



Department  
for Education

# **Flexi-Job Apprenticeship Agencies**

**A response to our consultation**

**August 2021**

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## Foreword

We have made radical, far-reaching changes to apprenticeships since 2015: the introduction of the levy has supported employers to make a sustainable investment in the skills they need to grow; apprenticeship standards designed by employers are ensuring that apprentices receive high-quality training and complete their apprenticeship with the knowledge, skills and behaviours they need to succeed in their chosen occupation; and we have empowered employers of all sizes to take control of the funding available to them and choose the training providers that meet their needs.

It is now time to move into a new phase of optimising our apprenticeship system. As we do this, we want to recognise the challenges of the modern world of work and employment. The work of employers in sectors as diverse as theatre and live music, construction and digital is increasingly flexible and project-based, meaning it can be difficult for them to offer apprenticeships which meet the 12-month minimum duration requirement. However, we share their commitment to making apprenticeships work in their businesses, providing a diverse talent pipeline to meet their emerging skills needs. The Prime Minister and Chancellor have both outlined our plans to introduce the flexibilities that these employers need to unlock apprenticeship starts, including new funding for the start-up costs associated with sector-based or regional flexi-job apprenticeship agencies.

I am delighted to introduce our plans for the flexi-job apprenticeship fund, our response to the consultation which ran earlier this year, and our invitation to organisations to bid for funding from the £7m the Government is making available. This underlines our commitment to close collaboration with employers and sector bodies as we continue to build an apprenticeship system that meets their changing needs. We are confident that this call to action will lead to the growth of schemes across many sectors and regions, reflecting our ambition to build an apprenticeship system that works for more individuals and employers than ever before.



Gillian Keegan MP

## Introduction

We want employers in all sectors to make full use of apprenticeships and enjoy the benefits they bring to individuals and businesses. However, we know that non-traditional and project-based employment models which predominate in some sectors have made it harder for employers to engage with apprenticeships.

To overcome this structural challenge in certain sectors we are launching a £7 million fund to support the development of flexi-job apprenticeship agencies. This will enable apprentices to move between businesses as they complete their apprenticeship, while remaining employed throughout by the agency.

In April 2021 we published a [consultation](#) seeking views on our vision for flexi-job apprenticeships and how such models could operate. We asked how flexi-job apprenticeship schemes can provide a high-quality experience for the apprentices they employ, as well as for the host businesses they work with. We also asked how these organisations can achieve long-term financial sustainability.

The consultation was split into three sections:

- **Our vision for flexi-job apprenticeships** – where we asked for views on how flexi-job apprenticeship schemes could meet employer need, provide a quality experience for apprentices and employers and achieve financial sustainability;
- **Operating framework for flexi-job apprenticeship schemes** – where we proposed creating a new register of flexi-job apprenticeship schemes and closing the existing register of Apprenticeship Training Agencies (ATAs); and
- **£7m fund for flexi-job apprenticeship schemes** – where we sought views on how the fund could be used to support the development of high quality and sustainable flexi-job apprenticeship schemes.

The consultation was launched on the 20 April 2021 and ran for six weeks, closing on 1 June 2021. During the consultation period we undertook a programme of round-table events in which more than 200 organisations participated, including employers in the agriculture, digital, construction, creative arts and manufacturing sectors, existing ATAs, recruitment businesses and apprenticeship training providers and their representative bodies.

A total of 202 written responses to the consultation were received from employers (including existing ATAs), apprenticeship training providers and end-point assessment organisations, sector representative bodies, local and combined authorities, and individuals. We are grateful to everyone who took the time to respond and share their views and suggestions.

This document sets out how we will take forward the development of flexi-job apprenticeship schemes in light of these responses.

More information can also be found on our new [flexi-job apprenticeships offer page](#).

# Our vision for flexi-job apprenticeships

## Vision

In our consultation we set out our ambition that flexi-job apprenticeship schemes, the name we were using to describe organisations who employ apprentices to hire them out to one or more host employers, should respond to the evidenced demand of the employers they serve, provide a high-quality experience for apprentices which leads to excellent longer-term employment outcomes, and in so doing achieve financially sustainable operating models.

Respondents to the consultation overwhelmingly supported our vision, stressing that flexi-job apprenticeship schemes must meet a genuine employer need in a sector or region and must deliver a high-quality experience for apprentices. Many respondents emphasised that while such a model is required and will bring benefits in certain sectors, professions or regions, it must not be used by employers in circumstances where they could otherwise support a traditional apprenticeship.

We asked whether the name “flexi-job apprenticeship schemes” accurately describes our vision for these organisations and the role they play. Responses were fairly evenly split between agreeing and disagreeing with the name, but many agreed that the title is less important as long as there is dedicated marketing and profiling that surrounds it.

However, there was some confusion over what a scheme was with some respondents assuming the scheme was a training programme rather than an organisation who employs apprentices.

Throughout this response we will now refer to organisations who employ apprentices to hire them out to host employers as **flexi-job apprenticeship agencies** and refer to the £7m the Government is making available as the **flexi-job apprenticeship fund**.

## Meeting the needs of employers

Respondents were clear that flexi-job apprenticeship agencies must be employer-led if they are to secure industry buy-in and engagement. Respondents stressed that schemes must have a clear understanding of the sector in which they are operating and offer carefully chosen apprenticeship standards accordingly. Respondents also emphasised that the identified needs of employers may vary across the country and therefore flexi-job apprenticeship agencies will need to ensure skills and employment programmes are aligned to and integrated with wider economic goals at a regional level.

It was clear that respondents expected that flexi-job apprenticeship agencies tackle and solve a number of structural issues that sectors, regions and employers face, not just those

that will support more flexibility within apprenticeships for project-based industries, but those that will support more SMEs to engage with apprenticeships too.

Flexi-job apprenticeship agencies should ultimately fill gaps which lead to new starts in areas where there is unmet demand for apprenticeships due to the propensity of short-term or temporary contracts. In response to the consultation, flexi-job apprenticeship agencies may also support employers who are unable to fulfil or commit to the full standard or length of time needed to complete an apprenticeship, have short-term restrictions on employee numbers or headcount, or lack of expertise or time to select and recruitment apprentices.

We have reflected these requirements in our plans for a new register of flexi-job apprenticeship agencies.

### **Providing a high-quality experience for apprentices**

Many respondents remarked that existing apprenticeship rules and conditions – such as the requirement for a minimum of 20% of an apprentice’s time to be spent in off-the-job training, and good quality on-the-job training – must be championed by flexi-job apprenticeship agencies.

A number of respondents identified the importance of tracking achievement rates as a measure of the success of flexi-job apprenticeship agencies, and for Agencies to provide effective support to both apprentices and host businesses to support achievement and progression, and to mitigate the risk of withdrawals. Others stressed the importance of all parties having a clear and shared understanding of their responsibilities, including apprentices, training and assessment organisations, host businesses and the flexi-job apprenticeship agencies itself.

Respondents also expressed that as a flexi-job apprenticeship agency will not employ the apprentice after their apprenticeship, they must ensure that apprentices have the skills to either secure a permanent position of employment or, for industries where it is common practice for individuals to source their own job opportunities, that they introduce apprentices to the world of freelancing and project-based work to ensure they can effectively gain employment in those industries. Our ambition is that agencies support apprentices and equip them with the skills to secure employment in their chosen sector or industry once their apprenticeship is complete.

During the consultation we also asked respondents whether they had any views about the implications of our proposals on people with protected characteristics, as defined in section 149 of the Equalities Act 2010. The option to support more flexible employment models was identified as a positive opportunity to allow individuals from some under-represented groups, to access the benefits an apprenticeship can offer in sectors where recruitment has traditionally been dominated by ‘networking’, unpaid internships, and potential income insecurity.

We have reflected these responses in both the criteria that an organisation must satisfy in order to join the register of flexi-job apprenticeship agencies, and in the outcome measures against which agencies on the register will be monitored and held to account.

### **Achieving financial sustainability**

Respondents recognised that there are challenges in establishing a successful and financially sustainable flexi-job apprenticeship agency. A particular challenge is ensuring that apprentices do not have gaps between placements with host businesses, during which time the flexi-job apprenticeship agency must continue to pay the apprentice a wage but will not be receiving a fee from a host business.

There was a clear view that government funds should not be the only source of finance that enables a flexi-job apprenticeship agency to become sustainable, with some respondents suggesting that employers and sector bodies should otherwise contribute to flexi-job apprenticeship agencies in recognition of the wider benefit they could bring to sectors and professions and to support their sustainability. There should be some existing liquidity or backing from other sources when looking to develop new schemes as they will not be able to be self-sustainable within the timescales unless this is the case. We've considered this when developing the application for the fund which will weight applications more favourably when they have financial support or commitment from partners from across their sector, profession, or region.

It was also suggested that determining the right fee structure for host businesses was critical to overcoming this challenge.

A number of respondents proposed that employers should be able to use their apprenticeship levy funds to support some of the operating costs of flexi-job apprenticeship agencies. Employer's funds in their apprenticeship service accounts are available only to fund apprenticeship training and assessment and we do not intend to change this currently.

In gaining entry to the register of flexi-job apprenticeship agencies, and in bidding for support from the £7m flexi-job apprenticeship fund, we will require organisations to demonstrate both their financial health and their detailed and credible plans for achieving financial sustainability.



# Operating framework for flexi-job apprenticeship agencies

## Register of approved flexi-job apprenticeship agencies

In our consultation we said that for flexi-job apprenticeship agencies to win the support and confidence of both apprentices and employers, it is vital that we establish an operating framework which sets clear expectations on quality and performance, assures the quality of experience of apprentices and employers, and removes any obstacles that might prevent these schemes from operating successfully.

To achieve this, we proposed that any organisation seeking to be recognised as a flexi-job apprenticeship agencies must apply to and be accepted on a new register of flexi-job apprenticeship agencies.

The overwhelming majority of respondents agreed that a register should be created, with many suggesting that it should operate in a similar way to the Register of Apprenticeship Training Providers (RoATP) and enable the ESFA to actively manage schemes and remove them from the register where they are not continuing to meet performance and quality expectations or other conditions.

We took steps to create a register of flexi-job apprenticeship agencies and are inviting organisations to apply to join the register. Any organisation who currently employs (or intends to adopt a model to employ) apprentices to place them with host businesses can apply to join the register.

Alongside this consultation response we are publishing [guidance on how organisations can apply to join the register](#), and we are inviting applications from **Tuesday 3<sup>rd</sup> August 2021**.

Organisations can apply through the [DfE eTendering Portal](#).

Applications for the register must be submitted via the DfE eTendering Portal no later than **12pm on Wednesday 6th October 2021**.

We intend to assess applications and admit the first flexi-job apprenticeship agencies onto the register in December 2021.

Entry onto the register will:

- entitle the flexi-job apprenticeship agency to describe itself to apprentices and employers as an approved flexi-job apprenticeship agency which has met our entry criteria and continues to meet our performance and quality expectations.

- allow non-levy paying flexi-job apprenticeship agencies to access up to 35 reservations for funding via the apprenticeship service during 2021-22, enabling them to operate at greater scale and helping to achieve economies of scale which support financial sustainability. The reservation limit for non-levy paying agencies each financial year will be confirmed ahead of time.
- make the agency eligible to bid for the £7m flexi-job apprenticeship fund.

We intend to invite new applications to join the register of flexi-job apprenticeship agencies annually.

## **Entry criteria to the register**

UK businesses with an established trading history and support from relevant sectors, professions and/or geographies will be eligible to apply to the new register.

Training providers and subcontractors listed on the Register of Apprenticeship Training Providers will not be eligible, employer-providers will only be eligible if they do not provide the training for flexi-job apprenticeship agency apprentices.

In addition to meeting criteria for financial health and passing due diligence checks, organisations will need to demonstrate how they meet our policy vision for flexi-job apprenticeship agencies.

### **Meeting the needs of employers**

Applicants to the register will need to set out the demand from host employers for their flexi-job apprenticeship agency offer. This will include evidence to show that host employers are in place and committed to offering placements to the flexi-job apprenticeship agency's apprentices, as well as evidence of broader links with, and support from, relevant sectors and/or geographical areas. We will ask for detailed information about the organisations who are supportive of the flexi-job apprenticeship agency's offer as part of the application process.

### **Providing a high-quality experience for apprentices**

The register will also ask questions about the quality of the proposed offer. Applicants will be asked to provide information about how they will plan and deliver apprenticeships, including how they will work with and support host employers. We will ask applicants to tell us how they will support apprentices both during and away from placements to ensure a consistent and high-quality apprenticeship experience which supports high achievement rates. In addition, we will ask about the training providers and end-point assessment organisations the flexi-job apprenticeship agency will work with as part of their overall offer.

## **Achieving financial sustainability**

Applicants will be asked to confirm that their flexi-job apprenticeship agency offer can achieve financial sustainability. As part of the application, we will ask questions about the organisation's operating model and how this enables them to be financially sustainable including, where appropriate, information about other sources of income. We will also complete other financial health checks as part of the assessment process to ensure that agencies will continue to trade and be able to support apprentices.

All register questions and assessment criteria will be set out in the Register of Flexi-Job Apprenticeship Agencies Guidance.

Assessments will be moderated, and organisations will need to achieve a 'Pass' for all relevant questions to be successful in their application.

## **Monitoring the performance and quality of flexi-job apprenticeship agencies**

We will monitor the performance of flexi-job apprenticeship agencies and take action where they are not continuing to meet our register criteria, including where we see evidence of a poor-quality experience for apprentices or host employers or poor outcomes for apprentices.

To assure the quality of agencies, we intend to monitor a range of key performance indicators, including numbers of apprentices starting and on-programme, days on placements with host businesses and withdrawal and achievement rates, and progression to sustainable employment or training for apprentices. We will also look to introduce satisfaction measures based on regular feedback from host employers and apprentices.

The register will be actively managed. If organisations are found to have breached the conditions of entry onto the register, we will take action which could result in removal from the register.

## **Standards offered by Flexi-job apprenticeship agencies**

As part of the register application, organisations will be asked which apprenticeship standards they plan to offer to their apprentices.

## **Closure and withdrawal of register of ATAs**

During our consultation we proposed that we close and withdraw the dormant register of ATAs and replace it with a new register of flexi-job apprenticeship agencies. A significant majority of respondents supported this proposal.

Many respondents recommended that these plans should not disrupt the current operation of ATAs, and in particular their on-programme apprentices. Existing ATAs can continue to operate as they do now and are not required to join the register of flexi-job apprenticeship agencies. However, unless existing ATAs do join the register they will not be recognised as flexi-job apprenticeship agencies and have access to the potential benefits of being on this register.

We intend to close and withdraw the dormant register of ATAs when we admit the first flexi-job apprenticeship agencies to the new register before the end of 2021.

## £7m flexi-job apprenticeship fund

During the consultation we set out our intention for the flexi-job apprenticeship fund. We described that it was our intention to award funding which, over the period of the fund, will facilitate the establishment or growth of flexi-job apprenticeship agencies which will have a significant impact on the use of apprenticeships in particular sectors, professions or localities, and which have clear and credible plans for attaining financial sustainability.

We were clear that any funding awarded should not be used to pay the wages of apprentices or the costs of apprenticeship training and should be used for:

- set up or expansion costs;
- costs for activities that will increase the number of apprenticeships starts;
- costs for activities that will improve and assure quality;
- investment costs that will lead to financial sustainability in the medium to long-term.

Respondents to the consultation agreed that this is the right ambition for the fund and that these activities should be eligible for funding. Respondents also agreed that funds should not be used for apprentices' wages and that organisations must have plans in place to ensure that apprentices' wages can be covered should there be any gaps between placements with host businesses.

### Aim of the fund

While the register of flexi-job apprenticeship agencies is focused on the quality, relevance, and value an organisation will bring to a sector or region, the fund is focused on capacity-building of agencies and driving an increase in starts in sectors where non-traditional and project-based employment models have made it harder for employers to engage with apprenticeships.

The flexi-job apprenticeship fund is a grant that has been developed to fund the start-up and development or diversification costs of new flexi-job apprenticeship agencies or existing ATAs who wish to become a flexi-job apprenticeship agency. Agencies supported by the fund must demonstrate the impact they will have in overcoming barriers to the use of apprenticeships in their sectors caused by non-traditional and project-based employment models.

### Assessment criteria

Our ambition is for the fund to unlock and meet demand for apprenticeships in sectors and professions, such as the creative industries, digital and construction, where short-term

project-based employment has limited uptake of apprenticeships. We also want the fund to create capacity in organisations to deliver flexi-job apprenticeships over the long-term.

Applicants will need to demonstrate how they will use funds and the impact it will have on apprenticeship starts and achievements. We will assess applications to the flexi-job apprenticeship fund against the following areas:

- **Employer demand and planned impact** - strong evidence of what the structural barriers are, how these will be addressed (both now and in the future), and what the impact of the agency will be (e.g additional starts).
- **Expected benefits of the proposal and how these will support immediate & longer-term outcomes** - the impact the proposal will have on the wider sector including the differences, benefits, and impact it will make.
- **Partnership** - strong collaboration and partnership between employers, sector bodies, professions, public bodies, local government, and government departments. This will embed ownership and support the longer-term sustainability of the project.
- **Sustainability** - we will expect the flexi-job apprenticeship agency to use the fund to establish a sustainable commercial model that ensures that they can provide a quality service to apprentices and employers.
- **Deliverability** - we will expect to see credible plans for implementation including how organisations will oversee funded activity, how progress will be monitored, how risk will be mitigated, and the impact the organisation can make by using the fund.
- **Value for Money & Use of Funds** - how the proposal will represent excellent value for money with sufficient financial controls in place. Evidence that projects will complement and not duplicate or replace existing apprenticeship activity.

## Eligibility and parameters of the fund

In order to be considered for grant funding organisations must apply to both the register and the fund. Only organisations successfully applying to the register will be eligible to receive the grant.

The flexi-job apprenticeship fund is a total of £7m. Organisations can apply for between £100,000 and £1m.

Only activity which is new and is not displacing existing activity will be considered for funding for example the funds are used to lead to new apprenticeship starts rather than support the activities of existing apprentices. We reserve the right not to award the full £7m where bids do not meet our criteria.

The fund may be used to meet costs incurred during 2021-22 and 2022-23 financial years related to staffing costs (including staff training), administration, recruitment of apprentices, marketing and promotional activities, and other activities set out in the grant application documents.

We will not fund capital expenditure or pay for apprentices' wages through the flexi-job apprenticeship fund.

## Timing

We are inviting applications from **Tuesday 3<sup>rd</sup> August 2021**.

Organisations can apply through the [DfE eTendering Portal](#).

Applications for the fund must be submitted via the DfE eTendering Portal no later than **12pm on Wednesday 6<sup>th</sup> October 2021** and we will notify bidders of the outcome of their application during December 2021.

More information on the fund can be found within our [flexi-job apprenticeship fund grant application, specification, and guidance](#) document.



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