Apprenticeships are changing. Together let's make them work.

Apprenticeship reforms guide

A provider's guide to the reforms and how to transition successfully

Version: October 2017
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Introduction

Changes to apprenticeships mean new challenges and new opportunities for training providers, employers and apprentices. Since the Government commissioned its Review of Apprenticeships in England in 2012, City & Guilds has been at the forefront of research and information sharing to help the apprenticeship community prepare for the changes. By identifying where you are now and where you need to be in 2020, you can make the most of these changes.

The apprenticeship reforms aim to:

1. Give employers control in designing apprenticeships
2. Increase the flexibility of delivery
3. Simplify the funding system
4. Increase the effectiveness of training

New standards replacing SASE frameworks

Many new apprenticeship standards are approved for delivery but we are still in a period where the SASE frameworks are delivered alongside the new apprenticeship standards. Once an existing apprenticeship framework is covered by the new standard, the outdated framework will be discontinued when reasonably practical.

It is expected that the changeover, including run out of SASE, will be complete by 2020. It is possible this date could change. The original intention was that all new starts would be on trailblazer programmes from August 2017.

Between now and 2020 current apprenticeships frameworks will have funding removed as new standards go live – keep up to date by reviewing the ESFA website

gov.uk/government/organisations/skills-funding-agency
Your role as a provider

While the intention of the reforms is to give employers a leadership position at national, sector and delivery levels, it is also recognised that you, as training professionals, are fundamental to the delivery of innovative and high-quality apprenticeships. The quality of learning and training you deliver is a vital element in allowing businesses to manage and grow talent sustainably within their workforce. In the new system, the knowledge and experience of FE colleges and training providers is crucial to the successful delivery of apprenticeships.

How this guide helps you

With the changes in funding structure and a greater emphasis on apprenticeships, providers will need to consider a different delivery model. The majority of providers will switch from Specifications for Apprenticeship Standards in England (SASE) frameworks to new standards and will need to change their delivery and assessment methods. Some providers may be new to the apprenticeship market altogether.

This guide helps explain the reforms and the implications of the changes. It includes a series of strategic considerations and actions for developing your new apprenticeship offer, as well as guidance on preparing your staff for the changes.
The term trailblazer refers to a group of employers working together to design new apprenticeship standards for occupations within their sectors. The group must consist of at least ten employers, which must include at least one Small or Medium-sized Enterprise (SME) representative. We now refer to trailblazer groups as employer groups.

In this section:

• The trailblazer process to create a new apprenticeship standard

• Sources of further information, help and support.
The process for employer groups

1. **Expression of interest**
   A group submits an expression of interest form to the Institute for Apprenticeships (IfA), outlining their occupation of interest. This is an application to become a employer group and to write a new apprenticeship standard for an occupation.

2. **Write the apprenticeship standard**
   Once the group is approved and the occupation is confirmed as valid, the employer group agrees what the priorities are and then writes the new standard. The document must outline the skills, knowledge, competence and behaviours required for occupational competency.

3. **Standard approved by BIS**
   Proposed standards must be submitted individually to the IfA. Once approved, the standard is published online and the employer group can develop assessment plans.

4. **Write the assessment plan**
   The employer group submits an assessment plan and costing template to the IfA. The assessment plan must set out what will be assessed, how the assessment will take place and the assessor requirements. It will also outline what is required to pass the end-point assessment.

5. **Approved for delivery**
   Once approved for delivery, the assessment plan and its allocated funding band are published online. It is now ready for delivery.

   At this stage, the learning aims reference service (LARS) number is published for each apprenticeship. This unique identifier lets the provider register an apprentice with the ESFA.

City & Guilds has published a guide for employers on writing apprenticeship standards and assessment plans.
Approved for delivery

The IfA will publish standards as ready for delivery once assessment plans are approved and funding bands have been allocated. This means that employers and providers can deliver using the new funding framework consisting of 15 funding bands starting May 2017 (see page 26-27).

There is also a national process of identifying reference providers working with each employer group on piloting implementation. We recommend talking to these nominated reference providers. You can get in touch with the Association of Colleges (AoC) or Association of Employment and Learning Providers (AELP) for further information.

The decision on readiness for delivery does not always take account of the need to develop, change qualifications, or develop end-point assessment instruments and formative assessment tools that may be devised nationally.

Once the assessment plan is approved for delivery, the ESFA then lists the apprenticeship standard for application by potential assessment organisations to deliver end-point assessment. There is no definitive timescale for when the standard will be open for tender.

City & Guilds is working with employer groups, helping to shape apprenticeship standards and assessment plans. Our teams can update you on the development of new standards and will be able to advise you on your transition plan moving forward. For further advice, contact us at: apprenticeships@cityandguilds.com
Current apprenticeship frameworks will be replaced by clear and concise standards, defined by employer groups and recognised by industry.

Each occupation will have a different apprenticeship standard, linked to a specific occupational level. The standards are rigorous, challenging and require a minimum of one year’s training. All new standards will be published so companies, learners and trainers can access all of the relevant information.

In this section:

- A summary of apprenticeship standards
- Guidance on maths and English
- Information on assessment of behaviours.
Moving from frameworks to standards

The difference between SASE frameworks and new apprenticeship standards

**SASE frameworks***
(multi-occupational)

- **Initial assessment**
- On-the-job and off-the-job training
  - Mandatory qualification(s)
  - NVQ and Technical Certificate or combined qualification
  - Maths and English
  - Personal Learning and Thinking Skills
  - Employment rights and responsibilities

**Apprenticeship standards**
(individual standards per occupation)

- **Initial assessment**
- On-programme phase: On-the-job and off-the-job training
  - Qualifications are not mandatory
  - Build qualifications into standards, either mandatory (in the standard) or recommended (in the assessment plan). If qualifications are not written into a standard, providers can still build them into their apprenticeship programme at a cost
  - Maths and English
  - Behaviour (formal measurement is not mandatory)
- **Gateway**
  - Employer and provider sign off learner
- **End-point assessment**
- **Completion and certification**

**Occupational competence**

*Funding for SASE frameworks will end by 2020 though this date may change.*
Apprenticeships are no longer defined by qualifications

There is no mandatory requirement for qualifications within new apprenticeships unless needed for a licence to practice, or used widely as a sift by employers. Employer groups can build qualifications into the standards, either mandatory (in the standard) or recommended (in the assessment plan).

Where qualifications are not mandatory, employers and providers have much more flexibility to choose which qualification to offer (which would be at a cost if not required by the apprenticeship standard), or can develop a programme that does not include qualifications at all. And providers are still able to build qualifications into the apprenticeship programme even where they’re not included in the standard.

On-programme assessment

Continuous assessment is still needed to track apprentices’ progress, gather feedback and offer employers and providers a clear perspective of apprentices’ readiness for final assessment. Continuous assessment might be through a one-to-one monitoring progress, or as a formal qualification that precedes the end-point assessment.

Where there is no qualification required by the standard, providers may design their own on-programme content or use City & Guilds solutions (where available). However, the provider remains responsible for the quality assurance of the delivery of the on-programme element. Many employers will be able to carry out all or part of this function, whereas providers currently have this responsibility in most occupations. We anticipate employers and providers will need to work in close partnership to deliver quality apprenticeships.

City & Guilds is working closely with employer groups and constantly monitoring standards as they are developed. We will revise or develop qualifications where they are specified in assessment plans. In many cases, if they are not specified in the assessment plan we may also develop qualifications or programmes of study to add value to the apprenticeship - where there is market demand.
On-programme assessment (continued)

Maths and English

Maths and English underpin success in all jobs and career paths. All apprenticeships need to include opportunities for learners to develop their knowledge, understanding and use of maths and English. For many apprentices this will involve achieving specific qualifications in these subjects as part of their programme.

The minimum required to complete most Level 2 apprenticeships is a qualification in maths and in English at Level 1 or above (e.g. Functional Skills at Level 1 or 2, or GCSE at grade E or higher). It is important to check the relevant apprenticeship standards as some employer groups have decided to set a higher threshold for certain job roles. Where apprentices already have maths and English qualifications at the minimum level required to complete their apprenticeship, they should be supported to work towards the next level.

All Level 3 apprenticeships require learners to achieve Level 2 qualifications in maths and English by the time they complete their programme. This will usually mean Functional Skills at Level 2 or GCSE at grade C or higher. Some apprenticeship standards have more tightly prescribed requirements.

Behaviour

The apprenticeship standards will cover behaviour as well as skills and knowledge. Employer groups will outline their expectations for behaviour in the assessment plan. Depending on specifications in the assessment plan, behaviour may or may not be formally measured, however in either event it will contribute to end-point assessment outcomes and grades.

You should pay extra attention to:
- Categories of behaviour specified in the standard
- The role that behaviour has in the assessment plan
- Whether behaviour will be assessed separately or integrated into other areas of assessment
- The extent to which grades are influenced or determined by behavioural performance.

You will want to consider the best way to deal with behaviour for each apprenticeship you offer. Even where behaviour is not assessed separately, you may decide to focus on it as an expedient performance outcome.

City & Guilds is responding to how behaviour has been incorporated across the new apprenticeship standards. We are developing tools and resources to help providers manage delivery efficiently and effectively.
The move to independent end-point assessment at the end of the apprenticeship programme is probably the most significant reform in the changes to delivering apprenticeships.

**In this section:**

- Information on independent end-point assessment and assessment methods
- Assessment examples for the new standards
- Information on who will deliver end-point assessment and sources for further information.
Independent end-point assessment

At the end of an apprenticeship, the apprentice will go through a ‘gateway’ process where they are signed-off by their employer as ready for a final assessment of their knowledge and practical capabilities. The end-point assessment will test that they can perform in the occupation in a fully competent, holistic and productive way.

The assessment will be graded (in most cases) and the Independent Assessment Organisation (IAO) and assessor must be independent of, and separate from, the training provided by the provider and employer.

What methods will be used?

The standard and assessment plan written by the employer group will set out the knowledge, skills and behaviours required, together with an outline of the assessment methods to be used for the end-point assessment. Examples of different assessment methods are shown below.

The validity, effectiveness and cost of the various methods available vary with the occupation. They could be practical, involving work that can be easily observed (eg plumbing, hairdressing or horticulture) or knowledge-based, where work output can sometimes be partly observable (eg insurance or digital).

For assessing practical competence

Methods include:
- Workplace observation
- Testing in a practical test facility
- Workplace projects
- Portfolio of work
- Assignments

For assessing knowledge-based competence

Methods include:
- Workplace projects
- Projects away from work (invigilated or otherwise)
- Professional discussions
- Assessment of work output

For assessing a body of knowledge

Methods include:
- Tests
- Examinations
- Professional discussions

These could involve multiple-choice tests and be administered on paper or online.

Any organisation that delivers end-point assessment must be recognised on the register of end-point assessment.
There are multiple assessments for most apprenticeship standards. The table below outlines assessment methods for a selection of apprenticeship standards that are ready for delivery.

<table>
<thead>
<tr>
<th>Apprenticeship Standard</th>
<th>Assessment 1</th>
<th>Assessment 2</th>
<th>Assessment 3</th>
<th>Assessment 4</th>
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<tr>
<td>Dental Nurse L3</td>
<td>Synoptic project</td>
<td>Structured interview</td>
<td></td>
<td></td>
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<tr>
<td>Network Engineer L4</td>
<td>Summative portfolio</td>
<td>Synoptic project</td>
<td>Structured interview</td>
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<td>Property Maintenance L2</td>
<td>Synoptic knowledge assessment</td>
<td>Synoptic practical assessment</td>
<td>Synoptic interview</td>
<td></td>
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<tr>
<td>Customer Service Practitioner L2</td>
<td>Apprentice showcase</td>
<td>Practical observation</td>
<td>Professional discussion</td>
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<td>Team Leader/ Supervisor L3 (ILM)</td>
<td>Knowledge test</td>
<td>Interview</td>
<td>Assessment of portfolio evidence</td>
<td>Professional discussion</td>
</tr>
</tbody>
</table>

City & Guilds is an assessment organisation on the register of end-point assessment organisations for numerous standards, including those listed above. For our most up-to-date end-point assessment offer, visit cityandguilds.com/apprenticeships
Who will deliver end-point assessment?

Once an assessment plan has been produced, together with its costing, the ESFA will allocate a funding band and publish the apprenticeship standard on the Government website as approved to deliver.

The ESFA then lists the apprenticeship for tender by potential assessment organisations. Successful organisations will be listed on the register of end-point assessment organisations. To be registered you should respond to tenders from the ESFA and prove your capacity to carry out assessments and to develop assessment instruments, tests, examinations appropriate quality assurance processes, documented systems and processes, and assessment centres. These can be assessment organisations, such as City & Guilds, or providers (as long as they are not looking to assess their own apprentices, and have the assessment or development capacity).

In some cases employers might wish to become an assessment organisation on the register of end-point assessment organisations, or appoint one themselves, eg if they want to establish a supply chain initiative. The application is required for each occupational standard therefore many assessment organisations will apply multiple times.

Even when the application has taken place, it is often the case that there is still a need to develop assessment instruments and this might take some time.

City & Guilds will endeavour to give advice to training providers and employers on this matter, so they can start apprentices as soon as it is practicable.
Choosing an end-point assessment organisation

As a training provider you can recommend an organisation that is listed on the register of end-point assessment organisations, but the final choice is down to the employer. If you are delivering the apprentices’ training and development you cannot be involved in the end-point assessment.

As the lead provider you will contract with, and pay, your end assessment organisation as part of your overall agreement with the employer. However, you will need to agree a provisional price, and later a confirmed price, for the assessment with the organisation. This confirmed price must be communicated to the employer.

City & Guilds will deliver end-point assessment in a variety of ways, as required by the sector’s model of assessment and partly by operational considerations such as volumes, peaks and troughs.

Our delivery options might be:

1. Contracting freelance assessors only
2. Arranging for release and contracting assessors from employers, partner providers and colleges (to assess apprentices that they’ve had no part in training)
3. Subcontracting for use of assessors from partner providers and colleges
4. Hiring venues from partner organisations

To discuss working with us in the delivery of end-point assessment, please contact: apprenticeships@cityandguilds.com

Any agreed price with the employer must be viable to ensure that any external purchase of services such as EPA can be afforded.
The reforms involve radical changes to the basic design of apprenticeships. The move to independent end-point assessment at the end of apprenticeships gives employers, FE colleges and training providers a higher degree of flexibility in the delivery of training. It also gives them opportunities to design their own apprenticeship programmes.

In this section you will find:

- The implications of the changes and advice on what you will need to consider when planning for them
- Measures to ensure quality of training, learning and assessment in apprenticeships.
The implication of the reforms

The changes

Individual standards are written per occupation whereas frameworks were multi-occupational

Each standard has a destination occupational level. For example, the apprentice may start at Level 2 and complete at Level 3

Qualifications are not mandatory, unless specifically required by the employer group. In the SASE frameworks, qualifications were mandatory

Implications for providers

• An increase from approximately 250 SASE frameworks to potentially over 800 standards. This may be difficult for multi-Standard Occupation Code (SOC) providers to manage

• The primary level relates specifically to the occupation, however there are potentially a variety of levels for the varying skills that underpin the occupation

• More Level 3 and Level 4 apprenticeships

• Care needed to choose the occupation and level for entrants to apprenticeships, based on the employers’ work role

• The new standards may take longer, which could affect timely completions and the success rate

• The focus is widening to include more higher level apprenticeships, up to Level 7

• Increased flexibility for the employer and provider because any relevant qualification of any size can be used, eg technical, NVQ-style, combined, unless a specific qualification is mandatory and written into the apprenticeship standard

• If no qualification or detailed specification is set, a curriculum that meets the new apprenticeship standard may be determined by the provider

• Providers will need to decide on multiple offers to employers and apprentices

• Provider programmes can be accredited by third parties if required, eg City & Guilds

• Providers and employers can specify approved prior learning for apprentices recruited from full-time vocationally relevant courses, where stated in the assessment plan
The changes

Holistic assessment of occupational competence is delivered by an independent assessor at the end of the programme. There is no continuous formal assessment of occupational competence.

Sign-off from the employer is required to confirm the apprentice is ready for end-point assessment.

Apprenticeships are graded (in most cases).

Assessment of behaviour is required in the apprenticeship standards.

Personal Learning and Thinking Skills are no longer needed.

Employment rights and responsibilities are no longer needed.

Standards can be underpinned by National Occupational Standards (NOS). This is decided by the employer group writing the standard.

Apprenticeship certificates will be issued by the ESFA. The assessment organisation will make the submission to ESFA rather than the providers.

Implications for providers

- Providers must design on-programme assessment where no work-based qualification is specified.
- On-programme assessment can be delivered by employers with provider support.
- The provider and employer will have to consider the implications of working with independent end-point assessment organisations, along with preparing the apprentice for the assessment.
- Providers will need to design a method for employers to formally sign-off as ready for end-point assessment.
- Grading is confirmed at the end-point assessment.
- Providers will need to give feedback to apprentices during the training process so progression can be monitored.
- Providers will need to determine how to assess behaviours out of context and prepare apprentices for end-point assessment. There are a variety of behaviours that are suited to different occupations.
- Providers will be able to include these if they believe they add value to their programme, or if required by the employer.
- Providers will be able to include these if they believe they add value to their programme, or if required by the employer.
- If the employer group is in favour of the existing NOS, it is likely that there will be stronger synergies with the content and delivery in the current related SASE framework.
- Employers and providers may find NOS very useful for programme design.
- Providers will still need to share evidence of on-programme completion with the assessment organisation.
Quality learning, training and assessment in apprenticeships

As the apprenticeship standards are not centred on qualifications, the quality measures will be changing. The new standards are not required to align to national standards and are designed ‘by employers, for employers’ with the condition that employers co-invest in the apprenticeship cost.

Real growth in sustainable volumes of apprenticeships can be secured only through a strategy with quality at its heart. The City & Guilds Industry Skills Board has carefully considered what would really achieve actual and perceived quality as the central theme in apprenticeships. Their full report Making Apprenticeships Work is a useful read and is on cityandguilds.com/apprenticeships.

Making apprenticeships work: the quality model

A model for these four components of quality has been developed based on the experiences of Industry Skills Board employers and the Government’s apprenticeship reforms.

Putting learning at the heart of apprenticeships

Real experience, practice and problem solving...

- On-the-job training and learning from and with others (experts and peers)
- Off-the-job education, training and online learning
- Coaching, mentoring, formative assessments, review and feedback
- A nurturing, supportive and visible learning environment where apprentices have a voice

...to achieve productivity and autonomy

Mastery

- Routine expertise
- Resourcefulness
- Craftsmanship
- Functional skills
- Business-like attitudes
- Wider skills and behaviours
- Autonomy

Sign-off by employer

- Qualification(s)
- Licence to practise
- Certification

Independent end-point assessment

- Routine expertise
- Resourcefulness
- Craftsmanship
- Functional skills
- Business-like attitudes
- Wider skills and behaviours
- Autonomy

Continuing occupational and management development

- Initial assessment
- Apprenticeship agreement
- Induction

Recruitment

- Recruitment into apprenticeships that are intrinsically demanding and worthwhile
- Training and learning programmes that use a range of effective methods, and are built on the support of highly skilled adults in the workplace
- High standards built into a demanding assessment at the end of the apprenticeship
- Progression opportunities that display the potential career routes beyond the initial apprenticeship
The new apprenticeship standards mean new reporting and delivery requirements too. It is important that providers are ready for these practical changes.

In this section:

- Summary of the Government’s new register of apprenticeship training providers
- Guidance on how to apply.
The register of apprenticeship training providers

Any organisation that intends to deliver apprenticeship training must apply to be listed on the new register of apprenticeship training providers (RoATP). Organisations will not be able to access levy funding to deliver apprenticeship training if they are not listed on the RoATP, this includes employers.

For providers, this will apply whether the contract is with a levied employer or a non-levied employer.

Subcontracting apprenticeship delivery

Levy-paying employers can hold direct contracts with any provider on the RoATP. Current subcontracting relationships, where a provider funds another provider to deliver full apprenticeships, is no longer relevant. As such, working with an intermediary provider will no longer add value.

Future subcontracting is focused around meeting employer needs for specialist provision. For example, a provider could bring in expertise from supporting providers to deliver parts of apprenticeships that the main provider is unable to source or supply.
Applying to the register of apprenticeship training providers

The RoATP will open at regular points each year. Organisations will need to reapply every 12 months. The register is intended to raise the bar of apprenticeship delivery quality via increased information requirements. The registration process will have a strong focus on applicants’ ability to deliver high-quality apprenticeships, supported by applicants’ fitness and eligibility to receive public funding.

There are three entry routes:

**Supporting route**
For organisations that wish to deliver as a subcontractor and offer a specialism. The capacity and capability testing aspect of the application process is reduced to reflect this. Providers cannot deliver more than £500k across their cumulative sub-contracts and must deliver apprenticeships to employer via a main provider, not directly.

**Main route**
For the majority of training providers. These organisations will deliver to levied and non-levied employers and will have the capacity to deliver a substantial part of the apprenticeship or be selected by another main provider to work as a subcontractor.

**Employer-provider route**
For levied employers who want to deliver apprenticeships directly and solely to their own staff. They will lead their own programme, or act as a subcontractor to their appointed main provider. Employer-providers on the RoATP, cannot be part of ESFA procurement for apprenticeship delivery to non-levied employers and cannot deliver outside of their organisation so will not be on the digital apprenticeship service search tool. Employer-providers will be inspected by Ofsted and make data returns to the ESFA and maintain evidence for ESFA audits.
There are three areas on which the organisation will be tested:

<table>
<thead>
<tr>
<th>Due diligence</th>
<th>This includes factual information regarding legal status, director information and compliance with legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial health</td>
<td>Organisations must score 'satisfactory' at least to continue. Some organisations do not need to complete the financial health audit, as their financial data is already in the public domain</td>
</tr>
<tr>
<td>Quality, capacity and capability</td>
<td>This includes Ofsted results, staff knowledge, qualifications and skills, management information, performance data and Quality Assurance Agency reviews for higher education institutions. All applicants must include their safeguarding policy - main providers must specify how this is put into practice. Main and supporting providers must include their Prevent duty policy and practices</td>
</tr>
</tbody>
</table>

Before applying to the RoATP, organisations must have registered with:

- The UK Register of Learning Providers: [ukrlp.co.uk](http://ukrlp.co.uk)
- Information Commissioner’s Office (ICO) for education and training: [ico.org.uk](http://ico.org.uk)
- For an account on the Bravo E-Tendering portal: [skillsfundingagency.bravosolution.co.uk](http://skillsfundingagency.bravosolution.co.uk)

For further support and guidance documents, visit: [gov.uk/government/collections/register-of-apprenticeship-training-providers](http://gov.uk/government/collections/register-of-apprenticeship-training-providers)
06 Apprenticeship funding

When the Government set a target of creating three million apprenticeships in their five-year term, it was clear that a sustainable, long-term funding solution was needed to help the education and skills system better meet the needs of employers. To enable this, the Government has introduced significant changes and funding from April 2017, including a new employer apprenticeship levy.

In this section you will find:

- Information on the apprenticeship levy and the new funding bands
- The digital apprenticeship service and how it can help employers get more from the apprenticeship programme.
Apprenticeship funding

Employers fall into one of two groups and this will determine how the apprenticeship is funded. This is the case for SASE frameworks and the new apprenticeship standards.

Employers with a pay bill under £3million (non-levy paying)

Continue to co-invest on 1:9 ratio with government for the delivery of apprenticeship standards and begin to co-invest for the delivery of all apprenticeships.

Employers with a pay bill over £3million (levy paying)

Pay an apprenticeships levy via PAYE and HMRC with funds going into an Apprenticeship Service account. The Government will top-up the account by 10%. Funds in the account can only be spent on training and assessment of apprenticeships.

Levy examples

**Non-Levy Payer:**
 Employer with a pay bill of £2million

<table>
<thead>
<tr>
<th>Levy sum (0.5% of pay bill)</th>
<th>0.5% of £2,000,000 = £10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowance (£15,000)</td>
<td>£10,000-£15,000 = -£5,000</td>
</tr>
<tr>
<td>Annual Levy Payment</td>
<td>£0 because total levy sum equals less than the £15,000 allowance</td>
</tr>
<tr>
<td>+10% Government top-up</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total to spend on apprenticeships</strong></td>
<td><strong>Non-Levy Payer:</strong> Funds will be through co-investment model</td>
</tr>
</tbody>
</table>

**Levy-Payer:**
 Employer with a pay bill of £50million

<table>
<thead>
<tr>
<th>Levy sum (0.5% of pay bill)</th>
<th>0.5% of £50,000,000 = £250,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowance (£15,000)</td>
<td>£250,000-£15,000 = £235,000</td>
</tr>
<tr>
<td>Annual Levy Payment</td>
<td>£235,000</td>
</tr>
<tr>
<td>+10% Government top-up</td>
<td>10% of £235,000 = £23,500</td>
</tr>
<tr>
<td><strong>Total to spend on apprenticeships</strong></td>
<td><strong>£258,500</strong> to spend on apprenticeship delivery and assessment</td>
</tr>
</tbody>
</table>

For information about funding arrangements before April 2017, visit: cityandguilds.com/apprenticeships
Funding bands for apprenticeships

Apprenticeship standards and SASE frameworks will have a single funding band applied, outlining the maximum amount the Government considers is required to deliver that apprenticeship. Within the maximum band, employers will be expected to negotiate delivery costs with colleges and providers.

<table>
<thead>
<tr>
<th>Bands</th>
<th>Band upper limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>£1,500</td>
</tr>
<tr>
<td>2</td>
<td>£2,000</td>
</tr>
<tr>
<td>3</td>
<td>£2,500</td>
</tr>
<tr>
<td>4</td>
<td>£3,000</td>
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<td>5</td>
<td>£3,500</td>
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<td>6</td>
<td>£4,000</td>
</tr>
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<td>7</td>
<td>£5,000</td>
</tr>
<tr>
<td>8</td>
<td>£6,000</td>
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<td>13</td>
<td>£21,000</td>
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<tr>
<td>14</td>
<td>£24,000</td>
</tr>
<tr>
<td>15</td>
<td>£27,000</td>
</tr>
</tbody>
</table>

Additional funding

- Employers with fewer than 50 (49 or fewer), employees will pay no contribution if they take on a 16 to 18 year old apprentice, or 19 to 24 year olds who were formerly in care or who have an education health and care plan. These are fully funded by the Government.
- A £1,000 incentive payment is received by both the employer and provider for each 16 to 18 year old apprentice.
- Additional funding is available for 19 to 24 year old apprentices formerly in care or with an education health and care plan.
- Providers will receive additional payments to support students from deprived areas (as per the Index of Multiple Deprivation).
- Maths and English are funded at £471 per qualification – not out of levy – and direct to provider from government and claimed via the Individualised Learner Record.
- For frameworks only, there is additional transitional funding (20%) to support for providers with 16 to 18 year old apprenticeship delivery.

What can the apprenticeship funding be spent on?

Funds from an employer’s digital account or government co-funded investment can only be used for delivery directly related to the apprenticeship, eg:

- On- and off-the-job training.
- On programme assessment or formal end-point assessment.
- E-learning as part of blended learning.
- Registration, materials, examination and certification related to the apprenticeship.
- Re-sit of qualifications or non-accredited elements – where additional learning takes place.
- Accommodation for residential learning or taking part in skills competitions.
The funding system for non-levy payers

- Funding will continue to be channelled through college and/or provider allocations using the co-investment model. Employers will co-invest 10% and government will contribute 90%. The payment method will be transitioned to the Apprenticeships Service.

- The funding band is the maximum amount that can be claimed for delivery, though the employer and provider can negotiate to reduce the employer’s contribution. This will also reduce the funding that the training provider gets from the ESFA. The employer can choose to contribute more, but the Government will only pay up to the allocated funding band.

- The providers’ relationship with non-levy paying employers will be based on trust and credibility. Providers will need to consider administrative complexities and negotiate price for delivery of the apprenticeship, being mindful of internal costs, funding bands, incentive payments and the cost of end-point assessment.

- The ESFA runs a procurement exercise for the delivery of apprenticeship training to employers who do not have a digital account. The invitation to tender (ITT) for the procurement closed on 25 November 2016 for the period May 2017 to July 2018. The ITT indicates that further awards during the term of the contract are possible.

Providers must ensure they have sufficient information in their financial systems to evidence employer co-investment (payment, not just invoices).
The funding system for levy payers

- The levy will be 0.5% of an employer’s pay bill where it exceeds £3 million (no employer is exempt). It is the employer’s responsibility to declare they are levy-paying.
- HMRC collects the levy monthly via PAYE. It will be accessed through the digital apprenticeship service and 100% of apprenticeship costs are paid to providers from this account. Levy payments will change monthly according to employer payroll (fluctuations in staffing and seasonal employment), with overpayment rebated at year end.
- There will be a £15,000 allowance for levy-paying companies, similar to PAYE tax allowance, to off-set against the levy.
- The Government will top-up monthly funds for apprenticeship training by 10%. The Government will also contribute £2000 towards the costs of 16-18 apprenticeships and for 19-24 year olds with local authority education health and care plans: £1000 for the employer, £1000 for the provider.
- Employers who exhaust their levy funds can take on more apprentices using the non-levy 1:9 co-invest model.

For more on the levy, including how to report and pay go to: gov.uk/guidance/pay-apprenticeship-levy
The Apprenticeship Service

The Apprenticeship Service, formerly the digital apprenticeship service (DAS), is a new virtual tool that levy-paying employers will use to manage their apprenticeships. Levy-paying employers can set up an account online on the Apprenticeship Service to see their available funds and make virtual payments to colleges and providers that are delivering their apprenticeships (this could be an employer’s own training). Funds can only be used for Government-approved apprenticeships. The college or provider will receive payments via their monthly ILR return.

Levy monthly amounts will accumulate in an employer’s Apprenticeship Service account throughout the year and any unused allowance will be carried from one month to the next. Funds will expire 24 months after they enter an employer’s account and be removed.

The Apprenticeship Service will hold the following information:

- A list of colleges and providers and their performance records
- A list of approved end-point assessment organisations
- Apprenticeship vacancies
- A function to allow levy-paying employers to buy apprenticeship training.

Non-levy payers will also be able to use the Apprenticeship Service, but only to view information. It is likely that non levy-payers will transition to using it to manage their apprenticeships from 2019/2020.

Note that the digital apprenticeship service has changed its name to Apprenticeship Service.
The major changes to apprenticeships mean that providers will need to examine their processes and models to meet the needs of employers and to be financially sound.

**In this section:**

- An 8-step action plan to help transition to the new apprenticeship standards
- Guidance on developing your apprenticeship offer and selecting an assessment partner
- Guidance on the business opportunities, pricing, and negotiating contracts.
Your 8-step guide

1. **Your apprenticeship strategy**
   Has your senior leadership team signed off a business apprenticeships strategy?

2. **Review your current offer**
   Have you done a health check of your current offer and researched occupational standards?

3. **Financial planning**
   Do you have a finance model for your apprenticeship delivery?

4. **Defining your offer**
   Have you defined and developed your full offer on programme and end assessment?

5. **Engaging with employers**
   Have you engaged with employers to evaluate future customer needs and predicted learner volumes?

6. **Pricing and affordability**
   Is your pricing confirmed and have you checked affordability?

7. **Capability and capacity**
   Have you evaluated your internal capability and capacity to deliver?

8. **New systems and processes**
   Do you have systems and processes in place to deliver?
Step 1:
Your apprenticeship strategy

Determine your business apprenticeship strategy, the skills requirement for your local area, and which programmes might have a high demand.

Centres may opt to specialise in specific occupations or plan to engage a large employer and support their chosen occupations.

What’s your strategic direction per industry area?

- Defend existing business and revenue
- Reduce delivery of apprenticeships
- Grow business in the apprenticeship market

Step 2:
Review your current offer

With the new employer-led approach, your greatest asset will be your relationship with employers. With this in mind, we suggest that you consult your employer contacts and start by evaluating your current delivery model to test local demand and ensure you are meeting their overall requirements. From this review, you can decide how to sustain and grow your business.

In addition, consult with staff and learners to review what is and isn’t in your current delivery model.

Identify the characteristics of the types of business you currently work with and might work with in the future. In the new system, employers may prefer to work with a provider who can offer the full range of occupations they employ, rather than use a number of different providers.

This does not mean that you need fully bespoke offers for each employer. Rather you need to develop one or more offers related to each occupation that employers can choose from, while giving you the flexibility to tailor programmes to suit employers.
Step 3: 
Financial planning

You need to evaluate when to start delivering the new apprenticeship standards. To do this, you will need to identify where there are new standards that can replace your existing provision and consider the financial implications of switching. Keep an eye on updates on the SASE frameworks and the standards under development (along with those ready for delivery).

Some SASE pathways, such as administration, may have multiple equivalent employer group occupations. In this case, the new standards might be more industry specific so you will need to consider which one is most appropriate for your employers.

The examples here are accurate at time of writing. Centres will need to look at their cohort sizes in each programme type, the funding available and the status of the new standard. In some cases, there will not yet be a replacement standard approved for delivery.

<table>
<thead>
<tr>
<th>Level</th>
<th>Framework name</th>
<th>Current Funding Based on Average between 16, 18 and 19+</th>
<th>New Proposed Funding (FRMW)</th>
<th>Equivalent Standard</th>
<th>New Proposed Funding (Standard)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 2</td>
<td>Catering &amp; Professional Chefs</td>
<td>£4,975</td>
<td>£2,500</td>
<td>Commis Chef</td>
<td>£6,000</td>
</tr>
<tr>
<td>Level 2</td>
<td>Health &amp; Social Care</td>
<td>£4,133</td>
<td>£1,500</td>
<td>Adult Care Worker</td>
<td>£2,000</td>
</tr>
<tr>
<td>Level 3</td>
<td>Dental Nursing</td>
<td>£5,074</td>
<td>£2,500</td>
<td>Dental Nurse</td>
<td>£6,000</td>
</tr>
<tr>
<td>Level 2</td>
<td>Warehouse &amp; Storage</td>
<td>£2,736</td>
<td>£1,500</td>
<td>Warehouse Operator</td>
<td>tbc</td>
</tr>
</tbody>
</table>

Evaluate the business opportunity for transitioning now or later:

**Stay with SASE frameworks**
- Funding may not be enough to deliver
- Potential for loss in revenue

**Stay with SASE frameworks for short term**
- Short-term financial challenges but time to plan for embedding the new standards

**Move to new standards now**
- Potential for more funding

**Switch off delivery**
- Loss of income until you implement a new plan

**Benefits of delivering the new standards**
- More funding available
- A more attractive proposition for employers
- New standards may better meet small business requirements
- More attractive programme for learners
- Staying ahead of competitors by establishing your centre as a leader in new apprenticeships
Step 4: Defining your offer

Designing your on-programme delivery model

To decide the appropriate approach for each apprenticeship offer, consider:

- Whether to deliver one or more qualifications
- Developing your programme(s) aligned to the assessment plan
- Developing your programme, accredited by an awarding body
- An employer training programme
- End-point assessment organisation engagement.

Where there are mandatory qualifications, the process remains similar to before the reforms. Where there are no mandatory qualifications, employers and providers have choices to make and development work to carry out.

In developing your delivery model and offer to an employer, the priority is to understand the content and requirements of the standard and assessment plan for each occupation.

Consider the following options:

- **Qualification-based**: A delivery model that includes the learning and practical training to prepare for the mandatory assessments specified by the employer group.

- **Bespoke programme**: A provider or employer may develop their own bespoke programme of learning and training that prepares the apprentice for end assessment.

- **A bespoke programme with accreditation**: A provider can choose to accredit their programme with an awarding organisation.

For all of these models, providers will need to:

- Assess qualifications available and decide whether to include any that are surplus to the employer group requirements at cost
- Determine approved prior learning relationship to vocational qualifications of potential recruits
- Determine expected duration range
- Create method for assessment of employers’ capabilities
- Define skills needed to assess employer work roles
- Assess costs and negotiation price with the employer
- Agree on behaviours assessment tool
- Agree format for employer sign-off
- Integrate maths and English learning into programmes.
Step 5: Engaging with employers

Once you have reviewed and modelled your offer, you can begin engaging with employers in more depth. You should consider whether you are working with the right employers and have the right capability, capacity and ability to deliver the apprenticeship. An employer’s success is your success so how you engage with employers and add value to your offer, is vitally important. An employer’s primary goal will be to deliver high-quality apprenticeships with high completion rates, resulting in increased productivity for their business.

Engaging with employers and helping them plan:

- Evaluate your relationship with your employers
- Analyse future inward investment and plans to target employers not already engaged
- Set out your employer engagement plan for levied and non-levied employers
- Understand their business – what are their skills gaps now and in the future?
- Examine what sets your offer apart from your competitors’
- Consider full-time prior learning such as City & Guilds TechBac or Technical Certificates which could enhance a learner’s opportunity for apprenticeship roles by ensuring they are work-ready. Prior learning may also reduce the duration of the apprenticeship for the employer
- **Support in recruitment, initial assessment and prior learning**: In the new system there is greater incentive for employers to recruit learners with relevant experience from full-time programmes. Where related pre-programmes have been recognised they can add real value to the start of the apprenticeship. If an apprentice previously attended a full-time vocational course with a relatively high off-the-job training requirement they will represent considerable savings for employers

- **Training methods**: Employers now have greater choice in the delivery methods of training in apprenticeship programmes. They may be more scrupulous in ensuring the efficiency of off-the-job training and consider evening and weekend delivery. They may be interested in different methods such as e-learning and resource-based learning
- **Appointing and training employers’ staff as mentors and/or workplace trainers**: Providers will need ways of assessing and supporting employers in this by devising their own assessment programme(s)
- **Recognition and reward programmes**: eg on-programme assessment may include interim certification or badges to help keep learners motivated
- **Awareness days**: increasing employer engagement.
Step 6: Pricing and affordability

The new apprenticeship model relies on employers and providers negotiating how apprenticeships will be delivered and assessed, as well as agreeing a fee and payment schedule.

You will need to establish a fully-costed model that will include at least:

- Overheads
- Programme content
- Maintenance of quality
- Quality improvements
- End-point assessments

Remember that the delivery model you choose must be delivered with the funding available, unless employers wish to contribute more towards training (see chapter 6 for information on funding).

The pricing structure must also give you the flexibility to negotiate with employers and contractors.

End-point assessment

The provider is responsible for paying the independent end assessment organisation and any other sub-contractors agreed by the employer. End-point assessment costs are included in the funding band for each apprenticeship so make sure the price agreed with an employer will cover end assessment and EQA.

Payment is out of the levy payment to the provider from the digital account (for levy-paying employers) or as part of the written agreement and payment contract between a provider and employer (for non-levy-paying employers).

Step 7: Capability and capacity

While deciding your on-programme and end-point assessment delivery models, you should continually evaluate your capacity and capability to deliver.

You should consider the following:

- Do you have any current apprenticeship experience in the related SASE apprenticeships?
- Will you have to review and invest in new technology and delivery for cost-effectiveness and increased quality?
- What are the capabilities of staff – will you need to upskill them?
- Will staff need sales or negotiation skills training to work with employers?
- What are the implications on the broader resources that you’ll need to have in place?
- Over what period of time can you make any necessary changes?
- How are you going to monitor, review and evaluate the success of your apprenticeship programmes?
- Do you have the ability to draw up three-way agreements between provider, employer and learners?
- How you will develop templates for contracts with apprentices?
- How you will develop pricing structures that clearly define what’s included and what would be an additional cost to employers?
Examine your current capacity and capability versus your target capacity and capability:

- Experience
- Technology
- Internal capabilities
- Business development training
- Resources
- Schedule
- New contractual agreements with employers
- Evaluation

Current capability ➔ Gaps in current capability ➔ Action plan ➔ Develop and deliver a change programme ➔ Target capability

Changes in current work practices
- Employer engagement
- Resource implications
- Investment implications
- Marketing strategy

Ensure key staff understand the changes
- Upskilling internal staff
- Undertake any relevant CPD
- Use of Apprenticeship Service digital account – who will manage the system?
Step 8: New systems and processes

You will need to have new administrative systems in place to deliver the new apprenticeships. You should consider:

- Are you on the ITT and RoATP?
- Have you finalised all written agreements?
- Are your payment schedules clear?
- Payment systems between ESFA, employer and providers and cash flows for the programme must be in place.
- The apprenticeship agreement must establish a clear contract for the above.
- A statement of commitment will need to be signed by all parties, making roles and responsibilities clear (employer, provider, parent – if apprentice is under 18).
- Does the employer need to pay for any extras like qualifications or modules?

City & Guilds can provide consultancy support to help review your processes. Contact us to find out more.
Further support

Our commitment to apprenticeships

Our apprenticeships are seen as the benchmark in key industries – from agriculture to engineering, management to hairdressing. A City & Guilds apprenticeship means a fully tailored vocational solution that can be created for any business, ensuring effective learning and guaranteed recognition for learners.

Our partnership with the Industry Skills Board helps us to ensure the products and services we develop are high quality, industry relevant and have learning at their core.

We are dedicated to increasing the value of apprenticeships by creating market-leading products and services to help you produce highly trained apprentices and win more employer business. We are enhancing our digital capability and learning technology resources as well as developing our independent assessment service.

Supporting you through the reforms

The apprenticeship reforms present a big opportunity for providers to build relationships with employers and increase apprenticeship provision. However, change is not without challenge and FE colleges and training providers need to transition their apprenticeship delivery amid uncertainty around future funding models and policy changes.

City & Guilds is committed to supporting you through the change. We will continue to offer a comprehensive support service to guide you through the apprenticeship reforms.

Our events programme has already reached hundreds of colleges and providers and our team of business managers and expert technical advisers is always on hand to help.

Contact us

For a bespoke support service, please contact your business manager, or email us at apprenticeships@cityandguilds.com or visit our website:

cityandguilds.com/apprenticeships
About the City & Guilds Group

**City & Guilds** develops programmes of learning, learning technology, certification and assessment to support colleges, training providers, employers and governments - reaching millions of people every year across five continents.

**Kineo** is a global workplace learning company that offers a fresh approach to e-Learning, learning management systems and managed learning services to improve people and organisational performance.

**ILM** is the UK’s largest management body, combining industry-leading qualifications and specialist member services.

**The Oxford Group** provides management training, leadership development and executive coaching to the world’s leading organisations, helping them to get the best from their people, unleash hidden talent and successfully manage change.

**Digitalme** helps schools, charities, learning organisations and employers create badge programmes that develop skills, create a currency for learners and reach new audiences.

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