

News

Funding cuts put two-thirds of apprenticeships at risk

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By Annie Makoff

Flagship government programme could become a 'horror show', experts warn

More than half a million apprenticeships could be at risk of shutting down after the government slashed funding by 89 per cent for some trainers that are providing schemes for the country's smallest businesses.

The Education and Skills Funding Agency, an organisation sponsored by the Department for Education, revealed the cuts for providers of programmes for non-levy paying apprenticeships **in a funding allocation letter sent to colleges and training providers** recently.

A spokesperson for the Association of Employment and Learning Providers (AELP) told People Management that "a substantial proportion" of SME apprenticeship schemes would be affected by the funding cuts and could now face closure. Feedback from apprenticeship providers indicated that they were getting "less than a sixth" of the normal funding allocation, the association said.

According to AELP, 900,000 apprenticeships are currently being delivered in the UK, with two-thirds (600,000) being offered by small and medium-sized enterprises.

The government had previously pledged to create three million apprenticeship schemes between 2015 and 2020, a target AELP now warns is at risk following this latest round of cuts.

"We believe that four million quality apprenticeship starts could be achieved in the next parliament if approached in the right way," said Mark Dawe, chief executive of AELP. "But the government's reforms for the apprenticeship programme risk turning into a horror show unless ministers and officials get a proper grip on the process.

"Officials must be much more willing to share in private their thinking and methodologies with the principal stakeholders so that we can point out possible mistakes before they are made."

AELP, which wrote to education secretary Justine Greening late last week about the cuts, has also warned that some parts of the country could become 'apprenticeship deserts' if there are no or few levy-paying employers in the region to make up the shortfall.

Meanwhile, Patrick Craven, director of policy, quality and stakeholders at City & Guilds, told People Management: "At a time when there is so much positive to say about the focus on apprenticeships and the value of technical and professional education, it would be a shame if the action required was hindered by uncertainty around provider roles and revised funding formulas.

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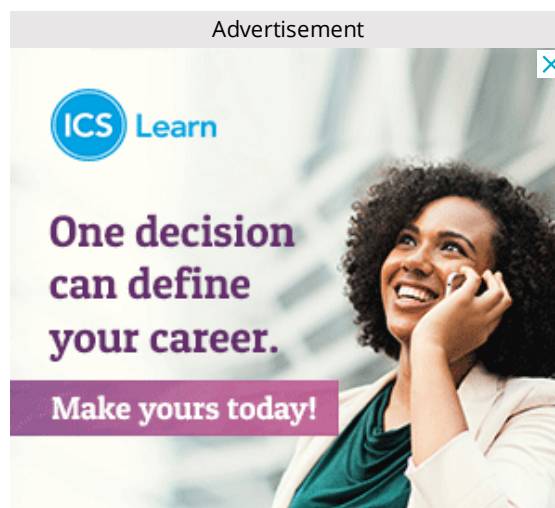
“With these core funding cuts to training providers, there may not be enough money to engage and support small businesses,” she said. “This may be an unintended consequence of the current review of apprenticeship funding and it must be examined for its impact on this crucial group of businesses.”

The decision to cut funding follows the government’s pause on the £440m non-levy apprenticeship procurement provision last October.

In a statement released at the time, the Department for Education insisted the changes would not affect training provision for existing learners while current providers with extended contracts would still be able to take on new starts.

Last month, *People Management* reported that employers were already being deterred from apprenticeships by a ‘lack of flexibility’.

The Department for Education has not responded to People Management’s request for comment about the most recent cuts at the time of writing.



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