

English Apprenticeships: Our 2020 Vision



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Link to executive summary:

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

Note: This document relates to apprenticeships policy in England only, as skills policy is a devolved matter.

Foreword

Over the last five years, we have put our country back on the right track. Over the next five years, we must maintain and consolidate our economic recovery, and ensure that it benefits everyone. Raising our nation's productivity is one of this Government's top priorities for achieving this.

A nation flourishes when it realises the full potential of all of its people. As a one nation Government, this is what we are committed to achieve. Around the world, apprenticeships have long been recognised as a crucial way to develop the skills wanted by employers. That is why the Government will increase the quality and quantity of apprenticeships in England, reaching three million starts in 2020.

Our goal is for young people to see apprenticeships as a high quality and prestigious path to successful careers, and for these opportunities to be available across all sectors of the economy, in all parts of the country and at all levels. This will support our aim for young people to get the best start in life, through the opportunity that high quality education and training provides.

Nobody understands the skills employers need better than the employers themselves. That is why we are placing them in the driving seat. They are designing apprenticeships so that they focus on exactly the skills, knowledge and behaviours that are required of the workforce of the future. A levy will put employers at the heart of paying for and choosing apprenticeship training, and place the funding of apprenticeships on a sustainable footing. Employers will choose between high quality education and training providers, or be able to train their apprentices themselves.

Raising our productivity and training our workforce requires a truly national effort. This document sets out the Government's plan for achieving that – working with employers, education and training providers and others in the sector.



The Rt Hon Sajid Javid

Secretary of State for Business,
Innovation and Skills



The Rt Hon Nicky Morgan

Secretary of State for Education and
Minister for Women and Equalities

Chapter 1: The case for apprenticeships

Apprenticeships deliver significant benefits, which we will increase further through our reforms

- 1.1. Education and training raises the level of skills available in the economy, as well as driving productivity and national prosperity. Economic benefits are generated when education and training helps individuals to achieve a higher level of qualification, increasing their employment prospects, productivity and wages.
- 1.2. These benefits translate into significant monetary returns for individuals over a working life. These add up to between £48,000 and £74,000 for level 2 apprenticeships; and between £77,000 and £117,000 for level 3 apprenticeships.¹ Those completing an apprenticeship at level 4 or above could earn £150,000 more on average over their lifetime.²
- 1.3. Apprentices are also clear that their apprenticeships have increased their productivity and prospects. 85% of apprentices said their ability to do the job had improved, and 83% said their career prospects had improved.³
- 1.4. Apprenticeships also deliver important benefits to employers: 82% of surveyed employers said they were satisfied with the programme and 70% reported that apprenticeships improved the quality of their product or service.⁴ The cost of apprenticeship training pays for itself within one or two years of completion, through the increased productivity of the former apprentice.⁵
- 1.5. These benefits lead to a significant return for the taxpayer too: the amount of return is between £26 and £28 for every £1 of government investment in apprenticeships at level 2 and level 3 respectively. This is considerably higher than the average of £20 for every £1 of investment for further education qualifications as a whole.⁶

¹ London Economics (2011) – BIS Research Paper Number 53, Returns to Intermediate and Low Level Vocational Qualifications

² AAT and CEBR (2013) University education – is this the best route into employment?

³ Apprenticeship Evaluation: survey of learners (2014)

⁴ Apprenticeship Evaluation: survey of employers (2014)

⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32306/12-814-employer-investment-in-apprenticeships-fifth-net-benefits-study.pdf

⁶ BIS research paper 229 (2015) Further education: measuring the net present value in England

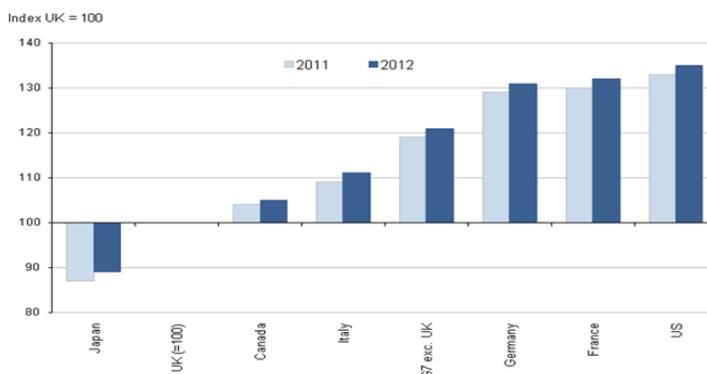
1.6. We are confident that apprenticeships represent an excellent investment for Government and employers. Our reform programme aims to improve these benefits further still, by incorporating the features of well-regarded apprenticeship systems abroad into our own. These features include greater employer ownership, a good grounding in English and maths, careers guidance and high quality, well-equipped training providers.⁷

Our plans to increase the quality and quantity of apprenticeships will help address our nation’s skills shortages and stimulate economic growth

1.7. By delivering benefits for individuals, businesses and our economy, our programme for the reform and growth of apprenticeships will also help address our growing skills shortages: by ensuring significantly greater numbers of higher quality apprenticeships that meet employers’ needs.

1.8. Good productivity is the foundation for growth in the economy and in individual incomes; yet currently, our productivity is poor compared with international competitors. It stands at approximately 20% below that of the rest of the G7, and is lower still compared to that of Germany, France or the United States:

Figure 1: GDP per hour worked (current prices), G7 countries⁸



1.9. A significant factor in our poor productivity is the low level of skills in the workforce. We rank in the bottom four OECD countries for the literacy and

⁷ OECD (2014), Skills Beyond School: Synthesis Report, OECD Reviews of Vocational Education and Training

⁸ ONS Statistical Bulletin, International Comparisons of Productivity - Final Estimates, 2012, 20 February 2014

numeracy skills of our 16-24 year olds.⁹ We also perform poorly on intermediate professional and technical skills, and are forecast to fall to the bottom five OECD countries for intermediate skills by 2020.¹⁰

- 1.10. Yet we have a critical need for high numbers of new technical and professional skilled workers. Projections indicate that over the next decade, there will be around 5 million new and replacement job openings for high skilled jobs (including management and professional roles) and 3.6 million openings for medium-skilled jobs (including skilled trades and associate professional/technical roles).¹¹ We also have growing skills shortages in the STEM and digital sectors,¹² which are increasingly critical to the strength and competitiveness of the UK economy. Skilled trade roles continue to be hardest to recruit for, and increasing proportions of employers report difficulty in finding appropriate communication, literacy and numeracy skills.¹³ Employers in rural areas can face significant constraints in accessing the pool of skills they require.¹⁴ Our growth and reform programme for apprenticeships can help address all of these challenges.
- 1.11. Economic growth is driven by productivity, but also by the number of people in employment. Levels of youth unemployment and young people not in employment, education or training are currently at record lows, but in countries with high quality, high volume apprenticeship systems they are lower still. In Germany, Norway and Austria recent youth unemployment rates have fallen to between 7-11%, compared to 15-16% in this country.¹⁵ Expanding apprenticeships will help us to match these exceptionally low levels of youth unemployment.

⁹ OECD Skills Outlook 2013: First results from the survey of adult skills, Figure 0.3 (OECD 2013). Data is for England and Northern Ireland.

¹⁰ UK Skills Levels and International Competitiveness 2013, Derek L Bosworth, August 2014

¹¹ Wilson, R., Beaven, R., May-Gillings, M., Hay, G., and Stevens, J. (2014). Working Futures 2012-2022. Evidence Report 83, UK Commission for Employment and Skills, Wath-upon-Deerne.

¹² BIS (2014) Research into the need for and capacity to deliver STEM related apprenticeship provision in England

¹³ As for footnote 6

¹⁴ UKCES (2013)

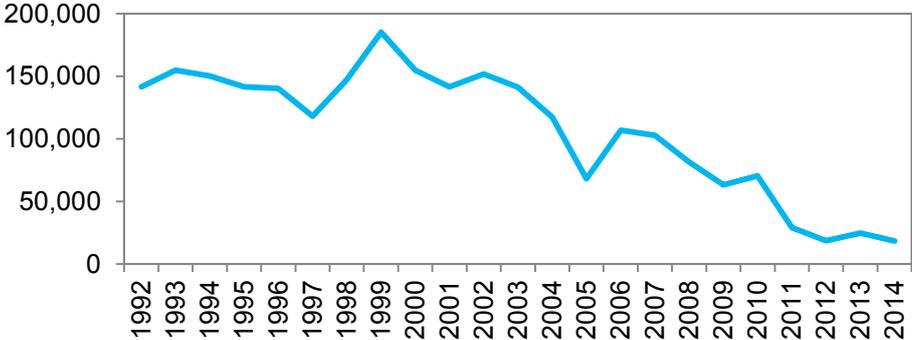
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/305356/evidence-report-75-urban-rural-report.pdf

¹⁵ [Eurostat youth \(15-24\) unemployment data, August 2015](#)

The introduction of a levy will increase investment in apprenticeships

1.12. Despite the skills shortages reported by employers, the investment of UK employers in training is low compared to international competitors and there has been a rapid decline over the last 20 years. As an indicator of employers' support for serious skills development,¹⁶ the graph below looks at the number of employees reporting that they worked 'fewer hours than normal' in a given week because they attended 'off-the-workplace' training, collected by the Labour Force Survey:

Figure 2: Number of employees who worked fewer hours than usual because they attended a training course away from their workplace¹⁷



1.13. The apprenticeship levy will shift incentives so that it is far more in employers' interests to take on apprentices.¹⁸ This builds on the experience of a large number of modern developed economies who have established levies and taxes for this purpose, such as Denmark and France.¹⁹ It will put investment in training, and apprenticeships specifically, on a long-term, sustainable footing. It will secure new funds to support the reform and growth aims of the apprenticeships programme in England, and build apprenticeships as a robust and credible training programme for the long-term.

¹⁶ Alison Wolf, Social Market Foundation (July 2015) Fixing a broken training system: the case for an apprenticeship levy

¹⁷ BIS (2015) Training away from the workplace and reduced hours: January 1995 to December 2014

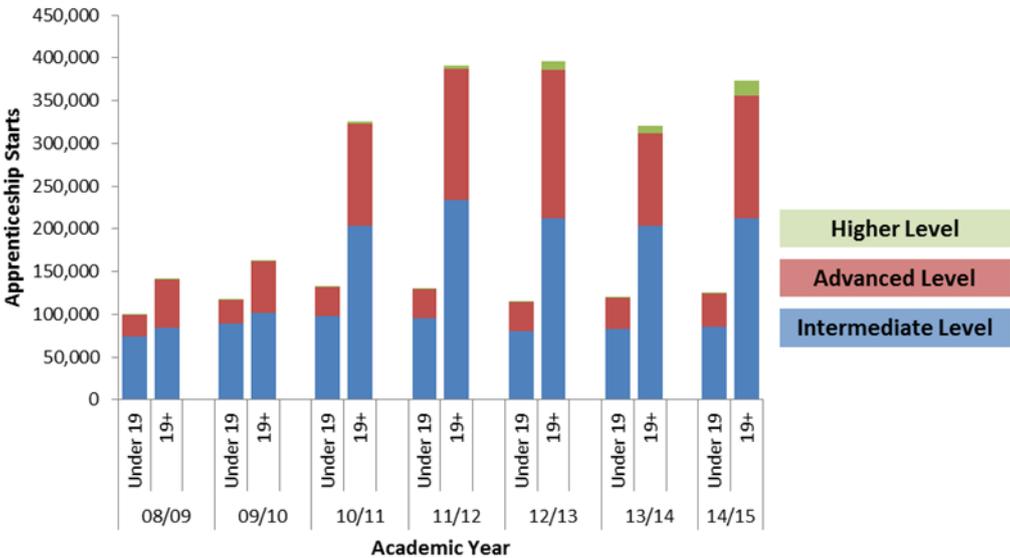
¹⁸ Alison Wolf, Social Market Foundation (July 2015) Fixing a broken training system: the case for an apprenticeship levy

¹⁹ Ibid.

Our plans will bring improved benefits to more apprentices and businesses

1.14. There were 2.4 million apprenticeship starts in England over the last Parliament, which is already more than double that of the previous period (1.1 million). We believe we can and should go further still.

Figure 3: Apprenticeship starts by age and level²⁰



1.15. We know that in other countries, the proportion of employers engaged with apprenticeships is much higher. For instance, around 25% of employers in Austria employ apprentices, 24% in Germany, and 30% in Australia.²¹ This is compared to only 15% of establishments who have or offer apprenticeships in England.²² Even as a proportion of employed persons, England has low numbers of apprentices compared to other countries:

Figure 4: Apprentices per thousand employed persons – 2008, 2009²³

Australia	Austria	England	France	Germany	Ireland	Switzerland
39	33	11	17	40	11	43

²⁰ FE and Skills Statistical First Release: <https://www.gov.uk/government/publications/learner-participation-outcomes-and-level-of-highest-qualification-held>

²¹ Steedman (2010), The State of Apprenticeship in 2010. Apprenticeship Ambassadors Network. Figures are for 2009

²² UKCES (2014) Employer Perspectives survey

²³ Steedman (2010)

- 1.16. There is clearly the potential for increasing the proportion of employers engaged with apprenticeships in England.
- 1.17. We believe that there is significant scope for growing apprenticeships in particular sectors and among certain types of employers, such as the public sector and smaller employers, because:
- An estimated three-quarters of apprentices work in private sector organisations, compared with 16% in the public sector and 9% in the third sector;²⁴
 - Large employers are more likely to employ apprentices, but in fact most businesses with apprentices are small.²⁵ As most firms in our economy are small, they provide a broader base for growing apprenticeships.
- 1.18. We know that a large number of employers report that they plan to start offering apprenticeships, but then appear to not take this step.²⁶ We also know that businesses in rural areas are less likely to provide vocational training, including apprenticeships, than businesses in urban areas.²⁷ By understanding and addressing the particular barriers that stop these employers in both rural and urban areas, we should be able to grow the programme significantly with employers who want to engage.
- 1.19. We also know that many businesses who do not yet offer apprenticeships say that this is because they do not feel that the programme offers exactly what is needed for their industry or size of business.²⁸ By addressing the barriers reported by those who say they don't plan to start offering apprenticeships, we should be able to grow the programme further still.

²⁴ Apprenticeship Evaluation: Survey of Employers (2014)

²⁵ Ibid.

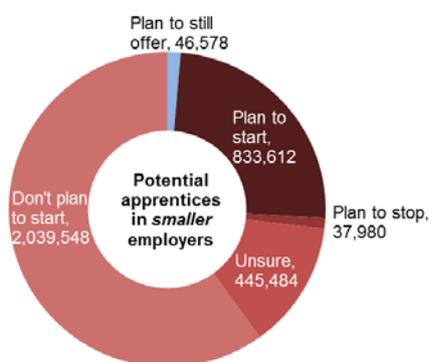
²⁶ UKCES Employer Perspective Survey (2014)

²⁷ UKCES (2013)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/305356/evidence-report-75-urban-rural-report.pdf

²⁸ UKCES Employer Perspective Survey (2014)

Figure 5: Potential apprentices in smaller employers²⁹



1.20. By increasing the number of apprenticeships significantly to reach three million in 2020, our goal is to secure the greater benefits set out in this chapter for more individuals, employers and our economy.

²⁹ BIS analysis of UKCES Employer Perspective Survey and other business data

Chapter 2: Improving the quality and recognition of apprenticeships

Our vision for 2020

- All apprenticeships will provide substantive training in a professional or technical route, transferable skills and competency in English and maths for all ages
- Apprenticeships will be an attractive offer that young people and adults aspire to go into, as a high quality and prestigious path to a successful career
- Apprenticeships will be available across all sectors of the economy and at all levels, including degree level
- Every apprenticeship will be a high quality opportunity that delivers the skills, knowledge and behaviours that employers are looking for

We have already taken steps to improve the quality of apprenticeships

- 2.1. As set out in Chapter 1, the existing apprenticeship offer already delivers excellent benefits, but we wanted to go further to make it truly world-class, relevant and fit for purpose for the future. The 2012 Review of Apprenticeships set out a clear vision for a system that is more rigorous and more responsive to employers' needs.
- 2.2. The Review argued that apprenticeships should be redefined, to focus where they can add most value, to strengthen the brand and to raise our level of ambition. It recommended sharp emphasis on quality and rigour, so that training is trusted and transferable. It reminded us that at their core, apprenticeships must be about the relationship between an employer and an apprentice, and challenged us to put employers at the heart of the system's design and delivery. It also recommended that government should focus on outcomes – what apprentices can do at the end of their apprenticeships – and free up the process by which apprentices get there.
- 2.3. We accepted the Review's recommendations to reform apprenticeships in pursuit of these core principles. To address the issues identified in the Review and elsewhere, in 2013 we published the then Government's plans to launch

employer-led Trailblazers in a range of sectors to develop new apprenticeship standards, and defined core principles of quality for an apprenticeship that must be adhered to:

- It is a job in a skilled occupation;
- It requires substantial and sustained training, lasting a minimum of 12 months and involving at least 20% off-the-job training;
- It develops transferable skills, and English and maths, to progress careers;
- It leads to full competency and capability in an occupation, demonstrated by achievement of an apprenticeship standard;
- It trains the apprentice to the level required to apply for professional recognition where this exists.

2.4. Over the last Parliament, we took significant action to drive up the quality of apprenticeships, ceasing those that were short and poor quality. We also ceased programme-led apprenticeships and insisted that all apprenticeships involve employment from day one, as this is integral to the apprenticeship model.³⁰

Figure 6: Examples of apprenticeship standards available or in development

Standard	Sector
Junior Journalist	Media
Aerospace Manufacturing Fitter	Aerospace
Software Developer	Digital
Nuclear Welding Inspection Technician	Nuclear
Laboratory Scientist	Life & Industrial Sciences
Bespoke Tailor and Cutter	Bespoke Tailoring
Crop Technician	Farming
Food Technologist	Food & Drink
Chartered Surveyor	Surveying
Solicitor	Law
Professional Accountant	Accountancy

³⁰ With the exception of alternative apprenticeships which do not involve employment, e.g. for elite athletes

We are going further with employer-led apprenticeship design

- 2.5. Having employers set out the structure for reformed apprenticeships at the outset is central to driving up quality, and making the system simpler and easier to engage with. We are encouraging employers, professional bodies, other organisations and apprentices to work together on apprenticeship development and delivery.
- 2.6. There are currently around 230 apprenticeship frameworks and over 700 pathways within them, enabling different combinations within a framework. These have been developed by sector bodies and prescribe specific qualifications and guided learning hours. Some are overly prescriptive, complex and long, others lack the necessary detail, and employers have criticised them for failing to equip young people to do the job. Under our reforms, employer-designed standards will replace frameworks, and will be clear and concise. They will act as the 'shop window' for the apprenticeship, setting out in simple terms the knowledge, skills and behaviours needed for an apprentice to be competent and capable in their role. Behaviour requirements will be an integral component, responding directly to employers' wishes.
- 2.7. Under frameworks, apprenticeships are achieved through a number of qualifications taken throughout the apprenticeship, with assessment content designed by assessment organisations. This does not guarantee that the apprentice is fully competent by the end of their apprenticeship, as they do not need to demonstrate that they can put together all the elements that they have learned.
- 2.8. Under our reforms, an apprentice will demonstrate their competence and capability through a rigorous and holistic end-point assessment, specified by groups of employers working with professional bodies and other sector groups/experts. Apprentices will need to demonstrate that they can combine and apply the knowledge, understanding and skills they have gained to real work requirements and environments. This will ensure that apprentices are able to fulfil all elements of the role. It could include written examinations, an interview/viva assessment on the content of a portfolio collated throughout the apprenticeship, the production of a showpiece, observed practice in the workplace or a simulation exercise as appropriate.
- 2.9. A key expectation of our reforms is that apprenticeships must be more than just training for a single job or employer: they must ensure that apprentices can adapt to a variety of roles, with different employers, and develop the ability to progress their careers. All employer-led apprenticeship standards must

therefore demonstrate acquisition of transferrable skills – such as self-management, communication and interpersonal skills, problem solving, innovation and creativity.

- 2.10. We have put in place a rigorous system to ensure that the content of each apprenticeship is of high quality and that the apprentice will be assessed fairly and consistently at the end of the apprenticeship, to ensure they have full occupational competence in the job. The process for approval of each standard and assessment plan is set out in more detail in Chapter 3.
- 2.11. Many employer groups have gone further than the requirement to provide a standard and assessment plan, and have developed an ‘employer occupational brief’ and other forms of curriculum plans, to provide more detail on the expected curriculum that will be assessed. We would encourage all employer groups to consider whether this would be beneficial alongside their own standard and assessment plan.
- 2.12. Once the apprentice has successfully passed the end point assessment, they are eligible for a completion certificate to signal that they have met the standard set. The certificate will have recognised status with employers: it will provide employers with a guarantee of the apprentice’s competence and capability and enable transferability for the apprentice across sectors, thereby providing a gateway to longer term prospects.

Digital degree apprenticeships

In a model example of industry working in partnership with universities, a new route to digital careers has been created. Over 40 companies worked with the Tech Partnership, the network of employers collaborating to create digital skills, to launch 300 degree apprenticeships in nine universities from September 2015. Not only did the initial programme deliver twice as many degree apprenticeships as expected, take-up by women is significantly better than the number of women taking conventional university computing science degree courses. The degree apprenticeship programme will be rolled out to more universities and employers next academic year.

Figure 7: Example standard for level 2 Butcher

On completion of the apprenticeship, newly qualified butchers will have proven CORE SKILLS enabling them to:	
Prove:	Full awareness and adherence to health and safety regulations and/or additional requirements that may apply to their employer's food business
Carry out:	A range of primary and secondary butchery skills involving the use of steak and boning knives, hand saws, cleavers, banding needles and other relevant hand tools used in the process of primal cutting, boning, slicing, dicing, rolling, trimming and filleting as used in their employers business
Produce:	Meat and/or poultry products (as required) such as sausages/pies made to the specifications of customers or for sale to the public
Use:	Machinery (as permitted) & other relevant cutting equipment including the ability to sharpen knives
Apply:	Hand/eye co-ordination along with physical agility and manual handling of carcasses through the manufacturing/butchery process
Adhere:	To the legislative regulations that apply in the food industry plus the organisational policies and standard operating procedures that apply within the employer's business
Display:	The ability to work in a team and individually as required in a busy environment with pre-determined deadlines and productivity targets
Maintain:	The quality environment; including product sampling, specification (including customer requirements), food safety compliance and traceability procedures in the meat supply chain
Support:	Workforce development; sharing own knowledge and experience to assist new recruits and/or inexperienced colleagues
Communicate:	Effectively with customers, suppliers and colleagues displaying the excellent interpersonal skills required to perform the role to the required standard
On completion of the apprenticeship, newly qualified butchers will possess the following CORE KNOWLEDGE:	
Understand:	The development of the meat sector leading up to the modern day, including its values, culture, traditions and connection to membership bodies and professional institutions
	The principles of butchery; including the selection, procurement, provenance and handling of livestock leading to welfare and associated lairage and slaughter practices, including Halal and Kosher
	The principles of waste minimisation, saleable yield and predictive costing methods
	The meat and poultry marketplace including the supply chain/traceability functions and key legislative and enforcement agencies that regulate the retail and/or process environments
	The principles of meat and poultry species including knowledge associated with carcass by-products, primal, joints and muscles
	The various craft and knife skills used for cutting, boning, trimming and mincing of meat including the use of relevant mechanical equipment as required
	Cold storage, stock control and safe movement of meat and/or poultry in the butchery environment
	Stock control, product pricing, quality assurance & meeting the expectations of customers &/or contractors
	Health and food safety including hygiene both in personal terms and as part of the wider food sales/production environment
	Methods for weighing products, controlling temperature, wrapping, sealing, packing, labelling and stock control of meat and poultry products for wholesale or retail sale
	Employment, rights and responsibilities, including equality, team working practices and the importance of continuous personal development
During the programme apprentices will display CORE BEHAVIOURS enabling them to:	
Take:	Appropriate personal operational responsibility for both health and food safety, apply safe working practices when using knives, hazardous tools and/or related equipment
Display:	A willingness to learn, solve problems & acquire new skills that will be applied in the working environment
Be:	Punctual, reliable, diligent and respectful towards customers, peers and colleagues at all times
Show:	Attention to detail, carrying out duties in a diligent way and taking account of efficiencies and understanding how these support the profitability of the business
Maintain:	The vision and ethos of the business, including performance levels whilst taking pride in work and fostering positive relationships with customers and colleagues

We must ensure apprentices have the literacy and numeracy skills they need for employment

- 2.13. Strong literacy and numeracy is widely acknowledged as beneficial to learners, employers and the wider economy. Combining English and maths with vocational training can really help consolidate literacy and numeracy skills.
- 2.14. That is why all apprenticeships include English and maths at their heart, through a choice of GCSE or Functional Skills qualifications depending on what is most appropriate for the apprentice and their programme, if these are not already achieved:
- Level 2 apprentices are required to achieve level 1 in English and maths to complete their apprenticeship and then must work towards level 2;
 - All level 3 and 4 apprentices must achieve level 2 in English and maths prior to taking their end-point assessment.
- 2.15. Employers should make sure that apprentices have opportunities to apply the English and maths they are learning in the workplace, to help ensure that they gain a solid foundation in literacy and numeracy that will support their future employment and career progression.
- 2.16. Employers need to be confident of the nature and quality of English and maths provision within apprenticeships. New English and maths GCSEs now place greater emphasis on core literacy and numeracy skills. We are reforming Functional Skills qualifications to ensure they include the literacy and numeracy skills that employers value most. We expect new Functional Skills qualifications to be available during 2018.

We are putting in place a clear agreement at the heart of every apprenticeship

- 2.17. All parties involved need to understand what an apprenticeship means and what is expected of each of them as they work together towards its successful completion. Ensuring that employers, education and training providers and apprentices are clear on their roles and responsibilities before the apprenticeship starts is essential for its success.
- 2.18. Every apprenticeship must have an Apprenticeship Agreement. This contract of service between the apprentice and the employer confirms that the apprentice is undertaking an apprenticeship and the standard they are following. It must be in place in order for an employer to claim Government

funding. Supplementing this is a new required 'Statement of Commitment' signed by the employer, provider and apprentice. This sets out the key expectations, roles and responsibilities of each party involved in the apprenticeship:

- For apprentices, it will set out expectations of attendance and achievement, a commitment to learning and key behavioural or operational practices to be observed;
- Employers will set out wage or key performance commitments, the time and support to be provided to enable the apprentice to learn effectively and any mechanisms for ensuring effective relationships with the training providers involved;
- Training providers will set out how they intend to work with the apprentice and the employer to ensure the apprentice receives high quality learning that meets their needs.

2.19. The Statement of Commitment will also include details of key milestones, delivery schedules for any learning and mechanisms for dispute resolution. It is intended to reassure apprentices that they are undertaking a valuable and well-structured training programme.

2.20. Just as the term 'degree' is protected in legislation, we are proposing similar legislation to protect the term 'apprenticeship' from misuse by education and training providers. The measure makes it an offence for a course of training to be offered as an apprenticeship if it is not a statutory apprenticeship.³¹ The aim is to assure employers, apprentices and training providers that action can be taken if poor quality training is mis-sold as an apprenticeship, and that they are investing in high quality apprenticeships.

Creating a high quality system driven by informed decision-making and an accountability system based on outcomes

2.21. Individuals should know which employers have the highest quality apprenticeship programmes. We are developing a list of Top 100 apprenticeship employers with media partners, similar to the Top 100

³¹ This includes all English apprenticeships provided for under the 2009 Apprenticeships, Skills, Children and Learning Act, which includes frameworks saved under provision made under section 115(9) of the Deregulation Act 2015 and section 2 Employment and Training Act 1973, and statutory apprenticeship arrangements within Scotland, Wales and Northern Ireland.

graduate employers list, to highlight the employers that are highest rated by apprentices. This will be available from summer 2016.

- 2.22. To help employers make an informed decision about where their money is spent, the Skills Funding Agency maintains the Register of Training Organisations and the Register of Apprenticeship Assessment Organisations. Training providers and assessment organisations must provide information about their organisational viability and how they quality assure the products and services they offer. Employers are free to select any organisation from these registers to deliver the training and assessment they need for their apprentices.
- 2.23. We also publish performance information on training providers and we want to move this to focus on the success of each apprenticeship as a whole, rather than on individual qualifications. A new set of outcome-based success measures, focusing on apprentices' employment and learning destinations, will be used to create minimum standards against which a provider's performance will be monitored in future. We are piloting this in 2015/16 ahead of rolling this out in 2016/17. The current minimum standards for qualification achievement rates – which look at the percentage of apprenticeships that have been completed against the number of expected completions – will still be used as a trigger for intervention and will be an additional tool to help inform choice. We will increase minimum standards for qualification achievement rates from 62% to 65% from 2016/17. This will increase expectations of training providers and drive up the quality of delivery of apprenticeship training. In addition, from January 2018, apprenticeships results for 16-18 year olds will also be published as part of schools' performance tables.
- 2.24. We will continue to rely on Ofsted to inspect and report on apprenticeship training provision up to level 3 and on Ofqual to regulate any qualifications included in apprenticeships. We continue to talk to both Ofsted and Ofqual about the impact of the reforms on their inspection and regulation frameworks, to ensure these remain fit for purpose in this context. Apprenticeships delivered with higher education (HE) institutions will be covered by the HE quality regime.

Securing apprenticeships as a route to professional recognition

- 2.25. A key aim of our reforms is to ensure that by the end of their apprenticeship, apprentices are able to demonstrate professional skills and attributes, as signalled by their completion certificate. The active support of professional

bodies and other partners is essential so that apprenticeships are recognised as quality preparation to operate in that sector.

- 2.26. Professional bodies set and uphold standards for occupations within their profession. This is often linked to the operation of a professional register, which professionals may join, and associated codes of conduct. Professional recognition can therefore provide an extra level of quality assurance, with members having achieved some form of additional professional status such as technical or chartered status. In sectors where professional recognition exists, employer groups are ensuring that the content of apprenticeship standards maps across to the standards set by the professional body, to ensure that when the apprentice completes their apprenticeship they will be able to join the professional body if they wish.

Evie, accountancy apprentice at Hemingway Bailey

“With A*BB in my A levels I decided I didn’t want to be stuck in a classroom for another 3 years. I was ready to get out into the world of work. Hemingway Bailey appealed to me because they’re a small, local company. I knew I was going to get involved within the company and felt like I would have an impact straight away, rather than just be an employee number. Looking back, I don’t think I could have ever imagined I would have done as much as I have. It has confirmed I made the right choice. Hemingway Bailey want me to progress through all qualifications until I become a fully qualified accountant – it’s our shared goal!”

Developing higher and degree apprenticeships for higher level technical skills

- 2.27. The development of higher (level 4 and 5) and degree (level 6 and 7) apprenticeships aims to widen access to the professions and develop the higher level technical skills needed to improve productivity and support businesses to compete internationally.³² These are now available in occupations as diverse as Solicitor, Software Developer, Accountant, Dental Technician and Space Engineer. Degree apprenticeships involve employers, universities and relevant professional bodies co-designing apprenticeships to meet full occupational competency where the apprentices must complete a degree (bachelor’s or master’s) as part of their apprenticeship.

³² “Higher and degree apprenticeships” are approved English apprenticeships within the meaning given by section A1 of the Apprenticeships, Skills, Children and Learning Act 2009

Mark Carter, Business Support Manager from Dale Power Solutions

“One of the key factors to our success in recent years has been the high calibre of our apprentices. Through offering higher apprenticeships, we can attract and retain young people with real potential, who are able to keep our business up-to-date with the latest techniques and technology, which in turn helps increasing our productivity. Higher-level skills are vital to business performance and economic growth. Through higher apprenticeships, we have been able to fill our higher level skills gaps efficiently and effectively.”

- 2.28. Our goal is for young people to see apprenticeships as a high quality and prestigious path to successful careers, and for these opportunities to be available across all sectors of the economy and at all levels, up to and beyond first degree level. We need to drive up the supply of higher and degree apprenticeships to make this a reality, and there is growing demand from employers for degree apprenticeships.

ACTIONS

Ongoing – The **employer, apprentice and training provider** must sign a Statement of Commitment as part of their Apprenticeship Agreement

Ongoing – **Employers** consider providing ‘employer occupational briefs’ as part of assessment plan development

Ongoing – **Universities** work with employers to deliver new degree apprenticeships

January 2016 – **Government** will publish data on apprenticeship wage returns by sector subject area

Spring/Summer 2016 – **Government** will legislate to protect the term ‘apprenticeship’ from misuse by education and training providers

Summer 2016 – **Government** works with media partners to publish first Top 100 Apprenticeship Employer lists

Academic Year 2016/17 – **Training providers** will have to meet higher minimum levels of performance for apprenticeships

Annually from January 2018 – **Government** will include 16-18 year old apprenticeship results in schools’ performance tables

Chapter 3 – Employers in the driving seat

Our vision for 2020

- Apprenticeships will be widely recognised and respected as a highly effective means for all businesses to build their pipeline of skilled future staff in all parts of the country
- The Digital Apprenticeships Service will be simple for employers, particularly smaller businesses, to navigate and use
- Employers will feel full ownership of apprenticeships, designing and owning the content of all apprenticeship standards and assessments
- Employers will be the main advocates of apprenticeships among their partners, peers and supply chain

We have already taken action to ensure that apprenticeships meet employers' needs

- 3.1. Apprenticeships are already well respected by those who offer them, but many businesses who do not yet offer apprenticeships say that this is because they do not feel that the programme offers exactly what is needed for their industry or size of business (see Chapter 1).
- 3.2. Since 2013 we have taken significant action to reinforce the quality of apprenticeships further and to put employers in the driving seat of designing apprenticeships that truly meet their needs. In October 2013, the first eight 'Trailblazers' brought together groups of employers to lead the development of apprenticeship standards and assessment plans for their occupations. There has been tremendous appetite from large and small businesses to get involved. To date more than 1,300 employers have been directly engaged in designing over 190 new apprenticeship standards, with over 160 more in development.³³

³³ The latest evaluation of Trailblazers is available at:
<https://www.gov.uk/government/publications/apprenticeship-trailblazers-evaluation-final-report>

We will continue to build on these reforms to put employers in the driving seat

- 3.3. We want to make it as easy as possible for more employers in more sectors to come forward and design the apprenticeship standards that they need for their future workforce.
- 3.4. As part of the design process, a group of employers representing their sector and occupation can come forward to develop a particular apprenticeship standard or set of standards. Once they have been given approval to go ahead, the group is supported by a Relationship Manager as they work together to decide the skills, knowledge and behaviour required to achieve full competence in their occupation. The group consults businesses in their sector (and where appropriate across sectors) and we encourage them to involve experts from professional bodies, education and training providers and assessment organisations as they develop their standard. Final approval for their draft standard is given by the Minister for Skills on behalf of the Secretary of State and it is then published.³⁴ The group go on to develop an assessment plan setting out how they would like apprentices to be assessed during and particularly at the end of their apprenticeship to ensure that they are fully competent against the standard.
- 3.5. Learning important lessons from the early stages of our reforms, we have already significantly simplified the process for developing standards and assessment plans. We now publish clear step-by-step guidance including templates to support groups of employers.³⁵ We work with each group to consult publically on their draft standard to get a wide range of views rapidly and ensure that the standard meets the needs of everyone in the sector. We have also moved to a rolling system of monthly opportunities for employers to come forward to bid to design a new standard or submit a standard or assessment plan, making the whole process faster.
- 3.6. We will continue to implement a process of continuous improvement to simplify this process further and to address any barriers to developing standards. We want to make it as straightforward and quick as possible for groups of employers to engage, minimising any burden on their time and

³⁴ Approved standards are published at: <https://www.gov.uk/government/collections/apprenticeship-standards> and a document summarising the status of all standards is at:

<https://www.gov.uk/government/publications/apprenticeship-standards-list-of-occupations-available>

³⁵ Guidance for Trailblazers is published at: <https://www.gov.uk/government/publications/future-of-apprenticeships-in-england-guidance-for-trailblazers>

helping apprenticeships to remain at the cutting edge of industries and businesses across the economy.

Emily Austin, Lloyds Banking Group:

“Being involved in Trailblazers and the process of agreeing standards and assessment plans has been actually quite liberating – not only in the design sense, which has been much quicker and efficient than in the past, but in terms of the collaboration with others in the sector to shape something that benefits not just those involved in Trailblazers, but the whole industry and the future of apprentices who work within it. It also provides Lloyds Banking Group with a further platform from which to deliver upon its commitment to apprenticeships as outlined in it’s Helping Britain Prosper Plan.”

We will make it as easy as possible for all employers to engage with apprenticeships

- 3.7. Employers tell us that concerns about bureaucracy and red tape can get in the way of them choosing to hire an apprentice.³⁶ We want to make sure that this is as easy as possible for all employers.
- 3.8. We already offer ‘Find an Apprenticeship’ as a free online recruitment tool for employers to advertise for and fill their apprenticeship vacancies and for potential apprentices to look for and apply for opportunities.³⁷ We are developing this further so that by February 2016 employers will be able to post their own vacancies on the system, working with education and training providers where they want to.
- 3.9. We also want to go even further by designing a new simple online employer portal that will make it easy for any business to take the steps they need to offer an apprenticeship. Employers will choose and pay for the apprenticeship training and assessment they want through the Digital Apprenticeship Service. The service will also support employers to choose an apprenticeship training course, find a candidate and choose a training provider. All employers will have access to the Digital Apprenticeship Service whether they have contributed to the levy or not. Together with the latest Find an Apprenticeship system to advertise their vacancy, this will provide employers with a full suite of simple and free tools to start or expand their apprenticeship programme.

³⁶ CBI/Pearson education and skills survey 2015

³⁷ Find an Apprenticeship is at <https://www.findapprenticeship.service.gov.uk/apprenticeshipsearch>

- 3.10. We have completed work on the initial development phases of the Digital Apprenticeship Service and will develop it further based on feedback and testing with employers. We will launch an initial pilot in April 2016, aiming to release some functionality from October 2016, and will continue to develop it to take account of the apprenticeship levy (see Chapter 6).

We will work with large businesses to start or expand their apprenticeship programme

- 3.11. We know that apprenticeships work for businesses of all sizes in all sectors of the economy, but we also know that the support required can vary significantly by business size. We expect all large employers, including those within the FTSE100, to make use of apprenticeships as a key part of their workforce development strategies.
- 3.12. We want to provide direct support and advice to large employers to help them to start or expand their apprenticeship programme through the National Apprenticeship Service (NAS). For large companies wanting to make apprenticeships a key part of their workforce strategy, NAS will offer a dedicated account management service. This includes providing independent and impartial advice on which apprenticeship frameworks or standards best meet the needs of the business, identifying a strategic training provider partner to deliver the training programme, keeping the business updated on all of the latest apprenticeship developments and supporting the development of new standards to support their workforce needs.
- 3.13. UK Trade and Investment will continue to discuss the benefits of apprenticeships with multinational companies that are considering investing in the country, so that their inward investment can contribute towards growing skills both for their own business and for the wider economy.
- 3.14. Our Apprenticeship Delivery Board and Apprenticeship Ambassadors Network will continue to have a key role in helping employers to realise the benefits that apprenticeships can bring, to broaden their apprenticeship programmes into other areas of their business, and to extend this to higher levels through higher and degree apprenticeships. We will also continue to welcome the input of larger businesses in helping to spread the apprenticeship model through supply chains and networks so that apprentices can add value at every stage of product and service development and delivery.

Jeze Brooks, Early Professionals Manager for IBM in the UK:

“We hire apprentices at IBM because there’s just so much talent out there and not all of that talent wants to go to university. Now really is the time we can offer apprentices the chance to start and build a career at IBM, or across the board in technology industries. Apprentices come to IBM with such passion and enthusiasm. Why wouldn’t we want to bring them on board?”

IBM have taken a leading role in working with businesses in the digital industries sector to design new apprenticeship standards in occupations like Network Engineer and Software Developer.

We will provide advice and support to smaller businesses starting apprenticeships

- 3.15. Innovative smaller businesses often have little time to devote to recruitment, but evidence from our employer surveys shows that once a business has employed an apprentice, they overwhelmingly have a positive experience.³⁸ We want to provide the initial support that smaller businesses need to employ their first apprentices. This will be of particular benefit to rural areas where the proportion of small businesses is higher than in urban areas.
- 3.16. Integrated with the Digital Apprenticeship Service that we are putting in place, we will continue to offer an online and telephone helpline to support smaller businesses with choosing the right apprenticeship frameworks or standards, the best training providers and advertising for an apprentice.³⁹ We will also work with local partners across the country, including local authorities, Chambers of Commerce and training providers, who provide front-line support to employers as they prepare for and hire their first apprentices.
- 3.17. A small amount of targeted financial support can help small businesses to overcome initial barriers to offering their first apprenticeships. The Apprenticeship Grant for Employers (AGE) currently provides £1,500 of funding for small businesses to support each of their first five apprentices aged 16-24 working towards apprenticeship frameworks. Since its introduction in February 2012, the Grant has supported more than 160,000 apprenticeship starts in smaller businesses and evaluation evidence suggests that it was

³⁸ *Apprenticeship Evaluation: survey of employers* (2014)

³⁹ The NAS helpline can be reached at 08000 150 600 or at <https://sfacontactforms.azurewebsites.net/employer-enquiry>

instrumental in over 80% of cases in encouraging small businesses to offer an apprenticeship.⁴⁰

- 3.18. We will extend the Apprenticeship Grant for Employers until the end of the 2016/17 academic year, providing transitional support until the levy funding system for apprenticeships is in place (see Chapter 6). We will also take action to simplify as far as possible the way in which employers claim the funding.
- 3.19. Apprenticeship Training Agencies (ATAs) and Group Training Associations (GTAs) both provide important models to support smaller businesses to engage with apprenticeships. We want to see an expansion in support for smaller businesses to offer apprenticeships in the future and will look to encourage organisations that develop innovative solutions to engaging small employers in the apprenticeship programme.
- 3.20. ATAs employ apprentices on behalf of businesses, often small businesses, to minimise any bureaucracy or risk and make the process as simple as possible for the host companies. The host business pays the apprentice's wages and a fee to the ATA for their service. To ensure quality, the Skills Funding Agency maintain a register of ATAs. GTAs are training providers whose boards are typically drawn from a group of subscribing member companies, providing an employer-led approach to delivering training.
- 3.21. Businesses, and small businesses in particular, respond best to advice and support tailored at a local level. Many education and training providers offer help and advice to businesses looking to offer apprenticeships. We want local areas (including Local Enterprise Partnerships, Combined Authorities, Devolution Deal areas) to play a greater role in working with businesses in their area to secure growth in apprenticeships at all ages towards the overall commitment to 3 million starts. We will work with LEPs and devolved areas to share effective practice and develop this role, continuing to publish data on apprenticeship starts by local area to support greater accountability.

⁴⁰ *Evaluation of the Apprenticeship Grant for Employers* - <https://www.gov.uk/government/publications/apprenticeship-grant-for-employers-evaluation>

Stephanie Dunkley, Lettings Manager, AJR Estate Agents (East Midlands Small Employer of the Year 2015):

“July 2015 was our best month in lettings since we started. We believe this success is a direct result of taking on our apprentices – injecting fresh new energy. We have developed and motivated individuals to become exceptional, skilled staff. As a result, our customers feel valued and targets have been exceeded by 150%. For us, apprentices are the future of estate agency.”

We will support the public sector to play its part in offering apprenticeships

3.22. The public sector must lead the way in offering apprenticeships. Our commitment to 3 million apprenticeship starts is a shared priority right across government and all Government Departments are supporting an expansion of apprenticeship opportunities.

Examples of contributions from across the public sector

- The **NHS** has committed to delivering over 17,000 apprenticeship starts during 2015/16, reaching more than 100,000 in 2020. We will work with the Department of Health and NHS Trusts to expand the number of occupations across the NHS where apprenticeships can be offered.
- The **Department for Transport's** Skills Strategy will support the ambition to deliver 30,000 apprenticeships across the road and rail industry.
- **DEFRA** is working with the food and farming industry to treble the number of apprenticeships in food, farming and agritech.
- The Government's '10 point plan for boosting productivity in rural areas' commits to increasing **apprenticeships in rural areas**. It focuses on food and farming and on helping small tourism businesses to provide more, high quality apprenticeships. We will also consider apprenticeships in National Parks, building on good practice, to engage smaller employers in those areas.
- The **Civil Service** has committed to looking to apprenticeships to address core capability gaps. To lead the way, it will agree an interim target from 1 January 2016, ahead of the legislation. Apprenticeships standards in public procurement and operational delivery for the public sector already exist and we intend to develop others to adapt some designed for the private sector.

- 3.23. We will continue to expand the successful Civil Service Fast Track Apprenticeship Scheme to offer young people the opportunity to gain experience at the heart of government.

Hannah, Fast Track Apprentice, Ministry of Justice:

“Applying for the scheme is the best decision I could have made as it has given me the opportunity to work in a vibrant and dynamic environment with a diverse range of people. It has enabled me to gain valuable experience which has provided me with transferable skills, increased confidence and knowledge of the Civil Service. The most challenging aspect of the scheme is managing the balance of work and study. However, guidance from assigned assessors, mentors and investment and support from my managers has enabled me meet my deadlines”.

On completion of her apprenticeship, Hannah hopes to use the skills and knowledge she has acquired to secure promotion.

- 3.24. Through the Enterprise Bill, we intend to introduce new statutory targets for public sector bodies to employ their fair share of apprentices to contribute to our goal of achieving 3 million apprenticeship starts. The proposal is that the targets will apply to public bodies with 250 or more people working for them in England. In December 2015 we will publish a consultation which will give the rationale behind a minimum target of 2.3% and list the bodies proposed to be in scope. Following this and subject to Parliamentary approval, we will put these targets in place in 2016. Public bodies will then be required to report annually on progress.
- 3.25. Where government spends significant sums of public money on contracts, these should also deliver an improvement in the skills of the workforce, including through apprenticeships. We have changed the rules for public procurement so that, for all relevant government contracts that are over £10m and more than 12 months in duration, bidders will also need to compete on the basis of their contribution to apprenticeships and skills. The winning bidder will have their commitment written into their contract so that their performance against it can be monitored alongside delivery.⁴¹

⁴¹ Details are set out in Procurement Policy Note 14/15 at <https://www.gov.uk/government/publications/procurement-policy-note-1415-supporting-apprenticeships-and-skills-through-public-procurement>

Ryan Davies, healthcare assistant at South Tees Hospital and regional Intermediate Apprentice of the Year:

“My apprenticeship has motivated me to learn more, aim higher and change career direction to become a fully qualified paramedic.”

His employer said: “Ryan is an excellent example of what apprenticeships can bring to employers. He has developed into a confident, competent and valued member of a multi-disciplinary team.”

We will continue to communicate the benefits of apprenticeships

- 3.26. We want to ensure that all businesses, as well as young people and parents, are aware of the benefits that apprenticeships bring and we want to continue to celebrate the success of employers and apprentices around the country.
- 3.27. The National Apprenticeship Service will continue with communications activity at key points during the year to raise the profile of apprenticeships and celebrate their success. National Apprenticeship Week in March provides an annual focus for apprenticeships and in 2015 secured a record 27,000 commitments from employers.⁴² The National Apprenticeship Awards celebrate the success of individual apprentices and businesses of all sizes at both a regional and national level.⁴³
- 3.28. The 5% Club has been developed and is run by businesses themselves who commit to making a public declaration to achieve 5% of the company’s overall UK headcount being an apprentice, a sponsored student or on a graduate programme.⁴⁴
- 3.29. Following our successful *Get In, Go Far* marketing campaign during 2014 and 2015, we plan to launch an integrated communications campaign in January 2016. This will bring together messages about apprenticeships, traineeships and work experience to encourage employers to consider in the round their pipeline of skills.

⁴² <https://www.gov.uk/government/topical-events/national-apprenticeship-week-2015>

⁴³ <https://www.gov.uk/government/topical-events/national-apprenticeship-awards>

⁴⁴ <http://www.5percentclub.org.uk/>

ACTIONS

Monthly – **Employers** can submit proposals, draft standards and assessment plans for approval

From September 2015 – **Government** procurement rules mean that apprenticeships are considered in all contracts over £10m and 12 months

Ongoing– **Government** will continue to provide support through the National Apprenticeship Service for large businesses (via account management) and small businesses (via a national helpline) to offer apprenticeships

December 2015 – **Government** consults on the target for the public sector

January 2016 – **Government** will launch an integrated communications campaign to promote apprenticeships, traineeships and work experience opportunities

January 2016 (and annually) – **Government** will run the National Apprenticeship Awards to recognise the contribution of apprentices and employers across the country

January 2016 – **Government** will extend the existing successful Apprenticeship Grant for Employers until the end of the 2016/17 academic year

February 2016 – **Government** will launch an improved Find an Apprentice service allowing employers to post their own vacancies directly on the system

March 2016 (and annually) – **Government** and **employers** celebrate the success of apprenticeships through National Apprenticeship Week

Spring/Summer 2016 – **Government** will lay regulations setting out public sector apprenticeship targets

Autumn 2016 and annually (subject to Parliamentary approval) – duty on **Public sector bodies** comes into force to employ apprentices and report publically on progress against their apprenticeship targets

Chapter 4 – Routes into apprenticeships and work

Our vision for 2020

- All young people at school will be able to hear from and be inspired by employers and apprentices
- There will be clear progression routes through technical and professional education and into skilled employment, including apprenticeships
- Traineeships will support more young people into apprenticeships and sustainable employment
- People from all backgrounds will get the preparation they need to be high quality candidates for apprenticeships

We have already taken steps to support young people's progression to apprenticeships

- 4.1. It is essential that, from early on in their school career, all young people have access to quality advice and guidance on the full range of career routes, and are inspired by the prospect of an apprenticeship. We have given schools a statutory duty to ensure that all their year 8-13 pupils have access to independent careers guidance, including on apprenticeships.⁴⁵ In December 2014 the Government announced funding for a new employer-led company, the Careers and Enterprise Company, which launched the first of its services in September 2015. The Company is taking a lead role in strengthening the links and encouraging greater collaboration between schools and colleges, employers and careers and enterprise organisations.
- 4.2. In August 2013 we introduced traineeships for young people who have left school and wish to get on an apprenticeship but lack the basic skills and experience that employers are looking for. Traineeships provide a high quality package of work preparation training, English and maths and work experience. They have made an excellent start: almost 30,000 young people participated

⁴⁵ 2011 Education Act

in the programme in its first two years;⁴⁶ around two-thirds of year-one trainees reached positive destinations following their traineeship, including apprenticeships;⁴⁷ and 94% of employers consider traineeships to be an effective way of preparing young people for work.⁴⁸

We will go further to ensure young people and adults are inspired and supported to make the right career choices, including on apprenticeships

- 4.3. It is essential that all young people are made fully aware of the range of education and training options available to them and have the support to make the right personal choices. In early 2016 we will publish a strategy for improved careers provision for young people. This will set out a strategic approach that brings all the key contributors together – education and training providers, teachers, employers, careers professionals and parents – so that every single child, no matter where they live or what school they go to, has access to top quality careers advice, guidance and inspiration.
- 4.4. Careers advisers, work coaches, employers, teachers and parents all have an important role to play. We will:
- Develop and promote the use of high quality data, information and advice on post-16 career routes, young people's destinations from different institutions and courses, and job demand and availability for each career route. This will provide clear and comparable information for young people and those in an advisory role on prospective careers and on the success of training providers in helping their students to progress.
 - Encourage schools to promote apprenticeship opportunities. From 2015/16 learner destinations will be one of the headline performance measures in the school performance tables for 16-18 year olds and will include data on the proportion of young people who progress to an apprenticeship. We are considering what further actions we can take to ensure that all schools are able to give well-informed and impartial advice about apprenticeship options.
- 4.5. To support teachers, students and parents in promoting apprenticeships, the National Apprenticeship Service launched an online apprenticeships portal in

⁴⁶ Further Education and Skills Statistical First Release November 2015

⁴⁷ Traineeships First Year Process Evaluation March 2015

⁴⁸ Traineeships First Year Process Evaluation March 2015

November 2015 which contains a wealth of useful material ranging from teacher guides and webinars to a series of short promotional films. The portal is available at: <http://www.apprenticeships.gov.uk/summary/resources>

- 4.6. The information and advice on offer must also be relevant to the labour market. We know that more contact with employers is particularly beneficial in helping young people to consider apprenticeships but it is not always easy for employers to engage with schools. The Careers and Enterprise Company is rolling out a network of Enterprise Advisers between September 2015 and March 2016. These are volunteers from businesses who will work directly with schools and colleges to make careers advice relevant and engaging. The Company has also launched a £5m Careers and Enterprise Investment Fund, to transform the careers prospects of young people most in need of support by scaling-up proven local initiatives. Organisations with a strong track record are able to bid for funding and awards will be made from February 2016.

Rolls-Royce – working with schools to inspire young people to pursue apprenticeships

Jessica is a final year technical apprentice with Rolls-Royce. Her career choice was inspired by the Rolls-Royce Bloodhound Supersonic Car (SSC) and their Science, Technology, Engineering and Maths (STEM) and Education teams, through a school assignment on the Bloodhound SSC. The Bloodhound Education Team also ran an extra-curricular activity at Jessica's school. This, as well as a GCSE in electronics and work experience at Rolls-Royce, prompted her to apply for a technical apprenticeship at their Bristol base.

“Since starting my apprenticeship I've achieved so many incredible things,” Jessica says. “Without the support of the STEM team I would never have considered engineering was for me, it's the best decision I've ever made!”

Jessica was recently highly commended in the Jaguar Land Rover Evoque Scholarship and the National Apprenticeship Service Advanced Apprentice of the Year for the South West Region.

- 4.7. Degree apprenticeships are a growing part of the apprenticeships offer and it is important that young people can access information and guidance on these as they would for the rest of the higher education offer. The Skills Funding Agency is working with UCAS to put in place information and guidance on ucas.com from September 2016 that will promote higher and degree

apprenticeships and enable people to apply for them. To support this we are encouraging employers to advertise their degree apprenticeships in advance where possible so young people can plan ahead as they would for university.

- 4.8. As mentioned in Chapter 3, we will launch an integrated communications campaign from January 2016 and ensure this has a specific youth focus. It will promote the benefits of apprenticeships and traineeships to young people, their influencers and employers. It will help to raise awareness of the various routes into them, and will include a focus on promoting degree apprenticeships as a highly attractive and credible option for a rewarding career.

Joanne – BAE Systems Military Air & Information Apprentice – sharing the love of engineering

Joanne is in the fourth year of a five-year Project Control Foundation Scheme Apprenticeship with BAE Systems. This is a route to a BA degree and guaranteed job at BAE Systems. Joanne has become a Science, Technology, Engineering and Mathematics (STEM) ambassador to communicate her dedication and passion for engineering to young people, particularly girls, at a formative stage of their educational and personal development.

Joanne has supported a series of inspirational events across the country, including a 'Girls into Engineering' open evening at BAE Systems attended by schoolgirls. As a result, many applied to a 'Systems Engineering Taster Week' and three successfully applied for an apprenticeship with BAE Systems.

Joanne has won the 'Most Inspirational Apprentice Award' from the STEM Network and the 'National Apprenticeship Service's Higher Apprentice of the Year' award for the Liverpool, Lancashire and Cumbria region.

- 4.9. The National Careers Service provides information, advice and guidance to help young people and adults make informed choices on learning, training, work and apprenticeships. A new digital platform available from January 2016 will determine the potential suitability of a young person for apprenticeships, traineeships or the Jobcentre Plus (JCP) work experience programme. This will help to improve the quality and calibre of the candidates applying for apprenticeships.

We will establish high quality routes into skilled employment, including apprenticeships

- 4.10. Apprenticeships will remain the flagship programme for delivering the skills that employers need. We have made substantial progress in simplifying the skills system and raising the quality and prestige of apprenticeships as the route to a great career, but we need to go further so that young people and adults have a clear line of sight to their chosen career and are able to direct their education and training accordingly.
- 4.11. In July 2015, we published ‘Fixing the foundations: creating a more prosperous nation’,⁴⁹ setting out our ambition for a technical and professional education system that provides individuals with clear, high-quality routes to employment, and that supports the Government’s overall fiscal and economic objectives. To achieve this, we will simplify and streamline the number of qualifications so that individuals have a clear set of routes which allow for progression to high level skills.
- 4.12. We have announced plans for ground-breaking reforms to technical and professional education, which will set England’s system on a par with the best in the world. Up to 20 new technical and professional routes will be created, which will lead young people from compulsory schooling into employment and the highest levels of technical competence. For many young people, this will mean moving onto apprenticeships as quickly as possible.
- 4.13. The content of each route will be designed with direct input from employers, to ensure it provides the skills needed for the 21st century economy. We have appointed an Independent Panel headed by Lord Sainsbury, former Minister of Science and Innovation, to help deliver these reforms. The panel is made up of experts from industry, as well as further and higher education, and is engaging with the education sector and business community. The Government will publish findings in spring 2016 based on the panel’s recommendations.

We will continue to support young people with more extensive needs

- 4.14. We believe that the overwhelming majority of young people with special educational needs and disabilities (SEND) are capable of sustainable, paid employment, with the right preparation and support. For some, an

⁴⁹ <https://www.gov.uk/government/publications/fixing-the-foundations-creating-a-more-prosperous-nation>

apprenticeship will be the best route into paid employment. To support this, people aged 16 and over can apply for *Access to Work* funding for adjustments to the workplace. In addition, reasonable adjustments are available for any qualifications within apprenticeships to ensure the apprentice has the chance to demonstrate their skills and knowledge.

- 4.15. For 16-24 year olds with Education, Health and Care plans, supported internships will continue to be available as a high quality study programme. These provide the necessary skills and experience to move into an apprenticeship or other paid employment, through an extended work placement and further study.

We will support more young people who are unemployed or at risk of not being in employment, education or training into apprenticeships

- 4.16. We know that traineeships are effective and popular with both employers and young people. Building on their early success we want to see continued growth of the programme, supporting more unemployed young people into apprenticeships and other jobs. Our integrated communications campaign will support this and the funding agencies are continuing to make traineeships a priority when considering in-year growth bids from training providers.
- 4.17. When we introduced traineeships we required that training providers be graded 'good' or 'outstanding' by Ofsted in order to ensure quality from the outset, but said we would keep this under review as the programme develops. Now that traineeships are fully established and getting excellent results for young people, from 2016/17 we will place them on a par with other provision by removing this requirement. This will enable more training providers to deliver traineeships and ultimately more young people to benefit from them.

Paul, Trainee, Burnley

Paul was 20 and had not had a job since he left school. Following a number of unsuccessful applications for leisure related and other jobs he discussed his suitability for an apprenticeship with his local college.

To help him prepare, Paul enrolled on a traineeship which involved six weeks of initial employability training, including Health and Safety in the workplace, followed by a work experience placement with a local IT business.

During the placement he was offered a full-time apprenticeship because of the initiative he had shown and his impressive attitude. Paul is currently enjoying his apprenticeship and is enthusiastic about his future with the company.

- 4.18. Jobcentre Plus (JCP) has launched an initiative to work with schools to raise awareness of local employment opportunities including apprenticeships, as well as the importance of work experience and programmes such as traineeships. This support will focus on helping schools that have identified young people at risk of being not in education, employment or training (NEET), or who may otherwise be disadvantaged in the labour market. It will be delivered through pathfinders in ten areas of the country, which started in Birmingham in November 2015. Evaluation of the pathfinders will report in September 2016, ahead of a planned national roll-out between October 2016 and March 2017.
- 4.19. To ensure young job-seekers get the timely and effective support they need to gain apprenticeships and other jobs, a new Youth Obligation will be introduced from April 2017 for all 18-21 year olds on Universal Credit to help them develop the skills and experience to get into work. From the first day of their claim, most 18-21 year olds will participate in an intensive period of support to help them gain employment. After six months, if they have not done so already, they will be expected to apply for an apprenticeship, traineeship, other work-based training, or they will be referred to a work placement.
- 4.20. To ensure those on benefits have access to apprenticeship opportunities and that these are promoted in job centre offices, from spring 2016 we will deliver improved guidance to JCP work coaches and employer advisers to ensure they are fully aware of local apprenticeships and able to promote them. In addition, we have linked the 'Find an Apprenticeship' website with DWP's 'Universal Job Match' service so that apprenticeship vacancies can be readily seen by jobseekers and their work coach.

Marsha Myles, Group Apprenticeship & Traineeship Manager at Halfords

"Traineeships are a great win-win. Not only does the candidate get great experience and the chance to see what it's like to work for us, with an opportunity to move into a permanent role, we also see greater loyalty and, as a result, we have greatly improved our retention rate. We only take those who are unemployed or not in education or training, so it's also a way in which Halfords gives back to the local community."

4.21. Young people aged 19-23 are entitled to full funding for their first full level 2 and/or 3 qualification. In addition, qualifications and units continue to be funded for adults aged 19 and over to increase their skills for work, including English and maths qualifications. We expect education and training providers to become increasingly responsive to the needs of the local labour market as we increase local influence over the skills system and more areas agree local devolution deals.

We remain committed to making apprenticeships accessible to people of all backgrounds

4.22. Making apprenticeships accessible to the widest possible range of people will not only benefit many individuals, but will help to grow apprenticeships in a way that helps businesses draw on diverse skills and talents. Some people will need additional support during their apprenticeship and we will identify and where possible remove barriers that stop people from accessing and starting apprenticeships. We particularly want to address any barriers faced by groups including women, care leavers, people from Black, Asian and Minority Ethnic (BAME) backgrounds and people with SEND.

4.23. For the last five years, more women than men have started apprenticeships (between 53% and 54.7% starters were women in each of the last five years). However, there is still much to do to extend this positive representation across all sectors. For example, we will attract and support more women to start apprenticeships in Science, Technology, Engineering and Maths occupations.

4.24. We know that care leavers often face additional barriers to employment, and may require extra support in order to be able to undertake an apprenticeship. We announced that we will consider what extra help and support can be offered to care leavers to improve their lives and their life chances, as well as measures to help young people leaving care to enter the labour market, including apprenticeships. We will refresh our existing strategy for care leavers in spring 2016 and will work with public bodies and other employers to ensure that as many care leavers as possible can access apprenticeships.

4.25. The Government is committed to increasing the proportion of apprentices from Black, Asian and Minority Ethnic (BAME) backgrounds by 20%. We will do this by engaging with BAME groups to understand the barriers to apprenticeships and providing targeted information and support. Building on a series of projects already undertaken, further action will include:

- Establishing a network of apprenticeship diversity ‘champions’ from employers and training providers committed to achieving greater diversity in apprenticeships;
- Ensuring that the new campaign on youth employment includes targeted material for BAME audiences;
- Working with Local Enterprise Partnerships and other stakeholders to increase understanding of BAME employers’ specific recruitment needs, and to encourage and support employers to diversify their workforce by taking on BAME apprentices.

We will ensure English and maths feature in all routes to apprenticeships and work

4.26. Good literacy and numeracy skills are fundamental to people’s employment and career prospects and their ability to function and prosper in everyday life. We have raised expectations and now more 16-19 year olds than ever before are securing A*-C grades in English and maths GCSE. In 2015 there were over 4,000 more passes in English and 7,500 more maths passes achieved by candidates aged 17 and over than in 2014.⁵⁰

4.27. The expectations we have set are that:

- Those who do not hold GCSE A*-C in English and maths by age 16 will continue to study these subjects post-16;
- All young people are stretched so that they build on their prior achievement by studying at higher levels;
- Those on traineeships who do not complete their English and maths qualifications as part of the programme will continue with them afterwards, including as part of an apprenticeship.

4.25. The English and maths requirements of apprenticeships and our plans for reforming English and maths Functional Skills qualifications are set out in Chapter 2. As our reforms bear fruit, we expect more apprentices to meet the minimum standards prior to entry, allowing employers to focus on the specific maths or English skills required in their industries as part of apprenticeships.

⁵⁰ <http://www.jcq.org.uk/examination-results/gcses/2015>

ACTIONS

From January 2016 – **National Careers Service** digital platform will determine the potential suitability of a young person for apprenticeships, traineeships or the JCP work experience programme

February 2016 – The **Careers and Enterprise Company** will award funding to initiatives from its Careers and Enterprise Investment Fund

By March 2016 – The **Careers and Enterprise Company** will complete its national roll out of the Enterprise Adviser Network

Spring 2016 – **Government** will set out further plans for the reform of technical and professional education based on the recommendations of the Independent Panel

By spring 2016 – **Government** will publish a careers strategy

By spring 2016 – **Government** will refresh its existing strategy for care leavers

By spring 2016 – **Government** will deliver improved guidance to JCP work coaches and employer advisers

From August 2016 – **Government** will enable more colleges and training providers to deliver traineeships

From September 2016 – **UCAS** will promote higher and degree apprenticeships and enable people to apply for them via its website

October 2016-March 2017 – **Jobcentre Plus** will roll out support for schools to raise awareness of apprenticeships, traineeships and other local employment opportunities

April 2017 – **Government** will introduce the new Youth Obligation for 18-21 year olds

Chapter 5 – Building the long-term apprenticeships system

Our vision for 2020

- The design and delivery of high quality apprenticeships will be overseen by a new, independent and respected quality body – the Institute for Apprenticeships
- All new apprentices will be trained to meet levels of professional competence set out in employer-designed standards
- Employers will be confident customers of apprenticeship training programmes, which will be developed by agile training providers to meet the evolving needs of business
- Employers will have the opportunity to choose between more high quality training providers and it will be easier for employers to train their apprentices directly

We will enshrine the employer-led approach by establishing a new body to oversee the development and delivery of high quality apprenticeship standards

- 5.1. As we have implemented the reforms, employers have increasingly stressed the need for clarity on how we intend to assure the quality of the apprenticeship programme in the long term. Over summer 2015 we consulted with our Trailblazer employers and those working alongside them on the design of the future system. To deliver a genuinely world-class apprenticeship programme in the context of the apprenticeship levy, we will need a long-term governance arrangement which will support employers to uphold the high quality of apprenticeship standards and be able to respond to the changing needs of business.
- 5.2. We will establish a new independent body, led by employers – the Institute for Apprenticeships – to regulate the quality of apprenticeships within the context of reaching three million starts in 2020.

- 5.3. An independent Chair will lead a small Board made up primarily of employers, business leaders and their representatives, to ensure employers continue to drive apprenticeship quality to the highest level.
- 5.4. Building on the current Trailblazer processes, the Institute for Apprenticeships will put in place transparent mechanisms for the approval of apprenticeship standards and assessment plans, and maintain clear quality criteria so that only standards that are valued by employers will be approved and funded. The Institute will use data on the take-up of apprenticeships by employers and the wage returns to apprentices to review the effectiveness and quality of standards over time.
- 5.5. Employers will continue to design new apprenticeships and they will engage directly with the Institute for Apprenticeships to submit their standards and assessment plans for approval. These will be peer reviewed by a small number of experts to ensure they meet the published quality criteria before being approved for publication. The Institute will also support the work of BIS and DfE in setting a cap on the level of government funding available for each apprenticeship standard. It is our intention that the Institute for Apprenticeships will be fully operational by April 2017 and that it will gradually start to assume functions in 2016.
- 5.6. Standards and assessment plans will be published and be free for any employer to use and the body will ensure that there remains a free market in apprenticeship delivery. It is fundamental to our apprenticeship reforms that employers have the purchasing power and the freedom to choose who delivers their training and end-point assessment services. Employers will, in accordance with the standard and assessment plan, continue to be free to select which training provider and assessment organisation they wish to use from the SFA registers.
- 5.7. Operational functions associated with funding for apprenticeships and administration of the levy will be fulfilled by the Government's operational agencies. Ofsted and Ofqual will continue to fulfil their existing functions.

There will be a carefully managed transition from apprenticeship frameworks to standards

- 5.8. Previously we stated that our aim was for all new apprenticeship starts to be on standards from 2017/18.⁵¹ We think that the recent announcement of the apprenticeship levy warrants giving employers longer to consider which occupations they will require apprenticeships for and develop high quality standards for those, so that they are able to access a menu of apprenticeship training that can truly meet their business needs.
- 5.9. To allow for this, we envisage a migration from apprenticeship frameworks to standards over the course of the Parliament, with as much of this to take place by 2017/18 as possible. We will stagger the withdrawal of public funding for new starts on framework apprenticeships as employers take on apprentices on the new standards, and give reasonable prior notice to training providers of this so that they can review their training offer.

Training providers need to rise to the challenge of delivering the new standards, changing their business model and delivering growth

- 5.10. The Government's reform and growth aims for apprenticeships provide significant opportunities for training providers, positioning apprenticeships as the biggest part of the vocational market. In 2013/14, roughly 8% of the total funding going into FE colleges was focused on apprenticeships.⁵² This should look markedly different by 2020. We will update the guidance for area-based reviews in early 2016 to emphasise the need for colleges to increase apprenticeship delivery.
- 5.11. In addition, the apprenticeship levy is likely to lead to potentially significant demand from employers wanting to engage once the levy is introduced from April 2017. Training providers need to be ready to respond to this demand and use the coming months to prepare to develop and deliver the off-the-job training required by the employer-designed standards. Assessment organisations need to design tools and methods to deliver the end-point assessments required by standards.
- 5.12. Training providers will need to be agile and operate more competitively in a more market-style environment to respond to the demands of employers as the purchasers of apprenticeship training. They will need to re-work their

⁵¹ The Future of Apprenticeships in England: Implementation Plan, October 2013

⁵² <https://www.gov.uk/government/publications/sfa-financial-management-college-accounts>

business model to move away from the allocations-based system that has been its defining feature. They will also need to manage the transition period, moving from the current allocations-based approach to the new funding model.

- 5.13. Training providers have a significant opportunity to position themselves as a crucial support function for employers navigating this whole system, alongside seeking to sell their services. Training providers need to ensure they are on the Register of Training Organisations and make employers aware of their training offer. Similarly, assessment organisations need to be on the Register of Assessment Organisations.
- 5.14. By 2020 we expect the provider market to look different from today. Area-based reviews of post-16 education and training will review the economic and educational needs of areas and how current provision needs to change to meet these, involving Local Enterprise Partnerships. The reviews will run until March 2017. Following these reviews and the introduction of the levy funding, we expect to see fewer, larger and higher quality colleges. We will expect to see further education colleges taking a greater share of the apprenticeship training market (including Institutes of Technology and National Colleges), alongside employers offering apprenticeship training directly, universities providing higher and degree apprenticeship training, and independent and new types of training providers all playing a part.

We will take action in the short-term to support training providers in the transition

- 5.15. We are working closely with employers and training providers to ensure the Digital Apprenticeship Service is easy to use. Employers will choose and pay for the apprenticeship training and assessment they want through the Service. We will ensure training providers understand the Service so if employers want support with their online accounts, training providers will be in a good position to help.
- 5.16. We will make clear how we expect the system will operate once the levy is introduced and the transition from the allocations-based system, and will provide full guidance on this for training providers.
- 5.17. Prior to the introduction of the levy, we will continue to simplify funding systems and performance management processes to support growing apprenticeship numbers year on year, as we are doing for the academic year 2015/16.

5.18. We will streamline the process to reduce barriers to new training providers entering the market and getting onto the Register of Training Organisations, so that there is a broad and flexible range of high quality training providers of apprenticeship training. As we move into the levy system we will look again at the arrangements for sub-contracting between training providers, to ensure that these meet the needs of employers and apprentices. We also recognise the important contribution of employers who provide apprenticeship training directly and want to ensure this continues.

Training providers need to lead the way in preparing for this new context

5.19. We will continue to support training providers in the short term in their preparations for delivering new apprenticeships and preparing for the introduction of the levy. The Education and Training Foundation (ETF) has commissioned a series of programmes to support training providers in their preparations to deliver the new standards, improve teaching and learning within apprenticeships and engage with employers. This builds on a range of support made available following the 2014 Further Education Workforce Strategy,⁵³ which included as a key priority ensuring the FE system is responsive to employer needs. This involves support to develop collaborative and strategic relationships with employers to address employment needs, encouraging occupational experts from industry to get involved in vocational teaching and learning through the Teach Too programme, and support to ensure teachers' knowledge and skills reflect up-to-date occupational standards, expertise and practice.

⁵³ <https://www.gov.uk/government/publications/further-education-workforce-strategy>

Golf Green-keeping Provider Readiness Group (PRG)

Initial PRGs provided feedback from training providers to employer groups on their apprenticeship standards. Now, they will focus on the implications for providers in delivering standards in an occupation and report these to the wider sector.

The Golf Green-keeping PRG involved the majority of existing training providers, who had been working closely with the Trailblazer group. The PRG was chaired and steered by the Head of Work-based Learning at Oaklands College, who was also a member of the employer group and so was able to make appropriate links between the two. The PRG reported on:

- How to make sure apprentices are consistently job-ready to meet the standard;
- Information needed from employers to help training providers design a delivery package to meet their needs;
- Arrangements for delivering the training: qualifications, initial assessment, English and maths, the journey to end-point assessment;
- Marketing the standard to a wider group of employers.

The close collaboration between the Trailblazer and provider groups has been a key success, and this is continuing in the development of level 3 and 4 standards.

- 5.20. A new ETF programme, Future Apprenticeships, will run at least to March 2016. It focuses on supporting training providers in designing training programmes to deliver the new standards and their strategic employer engagement strategy, to adapt to the employer-led context. Since March 2015, the ETF programmes have supported 70 training providers and we want to see more involved in this sort of activity.

Adviser support to IPS International Ltd

IPS International Ltd, a specialist independent apprenticeship training provider and leading provider of training and consultancy, operates across the UK and overseas.

Through the ETF programme, IPS accessed support from an adviser, enabling senior management to:

- Work through a provider readiness assessment tool to map current delivery of frameworks to new standards, and identify which standards they would be best placed to deliver;
- Begin to review their business and marketing strategy; and
- Start to develop their action plan with heads of departments for implementing the reforms, setting clear targets with timeframes.

IPS are now looking to engage with the Trailblazers in Engineering, Property Maintenance, Hair and Beauty, Adult Care, Early Years and Accountancy. They will actively engage with the PRGs as the next crucial step in working through the delivery of each standard as it becomes available. They are also considering their potential as an assessment organisation for the new standards.

ACTIONS

Ongoing – **Training providers** get onto Register of Training Organisations and work with employers to deliver standards

Ongoing – **Assessment organisations** get onto Register of Assessment Organisations, design tools and methods and deliver end-point assessments

From November 2015 to at least March 2016 – **Training providers** can access the Future Apprenticeships support programme

February 2016 – **Government** will update guidance for area-based reviews to emphasise the need for colleges to increase apprenticeship delivery

Until March 2017 – **Area-based reviews** of post-16 education and training review how current provision meets needs

Ongoing until April 2017 – **Employers** continue to develop apprenticeship standards and assessment plans and submit them for approval to BIS

By April 2017 – **Government** will establish the Institute for Apprenticeships to regulate the quality of apprenticeships and set caps on the level of government funding available for individual standards

From April 2017 – **Employers** submit apprenticeship standards and assessment plans for approval to the new quality body

From 2017/18 – As many apprenticeship starts as possible will be on the new standards

Chapter 6: Funding for apprenticeships

Our vision for 2020

- Employers will choose and pay for the apprenticeship training they want through a Digital Apprenticeship Service
- The funding system will support the commitment to increase the quality and quantity of apprenticeships
- Funding for apprenticeships will be placed on a sustainable footing through a levy on employers

We have already introduced measures to encourage apprenticeships

- 6.1. In October 2015 we increased the apprenticeship National Minimum Wage⁵⁴ by over 20% to £3.30 per hour, though most employers already pay more than this. The increase is intended to improve the attractiveness of apprenticeships for potential candidates by ensuring a comparable wage to other choices of work, whilst still acknowledging that apprentices will not be as productive. We have also committed that from April 2016, employers will no longer pay National Insurance contributions for apprentices under 25.

We are making the funding of apprenticeships sustainable in the long term

- 6.2. In July 2015 the Chancellor announced that the Government will introduce a levy on employers to fund apprenticeships. The Chancellor set out how this new system will encourage employers to commit to growing their employment of apprentices.
- 6.3. The apprenticeship levy will be collected from eligible employers across the UK from April 2017, through the Pay As You Earn system administered by HMRC. It will apply to both the public and private sectors from across the United Kingdom.

⁵⁴ This applies to apprentices aged 16-18 and those 19 and over who are in the first year of their apprenticeship.

- 6.4. The rate for the levy will be set at 0.5% of an employer's pay bill. Each employer will receive an allowance of £15,000 to offset against their levy payment. This means that the levy will only be paid on any pay bill in excess of £3 million and that fewer than 2% of UK employers will pay it. By 2019-20, the levy is expected to raise £3 billion across the UK. Spending on apprenticeships in England will be £2.5 billion, and Scotland, Wales and Northern Ireland will receive their fair share of the levy.
- 6.5. While the levy will be collected from eligible employers across the UK, skills policy is a devolved matter. This means that Scotland, Wales and Northern Ireland will continue to set their own skills policy. Ahead of the levy's implementation, we will continue to work with the Devolved Administrations to resolve the practical issues of implementation, funding flows and the interaction of the levy with devolved skills responsibilities to ensure the levy works for employers across the UK. We recognise that the new apprenticeship funding system in England needs to be simple and clear for employers that also operate in and across Scotland, Wales and Northern Ireland. This will be factored into the development of the Digital Apprenticeship Service.
- 6.6. The levy will put control of apprenticeship funding in the hands of employers and will encourage employers to invest in their apprentices and take on more. Employers in England who pay the levy and are committed to apprenticeship training will be able to get out more than they pay into the levy, through a top-up to their digital accounts. All employers who do not pay the levy will be able to access government support for apprenticeships.
- 6.7. Two sectors already operate mandatory levies: construction and engineering construction. We will work with the relevant Industry Training Boards to consult with their members ahead of the introduction of the apprenticeship levy on how their existing arrangements will be affected and may need to change. We will also continue dialogue with groups of employers that operate voluntary levies, such as those in the creative sector.

We will give employers control on how they spend the levy through the Digital Apprenticeship Service

6.8. Earlier this year we launched a consultation on how the levy will operate, and we published a full summary of the responses and the Government's plans.⁵⁵ Here is a summary of the views:

- Funding raised by the levy should have the potential to be used to train apprentices in small firms that did not pay into the levy, or used by employers to train apprentices that are not their employees.
- Employers should have up to two years to use funding in their voucher accounts before it expires.
- Respondents were divided over whether there should be a limit on the amount that individual employers accounts can be topped up.
- PAYE was the most practical mechanism for collecting the levy with most respondents wanting a simple, straightforward system.
- The most frequent suggestion for a measure of calculating the size of firms was to calculate it by the number of employees. However, many respondents commented that "number of employees" is a crude measure since company size does not necessarily correspond with either the ability to pay the levy or with the number of apprenticeships an employer can offer.
- Respondents were divided as to whether the digital voucher would enable employers to easily access their apprenticeship funds. A significant proportion of respondents felt that more detail on the model was needed.
- Training providers should have to be registered and/or be subject to approval or inspection.
- Respondents were fairly evenly split over whether apprenticeship account funds should only be used to pay for the direct costs of apprenticeship training and assessment.

6.9. Employers will choose and pay for the apprenticeship training and assessment they want through the Digital Apprenticeship Service. All employers will have

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479648/apprenticeship_levy_response_25112015.pdf

access to the Digital Apprenticeship Service whether they have contributed to the levy or not.

- 6.10. Every employer will have the opportunity to direct the funds that are available in their digital accounts to meet their apprenticeship training needs with approved training providers, and will be given a reasonable amount of time to do so. Where employers choose not to use the funds in their digital accounts we will make these more widely available.
- 6.11. Our consultation told us that there is clearly an appetite from employers in England to use their levy contribution to pay for apprenticeship training for apprentices that are not their employees. This is encouraging as it shows that these employers recognise that they have a collective responsibility for creating the apprenticeship training that the economy needs to grow and prosper.
- 6.12. We want to give employers in England flexibility on how they use their levy contributions, without introducing additional and unintended complexity into the system. On that basis we will continue to engage with employers in England between now and the implementation of the levy to understand better what this might look like in practice and the pros and cons of any approach before deciding on how to proceed.

We will introduce a simple and transparent funding model to make it easier for employers and training providers to understand the funding of apprenticeships

- 6.13. The funding arrangements for training providers for 2015/16 are already in place and we are running the employer-led trials for delivering apprenticeships against standards. Ahead of the levy, training providers (including direct grant employers) will continue to be funded to deliver apprenticeship frameworks. The trial approach on funding apprenticeship standards will also continue with minimal change, until the new funding model is introduced alongside the levy. Where we can, we will make small improvements which reflect feedback on current limitations of the trial and will give employers and training providers the flexibility to encourage growth. Guidance on funding both frameworks and standards for the 2016/2017 academic year will be issued at the end of January 2016.
- 6.14. Once the levy is introduced, we want to make sure that employers are still encouraged to take on 16-18 year old apprentices, recognising the additional costs of training and managing younger apprentices. We also want to encourage improvement in the quality of training through greater take-up of apprenticeship standards rather than frameworks.

6.15. Further information on the funding arrangements under the levy will be made available by summer 2016 with further dialogue with training providers and employers in the interim. There will also be opportunities for employers to be involved in the design of the Digital Apprenticeship Service. We want to work closely with employers and training providers to make sure the changes improve the system and that the transition in funding arrangements is smooth. We also want to ensure that new arrangements under the levy will work simply and effectively for employers who currently have a direct grant from the Skills Funding Agency.

6.16. Employers interested in contributing to the development of the Digital Apprenticeship Service should email DAS@bis.gsi.gov.uk

ACTIONS

Ongoing – **Government** to develop the Digital Apprenticeship Service to support employers to choose and pay for apprentices:

- From October 2016 – Roll out of Digital Apprenticeship Service functions of find an apprenticeship course and training provider
- From April 2017 – Employers manage their apprenticeships through the Digital Apprenticeship Service

January 2016 – **Government** to provide guidance to training providers and employers on funding arrangements for academic year 2016/17

April 2016 – **Employers** will no longer pay National Insurance contributions for apprentices aged under 25

Spring 2016 – **Government** to provide guidance to training providers on operation of the levy and changes to the funding system

Summer 2016 – **Government and Industry Training Boards** to work jointly to consult with their members

From summer 2016 – **Government** to communicate with employers on how the levy will operate including PAYE guidance and general levy guidance

April 2017 – **Employers** in scope will start paying the levy to fund their apprenticeships

Glossary

Apprenticeship agreement: contract of service between the apprentice and employer confirming the apprentice is undertaking an apprenticeship and the standard they are following.

Apprenticeship framework: work-based training programme that employees can follow to become competent at a particular job. It includes time learning at work and studying for a relevant qualification outside of work.

Apprenticeship standard: sets out in simple terms the knowledge, skills and behaviours needed for an apprentice to be competent and capable in their role, as determined by employers.

Assessment plan: describes the end-point assessment for an apprenticeship standard: what will be assessed and how, who will carry out the assessment, who will make the final decision on competency and grading, and quality assurance arrangements to ensure reliability and consistency across the country.

Digital Apprenticeship Service: The online end-to-end service for employers. It will enable employers to find an apprentice candidate, choose a training provider and pay for apprenticeship training and assessment.

Employer occupational brief: developed by employer groups to provide more detail on the expected curriculum that will be assessed in a standard.

End-point assessment: a holistic assessment at the end of the apprenticeship to test that the apprentice is fully occupationally competent in that role.

'Find an Apprentice': free online recruitment tool for employers to advertise and fill their apprenticeship vacancies and for candidates to look for and apply for vacancies.

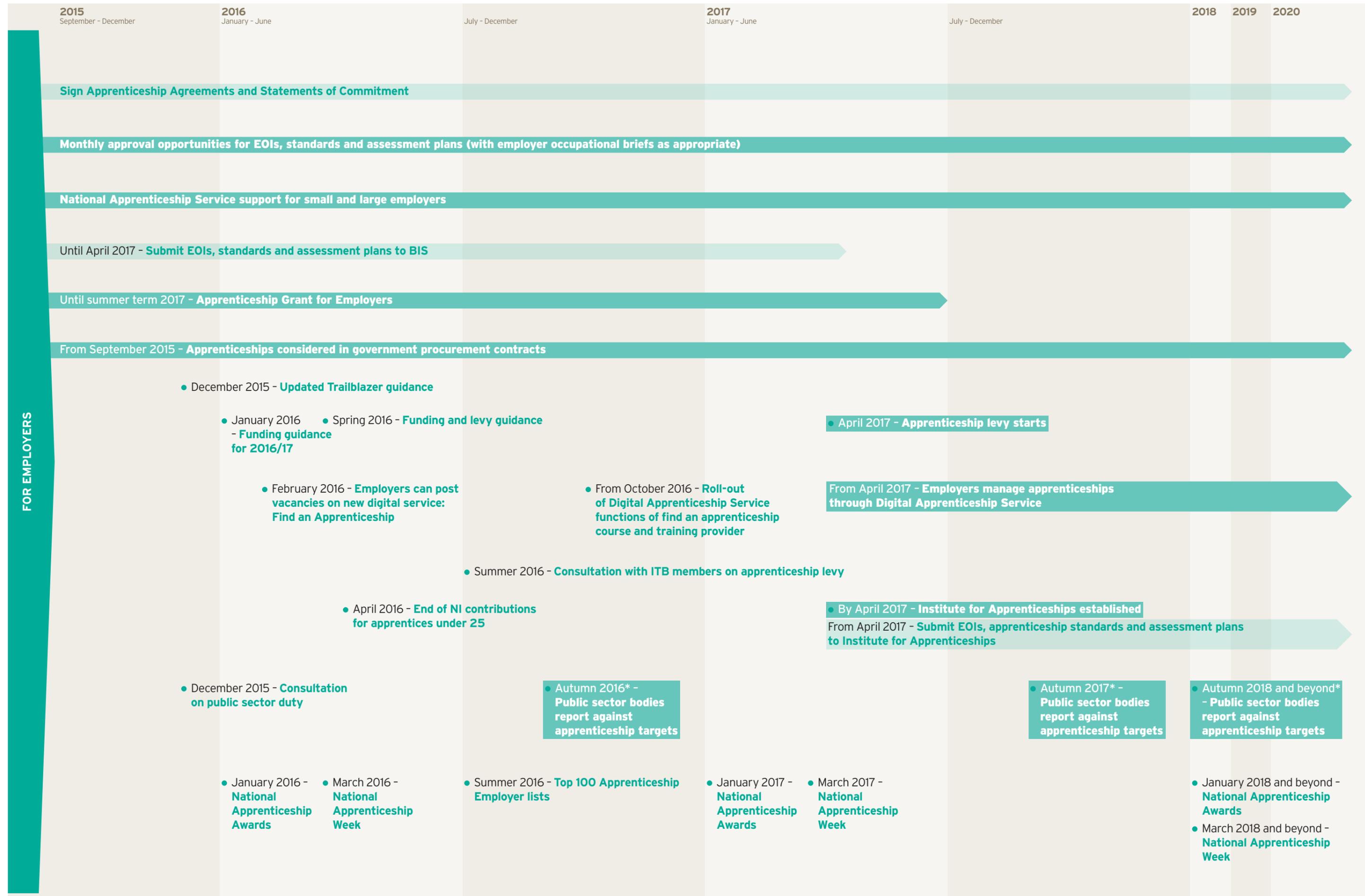
Off-the-job training: learning which is undertaken outside of the normal day to day working environment and leads towards the achievement of the apprenticeship.

Statement of Commitment: this supplements the apprenticeship agreement. It sets out the key expectations, roles and responsibilities of each party involved in the apprenticeship and is signed by the employer, provider and apprentice.

Trailblazer: Group of employers approved by government to develop apprenticeship standards and related assessment plans for occupations in their sector(s).

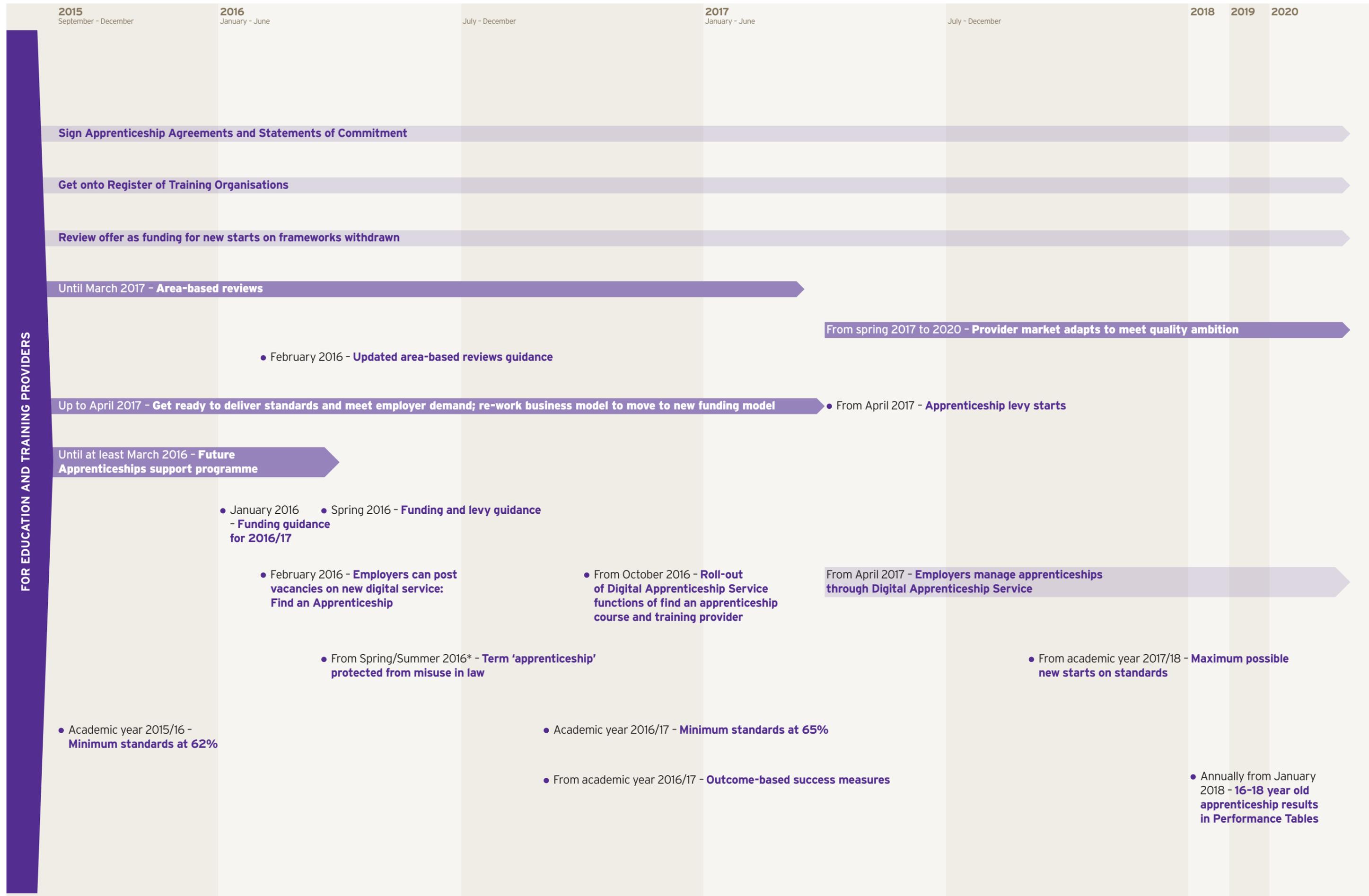
Traineeship: high quality package of work preparation training, English and maths and work experience for young people who have left school and wish to get on an apprenticeship but lack the basic skills and experience employers are looking for.

English Apprenticeships: Our 2020 Vision - Milestone chart for employers



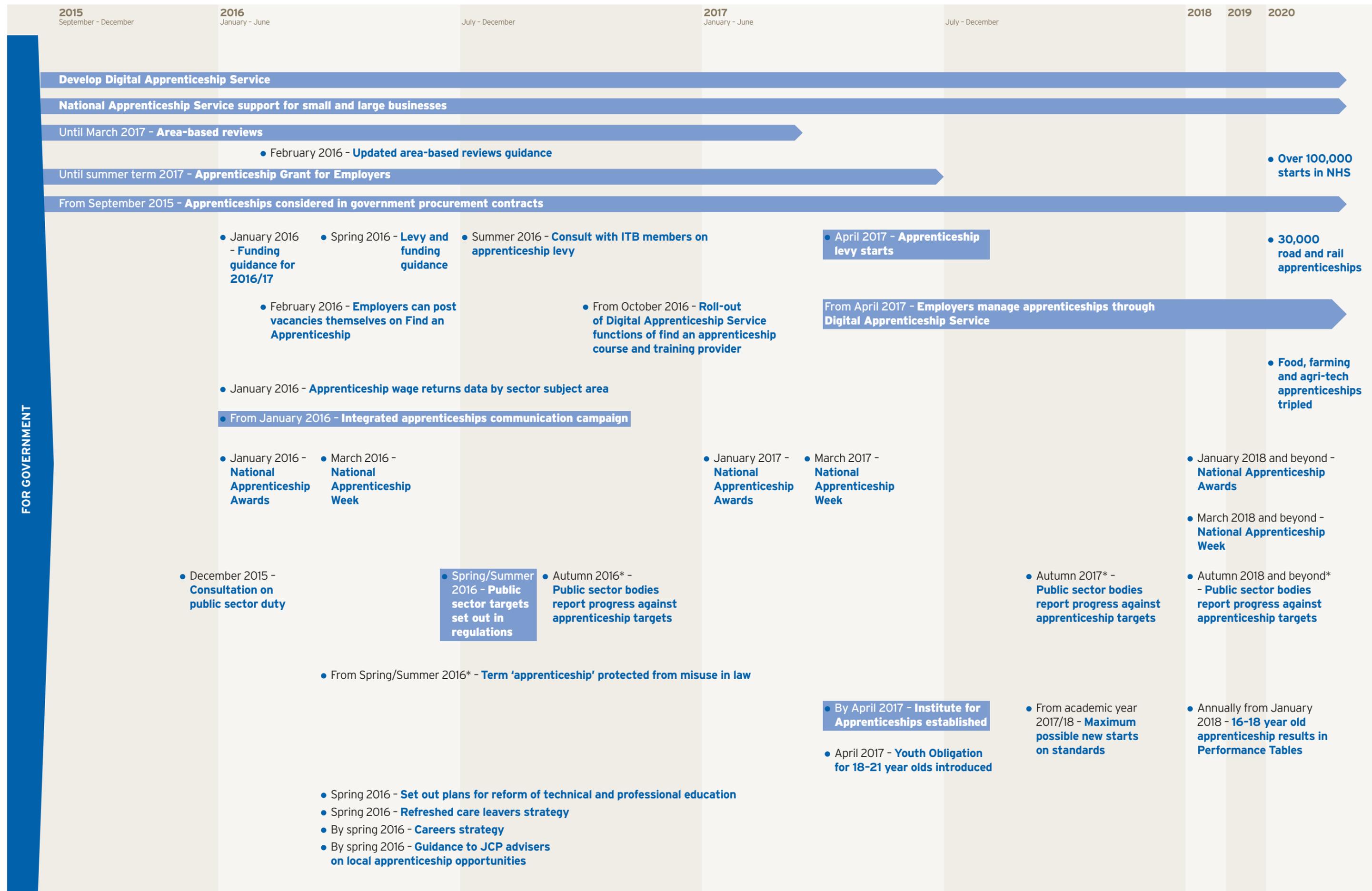
*Subject to Parliamentary approval

English Apprenticeships: Our 2020 Vision - Milestone chart for training providers



*Subject to Parliamentary approval

English Apprenticeships: Our 2020 Vision - Milestone chart for Government



*Subject to Parliamentary approval



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