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| Scheme name | Degree level apprenticeships (England) |
| Country |  United Kingdom |
| Duration | 1-6 years. Typically 3-5 years for a Bachelor's degree. |
| Apprentices remuneration - characteristics | <p>Type: wage paid by company; fixed amount per month</p> <p>Remuneration setting: centrally, share of the national minimum wage</p> <p>Coverage: on- and off-the-job training</p> <p>Variation(s): by the year of apprenticeship and age of the apprentice</p> |
| Apprentices remuneration - amount | <p>Level in PPS per year (average): EUR 9,615.56 (calculated on the basis of the data for 3 selected occupations, see below)</p> <p>Remuneration (annual gross income) in 3 selected occupations (EUR):</p> <p>hairdresser: nap</p> <p>motor mechanic: 1st year: 7,558.20; 2nd: 12,337.65; 3rd: 13,552.50; 4th: 13,552.50</p> <p>bricklayer: 1st year: 7,558.20; 2nd: 12,337.65; 3rd: 13,552.50; 4th: 13,552.50</p> <p>► Read more ▼</p> <p>Remuneration for age groups, average annual gross income:</p> <p>15-19 year olds and under: EUR 5.15 per hour (ranges from EUR 4.56 for under 18 to EUR 6.33 for 19 year olds) - the apprentice rate in the first year is taken out of the calculation, otherwise the average national minimum wage for 25 year olds is lower than for the 19-24 year olds)</p> <p>20-24: EUR 7.58 per hour (ranges from EUR 6.33 per hour at ages 18-20 to EUR 7.92 per hour at ages 21-24)</p> <p>25 year olds and above: EUR 8.21 per hour</p> |
| Time foreseen for on-the job-training | <p>More than 50% of the overall duration of apprenticeship</p> <p>Provisional (informal training): Regulation specifies that at least 20% of the apprentice's time in employment must be spent on off-the-job training. This is likely to be more in science, engineering and technology based courses. There is no specification on the number of hours to be spent on on-the-job training, like for intermediate and advanced apprenticeships. On-the-job or work-based learning will occur in the remainder of the time as apprentice will apply what they have learnt. It may be up to 80% of the apprentice's time in employment, particularly if the apprenticeship foresees different work-based placements. Taking into account holidays that would equate to up to maximum of around</p> |

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| | 1440 hour - actual figures on the number of hours for on-the-job training are not available. |
| Apprentice social insurance | Paid by: the employer and the apprentice Rights: Health, pension, unemployment, annual leave, maternity leave, if applicable. |
| Financing on-the-job training | Apprentice remuneration is paid by employers. 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)) |
| Financing of the scheme overall | <p>Degree level Apprenticeships include 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 in Degree level Apprenticeship were predominantly on Apprenticeship Standards.</p> <p>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')</p> <p>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.</p> |
| Illustration: sources of funding and financial flows | <pre> graph TD Gov[Government / State] -- "1b. State contribution" --> NTF[1. National Training Fund (since 2017)] Gov -- "2. Tax incentive: abolition of employer national insurance contributions for apprentices" --> NTF Gov -- "3. Grant for companies: Co-funding for degree apprenticeships" --> NTF NTF -- "1c. Costs for off-the-job training" --> STI[Schools and other training institutions] STI --> Gov PPE[Private/ public employers] -- "1a. Apprenticeship levy" --> NTF PPE -- "Remuneration (wages)" --> AH[Apprentices / households] AH --> PPE </pre> <p>The diagram illustrates the financial flows for apprenticeships. At the center is the 1. National Training Fund (since 2017). Government / State contributes to the fund through three main channels: 1b. State contribution, 2. Tax incentive: abolition of employer national insurance contributions for apprentices, and 3. Grant for companies: Co-funding for degree apprenticeships. The fund then provides 1c. Costs for off-the-job training to Schools and other training institutions, which in turn provide training to Apprentices / households. Private/ public employers contribute to the fund via the 1a. Apprenticeship levy and provide Remuneration (wages) to the apprentices. There is also a feedback loop from Schools and other training institutions back to the Government / State.</p> |
| 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 |

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| | <p>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)</p> <p>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.</p> |
| Contextual information | <p>Statutory minimum wage: EUR 1,447.07 per month (2016, S2), EUR 1,393.4 (2017, S1), EUR 1,413.58 (2017,S2)</p> <p>Average yearly working time (hours) for a full time job: 1,679.80</p> |

More on financing instruments for this scheme

Co-funding for degree apprenticeships



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

Apprenticeship levy



UNITED KINGDOM
Training funds

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