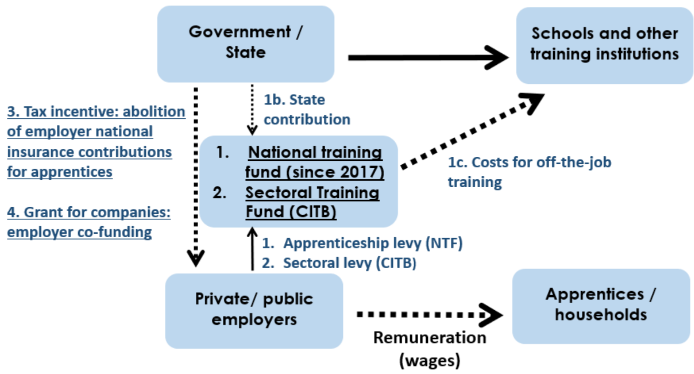
Scheme name	Apprenticeships
Country	United Kingdom

Duration	1-3 years (depending on the qualification level)
Apprentices remuneration - characteristics	Type: wage paid by company; the frequency of payment depends on sector, e.g. apprentices in social care are paid hourly and in engineering they are paid monthly. Remuneration setting: centrally, share of the national minimum wage Coverage: on- and off-the-job training Variation(s): by the year of apprenticeship, age and qualification level of the apprentice
Apprentices remuneration - amount	Average regulated remuneration: for the first year of the apprenticeship for 2016: EUR 3.87 per hour. If we average the 5 minimum wage rates for the different age groups, the average for the second year of the apprenticeship would be EUR 6.18 per hour. Level in PPS per year (average): EUR 7,075.53 (calculated on the basis of the data for 3 selected occupations, see below) ▸ **Read more** Remuneration (annual gross income) in 3 selected occupations (EUR): hairdresser: 1st year: 7,558.20; 2nd: 7,558.20; 3rd: 10,822.50; 4th: nap motor mechanic: 1st year: 7,558.20; 2nd: 7,558.20; 3rd: 10,822.50; 4th: nap bricklayer: 1st year: 7,558.20; 2nd: 7,558.20; 3rd: 10,822.50; 4th: nap ▸ **Read more** Remuneration for age groups, average annual gross income: 15-19: EUR 4,66 per hour, 20-24: EUR 7,60 per hour, 25 and above: EUR 8,21 per hour
Time foreseen for on-the job-training	Over 50% of the overall duration of apprenticeship As of May 2017, for any new Apprenticeship Standards and Frameworks: At least 20% of the apprentices’ employed time needs to be spent on off-the job training (around 390 hours, if we use 37.5 working hours per week). This is laid down in the new Education and Skills Funding Agency (ESFA) funding rules. There are no figures on the percentage of on-the-job training that is required. For Apprenticeships (Frameworks or Standards) that have started before May 2017: According to the Specification of Apprenticeship Standards England (SASE) at least 280 guided learning hours (GLH) must be

	delivered per year as part of the Apprenticeship. Of those, at least 100 GLH or 30% of the total GLH must be delivered off-the-job. In practice, the GLH can be greater than the required minimum GLH (30%). The Apprenticeship Framework for Hairdressing, for example, states that at the intermediate level (Level 2) a typical learner will have a total of 776 GLH, of which 349 will be delivered off-the-job.
Apprentice social insurance	Paid by: the employer and the apprentice Rights: Health, pension, unemployment, annual leave, maternity leave, if applicable.
Additional support for apprentice	Apprentices do not receive any direct financial support from the government.
Financing on-the-job training	Apprentice remuneration is paid by employers. As of 2015, in certain cases, national insurance contributions are paid by the state (see Abolition of employer national insurance contributions for apprentices under the age of 21 and 25 respectively (Reduction of secondary Class 1 NICs for apprentices) According to the legal specification, the employer saves 13.8% National Insurance Contributions (NIC) which would be due on the gross pay between the secondary threshold (EUR 9,24 per year) and the apprentice upper secondary threshold (EUR 49,020 per year – all figures valid for the tax year 2016/17). In terms of actual money saved, the NIC changes equate to total savings of 6.7% for an average apprenticeship pay of EUR 15,539 per year for level 2 and 3. This differs from 13.8% above since there is a (secondary) threshold below which no employer NIC is paid (Note the percentage will vary according to the level of apprenticeship pay).
Financing off-the-job training	Companies contribution: Could be some additional courses, but this depends on the employer.
Financing of the scheme overall	Public financing (national resources): EUR 16,000,000,000 Data provided for year 2016 that ended in March. In addition EUR 95.6 million were spent on the Apprenticeship Grant for Employers (AGE, the grant that was in place before the introduction of the Apprenticeship Levy. The AGE grant is for employers with fewer than 50 employees who would otherwise not be able to recruit employees into an apprenticeship programme). The estimated figure is relevant for apprenticeship levels 2 and 3. For 16-18 year olds (22% of all apprentices in this scheme) estimated figures are more than 50% due to different funding rules. (Source: Hogarth and Gambin, 2014) The estimate refers to the situation before the introduction of the Apprenticeship Levy in 2017, which has led to changes of the funding model (see below). Apprenticeship in England includes both SASE Apprenticeship Frameworks and Apprenticeship Standards. Apprenticeship Frameworks are currently being phased out and should be replaced by

	Apprenticeship Standards by 2020. At the time of this research, most apprentices were still on Apprenticeship Frameworks. Apprenticeship Frameworks and Apprenticeship Standards attract different forms of co-funding (see grant for companies '16-18, 19-23, and 24+ and employer contributions; as of 2017: employer co-funding'). As of May 2017 funding has changed again as an Apprenticeship levy was introduced. Funding is now irrespective of whether it is an Apprenticeship Standard or Apprenticeship Framework. Levy payers pay the training in full through the levy. If apprenticeship funding exceeds their levy, different rules apply. For non-levy paying companies the government co-invests 90% of off-the-job training and the employer 10% up to the set funding band limit. Additional rules and regulations apply.
Illustration: sources of funding and financial flows	
Assessment of financing arrangements	It has been argued that the grant system in place until May 2017 was too supply or provider-led. Grants were set by the Skills Funding Agency according to the costs calculated to deliver the training. The training funds were allocated to training providers who promoted their offers. Employers had little or no input into the type of training they may require apart from choosing from a range of apprenticeship frameworks. Although employer-co-funding was in place, some providers may have found ways to offer the training at no charge to the employer (Richards Review, 2011). Others have argued that the funding system encouraged training providers to provide short and low-level apprenticeships (Wolf, 2015) The new system gives more power to the employer and encourages negotiation of training packages that meet employers' needs at an agreed price. The state will meet training costs up to a set maximum price, with any price above this limit having to be met solely by the employer.
Labour market outcomes	• 92 were employed or self-employed and 5% were unemployed 12-20 months after completion of the apprenticeship; • Overall 46% received a pay rise and 30% received a promotion - with most reporting that the apprenticeship had helped with either pay rise or promotion; and • 52% thought that "their apprenticeship had given them significantly more chance of finding work in the future"

Contextual information	Statutory minimum wage: EUR 1,447.07 per month (2016, S2), EUR 1,393.4 (2017, S1), EUR 1,414.58 (2017, S2) Average yearly working time (hours) for a full time job: 1,679.80

More on financing instruments for this scheme

16-18, 19-23, and 24+ and employer contributions; as of 2017: employer co-funding

UNITED KINGDOM
Grants for companies

Abolition of employer national insurance contributions for apprentices under the age of 21 and 25 respectively (Reduction of secondary Class 1 NICs for apprentices)

UNITED KINGDOM
Tax incentives

CITB levy/Industrial Training Levy (construction)

UNITED KINGDOM
Training funds

Apprenticeship levy

UNITED KINGDOM
Training funds

More on this apprenticeship scheme

Apprenticeships [England]

UNITED KINGDOM