

Apprenticeship starts down 25% on last year

As many AELP Members will have read in trade and national press over the last couple of weeks, Apprenticeships starts since the introduction of the Levy continue to be far lower than previously and reaching the Government's target of 3 million starts by end-March 2020 is becoming less likely with each month that passes.

Official statistics from the Department for Education show that between August 2017 and February 2018 there were 232,700 apprenticeship starts. This compares to 309,000 apprenticeship starts over the same period in the previous year (August 2016 and February 2017), a reduction of 76,300 or 25%.

Mark Dawe, AELP CEO, commented in the press:

*"The levy itself isn't the problem but, as MPs on the select committee made clear to the minister, **the manner of its implementation** is letting down thousands of SMEs and young people across the country. The "simple solution" is to "stop charging small employers for taking on young apprentices at levels 2 and 3."*

The table below compares two six month periods before and after Levy implementation to show how the apprenticeship market is changing, by level, age, Standards and Levy-support. Level 2 (Intermediate) apprenticeships have gone down 10% relative to overall starts in those periods and Level 3 up 5%. Meanwhile, Level 4 has gone up to 11% of the overall apprenticeship market from a very low base, a rather more modest increase of 4% or 4,800 starts than some Official statements are perhaps leading people to believe. The table also shows a shift from 19-plus apprentices towards 16-18 year olds, which will need monitoring over time. Further, by the end of Quarters 1 and 2 of the academic year 2017/18, 38% of starts in this period were on Standards and 46% of starts were Levy-supported.

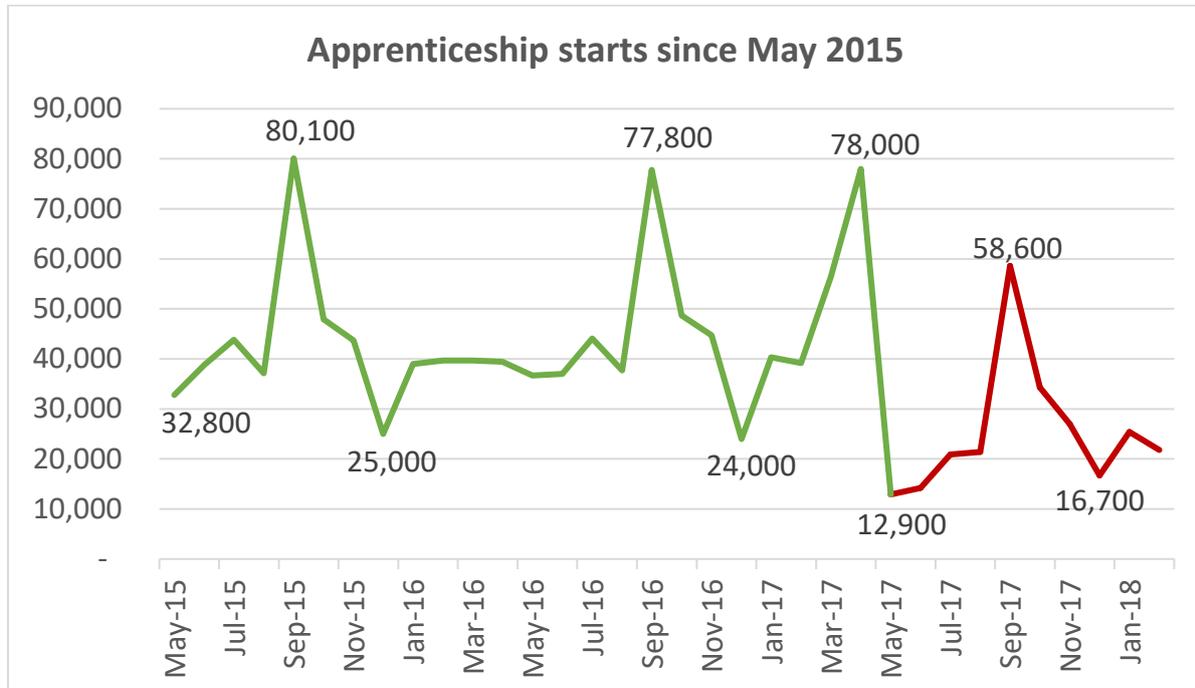
Changes within the Apprenticeship market pre- and post-Levy

	Starts Q1&2 2017/18 (Aug '17-Jan '18)	Starts Q1&2 2017/18 (Aug '17-Jan '18)	% change
Level 2 (Intermediate)	146,700 (54%)	93,100 (44%)	-10%
Level 3 (Advanced)	108,300 (40%)	93,400 (45%)	+5%
Level 4 and above (Higher)	18,000 (7%)	23,800 (11%)	+4%
16-18 year olds	85,600 (31%)	74,200 (35%)	+4%
19-plus year olds	187,500 (69%)	136,700 (65%)	-4%
Standards	8,500 (3%)	79,600 (38%)	+35%
Levy-supported	0	96,000 (46%)	+46%
Total	273,200	210,900	-23%

In terms of reaching the government's target of 3 million apprenticeship starts in the lifetime of this parliament, the poor implementation of the Levy is borne out in the data. The new February 2018 data just released showed 21,800 starts for that month. This makes the total number of starts 1,324,600 since May 2015. There are 24 months left to get another 1.7 million starts, which averages

out at 70,000 per month (or 210,000 per quarter) – a huge contrast from the actual current average of 39,000 per month.

The graph below shows what used to be the usual cyclical peaks in starts in September 2015 and September 2016, the ‘artificial’ peak of 78,000 starts just before the introduction of the Levy in May 2017 and the much-reduced post-Levy peak of 58,000 in September 2017.



Also published in the latest data from DfE, there is now a total of 13,600 Apprenticeship Service Account registrations from individual employers on the digital apprenticeship service. Since August 2017, these employers have made a total of 147,800 ‘commitments’, the term used to mean individual apprentices that they intend to start (or have already started, spread over the 2016/17 and 2017/2018 academic years):

- 40% of all employers’ commitments to start apprentices are at Intermediate level (level 2)
- 22% of these commitments are for 16 to 18 year olds.

Main text:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/705954/Apprenticeship-and-levy-statistics_May-2018_commentary.docx.pdf

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