

**Address:**  
110 George Street  
Edinburgh EH2 4LH

**Website:**  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

**Telephone:**  
0845 146 1010

**Email:**  
[info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

## News release

Embargoed until 00:01 hours, Thursday 13 March 2014

### More apprentices in Scotland but the long-term benefits need to be clearer

**The number of apprentices in Scotland has increased with more than 25,000 people starting training in each of the last two years, despite a challenging labour market, according to a report by Audit Scotland.**

The report, published today, finds that Skills Development Scotland (SDS) manages modern apprenticeships well but there is a need to better understand the long-term benefits to establish whether they are value for money.

*Modern apprenticeships* assesses SDS's administration of its £75 million a year spend on apprenticeships and whether this represents good value.

The report says:

- The annual number of new apprentices has increased since 2008/09 and SDS achieved the Scottish Government's annual target of 25,000 new apprentices in each of the past two years, despite challenging economic circumstances and the uncertainty of employer demand.
- Spending on apprenticeships increased by 24 per cent in real terms between 2008/09 and 2012/13. Around 75 per cent of SDS's annual apprenticeship spending is on those in year two or later of their training. The Scottish Government's focus on more expensive, higher levels of apprenticeships, which take longer to complete, may mean that this percentage, and the overall costs, will increase.
- The Scottish Government stated in 2007 that its primary aim for modern apprenticeships is economic development. It has set various priorities for apprenticeships but existing performance measures do not focus on long-term outcomes, such as sustainable employment. More specific long-term aims and objectives, along with more information about their benefits and appropriate performance measures, are needed to assess value for money.

Auditor General for Scotland, Caroline Gardner, said:

"More people in Scotland are developing their skills while in paid employment through apprenticeships. Skills Development Scotland has done well in challenging economic circumstances to meet the Scottish Government's annual target of 25,000 new apprentices. However it will need to assess the financial sustainability of meeting this target while achieving the government's other priorities for apprenticeships."

"Modern apprenticeships can help create employment opportunities and meet the immediate needs of employers. The development of better outcomes measures would help the Scottish Government to understand the long-term benefits of apprenticeships. It would also allow funding to be directed to those apprenticeships which offer the best value for individuals, employers and the economy."

For further information contact Fiona McCall Tel: 0131 625 1651, [fmccall@audit-scotland.gov.uk](mailto:fmccall@audit-scotland.gov.uk)

Notes to editors

1. Modern apprenticeships offer people aged 16 and over the opportunity to develop their workplace skills and experience, and gain a qualification while in paid employment. There are around seventy types of modern apprenticeships available across four levels, which represent the level of qualification that apprentices can achieve and reflect the level of job that they do.

2. Spending on apprenticeships increased by 24 per cent in real terms from £60million in 2008/09 to £75 million in 2012/13

3. Our audit focused on SDS's administration of modern apprenticeships and the funding it distributes to training providers for apprentices' training, assessments, or both of these. We did not examine the amount public sector bodies or private sector businesses spend on employing and training apprentices.

4. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

- The Auditor General appoints auditors to Scotland's central government and NHS bodies; examines how public bodies spend public money; helps them to manage their finances to the highest standards; and checks whether they achieve value for money. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament
- Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.