

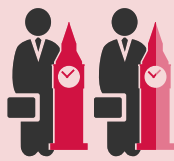
Impact of Apprenticeships

Non-Levy Funding Allocation Cuts

Apprenticeships currently funded through 2 routes

Route 1

Apprenticeships Levy paying employers



1.7%
of UK
businesses

Historically less than



20%

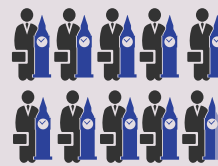
of Apprenticeships delivered via large employers



Businesses with £3m+ payroll now pay Apprenticeships Levy into an online account. They manage this themselves to fund Apprenticeships training for staff

Route 2

Non levy paying employers



98.3%
of UK
businesses

Historically at least



80%

of Apprenticeships delivered via these employers working with providers



Businesses with < £3m have between 90% and 100% of their Apprenticeships funded by Government. Training providers deliver training to apprentices in these businesses & providers claim funding directly from Government



Route 2 funding in Liverpool City Region cut by approx 40% to 50%

IMPACT ON



Training Providers



Businesses



Young People



Apprenticeships

| | | | |
|---|---|--|---|
| Financial insecurity | Less funding available for apprenticeships | Fewer providers/SMEs available to offer Apprenticeship opportunities | Credibility of brand and programme undermined in eyes of businesses, parents, young people, schools |
| Redundancies | Fewer providers to choose from | | |
| Particularly hard on subcontracted providers as primes have no funds to subcontract | Limited speciality niche training provision | Increased number of young people going into NEET | Achievement of ambitious Gov't targets for Apprenticeships unlikely |
| Business closure | Less involvement by SMEs | | |