Department for Education

Evaluation of the Employer Support Fund pilots

Final report

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Government Social Research

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Introduction

This is the final report for a study that examines the implementation and impact of the Employer Support Fund pilots. The programme was developed to support providers to arrange substantial industry placements, in preparation for T Levels, by funding grants of up to £750 to employers to cover their tangible placement costs. It was rolled out in the South West and West Midlands in the academic year 2019/20 and extended in the academic year 2020/21 where it was also rolled out in the East of England and Yorkshire and Humber. It aimed to complement the Capacity and Development Fund (CDF) which was allocated to all Further Education (FE) providers in England supporting Level 2 and Level 3 vocational learners to help them develop effective systems for engaging employers to provide industry placements.

The evaluation examined how the funding was used by providers and employers in the four areas in which it was piloted, the role it played in overcoming employer barriers to providing placements, and its impact on the quality and quantity of the placements arranged by participating providers. It was conducted by ICF Consulting Services Ltd. The research drew on qualitative interviews with providers and employers, complemented by analysis of programme documentation and data.

The following research tasks were conducted for the evaluation:

- Case studies with 23 providers conducted between January and August 2021.
- Telephone interviews with 42 beneficiary employers conducted between April and August 2021.
- Analysis of programme data. This included analysis of the Employer Support Fund data tool returns and CDF returns up to end of the programmes.
- An estimation of the impact of the programme, using a Quasi Experimental Design approach.

It should be noted that the majority of the programme delivery period was during a period of social distancing requirements brought about by the coronavirus (COVID-19) pandemic. Consequently, it is difficult to fully understand how the programme would work in an environment when these restrictions were not in place.

Key findings

Provider use of the Employer Support Fund grants

- Over two years, Employer Support Fund grants supported 843 placements against a target of 32,466. The total spend of the programme was £539,706 against a programme budget of £7 million (8% of budget).

- The lower-than-expected number of grants given was in part because only around a third of CDF providers in the pilot areas made use of the Employer Support Fund grants. Many providers attributed this to the pandemic restrictions, which reduced the number of placements that providers were able to arrange. However, there were also some examples of providers being hesitant to use the grants because of the risk that some of the funding could be claimed back, and also because of a lack of awareness of how the programme could be used.
- Even accounting for the impact of COVID-19, the targets set for placements and spend seemed to have overestimated employer need. This assumed that all the employer placements organised by providers in the placement areas would access a full Employer Support Fund grant. In practice, providers felt that most of the employers they engage do not regard cost as a barrier to providing placements and therefore did not have a need for the grant.
- General Further Education (GFE) colleges were more likely to use the Employer Support Fund grants than other providers of 16 to 19 education, which is unsurprising given they provide most vocational Level 2 and Level 3 programmes in a local area.
- The general consensus among providers was that there is value in providing financial support to employers in order to cover their costs for providing industry placements. While providers felt there is only a small group of employers where cost is the predominant reason why they do not wish to provide placements, it can help overcome some of the barriers to providing placements, including a lack of resources to ensure learners undertake meaningful activity, and the costs for training learners. Additionally, it was also largely felt that financial support made employers feel their time was valued, which encouraged them to provide regular placements.
- The funding was felt to have been particularly valuable during the COVID-19 pandemic for employers that stayed open, as employers had to enact various safety measures for placement students to ensure their workplace was COVID-secure. However, providers felt the pandemic did severely limit the number of placements arranged in the academic year 2020/2021, particularly in office-based roles.
- There was also considerable variation in the number of placements arranged by providers and the proportion of their employers that received grants. Most providers only funded less than 5% of the employers they engaged. However around six providers each year gave grants to over 15% of the employers they recruited. This variation was largely as a result of providers taking different approaches to promote the availability of the grants, with some asking employers whether cost is a barrier to providing placements and others waiting for employers to volunteer the knowledge.

- Providers in the two pilot areas for the academic year 2019/20 (South West and West Midlands) were more likely to give out grants than those in the two new pilot areas for the academic year 2020/21 (East of England and Yorkshire and Humber). In the qualitative interviews, there was a sense that it took time to disseminate the value and eligibility criteria of the Employer Support Fund across all relevant staff in an organisation. Additionally, in the South West a provider group was established which enabled providers to share effective practice in using the Employer Support Fund grants which providers felt helped to encourage take-up.

Employer use of the grants

- In total, 355 employers received Employer Support Fund grants through the programme. More employers were engaged in the second year, which is unsurprising as the number of pilot regions doubled.
- Most employers found the funding helpful in alleviating resource barriers to providing placements and in ensuring they could provide a meaningful learning experience for learners. A few also felt that it helped employer staff justify providing placements to senior managers.
- Some employers stated they would have provided placements had they not received the funding. However, it is important to note that employers felt these placements would not have been of the same quality without the funding. Many employers were able to provide tangible examples of the funding enabling learners to work more independently.
- The programme appears to have generally been targeted at the employers that would benefit most. Over half of the employers were micro businesses (those with fewer than 10 staff) and a further quarter were small businesses (between 10 and 49 staff). These employers were felt to be more likely to benefit from the programme due to staffing and cashflow challenges.
- The average cost of a placement was £648. There was some variation by sector, with the highest average costs incurred in Digital, Health and Science, and Engineering and Manufacturing sectors. In Digital, it reflects the high cost of laptops and software. For Engineering and Manufacturing and Health and Science, the costs were higher in the second year of the programme, which is partly due to high Personal Protective Equipment (PPE) costs, linked to COVID-19.
- The funding was used to cover a range of employer costs, the most common of which were hardware costs (particularly laptops) followed by training costs for learners and training for supervisors. Most providers kept the hardware afterwards, with the majority stating they would re-use it for future industry experience learners.

Outcomes and impact of the programme

- The impact assessment found some evidence that the Employer Support Fund grants increased the number of placements created. Most notably in its first year of funding the programme enabled providers in the South West and West Midlands that provided grants to arrange over 40 more placements each in the academic year 2019/20, which is statistically significant at the 10% significance level. This is equivalent to a 20% increase. However, this estimate is subject to much uncertainty – there is 90% confidence that the increase was between 1 and 80 additional placements per provider. The impact assessment also found a negative impact on providers in Yorkshire and Humber and the East of England that provided Employer Support Fund grants in the academic year 2020/21. However, this evidence is weak and is not supported by other analysis which does not detect any impact.
- Notably, the study found evidence of non-parallel trends, i.e. evidence that trends in the number of placements diverged for the providers which received the funding and those which did not in the period before receiving the grants. This finding, in conjunction with the small number of providers which provided Employer Support Fund grants, means that the results of the impact analysis should be viewed with extreme caution.
- Providers and employers felt the programme did have a substantial impact on improving the quality of placements. The grants enabled learners to undertake more tasks at their work, including more customer-facing roles. This provided learners with a more immersive learning experience. Providers and employers felt that this resulted in students having better engagement and motivation than in placements without the fund.
- Providers felt that the programme had helped to improve relationships with employers. They felt the funding helped employers feel valued and capable of providing meaningful industry placements. Given that most employers kept the equipment, most were also keen to re-use them for future industry placements. It is therefore plausible that grants given as part of this pilot may continue to have impact on placement quantity and quality in future years.

Effectiveness of the programme model

- The funding limit of £750 per placement was broadly suitable. The costs of most placements fit within this limit. The only time the placements exceeded £750 was when it was used to purchase expensive IT equipment such as laptops. However, in these cases, employers were generally willing to cover the additional costs, particularly as they mostly kept the equipment afterwards. None of the providers that were interviewed reported that employers had turned down the funding because the funding was insufficient.

- One issue was that some providers and employers reported that the £750 limit for Employer Support Fund placements was lower than that available for other programmes such as Kickstart and apprenticeships. Providers felt this could result in employers prioritising some programmes over others or feeling that providing placements has less value because it attracted lower funding.
- The limit of 10 funded placements did not cause substantial problems, which is unsurprising given that most employers receiving grants were micro and small employers that did not have capacity to deliver a large number of placements. There were a few Creative and Design sector employers and third sector organisations that stated they would have used more Employer Support Fund grants for additional placements if more could be funded, but in those cases the employers covered the costs of the additional placements.
- Employers and providers were generally satisfied with the items eligible for funding. The only exception was that some employers and providers, and particularly those in rural or coastal locations, felt it would be valuable to cover learner travel costs. This would enable learners to work further away, which would increase the number of placements the provider could organise.
- Some providers reported the requirement for industry placements to be delivered in the workplace was challenging in the academic year 2020/21 and will be challenging in future, as some employers move to remote working and others use a blended approach. Most would welcome flexibility in the requirement that all industry placements needed to be conducted face-to-face. However, they felt that even with learners spending part of their placement working remotely they still needed to include one-to-one engagement with employers, working with others in the organisation using collaboration tools, and regular monitoring to ensure placement learners are suitably occupied.
- The requirement for only providing grants to employers that cite costs as a barrier was felt to have had some impact on the number of grants that could be issued. To improve its impact, some providers felt it needed to be introduced earlier in the conversation with employers, to help inform their decision to provide placements, rather than later when it was felt their mind was largely made up. Some providers also wanted to use the funding as an incentive to encourage employers to provide placements.
- The programme was generally felt by providers to be well managed and proportionate. There may however be value in more ‘hands-on’ management of the programme in future to identify the reasons for any provider under-performance and to re-allocate any underspend to those providers that need it.

1 Introduction

This is the final evaluation of the Employer Support Fund pilots which ran in the academic year 2019/20 and the academic year 2020/21. The programme was developed to support providers to arrange industry placements by funding grants to employers to cover their tangible placement costs. The evaluation examined how the funding was used by providers and employers in the four areas in which it was piloted, the role it played in overcoming employer barriers to providing placements, and its impact on the quality and quantity of the placements arranged by participating providers.

The evaluation was conducted by ICF Consulting Services Ltd. The research drew on qualitative interviews with providers and employers, complemented by analysis of programme documentation and data.

1.1 The Employer Support Fund pilots

1.1.1 Policy context and rationale

The Government introduced ambitious reforms to technical education in order to raise standards so that it best meets the needs of employers and learners. Central to these reforms is the introduction of T Levels, which are new Level 3 vocational qualifications aimed principally at learners aged 16-18 in full-time education. T Levels are two-year programmes structured around 11 occupation-based 'routes', which are themselves divided into 1-3 different pathways. Three T Levels were rolled out in the 2020/21 academic year with the remainder rolled out in tranches from 2021/2022 to 2023/24 academic years.

A critical element to a T Level programme is the delivery of an extended industry placement for a minimum of 315 hours (equivalent to 45 days) and an average of 350 hours[1] per year. This allows learners to apply what they learnt from their programme in the workplace and also enables them to develop technical skills and behaviours that will improve their employability. The placements in most cases should be at an employer's premises, except for young offenders and learners with Special Education Needs and Disabilities (SEND) who can use provider onsite facilities. SEND learners can do this for up to 105 hours, while young offenders can use onsite facilities for the full duration of the placement. The placements can be delivered by one or two employers.

Arranging and organising industry placements was identified as the most significant challenge to delivering T Levels[2]. While placements are relatively common in FE vocational programmes, most are generally short (within 1-2 weeks). The challenge is to engage employers that have the resources and willingness to organise substantially

[1] The hours can include any short work taster activities, up to a maximum of 35 hours. The 45 days do not need to be delivered consecutively.

[2] Learning and Work Institute, 2019. *Employer engagement and capacity to support T Level industry placements* (published by DfE).

longer placements. Moreover, some providers would need to substantially increase the number and range of employers they worked with.

1.1.2 Interventions to support industry placements

Since academic year 2018/19, the Education and Skills Funding Agency (ESFA) have undertaken initiatives to support FE providers to arrange industry placements. ESFA have provided good practice 'how to' workshops and guidance to support providers to deliver placements and its apprenticeship service has directly promoted the benefits of providing placements to the employers they work with (predominantly larger ones).

To add to this support, the Department for Education (DfE) created the Capacity and Delivery Fund (CDF) in the academic year 2018/19 to prepare post-16 providers for delivering T Levels. The CDF is to facilitate the build-up of providers' capacity and capability to deliver substantial industry placements. Since 2018/19, £200 million funding has been allocated to providers through the programme, with allocations based on providers' volume of vocational Level 2 or 3 learners[3]. This excludes learners on academic (such as GCSE and A Level) or applied general (such as BTEC) programmes.

CDF programme data shows that the funding was most commonly used to employ a full-time or part-time industry placement coordinator. Providers also commonly used CDF to pay for learner costs for undertaking a placement (such as their travel).

Analysis of 2018/19 academic year CDF data showed that only 10% of providers used the CDF to cover employer costs for providing placements. This suggested a need for ring-fenced funding to cover employer costs.

1.1.3 The Employer Support Fund pilot

The Employer Support Fund pilot programme aims to help providers to recruit more employers to host long-duration industry placements that are similar in length and nature to those that should be delivered through T Levels. It was expected to work alongside the CDF by providing funding that can be offered directly to employers, but only where employers have stated that costs are a barrier to them offering placements.

In the programme, an Employer Support Fund funding allocation is given to providers. This can be used by providers to cover additional costs employers incur for providing industry placements, up to a maximum of £750 per placement for up to 10 placements per workplace[4]. The eligible costs that can be covered by the programme include:

- **Costs**: These are costs directly related to the industry placement such as equipment, uniforms / suitable workwear, protective clothing, providing a

[3] This was based on the provider delivery plans and funding allocation for the 2018/19 academic year agreed with the ESFA.
[4] The limit on the placements that the Employer Support Fund can be used for relates to workplaces rather than employers. This means that national chains or franchises (such as Kwik-fit, Tesco) can have over 10 funded placements, but not more than 10 at each of their work locations.

workstation, software costs, reasonable adjustments, entrance to site requirements and additional liability insurance.

- **Training costs**: These are the direct costs of training staff to develop their knowledge, practical skills and confidence in offering and delivering high-quality industry placements, which may include training for line managers in mentoring and effectively working with learners.
- **Administrative costs**: These are the direct costs incurred by the employer in connection with the setting up of systems to deliver the industry placement. They include the costs of setting up or enhancing internal IT and organisational systems to support delivery.

Any staff costs that employers incur for supervising learners or in planning their placement cannot be covered.

The funding was only offered to employers that had stated that they would not provide an industry placement without this funding. Employers were expected to explicitly state that the financial costs for providing placements were a barrier in order to be offered the funding. They were also required to then sign an Employer Declaration to this effect.

The Employer Support Fund was first offered in the South West and West Midlands regions in England in the academic year 2019/2020. These regions were selected to ensure there was a good mix of area types (for example rural, urban and opportunity areas[5]) plus a mix of employer and provider types. All providers that received CDF funding in the South West and West Midlands were offered the opportunity to access Employer Support Fund funding.

The pilots were originally intended to run for a year. However, as a result of the COVID-19 pandemic and associated restrictions the programme was extended by an extra year. In the academic year 2020/21 the Employer Support Fund support was opened to providers and employers in the East of England and Yorkshire and the Humber regions.

1.2 Aims and objectives of the evaluation

The objective of the evaluation is to test the impact of the Employer Support Fund funding on industry placements and to understand whether there is a need for future employer financial support to enable placements to happen at scale and how to best deploy this funding.

To do this, the study will assess:

[5] Opportunity areas are social mobility ‘coldspots’ with poor social mobility and schools that face challenges. They benefit from Government funding to boost opportunities for young people in these areas. There are 12 Opportunity areas in England which share £72 million of central Government funding.

- The extent to which the Employer Support Fund has enabled providers to arrange more and higher quality industry placements, compared to their peers in non-pilot areas. This includes a quantitative assessment of programme impacts using a Quasi Experimental Design approach and qualitative research on how the availability of funding has affected provider conversations with employers and their ability to promote the benefits of providing industry placements.
- The programme model to examine its effectiveness in meeting employer needs in different areas and across different routes. This will be through gathering employer and provider views on whether the funding limit of £750 was appropriate for covering their costs, whether the limit of 10 funded placements affected take-up, and the extent to which the eligible costs reflected the main tangible costs employers incurred from providing placements. Additionally, we also examined the impact of the funding in supporting employers to fund COVID-19 safety measures in workplaces.
- The administration of the funding by providers, in order to examine best practice in providing the grants, gathering evidence on expenditure and introducing the availability of grants to employers. This will be through gathering provider and employer feedback on how they used the grants.

The findings from the research will help inform future DfE investment in providing financial support to employers' delivering industry placements.

The key study research questions are as follows.

Funding

- How is funding being spent?
- Did providers administer funding as intended?
- What type and what amount of costs did employers typically claim for when providing placements? Which were the most common? How did this vary across employer sizes/industries/locations?

Placements

- Has the funding resulted in more industry placements than would have been the case in the absence of funding?
- Has it improved the quality of placements?
- Was support sufficient?
- Is funding (and the funding amount) meeting the needs of employers?
- Does funding enable employers to increase the number of placements they offer?
- Do micro employers and SMEs need funding (or larger amounts of funding) more than large employers?

- Has the funding alleviated some of the supervisory/loss of productivity costs employers can incur when offering placements?

Challenges/barriers

- Is cost more of a barrier for employers in some industries, sizes or locations?
- Were tangible, training and administration costs the main barriers to offering placements?

Identifying best practice

- Was channelling funding through providers an effective dissemination method?
- Did providers tend to split the payments, or pay upon completion of the placement? Which worked better?
- What has worked well?
- What could be improved?

Engagement

- Does funding increase engagement and willingness from employers to offer industry placements?
- How does this vary across employer sizes/industries/locations?

The study team have produced ongoing reports and outputs throughout the two years of the programme. This includes termly reports presenting take-up data (drawing on the Employer Support Fund data tool) and two tranches of qualitative research (in April 2020 and September 2020) with providers to identify findings to inform funding decisions in the DfE. This report is the final output of the programme.

1.3 Research undertaken

This report draws on:

- **Case studies with 23 providers** conducted between January and August 2021. The case studies involved qualitative interviews with staff in providers to examine how providers administered the grant, how it helped them promote the value of industry placements to employers, their views on the appropriateness of the funding allocation, the maximum that can be allocated to each employer and the management of the programme. We aimed to speak to senior leaders in the organisation responsible for employer engagement, including staff working in relevant curriculum areas. In total, we interviewed 1 to 3 individuals per provider. Our sample of case study providers was developed to ensure coverage of:
    - <u>The different pilot areas</u>: We interviewed a minimum of five providers in each of the four pilot regions. This was to explore the reasons for any variations by area, as well as between providers that had delivered the

programme over two years (those in the South West and West Midlands) and those that delivered the programme over one year (providers in Yorkshire and Humber and the East of England).

  - Different geographical areas: We interviewed four providers based in coastal areas, ten in rural areas and nine in urban areas, the latter including three in large cities. This was to explore if there were any area-based factors that affected the take-up and value of the Employer Support Fund.
  - Providers with differing levels of engagement in the programme: We interviewed nine providers that had given Employer Support Fund grants to a relatively high number of employers (over 15), nine that offered a low volume of grants and five that offered no grants. This was to explore reasons why some providers used the Employer Support Fund grants more than others, and what factors have resulted in higher use of the grants.

  We had originally intended to sample by different types of providers. However, this was not possible as nearly all the providers that gave Employer Support Fund grants were GFE colleges.

- **Telephone interviews with 42 beneficiary employers** conducted between April and August 2021 where we examined employers' experiences of the programme and how the funding helped (or not) to alleviate financial barriers to providing placements. We purposefully sampled employers by:
  - Year of engagement: We interviewed 20 employers that received grants in the academic year 2019/20 and 22 employers that received grants in the academic year 2020/21. This was to explore the benefits before and after COVID-19 pandemic restrictions.
  - Employer size: We interviewed 24 micro employers, 13 small employers and 7 medium/large employers. This is broadly reflective of the population of employers that received grants. The selection was to explore the extent to which the programme met the needs of all sizes of employers and those that benefited most.
  - Commonly undertaken academic route: We interviewed 12 employers that provided placements in Creative and Design, 8 in Agriculture, 6 in Digital, 5 in Hair and Beauty, 4 in Business Administration, 4 in Engineering and Manufacturing and 3 employers in other routes. This was to explore the extent to which the grants met the needs of different sectors and routes.
- **Analysis of programme data**. This included analysis of the Employer Support Fund data tool returns and CDF returns up to end of the programmes. We also reviewed the Employer Declarations to gather more in-depth data on the costs funded through the grants.

- An **estimation of the impact of the programme**, using a Quasi Experimental Design approach. This examined the impact of the availability of Employer Support Fund providers on increasing the number of industry placements they were able to organise and compared this to a comparator group in the non-pilot regions. More details of the impact assessment methodology in included in Chapter 4.

We had originally intended to undertake a survey of employers. However, the number of employers engaged in the programme was low, and therefore we did not believe a survey would produce a greater number of responses than the qualitative interviews.

1.4 Limitations of the research

The small number of providers that used the grants made it more difficult to assess the impact of the programme on placements, since the size of the treatment group was low. It also made it more difficult to gather the views of a diversity of employer and providers on the strengths and weaknesses of the programme.

The majority of the programme delivery period was during a period of social distancing requirements brought about by the COVID-19 pandemic. Consequently, it is difficult to fully understand how the programme would work in an environment when these restrictions were not in place.

1.5 Structure of this report

The structure of the report is as follows:

- Chapter 2 sets out findings on **how providers used the grants**
- Chapter 3 presents findings on **how employers used the grants**
- Chapter 4 summarises the **outcomes and impacts of the programme**
- Chapter 5 discusses the **effectiveness of the programme model**
- Chapter 6 presents **conclusions from the evaluation**

2 Provider use of Employer Support Fund grants

This chapter presents provider perceptions of the value of the Employer Support Fund and how they have used it in their conversations with employers. It draws on the findings from the case studies, triangulated with the views of employers.

2.1 Perceived value of the programme

2.1.1 Barriers to employers providing industry placements

All the providers that were interviewed welcomed the ability to provide grants to employers to cover their eligible placement costs. Most reported challenges in engaging employers to provide placements. This was largely due to employer barriers to providing placements, which includes:

- Difficulties in employers' arranging meaningful work for learners to undertake over such a long period. This reflects that the longer industry placements required for T Level are substantially different to arranging the short 1 to 2 week placements employers offered previously. It requires significant planning and needs to fit around what learners have already learnt in their vocational course.
- Considerable resources required to supervise young people on-site during placements. This was a particular issue for sectors where there are child protection issues (e.g. childcare, education) and sites with more dangerous workplaces such as construction. Smaller employers in particular have difficulties in releasing staff from their staff role in order to provide supervision.
- A lack of perceived 'return on investment' from some employers, particularly when most of their new entrants come from higher education. This most commonly includes employers in the creative industries and digital.
- A lack of space to take on placement students. This could include limits on the number of chairs in a hairdresser or a lack of desks in an office. This is a particular issue for micro employers.

The availability of funding for employers was felt to help overcome some of these barriers. For example, funding for desks helped to address the lack of space for placement students, and funding for training helped students or their supervisors/mentors.

Additionally, some providers noted that a key benefit of providing grants to employers was that it made them feel that their time was valued. This was felt to potentially have a substantial impact on increasing placements, as providers reported that the most common reason that employers decided to offer placements was for altruistic reasons in order to help their community. Some may be more willing to do this if there was less of a financial cost to providing the placements.

Most employer engagement staff felt it was difficult to estimate what proportion of the employers they engage would benefit from the programme, with estimates ranging from 15% to 40%, which were mostly small or micro businesses.

Nearly all providers however felt that the employers that would benefit most from the funding were micro-employers. This was generally because these employers had more space constraints and fewer staff members available to supervise trainees. A few also reported that short-term cash flow presented a challenge, but this was not seen as the most substantial barrier to these employers providing placements.

2.1.2 Value of the grants during the pandemic

Most of the providers we interviewed believed the grants were more valuable in the academic year 2020/21 as a result of the COVID-19 pandemic. This was corroborated in the employer interviews, where most reported additional challenges for provide placements during the pandemic. In particular:

- Some employers reported that their immediate priority was to secure their business' survival, and consequently they had little time to invest in supporting placement students.
- A few employers reported that after placing people on furlough, they were concerned that taking placements would give the impression they were replacing contracted staff with trainees. These employers felt that taking on placements would affect the morale of their existing employees.
- There was some reluctance among employers for having additional staff in the workplace. In some smaller businesses, this was felt to affect their ability to social distance, which meant they could no longer be COVID-19 secure.
- A few employers also had additional costs for PPE and adaptations for staff, which made providing placements more expensive. The providers we interviewed were generally in agreement that for most employers this was not a prohibitive cost. However, a few had for example installed protective Perspex screens on workstations which had a high cost.

The providers reported that some sectors were affected more than others. The sectors that were felt to be least affected by the pandemic restrictions were Agriculture, Health and Science, and Education and Childcare. This was because they were all essential services that continued through the lockdown. Agriculture was also relatively COVID-secure as most of the work took place outside and with little crowding.

Providers generally felt the sectors where it was most difficult to organise placements during the pandemic was in office-based roles, most notably for the Creative, Digital and Business Administration sectors. This was a result of many offices closing with staff working from home. Some providers also reported difficulties in arranging placements in the Construction sector as they found many employers were re-structuring to cope with the financial impact of the pandemic.

2.2 Number of providers that gave out grants

2.2.1 Overall number of participating providers

Programme data shows that overall, 38 providers used the grant over the two years of the pilots, out of the 120 providers receiving CDF grants in the four pilot regions. In the academic year 2019/20, 22 of the 59 providers receiving CDF funding in the South West and West Midlands provided Employer Support Fund grants. In the academic year 2020/21, there were 31 providers across the four pilot regions.

This shows that overall, only around a third of CDF providers in the four regions gave out Employer Support Fund Grants. However, the take-up was higher among GFE colleges. In total, 32 GFEs participated in the programme out of the 80 GFEs in the four pilot regions (40%). This is perhaps unsurprising given that GFEs provide around 92% of vocational programmes at Level 2 and Level 3 in the four pilot regions.

In the qualitative interviews in the case studies, we found there was some initial hesitancy among providers to provide Employer Support Fund grants. A few providers reported that they were initially concerned about providing funding and then having the funding clawed back if they did not meet the eligibility criteria. Some providers felt this was not worth the risk, particularly if they only engaged a small number of employers (for example, sixth-form schools and colleges). Some providers reported in the qualitative interviews that they were more confident in delivering the programme after receiving clarification from the DfE and ESFA, either individually or through the provider webinars that the DfE ran twice in the academic year 2019/20.

There was also a lack of awareness of the programme among some staff in providers. This was more of an issue when providers did not have a centralised employer engagement function. They reported that some curriculum leads had a good awareness of the programme while others did not. This meant that the programme grants were given out more in some routes than others.

However, potentially the largest determinant for providers using the Employer Support Fund was how they identified if employers would benefit from financial support. Providers that had a strict interpretation of the guidance and only offered the grants to employers that voluntarily stated cost was a barrier to providing industry placements reported that they had few opportunities to provide the grants, particularly during the pandemic when the overall number of placements arranged was lower.

2.2.2 Use of the fund by region

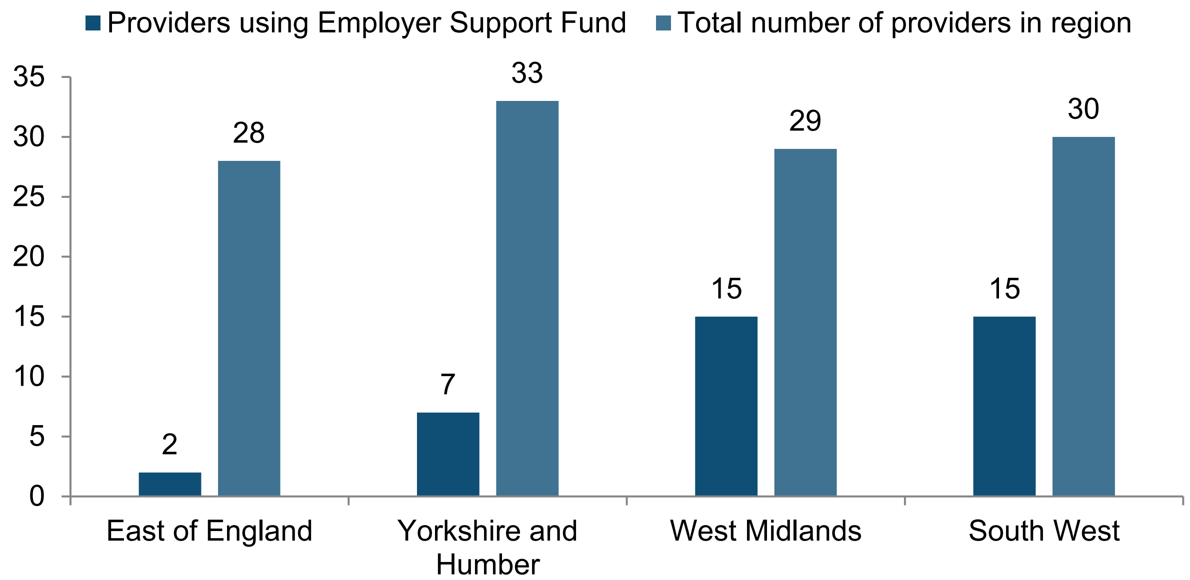
There was substantially lower take-up among the providers in regions that only started delivering the employer support fund in the academic year 2020/21 (East of England and

Yorkshire and Humber). As shown in Figure 1, in these regions only 2 and 7 providers provided Employer Support Fund grants respectively. In contrast, 15 providers in each the West Midlands and South West provided grants over the 2 years of the programme.

In the qualitative interviews, most providers in the East of England and Yorkshire and Humber reported that the pandemic had a major impact on the number of placements they arranged, which in turn limited their use of the programme. Most reported that they organised far fewer placements than normal and in some routes, particularly those that were office-based, they were not able to provide any that met the DfE requirements for extended industry placements. Hence, they were not able to use the funding.

In contrast, a far higher number of providers in the regions that accessed the programme in the academic year 2019/20 used the programme grants in the academic year 2020/21. This was despite DfE's marketing and communication of the programme remaining the same over the 2 years. This may suggest that it takes time to raise sufficient awareness among staff within providers about the benefits of the grant. Indeed, some providers in the West Midlands and South West felt the follow-up event at the end of the 2019/20 academic year helped raise their awareness of the programme and how they could use it, which consequently encouraged them to use it in the 2020/21 academic year.

Figure 1 Number of providers in each pilot region that gave out grants in the academic years 2019/20 and 2020/21



Source: Employer Support Fund data tool

2.3 Performance of provider against plan

Over the last two years Employer Support Fund grants have supported 843 placements against a target of 32,466. The total spend of the programme was £539,706 against a programme budget of £7 million (8% of budget). This equates to £200,951 in the 2019/20 academic year and £338,755 in the 2020/21 academic year. The target was however based on an assumption that all of the placements organised by providers in the pilot regions in the academic year 2019/20 would receive Employer Support Fund grants. This was an overestimate as not all providers would have cost as a barrier for providing placements.

In the 2019/20 academic year there were 327 placements organised against a target of 10,471 (3% of target). Only six providers achieved over 10% of their target, with the highest performing provider achieving a third of their target. Among GFE colleges which had the higher targets, the best performing in the academic year 2019/20, which achieved 21% of its target. Of the remainder, nearly all achieved less than 5% of their target.

In the 2020/21 academic year there were 516 placements funded through programme grants, against a target of 21,995 (2% of target). This was an increase on the number of placements organised in the academic year 2019/20, which in part will reflect that twice as many providers were able to offer Employer Support Fund grants. There were six providers that achieved over 10% of their target, of which the highest performing achieved 31% of their target.

There were differences however in the providers that performed well against their targets in the academic year 2020/21 compared to the academic year 2019/20. Three of the providers that achieved over 10% of their target in the academic year 2019/20 provided no grants in the academic year 2020/21. This seems likely to be because some providers had more difficulty arranging placements during the pandemic. Only three colleges performed well in both years.

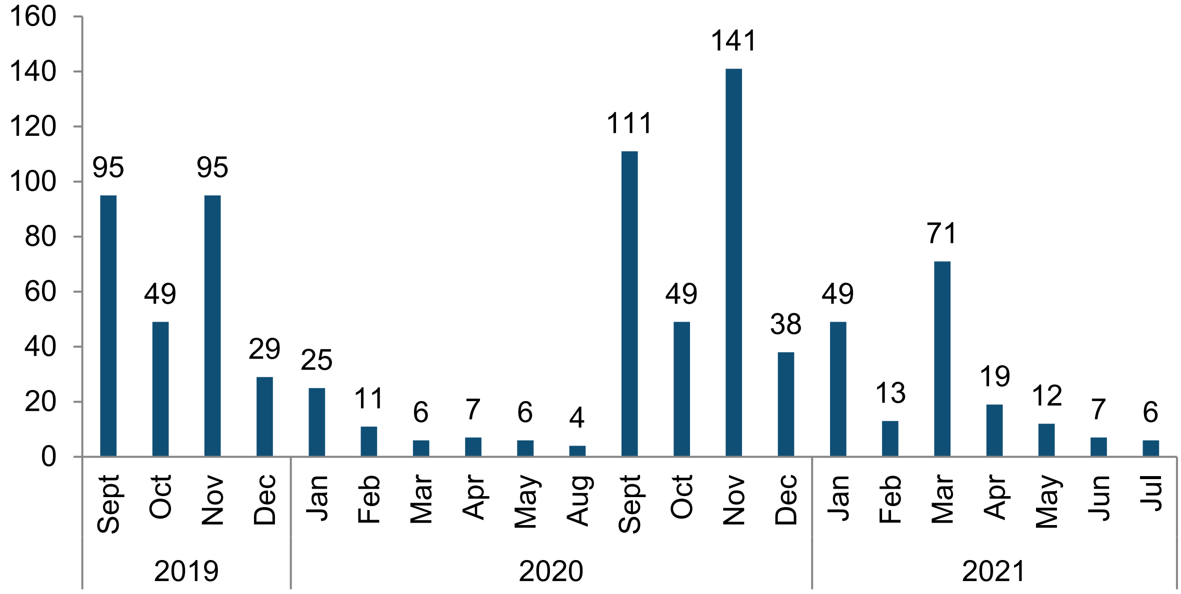
On average, a higher percentage of employers received Employer Support Fund grants from providers in the academic year 2020/21 (12%) compared to the academic year 2019/20 (7%). 14 of the 31 providers gave grants to more than 15% of the employers they engaged within the year. However, a similar proportion (13 providers) gave the funding to less than 5% of the employers they engaged.

In most providers, Employer Support Fund grants were only given to a small proportion of the employers that the provider engaged in the year to provide industry placements. Only five gave grants to more than 15% of the employers they engaged with in the year. Around half (12 of 22) gave the funding to less than 5% of the employers they engaged. This demonstrates the original targets were an overestimate and it would have been more appropriate to set targets at around a fifth of their employer engagement target for placements.

2.3.1 Placements arranged by month

As shown in Figure 2, the industry placements funded by the Employer Support Fund were most commonly arranged in September, October and November (both in 2019 and 2020). This is perhaps unsurprising, as it is the start of the academic year when learners would be expected to start placements that they could do alongside the taught element of their course.

Figure 2 Placements arranged by start date month



Source: Employer Support Fund data tool

The data does indicate the effect of the pandemic on the organisation of placements. In the academic year 2020/21 there was a high number of placements organised in March and April, which was after the return of face-to-face college teaching. However, there were still 49 placements starting in January and 12 in February despite the colleges being closed.

2.4 How the availability of grants was communicated to employers

In the qualitative interviews, we found there was considerable variation in how providers promoted the grant to employers. This was generally a continuum. In one extreme, providers were very cautious about promoting the grant and only offered it when employers had explicitly refused to take on placements and stated that the reason for this was costs. On the other extreme were a few providers that were more forward in promoting the availability of grants to employers. The approach providers adopted to promote the grants had a significant bearing on the number of grants they provided.

Some examples of different approaches within this continuum included:

- A few providers asking all employers upfront whether costs were a barrier to providing a placement. If the employer stated yes, then they introduced the availability of grants and what costs were included.

- Some providers reporting that they broached the subject of Employer Support Fund grants when employers reported an activity they would need or like to provide students but could not afford to do so. This included essential items such as insurance as well as ‘nice to have’ activities such as training on using particular applications and equipment to enable students to undertake certain activities.
- Some providers reported offering grants only when employers had clearly stated they would not be providing placements. A few presented this as ‘if costs are a reason behind your decision then we have grants available’.

Providers that employed the approach of asking employers upfront whether cost was a barrier or broaching the subject when employers reported an activity they could not afford generally provided the highest volume of placements. This is because it enabled them to mention the grants to a higher number of employers. Additionally, the providers felt that by raising the availability of the grant with employers early in their conversations with them, it was easier to influence their decision on whether to take on placement students. They felt that if these conversations took place after employers decided not to take on placements, it was more challenging to change their minds.

Most of the providers had a centralised employer engagement function which they felt meant that they were easily able to ensure that consistent messages about the grant were communicated to employers. However, in a few providers where curriculum teams organised placements, we found inconsistent practice within providers. Some curriculum teams were not aware of the programme and therefore did not promote it. Others were not fully aware of the eligibility criteria and consequently were promoting it not just to employers that cited costs as a barrier.

2.5 Employers that were targeted for funding

None of the providers we interviewed reported a particular strategy for targeting the Employer Support Fund to particular groups of employers. Providers generally aimed to provide the grants across all routes and size/types of employers. Most also did not differentiate between providing the grants to new employers or those that they worked with before.

A few providers did note however that there was variation in how individual teams took advantage of the Employer Support Fund grants. They felt that some routes had higher costs for providing placements that employers were less likely to be able to absorb. This included the Creative and Digital sectors, where there is a high cost for IT equipment and software. Additionally, nearly all providers reported that micro-businesses were most likely to benefit from the programme, as they had less liquidity to be able to afford the costs for one-off purchases for learners.

2.6 How the employers were funded

2.6.1 Evidence of costs

All providers reported having detailed discussions with employers on what costs they required to provide the placement. The main focus of these discussions was to clarify how the items that employers wished to purchase were essential for added value to learner placements. The latter was considered particularly important for providers. As one succinctly stated: *"we only provide grants if it provides a benefit to the learner experience".*

A few providers requested the employer provide three quotes for expensive items (those worth over £500). However, in most cases, providers were relatively flexible in allowing employers to purchase equipment from their preferred suppliers. For many, this was in order to reduce the burden of employers, as requesting quotes and other assurances on cost-effectiveness could be quite time-consuming for employers and they felt it would only provide limited value in terms of improving value-for-money. It was also noted that for some employers it would provide an administrative burden for the employer to have to register a new supplier.

2.6.2 Issuing payments to employers

There was no consistent approach that providers used to fund employers. Some of the models used, and the reasons behind this approach, included:

- **Full payment up-front.** This was used by around a quarter of the providers we interviewed. They employed this approach when they felt that most of the costs employers occurred were upfront, such as the cost for insurance or DBS checks, or the purchase of equipment such as desks and laptops.
- **Full costs after a month of the start of the placement.** This was similarly used by around a quarter of providers. These providers felt there needed to be a little time to ensure the learner is right for the employer and vice versa. In some cases, placements are ended early, and in this situation, it would be difficult to request reimbursements from employers. They reported that employers were happy with this approach as most could cover the costs for a short period and some of the equipment that was funded through the placements was not needed at the start (for example, learners could use their personal laptop rather than accessing a new laptop).
- **Staged payments.** This was used by around half of the providers we interviewed. The staged payments were done either at the start and end of the programme or at the start and middle of the programme. The first payment was largely used to cover fixed costs that employers incurred at the start (for example, insurance or

DBS costs). The latter payments were used to fund larger expenses and consumable costs.

A few providers also reported that they used different approaches depending on the needs of the employer. For smaller micro employers, some paid more upfront as they felt that the employers would not be able to initially pay all the items themselves. However, in most cases, providers reported that employers did not have a problem with whichever payment approach they chose.

Most providers paid employers in advance of receiving the funding from the ESFA. They felt this was the only practical approach they could adopt, since the funding is reimbursed after the submission of claims forms which can take a few weeks to arrive. This made it difficult to make upfront payments and could potentially result in placement starts being delayed.

2.6.3 Use of equipment after it was purchased

In the qualitative interviews in the case studies, most of the providers reported that the equipment purchased through the programme was given to employers after the industry placement was completed, although in nearly all cases this was with the understanding that the employer would continue to provide placements in the next academic year and beyond. For some, this was deliberate in order to encourage employers to be committed to provide a placement in future years.

A few providers gifted some equipment to learners. The examples of this were mainly in hair and beauty, where the programme had funded the purchase of nail kits and make-up kits. Here the learner would require this equipment if they worked in the sector, or if they progressed from a Level 2 course to a Level 3 course in the subject which included a further industry placement. Consequently, it made sense for the learner to keep it.

Very few providers requested the equipment back from employers. In some cases, it was not practicable. For example, it is not possible to change the licensee for some software. In some cases, there was also reported to be a cost implication of doing so, since laptops for example would be wiped and re-loaded with new software.

3 Employer use of the grants

This chapter examines employer perceptions of the programme and how they used the grants. It specifically examines the number of grants given to employers, the characteristics of employers that received the grants, why they accessed the grants and what the funding was used for. The findings draw on analysis of the Employer Support Fund data tool and qualitative interviews with providers from the case studies.

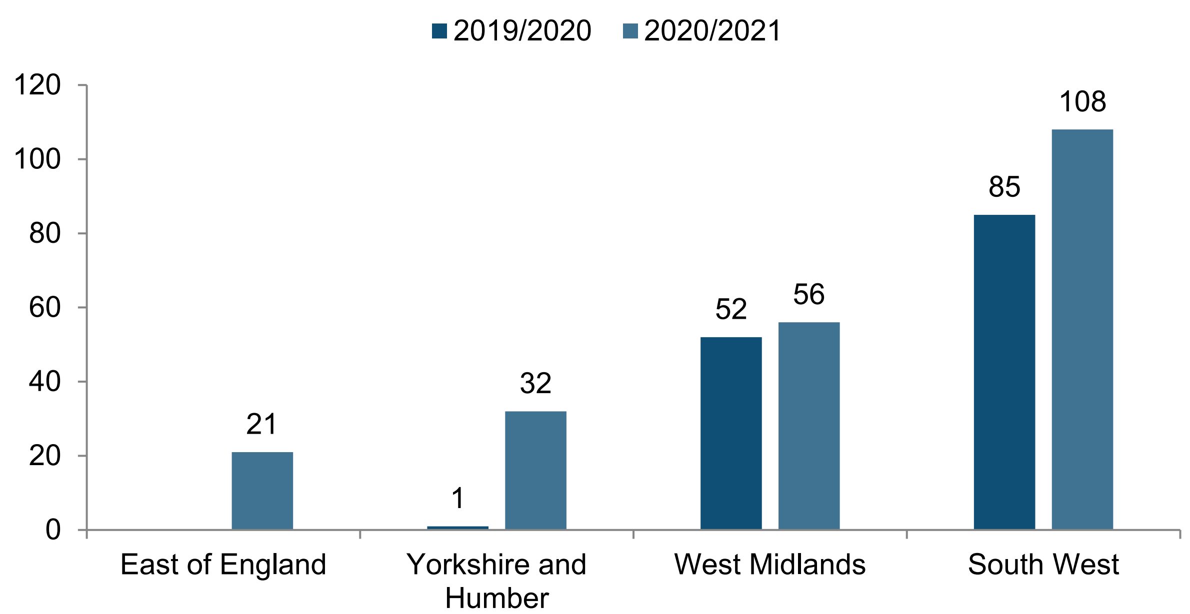
3.1 Number of employers that received grants

3.1.1 Overall number of employers supported by region

Over the two years of the programme, **355** employers received Employer Support Fund grants. This comprises 138 in the 2019/20 academic year and 217 in the 2020/21 academic year.

Figure 3 shows that there is substantial variation in the number of employers receiving grants by region. Overall, 54% of the employers receiving grants were from the South West. In the academic year 2019/20 this was nearly double the number of placements arranged in the West Midlands (193 compared to 108). This is despite a roughly similar proportion of providers in the West Midlands and South West providing grants (see section 2.2.2).

Figure 3 Number of employers engaged by region and academic year



Source: Employer Support Fund data tool

The reason for the high take-up in the South West was explored in the qualitative interviews in the case studies. Some providers in these areas reported that there was a greater need for grants in more rural areas as providers had a smaller pool of employers to recruit from, and a higher proportion of micro-businesses. However, in the South West there is also a provider network focused on engaging employers that have specifically discussed approaches to using the Employer Support Fund grants, which may have led to more systematic and effective promotion.

However, it is notable that the reported increased need for grants among employers in rural areas did not translate to a high number of employers accessing grants in the East of England, which also has a substantial number of rural areas. The East of England had substantially fewer employers receiving grants than other regions in the academic year 2020/21.

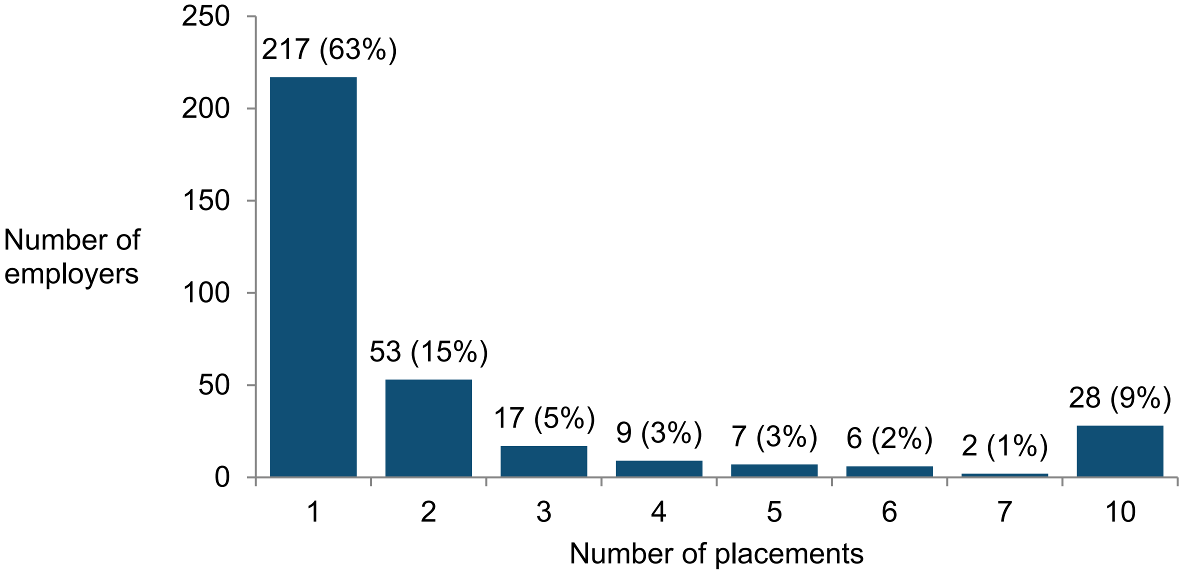
3.1.2 Number of placements offered by employers

Figure 4 shows that around two-thirds of employers (63%) provided one placement, and a further 20% offered two or three placements. This reflected that providers mostly engaged micro-business with the capacity to only provide 1 or 2 placements per year, due to a combination of small workplaces and limited staff capacity to provide mentoring.

A relatively high proportion of employers (9%) provided the maximum of 10 funded placements. In the qualitative interviews, providers reported that the availability of funding did encourage some employers to offer more placements. In some cases, they reported that this was because employers felt there were economies of scale in providing more placements (e.g. the opportunity to share equipment such as desks of laptops, or in providing group training). The most commonly reported change was employers that would otherwise have taken one placement deciding to take two or three, or employers that were planning to provide over seven placements deciding to provide 10.

There was no clear difference between the size of employer and the average number of placements for which they received Employer Support Fund grants. This is surprising as it would be expected that larger employers would be more likely to offer more placements.

Figure 4 Number of employers receiving Employer Support Fund funding by number of placements offered



Source: Employer Support Fund data tool N=325 employers receiving Employer Support Fund funding. Note the employer was not listed for 38 students.

3.2 Reasons why employers accessed the grants

In the employer interviews, the most commonly reported reason for accessing the Employer Support Fund grants was to overcome barriers to providing placements. This included:

- **Lack of suitable physical working space available** to enable the learner to participate fully in the workplace during their placement. This included furniture such as desks/chairs which the learner could use. Employers who accessed the fund for office/workshop furniture covered a variety of sectors, including Digital, Creative and Design, and Business Administration.
- **Lack of suitable insurance** preventing the employer from providing a placement. In these cases the funding enabled the employer to pay for the appropriate insurance to support learners. This was evident in the Construction sector, for which additional insurance is required to allow 16 to18 year olds on site due to the increased risk they pose. Sole traders such as dog walkers and beauty therapists also made use of the fund for this.
- **Concerns about providing a meaningful placement** to learners due to a lack of equipment that the learner can use or access. This was common in a number of sectors including Construction (a lack of available spare tools), and Creative and Design (a lack of duplicate sector-specific equipment for the learner to use). Additionally, the funding enabled employers to provide learners with sector-

specific training and skills which would enable them to participate more fully in the day to day running of the business. For example, IT employers commonly provided learners with role-specific IT training, learners working for Agriculture employers were provided with safety training to use specific equipment or undertake specific tasks (such as spraying) and Health and Beauty learners received training for techniques they could apply in the salon (e.g. eye lash extensions).

Employers that had not previously provided placements were commonly reluctant to contribute to these costs upfront as they were unclear on the value the placement learner would provide to their organisation and whether they would be a ‘good fit’ in their workplace. Accessing grants so the employer did not incur these costs upfront was, therefore, a major motivation for providing placements.

Some employers also reported that the funding enabled them to justify to senior managers the additional risk to the business and productivity losses that could result from taking on a placement learner. Providing a placement requires a significant investment of employer time, which can result in some productivity losses. Some employers found it difficult to justify an outlay to support learner placements when this was weighed up against the additional time costs they would occur from supporting learners. In this case, the Employer Support Fund resulted in employers feeling valued, to some extent compensated for their ‘in kind’ time and more supported by the provider. This was also the case when compared with apprenticeship learners who were often regarded as being more role ready, and more able to ‘hit the ground running’.

Some of the employers we interviewed stated that they would likely have provided a placement had the funding not been available. However, they felt that accessing the funding enabled them to provide better placements to learners. Consequently, they felt it provided substantial value to the sector.

Demand for Employer Support Fund grants was felt to have increased during the pandemic, but mostly for particular sectors. Employers in Health and Science and in Engineering and Manufacturing that were still operating during the pandemic reported a high cost for PPE equipment. In some sectors, there were also additional costs for facilitating blended placements (such as headphones, monitors, etc).

3.3 Types and characteristics of employers receiving grants

3.3.1 Size of employer

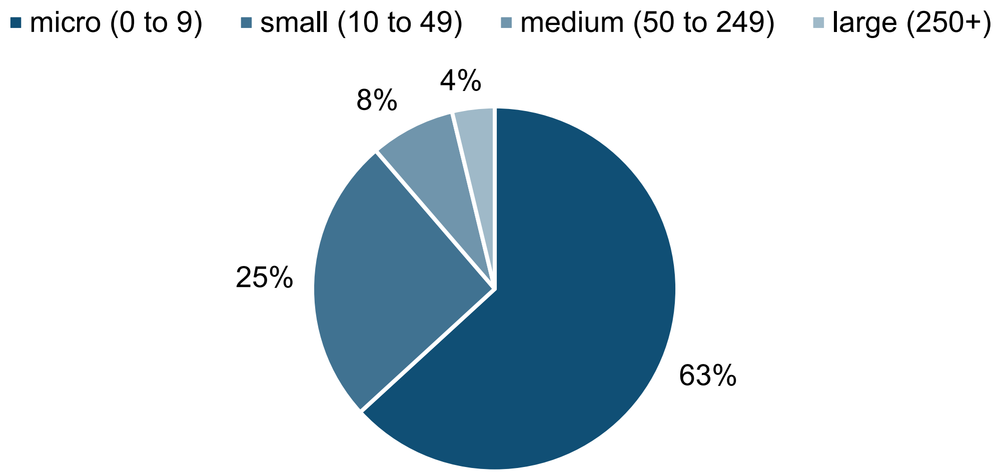
As shown in Figure 5, most of the employers that received Employer Support Fund grants were micro businesses with 0 to 9 employees (63%) and a further 25% were small businesses with 10 to 49 employees or an annual turnover of less than £10m. This is unsurprising given that micro and small employers make up 95% of all UK employers.

The size of employers that have benefited from the programme has remained fairly consistent by year and by route.

In the qualitative interviews in the case studies, providers commonly reported that they organise most of their industry placements and apprenticeships with micro and small employers and therefore felt it was unsurprising that they made up most of the employers that received Employer Support Fund grants. Additionally, most felt that these employers were more likely to benefit from the grants as most had limited staff they could use to support learners or limited equipment to share with placement learners and therefore had more use for funding.

There were a significant proportion (12%) of medium and large employers that received grants as well. However, when examining this it included a high proportion of public funded employers (such as hospitals and care homes) as well as schools and organisations such as the Army reserves. These organisations were reported by providers to have limited discretionary funding to invest in placements and consequently also benefit from the grants.

Figure 5 Size of employers receiving Employer Support Fund grants



Source: Employer Support Fund data tool

3.3.2 Routes and sectors

Table 1 shows that the Creative and Design route was the most commonly funded route through the programme. This comprised 31% of all placements that were supported by Employer Support Fund grants, despite providers initially reporting that they only expected 7% of the overall placements they organised in the first year of the programme to be in the Creative and Design sector[6]. There were also a high number of placements

[6] This is from the initial provider applications for CPD funding where they set out in what sectors they planned to arrange placements in the coming year.

funded in Agriculture and Digital (each comprising 12% of all Employer Support Fund funded placements, whereas providers initially expected them to comprise only 9% and 10% of their overall number of placements).

Providers reported that the high number of placements funded in the Creative and Design sector and the Digital sector was due to these sectors being dominated by micro-businesses. As a consequence, most had limited desk space and equipment for placement learners. Additionally, learners on placements in these sectors commonly require a laptop and specialist software, which have a high cost and therefore difficult for employers to cover themselves.

For the Agriculture sector, it is notable that a substantially higher number of placements were funded in year 2 of the programme. Some of the providers we interviewed reported that this was because the sector was not affected by Government lockdowns as they were an essential service. Additionally, the sector is relatively easy to social distance in since work mostly takes place outdoors in uncrowded areas.

A few providers in the South West also reported that some employers in the Agriculture sector had contacted them directly to request Employer Support Fund grants. They reported that they were made aware of the programme through conversations with other sector employers.

Table 1 Number of placements organised by routes

Technical route	% of funded placements in the 2019/20 academic year	% of funded placements in the 2020/21 academic year	Total (%)	% of placements expected to be created by CDF programme
Creative and Design	29	32	31	7
Digital	14	11	12	10
Agriculture Environmental and Animal Care	8	15	12	9
Hair and Beauty	14	7	9	7
Engineering and Manufacturing	13	5	8	19
Business and Administration	9	6	7	8
Construction	5	8	7	13

Technical route	% of funded placements in the 2019/20 academic year	% of funded placements in the 2020/21 academic year	Total (%)	% of placements expected to be created by CDF programme
Health and Science	1	9	6	9
Education and Childcare	3	5	4	10
Catering and Hospitality	4	2	3	7
Legal Finance and Accounting	1	0	1	1
TOTAL	**100 (*n*=327)**	**100 (*n*=516)**	**100 (*n*=843)**	**100**

Source: Employer Support Fund data tool

3.3.3 Average costs per grant and route

Across the 2 years of the programme, the average funding provided to each industry placement was £648. This is broken down by an average of £634 for the academic year 2019/20 and £655 for the academic year 2020/21.

The higher cost of placements for the academic year 2020/21 is perhaps unsurprising as there were additional safety measures that employers were expected to have in place to ensure their workplaces were COVID-secure. This could include PPE, protective screens and sanitation equipment. Additionally, a few providers suggested that it may increase other costs. For example, one reported that an employer with two placement learners did not feel it was appropriate for their learners to share a laptop and therefore gave them individual ones.

There was substantial variation in costs per route, as shown in Table 2. The routes with the highest average costs were Legal, Finance and Accounting (£750), Engineering and Manufacturing (£733) and Digital (£697).

In the qualitative interviews in the case studies, providers reported that sectors requiring IT equipment and software generally incurred higher costs. This is because the price of a laptop alone is commonly between £500 and £1,000. This largely led to higher costs in Digital, as well as Creative and Design, and Business and Administration.

In Engineering and Manufacturing, a substantial cost was the cost of tools. These were particularly necessary for automotive learners who required specialist tools to undertake their placements. For both Engineering and Manufacturing and Health and Science there were also high costs associated with PPE, particularly in the academic year 2020/21. Often, the PPE/uniform required by these sectors cannot be handed down to other students or retained within the company. Examples of this include work boots required for railway engineering students, and waders required for students working in boat repairs. A few of the employers in these sectors also mentioned costs related to ongoing mandatory training renewals e.g. personal track safety/lifeguard training.

Across all the routes, the average costs were at least £566 or above. There was a sense from the provider and employer interviews that if the placement costs were low then employers would generally be willing to cover them themselves and consequently would not seek to claim funding from them. However, it was also notable that a few employers stated they were informed of the ceiling for the funding and consequently some may have been claiming higher costs in order to ensure they could provide the best possible workplace experience for the learners.

Table 2 Average costs of placements per route

Technical route	Technical pathway	Average funding per placement – 2019/20 academic year	Average funding per placement – 2020/21 academic year	Average funding per placement – TOTAL
Legal, Finance and Accounting	Accountancy	£750	-	£750
Legal, Finance and Accounting	Financial	-	£750	£750
Legal, Finance and Accounting	Legal	£750	-	£750
Legal, Finance and Accounting	**Total**	**£750**	**£750**	**£750**
Engineering and Manufacturing	Design Development and Control	£750	-	£750
Engineering and Manufacturing	Maintenance Installation and Repair	£750	£745	£746
Engineering and Manufacturing	Manufacturing and Process	£522	£702	£666
Engineering and Manufacturing	**Total**	**£735**	**£731**	**£733**

Technical route	Technical pathway	Average funding per placement – 2019/20 academic year	Average funding per placement – 2020/21 academic year	Average funding per placement – TOTAL
Digital	Digital Business Services	£717	£750	£734
Digital	Digital Production, Design and Development	£736	£674	£702
Digital	Digital Support and Services	£545	£712	£652
Digital	**Total**	**£714**	**£684**	**£697**
Business and Administration	**Total**	**£658**	**£726**	**£694**
Health and Science	Health	£281	£719	£694
Health and Science	Healthcare Science	£263	£750	£555
Health and Science	Science	-	£750	£750
Health and Science	**Total**	**£272**	**£728**	**£691**
Catering and hospitality	**Total**	**£689**	**£640**	**£667**
Construction	Building Services Engineering	£750	£750	£750
Construction	Design Surveying and Planning	-	£672	£672
Construction	Onsite Construction	£508	£702	£640
Construction	**Total**	**£538**	**£706**	**£660**

Technical route	Technical pathway	Average funding per placement – 2019/20 academic year	Average funding per placement – 2020/21 academic year	Average funding per placement – TOTAL
Creative and Design	Craft and Design	£704	£596	£632
Creative and Design	Cultural Heritage and Visitor Attractions	£242	£703	£603
Creative and Design	Media Broadcast and Production	£646	£625	£636
Creative and Design	**Total**	**£626**	**£629**	**£628**
Education and Childcare	**Total**	**£674**	**£605**	**£625**
Hair and Beauty	**Total**	**£602**	**£616**	**£608**
Agriculture, Environment and Animal Care	Agriculture Land Management and Production	£502	£626	£602
Agriculture, Environment and Animal Care	Animal Care and Management	£470	£581	£546
Agriculture, Environment and Animal Care	**Total**	**£483**	**£606**	**£575**

Source: Employer Support Fund data tool

3.3.4 Average cost by employer size and region

Table 3 shows there was no clear difference in costs by the size of employer. While small and medium businesses have slightly higher costs, the latter should be viewed with caution as only a few of the employers receiving Employer Support Fund grants were medium-sized businesses. Additionally, variation in the sectors where employers operated could also affect the average costs, for example small employers make up a higher proportion of the Digital and Creative and Design sectors where employers have incurred higher placement costs.

Table 3 also suggests that employers in more rural regions (such as the South West and East of England) incur higher placements. However, this should also be viewed with caution as it may reflect differences in the routes funded in different regions.

Table 3 Costs per region and by size of employer

Region of provider	Large employers	Medium employers	Small employers	Micro employers Total	Total
East of England	£750	£750	£750	£492	£731
South West	£631	£633	£733	£623	£632
West Midlands	£647	£695	£643	£621	£655
Yorkshire and Humber	£595	£750	-	-	£642
Grand Total	**£637**	**£678**	**£652**	**£615**	**£648**

Source: Employer Support Fund data tool. Note that type of employer was not determined for 10 placements therefore the total column does not match the overall average costs per placement.

3.4 What the funding was used for

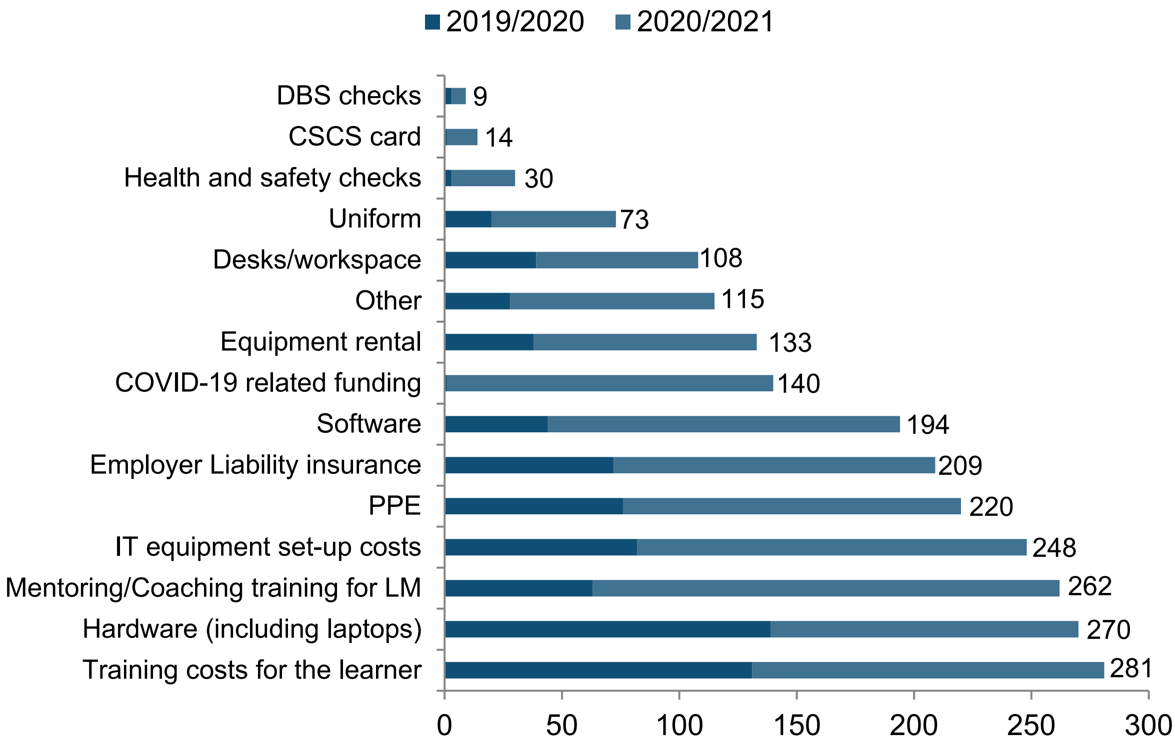
3.4.1 Overall costs incurred

Figure 6 shows that Employer Support Fund grants have most commonly been used to pay for hardware (including laptops), followed by training costs for the learner and mentoring/coaching training for line managers. In the Employer Declarations, we found the training costs included a mix of mandatory training (such as health and safety, food hygiene) as well as non-accredited training on how to use specific equipment. Software costs included design software and coding software. The Employer Declaration forms also indicated that hardware costs were most commonly for laptops, but they also included equipment such as hair trimmers and gardening tools. In the qualitative interviews in the case studies, we found that many employers committed to re-using this equipment for future industry placement students.

Most employers also claimed other expenses that did not fit in the other categories. This mostly comprised of consumables that trainees would use in their placement. A few Hair and Beauty employers for example accessed funding for peroxide and other haircare products to be used by placement students for treatment. Some employers also listed small equipment (e.g. hair clippers) as other expenses.

COVID-19 costs were common in the academic year 2020/21. However, they were less commonly claimed than other eligible costs. Among placements which claimed costs related to COVID-19, their free text elaboration responses were analysed. The most commonly incurred funding was for face masks or visors (67% of those who elaborated on COVID-19 related funding), followed by gloves (39%) and hand sanitiser (36%).

Figure 6 Types of costs incurred by employers by academic year



Source: Employer Support Fund data tool. Note: DBS = Disclosure and Barring Service. CSCS = Construction Skills Certification Scheme. PPE includes Coveralls, Boots, Gloves, and ear defence equipment. LM = line manager.

There is substantial variation in the type of costs incurred for different routes. Specifically:

- The most common costs for Agriculture were learner training, PPE and equipment rental.
- For Business Administration, the most common costs were hardware and software.
- For Construction and Engineering and manufacturing the most common costs were hardware (such as tools), PPE and health and safety training.
- For Hair and Beauty, the most common costs were hardware (nail and make up kits, test dummies) and learner training.
- For Health and Science, the most common costs were uniforms, PPE, and mentoring/coaching costs for supervisors, alongside hardware and software.

Table 4 shows that the Creative and Design, Digital, and Business and Administration routes had the widest range of costs. Employers in these industries commonly incurred costs in eight different categories.

Table 4 Percentage of student placements by type of cost and technical route

Type of cost	Agriculture, Environment, Animal Care	Business and Administration	Catering and Hospitality	Construction	Creative and Design	Digital	Education and Childcare	Engineering and Manufacturing	Hair and Beauty	Health and Science	Legal, Finance, Accounting	Total (%)
Learner training	40	31	58	29	39	25	41	17	35	16	20	33
Hardware	6	56	42	34	22	50	29	32	58	22	20	32
Training for LM	0	35	8	29	42	36	82	11	5	67	40	31
IT set-up costs	2	42	0	20	42	61	32	15	0	18	80	29
PPE	32	27	8	49	10	16	50	64	11	63	0	26
Insurance	9	19	46	22	36	18	35	17	9	37	60	25
Software	0	42	0	2	39	42	0	6	3	29	20	23
COVID-19 related	5	2	0	32	25	15	32	12	3	27	0	17
Equipment rental	32	3	0	2	24	9	26	5	8	14	0	16
Desk/workspace	5	11	0	8	9	47	26	2	6	10	0	13
Uniform	10	0	13	3	2	2	0	23	8	61	0	9
Health and safety	2	0	8	17	1	0	0	0	4	20	0	4
CSCS card	0	0	0	22	0	0	0	2	0	0	0	2
DBS checks	0	2	0	0	0	2	0	6	0	2	0	1
Other	13	13	0	2	26	2	0	24	6	4	20	14
BASE SIZE (N)	**100**	**62**	**24**	**59**	**262**	**103**	**34**	**66**	**79**	**49**	**5**	**843**

N=843 student industry placements organised with funding from the Employer Support Fund. Note: Hardware includes laptops. LM = Line Manager. Insurance = Employer Liability. Multiple types of cost possible for a single student placement/employer. PPE includes Coveralls, Boots, Gloves, and ear defence equipment.

4 Outcomes and impact of the programme

This chapter presents the outcomes and impacts of the programme on the quality and quantity of industry placements, and the benefits this has brought providers, employers and learners. It draws on analysis of Employer Support Fund and CDF data as well as findings from the qualitative interviews with employers and providers.

4.1 Impact of the programme on the number of placements

The number of placements funded through the Employer Support Fund was 843. However, some of these placements may have taken place anyway in the absence of the funding. This section presents estimates of the number of placements which were created as a result of receiving funding.

To assess the impact of the Employer Support Fund on the number of placements created we used a Difference-in-Differences (DiD) approach. The methodology and data used is described below.

4.1.1 Empirical methodology

The outcome variable used for impact evaluation (number of placements) is drawn from the CDF dataset. The CDF dataset contains data on the number of substantial industry placements, submitted by FE providers that receive CDF funding to the ESFA. It sets out the number of substantial placements organised every term, broken down by sector subject area. CDF providers comprise all GFE colleges and a small selection of sixth-form colleges, private training providers and higher education institutions that typically have a large vocational offer. For this analysis we used final year CDF data that was submitted four months after the end of the respective academic year, which contains the reconciled final figures on placements.

The DiD approach entails comparing the change in the number of CDF placements created by funded providers (which are located in the pilot regions) in the periods before and after receiving funding with the corresponding outcome change observed for non-funded providers (located in both pilot and non-pilot regions). We will refer to funded and non-funded providers as treated and untreated providers, respectively. Factors that influence placement take-up and use are controlled for in the estimation process. For the purpose of estimating impacts by means of the DiD approach, the following three groups of providers were used:

- Treated Group 1: Providers which received Employer Support Fund funding in academic years 2019/20 and 2020/21;
- Treated Group 2: Providers which received Employer Support Fund funding only in academic year 2020/21; and

- Untreated Group: Providers which did not receive funding in any of the academic years 2018/19, 2019/20 and 2020/21.

Table 5 illustrates the sample size available for impact analysis, separately for each of the three provider groups. It shows that for Treated Group 2 the sample size is small which means the results from this group should be viewed with caution.

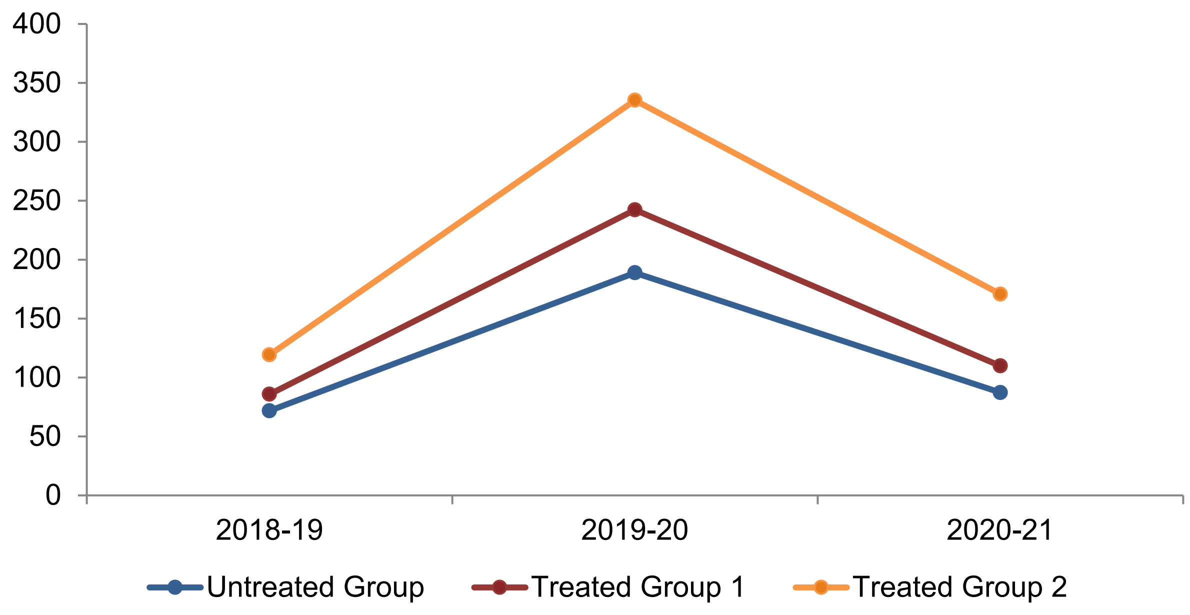
Table 5 Sample size, by treatment group

Group	Funding (treatment) years	Sample size
Treated Group 1	2019/20 and 2020/21	28
Treated Group 2	2020/21	10
Untreated Group	-	223
Total	**-**	**261**

Source: CDF data returns for academic years 2019/20-2020/21

The trajectory of the outcome of interest (average number of CDF placements per provider) over time for each of these three groups is shown in Figure 7. It shows that across all groups there was an increase in the number of industry placements organised during the first year of the Employer Support Fund, and then a significant drop in the academic year 2020/21, which was most likely caused by the COVID-19 pandemic restrictions affecting providers' ability to organise placements.

Figure 7 Average number of Capacity and Delivery Fund placements per provider over time, by provider group



Source: CDF data returns for academic years 2019/20-2020/21

The DiD estimation was implemented within an event study framework. Such a framework has the advantage to allow for estimation of the Employer Support Fund impact both in the first and second year of funding (multiple treatment years). As explained at the beginning of Section 4.1.1, the first year of funding varies depending on whether the provider considered is in Group 1 or Group 2, and only providers in Group 1 are funded for two years. Therefore, the estimation of the impact of the Employer Support Fund in the second funding year uses a treatment group which includes both Group 1 and Group 2 providers, while to estimate the Employer Support Fund impact in the first year of funding, the treated sample consists of only Group 1 providers.

The DiD estimation implemented through an event study framework produces reliable impact estimates under the assumption that the impact of receiving Employer Support Fund funding is constant over time and across groups.[7] However, given that the Employer Support Fund programme was delivered while there were restrictions caused by the pandemic, it is possible that the arrangement of placements in some regions and providers were affected more than others, due to their employer mix and their organisational response to the pandemic. This will more likely affect academic year 2020/21 when COVID-19 restrictions were in place throughout the academic year.

In addition to estimating the Employer Support Fund impact over the funding period, the event study approach also allows us to test the plausibility of the *parallel trend* assumption, which is the main assumption underlying the DiD estimation technique. The parallel trend assumption stipulates that, in the absence of the Employer Support Fund funding, the post-intervention outcomes for treated and untreated providers would have evolved in parallel. While this assumption is untestable, historical data can be used to explore the extent to which it is plausible.

The event study approach tests the existence of a parallel trend in the past by estimating the impact of an imaginary intervention which consists of receiving the Employer Support Fund funding in the period before the Employer Support Fund was rolled out (between academic years 2018/19 and 2019/20). This test is possible only for providers which received Employer Support Fund funding in academic year 2020/21, as in the two previous years they can be considered as untreated. If the outcomes of treated and untreated providers evolved in parallel in the period prior to receiving Employer Support Fund funding (i.e., if a parallel trend existed in the past), no impact should be detected (i.e., no statistically significant impact should be found) for this imaginary intervention. If a parallel trend is observed between treated and untreated providers before receiving

[7] The assumption of heterogeneity of impact over time may be seen as questionable if we consider the stronger negative impact of COVID-19 in the academic year 2020-21 than the academic year 2019-20. We explored whether impact estimates are sensitive to releasing this assumption by implementing a different DiD approach developed by Callaway and Sant'Anna (2020) which allows for unbiased estimation of impacts in the presence of heterogeneous impacts over time. The results were qualitatively the same as those presented here and therefore do not alter our main conclusions.

Employer Support Fund funding, it is reasonable to assume that the same trend would have continued after the introduction of the intervention.

The study did identify evidence of non-parallel trends for two of the models for analysis that are statistically significant. This coupled with the small number of treatment units means the results should be viewed with caution.

The event study approach involves implementing the following regression model:[8]

$$Y_{it} = \alpha + \gamma_i + \lambda_t + \sum_{\tau=-2}^{-1} \gamma_\tau D_{i\tau} + \sum_{\tau=0}^{1} \delta_\tau D_{i\tau} + X_{it}{}'\Gamma + \varepsilon_{it}$$

Where:

Y denotes the outcome of interest for (number of placements created by) provider *i* in time period *t* (where *t*=0 and *t*=1 indicate the first and second academic year a provider receives funding, and *t*=-1 and -2 indicate the first and second academic year before receiving the Employer Support Fund funding).

γ_i and λ_t denote provider- and time period-specific effects.

γ_τ represents a set of coefficients indicating the anticipatory effects of receiving Employer Support Fund funding, and δ_τ captures the effects of receiving funding over time.

X_{it} accounts for the number of businesses in the local authority where the provider is located, for four business-size categories).

δ_0 is a DiD estimate calculated using time periods 0 and -1 as the post- and pre-intervention periods, and measures the Employer Support Fund impact in the first year of funding.

δ_1 is a DiD estimate calculated using time periods 1 and -1 as the post- and pre-intervention periods, and measures the Employer Support Fund impact in the second year of funding.

$D_{i\tau}$ indicates a set of dummy variables, one for each lagged time period τ $(\text{where } \tau = -1, -2)$ and one for each post-funding period τ $(\text{where } \tau = 0, 1)$. They indicate that the provider was a given number of periods away from the time period in which they got Employer Support Fund funding (e.g., for a provider from Group 1, time period $\tau = 1$ is one academic year after the academic year in which they first received funding so $D_{i\tau}$ is coded as 1 for time period $\tau = 1$ and 0 for all other periods). The coefficient of each lag denotes the DiD impact (or anticipatory effect) over a specific pre-intervention time period. In practice, one lag must be omitted (we have chosen lag -1) so that the coefficients for all other lags can be interpreted as impacts relative to lag -1. For example, $\gamma_{\tau=-2}$ is a DiD estimate which uses -1 as the post-funding and -2 as the pre-funding time period (or vice versa, the order chosen does not change the conclusions from the analysis) in a fictional scenario where some providers receive Employer Support Fund funding in time period -1. A lack of evidence of anticipatory effect (no statistically significant coefficients for a lag -1) would reflect evidence of a parallel trend between the outcomes of treated and untreated providers in the period before they received Employer Support Fund funding.

Control variables

[8] See Section 9.4.3 of The Mixtape (Cunningham, 2021), available at https://mixtape.scunning.com/difference-in-differences.html, and the paper by Clarke and Tapia Schythe (2020) at https://ftp.iza.org/dp13524.pdf.

The DiD approach automatically controls for time-invariant differences between providers in terms of features which may affect the number of placements, such as provider type or rurality. In addition, we explicitly control for the confounding effect that the distribution of local employers has on the number of placements by including four time-varying measures of business counts: the numbers of micro, small, medium and large businesses in the local authority where the provider is located.

4.1.2 Findings

In this section we present the estimates obtained after implementing the event study approach depicted above. It presents the results of three models:

- Model 1 is used to estimate the impact of the Employer Support Fund on providers that received up to two years of funding (providers in all four pilot regions).
- Model 2 examines the impact of the Employer Support Fund on providers that received funding in two academic years (2019/20 and 2020/21) (providers in the South West and West Midlands).
- Model 3 presents the impact on providers that received funding only in academic year 2020/21 (providers in the East of England and Yorkshire and Humber).

Model 1

The impact of the programme up to two treatment years, which uses both treatment groups, is shown in Table 6. The results from Model 1 indicate that:

- The funding provided in the first year to Group 1 and Group 2 providers allowed these providers to increase the number of placements by almost 10 units, i.e. that in their first year of funding providers created 10 placements more than they would have done in the absence of funding. Oddly, the results suggests that the funding provided in the second funding year to Group 1 providers resulted in these providers allocating 9 fewer placements relative to the situation in which they would have not received the funding. However, neither impact estimate is statistically significant.
- There is some evidence, albeit weak (the estimate is significant only at the 10% level), that a non-parallel trend existed between the number of placements created by treated and untreated providers in the period prior to funding receipt.

Table 6 Difference-in-Differences estimates: Model 1 (providers from all groups)

Variable	Coefficient	Standard error
Impact in the first year of funding	9.71	20.26
Impact in the second year of funding	-9.22	24.21
Impact of imaginary intervention in the period before receiving funding (anticipatory effect)	-58.47*	33.78

*: denotes statistical significance at the 10% level.

Model 2

In order to ascertain the Employer Support Fund impacts for Treatment Groups 1 and 2, separately, we re-ran the regression model above using a single treatment group each time. Model 2 uses Treatment Group 1 and the untreated group (results shown in Table 7), and Model 3 uses Treatment Group 2 and the untreated group (results shown in Table 8).

The results from Model 2 indicate that the funding allocated to providers in Treatment Group 1 in academic year 2019/20 resulted in a 40-unit increase in the number of placements (the 40.51 estimate being statistically significant at the 10% level). In the following academic year, the impact of the funding decreased substantially with funded providers allocating only 3 additional placements as a direct result of the grant, which is not statistically significant.

Table 7 Difference-in-Differences estimates: Model 2 (Group 1 providers only)

Variable	Coefficient	Standard error
Impact in the first year of funding (academic year 2019/20)	40.51*	23.75
Impact in the second year of funding (academic year 2020/21)	2.93	24.21

*: denotes statistical significance at the 10% level.

Model 3

The results from Model 3 indicate that the funding allocated to providers in Treatment Group 2 in the academic year 2020/21 resulted in a decrease in the number of placements (these providers created 66 fewer placements than they would have done had they not received the funding). This result is significant at the 10% significance level. We found strong evidence (-98.46 estimate, significant at the 1% level) that the number of placements created by Group 2 providers and untreated providers in the period before Group 2 providers received funding followed a different (non-parallel) trend.

It should be noted however that Model 3 examined impact on a very small number of providers (10) that provided Employer Support Fund grants in the East of England and Yorkshire and Humber regions. Consequently, these results should be viewed with caution.

Table 8 Difference-in-Differences estimates: Model 3 (Group 2 providers only)

Variable	Coefficient	Standard error
Impact in the first year of funding (academic year 2020/21)	-65.76*	37.90
Impact of imaginary intervention in academic year 2019/20 (anticipatory effect)	-98.46***	37.74

*** and *: denote statistical significance at the 1 and 10% level, respectively.

Further discussion and conclusions

The Model 2 results suggest that Group 1 providers experienced problems in the second year of funding, and these problems resulted in a much smaller impact than that experienced in the first funding year. These problems could have derived from the effect of the COVID-19 pandemic restrictions, which was more pronounced in the academic year 2019/20 compared to 2020/21. If the restrictions caused by the COVID-19 pandemic affected treated and untreated providers in a different way either before or after funding receipt, then the DiD estimation approach would not be able to remove these macro-shocks differences (only shocks which are common to treated and untreated providers are removed by DiD through double differencing outcomes).

While the negative impact detected for the second year of funding illustrated by means of Model 1 seems to be in conflict with Model 2 findings (relatively small but positive impact), we note that the comparison of impacts across different models is not always possible or straightforward. In Model 1, information on three provider types is used to make inference. For example, both never-funded (untreated) and later-funded (treated Group 2) providers are used as comparators for the estimation of impacts in the second year of treatment. Essentially, when the event study approach uses multiple treatment groups (providers funded in different years) to estimate impact, the comparison group is not a pure one because it includes both never-treated and later-treated providers. On the other hand, Model 2 and Model 3 use only never-treated providers (the purest comparison group) as comparators. Bearing this in mind, jointly considered, results from Models 1 and 2 can be interpreted as indicating a smaller impact in the second year compared to the first year of funding.

The much smaller impact found by Model 1 for the first year of funding compared to Model 2 is entirely driven by the very large negative impact detected by Model 3 for Group 2 providers. Once again, the possibility of a macro shock affecting treated Group 2 and untreated providers in a different way may explain the negative impact estimate.

There was some evidence in the evaluation that participation in the programme in academic year 2019/20 had encouraged more provider focus on arranging industry placements, in order to achieve their Employer Support Fund targets, and as a result of regular DfE communication and engagement about the programme. This motivation may have been reduced in academic year 2020/21, when the challenges of having to deliver online learning and making other adjustments as a result of COVID-19 restrictions may have reduced the focus on organising placements.

There may also be other factors that influenced providers that issued Employer Support Fund grants performing relatively better against their targets than their peers. It was notable that in the South West there is a group of providers that meet regularly to discuss effective employer engagement practices. Alternatively, it may simply be that providers in these areas invested more time and resource into arranging industry placements.

Limitations of the analysis

The main caveat to the analysis presented in Chapter 4 is the very small sample size of treated providers (see Table 5). This hampers the ability of the model to detect statistically significant impacts even in the presence of true impacts. For this reason, impact estimates are to be considered with caution. It is also difficult to draw any conclusions about the existence of a parallel trend. While results suggest that the trend in the number of placements finalised by treated providers and untreated providers prior to Employer Support Fund funding were different, which does not lend support to the parallel trend assumption, only 10 providers were funded in the academic year 2020/21, and therefore any conclusions about the validity of the DiD approach must be interpreted with caution.

4.2 Perceived impact on the quality of placements

4.2.1 Improving the learner experience

Nearly all providers reported that the Employer Support Fund grant programme had an impact on improving the quality of placements for learners. For many, this was the most substantial impact of the programme. Most reported that employers were able to undertake new activities with students as a consequence of the funding. Nearly all providers were able to give practical examples of this. For example:

- One provider said that it enabled one of their learners on an Agriculture placement to undertake training on using tractors safely, which meant they were able to use one during their placement and for future roles in the sector.

- One provider reported it enabled students on a Business Administration programme to use a work laptop. They said if the funding had not been available the student would have been asked to use their own laptop. Having a work laptop allowed the student to communicate with other team members via instant messaging and also access the training and resources available on the employer intranet.
- A few providers said that it enabled students on Digital and Creative placements to access the cutting-edge software used by the employer. This enabled them to contribute directly to website development and other projects that they would not otherwise have been able to do.

In some cases, the funding was also used to provide enrichment activities that supported student learning, such as for associates to provide training on subjects such as make-up and nail art, or in using specific company software.

Similar findings were reported in the employer interviews. Most employers reported that the provision of workspace, specialist IT equipment and software enabled learners to engage in more immersive tasks than they would have otherwise been able to.

Employer Example – Creative and Design

"The tools and materials made a big difference, I'm used to making do with what I have got but I wanted to be able to show the students how to do things the right way with the right tools so they don't learn bad habits…this will be more helpful when they look for future jobs."

A fashion designer hosted 11 student placements in the academic year 2019/20. The students gained experience in all aspects of the fashion industry from the initial stages of fashion design to the final product including pattern making processes, tooling and prototypes. The funding was used to purchase:

- A proper ironing system and steamer
- Seam pressboard
- Sewing machines
- Books on fashion design
- Computer
- Travel expenses (to cover costs of taking the students to fashion shows/fabric stores)

The funding enabled the designer to take on additional students this year that have been able to use the equipment. Furthermore, throughout the COVID-19 pandemic, the employer continued to support the college students through doing online activities and mentoring to try to keep them motivated.

"They [the students] will be leaving college having already had a taste of what the industry is really like and can work out what area of the industry they prefer, whether that is fashion design or something else such as being an agent."

Most employers also reported that learners were able to take on more responsibilities as a result of the funding. One fitness centre for example reported that the programme enabled them to purchase mobile gym equipment which allowed placement learners to design and deliver fitness classes at local venues. Additionally, an employer in the Hair and Beauty sector stated that the funding enabled their learners to provide manicures and pedicures for customers, while others stated it allowed learners to provide make-up and nail treatments.

There was also evidence of learners learning more from their placement as a result of the programme. In particular:

- One Digital employer purchased a laptop for each of the student placements which allowed the students to spend more time actively applying their learning rather than passively learning through watching each other whilst taking turns on one laptop.

- An employer in the Creative and Design route reported that the additional equipment and materials purchased through the funding provided the students with practical experience and creative freedom to design and create their own garment.
- The fund was used by one Business and Administration employer to extend licences and enrol students onto the company systems. This provided students with a more realistic experience of working within a company and complying with systems.

Employer Example – Health and Science

"For employers it is great – especially if they are not in the position to pay for the additional training the students need."

An employer in the Health and Science sector provided a placement to a learner in a leisure centre for the first time from the participating provider. The Employer Support Fund enabled the employer to provide Lifeguard and Swimming Teacher training. As a result of the placement, and additional skillset gained by the learner, they were offered a permanent role in the leisure centre following completion of the placement. Furthermore, the additional skills gained enabled them to participate more fully in the role they were training for at the college.

Had the funding not been available, some reported that the placements would likely be less practical, with learners more likely shadowing other employees and would result in "*less turn taking and more doing*". As one provider stated: *"they would have spent most of their time sweeping and making tea."*

4.2.2 Improved learner engagement in their placement

Some employers and providers reported that the Employer Support Fund grants helped encourage learners to be more engaged and take more ownership of their placement. This was as a consequence of having more meaningful activities to undertake on their placements. Tutors reported that their learners were very positive on their placement, with some even continuing to volunteer at the employer after their placement had finished. Most employers also reported that learners were motivated while on their placement, with most stated that their attendance and behaviour was good.

A few employers also felt that the equipment purchased for the learners had a significant impact on learners' engagement in their placement. It was reported that learners took more responsibility and care over the equipment that had been purchased for their use. This was felt to set them up for working in the sector where *“your equipment and tools are your livelihood.”*

4.2.3 Improved learner potential employability

Most employers also reported that as a result of the programme they were able to provide learners with a more realistic picture of what it is like to work in the sector. This helped them decide whether the sector was right for them. As one employer stated:

“Hopefully it opens more of an insight to the placement, and it supports us with the student if there is funding available – it is a long day and you are on your feet all day – but the funding means the girls can crack on and get the block, or nail hand – if they are not engaged they won't have a good experience, and might decide they don’t want to do this”.

Employer Example – Digital

A small employer in the digital sector was able to access the Employer Support Fund to purchase a PC and the software needed to provide a placement to two learners.

The purchased equipment enabled the learner to undertake a more realistic role during their placement and enabled them to work independently. During the interview, the employer explained:

“It is a challenge providing placements in small organisations, no matter how much you want to get them working, your priority is always the business… Unless you have a very bright person, who can latch onto things, it is hard to make a placement work. You can see how people get put on the photocopier or make coffee all day”.

Upon reflection, the interviewee felt without the additional PC and specific software licences, the placement would not have worked out as well, as the student used the PC all day during their placement.

“It was part and parcel of us being able to do it – it was a technical placement, so no kit, no placement”.

There were also some examples of learners being employed by their employer once they completed their placements. In total, two of the employers we interviewed reported that they had or planned to employ their placement learners. Both of the students that were offered roles following their placements were on the Creative and Design route. Several other employers identified examples where the placement had contributed to further opportunities such as getting into a specialist university in the sector or securing an internship role.

4.3 Reported impact on provider and employer relationships

4.3.1 Strengthening provider relationships with existing employers

Some providers reported that they deliberately used the Employer Support Fund grants in order to help the employers they had long-standing relationships with. They did this because they trusted these employers to make good use of public funds to provide a better learning experience for the learner. Additionally, they felt that it was critical to support these employers as they provided placements year on year and therefore will make a substantial contribution to support the provider to deliver T Levels.

However, across all types of employers, the providers commonly reported that the Employer Support Fund helped them build stronger relationships. This was attributed to:

- Employers feeling that their time was valued.
- Employers being supported to provide meaningful industry placements which they felt was worthwhile for both themselves and their learners.
- Employers feeling supported as they have had to deal with the economic disruption caused by the pandemic.

It was also reported that the availability of public funding encouraged some employers to invest more of their own money into providing placements. A common example was employers providing the difference when the placement costs were over £750, as they commonly were for laptops. Additionally, there were also a few examples of employers subsidising learners that were over the threshold of 10 that employers could claim funding for.

4.3.2 Enabling existing employers to provide more placements

There is some evidence of the programme supporting existing placement providers to offer more placements. A few providers reported that some employers decided to take on more placements as there were economies of scale in providing placements. This meant that employers could make better use of the grants if they offered more placements. However, many providers did not notice a great change, mainly because they did not focus on promoting the grant to these employers as they were already engaged in providing placements.

A commonly reported benefit of the programme was that it enabled some employers to provide two placements rather than one placement. It was also reported to help encourage employers to provide 10 placements rather than seven. However, it is not possible from the data to quantify the extent to which this took place.

4.3.3 Increasing longer-term employer investment in placements

Most providers felt that the Employer Support Fund grants they issued during the pilot programme will have a long-standing effect on increasing placements. They reported that nearly all employers that received grants had positive experiences of providing placements and were willing to provide placements in future. Also, some of these employers wanted to provide more placements as they were satisfied with the experiment of having industry placements.

Indeed, providers often said that employers receiving grants were more committed to providing placements. Some stated that employers felt they needed to continue making effective use of assets they purchased through the programme (such as laptops and desk equipment). Others valued the funding and felt they should continue to *"give something back".* This was both for employers new to providing placements and those that had provided placements with the provider previously.

5 Effectiveness of the programme model

In this chapter, we bring together employer and provider views to assess the effectiveness of the Employer Support Fund programme delivery model. This sets out the rationale and demand for the programme, the size and scale of the grants, the funding eligibility criteria and the delivery model. This chapter also draws on data and analysis presented earlier in the report.

5.1 Rationale and demand for the programme

Nearly all the employers and providers we interviewed felt there was a need for the Employer Support Fund programme. The most commonly reported benefits of the programme was that it helped employers overcome barriers to providing placements and also helped them provide a meaningful learning experience to all learners. It should be noted that this was over and above the original objectives of the programme to increase the number of industry placements organised by providers.

The programme had been used by all providers but the data shows that most of the grants were given out by GFEs. In the interviews there was also a sense that the programme was most valuable when providers had to arrange placements on scale. Additionally, for providers that only organise a small number of placements there was a sense that providers felt the benefits of the programme were outweighed by the administrative burden and risk of clawback from using public funding.

The take-up of the programme has however been low, with £539,706 of the £7 million budget used over the two years of the programme. This was in part due to the pandemic affecting the number of placements providers were able to arrange, and also because of the unrealistic initial assumption that all employers that provide placements in the pilot regions would receive grants.

The future demand will depend on the nature of the programme moving forward. If the aim of the programme is to predominantly increase the number of placements, then it would make sense for the programme to be targeted at employers that had not previously provided placements. As stated in Chapter 2, providers gain most of their placements from repeat placements with existing employers. Therefore, it would mean only around 30 to 40% of placements would require Employer Support Fund funding, of which at most half would cite costs as a barrier to providing placements. There may however need to be some flexibility as some employers that previously provided placements may subsequently feel they cannot afford it, and likewise some could also use the funding to provide more placements.

If the programme aims to support both the take-up and quality of placements, then there is a rationale for giving providers larger allocations. However, there would then need to be changes made to eligibility criteria so that providers are not restricted to only offering the fund to employers that cite costs as a barrier to providing placements.

5.2 Size of the grants

Nearly all the providers believed that the maximum budget of £750 was a reasonable contribution to cover employer costs and generally met the needs of employers across all industry routes. The funding was generally considered to be impactful in that it was large enough to influence employer decisions on whether to take a placement student, while also providing reasonable value for money. In the interviews, it was instructive that none of the providers reported that employers had turned down the offer of funding as the maximum £750 grant was not sufficient.

Similarly, most employers also felt the funding limit was appropriate. Most recognised that the use of public funding needs to provide value for money and therefore felt that the amount 'struck the right balance'. Indeed, most employers did not report any difficulties in fitting all their placement costs with the £750 funding envelope unless they were purchasing laptops or other expensive IT equipment.

The programme data shows that a relatively high 135 of the 843 placements (17%) used the maximum £750 grant. In a few employer interviews, there was a sense that employers had aimed to use the total budget in order to maximise the value the grants could bring learners. However, in most cases, this was when the employer costs on the placements exceeded £750.

There were also some examples from the provider and employer interviews of some costs exceeding £750. However, in all these cases employers had agreed to cover the additional costs. Employers felt this was reasonable, particularly as they mostly kept the equipment purchased through the grants. Providers similarly felt that even if the £750 does not cover all the employer costs for providing a placement (particularly when used to purchase laptops, which are frequently worth over £750) the funding was seen to provide a sufficient contribution so that employers did not mind funding the remainder.

One issue reported by providers was that they felt the funding available for industry placements through the Employer Support Fund compared less favourably to funding available for other programmes. Most cited that employers taking on trainees received £1,000, and the funding for the Kickstart Scheme is £1,500. Providers were concerned that this inconsistency would be confusing to employers. However, there are differences with the scheme in terms of the length of time students are in the workplace and no providers reported that employers had chosen to access other programmes for financial reasons rather than taking on placement students.

In the qualitative interviews with employers, some employers similarly reported that they had accessed other funding programmes which had provided them with a higher amount of funding. Most employers felt the funding should be proportionate to the amount of work required, including the length of time individuals spent in the workplace, commitments/expectations on what they needed to provide learners, and the starting skills and experiences that learners brought to the organisation.

5.3 Cap on 10 placements per employer

Providers also generally felt the limit of funding placements for 10 students did not cause any undue effects on their recruitment. Some providers, most commonly those in the South West, stated that almost all of their placements were undertaken by small employers that rarely took on more than five placement students.

In the employer interviews, most reported that they were satisfied with the cap of 10 placements per year. However, employers in some sectors such as Creative and Design stated they could have taken on additional learners had the funding been available for more learners. Additionally, a few community organisations also stated they could take on more than 10 learners if there was additional funding available. This was likely because these employers wanted to provide placements in order to support their local community, but many had funding and cashflow issues.

Most providers reported in the qualitative interviews that the limit of funded placements did not restrict their employers from providing placements. Providers reported that it was relatively rare for employers to provide more than 10 placements. Those that did and accessed the Employer Support Fund understood that the funding could only cover the first 10 placements and if additional costs were incurred to support additional learners then the employer was generally willing to cover the costs themselves.

Some providers and employers also reported that there were economies of scale in providing placements on scale. A few employers reported that when they took on more than 10 learners it rarely added up to over £7,500 (the maximum funding an employer could access from the programme).

5.4 Costs eligible for the grants

Nearly all employers and providers were generally satisfied with the items eligible for Employer Support Fund grants. While it was acknowledged that they do not cover all the costs that employers incurred, and particularly the staffing times, employers were pragmatic in understanding that staffing costs were difficult to quantify and therefore it was reasonable for the programme to focus on tangible costs.

Indeed, most providers did not feel that covering employer staffing costs would make a material difference to the number of placements they arranged. Providers reported that where supervisory time was a barrier to providing placements, it was unlikely that funding would resolve this issue since most employers could not use the funding to bring in a replacement as supervisors were generally experienced staff members.

The providers we interviewed that requested clarification on eligible costs mostly queried whether learner training costs could be included in the claims. For some, a challenge was to distinguish between what informal training was eligible and what was ineligible as they were the staffing costs of supervisors that were supporting placement learners. To illustrate this, one provider reported that they were able to use the funding to fund a hair and beauty employer associate to provide a learner with training on make-up, but could not fund this if the training was provided by an in-house member of staff.

Some employers also felt there was a lack of clarity on what external training they could fund through the programme and what they should be expected to provide in-house as part of the learners' study programme. This included for example training on using farming equipment, health and safety training or training in using tools such as Computer Aided Design (CAD). Some felt the dividing line, as articulated by the DfE, was not always clear.

The additional expenditure that employers claimed did not fit into the programme categories generally related to consumables for placements. However, providers reported that this was generally accepted by the DfE as being a reasonable cost (it was generally categorised as 'other costs' in the data).

The only additional costs that a few providers and employers wanted to see covered in the programme were learner travel costs. Providers in rural areas, in particular, reported that this would be a great benefit in providing placements, as it would enable learners to work further afield. Some employers also reported that they incurred costs for collecting and dropping off learners.

5.5 Requirement for placements to be in the workplace

Most providers felt the restriction that all industry placements needed to be conducted face-to-face. This was viewed as a major barrier in providing placements in the academic year 2020/21 and could potentially be an issue moving forward as well. They felt that the current long period of home working is likely to result in many employers in sectors such as Digital and Creative and Design ending leases on offices and requiring all staff to work from home. It would therefore seem perverse to prevent these employers from providing industry experience as they do not have a physical office. Additionally, developing home working skills are also likely to be an increasingly important employability skill for young people, and therefore it would be a shame if learners could not acquire these skills on their work experience.

Most providers recognised however that a key characteristic of industry experience is having a one-to-one relationship with employers' staff and being able to undertake duties that have value for a business. They felt there is a risk that remote industry placements would not meet their understanding of an industry placement and would instead be work-related learning.

Some elements of effective remote work experience reported by providers include:

- Having regular catch ups with supervisors at least once a week, to ensure progress is monitored;
- Placement students participating in collaborative working activities with other employees using collaboration tools such as Microsoft Teams;

- Employers providing weekly work plans on the activities that students are undertaking, to ensure they are kept suitably busy;
- A review to ensure that employers have unique activities arranged for each of the placement students they take on, rather than setting more generic group work;
- Limiting the time that students can spend working remotely to less than two-thirds of their placement time.

It was also felt that students would need to undertake preparatory training in the provider about how to work remotely. This includes practical tips on managing work and avoiding distractions, while also teaching them etiquette in online meetings and the use of instant messaging services.

5.6 Requirements for introducing the grants

The most common barrier reported by providers was in requiring employers to state that funding was a barrier to providing placements. Some suggested they had potentially lost engagement with some employers early in the engagement process, due to the fact employers had shut down the concept of a placement before the provider could explore employer barriers. Additionally, they also felt that costs as a barrier was not a binary factor, instead, it was one of several factors that influenced whether a provider chose to take on a placement learner.

Some felt that using the funding as an incentive would likely have a greater impact on increasing the number of placements they organise. However, they also acknowledged there would be significant deadweight, as many employers would request the grant but would have provided placements anyway, and providers would not want to be in a position where they could not provide funding to ‘loyal’ employers that provided placements year-on-year.

5.7 Management of the grants

Providers were generally satisfied with the management of the grants programme. Most felt the communication on the programme by DfE was clear. They also felt they were able to quickly get clarification of whether particular costs were eligible, which meant they did not have to delay their response to employers.

Providers also generally felt the monitoring and reporting from the programme was proportionate. Most found the Employer Support Fund data tool to be relatively straightforward to use. The lack of need for written evidence of spend was also felt to be reasonable given the small size of the grants.

The activities undertaken to share good practice and address any provider concerns were also valuable. Most providers in the South West and West Midlands in particular valued the two webinars the DfE ran in the academic year 2019/20. Some reported that as a result of receiving clarification on some issues they felt they were able to make better use of the programme and provide grants more widely.

The DfE has been relatively hands-off with the management of the programme. Some providers valued this approach. However, a few questioned whether there was value in providing some more direct communication to providers that have not used their allocation. This could allow the funding to be re-allocated to other providers if necessary.

6 Conclusions

This chapter presents the conclusions from the study.

6.1 Did the programme meet expectations?

The use of the Employer Support Fund grants was substantially below expectations, with £539,706 of the £7 million project budget being spent over the two years of the programme. This in part reflects that the COVID-19 pandemic had a substantial impact on the arrangement of placements since March 2020, as well as that the targets originally set for the programme assumed far more employers than expected would cite cost as a barrier to providing placements.

There was also mixed take-up of the programme which affected the programme reaching its full potential. Only around a third of eligible providers used Employer Support Fund grants, and those that did were mostly GFEs. This in part was due to some providers feeling they had limited opportunities to use the funding as they were waiting for employers to cite costs as a barrier to providing placements. However, it was also due to some providers initially being unprepared to take the risk of spending money that could be clawed back, and in the academic year 2020/21 because providers had other priorities in dealing with the fallout of pandemic restrictions.

There have been 843 placements funded over the two years of the programme. The qualitative interviews suggest that some of these placements would have taken place anyway, although most would not likely have been delivered to the same quality or provided learners with as rich a learning experience. However, as a result of the equipment that employers received through the Employer Support Fund, some employers did agree to re-use the equipment for learners in future years, which means the programme will continue to have some impact on placements even after the pilots finished.

The impact assessment of the programme did not find conclusive proof that the programme had increased the number of placements provided by providers in the placement areas. It did find that for pilot regions in the first year of the programme (the South West and West Midlands) there were 10 additional placements created by providers that gave out Employer Support Fund grants compared to their peers. However, this difference was not statistically significant. In the second year of the programme there was a negative impact of 9, but this too was not statistically significant.

6.2 Has the programme been used effectively?

There has been no consistent approach to how providers have introduced the availability of Employer Support Fund grants to employers, which has had a substantial impact on the number of grants provided by each provider. Some providers have been proactive in asking employers if costs are a barrier to providing placements, whilst others have waited for employers to volunteer this information. Some also provided grants to employers that would have provided placements anyway, as long as they felt it would improve the quality of the placement.

This is reflected in the number of employers that providers have given grants to. Across both years, around six providers have given grants to over 15% of the employers they engaged to provide placements. However, for others, it was mostly less than 5%.

The programme has largely reached the target groups it was intended to reach. Most of the employers supported were either micro or small businesses. The programme also generally engaged employers across a range of sectors. Some routes benefited from grants more than others, most notably the Creative and Design, Agriculture, Digital, and Hair and Beauty sectors. The use of the grants in the academic year 2020/21 changed however, as a result of the pandemic, with a higher number of placements arranged in Health and Science and Education and Childcare

The way that providers have administered the grant was generally felt to have worked well. Employers felt that providers were generally clear on the eligible costs and the evidence they were required to provide to evidence these costs were largely felt to be proportionate. The payment model that providers adopted was also generally accepted by employers, despite providers adopting many different approaches from one-off payments to staged payments.

The programme was also felt to have been managed well by the DfE. Central to this was the DfE being quick to respond to provider queries about whether particular costs were eligible for funding. Additionally, the evidence required for spend was also felt to be appropriate, and the Employer Support Fund data tool was felt to have worked well. One question was whether the programme would have benefited from more active management of provider performance in the academic year 2020/21 to highlight any low take-up and support providers to overcome this.

Some employers and providers also felt the Employer Declaration could be more user-friendly. This included making the language less complex. As a consequence, some employers were concerned about signing the agreement. Additionally, it was suggested that the declarations should be able to be done online, rather than being paper-based.

6.3 What benefits has the programme brought the sector?

When the programme has been used, it has been most effective in increasing the quality of placements. While the initial focus of the programme was in supporting the volume of placements, the research found that there was substantial value in employers using the funding to enable learners on placement to do more. In particular, the research found examples of Employer Support Fund grants:

- Enabling learners to take on more responsibilities at work, such as being able to provide treatment and services to customers and using specialist equipment such as tractors.
- Allowing learners to enjoy a more immersive learning experience, where they were able to use organisation intranets and use the specialist tools and equipment that are used in industry.
- Gain qualifications and resources that the learner can use when they fully enter the world of work.

Providers also felt that being able to offer employers funding to cover some of their costs for providing placements has helped them build their relationship with employers. It makes employers feel that their time and contribution to providing placements is valued. Additionally, many employers valued that they received equipment for placements and therefore felt committed to providing placements for the next few years.

For providers, building strong relationships with employers was crucial in order to ensure they can arrange sufficient placements to meet learner demand from T Levels. As most source the majority of their placements from employers they work with year-on-year, it is important to ensure they have strong relationships in place. It is more efficient to continue these relationships than having to recruit substantial new employers every year.

6.4 Was the programme model effective?

Most aspects of the programme model worked well. Most providers and employers felt the list of eligible costs was reasonable. While they did not cover all employer costs, it was recognised that staff time was difficult to quantify and therefore it was reasonable to focus on tangible costs. Interestingly, some providers felt that the number of placements they arranged would not have increased if they had been able to cover employer staff costs as well.

The items of eligible costs were also felt to be mostly appropriate. The only issue was in determining what training costs could be funded through the programme and what related to employer staff time for providing the placement. Additionally, some employers and providers, and particularly those in rural or coastal areas, felt it would be appropriate for the programme to cover learner travel costs.

The funding limit was also felt to be about right. The average funding for each placement (£648) was comfortably within the limit of £750. Additionally, the average range of costs per route (between £575-£750) did not vary considerably, indicating that it is reasonable to set the same limit for all routes. While there were a significant proportion of employers that received the maximum funding and evidence that some placements incurred higher costs than £750, employers were generally willing to cover these additional costs. None of the providers that were interviewed reported that employers turned down providing placements because they felt the grants were too small. There were also some economies of scale in that some of the items purchased through Employer Support Fund grants can be used for future work placements, in particular when it has been used to fund items such as desks and laptops. Some providers wanted assurances from employers that this would be the case before providing the grants. However, other items such as COVID-related costs and consumables such as make-up and nail art kits for hair and beauty learners cannot be re-used.

Providers felt the programme funding needed to be proportionate to other programmes, such as Kickstart, traineeships and apprenticeships. Employers similarly felt there needed to be a clear rationale for the way these costs were decided, based on the length of time learners are in the workplace, the employer commitments and the starting point of the learner.

The limit of funding for 10 placements per employer was also generally appropriate. Some employers that took on more than 10 placements stated that they covered the costs of the additional placements themselves or averaged out the costs across the 10 placements. One issue was that a few Creative and Design and third sector organisations indicated they could have taken on more placements had they been able to fund more.

Another issue with the model was in how providers identified eligible employers for Employer Support Fund grants. Some felt that waiting for employers to cite cost as a barrier was too late, as many had already made their minds up that they do not intend to provide a placement. Consequently, providers wanted to be able to introduce the availability of grants earlier. Some providers also felt that it would be more effective in increasing the number of placements if it could be used as an incentive.

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