

Impact as a result of the budget reduction to Apprenticeships

Context

The National Training Federation for Wales (NTfW) is a membership organisation of over 100 organisations involved in the delivery of learning in the workplace. It is a Wales wide representative body for all those organisations or individuals involved in the training industry. Members range from small specialist training providers to national and international organisations, as well as Local Authorities, Further Education Institutions and third sector organisations.

Members work across Wales in rural, urban, bi-lingual and Welsh medium settings, and have strong links with over 35,000 employers across Wales ranging from small enterprises through medium sized companies to large multi-nationals and public sector organisations.

Welsh Government's Work-based Learning (WBL) Programmes, inc. Apprenticeships, Traineeships and Jobs Growth Wales are procured through a Network of quality assured training providers. There are currently 22 Commissioned Contract Holders delivery WBL through a Network of some 114 organisations.

Following the WBL contract allocations for the period of 1 August 2014 to 31 March 2015 providers were informed that there would be a £7M cut to the Apprenticeship budget. This was made up of £5M for delivery of Apprenticeships and £2M for employer support through the Young Recruits Programme.

Findings

Following an extensive consultation exercise with the Commissioned Contract Holder, NTfW has identified the following based on their feedback:

- There will be 8857 (49%) fewer Apprenticeships opportunities for the period 1 August 2014 to 31 March 2015, compared with the same period last year.
- The 'priority areas' of 16-24 and Higher Apprenticeships will see 3527 (32%) fewer opportunities.
- The 'non-priority area' of 25+ will see 5330 (77%) fewer opportunities.
- In total, there has been £10.7M (16%) reduction in the Apprenticeship budget for the period 1 August 2014 to 31 March 2015, compared with the same period last year.

Evidence Base

The total Apprenticeship budget allocated for this period is £56.1M. Of this total £42.7M (76%) has needed to be allocated to service apprentices already 'in learning.' With only £13.3M (24%) of the Apprenticeship budget available for new starts, this will have a significant impact on the provider network to offer opportunities to employers and individuals, including those who are looking for a progression route from other Welsh Government programmes such as Jobs Growth Wales and Traineeships.

1 Aug 13 – 31 Mar 14		1 Aug 14 – 31 Mar 15		Variance			
£	Opportunities	£	Opportunities	£		Opportunities	
£66,857,169	18,040	£56,116,148	9183	(£10,741,021)	(16%)	(8857)	(49%)