

‘UK approaches to meaningful Skills and employer partnerships’

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Semta- Science, Engineering, Manufacturing, Technologies Alliance



60 years' experience
meeting the skills
needs of the advanced
manufacturing and
engineering sector



- Representing over 145,800 employers with a 1.7million strong workforce
- Bringing together employers, education and government to deliver employment focused initiatives.

- Developed apprenticeship and industry standards for over 70 years
- Awarded more than 125,000 apprenticeship completions last year
- Over 1.1 million certificates issued in the last 10 years

Unrivalled experience
supporting the
development of
new apprenticeship
standards



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The UK context



- Demand driven
- Employer representatives set standards either NOS or for specific programmes
- Standards articulated into qualifications
- Curriculum built to support the qualifications
- Employers involved in delivery
- Autonomous system -Government involved in quality control and funding
- Growing apprenticeship model and levy

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Levy Overview



- All employers can draw down funding from the levy
- Became law in April 2017
- Only paid by large employers (annual pay bill of over £3m). Around 2% of employers
- Paid via PAYE 0.5% of wage bill
- Fund new apprenticeships
- In England – apprenticeship funding in hands of employers
- Applied via digital scheme ‘Digital Apprenticeship Service’

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Levy rationale



Three principles

- Fairness – first help those least able to help themselves
- Shared responsibility - between the Government, employers and citizens
- Freedom – from bureaucracy and also for people to do their own jobs without crippling oversight

Practical reasons

- Decline in funding for training and associated need to encourage employers to pay for their own training needs.
- Help to meet the target of 3 million apprenticeships by 2020
- Feeds in to government's general 'employer-led' approach to skills – employers being given their levy plus 10% to spend on apprenticeships means they are in direct control over directing the funding.

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Policy



- UK Govt committed to boosting productivity by investing in human capital
- Increase quality and quantity of apprenticeships
- 3 Million new apprenticeships by 2020
- Putting employers at the centre
- Treasury designed and driven policy
- Apprenticeships become safe funding – levy funds ALL apprenticeships and not just those of levy payers.
- Treasury has chosen to introduce the levy and the DfE is responsible for how the budget is spent

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Considerations



- 3m apprenticeship starts – ambitious target
- Primary target in the first instance is those paying the levy who then get the funding (in online vouchers) to purchase apprenticeships training.
- There are though various incentives in place which are designed to help smaller employers to take on apprentices as well
- From an AME perspective this is crucial as those companies are the ones which are less likely to be taking them on, where most of the sector's workforce is and where there is potential for a real skills crisis if retiring workers aren't replaced..
- Possible unintended consequence of misallocation of resource – you need to figure out how to get funding to the employers who actually need it

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Trends



- Broadening out from the 'academic gold standard'
- Need for an intelligent, self-adapting industrial process (Industry 4.0)
- Vocational provision that is fit for purpose and linked to employability
- Progression as a key performance indicator
- Valuing entrepreneurship and enterprise
- Raising expectations for students in VET
- Employer engagement in education/training
- Work based learning
- Developing employability skills
- High Level Technical Skills
- Transnational standards and skills

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APPRENTICESHIPS ARE GREAT

BRITAIN

semta



**Over
1000**

Employers
already involved
in redesigning
Apprenticeships

**Over
1.9m**

Apprenticeship
starts this
Parliament. We
are committed to
delivering at least
2 million.

96%

Employers who
take on an
apprentice say
their business
benefited.

£117k

Extra income
earned by
someone who
completes a
Level 3
Apprenticeship

Return for every
pound that
Government
invests in
Apprenticeships

£1 → **£28**

**Over
220,000**

Workplaces
already offering
Apprenticeships



**At least 12
months**
Duration for
Apprenticeships

**Over
70 sectors**
involved in
**developing new
Apprenticeships**

Organisations
representing **half
a million**
businesses
support our
reforms



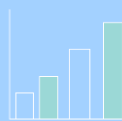
£1.5 bn

Amount we
invested in
Apprenticeships
last year

11 out of 11

Industrial Strategy
sectors covered
by our
Trailblazers

Number of 'full
Apprenticeships'
has trebled since
2009/10



68,000
Apprenticeships
in smaller
businesses
supported by our
Grant for
Employers

**New
Higher
Apprenticeships**



**Over
20,000**
Apprenticeships
pledged during
National
Apprenticeships
Week 2014

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Thank you!



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