprentices than in a 'usual' year (13%), unlike smaller sites with less than ten employees (4%).

Figure 5.3 Recruitment over the last 12 months compared to a 'usual' year

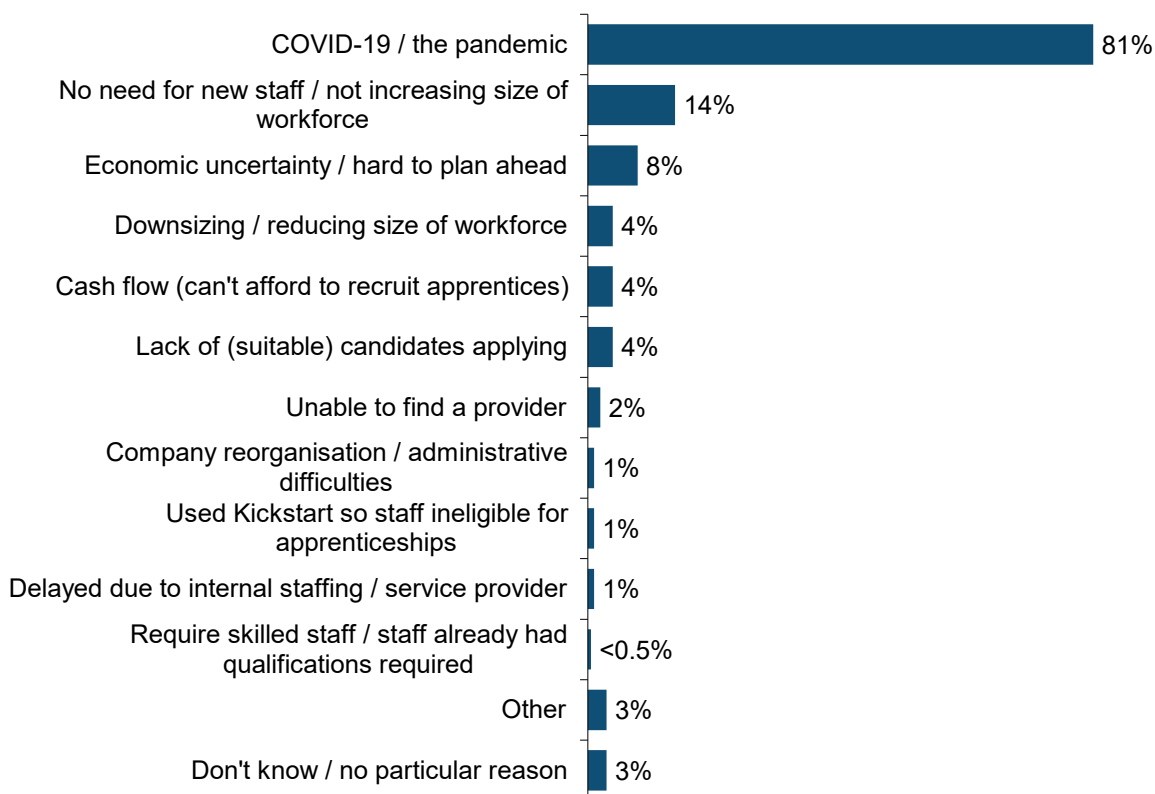


Base: Employers interviewed regarding completer apprentices (977)

¹⁰³ More among those employers with mainly Retail apprentices but without Hair and Beauty apprenticeships (52%, significantly above average) than those with Hair and Beauty apprenticeships (49%, not significantly above average).

Of those employers who would have recruited more apprentices in a 'usual' year, eight in ten (81%) blamed the COVID-19 pandemic for them recruiting less in the last twelve months. Around one in seven (14%) said they had no need for new staff (despite this being not a prompted answer) and eight per cent mentioned economic uncertainty.

Figure 5.4 Reasons why the number recruited was less than a 'usual' year



Base: Employers with completer apprentices who have recruited less than in a 'usual' year, or none at all but would have done in a 'usual' year (374)

All employers were asked how many people, if any, they had recruited to start an apprenticeship since 1st August 2020. This is the date at which the incentive for employers to recruit new apprentices was introduced.

Looking now at all employers, including both those interviewed about current apprentices and completer apprentices, six in ten (62% overall¹⁰⁴) said they had not recruited anyone to start an apprenticeship since 1st August 2020. A third (32%¹⁰⁵) had recruited between one and five apprentices and 3%¹⁰⁶ had recruited more than this. The average number of apprentices recruited since 1st August 2020 was 1.1 per employer, equivalent to 5.4 per 100 employees.

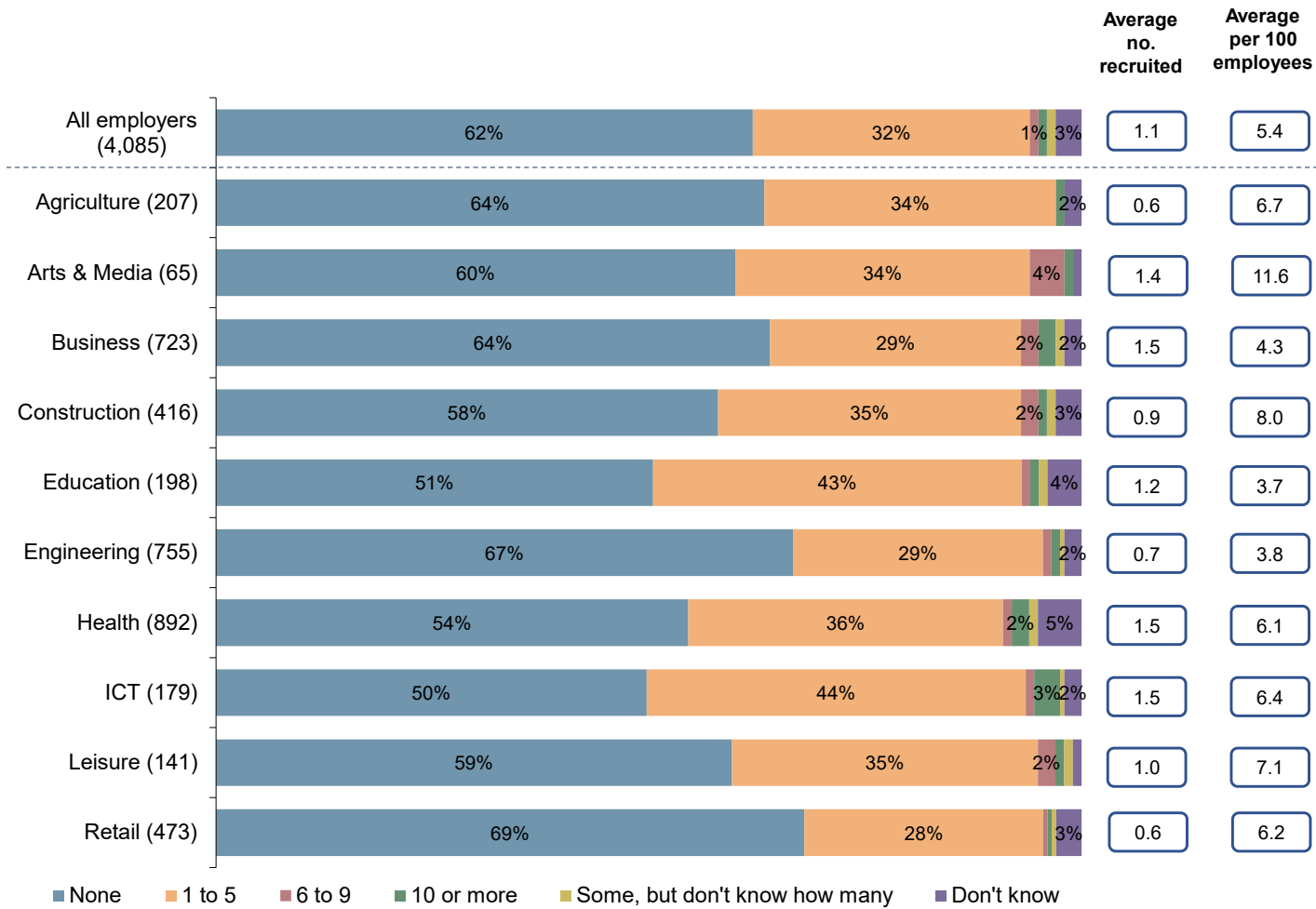
¹⁰⁴ 63% of those with completer apprentices, and 58% of those with current apprentices.

¹⁰⁵ 28% of those with completer apprentices, and 35% of those with current apprentices.

¹⁰⁶ 5% of those with completer apprentices, and 3% of those with current apprentices.

As shown in Figure 5.5, recruitment numbers were higher in particular apprenticeship subject areas. Those mainly providing apprenticeships in Arts and Media (11.6), Construction (8.0), Leisure (7.1), Agriculture (6.7), ICT (6.4), Retail (6.2) and Health (6.1) had the highest number of apprentice recruits since 1st August 2020 per 100 employees. Again, smaller sites recruited more relative to their number of existing staff; 6.5 per 100 at sites with fewer than 10 staff, compared to 1.2 at sites with 100 or more staff.

Figure 5.5 Number of people recruited to start an apprenticeship since 1st August 2020



Base: Varies by bar; shown on left of each bar. Science not shown due to low base size (<30).

Breaks in learning due to COVID-19

Employers with current apprentices were asked whether any apprentice had taken a break in learning because of COVID-19.¹⁰⁷ Employers where apprentices had breaks in learning due to COVID-19 were found (as shown in [Chapter 9](#)) to be less likely to be satisfied with their apprenticeships. Around a third (31%) said they had. The groups of employers more likely than average to report breaks in learning were:

- Employers whose main subject area was Retail (48%; rising to 66% in Hair and Beauty), Engineering (43%) or Construction (42%);
- Employers whose main level of apprenticeship was Level 2 (40%);
- Employers with ten or more apprentices (42%), or just one (33%);
- Small employers with fewer than 10 employees at the site (40%);
- Employers expecting the business to be static (36%) or contract (58%) in size over the 12 months after the survey;
- Employers who had offered apprenticeships for more than ten years (36%);
- Employers in the Other Services¹⁰⁸ sector (63%), Construction sector (47%), Accommodation and Food Service sector (45%), or Wholesale and Retail sector (37%).

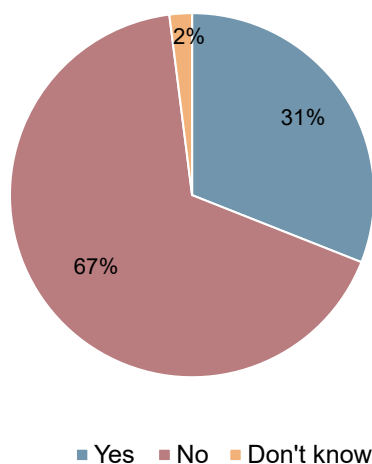
A quarter of employers with current apprentices (24%) said *all* of their apprentices had taken a break in learning due to COVID-19, as shown in Figure 5.6. In general, it was rare for only *some* apprentices in a workplace to take a break from learning (7% of employers with current apprentices); in most cases either all did so (24%) or none did (67%).

¹⁰⁷ This question was not relevant where employers were being asked about completer apprentices, because the apprentices being discussed would have completed their studies prior to COVID-19.

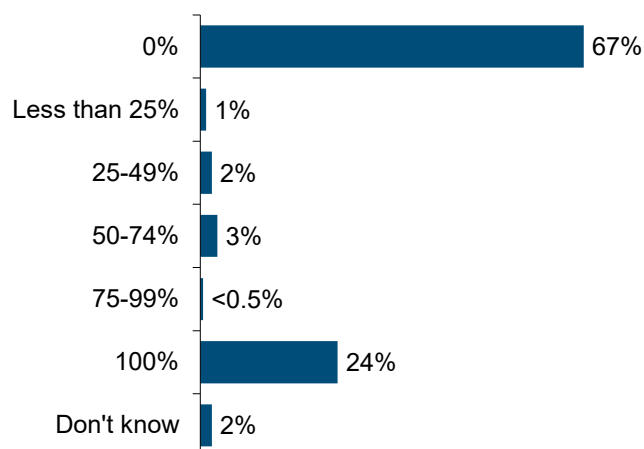
¹⁰⁸ This sector contains hairdressers and barbers.

Figure 5.6 Whether any apprentice has taken a break in learning due to Covid

Whether any apprentice has taken a break in learning because of Covid



Proportion of apprentices that took a break from learning due to Covid



Base: Employers with current apprentices (3,108)

The groups of employers more likely than average to report that their apprentices had *all* taken a break in learning were:

- Employers whose main subject area was Retail (42%; rising to 59% in Hair and Beauty), Construction (38%) or Engineering (36%);
- Employers whose main level of apprenticeship was Level 2 (35%);
- Employers with only one apprentice (33%);
- Small employers with fewer than ten employees at the site (38%);
- Employers expecting the business to be static (30%) or contract (54%) in size over the 12 months after the survey;
- Employers in the Other Services sector (57%), Construction sector (42%), Accommodation and Food Service sector (38%), or Wholesale and Retail sector (35%).

Role of incentives

There was a fall in recruitment of apprentices in 2019/20 and 2020/21 (of 18% relative to 2018/19), due to the impact of COVID-19.¹⁰⁹ To help address this, as part of the

¹⁰⁹ Department for Education (2021). *Apprenticeship and Traineeships Statistics: October 2021 (reported to date)*. 7 October 2021. London, Department for Education. Accessed at: <https://explore-education-statistics.service.gov.uk/find-statistics/apprenticeships-and-traineeships/2020-21>.

government's Plan for Jobs, a financial incentive was put in place for employers recruiting apprentices of any age, excluding existing staff.¹¹⁰

From 1st August 2020 to 31st March 2021, a payment of £2,000 was made to employers for every apprentice recruited aged under 25, and £1,500 for every apprentice aged 25 and over.¹¹¹ The incentive was increased to £3,000 for employers recruiting a new apprentice from 1st April 2021 to 31st January 2022, regardless of the age of the apprentice.¹¹²

During the employer survey, which took place between 24th May and 6th August 2021, employers of apprentices were asked if they were aware of this incentive payment for employers to recruit new apprentices. In most cases, the majority of apprentices referred to would have been recruited *before* the increase in the incentive to £3,000, although it is not possible to say for certain for any individual employer which specific levels of incentive(s) would have been received.

Just over two thirds of employers were aware of the incentive (68%), and this was consistent between employers with current apprentices (69%) and those with completer apprentices (68%). Among employers with apprentices eligible for the incentive, eight in ten (80%) were aware of the incentive; among this group, awareness was higher among those with completer apprentices (86%) than those with current apprentices (79%).

Among all employers, awareness was higher among some sub-groups:

- Those providing apprenticeship standards (69%)
- Those mainly providing apprenticeships in Business and Administration (72%), ICT (78%), and (within Retail) Hair and Beauty (82%).
- Organisations with 10 to 99 employees (73%) and sites with 100 or more employees (73%), but *not* organisations with 100 or more employees (63%).
- The SIC sectors Public Administration and Defence (86%), Other Services (82%) and Information and Communication (80%).
- Employers offering apprenticeships for ten years or more (72%).
- Employers in the North East of England (78%).

There were also pockets of lower awareness:

- Those providing frameworks (63%).

¹¹⁰ Department for Education (2021). *A Plan for Jobs 2020*. July 2020. Accessed at:

<https://www.gov.uk/government/publications/a-plan-for-jobs-documents/a-plan-for-jobs-2020>

¹¹¹ Department for Education (2021). *Apprenticeship Funding in England from November 2021*. November 2021. Accessed at: <https://www.gov.uk/government/publications/apprenticeship-funding>.

¹¹² Department for Education (2021). *Apprenticeship Funding in England from November 2021*. November 2021. Accessed at: <https://www.gov.uk/government/publications/apprenticeship-funding>.

- Sites which are part of organisations with more than 100 employees (63%).¹¹³
- Those mainly providing apprenticeships in Agriculture (60%) and Retail other than Hair and Beauty (47%), and consequently Retail as a whole (61%).
- The SIC sectors Wholesale and Retail (58%) and Accommodation and Food Service (49%).
- Employers offering apprenticeships for three or fewer years (65%).

Figure 5.7 summarises the situation of employers of apprentices regarding the incentive payment. Most (61%¹¹⁴) had recruited no eligible apprentices, and more than half of these (38%¹¹⁵ of all employers of apprentices) had heard of the incentive scheme but not recruited any new apprentices as a result. The remainder (23%¹¹⁶) had not heard of the scheme.¹¹⁷

Around one in five of all employers of apprentices had applied or planned to apply (22%¹¹⁸), with 18%¹¹⁹ having made an application, and 10%¹²⁰ having received the payment for some or all of the apprentices they had recruited since 1st August 2020. In total, half (51%¹²¹) of those employers with eligible apprentices had applied to the scheme.

Finally, a small group of employers (7%¹²²) had eligible apprentices but had not applied for the payment, most of whom (6%¹²³ of all employers of apprentices) had not heard of the scheme.

There were numerous differences by sub-group across all of these statistics; for clarity, here the focus is on applications for the incentive. Some sub-groups of employers were more likely than average to have applied:

- Those mainly providing apprenticeships at Level 3 (20%).
- Employers providing apprenticeships mainly in ICT (32%) and Hair and Beauty within Retail (26%).
- Employers with 10 to 99 employees in the organisation (22%), or 100 or more employees at the site (23%), but *not* 100 or more employees in the organisation.

¹¹³ This may reflect awareness at *branch* sites of these organisations, rather than awareness at these organisations as a whole.

¹¹⁴ 62% of those with completer apprentices, 57% of those with current apprentices, a significant difference.

¹¹⁵ 37% of those with completer apprentices, 37% of those with current apprentices.

¹¹⁶ 25% of those with completer apprentices, 20% of those with current apprentices, a significant difference.

¹¹⁷ There may be a number of sites where apprenticeship recruitment is organised at HQ level and local staff interviewed may be unaware of the incentive payment even if the organisation as a whole might have received it. It is not possible to determine the potential scale of this issue from the survey data.

¹¹⁸ 21% of those with completer apprentices, 25% of those with current apprentices, a significant difference.

¹¹⁹ 17% of those with completer apprentices, 21% of those with current apprentices, a significant difference.

¹²⁰ 9% of those with completer apprentices, 12% of those with current apprentices, a significant difference.

¹²¹ 50% of those with completer apprentices, 53% of those with current apprentices.

¹²² 5% of those with completer apprentices, 8% of those with current apprentices, a significant difference.

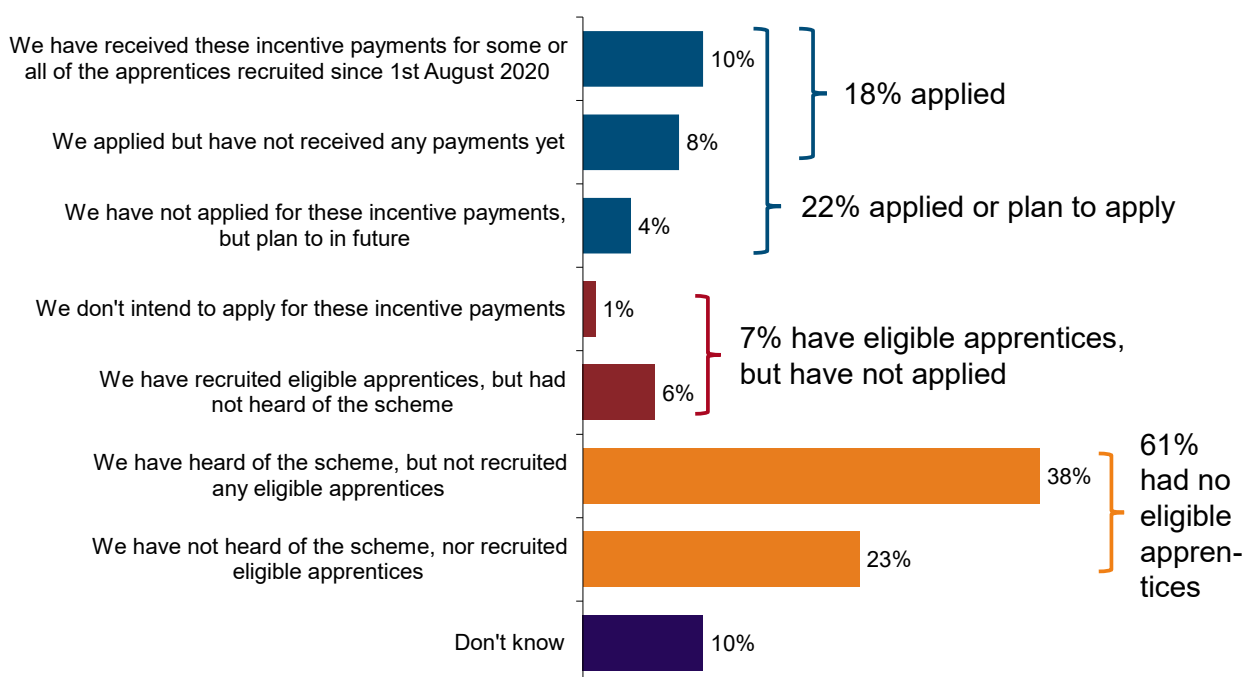
¹²³ 4% of those with completer apprentices, 7% of those with current apprentices, a significant difference.

- Employers in the Public Administration and Defence (48%), Financial and Real Estate (28%), Information and Communications (26%) and Other Services (26%) SIC sectors.
- Employers using any apprenticeship standards (25%).

Several other groups were less likely than average to have applied:

- Those mainly providing Levels 4 or 5 (12%).
- Employers mainly providing apprenticeships in Engineering (15%) and Retail other than Hair and Beauty (8%).
- Employers with fewer than ten employees at the site (16%), or 100 or more employees in the organisation (15%).¹²⁴
- Employers in the Manufacturing (13%), Wholesale and Retail (12%) and Accommodation and Food Service (9%) sectors.
- Employers using any frameworks (18%).

Figure 5.7 Whether applied or plan to apply for the incentive payment



Base: All employers (4,085)

The small group of employers (6%) who had taken on apprentices since 1st August 2020 but had not yet applied for the incentive, or had decided not to apply, despite being

¹²⁴ This may reflect awareness at *branch* sites of these organisations, rather than awareness at these organisations as a whole.

aware of it, were asked why they had not applied. As shown in Figure 5.8, over a quarter (27%¹²⁵) explained that they had only just taken on the apprentice and/or training hasn't started yet, and so they had not yet considered it. Around one in eight (13%¹²⁶) said they did not have the time or resources to explore it, and one in ten (11%¹²⁷) did not understand the eligibility criteria.

Figure 5.8 Why employers did not apply for the incentive despite recruiting apprentices as new staff since 1st August 2020



Base: Employers who took on apprentices in the last 12 months but had not yet applied for the incentive, or had decided not to apply for the incentive, despite being aware of it (209)

The group of employers who had heard of the incentive payment, and had recruited apprentices as new staff in the 12 months prior to the survey, but not since 1st August 2020 (3% of all employers) were asked why the incentive payment had not caused them to recruit.

In all, 69% gave a reason which suggested they had no work for further apprentices¹²⁸. Within this group, around a quarter (27%) already had a sufficient number of apprentices, while many had experienced a reduction in work, either due to COVID-19 (17%) or due to

¹²⁵ 27% with current apprentices, 24% with completer apprentices.

¹²⁶ 11% with current apprentices, 15% with completer apprentices.

¹²⁷ 19% with completer apprentices, 8% with current apprentices, a significant difference.

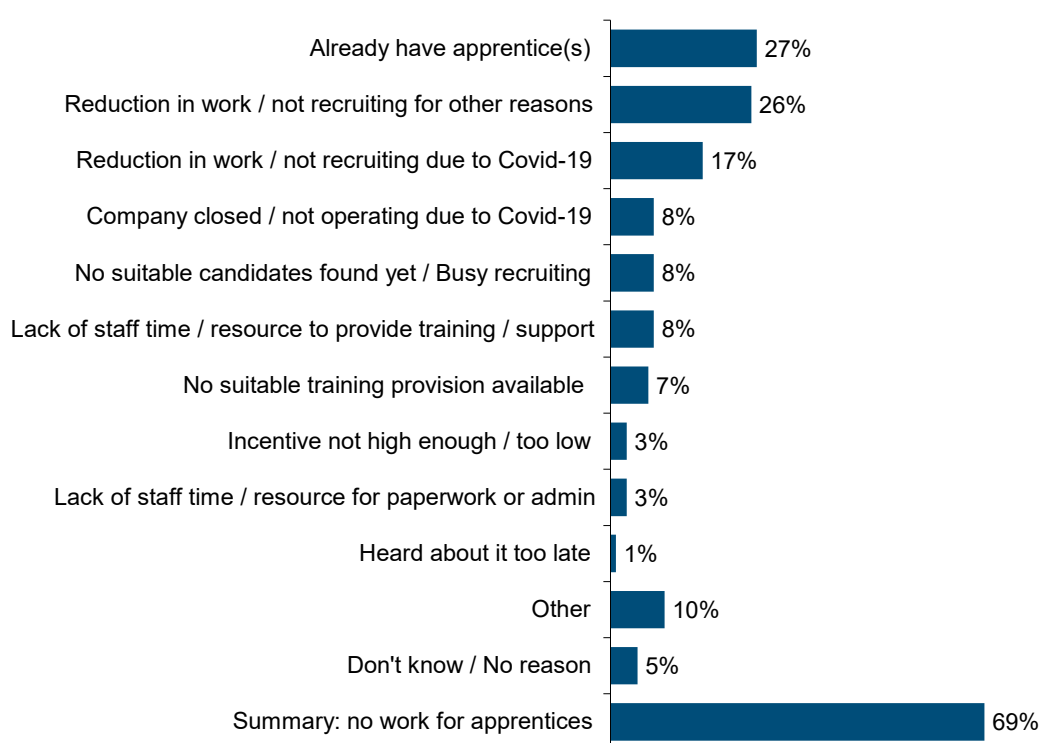
¹²⁸ The base size here does not allow a current / completer split.

other reasons (26%). In a small number of cases COVID-19 had resulted in the company closing permanently or temporarily (8%).

Other reasons for not recruiting apprentices were relatively rare; less than a tenth mentioned a lack of suitable candidates (8%), a lack of staff time (8%), or a lack of suitable training provision (7%).

Neither the size of the incentive, nor the administrative process of claiming, was a significant deterrent to employers; only a very small group (3%) said that the incentive was too low, and a similarly sized group (3%) said that they lacked the time or resource to apply for the incentive. The full list of responses is shown in Figure 5.9.

Figure 5.9 Why the incentive payment did not cause employers to recruit apprentices as new staff since 1st August 2020



Base: Employers who had heard of the incentive payment, and had recruited apprentices as new staff in the 12 months prior to the survey, but had not recruited any apprentices as new staff since 1st August 2020 (147)

Employers that had applied for or received the incentive payment (18% of all apprentice employers) were asked whether they would have recruited the same volume of apprentices without the incentive payment. Most said they would have recruited exactly the same number of apprentices (76%)¹²⁹, while around a fifth (22%)¹³⁰ of employers

¹²⁹ 78% with completer apprentices, 76% with current apprentices.

¹³⁰ 20% with completer apprentices, 22% with current apprentices.

said it caused them to recruit more apprentices, including a smaller group (14%)¹³¹ who said they would not have recruited any apprentices without the incentive.

Employers were also asked if the incentive had caused them to bring recruitment forward; in total, 11% of employers who received the incentive¹³² (or 2% of all employers of apprentices¹³³) said they had brought at least some apprentice recruitment forward which they believed they would have carried out later.

The impact of the incentive was significantly lesser on large sites; those with 100 or more employees at the site were much less likely to say that the incentive had caused them to recruit more (14%), compared to employers with 10 to 99 employees at the site (26%).¹³⁴ This lesser impact on larger employers (who as a group employ a high proportion of apprentices) weakens the impact on overall apprentice numbers.

Some other sub-groups of employers were also more likely than average to have increased recruitment in response to the incentive:

- Those whose main subject area was in Leisure (50%) or ICT (44%).
- Those whose main level of apprenticeship was Level 3 (27%).
- Those employers in the Information and Communications (45%) or Education (29%) SIC sectors.

Several other sub-groups were less likely than average to have changed their plans in response:

- Those whose main subject area was in Construction (13%), Engineering (12%).
- Those whose main level of apprenticeship was Level 2 (16%).
- Those employers in the Construction (15%) or Other Services (10%) SIC sectors.

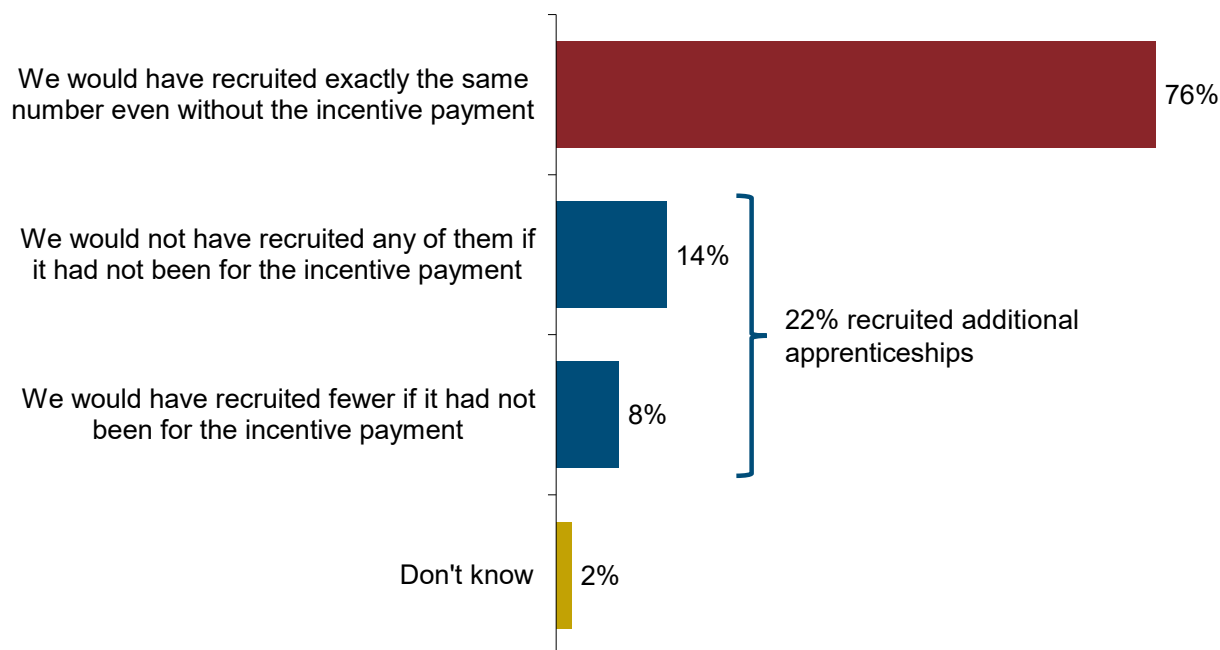
¹³¹ 12% with completer apprentices, 14% with current apprentices.

¹³² 10% with completer apprentices, 10% with current apprentices.

¹³³ 2% with completer apprentices, 2% with current apprentices.

¹³⁴ This finding was the same for employees at the organisation (17% for those with 100 or more employees in the organisation, vs. 27% for those with 10 to 99 employees in the organisation).

Figure 5.10 Impact of the incentive payment on recruitment of apprentices as new staff



Base: Employers that received or are expecting to receive the incentive (890)

Employers were asked about the number of apprentices:

- That they had recruited as new staff between 1st August 2020 when the incentive was introduced, and the date of the survey¹³⁵;
- That they would have recruited in that period without the incentive;¹³⁶ and
- That they recruited earlier than planned in order to receive the incentive.¹³⁷

The survey took place between 24th May and 6th August 2021, so depending on the time of the specific survey, employers may have been referring to apprentices recruited as new staff in a period ranging from approximately ten to twelve months.¹³⁸ Figures in this section providing absolute numbers of apprentices would therefore not be expected to closely compare with publicly available statistics regarding numbers of apprentices recruited.

¹³⁵ Employers were not asked how many of these apprentices they had applied for the incentive in relation to, just whether they had applied for the incentive overall. Figures in this section therefore do not represent the number of incentives applied for.

¹³⁶ Where they were unaware of the incentive, or had already stated the incentive had no impact on recruitment, this question was not asked; the number of apprentices they would have recruited was assumed to be the same as the number they said they recruited in reality.

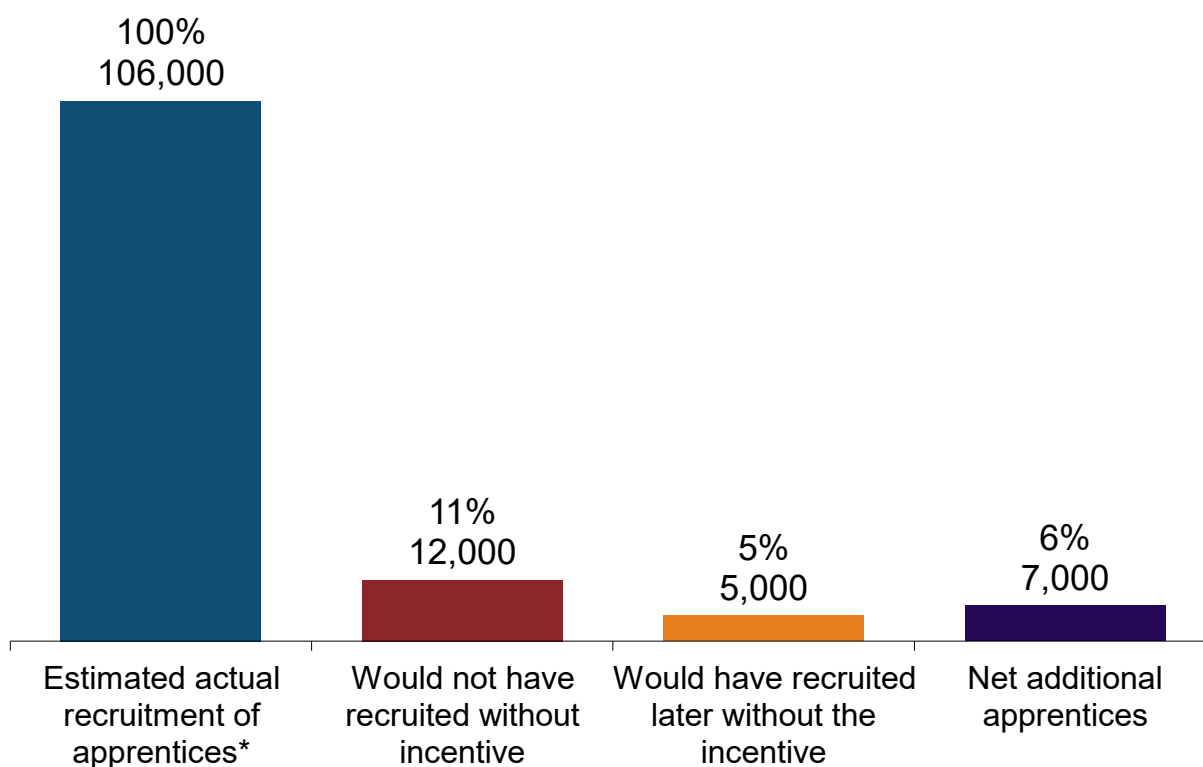
¹³⁷ Where employers were unaware of the incentive, or said they had not recruited any additional apprentices as a result of the incentive, this number was assumed to be zero.

¹³⁸ A small number of employers (50 of a total of 4,085) were interviewed as part of the pilot, taking place between 27th April and 5th May 2021. For these employers, the period covered would be approximately nine months.

Looking at all employers who had recruited apprentices between 1st August 2020 and the survey, an estimated 106,000¹³⁹ apprentices had been recruited in total by employers who applied for the incentive in that period.¹⁴⁰ Employers stated that around 12,000 of these apprentices (11%) would not have been recruited at that time without the incentive payment.

Employers also stated that of this 12,000, just under half (5,000) would have been recruited later. This suggests that a net additional 7,000 apprentices were recruited since August 2020 as a result of the payment, while the remainder (94,000) would have been recruited without it, as shown in Figure 5.11.

Figure 5.11 Estimate of the number of apprentices recruited as new staff between 1st August 2020 and their survey date (24th May to 6th August 2021¹⁴¹) among those aware of the incentive



Base: All employers who applied or received the incentive between 1st August 2020 and their survey date (24th May to 6th August 2021¹⁴²) and were able to give details of their reaction to the incentive in numeric terms (869). *excludes recruitment of an additional 42,000 apprentices among those who did not apply for the incentive or were unaware of the incentive. **All survey data presented in this report is weighted.

¹³⁹ Figures are approximate due to the method of derivation, and have been rounded to the nearest 1,000.

¹⁴⁰ This number of apprentices is derived by summing the weighted survey data, excluding responses from those not able to answer questions regarding their volumes of recruitment. This will not match recruitment statistics for apprenticeships derived from the ILR for this period of time because of the exclusion of those unable to answer, and because of other exclusions from the survey sample / population for practical reasons, as detailed in Chapter 2 of the Technical Report. However, these exclusions do not invalidate the comparisons of numbers of apprentices recruited for different reasons in terms of proportions, or the number recruited per site of employment.

¹⁴¹ A small number of employers (50 of a total of 4,085) were interviewed as part of the pilot, taking place between 27th April and 5th May 2021.

¹⁴² A small number of employers (50 of a total of 4,085) were interviewed as part of the pilot, taking place between 27th April and 5th May 2021.

The results shown above relate to 869 survey respondents who applied for or received the incentive¹⁴³, corresponding to a weighted estimate of 30,000 sites of employment. This is not the full number of applicants, since it excludes those unable to give answers regarding their reaction to the incentive in terms of numbers of apprentices.

In addition to the 106,000 apprentices recruited by sites applying for the incentive, a further 42,000 were recruited by sites not applying or unaware of the incentive. This suggests that 8% of all apprentices recruited in the period between 1st August 2020 and the survey were recruited (or brought forward) due to the incentive.

¹⁴³ Between 1st August 2020 and their survey date (May to June 2021).

6. Retaining apprentices

This chapter looks at issues of retention and the reasons employers believed completer apprentices no longer worked for them.

Key findings

Retention of apprentices

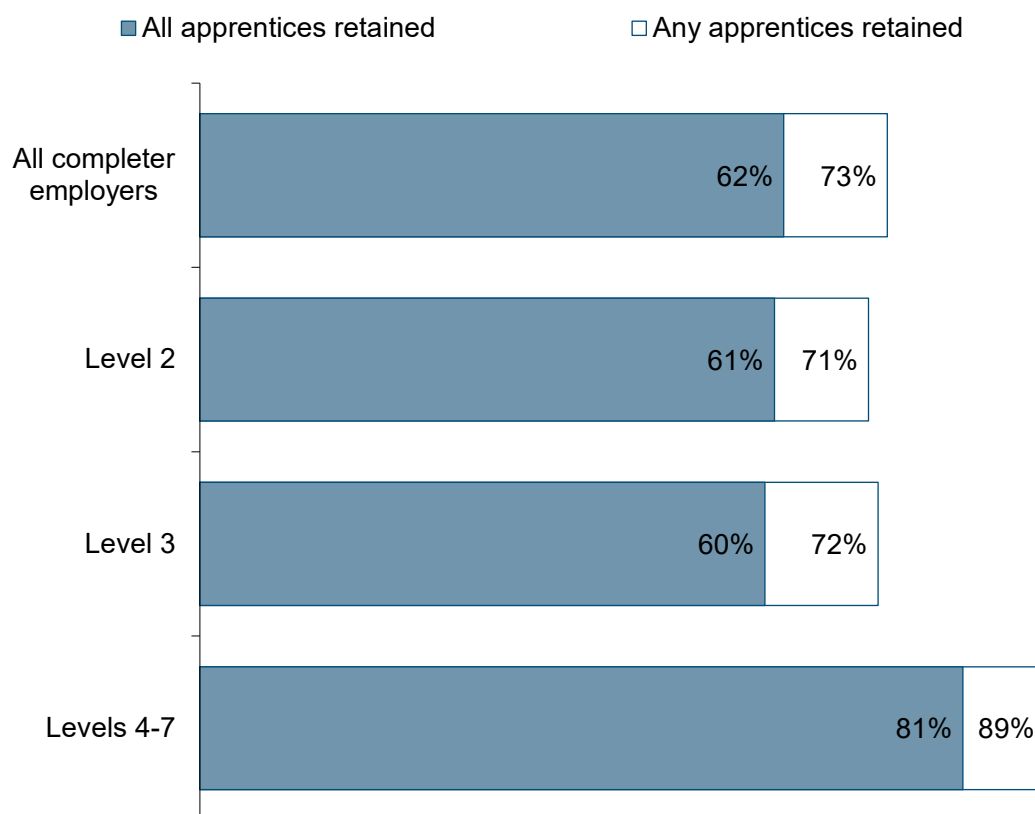
- Among employers with completer apprentices, more than seven in ten (73%) had retained any of their apprentices within the organisation after they had completed, and **over three-fifths (62%) had retained all of their completer apprentices.**
- Employers who provided **apprenticeships at Level 4 or 5 were more likely to have retained all of their apprentices than those offering lower levels (85% vs. 61% at Level 2 or 3).** Retention was highest for employers with a main subject area of **Engineering (79%),** and lowest in Leisure (34%).
- In cases where apprentices had left the organisation, two thirds of employers with completer apprentices **(67%) reported it was the apprentice's decision to leave,** while one fifth **(20%) reported asking the apprentice to leave.** The main reasons for apprentices leaving included **wanting to go into another sector (20%), to improve their career prospects (19%) or to improve their pay (16%).** The main reason for employers asking apprentices to leave was related to **poor job performance (43%).**
- Almost two-thirds **(64%) of employers with completer apprentices reported that all of their apprentices were on fixed-term contracts,** which remained relatively consistent with 2019.

Retaining apprentices

Employers were asked if any of their apprentices who completed training between July 2019 and February 2020 were still working for their organisation at the time of the survey. More than seven in ten employers of completer apprentices (73%) reported that *any* of them had been retained in the business at the time of the survey. Meanwhile, three-fifths (62%) of employers with completer apprentices reported that *all* of their completer apprentices were still working for them at the time of the survey, representing an increase from the 2019 survey (58%).

Employers offering apprenticeships at Level 4 to 7 were more likely to retain apprentices than those offering lower levels, with more than eight in ten of these employers retaining all of their apprentices (81% vs. 61% at Level 2 or 3).

Figure 6.1 Whether completer apprentices were still working for the organisation at the time of the survey, by main level



Base size: Completer employers: All (977), Level 2 as main level (394), Level 3 as main level (65), Level 4 to 7 as main level (79).

By main subject area, employers with completer apprentices mainly in Agriculture (34%), Leisure (34%) and Hair and Beauty within retail (38%) were more likely than average (22%) to not have retained any former apprentices.

By SIC sector, employers with completer apprentices in Wholesale/Retail (31%), Arts/Entertainment (38%) and Other Services (37%) were more likely than average (22%) to report that no completer apprentices were retained within the organisation. Meanwhile, those employers in the Health/Social Work sector were less likely than average to report this (15% vs. 22%).

Employers with apprentices on fixed-term contracts were more likely to report not retaining any of their apprentices compared to those employers with apprentices not on fixed term contracts (29% of completer employers with apprentices on fixed term contracts had not retained any apprentices vs. 19% not on fixed term contracts).

Employers with completer apprentices where 25% or more of the workforce was made up of apprentices had the lowest retention rate of any apprentices (60% of any apprentices retained vs. an average of 73%).

Reasons for completer apprentices leaving their employer

Employers with completer apprentices where apprentices had not been retained within the organisation following completion of their course mainly said that it was the apprentice's decision to leave (67%), while one fifth reported that it was their decision as the employer to ask them to leave (20%). In comparison to 2019, there has been a decrease in the proportion of employers reporting apprentices deciding to leave of their own accord (down from 79%), and an increase in the proportion of employers asking apprentices to leave (up from 12%), this may be related to the impact of the COVID-19 pandemic, as detailed later in this section.

The main reasons employers said that apprentices decided to leave were to go into another sector (20% of employers who had apprentices that decided to leave), wanting a promotion or improved career prospects (19%) or wanting higher pay (16%). Other less common reasons to leave reported by employers included wanting to move away or change their location of work (15%), personal reasons relating to health or family (13%) and the impact of COVID-19 illness or absences on their ability to do the job (7%). Employers with a main subject area of Retail most commonly reported apprentices wanting to go into another sector (31%).

Reasons for employers not retaining completer apprentices

Employers reported a range of reasons for asking completer apprentices to leave. As in 2019, the most commonly reported was job performance not being at the level expected (43% vs. 48% in 2019). The next most common reason was due to the impact of COVID-19 on the business (25%), a newly reported reason for the current survey. Other less commonly reported reasons included business uncertainty or not having enough work available (17%), employers not being able to afford to offer apprentices positions following completion of their training (13%). Differences between subgroups were not reported on due to low base sizes.

Fixed Term Contracts

During the recruitment stage of apprenticeships, some employers offer apprenticeships on a fixed-term contract only for the period of their apprenticeship training and not beyond this. As reported above, employers who had offered fixed-term contracts were less likely to retain apprentices. Given the link between fixed term contracts and retention, in this section we consider the trends in employers' use of fixed term contracts, and the profile of employers offering these.

Employers were asked what proportion of their current and completer apprentices were recruited on a fixed-term contract for the duration of their apprenticeship. Overall, more than half of all employers reported that *all* of their apprentices were on fixed-term contracts (57%), while around six in ten (61%) reported that at least half were on fixed-term contracts. Among employers with current apprentices, 52% reported that they were

all on fixed-term contracts, 59% reported that *at least half* of their apprentices were on fixed-term contracts and 33% reported that *none* were on fixed term contracts.

Looking only at employers with completer apprentices, more than half (64%) reported that *all* of their apprentices were on fixed-term contracts, while around the same proportion (67%) reported that *at least half* were on fixed-term contracts.

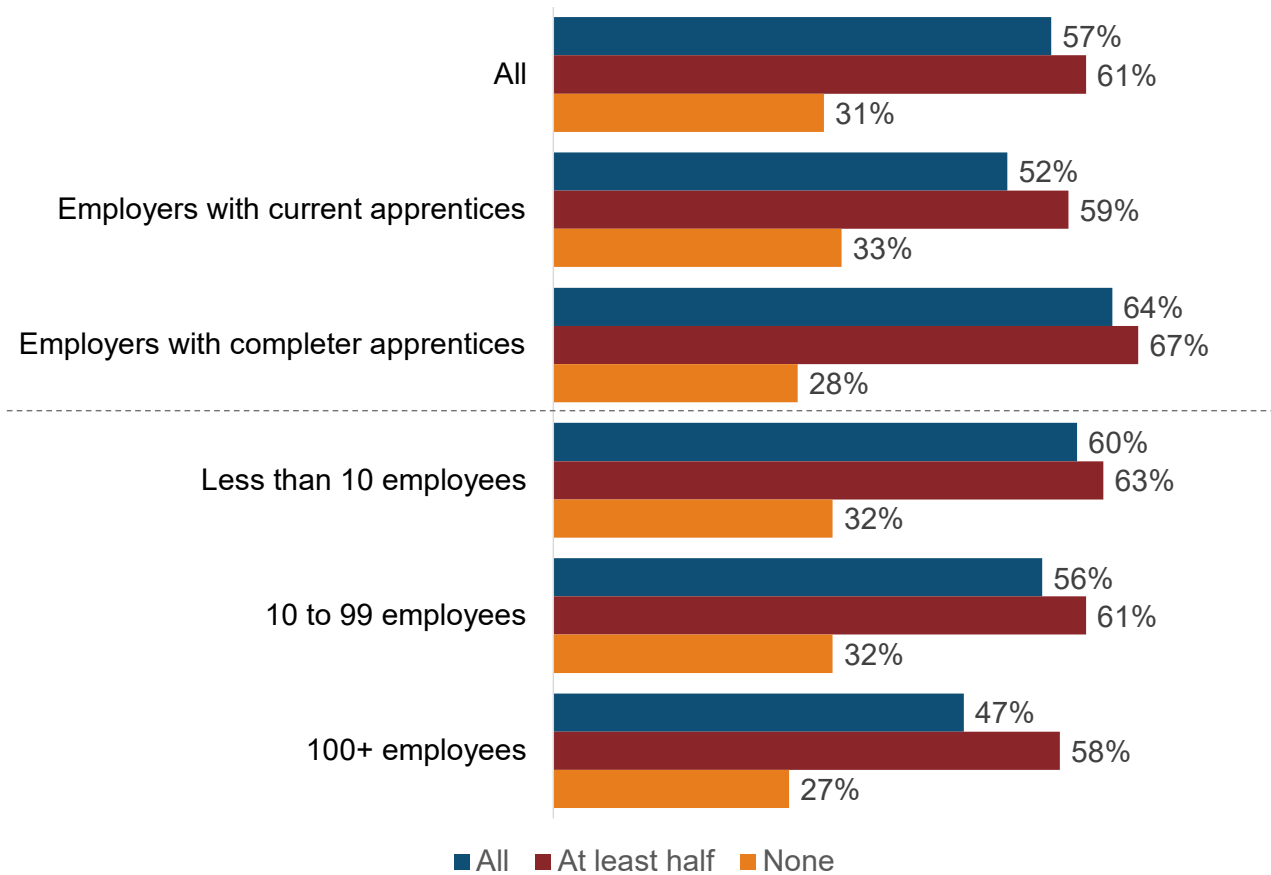
As shown in Table 6.1, back to 2015 fixed-term contracts have remained consistent in prevalence, with no significant change over time. In 2017, significantly more employers with completer apprentices reported that at least half of their apprentices were on fixed-term contracts than in subsequent surveys (71% in 2017 vs. 67% in 2019 and 2021).

Table 6.1 Percentage of apprentices on fixed-term contracts

	2015	2017	2019	2021 Completer apprentices	2021 Current apprentices	2021 All
<i>Base:</i>	2,636	2,883	2,639	681	2,277	2,958
All on fixed term contracts	65%	67%	63%	64%	52%	57%
At least half on fixed term contracts	69%	71%	67%	67%	59%	61%
None on fixed term contracts	25%	23%	27%	28%	33%	31%

As shown in Figure 6.2, employers at sites with fewer than 10 employees were more likely to report all of their apprentices to be on fixed-term contracts (60%) than those with more employees (56% for 10 to 99 employees, 47% for 100 or more employees).

Figure 6.2 Proportion of employers using fixed-term contracts with current and completer apprentices, by number of staff at site



Base: Employers with any apprentices recruited specifically for an apprenticeship (2,958). Employers of current apprentices (2,277), Employers of completer apprentices (681), Employers with less than 10 staff at site (824), with 10 to 99 staff at site (1,504) or 100 or more staff at site (575).

Employers whose main apprenticeship was in Education (80%), Leisure (85%), ICT (64%), Retail (68%) and Hair/Beauty apprenticeships within Retail (79%) commonly reported that all of their apprentices were on fixed-term contracts for the period of the apprenticeship.

Employers with apprentices at Levels 2 or 3 were most likely to report that all of their apprentices were on a fixed-term contract (60%).

7. Usage of Higher and Degree apprenticeships

This chapter explores employers' knowledge of Higher and Degree apprenticeships, why they did or did not offer them and future plans to utilise them.

Key findings

Usage of Higher and Degree level apprenticeships: key elements

- **Around six in ten (58%) employers reported having any awareness of Higher and Degree apprenticeships**, which was consistent with 2019. Awareness was highest among employers with the main subject areas of **Health (69%)** and **Business (69%)**.
- **Over a third (34%) of all employers reported providing or having plans to provide an apprenticeship at Level 4 or 5**, while **one fifth (20%) of employers reported providing or planning to provide a Degree apprenticeship at Level 6 or 7**, and a **small group (9%) mentioned providing or planning to provide a Level 6+ non-Degree apprenticeship**.
- Where employers didn't offer Higher or Degree apprenticeships, the main reason was a **lack of demand from employees (28%)**.
- The main reason for providing or planning to provide Higher or Degree apprenticeships among employers was to **help staff develop their skills (57%)**, followed by to **create progression for employees** as part of their workforce development (38%).

Awareness of Higher and Degree apprenticeships

All employers were asked how much they know about Higher apprenticeships, including Degree apprenticeships. Almost six in ten (58%) employers reported having some knowledge of Higher apprenticeships. A further group (21%) reported they had heard of them but had no knowledge of them, whilst a fifth (21%) had never heard of them.

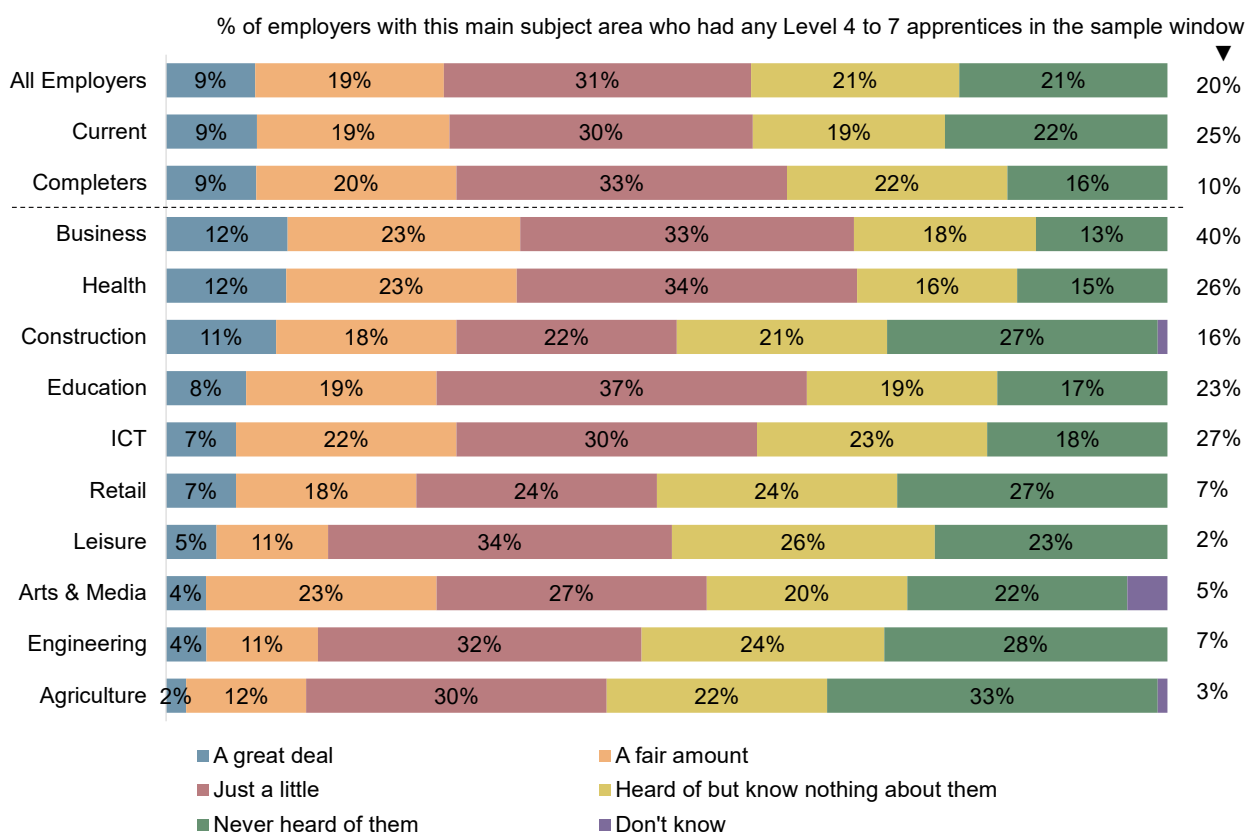
Among employers with completer apprentices, more than six in ten (61%) reported having some knowledge of Higher apprenticeships, and more than eight in ten reporting they had heard of them, whilst under a fifth (16%) had never heard of them. Among employers with current apprentices, less than six in ten (58%) reported having some knowledge of Higher apprenticeships, and less than eight in ten (78%) reported they had heard of them, whilst over a fifth had never heard of them (22%). The only significant differences between employers of current apprentices and completer apprentices were found in whether the employers had heard of Higher apprenticeships or not. There was

no significant change in awareness among employers with completer apprentices compared to 2019.

As shown in Figure 7.1, by main subject area, employers whose main subject area was Business (69%) or Health (69%) were more likely to report having at least some knowledge of Higher apprenticeships. Meanwhile, those employers least likely to have heard of Higher apprenticeships were those with main subject areas of Retail (27%, rising to 42% among those with Hair/Beauty apprentices), Construction (27%), Engineering (28%) and Agriculture (33%).

As can be seen on the right of the chart, by main subject area, there is a correlation – albeit relatively weak – between employers making use of Level 4 to 7 apprenticeships in that subject area, and knowledge of Higher and Degree apprenticeships among employers using that subject area generally.

Figure 7.1 Knowledge of Higher and Degree apprenticeships, by main subject area



Base size: All employers (4,085). Employers with current apprentices (3,108), Employers with completer apprentices (977). Business (723), Health (892), Construction (416), Education (198), ICT (179), Retail (473), Leisure (141), Arts & Media (65), Engineering (755), Agriculture (207). Science not shown due to low base size (<30).

Awareness of Higher and Degree apprenticeships increased with employer size. Four in ten employers (43%) with fewer than 10 employees at their site reported having any

knowledge about Higher apprenticeships, rising to over half of employers (61%) with 10-99 employees, and around three quarters (85%) of employers with 100 or more employees.

Provision of Higher or Degree apprenticeships

Over a third (34%) of all employers reported providing (at the time of the survey) or having plans to provide a Higher apprenticeship at Level 4 or 5. One fifth (20%) of employers reported this for Degree apprenticeships at Levels 6 and 7, and a smaller group for Level 6+ non-degree apprenticeships (9%). There was substantial overlap between those planning these two types of Level 6+ apprenticeships; in total 21% planned to offer either. In total, nearly two fifths (38%) provided or planned to provide Level 4 to 7 apprenticeships.

These findings were largely consistent with the 2019 survey, however there was an increase in employers that were providing or planning to provide any other Level 6+ non-Degree apprenticeship from 2019 (7% vs. 9% in 2021).

Employers with completer apprentices were significantly more likely to report providing or having plans to provide a Higher apprenticeship at Level 4 or 5 than employers with current apprentices (38% vs. 33%). Findings were consistent between employers with completer apprentices and employers with current apprentices when reporting whether they provided or planned to provide Degree apprenticeships at Levels 6 and 7, (20% for employers of completer apprentices vs. 21%), Level 6+ non-degree apprenticeships (10% for employers of completer apprentices vs. 9%), and apprenticeships at levels 4 to 7 overall (41% for employers of completer apprentices vs. 38%).

Employers whose main type of apprenticeship was in the subject area of Business (39%), Health (51%) or Retail excluding Hair and Beauty (46%) commonly reported providing or planning to provide Higher apprenticeships at Level 4 or 5. Similarly, employers whose main subject area was in Business and Health commonly reported providing or planning to provide Degree apprenticeships at Level 6 or 7 (30% and 22% respectively). Employers whose main subject area was Business and Admin (15%) or Health and Care (11%) were more likely to provide or plan to provide Level 6+ non-Degree apprenticeships.

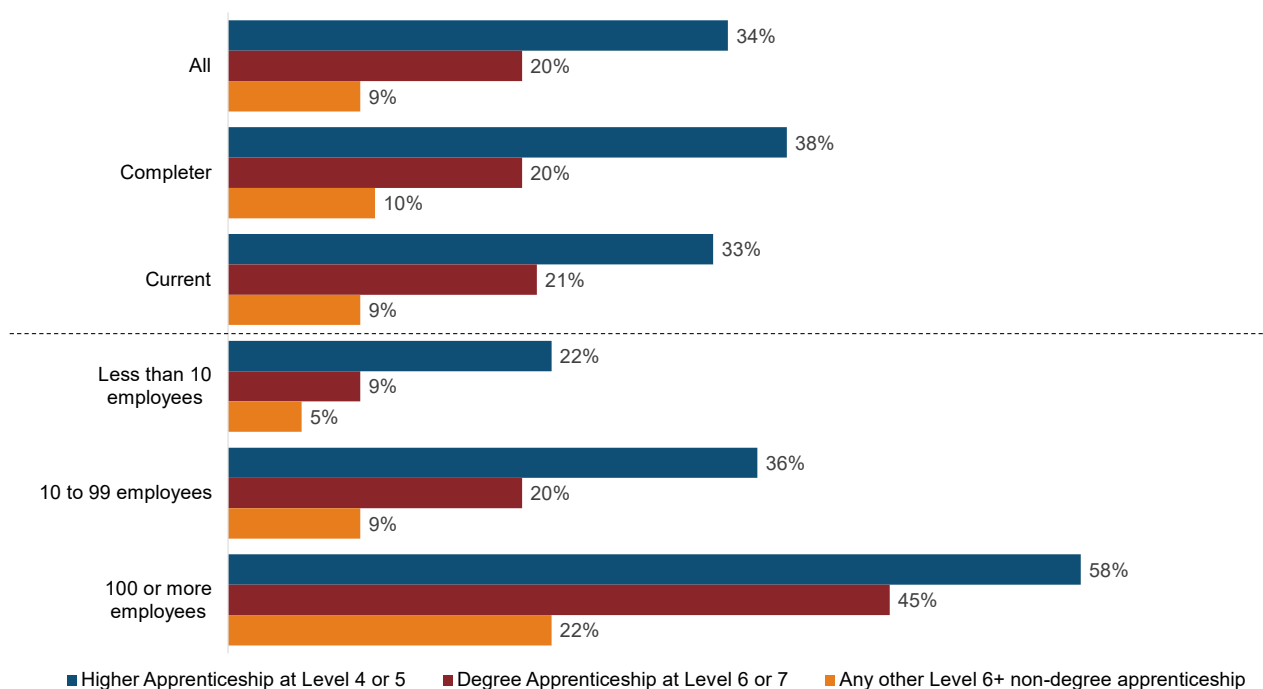
There were also differences by SIC sector; employers in Public Administration and Defence were much more likely to provide or plan to provide Level 4 or 5 apprenticeships (74%), as were those in Health and Social Work (53%), and Accommodation and Food Service (50%). For Degree apprenticeships, again Public Administration and Defence were more likely to provide or plan to provide these (48%), as were employers in the Professional, Scientific and Technology sector (33%), Administration and Support Services (31%), Accommodation and Food Service (27%), and Health and Social Work (22%). Again, similar sectors were more likely to provide or plan to provide Level 6+ non-Degree apprenticeships: Public Administration and Defence (31%), Accommodation and

Food Service (15%), Professional, Scientific and Technology (13%), and Education (12%).

Employers with larger numbers of apprentices were more likely to provide or plan to provide Level 4 or 5 apprenticeships (81% for 10+ apprentices vs. 26% for 1 apprentice), Degree apprenticeships (63% for 10+ apprentices vs. 15% for 1 apprentice), and Level 6+ non-Degree apprenticeships (31% for 10+ apprentices vs. 7% for 1 apprentice).

This is also true for size of employer; sites with 100 or more employees were most likely to provide or have plans to provide apprenticeships at Level 4 or 5 (58%), Degree apprenticeships at Level 6 or 7 (45%), or non-Degree Level 6+ apprenticeships (22%).

Figure 7.2 Employers using or planning to use Higher and/or Degree apprenticeships, by size of employer site



Base size: All employers (4,085). Employers with current apprentices (977), Employers with completer apprentices (3,108), Employers with less than 10 staff at site (1,035), 10 to 99 staff at site (2,716), 100 or more staff at site (796).

Employers that recruited any apprentices outside of their organisation were less likely to provide or plan to provide Higher or Degree apprenticeships than employers providing apprenticeships to any of their existing staff (Level 4 or 5: 29% vs. 50%, Level 6 or 7: 18% vs. 28%).

Employers in London and the North East were more likely to say they provided or plan to provide Level 4 or 5 apprenticeships (44% and 41% respectively) and employers in London were more likely to offer Level 6 or 7 apprenticeships (31%).

Provision of Higher or Degree apprenticeships

According to data from the ILR, around a quarter (22%) of all employers potentially eligible to take part in the survey had Higher or Degree apprentices during their sample window period. Notably, this is significantly lower than the proportion of employers stating that they provide or plan to provide these types of apprenticeship, suggesting either an ongoing upward trend, or some optimism bias among respondents.

Among employers with completer apprentices, ILR data showed that 11% had at least one completer apprentice at Level 4 to 7, while among employers of current apprentices, 26% had at least one current apprentice at Level 4 to 7.

By subject area, Science, ICT and Business apprenticeships were commonly provided at higher levels, with over nine in ten (93%) employers of Science apprentices, around half (50%) of employers of ICT apprentices and around half (48%) of employers of Business apprentices providing these. Employers of Education (38%), Health (30%), Arts/Media (27%) and Construction (20%) apprentices also often had Higher and Degree level apprentices, while this was rare among employers of Agriculture (5%), Leisure (9%), Engineering (10%) and Retail (12%) apprentices.

Funding additional degree qualification content

Employers who offer Level 6 or 7 apprenticeships were asked whether their organisation funds or will fund degree qualification content in addition to the apprenticeship where it isn't included as a mandatory part of the training. Over half of employers asked (55%) reported that they already do or will fund additional content alongside degree qualifications in this way, with a quarter saying they would not (24%). Findings between employers with completer apprentices and employers with current apprentices were consistent (55% vs. 54% do or will fund additional content; 26% vs. 24% will not).

Employers with a main subject area of Engineering were more likely than average to report funding or having plans to fund additional degree qualification content (70%), as were those in Construction (65%), while those in Health (48%) and Retail (43%) were less likely than average to do this. Similar trends were shown by SIC sector; those in Manufacturing (64%) and Construction (78%) were more likely to fund additional content, while those in Health and Social Work (48%) were less likely.

Replacing graduate programmes or work-based learning

Employers with Level 6 or 7 apprentices were also asked whether these apprenticeships were replacements for a programme to recruit graduates. Seven in ten reported that this was not the case (70%), with only 6% reporting that the apprenticeship training fully replaced a graduate recruitment programme. Around a fifth (18%) reported that it partly

replaced a graduate programme. There were no significant differences between employers with current and completer apprentices for these findings.¹⁴⁴

Employers with Level 6 or 7 apprentices were also asked whether these apprenticeships were a replacement for a programme to provide other work-based learning at these levels. Half of these employers (49%) reported that this was not the case; only 15% reported that the apprenticeship training fully replaced other existing work-based learning at these levels and 29% reported that it partly replaced this. There were no significant differences between employers with current and completer apprentices for these findings.¹⁴⁵

Reasons for use of Higher and Degree apprenticeships

Commonly reported reasons among employers for not offering Higher or Degree level apprenticeships included there being a lack of demand from employees (28%¹⁴⁶),¹⁴⁷ there being no need for higher level qualifications to do any jobs at the organisation (19%¹⁴⁸) and that there were no vacancies requiring this level of qualification (12%¹⁴⁹). There were no significant differences between employers with current and completer apprentices for these findings.

A lack of demand from employees was often mentioned by:

- employers with a main subject area of Education (48%) and Health (35%);
- employers with a main level of Level 3 (32%);
- employers with 10 to 99 employees at the site (34%);
- employers in the Education SIC sector (43%); and
- employers with only a little knowledge of Higher apprenticeships (33%).

Having no need for higher level qualifications to do the job was also frequently reported by:

- employers with a main subject area of Construction (25%), or those who provide Hair and Beauty apprenticeships within Retail (32%); and
- employers in the Other Services (30%) or Construction (25%) SIC sectors.

¹⁴⁴ The corresponding question was not asked in the 2019 survey.

¹⁴⁵ The corresponding question was not asked in the 2019 survey.

¹⁴⁶ 30% for employers of completer apprentices, 29% for employers of current apprentices

¹⁴⁷ This finding was consistent with 2019 (29%).

¹⁴⁸ 18% for employers of completer apprentices, 20% for employers of current apprentices

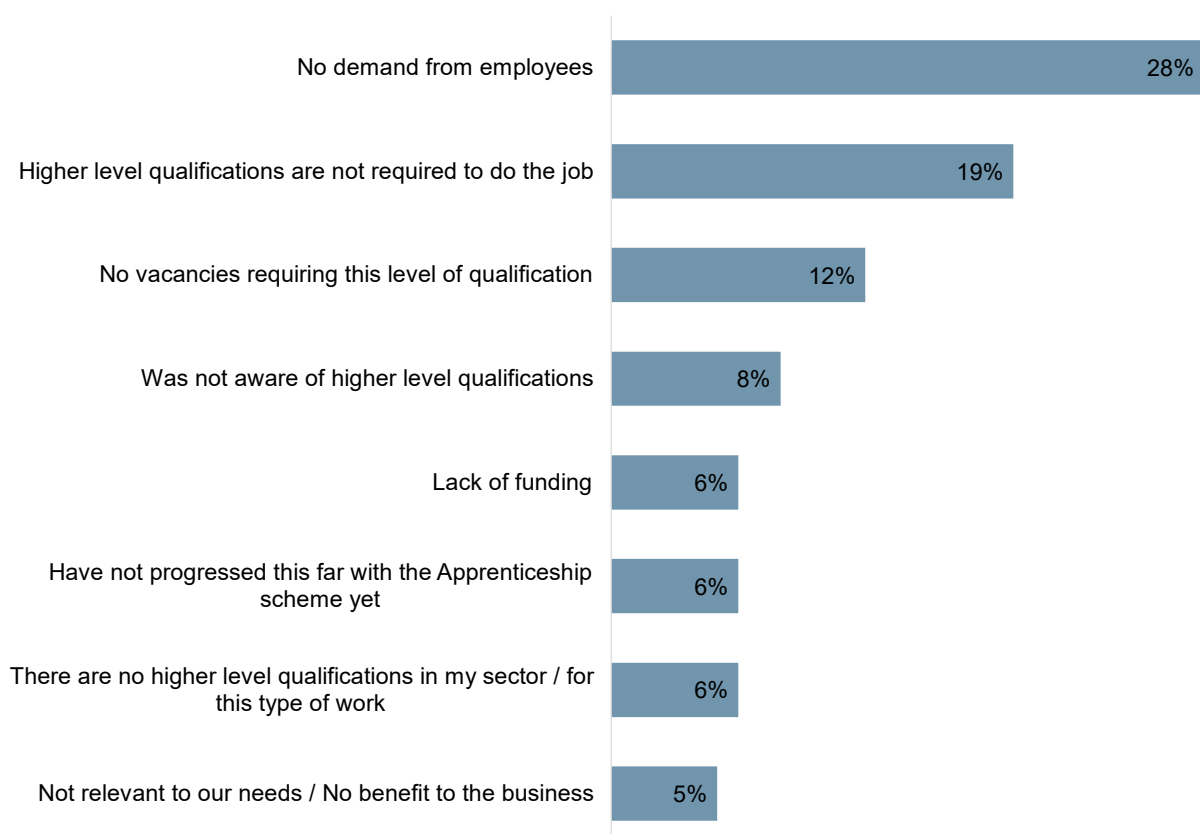
¹⁴⁹ 14% for employers of completer apprentices, 11% for employers of current apprentices

Having no vacancies requiring this level of qualifications was particularly likely to be reported by:

- employers whose main subject area was Construction (18%);
- employers whose main level was Level 2 (15%); and
- employers with a great deal or fair amount of knowledge of Higher apprenticeships (17%).

Although there were many significant differences for less common reasons not to offer Higher apprenticeships, these are not shown here for conciseness. However, the belief that there are no relevant Higher apprenticeships in the sector was much more widespread in the Other Services SIC sector (14%), which covers hairdressing and barbering.

Figure 7.3 Reasons against offering Higher or Degree apprenticeships at Level 4 or above



Base size: Employers who don't offer apprenticeships at Level 4+ (1,331).

Commonly reported reasons for offering Higher or Degree level apprenticeships included to help staff develop their skills (57%¹⁵⁰), to create progression for employees as part of their workforce development strategy (38%), that higher level qualifications are required for promotion or for moving into a management role (20%¹⁵¹), or provision as part of a staff retention strategy (12%). Employers with completer apprentices were more likely to report the creation of progression for employees as part of their workforce development strategy as a reason for offering Higher or Degree level apprenticeships than employers with current apprentices (44% for employers with completer apprentices vs. 37%).

Helping staff develop their skills was more likely to be reported as a reason for offering Higher or Degree level apprenticeships by employers in the Manufacturing SIC sector (69%).

Creating progression for employees as part of a workforce development strategy was more likely to be mentioned by employers with 100 or more staff at the site (44%) and those likely to pay the levy (43%).

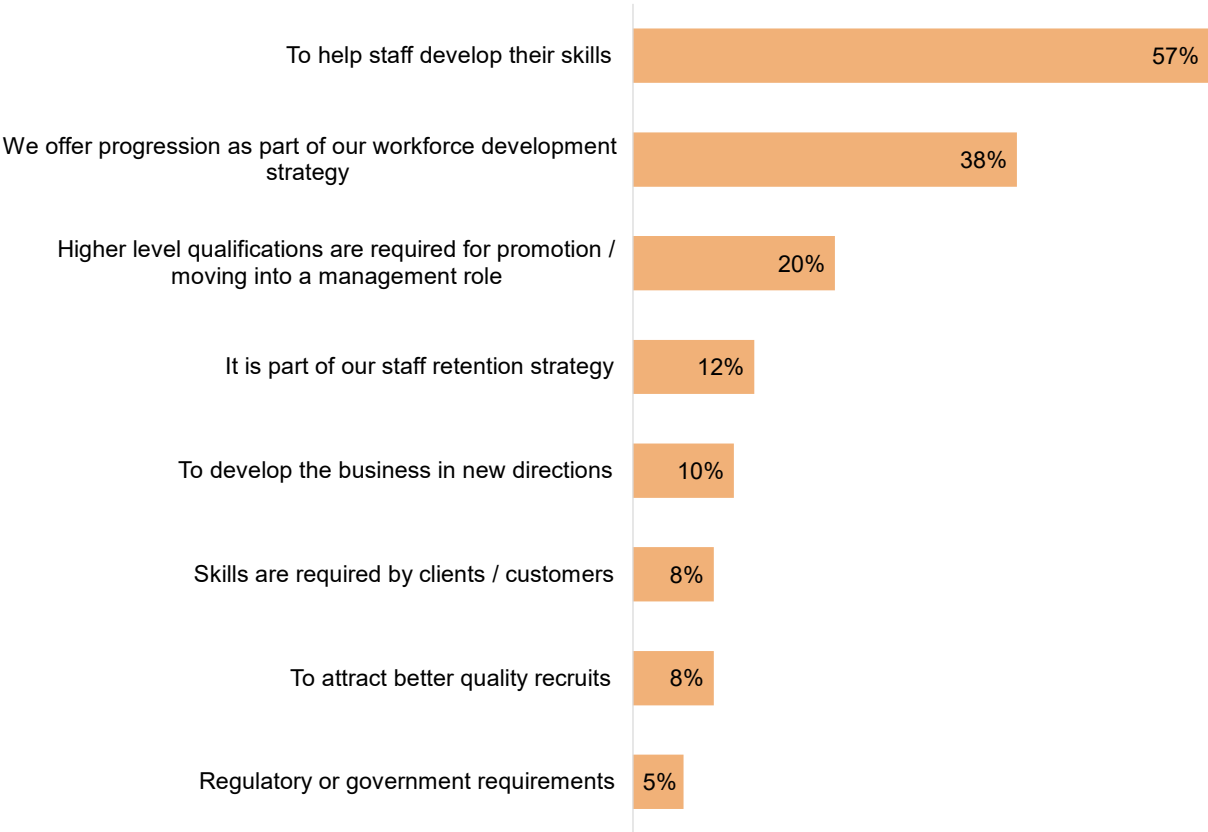
Higher level qualifications being required for promotion or for moving into a management role was more likely to be mentioned by employers whose main subject area was Health (27%), by those in the Health and Social Work SIC sector (29%), by those whose main level was 4 or 5 (30%), and by those with 100 or more employees in the organisation (23%).

Higher level qualifications being part of a staff retention strategy was more likely to be mentioned by employers whose main subject area was Education (23%) or ICT (20%), and by employers in the Manufacturing SIC sector (18%).

¹⁵⁰ 54% for employers of completer apprentices, 59% for employers of current apprentices

¹⁵¹ 22% for employers of completer apprentices, 20% for employers of current apprentices

Figure 7.4 Reasons for offering Higher or Degree apprenticeships at Level 4 or above



Base size: Employers who offer apprenticeships at Level 4+ (1,858).

8. Delivery and influence over apprenticeship training

This chapter explores the delivery of apprenticeship training, whether employers assessed apprentices prior to starting and whether employers had an influence over their apprenticeship training.

Key findings

Delivery of apprenticeships: key elements

- **Nearly all apprentice employers (95%)** reported that apprentices received learning delivered by a training provider **separate to their day-to-day work duties**.
- A quarter (**24%**) of all employers reported that **no internal learning sessions** (e.g., internal learning sessions delivered by the employer separate to apprentices' day-to-day work duties) were delivered. This finding was consistent for completer employers with 2019. While apprentices may receive mentoring or training during their day-to-day work, this remains a potential concern.
- Around eight in ten employers had a training provider (**83%**) **assess apprentices' qualifications and training prior to starting**.
- A further 6% of employers, said they **carried out this assessment in-house**; in all, 88% were aware of an assessment taking place.

Influence over training

- Four in ten employers (**43%**) **felt they had been able to influence the structure, content, delivery or duration** of their apprentices' training. Among employers with completer apprentices, just under half (49%) reported being able to influence their apprentices' training, not significantly changed from 2019 (46%).
- Employers with **apprentices mostly on frameworks (47%) were also more likely to report being able to influence training** than employers with apprentices mostly on standards (41%).
- When asked whether employers *wanted to* influence the content and delivery of the apprenticeship they provided at any stage, three in ten (28%) employers agreed they would have, with significantly more **employers with completer (33%) apprentices reporting they would have wanted to influence training than those with current (25%) apprentices**.

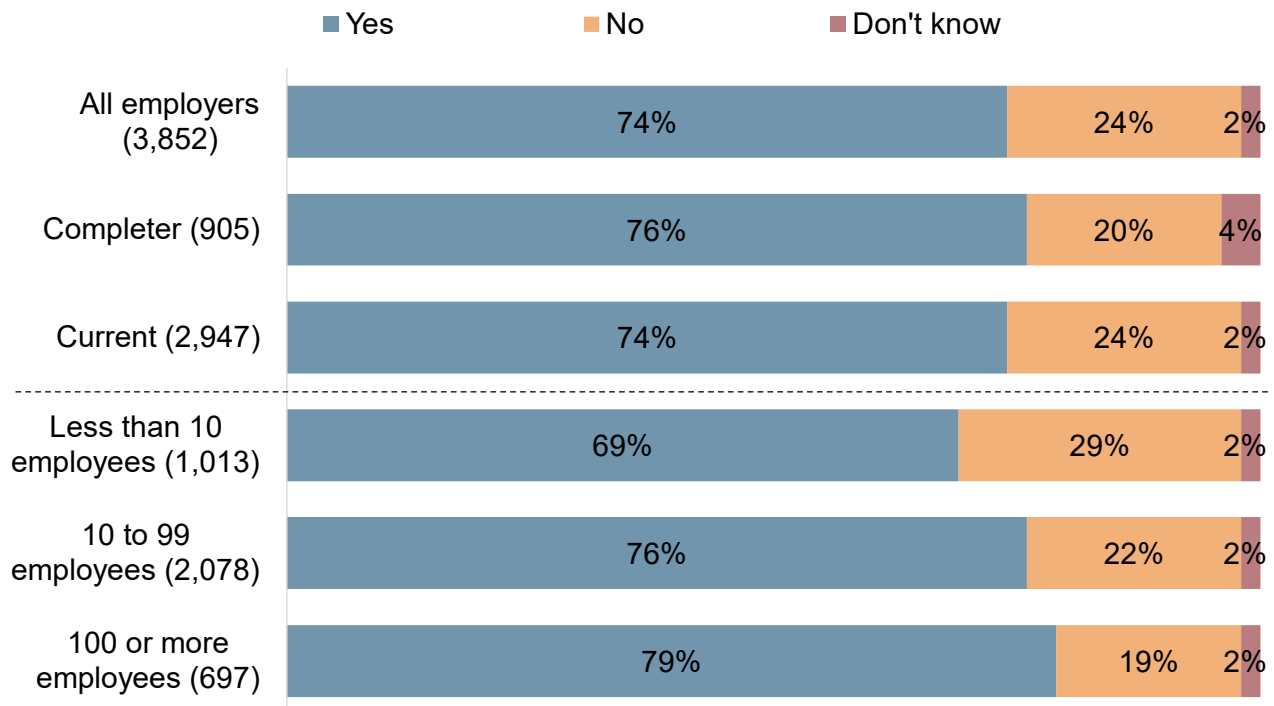
Delivery of apprenticeship training

Employers were asked whether their apprentices had received learning delivered by a training provider that was separate to their day-to-day work duties. Almost all employers (95%) reported this to be the case, but in total 4% did not. Employers with current apprentices were slightly more likely (4%) than employers with completer apprentices (3%) to say the training provider had not provided this; it may be that some had not provided this *by the time of survey*. Those reporting that COVID-19 had reduced recruitment were also more likely than average to say this (5%), indicating a possible link with COVID-19 disruption.

By main subject area and level, employers with apprentices in Health and Care (6%) and at Level 2 (5%) were more likely than average to report not delivering training separate to daily work duties via a training provider.

Employers were asked whether they provided learning sessions themselves for apprentices separate to apprentices' day-to-day duties; most employers did provide these (74%), but a quarter (24%) did not. Significantly more employers with current apprentices did not provide this type of learning than those with completer apprentices (24% for those with current apprentices vs. 20% for completer apprentices). For employers with completer apprentices, these findings were consistent with 2019, where 21% of employers did not provide training internally.

Figure 8.1 Provision of in-house learning sessions by the employer separate to their day-to-day work duties as part of the apprenticeship, by number of staff at site



Base: Varies for each bar (shown in chart)

Employers with apprentices at Levels 2 or 3 were most likely to report not providing training internally (25%). Smaller employers (with less than 10 employees at the site) were more likely not to be providing training internally than larger employers (29% for those with less than 10 staff, 22% for 10-99, and 19% for employers with 100 or more staff).

Employers with apprentices not on fixed-term contracts (29%) were also more likely not to provide internal training than those on fixed-term contracts (21%).

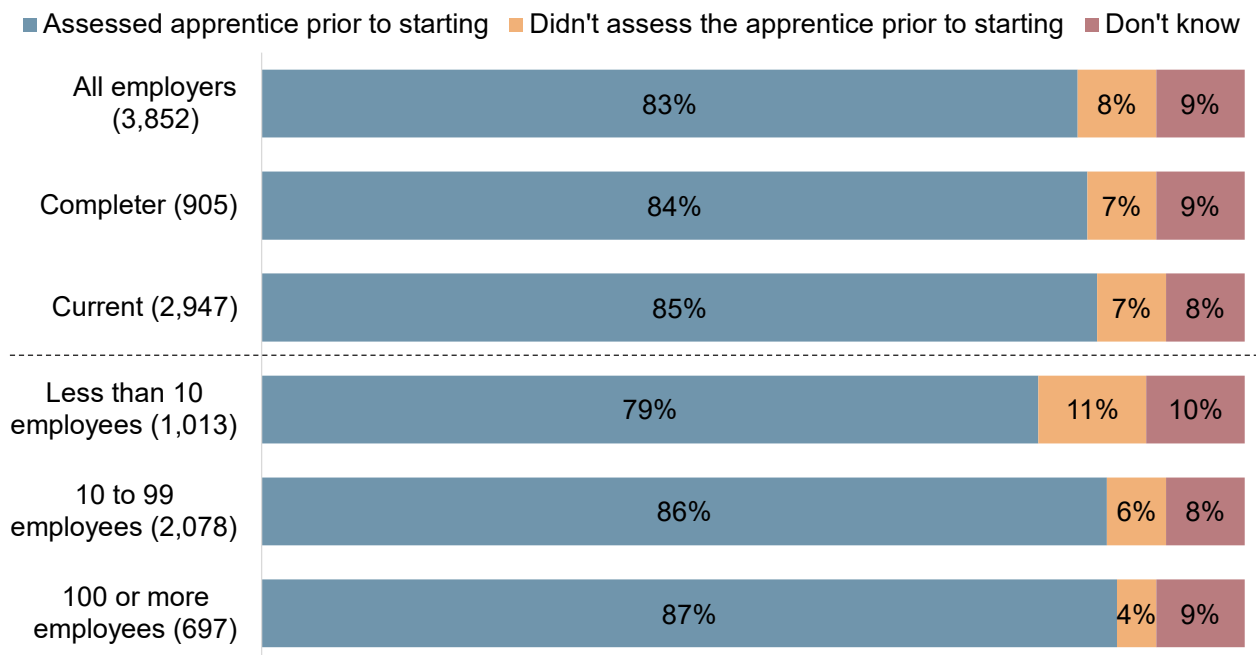
By main subject area, employers with apprentices in Construction (37%) and Engineering (34%) were most likely to report not providing internal training as part of the apprenticeship, while those working in Retail (82%), Health (81%), Agriculture (82%) and particularly Hair/Beauty within Retail (95%) were more likely than average to provide internal training separate to day-to-day work duties.

By SIC sector, employers in Construction (38%), Manufacturing (30%) were more likely not to provide these training sessions, while those in Education (79%), Health and Social Work (79%), Information and Communications (83%), Financial and Real Estate (83%) and Other Services (93%) were more likely to do so.

Initial assessment of apprentices' skills prior to starting

Around eight in ten (83%) employers reported that the training provider assessed the prior qualifications and training that the apprentice had before starting. This was consistent between employers with current apprentices (84%) and completer apprentices (85%), but slightly higher for employers with mostly standards (85%) than mostly frameworks (79%).

Figure 8.2 Whether the training provider assessed apprentices prior to starting, by number of staff at site



Base: Varies by bar, shown in chart

Employers with apprentices at Levels 4 or 5 (92%) and 6 or 7 (87%) were more likely to report the training provider assessing their apprentices than employers with apprentices at Levels 2 or 3 (82%).

By main subject area, employers with apprentices in Education (93%) and Health (89%) were more likely than average to have a training provider assess their apprentices prior to starting, while employers with apprentices in Construction (79%) and Engineering (78%) were less likely to do so.

There were some differences in whether employers assessed apprentices prior to starting by organisation size, sector classification and SIC sector:

- By employer size, larger sites were more likely to report a training provider assessment of apprentices prior to starting (87% for employers with 100 or more employees, 86% for 10 to 99 employees and 79% for those with less than 10 employees);
- By employer classification, public sector employers were most likely to report a training provider assessing apprentices (90%); and
- By SIC sector, employers working in Health and Social Work (88%) or Education (89%) were more likely than average to report a training provider assessing apprentices, while those in Manufacturing (79%), Construction (79%), and Wholesale or Retail (77%) were less likely than average to report this.

Where the training provider did not provide an assessment, employers were asked whether this prior assessment was done by their own staff. Most of these employers (63%) did report that this was done by their own staff (equivalent to 6% of all employers with apprentices), and this was consistent between employers with completer (64%) and current (62%) apprentices.

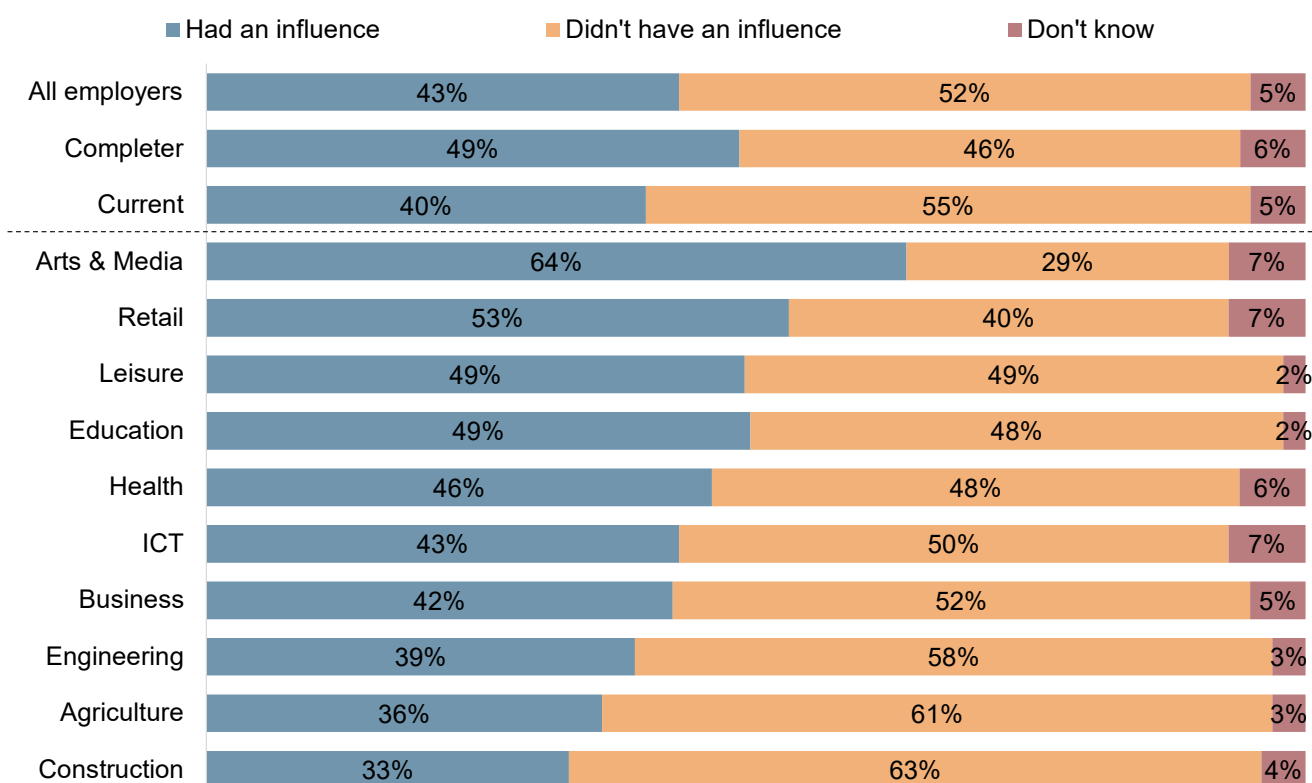
In total, nearly all (88%) employers had apprentices receive an assessment of their prior qualifications from either the training provider or their own staff. There was no difference between standards and frameworks on this measure, unlike the measure of whether the *training provider* carried out an assessment, which was less likely to happen among those mostly offering frameworks.

Employer influence on apprenticeship training

Employers were asked whether they were able to influence the structure, content, delivery or duration of their apprentices' training. In total, four in ten employers (43%) felt they had been able to influence their apprentices' training. Among employers with completer apprentices, just under half (49%) reported being able to influence their apprentices' training. This was consistent with the 2019 survey when 46% reported having an influence. Among employers with current apprentices, significantly fewer than those with completer apprentices reported having an influence (40% for current apprentices, vs. 49%).

Employers whose main type of apprenticeship was in Arts and Media (64%), Health (46%), and Retail (53%) were more likely than average to report being able to influence training.

Figure 8.3 Employer influence on apprenticeship training, by main subject area



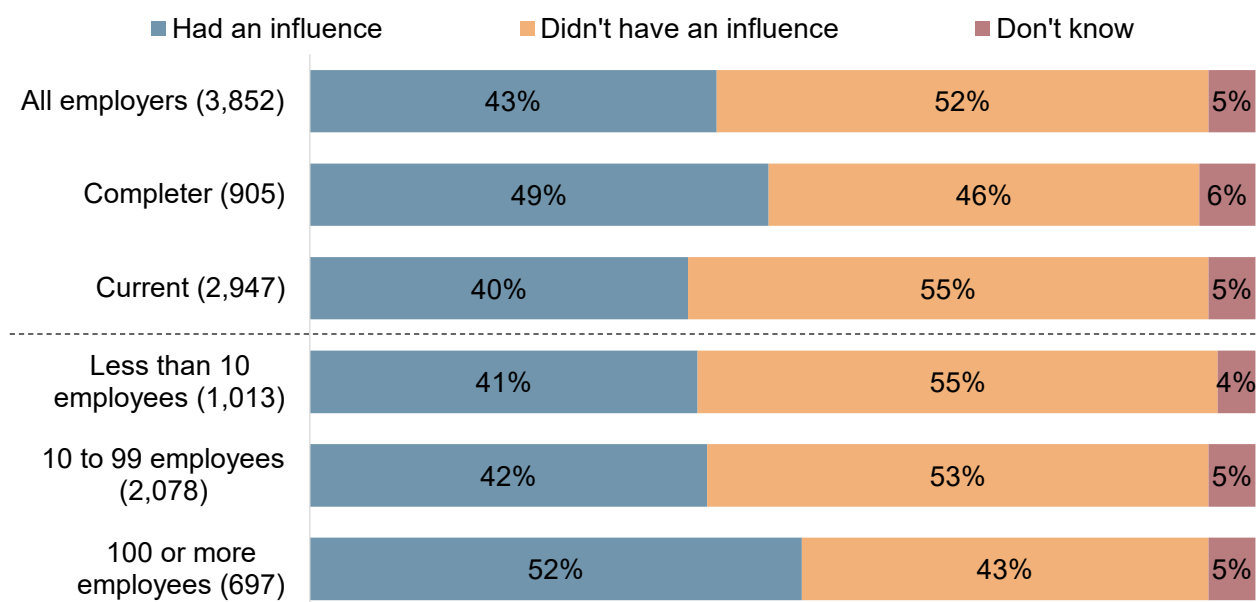
Base size: All employers (3,852). Employers with completer apprentices (905), Employers with current apprentices (2,947). Arts & Media (63), Retail (456), Leisure (134), Education (182), Health (855), ICT (163), Business (664), Engineering (714), Agriculture (198), Construction (398). Science not shown due to low base size (<30).

There were some differences in whether employers felt they had an influence over training by the following subgroups:

- Employers in the public sector were more likely to feel they had an influence than those in the commercial and third sector: 51% of public sector employers said they had an influence, compared to 42% of commercial sector employers and 41% of third sector employers.
- Employers with apprentices mostly on frameworks (47%) were more likely to report being able to influence training than employers with apprentices mostly on standards (41%). This runs counter to the design of apprenticeship standards, which were designed to allow for more employer influence.
- Employers with apprentices at Level 2 (45%) were more likely than average (43%) to report being able to influence training, while those with apprentices at Level 6 or 7 were less likely than average to report this (31%).

- Employers with 100 or more employees (52%) were more likely than smaller employers (41% for employers with less than 10 employees, 42% for employers with 10-99 employees) to report having an influence over training.
- By SIC sector, those employers working in Manufacturing (48%), Accommodation/Food services (53%), Public Admin/Defence (68%) and Health/Social work (48%) were all more likely than average to report having an influence.
- Employers that had been providing apprenticeships for 10 or more years were more likely than those providing them for a shorter duration to report having an influence (46%).

Figure 8.4 Employer influence on apprenticeship training, by number of staff at site



Base size: All employers (3,852). Employers with completer apprentices (905), Employers with current apprentices (2,947).

Employers who had not been able to influence the training were also asked whether they *wanted to* influence the content and delivery of the apprenticeship they provided at any stage. Overall, three in ten (28%) employers reported this, with significantly more employers with completer (33%) apprentices reporting this than those with current (25%) apprentices. These findings for employers with completer apprentices were consistent with 2019.

There were some differences in whether employers who had not been able to influence the training felt they *had wanted* an influence over training by subgroup:

- Employers whose main type of apprenticeship was in Retail (38%) and Hair/Beauty within Retail (54%) were more likely than average to report wanting to influence the

content. Meanwhile, those in Business were less likely than average to report this (18%);

- Employers with at least some apprentices on frameworks were more likely to report wanting to have an influence on their apprenticeship than those with at least some on standards (31% vs. 26%);
- Employers with apprentices at Level 6 or 7 were least likely to report wanting to influence their apprenticeship (16%);
- Employers where 25% or more of the workforce (35%) was made up of apprentices were most likely to want to influence their apprenticeship, in comparison to those with a lower proportion of apprentices in their workforce;
- By size of employer, employers with less than 10 employees at the site were most likely to want to influence their apprenticeship (34%), compared to those with 10 to 99 employees at their site (24%) or 100 or more employees (23%);
- By SIC sector, those employers working in Construction (32%) were more likely than average to report wanting to influence the apprenticeship, while those working in Education (22%) were less likely than average;
- By employer classification, those working in the commercial sector were most likely to want to influence (29%); and
- Employers that had been providing apprenticeships for 10 or more years were more likely than average to want to influence (32%), while those providing apprenticeships for 0 to 3 years (24%) were less likely than average.

9. Satisfaction and benefits

This chapter reports employers' overall satisfaction specifically with their 'main' apprenticeship programme (in terms of level and subject area). Those who had multiple programmes were asked to rate their satisfaction with the one they felt most important at their site. Satisfaction with a number of specific elements of the main apprenticeship is explored, to provide context for the overall ratings, including satisfaction with external providers, with quality of applicants and with meeting employer needs.

How employers have benefitted from involvement with apprenticeships is reported, including cost savings, their image as an employer and their ability to attract or retain staff. This chapter also presents the extent to which employers would recommend apprenticeships in general to other employers and any changes they would like to see.

Key findings

Satisfaction

- **Levels of overall satisfaction** with their main apprenticeship programme **are high amongst employers** (83% of all, 85% of those with completer apprentices, 83% of those with current apprentices).
- **Satisfaction levels amongst employers with completer apprentices** (at 85%) **had not changed significantly** from the 2019 and 2017 surveys (85% and 84% respectively).
- **Satisfaction varied widely** by sector subject area, highest within Education and Leisure (both 92%), lowest in Construction (73%) and Engineering (77%).
- **Overall, 7% of employers were dissatisfied.** Smaller employers were most likely to be dissatisfied (10% with fewer than 10 employees at their site).
- **Employers were particularly satisfied that they had been able to select an apprenticeship relevant to their needs** (82%). Amongst those with completer apprentices in 2021 satisfaction with this was higher than in 2019 (81% compared to 75%).
- **Employers were also highly likely to be satisfied with aspects related to external providers** – the quality of initial assessment (82% of all who used), the quality of learning they delivered (79%) and the flexibility they offered to meet employers' needs (78%).
- Amongst those with completer apprentices, **satisfaction with the quality of applicants has continued to improve slowly over time** (70% compared to 63% in 2015).

- **Breaks in programmes due to COVID-19 may have impacted satisfaction amongst employers with current apprentices;** only 78% whose apprentices had experienced breaks in learning were satisfied overall, compared to 85% whose apprentices did not experience breaks in learning.
- In addition, those **employers who had selected their own End Point Assessment Organisation (EPAO) were more satisfied overall (92%)** than those where it was selected by the training provider (84%).

Recommending apprenticeships to others

- **More than six in seven employers (85%) would recommend apprenticeships to others.**

Benefits of apprenticeships

- **Employers experienced a wide range of benefits as a result of training apprentices.** The most widespread was development of skills relevant to the organisation (85% of all employers), followed by increased productivity (78% of all employers).
- Amongst those who train existing employees as apprentices, improved staff retention was also commonly reported (76% of all who train existing employees).
- **Employers whose main programme was at Level 4 or above were more likely to report most benefits listed,** those with a main programme at Level 2 or 3 particularly likely to report a lower overall wage bill.

Overall satisfaction

Throughout this section, employers' ratings of satisfaction are based on one specific apprenticeship, an individual framework or standard at a particular level considered to be the 'most important' to the organisation, as explored in [Chapter 3](#).

Employers were asked to rate their overall satisfaction on a scale where 0 was *very* dissatisfied, 5 neither satisfied nor dissatisfied, and 10 *very* satisfied. In this chapter, we refer to employers as dissatisfied (rating of 0 to 4), satisfied (rating of 6 to 10) or *very* satisfied (rating of 8 to 10).

Employers were more likely to be satisfied overall with their "main" apprenticeship standard or framework than not. Asked about their overall satisfaction with the programme, including both design and delivery, 62% were *very* satisfied. More of those with completer apprentices were *very* satisfied (65%) than those with current apprentices (61%). Overall, 83% of employers were satisfied, including 85% of those with completer apprentices and 83% of those with current apprentices.

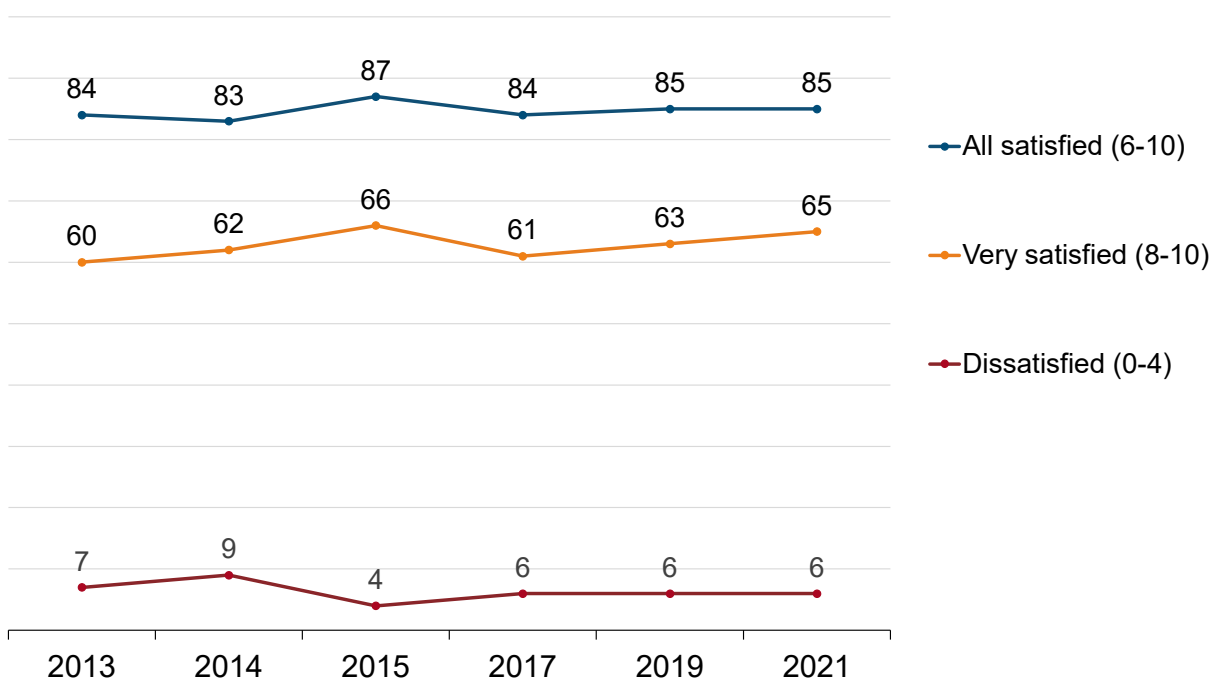
Only 7% were dissatisfied overall (6% of those with completer apprentices and 7% of those with current apprentices).

Employers who had both completer apprentices and current apprentices, indicating a rolling apprenticeship programme, were particularly likely to be satisfied overall (89% vs. 83% with *only* completer apprentices and 82% with *only* current apprentices). Employers with *only* completer apprentices or *only* current apprentices were also more likely to be dissatisfied overall than those with both (7%, 8% vs. 4%). This will partly reflect that those more satisfied with the programme are more likely to continue with it, and to be larger employers as described below.

The full distribution of overall satisfaction scores from all employers and those with completer apprentices and / or current apprentices is shown in Figure 9.2.

Amongst employers with completer apprentices, overall satisfaction ratings are not significantly different compared to previous years (2019, 2017, 2015, 2014 and 2013)., as shown in Figure 9.1. Although the proportion of employers who were *very* satisfied had not significantly changed compared to 2019, it was significantly higher than 2017 (65% versus 61%).

Figure 9.1 Changes in overall satisfaction with apprenticeships over time (amongst employers with completer apprentices)



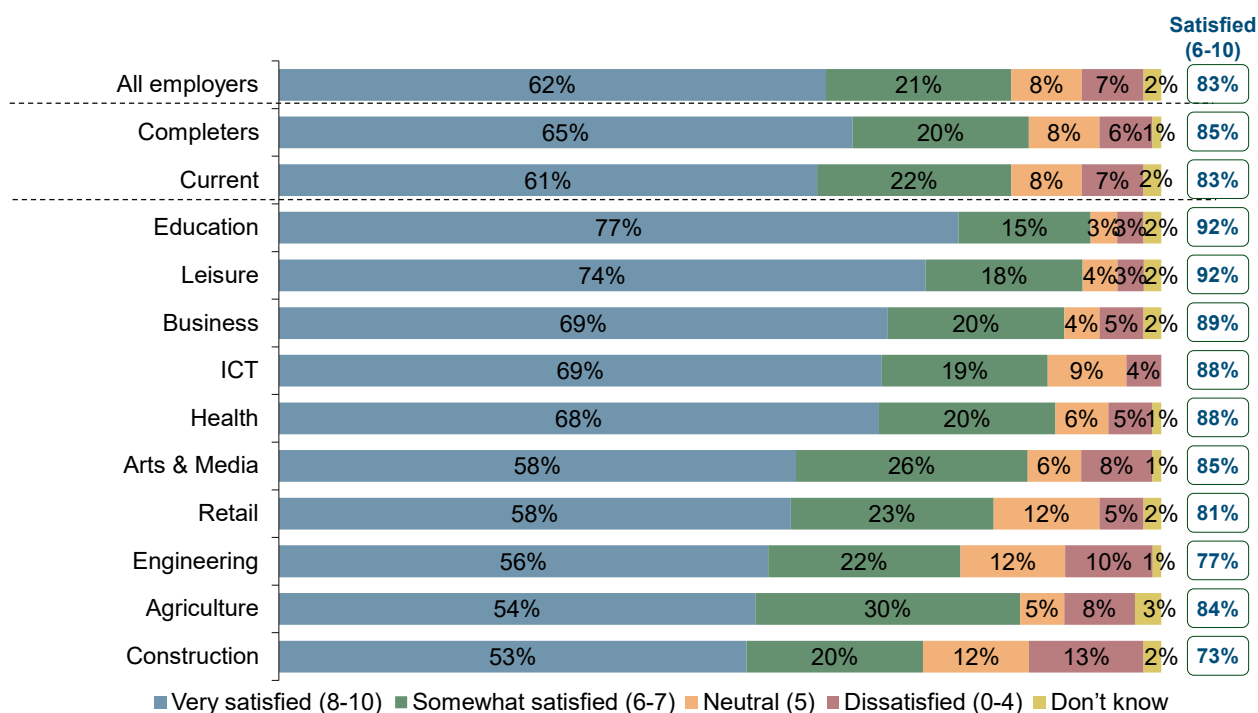
Base: Employers able to identify a main apprenticeship, with completer apprentices only, 2021 (905), 2019 (4,000), 2017 (4,004), 2015 (4,000), 2014 (4,030), 2013 (4,009).

Larger employers were more likely to be satisfied than average; 89% of those with 100 or more employees at the site were satisfied, as were 86% of those with 10 to 99 employees, compared to 74% of those with fewer than 10 employees. These higher satisfaction levels amongst larger employers continue the pattern from previous evaluations.

Across all employers there were notable differences in satisfaction between those with main programmes in different subject areas. Satisfaction was highest where Education (92% satisfied, 77% very satisfied) or Leisure (92% satisfied, 74% very satisfied) was the employer’s main subject area, as shown in Figure 9.2. Satisfaction was also above average amongst those whose main subject area was Business (89% satisfied) or Health (88% satisfied). Again, this reflects findings in 2019 when satisfaction was highest amongst those who provided mainly Health, Education, Leisure or Business subjects.

Within the group of employers whose main subject area was Retail, those using Hair and Beauty apprenticeships were notably less likely to be very satisfied than others; only 44% compared to 69% of those with other Retail programmes.

Figure 9.2 Overall satisfaction amongst all employers, those with completer apprentices, with current apprentices and by main subject provided



Base: All employers able to identify a main apprenticeship (3,852); of which: completer apprentices (905), current apprentices (2,947), Agriculture (198), Arts and Media (63), Business (664), Construction (398), Education (182), Engineering (714), Health (855), ICT (163), Leisure (134), Retail (456). Science not shown due to low base size (<30).

Employers whose main programme was at a Higher level (Level 4 or above) were generally more likely to be satisfied than those whose main programme was at a lower level¹⁵². In total, 89% of employers whose main level was Level 4 or above were satisfied, compared to 82% among those whose main level was Level 2 or 3. This was a shift from 2019 when satisfaction did not vary significantly by level. These differences in satisfaction by level and subject area were driven by high levels of dissatisfaction or satisfaction with specific combinations of levels and subject areas, as shown in Table 9.1.

For example, although, as noted above, employer satisfaction at Level 2 was lower than average overall, the single level / subject area combination with the highest employer satisfaction was Leisure at Level 2, at 94%, closely followed by Business at Level 4 or above at 93%. The combination with the lowest employer satisfaction was Construction at Level 2, where only 69% of employers were satisfied, even though apprenticeships in the same subject area at Level 4 or above show a high level of satisfaction (85%). Amongst those providing Retail apprenticeships, there is notably low satisfaction for those who provide Hair and Beauty at Level 3 (68%).

Table 9.1 Overall satisfaction (score of 6 to 10 out of 10) by main subject area and level

	Level 2	Level 3	Level 4+
Agriculture (88; 101; 9)	83%	86%	*
Arts & Media (5; 58; 3)	*	83%	*
Business (137; 248; 283)	88%	87%	93%
Construction (207; 120; 76)	69%	78%	85%
Education (51; 89; 39)	90%	91%	87%
Engineering (174; 467; 58)	77%	77%	91%
Health (199; 416; 216)	89%	87%	88%
ICT (14; 116; 47)	*	88%	85%
Leisure (69; 73; 1)	94%	91%	*
Retail (279; 150; 41)	80%	83%	92%
Science (3; 12; 0)	*	*	*
<i>of which Hair and Beauty (140; 43; 0)</i>	75%	68%	*
<i>others within Retail (139; 107; 41)</i>	85%	90%	92%

Base size varies by cell, shown in brackets after subject area name. *Figures not shown if base size below 30.

There were no notable differences in satisfaction between those who had used standards and those who used frameworks.

¹⁵² There was no significant difference in satisfaction between Levels 4 and 5, and Levels 6 and 7.

Groups less likely to be satisfied

Other pockets of dissatisfaction, significantly above the 7% dissatisfied average for all employers, were identified among the following groups:

- Smaller employers with fewer than 10 employees at their site (10%)
- Those who had dismissed apprentices after they had completed (20% of those with completer apprentices were dissatisfied compared to 4% of those whose apprentices had all stayed).
- Employers whose main programmes were in Construction (13%) or Engineering (10%).
- Those who operated in the Construction (13%) or Manufacturing (10%) sectors, reflecting the higher levels of dissatisfaction amongst those with Construction and Engineering apprenticeship programmes.
- Those who provided apprenticeships rather than other forms of training because they said they had 'no other option' (15%), or because of cost, affordability or subsidy other than the Apprenticeship Levy (10%).
- Those unlikely to be required to pay the Levy (9%) and thus needing to pay a contribution toward costs, and those who had provided apprenticeships for less than four years (9%).
- Those who anticipated that their organisation would remain static or contract over the next 12 months (9%).

Breaks in programmes due to COVID-19 may have impacted satisfaction amongst employers with current apprentices; only 78% whose apprentices had experienced breaks in learning were satisfied overall, compared to 85% whose apprentices did not experience breaks in learning.

Dissatisfaction was twice as likely amongst those whose apprentices had experienced breaks in learning (10%), compared to those with current apprentices who did not experience breaks due to COVID-19 (5%). In addition, those employers who had selected their own End Point Assessment Organisation (EPAO) were more satisfied overall (92%) than those where it was selected by the training provider (84%).

Satisfaction with specific elements of apprenticeships

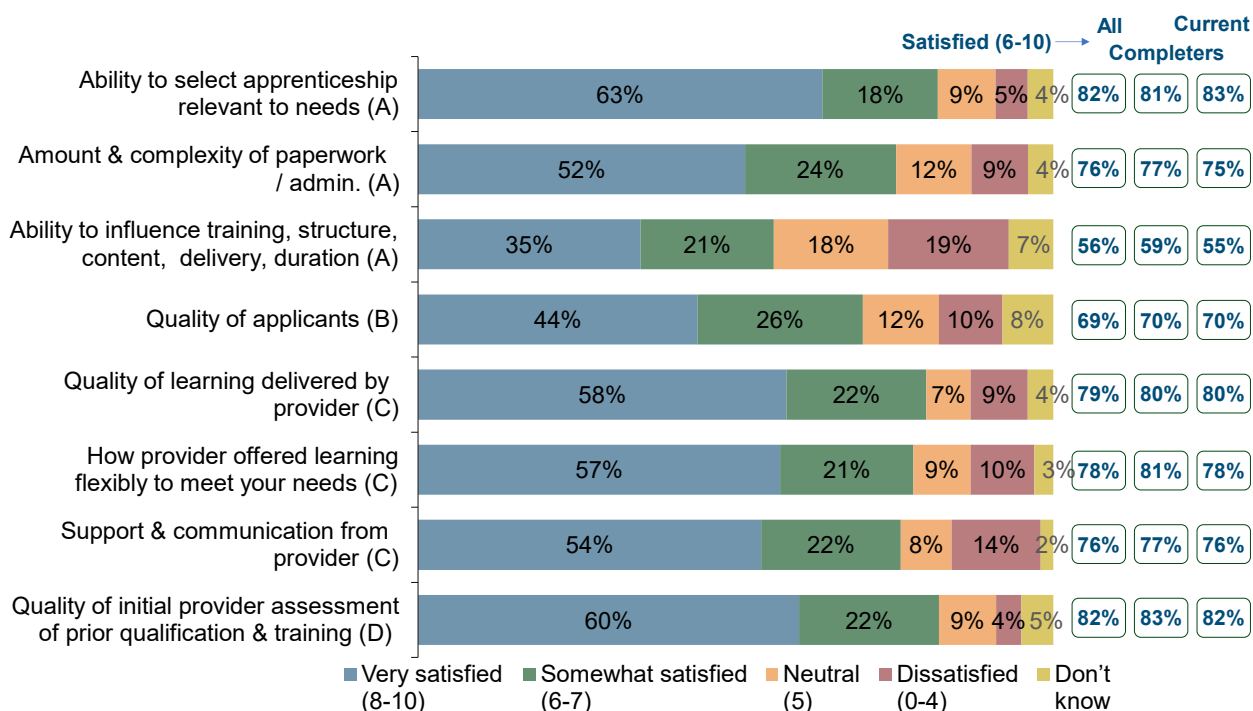
Employers were asked to rate their satisfaction with eight different aspects of apprenticeships relating to quality and service received from the learning provider (if used), the extent to which the programme and delivery met their needs, the level of administration involved on their part and the quality of applicants (if they recruited externally). As with overall satisfaction, these ratings were based only on the employer's main apprenticeship standard or framework.

The majority of employers were satisfied with each element, as listed in Figure 9.3. This was also true amongst both employers with completer apprentices and those with current apprentices, also shown in the chart.

Having been able to select an apprenticeship relevant to their needs was the element employers were most likely to be very satisfied with (63%), followed by the provider's quality of initial assessment of apprentices' prior qualifications and training (63%). Fewer were very satisfied with the quality of learning delivered by the provider (58%) and the provider's flexibility (57%) or support and communication (54%). Only just over half were very satisfied with the amount of paperwork or administration required (52%), and fewer than half with the quality of applicants (44%) or ability to influence the structure, content, delivery or duration of the apprenticeship (36%).

Of the elements mentioned to them, employers were most likely to be dissatisfied with their ability to influence the structure, content, delivery and duration of apprenticeship training (19%). Amongst those who recruited externally for apprenticeships, there were mixed views about the quality of applicants, with 10% dissatisfied. There is evidence of somewhat polarised views on the support and communication received from learning providers with 14% dissatisfied, even though 54% were very satisfied.

Figure 9.3 Satisfaction with specific elements of apprenticeships (all employers, those with completer apprentices and those with current apprenticeships)



Base A: All employers able to identify a main apprenticeship (3,852), of which: with completer apprentices (905), with current apprentices (2,947). Base B: Those who recruited externally (2,783), of which: with completer apprentices (629), with current apprentices (2,154). Base C: Those who use a learning provider (3,665), of which: with completer apprentices (864), with current apprentices (2,801). Base D: Those who use a learning provider for assessment (3,340), of which: with completer apprentices (781), with current apprentices (2,559).

Although overall satisfaction was little changed from 2019, satisfaction with some of the listed elements had shifted, as shown in Table 9.2, which compares only those with completer apprentices. In 2019, these questions were asked regarding completer apprentices who would mostly have been enrolled prior to the reforms.

In line with the aims of introducing apprenticeship standards, there was increased satisfaction with the ability to select an apprenticeship relevant to the employer's needs (81% in 2021 compared to 75% in 2019) and with the amount and complexity of paperwork or administration (77% in 2021 compared to 72% in 2019).¹⁵³ Over the longer term, satisfaction with other elements remained below the generally higher 2015 levels, although satisfaction with the quality of applicants continues to slowly improve (70% in 2021 compared to 63% in 2015).

Table 9.2 Percentage of employers satisfied (score of 6 to 10 out of 10) with specific elements of apprenticeships compared to previous years (those with completer apprentices only)

	2021	2019	2017	2015
<i>Base: All employers with completer apprentices able to identify a main apprenticeship</i>	905	4,000	4,004	4,000
Ability to select apprenticeship relevant to needs*	81	75	76	77
Amount and complexity of paperwork required	77	72	73	74
Ability to influence the structure, content, delivery and duration of training	59	61	62	65
<i>Base: Employers with completer apprentices who recruited externally</i>	629	2,640	2,881	2,636
Quality of applicants	70	67	64	63
<i>Base: Employers with completer apprentices who used a learning provider for training</i>	629	2,640	3,746	3,777
Quality of learning by provider*	80	82	84	86
Flexibility of provider learning offer*	81	82	83	86
Support and communication from provider	77	78	81	84
<i>Base: Employers with completer apprentices who used a learning provider for prior assessment</i>	781	3,871	3,663	3,777
Quality of initial assessment of prior qualifications / training*	83	83	85	88

¹⁵³ Some questions (those marked * on Table 8.1) were slightly changed in 2021, which may be responsible for some of the change in results shown. Summarised, the changes are; 'ability to select apprenticeship relevant to needs' was previously 'ability to select an apprenticeship *framework or standard* relevant to needs', 'quality of learning delivered by provider' was previously 'quality of *training* delivered by provider', '*how provider offered learning flexibly to meet needs' was previously 'how provider offered training *and / or assessment* flexibly to meet needs' and 'quality of *initial* provider assessment of *prior qualification and training*' was previously 'quality of assessment carried out by provider'. These changes were made to reflect the shift in terminology with the introduction of apprenticeship standards and the End Point Assessment.

Employers whose main programme was in Business, Health or Education were more likely than average to be satisfied with the quality of the learning delivered (84% each, compared to 79% overall), with support and communication from the learning provider (81%, 82% and 85% respectively compared to 76% overall), and with the flexibility of the provider (83%, 85% and 89% respectively compared to 78% overall). Those whose main programme was in Retail but not in Hair and Beauty were also particularly likely to be satisfied with the quality of learning (86%) and flexibility of their provider's offer (also 86%).

Employers whose main apprenticeship was in Construction or Engineering were particularly likely to be dissatisfied with the quality of learning provided (14% and 13% compared to 9% overall), the support and communication (20% and 21% compared to 14% overall) and the flexibility of the provider (18% and 17% compared to 10% overall), as well as with their providers' assessments of prior learning (7% and 6% compared to 4% overall). Those whose main programme was in Retail, specifically in Hair and Beauty, were also particularly likely to be dissatisfied with the quality of learning delivered (14% compared to 9% overall).

Employers operating in the Public Administration or Defence SIC sector were particularly likely to be satisfied that they could select an apprenticeship relevant to their needs (96%), as were those in the Professional, Science or Technology sector (87%) or the Health and Social Work sector (85%), compared to 82% overall. Employers in Manufacturing or Construction SIC sectors were particularly likely to be dissatisfied with the ability to select an apprenticeship to meet their needs (9% and 7% respectively compared to 5% overall).

The only significant difference in levels of satisfaction between employers with completer apprentices and those with current apprentices was in the ability to influence the structure, content, delivery and duration of the apprenticeship training. Overall, 59% of those with completer apprentices were satisfied with this element compared to 56% of those with current apprentices.

As seen with overall satisfaction rates, generally satisfaction with each individual element increased for Higher levels of apprenticeship. For example:

- 87% of employers whose main programme was Level 4 or above were satisfied with having been able to select an apprenticeship that met their needs, compared to 81% of those whose main programme was at Level 2 or 3.
- Those whose main programme was at Level 2 or 3 were more likely to be dissatisfied with the quality of learning delivered (10% compared to 4% at Level 4 or above).

- More than three quarters of those whose main programme was Level 4 or above were satisfied with the quality of applicants (77% compared to 68% of those at Level 2 or 3).

Employers whose main apprenticeship programme was at Level 2 were particularly likely to be dissatisfied with each element listed, except their ability to influence the structure, content, delivery and duration of training, although this had high dissatisfaction rates across all levels (at least 18%).

Larger employers with 100 or more employees at their site were more likely to be satisfied with most elements listed, whilst those with less than 10 employees at their site were significantly more likely to be dissatisfied with most. For example, larger employers with 100 or more employees were more likely to be satisfied with the support and communication from their provider (82% compared to 78% of those with 10 to 99 employees and 70% of those with fewer than 10). There was less divergence by employer size in satisfaction with paperwork / administration and their ability to influence the apprenticeship structure, content, delivery and duration.

Satisfaction with having been able to select an apprenticeship relevant to their needs did not vary significantly between employers using frameworks and standards.

However, those only using standards were more likely to be satisfied with the quality of applicants (44% compared to 39% using only frameworks). Employers who only used frameworks were more likely to be dissatisfied with the quality of learning delivered (12% compared to 9% of those only using standards) but were more likely to be satisfied with the level of administration required of them (80% compared to 74% of those only using standards).

Advocacy

Overall, 85% of all employers (84% of those with completer apprentices, 86% of those with current apprentices) would recommend apprenticeships to other employers. Employers were asked whether they would recommend apprenticeships in general, rather than the specific programmes they provided.

This is split between the 43% of all employers (44% of those with completer apprentices, 43% of those with current apprentices) who would recommend apprenticeships without being asked, and the further 42% (40% of those with completer apprentices, 43% of those with current apprentices) who would recommend apprenticeships if they were asked.

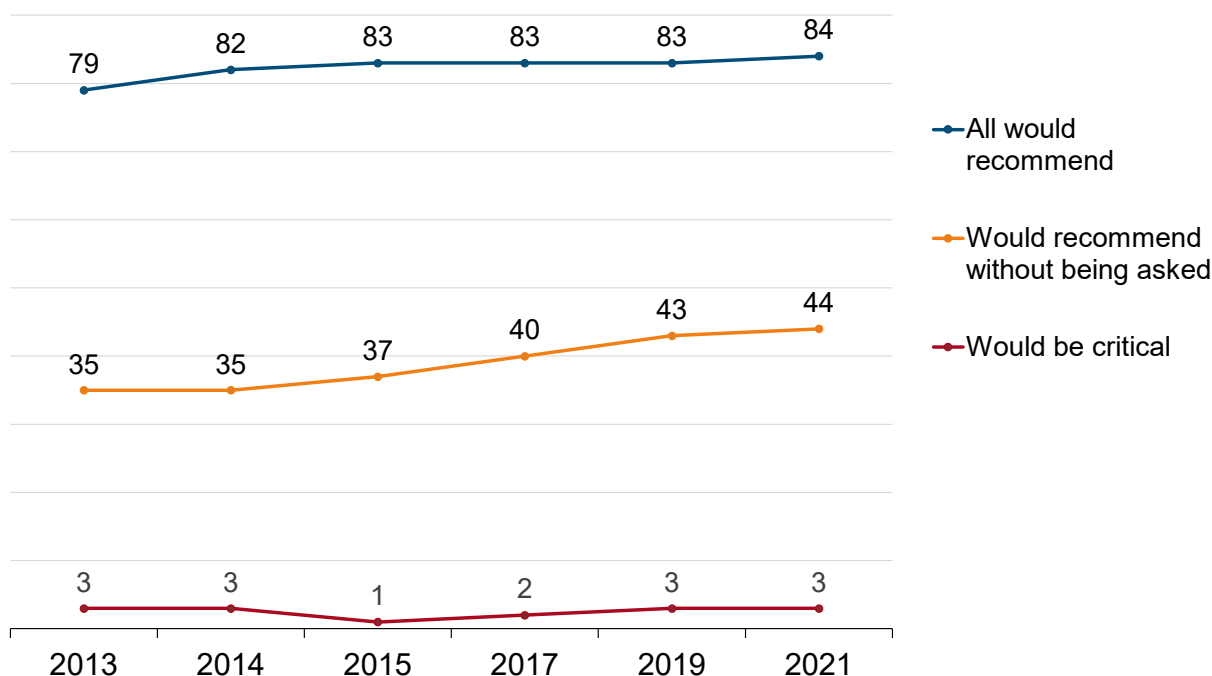
Just 2% of all employers (3% of those with completer apprentices, 2% of those with current apprentices) would not recommend apprenticeships, and 13% (13% of those with completer apprentices, 12% of those with current apprentices) would be neutral.

The small differences between those with completer apprentices and those with current apprentices detailed above are not statistically significant, although those with both

completer apprentices and current apprentices were more likely to recommend apprenticeships (92% compared to 84% of those only with current apprentices and 79% of those only with completer apprentices).

Amongst completer apprentices there has been an upward trend since 2013 in the proportion of employers that would recommend apprenticeships without being asked. Although compared to 2019 the shift is only small and not statistically significant in itself (44% of those with completer apprentices would recommend without being asked compared to 43% in 2019), the 2021 result is higher than results seen from 2013 (35%) to 2017 (40%), as shown in Figure 9.4. The very small proportion (3%) who would be critical of apprenticeships to other employers has not changed significantly in any evaluation from 2013 to 2021.

Figure 9.4 Advocacy over time



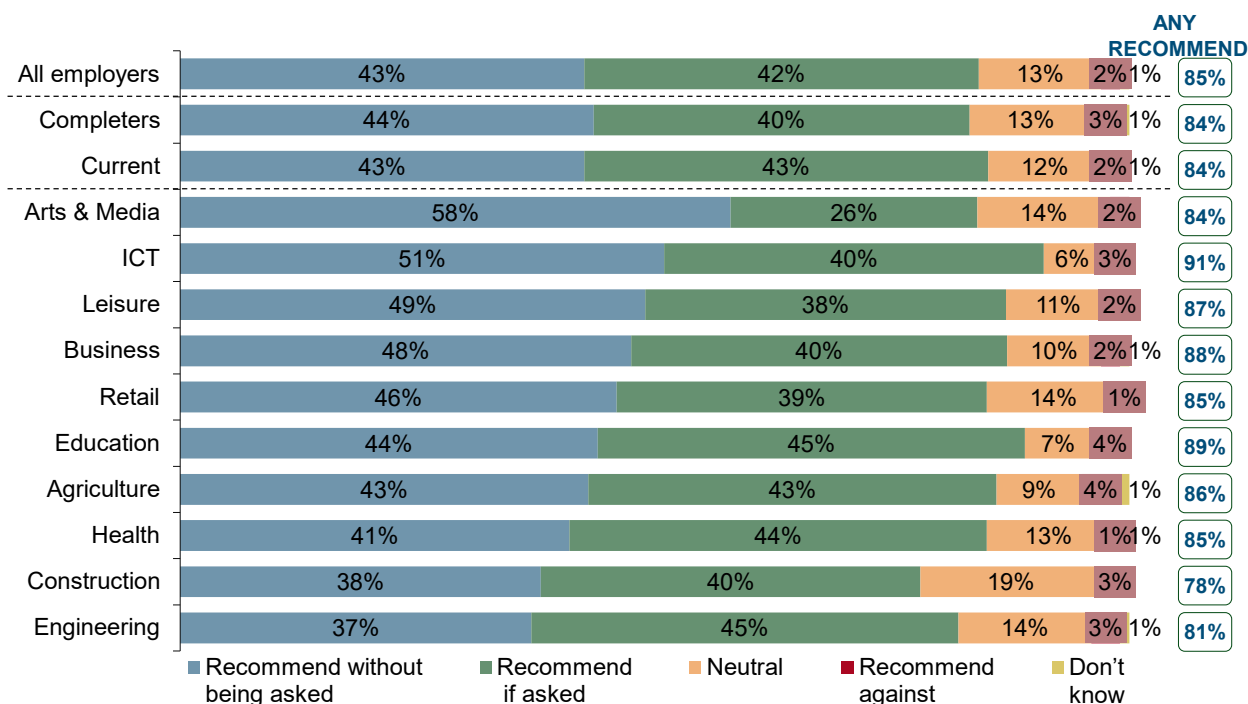
Base: Employers with completer apprentices 2021 (977), 2019 (4,000), 2017 (4,004), 2015 (4,000), 2014 (4,030), 2013 (4,009)

Across all employers in 2021, 91% of those whose main programme was at Level 4 or higher were more likely to recommend apprenticeships to others, compared to 83% of those who mainly provided Level 2 or 3 apprenticeships. Employers whose main programme was Level 2 were more likely to be neutral when talking about apprenticeships to others, at 16%, compared to 12% at Level 3 and 9% at Level 4 or above.

There were also notable differences in attitudes to advocacy of apprenticeships in general by the subject area of the main programme provided, as shown in Figure 9.5.

Employers whose main programme was in Arts and Media, ICT or Business were particularly likely to recommend apprenticeships unprompted (58%, 51% and 48% respectively). Employers whose main programme was in Construction were more likely to say they would be neutral about apprenticeships if asked (19% compared to 13% overall).

Figure 9.5 Advocacy by main subject area



Base: All employers (4,085), of which: with completer apprentices (977), with current apprentices (3,108), Agriculture (207), Arts and Media (65), Business (723), Construction (416), Education (198), Engineering (755), Health (892), ICT (179), Leisure (141), Retail (473). Science not shown due to low base size (<30).

Employers who mostly provided apprenticeships through standards were more likely to recommend apprenticeships than those who mostly provided them through frameworks, 86% compared to 82%.

Larger employers were more likely to recommend apprenticeships to others, 91% of those with 100 or more employees at their site and 86% of those with 10 to 99 employees, compared to 80% of those with less than 10 employees.

Benefits

Employers were read a list of seven potential benefits and asked which, if any, their organisation had experienced as a result of offering and training apprentices. The vast majority reported at least one benefit (96% of all employers, 96% of those with completer apprentices and 97% of those with current apprentices). Again, this was asked about

apprenticeships at an overall level, rather than any specific frameworks, standards or levels.

The most common benefit confirmed by employers was that apprenticeships have helped them develop skills relevant to the needs of their organisation (85% of all employers, 84% of those with completer apprentices and 87% of those with current apprentices), as shown in Figure 9.6

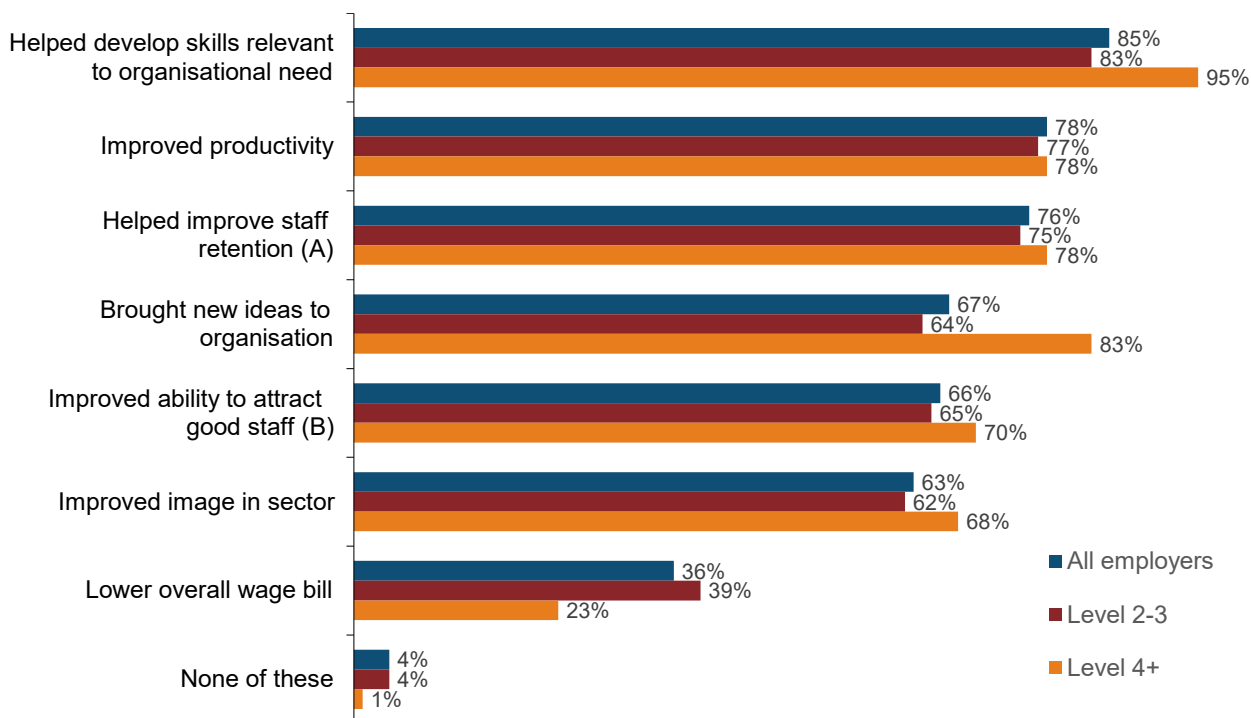
Improved productivity was reported by over three quarters of employers (78% of all, 78% of those with completer apprentices and 79% of those with current apprentices). Two thirds of employers said they benefited from new ideas as a result of offering and training apprentices (67% of all employers, 64% of those with completer apprentices and 68% of those with current apprentices).

Many employers also felt their involvement improved perceptions of their organisation, 64% benefited from an improved image within their sector (62% of those with completer apprentices and 65% with current apprentices) and 66% said they benefited from the ability to attract good new recruits (68% of those with completer apprentices and 66% with current apprentices). Three quarters of employers (76%) who trained existing staff felt they had benefitted from improved staff retention (76% of those with completer apprentices and 77% of those with current apprentices).

Across all employers in 2021 (both those with completer apprentices and / or current apprentices) there were notable differences in perceived benefits by the main level of apprenticeship employers provided. Those who mainly provided Levels 4 to 7 were particularly likely to benefit from skill development (95% compared to 83% of those who mainly provided Level 2 or 3), new ideas (83% compared to 64%), and improved image (68% compared to 62%), as shown in Figure 9.6.

Employers whose main apprenticeship programme was specifically at Level 4 or 5 were especially likely to report it had improved their ability to attract good staff (75% compared to 65% at Level 2 or 3 and 65% at Level 6+).

Figure 9.6 Perceived benefits of apprenticeships to employers (prompted), by level of main apprenticeship



Base: All employers (4,085). Main apprenticeship programme at Level 2-3 (3,316), or Level 4+ (769). A – those who train existing employees on apprenticeships, all (1,694), at Level 2-3 (1,194), or Level 4+ (500). B – those who recruit externally for apprenticeships, all (2,958), at Level 2-3 (2,498), or Level 4+ (460).

Perceived benefits also varied by subject area, as shown in Table 9.3. To some extent these differences may be linked to level. Employers who mainly provided Business or Health apprenticeships were particularly likely to report having benefited in several areas: skills development (90% each), productivity (81% each), and new ideas (77% and 75% respectively).

Employers who mostly provided standards were slightly more likely to report two benefits than those who mainly used frameworks: skills development (86% compared to 82%) and company image (64% compared to 61%).

Larger employers (with 100 or more employees at their site) were more likely to report benefits in skills development (95% versus 78% of those with less than 10 employees at their site), productivity (83% versus 77%) and new ideas (79% versus 62%) as well as their organisation's image (72% compared to 60%).

Looking at larger employers by overall size of organisation, the differences broadly mirrored those found by size of site, other than that mid-sized organisations with 10 to 99 staff were more likely to report that apprenticeships had improved their ability to attract good staff (52%) than larger (44%) or smaller (45%) organisations. Organisations with 10 to 99 staff were also less likely than average to say that apprenticeships had improved productivity (76% vs. 78%) or improved their image in the sector (59% vs. 63%).

Table 9.3 Percentage of employers perceiving specific benefits of apprenticeships (prompted), by main subject area

	All employers	Agriculture	Arts	Business	Construction	Education	Engineering	Health	ICT	Leisure	Retail
<i>Base: All employers</i>	4,085	207	65	723	416	198	755	892	179	141	473
Summary: Any benefits	96	97	93	98	95	98	93	98	98	99	96
Helped develop skills relevant to needs of organisation	85	81	90	90	77	90	80	90	91	89	87
Improved productivity	78	77	79	81	73	74	73	81	73	88	80
Brought new ideas to organisation	67	60	82	77	54	75	54	75	73	78	65
Improved image in the sector	63	65	64	59	67	57	62	66	61	71	65
A lower overall wage bill	36	49	48	36	37	49	31	33	41	50	39
<i>Base: Those who recruit apprentices externally</i>	2,958	148	51	496	367	133	660	536	155	107	273
Improved ability to attract good staff	66	69	59	71	62	67	60	72	64	63	65
<i>Base: Those who train existing employees</i>	1,694	61	11	357	97	87	194	564	42	37	227
Helped improve staff retention	76	74	**	76	76	82	62	81*	78	95*	77

Bold: significantly above overall average. *Low base, findings should be treated as indicative only and with caution. **Base below 30, too low to report. Science not shown due to low overall base size (<30).

There were some significant shifts in results for employers with completer apprentices between 2019 and 2021, as shown in Table 9.4, employers who recruited new staff were more likely to report an improvement in ability to attract good staff (68% compared to 60%¹⁵⁴), but less likely to report their involvement had improved their image in the sector (62% compared to 66%), and more likely to report it had reduced their wage bill (39% compared to 35%, although this represents a return to the level seen in 2017).

However, over the longer term, the benefits of apprenticeships as perceived by employers of apprentices have remained broadly stable, with no clear long-term trends.

Table 9.4 Benefits of apprenticeships compared to previous years, percent of employers with completer apprentices

	2021	2019	2017	2015
<i>Base: All employers with completer apprentices</i>	977	4,000	4,004	4,000
Helped us to develop skills that are relevant to the needs of our organisation	84	86	86	**
Improved productivity	78	76	78	76
Brought new ideas to the organisation	64	63	65	67
Improved our image in the sector	62	66	67	67
Lower overall wage bill	39	35	39	36
<i>Base: Employers with completer apprentices giving any of those apprenticeships to existing staff</i>	325	1,456	1,241	1,502
It has helped to improve staff retention	76	72	73	73
<i>Base: Employers with completer apprentices who recruited any of these as new staff</i>	681	2,640	2,883	2,636
It has improved our ability to attract good staff	68	60	64	65

*Wording changed in 2021, see footnote. **Not asked in 2015.

In 2021, around a third of all apprentice employers (36%) reported they had benefitted from a lower wage bill; this would relate to the minimum wage for apprentices being lower than for other employees. Those employers with current apprentices were more likely to report this benefit (39%), compared to 35% among those with completer apprentices.

It is not always desirable for employers to provide apprenticeships for this reason, since the reduced wage is intended only to offset the costs of training, not to commercially benefit the employer in itself. Those using fixed term contracts for the length of the apprenticeship were particularly likely to report this (45%), reinforcing this impression,

¹⁵⁴ This figure was reported for all employers with completer apprentices in the 2019 report, and has been recalculated here to be comparable with the base used in 2021 (only those recruiting new staff, among their completer apprentices).

since this option would enable the employer not to offer ongoing employment at a higher wage once the apprenticeship had finished.

Employers who were particularly likely to agree a benefit of providing apprenticeships was a reduced wage bill include the following:

- Those whose main apprenticeship programme was at Level 2 or 3 (39% compared to 23% of those who mainly did Level 4 to 7 apprenticeships).
- Those whose main programme was in Leisure (50%), Education (49%), Art and Media (48%) or Agriculture (49%), compared to 36% overall.
- Those who mostly provided apprenticeships through frameworks (39% compared to 35% of those who mostly used standards).
- Smaller employers with less than 10 employees at their site (40% compared to 25% of larger employers with 100 or more staff at their site).
- Smaller employers with less than 99 employees in their organisation (40% with less than 10 employees and 39% with 10 to 99 employees, compared to 30% of larger employers with 100 or more staff in the organisation).
- Those who only provided apprenticeships to externally recruited new employees (43% compared to 19% of those who only trained existing employees).

What employers would like to change

The majority of employers (62% of all, of those with completer apprentices and those with current apprentices) did not wish to change anything about the structure, content, delivery or duration of apprenticeship training.

However, just over a third of employers (35% of all employers, 36% of those with completer apprentices and 34% of those with current apprentices) indicated they would like to change apprenticeship training in some way. Amongst those with completer apprentices the proportion who would like to see change (36%) is similar to the proportion seen in 2019 (33%), remaining significantly higher than 2017 (28%) and 2015 (26%).

Employers whose main apprenticeship was at Level 6 or 7 were less likely to want any changes to apprenticeship training (29%, compared to 35% of those who mainly provided Level 2 or 3).

As in 2019 and 2017, the most common change was to want the course to be more specific to their needs, requested by 9% of all employers (9% of those with current apprentices and 11% of those with completer apprentices). Similarly, 4% of all employers would like more opportunities for employer input (3% of those with completer apprentices, 4% of those with current apprentices) and 6% (5% of those with completer

apprentices, 7% of those with current apprentices) would like a more flexible structure or timings.

Some employers also identified other improvements they would like learning providers to make – to their communication (7% of all, 6% of those with completer apprentices, 7% of those with current apprentices), organisation (5% of all, 5% of those with completer apprentices, 4% of those with current apprentices) and level of support provided or attitude (5% of all, 4% of those with completer apprentices, 5% of those with current apprentices).

The only other changes requested by more than 3% of employers related to the training itself; 4% (5% of those with completer apprentices, 4% of those with current apprentices) would like improved quality of teaching, or improved teacher or trainer knowledge, and 4% (5% of those with completer apprentices, 4% of those with current apprentices) felt training should be more practical or hands-on.

Those mostly providing apprenticeships via frameworks were more likely to want the course to be more specific or relevant to their organisation's needs (12% compared to 9% of those who mostly provided standards).

Employers whose main apprenticeship was at Level 2 or 3 were especially likely to want improvements related to learning providers (7% requesting improved communication, 5% improvements in their support or attitude and 5% in their level of organisation).

Employers whose main apprenticeship was at Level 4 or 5 were particularly likely to want more flexibility in structure or timings (9%) or duration (5%).

Employers whose main apprenticeship programme was in Construction were particularly likely to want the course to be more specific or relevant to their organisation's needs (13%), as were those whose main apprenticeship was in Hair and Beauty, within Retail (18%). Employers whose main apprenticeship was in Construction or Engineering were particularly likely to want improved quality of teaching or teacher or trainer knowledge (7% and 6%, compared to 4% overall)

Employers whose main apprenticeship was in Education were particularly likely to want a more flexible structure or timings (11%).

Employers whose main apprenticeship was in Agriculture were more likely to report issues with learning providers: 10% would like improved communications with them, and 9% improvements in support or attitude.

10. Apprenticeship policy changes: understanding and satisfaction

Employer designed standards for apprenticeships began to be introduced in 2014 and all subject areas have gradually shifted across from the older frameworks. From August 2020, all new apprenticeship starts in England have been on apprenticeship standards, although because apprenticeships can last several years, many apprenticeship frameworks are ongoing. Standards require apprentices to pass End-Point Assessments (EPAs) which assess whether specific knowledge, skills and behaviours required for the role have been acquired. These must be carried out by End Point Assessment Organisations (EPAOs), which are selected separately to the learning provider. This chapter measures awareness of this change and whether employers considered it positive.

This section of the report also checks understanding of other policy changes to funding and learning requirements intended to increase uptake or improve apprenticeship quality.

Key findings

Transition from frameworks to standards

- **Two fifths (40%) of employers were aware that all new apprenticeship starts were on standards from August 2020.** Awareness of the shift to standards was lower amongst employers with smaller schemes, those whose main programme was at Level 2 or 3 and those operating in the Construction or Administration and Support Services sectors.
- **Employers who were aware of the change were considerably more likely to think standards were better than frameworks (35%) than to think them worse (8%). There was, though, notable ambivalence;** the majority (57%) felt there was either little difference or were unsure. Employers whose main programme was at Level 4 or 5 were particularly likely to think the change positive (46%), as were larger employers (40%).
- Favourable views of standards were most likely to be based on employers feeling they offered more structure, better skills outcomes, improved accessibility and a better assessment process.
- **A fifth of employers with apprentices who had completed standards were unable to confirm that they had undergone an EPA** (10% thought they had not done so and 9% were unsure). **Amongst employers with current apprentices on standards 15% were unaware they would be required to undertake EPAs.** Larger employers were more likely to be aware of EPAs.

- Among employers who were aware that their apprentices had done (or would be doing) EPAs, **in most cases the EPAO was chosen by the Learning provider** (63% of all, 67% with completer apprentices, 62% with current apprentices).
- **A large majority (87%) of employers who had experienced completer apprentices undergoing EPAs felt it had been a good test** of the apprentices' occupational competence.

Understanding of and views on other apprenticeships policies

- **Two thirds (67%) of employers thought their organisation understood the apprenticeship funding process well.** Larger employers, and those employers likely to liable for the Levy, were considerably more likely to think it was well understood.
- **Three quarters (76%) of employers thought their organisation understood the off-the-job training requirement well. Understanding has improved since 2019** (75% of employers with completer apprentices felt it was well understood in 2021 compared to 63% in 2019). Larger employers and those running programmes at Level 6 or 7 were more likely to consider they understood the requirement.
- **Four fifths of employers (79%) consider it important for their apprentices to have achieved Functional Skills Level 2 or a GCSE standard pass in Maths and English.** There is little change compared to 2019.

Opinion of apprenticeship standards

Overall, 40% of employers confirmed that they were aware (before it was mentioned in the research) that from August 2020 all new apprenticeship starts in England were on apprenticeship standards¹⁵⁵. Employers who had completer apprentices were more likely to be aware of the change than those with current apprentices (45% compared to 40%).¹⁵⁶

Awareness of the change increased greatly among employers with larger apprenticeship schemes; the majority of those with 10 or more apprentices (77%) were aware of the changes, compared to just a third (34%) of those with one apprentice.

¹⁵⁵ It should be borne in mind that although the respondent personally may not have been aware of the change others in the organisation may have been.

¹⁵⁶ Although not directly comparable, in 2019 employers' awareness and knowledge of standards in general was checked. Over half of employers were either aware of standards (35%) or had some or good knowledge of them (20%) This compares to the 45% of employers with completers in 2021 who were aware they had replaced frameworks for all new starters by August 2020. 2019 question: *'I'd now like to ask you about your awareness of the new apprenticeship Standards, where groups of employers known as Trailblazers collaborate to design a new apprenticeship. Which of these best describes your awareness of these new apprenticeship Standards? Have you...not previously heard of them / aware of them, though not much more than the name / aware of them and have some knowledge of what they are or / have a good knowledge of what they are?'*

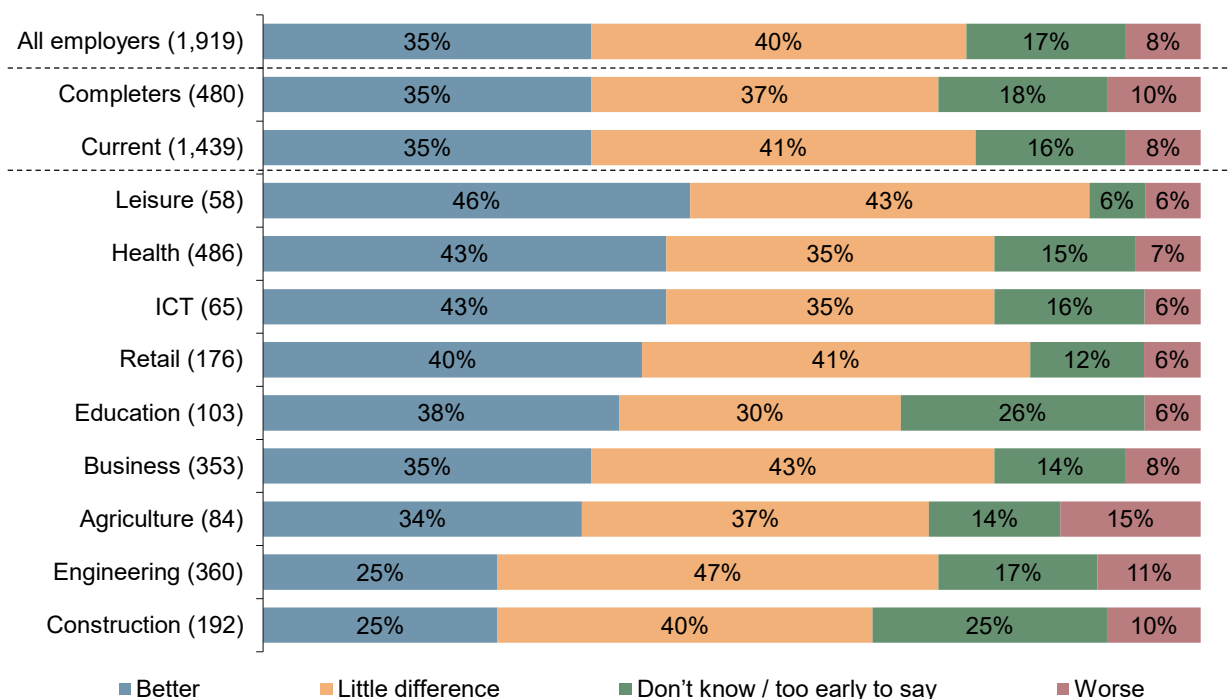
Across employers with current and completer apprentices, awareness of standards was higher amongst those whose main programme was at Level 4 or above (46% compared to 39% of those with a main programme at Level 2 or 3). By SIC sector, awareness was particularly high in Public Administration and Defence (69%) as well as Education (44%) and Health (49%) compared to only 31% of those in Construction or Administration or Support Services.

Awareness was much lower among employers who had been using apprenticeships for less than three years (31%) than those who had been using them for five to nine (46%) or ten or more years (47%). This is likely to be because some of these employers would be unaware of the earlier framework system, rather than unaware of standards.

Positively, 35% of employers aware of the change felt standards were better compared to frameworks and only 8% felt they were worse, as shown in Figure 10.1. However, there was though considerable ambivalence, with 40% feeling there was little difference. There was no difference in views between those with completer apprentices or current apprentices (35% of each felt standards were better, 10% and 8% respectively worse, and 37% / 41% little difference).

By subject area, those who were aware of the change and whose main programme was in Agriculture were particularly likely to think standards were worse (15% compared to 8% overall) as were those in Engineering (11%), as shown in Figure 10.1. Over two fifths of those aware with a main programme in Health thought standards were better (43% for each compared to 35% overall).

Figure 10.1 How employers feel standards compare to frameworks (amongst those aware of the change), by main subject area



Base: Shown on chart for each bar. Arts & Media and Science not shown due to low base size (<30).

Employers whose main programme was at Level 4 or 5 were particularly likely to think the change positive (46%), compared to 33% at Level 2 or 3 and 30% at Level 6+.

Larger employers were more likely to be positive than smaller, 40% of those with 100 or more staff at their site who were aware of the change, compared to 29% of smaller employers with less than 10 staff. By organisation size, 42% of those with 100 or more staff at their organisation were aware of the change, compared to those with less than 10 (29%), or with 10 to 99 staff (29%) at their organisations.

Employers in London were especially likely to feel standards were better, with 47% of aware compared to 35% overall. Those in the North West were particularly likely to think there was little difference (46%, compared to 40% overall).

The most common reasons, given unprompted, for feeling standards were better than frameworks were that they were more structured (24%¹⁵⁷ of those who felt them better), had better skills outcomes (19%¹⁵⁸), were more accessible or easier to understand and manage (18%¹⁵⁹) and / or the assessment process was better (18%¹⁶⁰).

Employers who felt favourably also mentioned that they felt standards more focussed on the day-to-day duties of the job (16%¹⁶¹), were of a higher standard or with improved quality of content (14%¹⁶²) and / or had more up-to-date content or training methods (13%¹⁶³).

On the other hand, the most common reasons, given unprompted, for feeling standards were worse than frameworks were that they lacked flexibility (28%¹⁶⁴ of those who felt them worse) and / or the EPA put more pressure on the apprentice (23%¹⁶⁵). Employers who were critical of standards also mentioned that they felt standards content too broad or too much of a gap between levels (15%¹⁶⁶), that the EPA put more pressure on employers (15%¹⁶⁷) or that there were other issues relating to assessment (10%¹⁶⁸). As so few employers did consider standards worse the base sizes are generally too low for analysis of variations between different groups.

End Point Assessments (EPAs)

This series of questions is new for 2021 and so there is no comparison with previous years. It should be borne in mind that although the respondent may be unaware of EPAs

¹⁵⁷ 25% of those with completer apprentices, 23% of those with current apprentices.

¹⁵⁸ 17% of those with completer apprentices, 20% of those with current apprentices.

¹⁵⁹ 14% of those with completer apprentices, 21% of those with current apprentices.

¹⁶⁰ 23% of those with completer apprentices, 15% of those with current apprentices, a significant difference.

¹⁶¹ 16% of those with completer apprentices, 17% of those with current apprentices.

¹⁶² 15% of those with completer apprentices, 14% of those with current apprentices.

¹⁶³ 15% of those with completer apprentices, 14% of those with current apprentices.

¹⁶⁴ 21% of those with completer apprentices, 29% of those with current apprentices.

¹⁶⁵ 31% of those with completer apprentices, 22% of those with current apprentices.

¹⁶⁶ 13% of those with completer apprentices, 15% of those with current apprentices.

¹⁶⁷ 14% of those with completer apprentices, 14% of those with current apprentices.

¹⁶⁸ 9% of those with completer apprentices, 13% of those with current apprentices.

this may be because others in the organisation deal with them, especially amongst larger employers.

Knowledge of EPA

All employers with apprentices who had completed apprenticeships on standards during the survey window (according to the ILR) should have experienced these apprentices going through EPAs, however only 81% were able to confirm that this had happened, as shown in Figure 10.2. Around a fifth could not – 9% were unsure and 10% thought they had not.

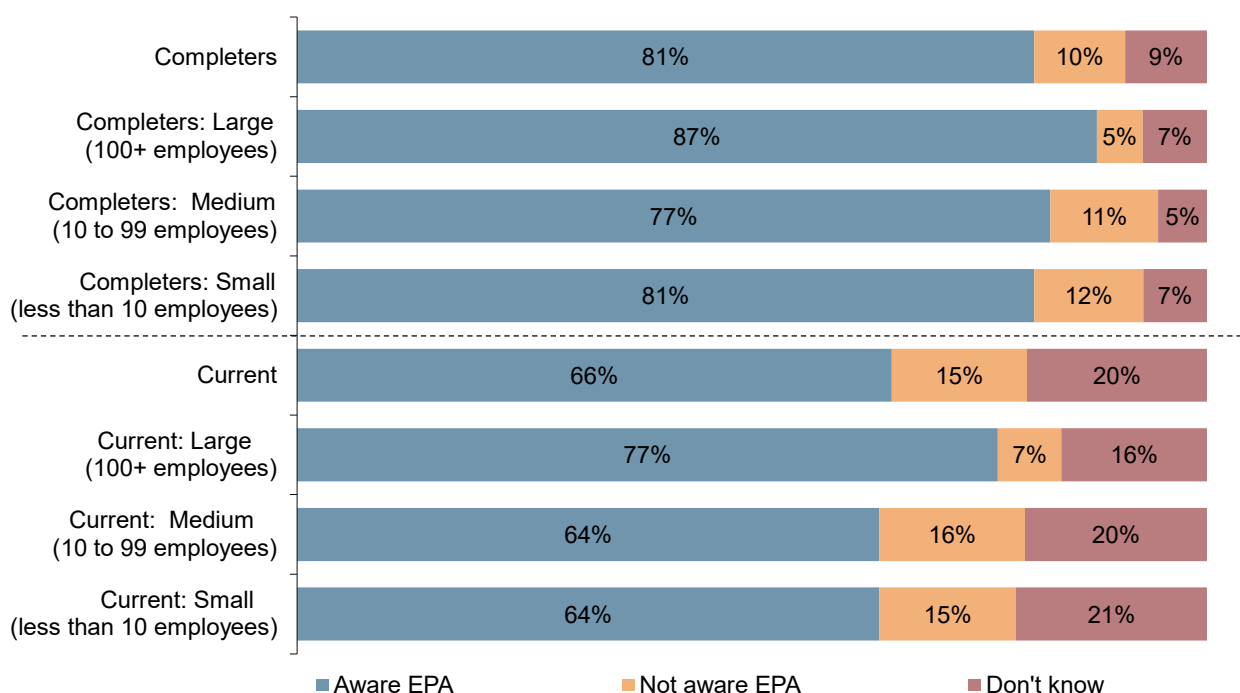
Amongst employers with current apprentices on standards (according to the ILR) two thirds (66%) were aware that these apprentices would be required to undergo an EPA.

Large employers with apprentices completing standards were more likely to be aware that their completer apprentices had undergone an EPA (87% of those with 100 or more employees at their site compared to 77% of those with 10 to 99 staff), as shown in Figure 10.2. Similarly, large employers were more likely to be aware that their current apprentices on standards would be undertaking an EPA (77%).

Public sector employers were particularly likely to be unsure if their apprentices' completing standards had been through an EPA (20% compared to 7% of those in the commercial sector), possibly reflecting the size of their organisations and split responsibilities.

Employers who were particularly likely to be unaware that their current apprentices on standards would need to undergo an EPA (compared to 15% overall) included those who mostly used frameworks during the survey window (20%), possibly indicating they were new to standards, as well as those whose main programme was in Construction (19%) and / or at Level 2 (18%).

Figure 10.2 Whether employers are aware that their apprentices on standards have undergone or will undergo EPAs, by employer size at site



Base: Employers with apprentices who have completed standards (368); of which Large (109), Medium (194), Small (61). Employers with current apprentices on standards (2,753); of which Large (563), Medium (1,448), Small (675).

Selection of End Point Assessment Organisations (EPAOs)

It is envisaged that employers will drive EPAO selection, with support from their learning providers if they wish, ideally early in the apprenticeship. The study checked how this process had worked amongst those with completer apprentices who had undertaken EPAs, and those with current apprentices who would be taking EPAs in future. This analysis is only based on those employers who were aware of the EPA (i.e., 81% of those with apprentices who had completed standards, and 66% of those with current apprentices on standards), so it excludes the most uninformed employers.

The majority of employers with apprentices on standards had not chosen an EPAO themselves, and this was organised, or was expected to be organised by the learning provider (63% of all, 67% with completer apprentices, 62% with current apprentices), as shown in Figure 10.3. A small minority (8% of all, 5% with completer apprentices, 9% with current) reported there was only one available organisation to act as an EPAO for their programme so there was no choice to be made.

A minority of employers (16% of all, 12% with completer apprentices, 17% with current apprentices) reported EPAO selection was or would be a joint decision between them and the learning provider, and 4% (3% with completer apprentices, 5% with current apprentices) said that the learning provider had given or would give them a list to choose from.

Just 3% of employers (4% with completer apprentices and 3% with current apprentices) found and chose the EPAO themselves or planned to do this. Some employers (4% of all, 7% with completer apprentices, 3% with current apprentices) were uncertain how the selection process had or would work.

Whilst the majority of the group of employers who were aware of EPAs had not chosen an EPAO, 8% had done so at the start of the apprenticeship (13% of those with completer apprentices, 7% with current apprentices) and 7% had done (or planned to do) so 'well before' Gateway (3% of those with completer apprentices, 8% with current apprentices).

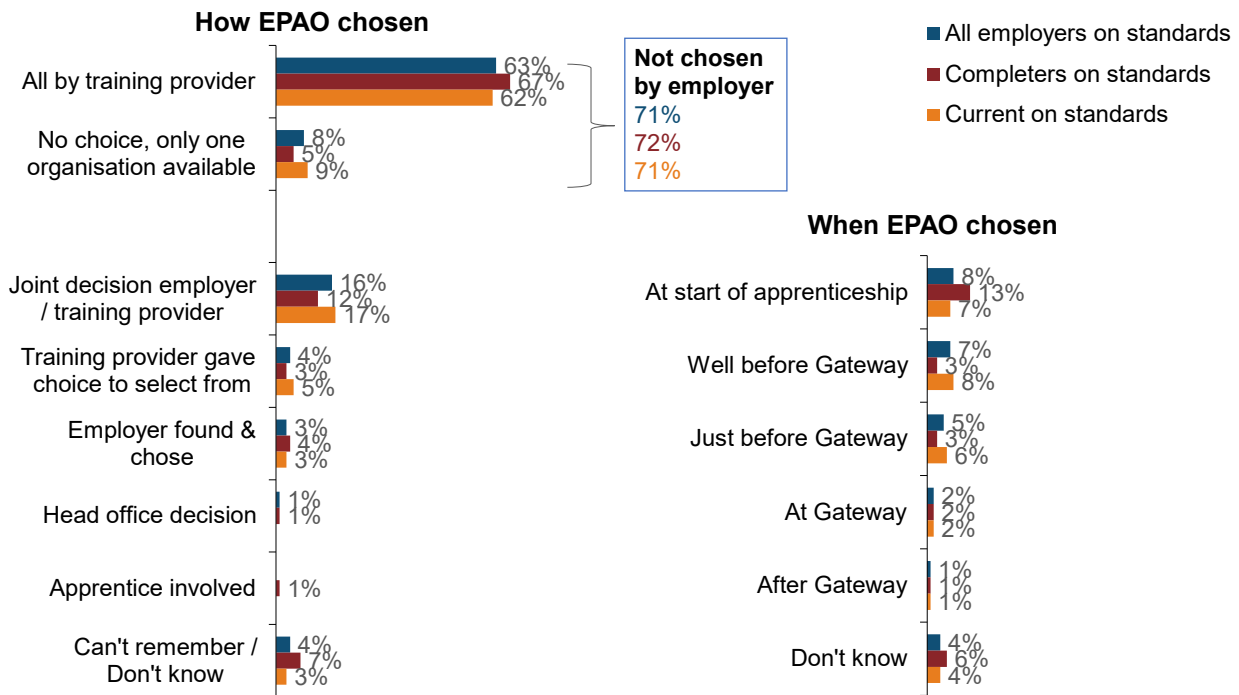
Gateway is the point at which the employer and training provider review the apprentice's knowledge, skills and behaviours to see if they have met the minimum requirements of the apprenticeship standard, and are ready to take the assessment.

This left 5% who were aware of EPAs but had selected (or planned to select) their EPAO only 'just before' Gateway (3% of those with completer apprentices, 6% with current apprentices) and a further 2% who reported they had or would select the EPAO 'at Gateway' (2% of those with completer apprentices, 2% with current apprentices). Four percent of those aware of EPAs were unsure when they would select an EPAO (6% of those with completer apprentices, 4% with current apprentices).

Smaller employers with less than 10 employees at their site were more likely to have their EPAO selected by their provider (67% compared to 56% of those with 100 or more employees). By organisation size, employers with less than 10 employees at their organisation were also more likely than average to have their EPAO selected by their provider (70%), but so were employers with 10 to 99 employees at the organisation (69%).

Larger employers were particularly likely to report it a joint decision between them and the provider (20% of those with 100 or more employees compared to 15% of smaller employers).

Figure 10.3 How and when EPAOs were or will be chosen by employers with apprentices on standards who are aware of EPAs (completer and current)



Base: Employers with apprentices who have completed standards or are currently on standards and aware of EPAs (1,853), of which with completer apprentices (268), with current apprentices (1,585).

Informing apprentices about EPA

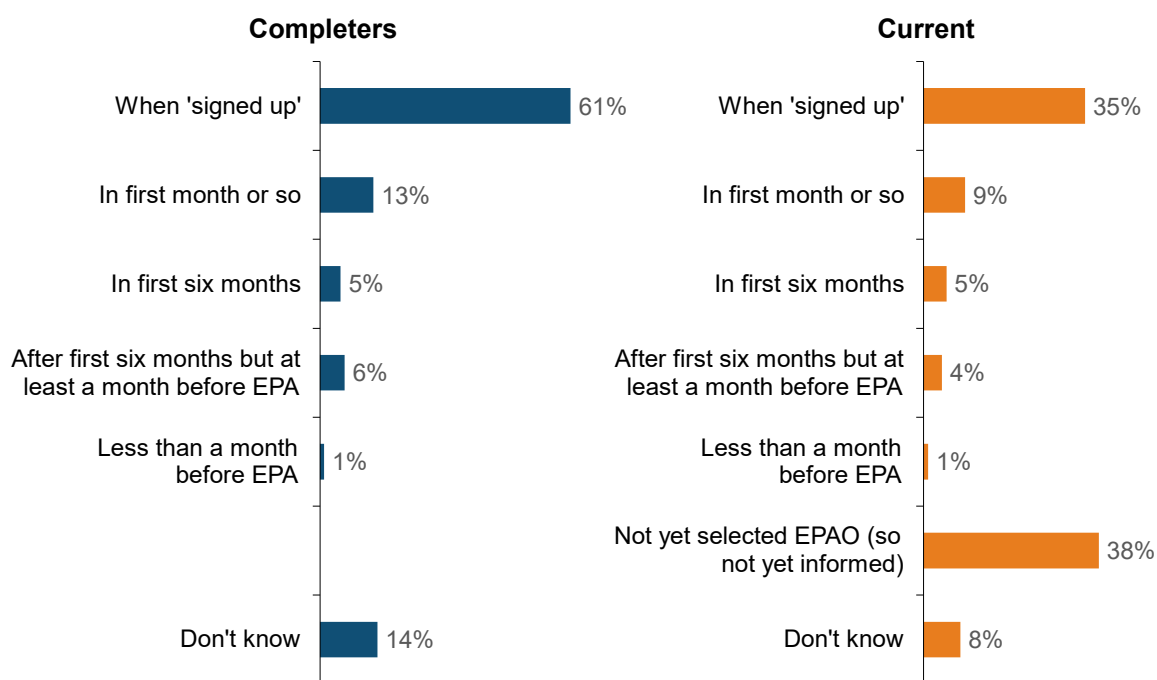
It is also intended that employers inform apprentices early in their apprenticeship about the EPA and what it involves. The study checked when employers had informed their apprentices who had completed their studies about their EPAs, and also (if they had not done so) when they planned to inform current apprentices about them. This analysis is only based on the group of employers who were aware of EPAs (i.e., 81% of those with apprentices who had completed standards, and 66% of those with current apprentices on standards).

There was considerable variation amongst employers regarding what stage apprentices were informed about their EPA. First, looking at employers with completer apprentices, almost two thirds (61%) said they had informed the apprentice of the EPA when they signed up, and most of the rest (13%) in the first month, as shown in Figure 10.4. Only a small group (7%) did not inform the apprentice in the first six months, although a significant proportion (14%) did not know when they had informed the apprentices.

Looking at employers with current apprentices who will go through an EPA, more than a third (38%) had not yet selected an EPAO, and so would not have been able to tell apprentices about their EPA in detail. Most of the remainder (35%) said they had informed their apprentices at the start of their learning, and another 9% in the first month. Relatively few (5%) had informed or were planning to inform their apprentices more than six months after the start of their course. Some employers of current apprentices were

uncertain; 8% were unsure when apprentices had been or would be informed about the EPAO.

Figure 10.4 When apprentices were or will be informed about EPA by employers with apprentices on standards who are aware of EPAs (completer and current)



Base: Employers with apprentices who have completed standards or are currently on standards and aware of EPAs (1,853), of which with completer apprentices (268), with current apprentices (1,585).

Satisfaction with EPA

Employers were asked about their satisfaction with the EPA process. A large majority (87%) of employers who confirmed they had experienced completer apprentices undertaking EPAs felt it had been a good test of the apprentice's occupational competence.

Employers whose main programme was at Level 3 were particularly positive (91% of those aware their completer apprentices had undertaken the EPA thought it a good test). Larger employers with 100 or more employees at their site were more likely than those with 10 to 99 to think it good (92% compared to 82%). There was no evidence of particular pockets of dissatisfaction by subject area, sector or region.

Several questions regarding satisfaction also allowed for unprompted mention of issues employers may have faced with EPAs. Employers generally appear content, as it was rare for EPAs to be raised as a problem. For example:

- When asked whether there was sufficient information, support or guidance available for those interested in offering apprenticeships, gaps specifically related to the EPA were mentioned by less than 1% of employers (none of those with completer apprentices, and less than 1% with current apprentices).

- Only 2% of employers (3% of those with completer apprentices and 3% of those with current apprentices) who would like to change apprenticeships in general wanted specifically to improve the EPA.

However, amongst the small group of employers who have or had apprentices on standards and think them worse than frameworks (around 3% of all who provided standards during the survey window) the EPA is raised as a concern; 25% said it puts more pressure on apprentices, 16% that it puts more pressure on employers and 11% mentioned other issues related to assessment.

Understanding of apprenticeship funding

Two thirds (67%) of employers thought their organisation understood the apprenticeship funding process very or fairly well, as shown in Figure 10.5. The proportion amongst those with completer apprentices was similar to that amongst those with current apprentices (71% compared to 68%, not significantly different).¹⁶⁹

Only around half (53%) of the smallest employers with fewer than 10 employees at their site felt their organisation understood the apprenticeship funding process well, compared to two thirds (73%) of those with 10 to 99 employees and 86% of those with 100 or more. This is despite respondents at smaller sites probably being personally involved with all aspects of the apprenticeship, whilst those in larger organisations would be more likely to have a separate finance department.

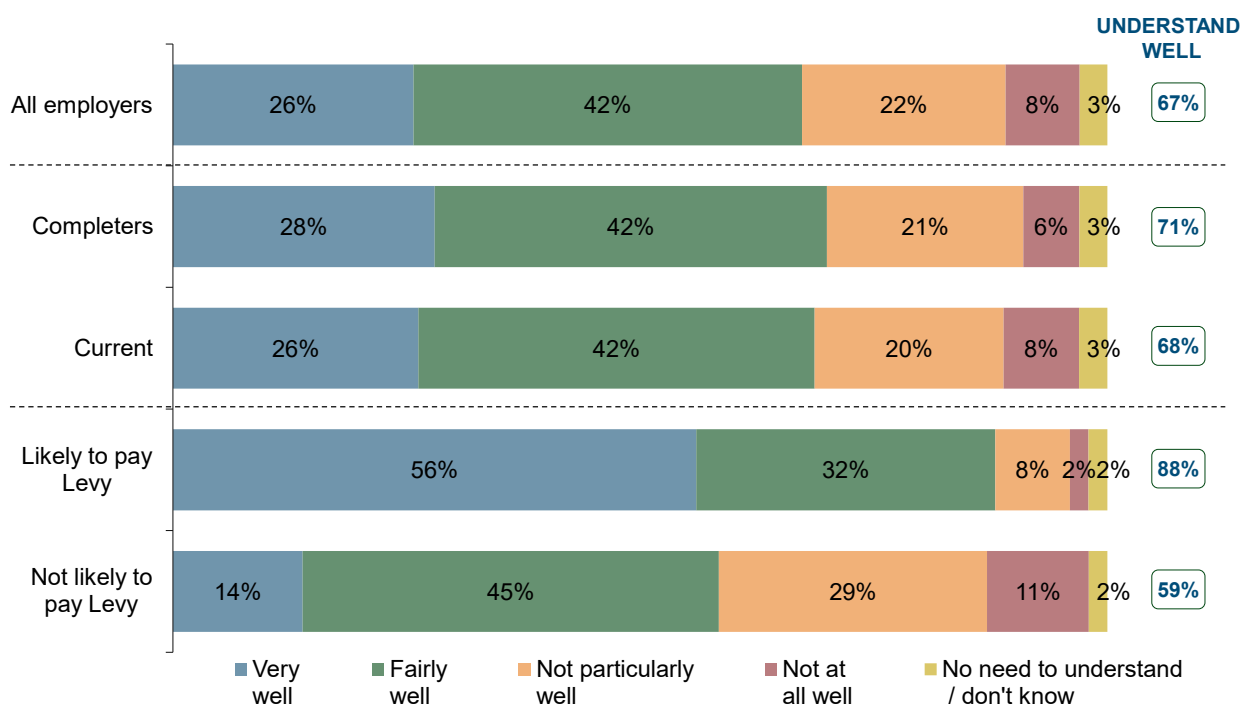
Differences by size may be driven partly by Levy requirements; employers likely to be liable for the Levy were considerably more likely to feel their organisation understood the funding process well, 88% compared to 59% of those not likely to be required to pay it.

Around two fifths of those who mainly provided programmes in Engineering (40%), Agriculture (39%) or Construction (38%) did not feel their organisation understood the funding process well, compared to 29% overall. Within Retail, those who mainly provided Hair and Beauty apprenticeships were also particularly likely to say they did not understand (45%).

Employers who mainly provided Level 4+ apprenticeships were more likely than those who mainly provided Level 2 or 3 to think their organisation understood the funding process well (76% compared to 66%).

¹⁶⁹ There was no directly comparable question in the 2019 study but 76% were *aware* that the way apprenticeships were funded in England had changed in May 2017, and 65% felt their organisation understood the apprenticeship reforms (in general) well.

Figure 10.5 Understanding of apprenticeship funding by whether have completer apprentices or current apprentices and whether likely to be required to pay Levy



Base: All employers (4,085), of which: with completer apprentices (977), with current apprentices (3,108), likely to pay Levy (1,046), not likely to pay Levy (2,191).

Understanding of off-the-job training requirement

Apprenticeship funding rules state that to be eligible for government funding, at least 20% of an apprentices' normal working hours over the planned duration of the training period must be spent on off-the-job training. To qualify as 'off-the-job training', training must:

- Be directly relevant to the apprenticeship standard or framework
- Teach new knowledge, skills and behaviours
- Take place within the apprentice's normal working hours
- Take place away from the apprentice's normal work duties (though it may take place at the workplace), and
- Exclude Level 2 English or maths training.

Employers were asked how well they felt they understood the off-the-job training requirement of apprenticeships. Three quarters (76%) of employers thought their organisation understood the activities which count towards the 20% off-the-job training requirement very or fairly well, as shown in Figure 10.6. The proportion amongst those with completer apprentices was similar (75% compared to 78% amongst those with current apprentices).

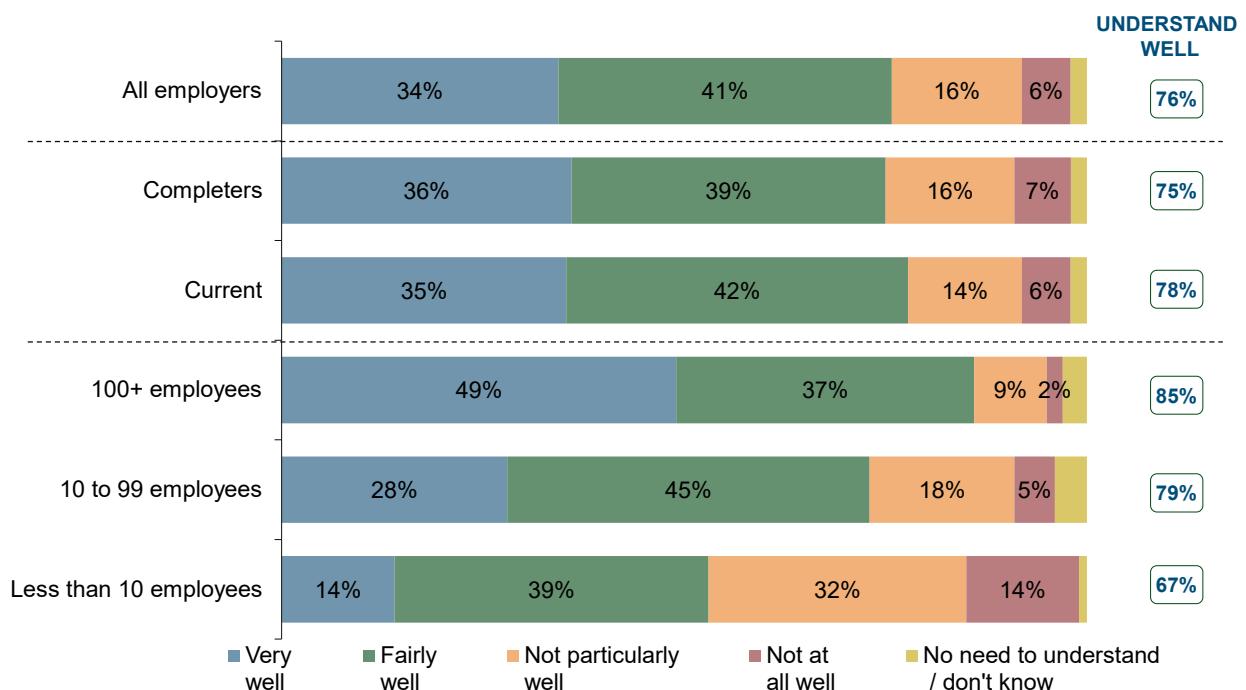
Compared to 2019¹⁷⁰, when an identical question was asked, understanding of the off-the-job training requirement has improved: 75% of those with completer apprentices in 2021 felt their organisation understood very or fairly well which activities counted, compared to 63% in 2019. In 2021, 21% of those with completer apprentices felt it was not well understood compared to 33% in 2019.

Larger employers were markedly more likely to report their organisation understood the off-the-job training requirement well (85% of those with 100 or more employees at their site, compared to 79% of those with 10 to 99 and 67% of smaller employers), as shown in Figure 10.6. Only 13% of the largest employers felt it was not well understood, compared to a third (32%) of those with less than 10 employees.

Understanding of the off-the-job training requirement increased with the main level of apprenticeship provided, from 70% of those who mainly provided Level 2 to 87% of those who mainly provided Level 6+.

Employers whose main apprenticeship programme was in Education, Health or Business were particularly likely to feel their organisation understood the off-the-job training requirements (84%, 82% and 81% respectively compared to 76% overall). Around a third of those whose main programme was in Engineering, Construction or Agriculture (31%, 30% and 30% respectively, compared to 22% overall) felt their organisation did not understand the requirement well.

Figure 10.6 Understanding of off-the-job training requirement by whether have completer apprentices or current apprentices and employer size at site



Base: All employers (4,085), of which: with completer apprentices (977), with current apprentices (3,108), Large (1,654), Medium (1,464), Small (848).

¹⁷⁰ No such questions were asked in 2017.

Maths and English

Four fifths of employers (79% of all, 79% of those with completer apprentices and 80% of those with current apprentices) consider it very or quite important for their apprentices to have or to achieve Functional Skills Level 2 or a GCSE standard pass in Maths and English by the end of their apprenticeship, as shown in Figure 10.7. Around half of employers (53%) felt it *very* important.

There has been no change in views since 2019¹⁷¹ when 54% of employers considered it *very* important (54% with completer apprentices in 2021) and 26% quite important (25% in 2021) for apprentices to have Level 2 English and Maths.

There was not a clear pattern in the importance attached to achieving Level 2 English and Maths by apprenticeship level provided. Employers who mainly provided Level 6 or 7 were particularly likely to think it important (85%), as were those who mainly provided Level 3 (81%). This compared to 77% of those who mainly provided Level 2, who might be expected to have a higher proportion of apprentices starting without these qualifications, but perhaps also more likely to consider roles at this level did not require the skills taught.

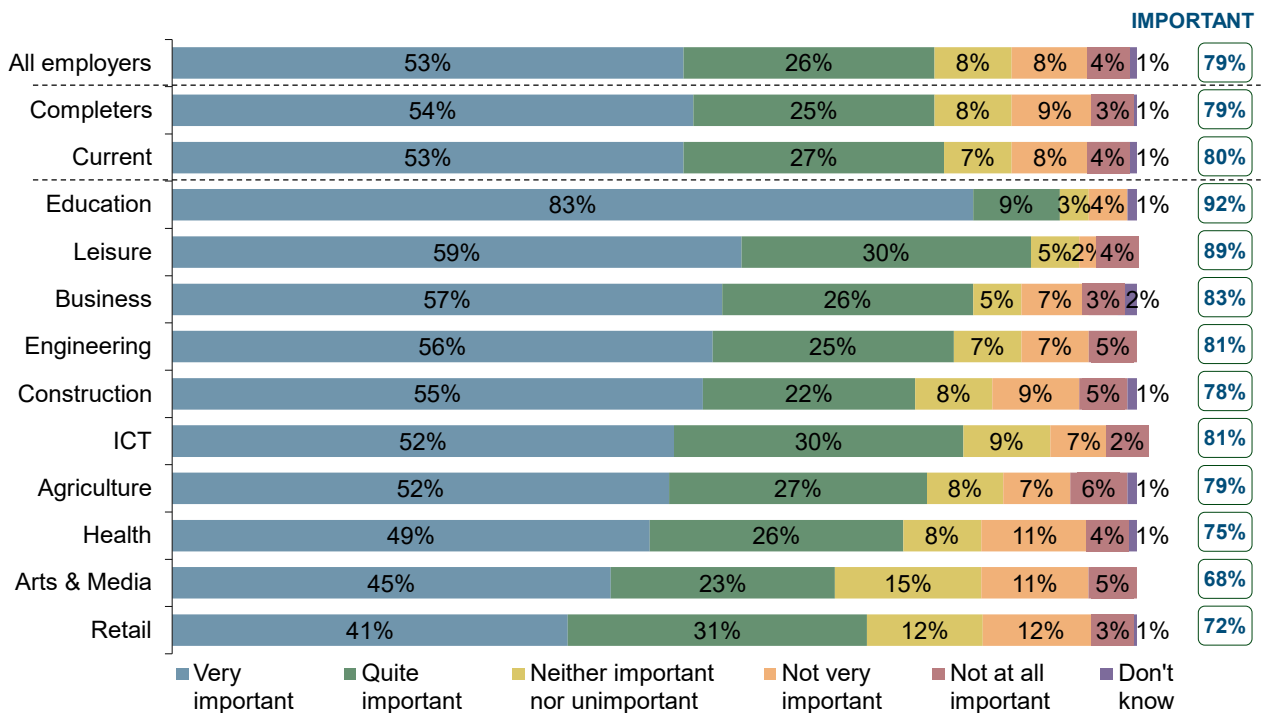
Apprentices having Level 2 Maths and English by the end of their apprenticeship was more likely to be thought important by those mainly providing apprenticeships in Education (92%) or Leisure (89%). Within the Retail programme, 23% of those mainly offering Hair and Beauty apprenticeships did not consider it important (compared to 12% overall). Those in Health (15%) were also more likely than average to consider it important.

The smallest employers, with fewer than 10 employees at their site, were more likely to feel these qualifications were not important (14% compared to 8% of those with 100 or more employees).

Employers in the Agriculture SIC sector were especially likely to consider it unimportant apprentices had these qualifications as were those in the 'Other Services' SIC sector (largely Hair and Beauty businesses); 22% in each sector compared to 12% overall. Employers in the Professional, Science and Technology SIC sector were especially likely to consider them important; 89% compared to 79% overall.

¹⁷¹ In 2017 and 2015, the question wording asked about a pass at Grade A* to C, and therefore the findings are not comparable with these years.

Figure 10.7 Importance of apprentices having Functional Skills Level 2 or a GCSE standard pass in Maths and English by the end of apprenticeship, by whether have completer apprentices or current apprentices and main subject area



Base: All employers (4,085), of which: with completer apprentices (977), with current apprentices (3,108), Education (198), Leisure (141), Business (723), Engineering (755), Construction (416), ICT (179), Agriculture (207), Health (892), Arts and Media (65), Retail (473). Science and Maths and Other subject areas not shown as bases below 30.

11. Future plans

This chapter explores employers' plans for future apprenticeship provision. Employers were asked whether they expected to increase or decrease their apprentice numbers, going into the next 2 to 3 years and the reasoning behind these plans. Differences by subject area, employer size, sector and level are discussed alongside this.

Key findings

Future plans for apprenticeships

- Just over a third of employers (36%) were planning **to increase the number of their apprenticeships** in the next two to three years.
- A greater proportion of employers of **completer apprentices in 2021 than in 2019 were planning to increase their apprentice numbers** in the next 2 to 3 years (36% vs. 27%).
- This could be interpreted as a **bounce-back after the reduction in apprentice numbers seen during COVID-19**. There was a strong link between reporting a plan to increase apprenticeship numbers and having reduced apprentice recruitment due to COVID-19 (50% of these employers were planning to increase numbers, vs. 28% among those who had not previously reduced recruitment).
- Employers planning to increase their number of apprentices most commonly said this was because **they were expanding** (54%), or less commonly because they felt apprenticeships **were a good way to meet skills needs** (29%).
- The top reasons for planning to decrease or stop offering apprenticeships were that they were **not planning to recruit new staff** (25%), followed by the organisation either not growing or contracting (11%).

Level 6 and 7 expansion plans

- One third (32%) of employers with existing apprenticeships at Levels 6 or 7 were expecting **to introduce more subject areas or levels at Levels 6 or 7**. The most common subject areas expected to be introduced at these Levels were **Business (45%), followed by Construction, (12%) and Health and Social Care (10%)**.

Future provision of apprenticeships

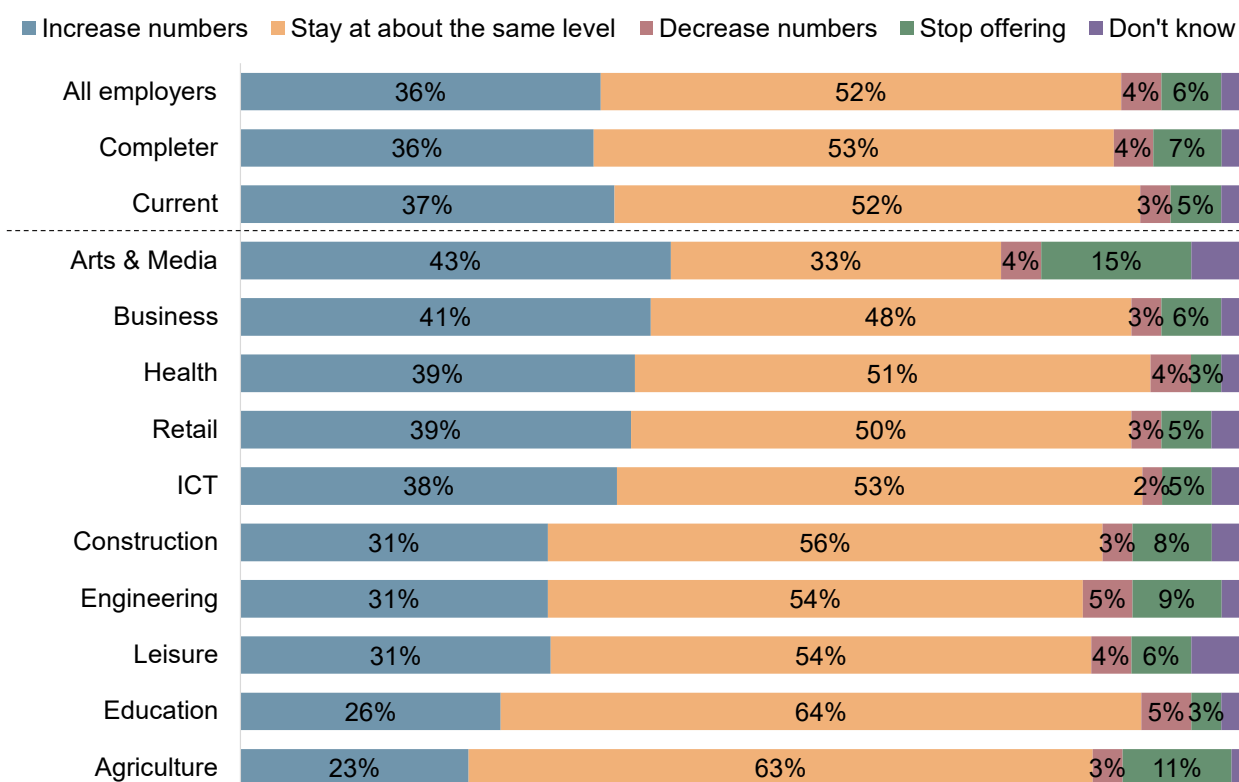
Employers were asked about their future intentions regarding the provision of apprenticeship over the next 2 to 3 years, and whether they planned to increase numbers, keep numbers about the same, decrease or stop offering. In 2021, around a third of employers of apprentices (36%) overall were planning an increase in the numbers

of apprentices over the next two to three years, while around a tenth (10%) expected to either decrease (4%) or stop (6%) provision. This picture was broadly consistent for employers of current apprentices (37% increase, 5% stop) and employers of completer apprentices (36% increase, 7% stop).

This was a substantial change from 2019 and 2017, when around three in ten (27% in 2019, 29% in 2017) employers with completer apprentices were planning to increase numbers, and a tenth (10% in 2019, 8% in 2017) were expecting to stop offering apprenticeships. This could be interpreted as a bounce-back after the reduction in apprentice numbers seen during COVID-19, supported by the fact that those who had reduced recruitment due to COVID-19 were much more likely to be expecting an increase in apprentice numbers (50%) than those who had not (28%).

Figure 11.1 shows how this breaks down by main subject area; as can be seen some subject areas are much more likely to see an increase in demand from existing apprentice employers than others. In particular, employers whose main subject area is Arts and Media (43%) or Business (41%) said they would increase apprentice numbers.

Figure 11.1 Future intentions for apprenticeship numbers by main subject area



Base size: All employers (4,085). Completer (977), Current (3,108), Arts & Media (65), Business (723), Health (892), Retail (473), ICT (179), Construction (416), Engineering (755), Leisure (141), Education (198), Agriculture (207).

Some other types of employer were more likely to expect an increase in the number of apprentices than average (36%):

- Those whose main level of apprenticeship was Level 4 or 5 (48%);
- Those who have larger apprenticeship schemes with 3 to 5 (40%), 6 to 9 (46%) or 10 or more apprentices (55%);
- Larger employers with 100 or more staff at their site (50%), or likely to pay the Levy (51%);
- Employers in the SIC sectors Accommodation and Food Service (52%), Administrative and Support Services (51%), Information and Communication (45%) or Health and Social Work (42%);
- Those expecting to experience significant (55%) or slight growth (41%) in the next 12 months; and
- Employers in London (46%).

Employers were also asked why they expect their apprentice numbers to increase or decrease (see Table 11.1). The reasons employers gave around future plans for apprentice numbers were closely linked to their future business expectations. For instance, employers planning to increase the number of apprenticeships they offer most commonly said this was because the organisation was expanding (54%, 56% for employers with completer apprentices, 52% for current). Meanwhile, the top reason for planning to decrease or stop offering apprenticeships was that they were not planning to recruit new staff (25%, 22% for employers with completer apprentices, 27% for current), followed by the organisation either not growing or contracting (11%, 12% for employers with completer apprentices, 11% for current).

In comparison to 2019 and 2017, reasons for recruiting or not recruiting remained relatively consistent, although the end of the pandemic (5%) was a newly reported reason for increasing the number of apprentices. Increasing apprentice numbers as a good way to meet skill needs decreased from 35% in 2019 to 25% of employers with completer apprentices planning to increase numbers in 2021.

Table 11.1 Top reasons for future plans for apprentice numbers (spontaneous)

Increase Base: Employers who expect the number of apprentices to increase over the next 2 to 3 years (1,579)	%	Decrease Base: Employers who expect to stop offering apprenticeships or for the number of apprentices to decrease over the next 2 to 3 years (327)	%
Business growth / expanding	54	Not looking to recruit new staff	25
Good way to meet skill needs	29	Business not growing (or contracting)	11
Career progression / benefits staff	6	No capacity for more	10
End of pandemic	5	Bad experience with training providers	10
Apprenticeships becoming easier to recruit	5	Previous apprentices have not been of a good enough standard	9
High staff turnover	5	Cannot afford more	9
Company initiative / policy	3	Staff all fully skilled	8
Claim back Apprenticeship Levy payments	3	Lack of good candidates	8
Investment in future of company/industry	2	Employer closing down (or retiring)	7
Increased range of apprenticeships (including Degree apprenticeships)	2	No time to deal with apprenticeships	6
To help the local community/young people	2	Current apprenticeship standards not good enough	4
Past experiences of apprenticeships have been good	2	Prefer to recruit experienced staff	3
		Will have to start paying for apprenticeships	3
		Due to low staff turnover	2
		Prefer other forms of training	2

Reasons cited by fewer than 2% of employers omitted.

There were some differences by subgroup in employers' reasoning behind increasing or decreasing apprentice numbers:

By size

- Employers with less than 10 staff at their site (60%) were more likely to report *business growth* as a reason for increasing apprenticeships than those with 100 or more staff (49%).
- Employers with 100 or more staff at their organisation (33%) were more likely than average to report apprenticeships being a *good way to meet skills needs* as a reason for increasing apprenticeships.
- Employers with 10 to 99 staff at their organisation (13%) were more likely than average to report *a lack of good candidates* as a reason for decreasing apprenticeship numbers.
- Employers with 100 or more staff at their organisation (11%) were more likely than average to cite problems with *current apprenticeship standards* as being a reason for decreasing numbers of apprenticeships.

By SIC sector

- Employers working in Health (33%) were more likely than average to use *good way to meet our skill needs* as a reason for increasing apprenticeships.
- Employers working in Public Admin/Defence were most likely to report increasing apprentice numbers due to *company initiative or policy* (18%), to *claim back apprenticeship Levy payments* (25%), and as an *investment in the future of the company or industry* (11%).
- Employers working in Construction (66%) and Professional/Science/Technology (66%) were more likely than average to report *business growth* as a reason for expecting to increase their number of apprentices. Whereas employers working in Wholesale/Retail were more likely than average to report the *business not growing* (27%) as a reason for stopping or decreasing.
- Employers working in Manufacturing were most likely to report that apprentices *have not been of a good enough standard* (27%), and also that *all of their staff are already fully skilled* (25%) as a reason for decreasing.
- Employers working in Construction were more likely than average to report their *organisation to be closing down (or that the owner was retiring)* as a reason for decreasing or stopping the number of apprenticeships they provide (16%).
- Employers working in Professional/Science/Technology were more likely than average to report *lack of good quality candidates* (23%) and *not having the time to deal with apprenticeships* (21%) as a reason to stop providing or decrease the number of apprentices.

- Employers with apprentices working in Wholesale/Retail were more likely than average to report reasons for increasing apprentice numbers to be due to *high staff turnover* (10%).

By subject area

- Employers with apprentices in ICT (68%) were more likely than average to report *business growth* as a reason for their number of apprentices to increase.
- Employers with apprentices on Business apprenticeships were also more likely than average to report increasing the number of apprentices as a *form of career progression or to benefit staff* (11%).
- Employers with apprentices working in Health were most likely to report that they *weren't looking to recruit new staff* as a reason for expecting to stop offering apprenticeships or for the number of apprentices to decrease (38%).
- Employers with apprentices in Engineering were most likely to report that the *business wasn't growing* (17%) or that *they had a bad experience with a training provider* (16%) as a reason for decreasing or to stop offering apprentices.
- Employers with apprentices in Construction were most likely to report that they had *no space or capacity to take on anymore* (23%) as a reason for decreasing.

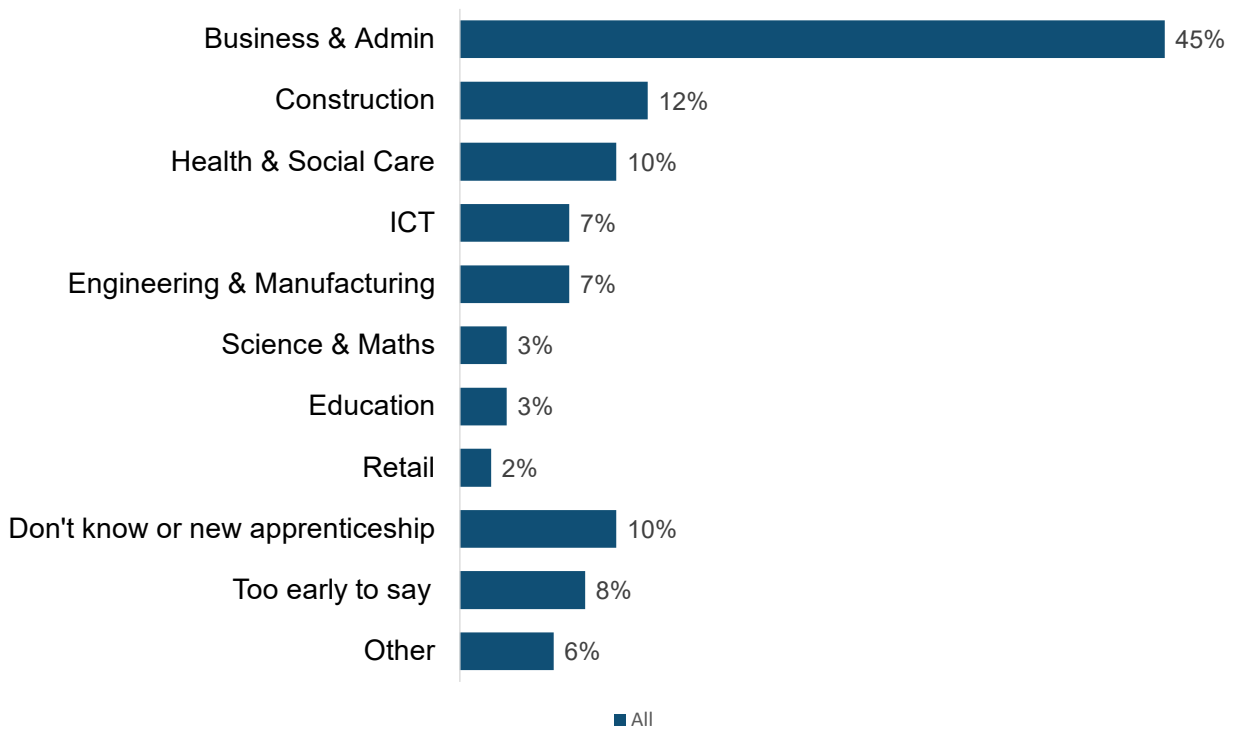
Future of degree and Level 6+ non-degree apprenticeships

Employers who had existing apprentices at Level 6 or 7 who planned to continue offering apprenticeships (or who were unsure) were asked whether they planned to offer any new apprenticeship Standards at Degree or Level 6+ over the next 2 to 3 years. One third (32%) of employers with existing apprenticeships at Levels 6 or 7 were expecting to introduce more subject areas or levels at Levels 6 or 7. This remained consistent across employers with completer and current apprentices.

By employer size, employers with more than 100 staff at their site were more likely to propose to introduce new Level 6 or 7 apprenticeships (44%) than smaller employers (24% for employers with 10 to 99 employees).

Employers were also asked which subject areas they expect to introduce new degree apprenticeship standards in. Business was most commonly chosen (45%, 52% for employers with completer apprentices, 44% for current), followed by Construction, (12%, 7% for employers with completer apprentices, 12% for current) and Health and Social Care (10%, 15% for employers with completer apprentices, 11% for current). Differences between sub-groups of employer cannot be reported on due to low base sizes.

Figure 11.2 Future intentions for new Level 6 or Level 7 apprenticeship standard subject areas



Base size: Employers who plan to introduce new apprenticeship standards at Level 6 or 7 (216).

12. Conclusions

This report has presented the findings of the Employer element of the 2021 Apprenticeships Evaluation Survey, the seventh in a series starting in 2011. This years' survey is the second in the series carried out since the introduction of apprenticeship funding reforms in May 2017, and the first that has been conducted since the 'switch off' of apprenticeship frameworks on 31st July 2020.

This survey contacted employers who had apprentices complete between 1st July 2019 to 29th February 2020, and employers who employed current apprentices as of 1st January 2021. Overall, 4,085 interviews were conducted, 977 among employers with completer apprentices, and 3,108 interviews with employers of current apprentices. It should be noted that the previous surveys from the evaluation series only included employers with completer apprentices, and therefore only this group of employers is comparable with earlier years. Interviews were conducted with employers who had apprentices (current and completer apprentices) on standards and frameworks.

This years' survey included a number of new areas of coverage, including the impact of COVID-19 on apprenticeships, and employer opinions on the move to standards, including their experience of the EPA process.

Trends in apprenticeships and COVID-19

Apprenticeships have decreased in number in recent years (from 521,000 in 2011/12 to 320,000 new starts in 2020/21, a fall of 39%), first following the policy reforms of 2017, and most recently since March 2020 with COVID-19.

While the number of employers using Level 2 apprenticeships has fallen by 43% since 2019, the **number of employers using apprenticeships at Higher and Degree levels has increased** in absolute terms despite COVID-19. Current policy makes clear that apprenticeships remain central to plans for vocational skills in England, and seeks in particular to encourage these more intensive, longer apprenticeships.

The impact of COVID-19 was most strongly felt in the early months of the pandemic, when the number of apprentices starting apprenticeships was less than half that seen in the previous year. **Many employers reported less recruitment than in a normal year (41%), and around a third of employers of current apprentices (31%) reported that apprentices already recruited had breaks in learning.**

The gap in the number of starts was, however, closed by November 2020, and has remained broadly similar to 2019 since that point. **The role of the financial incentive in causing employers to recruit more apprentices is relatively small** with a best estimate of a net increase of 11% in recruitment of apprentices, or 6% taking into account that some recruitment was brought forward. For most employers not recruiting (69%), the

incentive did not trigger recruitment because they had no work for more apprentices.

However, looking forward, a much larger percentage of employers (36% of those with completer apprentices, up from 27% in 2019) expected to increase their use of apprenticeships. **This suggests that a further increase in apprenticeships starts is likely, beyond pre-COVID-19 levels.** Catering to this large increase in demand, after a slow period, may pose challenges for providers and it may be worth considering exploring capacity among providers to deliver increases in provision.

Encouraging employers to use apprenticeships

As found in previous surveys, **despite the introduction of the Apprenticeship Levy, smaller employers (at a site level) continue to make greater use of apprenticeships than all but the largest employers**, and their use remains strongly concentrated in particular industrial sectors (Construction, Education, Health and Social Work, and Other Services). It is important to note that **among some types of employer¹⁷², the challenge is to persuade already engaged employers to take on more apprentices, but among others¹⁷³ the challenge is to engage a higher proportion of employers.** Generally, the use of apprenticeships remains particularly popular among employers in the North East, North West and Yorkshire and the Humber regions, and less popular in London. Overall, **92% of sites of employment in England do not have apprentices.**¹⁷⁴

Among employers of apprentices thought to be eligible for the Levy, nearly a quarter (22%) **spontaneously mentioned the Levy as a motive.** However, more employers already employing apprentices were attracted to apprenticeships by the **benefit to the apprentice or community** (22%), the inclusion of **practical, vocational training** (17%).

Most apprentice employers are **happy with the level of information, support and guidance about the apprenticeship programme** (77%). Key issues were not with availability of specific pieces of information, but uncertainty on who to approach or where to get information (6% of all employers) or around the clarity or promotion of existing information (5% of employers each).

Most apprentice employers (58%) know about either Higher or Degree apprenticeships, unchanged from 2019 despite the increasing usage of these levels of apprenticeship. However, to increase apprenticeship take-up, it may be worth investigating awareness of types of apprenticeship available **among non-employers of apprentices.**

Some employers said that they considered only applicants from specific age groups for apprenticeships. Employers are **more likely to decide not to offer apprenticeships to**

¹⁷² e.g., Larger employers, sectors such as Education, Health and Social Work, Manufacturing, Public Administration and Defence.

¹⁷³ E.g., Smaller employers, sectors such as Agriculture, Professional, Scientific and Technical, Arts and Entertainment, Wholesale and Retail, Financial and Real Estate, Administrative and Support Services.

¹⁷⁴ Excluding sites where only one person is employed.

applicants aged over 25 than those aged under 19. This is a feature of employers' apprenticeship provision which could be investigated in the future with a view to driving further use of apprenticeships.

Apprenticeship delivery and quality

The 2021 study was the first Apprenticeship Evaluation since the transition to apprenticeship standards. This shift has been well received; **employers were more likely to think standards were better than frameworks than to think them worse.** Employers were particularly impressed by the improved structure and skills outcomes.

Overall levels of satisfaction remain high among apprentice employers (at 83%¹⁷⁵), albeit with **pockets of dissatisfaction with specific levels and subject areas of apprenticeship** which could potentially benefit from a focus from DfE, with a view to driving up satisfaction. Breaks in programmes due to COVID-19 may have adversely impacted satisfaction amongst employers with current apprentices in 2021; only 78% whose apprentices had experienced breaks in learning were satisfied overall.

Satisfaction was lowest regarding the amount and complexity of paperwork, quality of applicants and ability to influence the apprenticeship. Satisfaction on this latter measure had **decreased slightly despite the transition to standards.** However, those employers who had selected their own End Point Assessment Organisation (EPAO) were more satisfied overall (92%) than those where it was selected by the training provider (84%).

Employers with apprentices mostly on frameworks (47%) were also more likely to report being able to influence training than employers with apprentices mostly on standards (41%).

Most apprenticeships were reported to contain all the key elements expected, such as training from an external training provider (95%) and the employer (74%), and an assessment of apprentices' prior skills (83%). However, a quarter (24%) of employers with completer apprentices **reported that no learning sessions were delivered to apprentices in-house by the employer**, although this was unchanged from 2019.

In terms of assessment, EPAs were reported to be **primarily organised by learning providers, with little reference to employers.** However, employers were generally satisfied with the assessments, with a large majority (87%) feeling that this had been a good test of the apprentices' occupational competence.

¹⁷⁵ Satisfaction among employers did not vary between employers of current apprentices and employers of completer apprentices, and nor had it changed over time. Satisfaction (giving their main apprenticeship framework or standard a rating of 6 to 10 out of 10) was at 83% among employers of current apprentices in 2021; 85% among employers of completer apprentices in 2021; 85% among employers of completer apprentices in 2019; 84% among employers of completer apprentices in 2017.

Impact of apprenticeships on employers

Most employers who had completed apprentices in the survey window had retained some (73%) or all (62%) of the apprentices working for them, more than in 2019 (58%). Level 4 and 5 employers have a particularly strong rate of retention of apprentices (92%¹⁷⁶). **Retention in 2021 was, however, at least slightly affected by COVID-19;** half of employers asking an apprentice to leave mentioned a lack of work or COVID-19 as a reason.

A minority of apprentice employers (36%) said they experienced a lower wage bill as a benefit of apprenticeships; this benefit was particularly frequently mentioned by employers using fixed term contracts, to recruit new employees at lower apprenticeship levels in specific subject areas. **It may be useful to examine further this specific group of employers** to ensure that apprenticeships are not being used in a way which does not lead to sustainable employment for apprentices.

However, by a large majority, employers felt that apprenticeships developed relevant skills, improved productivity, and improved staff retention. This information, together with information about retention of apprentices, **could be used to promote apprenticeships to other employers.**

¹⁷⁶ This is the rate of retention of any one of the apprentices trained, rather than retention of all apprentices.



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