Apprenticeships for employers and providers – an introduction
Introduction to Apprenticeships

Apprenticeships have existed as part of the landscape of work in the UK since the 12th Century, though they have waxed and waned in popularity. Since 2015 and the publication of the policy document English Apprenticeships: Our 2020 Vision, plus the introduction of the Levy in 2017, the current UK government has committed itself in principle to a target of three million apprenticeships starts by 2020.

This short eBook will introduce you to many aspects of apprenticeship policy, using up to date information about recent policy changes. It will point out the issues that any prospective employer or training provider seeking to hire or train apprentices will need to know, and it will show how MWS Technology’s complete apprenticeship management platform, Aptem, can help you deliver apprenticeships efficiently and cost-effectively.
1. What are apprenticeships?

Apprenticeships are a way for people of all ages to learn how to do a job ‘on-the-job.’ Apprenticeships are hired by an employer for between one year and six years, depending on the level of the apprenticeship. They are given a wage, and 20% of their working week is devoted to ‘off-the-job’ training, which is typically taught by a further education (FE) or higher education (HE) institution or private training provider.

The training should significantly advance the apprentice’s skills set, rather than consolidate existing skills. By the end of the apprenticeship, apprentices should be ready to take on that role within the hiring company (most apprenticeships guarantee a permanent position).

Apprenticeships are available at different skills levels, from level 2 (equivalent to GCSE) to level 7 (master’s equivalent). Degree and master’s level apprenticeships are delivered in partnership with universities, and the apprentice has the benefit of both a wage and getting a degree or master’s without paying fees.

2. Why are apprenticeships important?

Apprenticeships are essential for the economy and society, for an individual’s life chances, and for businesses struggling to recruit skilled employees.

It is widely acknowledged that the UK suffers a long-ingrained skills gap. According to figures by the Open University², the skills gap is costing businesses more than £2 billion a year in recruitment expenditure.

The British Chambers of Commerce Quarterly Economic Survey³, published in April 2018, showed that employers experienced significant recruitment difficulties in the areas of skilled manual labour and professional and managerial roles, across both the manufacturing and service sectors.

The CBI/Pearson Education and Skills Survey 2017⁴ showed widespread concerns among businesses of high-skill labour shortages. Companies felt that the main drivers of skills deficits were competition, lack of qualifications, a lack of awareness of career opportunities among young people and poor careers advice.

Apprenticeships offer a means to train the UK workforce for jobs at all skills levels, from enhancing the hospitality industry to fully staffing the NHS to ensuring the UK can sustain its thriving knowledge and creative economies.

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² https://www3.open.ac.uk/media/fullstory.aspx?id=31527
³ http://www.edge.co.uk/sites/default/files/publications/final_skills_shortage_bulletin_web_2.pdf
3. What’s changed since 2015?

A key change is the introduction of the Levy, which is paid by employers and is a dedicated pot of money to pay for apprenticeship training. Section 8 talks about the Levy in more detail.

The government also introduced higher-level – degree and master’s (level 6 and 7) – apprenticeships, which take longer than lower level apprenticeships. They have proved to be popular with employers who need highly-skilled employees, such as the professional services sector.

The Institute for Apprenticeships (IfA) was launched in 2017. It is a crown, non-departmental public body. Its main role is to oversee quality in the development of standards and the resulting training.

The government also introduced the Register of Apprenticeship Training Providers (RoATP), which lists companies and institutions deemed able to deliver high-quality apprenticeship training by the Education and Skills Funding Agency (ESFA).

The ESFA announced tighter rules for inclusion on the RoATP in November 2018. Since December 12th 2018, when the RoATP reopened permanently, all organisations delivering apprenticeships have needed to join the RoATP. Organisations must show they are financially stable and have traded for 12 months before applying to join the RoATP. You can find more information on the RoATP in section 10.

4. Who is involved in delivering apprenticeships?

There are many stakeholders involved in delivering apprenticeships. They include:

- Employers, with whom the apprentice will spend the bulk of their time;
- Training providers – higher and further education colleges or private training companies who help the employer deliver the programme;
- Subcontractors, who may provide part of a curriculum;
- The apprentice end-point assessment organisation (EPAO) who deals with the ‘end-point assessment’ (EPA);
- The ESFA, Ofsted and the Office for Students, who monitor quality;
- The apprentice.

5. How is an apprenticeship programme structured?

How an apprenticeship programme is structured very much depends on the level of study. At the lower levels, much of the training takes place in the workplace, while for higher level apprenticeships, the apprentice may spend a significant proportion of their time studying for a degree or master’s.

What all apprenticeships have in common is that you combine on-the-job training with off-the-job study (around an 80% to 20% proportion respectively). Apprentices are employed to do a real job, necessary for the skills development of the company or organisation. They follow an agreed curriculum which delivers the requirements of the standards (see section 6) for that particular role.

Apprenticeships have minimum English and maths requirements. If a prospective apprentice does not meet these, then they must undergo additional training.

All students enrolled on an apprenticeship governed by the standards do an end-point assessment (EPA), which is a graded test undertaken at the end of the apprenticeship to determine that the apprentice is competent. The employer and training provider agree that an apprentice is ready to take the EPA. The EPA is assessed by an outside contractor – an EPAO – rather than the employer or main training provider.

6. What are frameworks and standards?

Frameworks are a collection of qualifications to demonstrate theoretical knowledge, a National Vocational Qualification (NVQ) to show practical or applied competence, and English and maths qualifications. Frameworks are being phased out in favour of standards. Standards apply to different job roles and are created by employers who come together in Trailblazer groups. They usually consist of a short document that outlines the skills and competencies for each role. They may or may not include qualifications. The Department for Education (DfE) then approves the standards, and only then do they qualify for an award.

At the time of writing, there are 391 apprenticeship standards, with more planned. They can be found on the Institute for Apprenticeships website.6

7. Who can be an apprentice?

Anyone can be an apprentice – the only limitation is that you must be 16 or over.

Employers may get additional funding – £1000 – if they:

- Employ apprentices who are 16 to 18 years-old;
- Employ 19 to 24-year-olds who have been in care or have a Local Authority Education, Health and Care plan.

Apprenticeships – except at intermediate level – do have entry requirements, which may range from GCSEs to A Levels or equivalents. Candidates may also need to demonstrate prior work experience.

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6 https://www.instituteforapprenticeships.org/apprenticeship-standards/
8. How are apprenticeships funded?

Apprenticeships are funded by the government and through the Levy. The Levy was introduced and requires large employers – those with a wage bill of £3 million or more – to pay 0.5% of their wage bill into a pot that they then use to pay for apprenticeships. In addition to this amount, they get a 10% top-up from the government. Employers who pay the Levy access their funds and select training providers through the National Apprenticeship Service (NAS) which is operated by the ESFA.

Smaller employers – SMEs – pay 10% of the apprenticeships costs and the government funds the rest. This contribution may be cut to 5%, though the Treasury has not yet announced the start date for this change. Those workplaces with fewer than 50 employees pay nothing. However, these companies and organisations are required to pay upfront for training costs and claim it back later.

To work with levy-paying employers, training providers need to be on the Register of Apprenticeship Training Providers (RoATP); see below. Training providers working with SMEs require a separate non-levy contract, and currently, about 1500 training providers on the RoATP are unable to work with SMEs directly.

All apprenticeship standards have a maximum funding band set by the ESFA. You can find them on the government’s website7. However, each apprenticeship is a contract between the employer and a training provider, and that includes an agreement on cost. Any additional costs over and above the funding band cap are paid for by the employer. The agreement should also take into account the additional cost of the EPA.

In Scotland, Wales and Northern Ireland, the devolved governments receive a proportion of the Levy funds based on population under the Barnett formula, and it is up to their ministers to decide how it should be spent. In Scotland, while the Levy was imposed on Scottish employers, the devolved government relaxed the rules so that employers could spend the Levy on a variety of training and development in the workplace, not just apprenticeships. Apprenticeships are paid for by Skills Development Scotland (SDS).

The regions do not currently operate a digital accounts system, meaning that employers cannot access funds directly. Each region is awarded funds through their block grant, which means that it is not ring-fenced for skills. Scotland has argued that it has not been given information about which Scottish businesses pay the Levy. These anomalies have created some disagreement about the Levy in the devolved regions.

9. What’s the role of the Education and Skills Funding Agency (ESFA) and Ofsted?

The ESFA is a body accountable for the funding of education and skills training for all ages. It controls £58 billion of funding for the sector and is required to demonstrate the funds are spent appropriately, with value for money and according to the priorities set by the Department for Education (DfE).

Ofsted inspects the quality of training provision for level 2 to level 5 apprenticeships, or, in the case of level 4 and 5 apprenticeship providers registered with the Office for Students (OfS), will receive information from the OfS to judge the quality of provision. The OfS oversees levels 6 and 7.

You can find information about the role of each governmental organisation on the government’s Apprenticeship Accountability Statement8. Both of these agencies are pivotal in monitoring the quality of apprenticeship delivery. Section 12 discusses the importance of compliance and reporting in apprenticeship programmes.

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7 https://www.gov.uk/government/publications/apprenticeship-funding-bands

10. What is the Register of Apprenticeship Training Providers (RoATP)?

The RoATP consists of organisations that have been approved by the government agency, the ESFA, to deliver apprenticeship training to employers.

The Register is crucial because it regulates the quality of training provision. In November 2018, because of concerns about quality of some registered training providers, the ESFA announced tighter rules for inclusion on the RoATP. All training providers currently on the RoATP are required to reapply in 2019. Organisations who deliver apprenticeship training, including subcontractors, will need to be on the RoATP. To apply to the RoATP, providers and employers will need to show that they have actively traded for 12 months (three months for supporting providers), are financially stable and can demonstrate they can deliver high-quality training.

We have produced an eBook which offers further guidance about applying to the Register.

11. What does quality mean in an apprenticeship programme?

The Institute for Apprenticeships (IfA) says that a high-quality apprenticeship means: “that those undertaking apprenticeships have confidence that the skills they are learning will help them succeed, progress and thrive. And it means that employers will see the bottom line return of a workforce with the right knowledge, skills and behaviours.”

The IfA has produced a statement of what a quality apprenticeship will look like and a set of quality indicators by which programmes will be assessed. The quality indicators are simple metrics based on the retention, achievement and career success of apprentices and are reinforced by Ofsted or Office for Students (OfS) inspections.

You can read the full document by the IfA on this link.

There is a plethora of regulation surrounding apprenticeships. While the paperwork may seem onerous, it exists for a good reason – to make sure employers and training providers are providing a good quality apprenticeship that meets the IfA’s benchmarks. Without compliance and reporting requirements, employers could, in theory, hire an employee for less money and provide little or no training. The regulation also protects the employer and training provider from a legal point of view and ensures funding is going where it should.

There are a number of forms that need to be agreed and signed before an apprentice can proceed. These are the Enrollment Form/Individual Learning Agreement, the Commitment Statement, Initial Assessment, Learning Styles, and the Skills Scan.

Compliance also relates to what can and can’t be included in ‘off-the-job’ training. The Association of Employment and Learning Providers (AELP) have provided a guidance document to help employers adhere to the right benchmarks.

Another complication is that the end-point assessment will need to be conducted by end-point assessment organisations (EPAO), which also have a separate register (Register of End-Point Assessment Organisations or RoEPAO). Agreements and an EPO plan will need to be in place to manage that process.

Compliance also means that all the apprentice’s learning points have to be mapped to the standards for that profession. This process can prove to be very complicated, and training providers often use a unique SaaS platform (like Aptem – www.aptem.co.uk) to manage all forms of compliance.

Apprenticeship providers now also need to comply with the General Data Protection Regulation (GDPR), which came into force in 2018.

Apprenticeship providers are required to report to oversight bodies such as the Education and Skills Funding Agency (ESFA), Ofsted and the Office for Students (OfS) and, as such, need to make sure they are systematically gathering and recording information.

The compliance and reporting requirements are one of the core reasons why training providers find it hard to manage multiple apprentices without platforms like Aptem.
Conclusion

This eBook has offered a general overview of the apprenticeship system, addressing critical questions about apprenticeships and providing links to further reading.

The apprenticeship system is new and complex from a regulatory perspective. It is crucial that any prospective employer or apprenticeship provider is clear about what’s involved and what support systems they will need to have in place before commencing.

Particularly for those apprenticeship providers looking to expand to train multiple apprentices, an easy-to-use platform that manages the apprenticeship programme from start to finish is vital.

Aptem is a fully managed Software as a Service apprenticeship management platform that operates through your browser, with no software, servers or maintenance required. As a platform, it seamlessly manages:

- Apprenticeship recruitment
- Paperless onboarding and compliance – including built-in Ofsted and ESFA complaint modules.
- Learning management – eLearning assets and eAssessments, scheduling, tracking of attendance and progress.
- Apprentice communication management
- Integrated ePortfolio
- Mapping progress or frameworks or standards
- Direct uploading to the ESFA Hub to access funding
- Reporting and data analytics – data is easily accessible, with risk-assessment and Predictive QAR.

Aptem will save you time and money, freeing you up to spend more quality time with your apprentices. You can calculate the savings to your company or organisation through our interactive Delivery Savings Calculator.

The team at MWS Technology Ltd. can offer a demonstration of Aptem to show the benefits of the technology to companies and institutions. You can book a presentation on this link, email us at info@mwstechnology.com or phone us on 020 7870 1000.

References


https://www.aptem.co.uk/delivery_savings_calculator/

https://www.aptem.co.uk/book-a-demo/
Aptem is the latest product developed by MWS Technology, pioneers in technology solutions for the vocational training, further education and welfare to work sectors since 2009.

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