

# SKILLS FOR GROWTH

## Apprenticeship Reform Programme

### What is it and why is this being undertaken?

The publication “English Apprenticeships our 2020 vision”<sup>1</sup> sets out the Government’s plans and ambition to increase both the quality and quantity of Apprenticeships in England, resulting in 3 million new Apprenticeship Starts by 2020. To this end, the government has initiated a significant programme of apprenticeship reform covering policy, funding and delivery.

### What are the key summary points?

- An aspiration to secure an additional 3 million apprenticeship starts by 2020.
- The introduction of an apprenticeship levy for employers (typically large employers) whose pay bill is in excess of £3 million.
- Changes to the maximum amount of money that an employer can be expected to pay for apprenticeship training- irrespective of whether they are a levy paying employer or a non- levy paying employer.
- The introduction of a new Digital Apprenticeship Service changing the way employers search for and select their apprenticeship provider and how they pay for their apprenticeship training.
- New duties placed upon the public sector around the employment of apprentices and a duty to report on progress (a 2.3% target of the workforce was consulted on but as yet no target has been confirmed).
- The development and introduction of new apprenticeship standards the content of which has been developed and agreed with employers, and changing the way apprenticeships are studied and assessed.
- Changes to the levels at which apprenticeships can be studied- and in particular the development and introduction of Degree Apprenticeships.

### More detail

#### Degree Apprenticeships

An integrated degree model was announced in November 2014 and these are part of Higher Apprenticeships. Employers, universities and professional bodies come together to co-design a degree that fully meets the competency required for each occupation. Existing degrees that meet the academic requirements of an Apprenticeship can be supplemented with additional training and end- assessment to ensure full competency compliance. Apprentices will be able to achieve a full Bachelor’s or Master’s Degree through this programme.

#### Apprenticeship Levy

The way the government funds apprenticeships in England is changing and some employers, based on the size of their pay bill, will be required (mandated) to pay a

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<sup>1</sup> <https://www.gov.uk/government/publications/apprenticeships-in-england-vision-for-2020>

contribution towards a new apprenticeship levy and invest in apprenticeships (see separate briefing sheet).

### **Digital Apprenticeship Service (DAS)**

The new Digital Apprenticeship Service will allow employers, whether they pay the levy or not, to have apprenticeships, find a candidate and choose a training provider. Employers will be able to register to create an account from January 2017. Initially, only those employers liable to pay the levy will use the digital apprenticeship service to search, recruit and pay for apprenticeship training and assessment. It is the intention for non-levy paying employers to be given full functionality from around 2018.

### **Funding**

- Currently, there are two types of arrangements for delivering apprenticeships – ‘frameworks’ and ‘standards’ which are funded in different ways. The new funding system will be simplified to comprise 15 funding bands each with an upper limit and which will range from £1,500 to £27,000. All existing frameworks and new apprenticeship standards will be placed into one of these funding bands. Proposals go live in 2017.
- The government has indicated that it expects employers who are not in scope to pay the levy to make a co-investment contribution towards the cost of training. Under the new arrangements this will be a cash value contribution set at 10% (or nil costs for 16-18 year olds employed by businesses with fewer than 50 employees).
- For non-levy paying employers government will therefore be contributing a maximum of 90% towards the costs of training, and in the case of 16-18 year olds, 100% where the employer has 50 or fewer employees.

### **Apprenticeship standards**

- New Apprenticeships Standards (2 pages optimum length) are and have been in development being led by employer-led groups known as Trailblazers. The apprenticeships standards show what an apprentice will be doing and the skills required of them, and show them by job role.
- A full list of standards in development, and available for delivery, can be found at <https://www.gov.uk/government/publications/apprenticeship-standards-list-of-occupations-available>. Employers can find out more about the new standards here: <https://www.gov.uk/government/collections/apprenticeship-standards>

### **Apprenticeships and the public sector**

- The government is keen for all sectors to play a role in offering high –quality apprenticeship opportunities; collectively, the public sector can play a significant part in increasing both the number and breadth of apprenticeship opportunities. New duties are therefore being placed upon the public sector around the employment of apprentices accompanied with a duty to report on progress.
- Although a 2.3% target (of the workforce) was suggested by government and consulted on, as yet, no target for individual public sector organisation has been set.

### **English and Maths**

The government is committed, as part of its education and skills priorities to raise standards, to ensuring that as many individuals as possible achieve English and Maths qualifications and will therefore cover the costs of supporting individuals to achieve a minimum standard of level 2.

### **Equivalent and lower level apprenticeships**

- Individuals will be able to undertake an apprenticeship at a higher level than a qualification currently held - including a previous apprenticeship.

- Where an apprenticeship enables an individual to acquire substantive new skills and the training content is materially different they would be permitted to follow an apprenticeship that is the equivalent or at a lower level to qualifications already attained. This is a welcome flexibility for both employers and individuals.

### Wider Funding Reforms and additional payments

- **Removal of apprenticeship pricing based on the age of the learner:** Previously, apprenticeship funding received by providers from government and the employer contributions expected was based on three age bands: 16-18, 19-23 and 24+. The government proposes to move away from this approach and instead operate a single (all age) funding band for individual pathways.
- **Training younger apprentices and those formerly in care:** when an employer takes on a 16-18 year old as an apprentice - either on an apprenticeship framework or standard - an additional £1,000 will be made available and paid to the employer in two equal instalments (3 and 12 months) initially paid via the provider. This will also apply to 19-24 year olds who were formerly in care or who have a Local Authority Education, Health and Care Plan.
- **Smaller employer training contributions:** Employers with fewer than 50 employees will be able to receive 100% government funding towards the cost of a 16-18 year old's apprenticeship training, as with the current 16-18 apprentice fully funded arrangements. Providers will also receive an additional £1,000 to reflect the costs of supporting an apprentice aged 16-18.
- **English and Maths:** The government will cover the costs of supporting individuals to achieve a minimum standard of level 2.
- **Learner support:** for those with a learning difficulty and/or disability will be made available to providers who will be able to claim costs of up to £150 per month.
- **Equivalent and lower level apprenticeships:** Individuals will be able to undertake an apprenticeship at a higher level than a qualification currently held - including a previous apprenticeship. In addition, where an apprenticeship enables an individual to acquire substantive new skills and the training content is materially different they would be permitted to follow an apprenticeship that is the equivalent or at a lower level to qualifications already attained. This flexibility is welcome both for employers and in support of achieving the local and national starts target.
- **Science Technology Engineering and Maths (STEM) framework pathways:** the government has recognised the importance of ensuring that more apprenticeship provision is developed and delivered in STEM subjects. It intends to provide funding uplifts at the rate of 40% for level 2 and 80% for level 3 and above. These will apply to Engineering and Manufacturing Technologies; Information and Communication Technology; Science and Mathematics; and Construction.

### More information about apprenticeships and all aspects of the apprenticeship reform programme can be found at:

<https://www.gov.uk/topic/further-education-skills/apprenticeships>

### Making informed choices

FE Choices provides clear and comparable information to help both learners and employers make informed choices about post-16 further education and training.

This information is based on the following performance indicators:

- **Success rates** - a measure of the rate of success for learners attending FE courses.

- **Learner destinations** (including Employment Rate and Learning Rate) - a measure of where a learner gained a positive destination after completing their FE course and the resulting Learning and Employment Rates.
- **Learner satisfaction** - a measure of the satisfaction expressed by learners attending courses run by their provider.
- **Employer satisfaction** - a measure of the satisfaction expressed by employers who use their provider to train their employees.

FE Choices also helps further education organisations to assess their own performance.

More information can be found by following the link below.

<https://www.gov.uk/government/statistical-data-sets/fe-choices-performance-indicators>