Insight#8
Opportunities for employers in new apprenticeships standards.

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Insight webinars for apprenticeships.

#8 Opportunities for employers in new apprenticeships standards

7 March 2017
Housekeeping
Housekeeping

For technical support during the event
Use the chat window and our support team will respond

We’ll go into more detail on topics later in the series
We’ll run further events every few weeks for as long as people find them useful.

Slides will be sent you post-event

quals.pearson.com/apprenticeships
Interacting

There will be a Q&A session at the end of the event. But your microphones are off by default.

You can ask a question at any time using the chat window
We won’t answer immediately but will pause between sections to summarise key points of interest.

Due to time constraints, we may not be able to answer all your questions during the webinar. But we will make a note of them and try to answer most of it.

A copy of the Q&A will be sent to you post-event.
Today’s schedule

While much of the public discussion around apprenticeship reform has focused on the levy, the move to employer-designed programmes and increased influence brought about by funding changes leaves your organisation with a range of options.

Together with our guest contributor CBI, we will be discussing how:

- Organisations are preparing for the introduction of the apprenticeships levy and employer contributions for SMEs
- How organisation’s approach to recruitment is evolving
- How organisations are selecting their delivery partners
Your presenters

Neil Ingoe
Head of Marketing
Event Host

Gary Tovey
Head of Employer and Strategic Partnerships

Siân Owen
Head of Stakeholder Engagement (Funding)

Pippa Morgan
Head of Education and Skills, CBI
Who are we?
Apprenticeship Reform

- The Richard Review (2012)
- October 2013, the first employers were formed as “trailblazers” to design new apprenticeship standards and assessment approaches in England.
- The reform forms part of broader changes to the apprenticeships system outlined in the government’s 2020 vision:
  - Funding rules, methodology, levy and SME funding
  - 3 million target
  - Legislation to protect the term “apprenticeship” and target public bodies in the Enterprise Bill
  - Introduction of the Institute for Apprenticeships and The Apprenticeship Service (formally known as Digital Apprenticeship Service)
  - The reform/Trailblazers applies to England only
# Employer-led standards and programmes

## Design
- Employer (large and SME) designed standards – to meet future skills requirements for occupations
- Process of designing standards
  - Expression of interest
  - Standard Development
  - Sign Off
  - Assessment Plan
  - End-point Assessment definition

## Delivery
- Employers in the driving seat
- AAOs chosen by employers
- Funding vs procurement by employers

## Engagement
- Employer contributions (Levy and SMEs)
- Transition for existing Apprenticeship employers
- Introduction of new employers to Apprenticeships
- Impact of government plan (Sainsbury Review)
Considerations

- Responsibility as an employer – delivering Apprenticeships to your employees
- Impact of Levy on other L&D/Talent/Grad programmes
- Offering across the age spectrum
- Unintended consequences of delivery – e.g. Employer provider, Inspection etc.
- Engaging with The Apprenticeship Service and Institute for Apprenticeships
- Relationship post Levy, not just HRD now FD
- Valid learning experience
Apprenticeships as part of your talent acquisition and development

- Using Apprenticeships as a route into your business, across levels and with different employment skills (e.g. GCSE, A-Levels, BTEC and beyond)
- Upskilling of existing workforce, including specialist functions, using a multitude of standards
Getting a return on your investment

The new standards offer the opportunity for a genuinely different talent acquisition route for modern businesses. They can allow you to bring new talent into your business but also to upskill your existing workforce through programmes such as the Chartered Manager Degree Apprenticeships from Pearson College London.

Your programmes should form a key element of your learning/development talent programme and include plans to encourage higher apprenticeships and further development and progression.

We can work with your in-house Learning & Development and HR teams to develop long-term strategies.

The routes to working out your return on investment are complicated but you should take into account:

- progression – % of apprentices promoted
- cost of recruitment
- average salaries
- employee satisfaction
- time to recruit.
The full talent cycle – entry to development

- **New Staff** (Entry level)
- **Traineeships**
- **New Staff** (Management +)
- **Apprenticeships**
- **Higher & Degree Work ready grads**
- **Future Management & Leaders**
- **Existing Staff**
- **Learning & Development**
- **Upskill**
- **Stretch**

[www.findapprenticeship.service.gov.uk/apprenticeshipsearch](http://www.findapprenticeship.service.gov.uk/apprenticeshipsearch)
Recognising and ensuring achievement

Qualifications within Apprenticeships include:

- Assuring training
- Quality Assurance
- Digital badging
- Pearson Apprentice 360
What’s changing?

**Learning model**
- What an apprenticeship contains
- Overall outcomes
- Pedagogy

- Design of new occupational standards and assessment plans

**Institutions**
- Who administers apprenticeships
- How apprentices and employers are matched
- Certification
- Quality assurance

- Design of new occupational standards and assessment
- New employer led - institute for apprenticeships (IFA) plans

**Funding**
- Who pays
- Funding levels
- Mechanisms

- Greater ownership of funding – mandatory contributions, Levy, SME funding

- New procurement and management by employers through Digital Apprenticeship Service (DAS)
Comparison between SASE Frameworks and new standards

**SASE Frameworks** (Multi-occupational)
- Initial assessment
- On-the-job training and off-the-job training including:
  - NVQ and Technical Certificate
  - Maths and English
  - Personal Learning and Thinking Skills (PLTS)
  - Employment Rights and Responsibilities (ERR)
- Completion and certification
- Occupational competence

**New apprenticeship standards** (Single standard per job role/occupation)
- Initial assessment
- On-the-job training and off-the-job training including:
  - Qualifications not mandatory – defined in standard assessment plan – optional qualifications could be built by provider/assessment organisation
  - Maths and English
- Formative assessment of behaviours
- Gateway:
  - Employer and provider sign off
  - Learner ready for end-point assessment
- End-point assessment
- Completion and certification
- Occupational competence

**Day 1**
- Initial assessment
- On Programme Learning
- Assessment Gateway
- Completion
- End Point Assessment
For Levy payers

- From April 2017 levy on pay bill at a rate of 0.5%.
- Levy allowance to offset against this, of £15,000 each tax year, therefore payable on pay bills over £3 million (0.5% x £3 million = £15,000).
- Allowance operates on a monthly basis and accumulates throughout the year, so allowance of £1,250 a month, and unused allowance carried from one month to the next.
- For example, if your levy liability in month 1 is £1,000 you will not pay the levy and your allowance in month 2 will be £1,500.
- Applies to employers across the UK but the levy to spend calculated based on home address of employees. Can be spent on employees whose main workplace is England.
- 10% top-up from government.
- Expires after 24 months.
- Government considering allowing employers to transfer 10% of unused funds to employers in supply chain or sector from 2018.

More information on Levy including overview factsheets can be found at our Funding Hub
**How will Apprenticeships be funded moving forward?**

<table>
<thead>
<tr>
<th>Frameworks and standards</th>
<th>Funding flow</th>
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<tr>
<td><strong>Non-levy</strong></td>
<td>- Employer contribution paid to provider according to agreed schedule, government contribution to provider paid via SFA contract. - All employers will use The Apprenticeship Service to pay for training and assessment by 2018 earliest, 2020 latest.</td>
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<tr>
<td><strong>Levy</strong></td>
<td>- Employer and government contribution into The Apprenticeship Service, paid by employer to provider via The Apprenticeship Service.</td>
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For Non-levy and Levy payers

**Frameworks and standards**

**Non-Levy**
- For all age apprenticeships employers co-invest 10% and government co-invests 90% (mandatory)
- No funding reduction for apprentices aged 24+
- Funding band is the maximum amount towards which government will co-invest 90%
- Small employers (<50) do not have to co-invest 10%; government pays 100%

**Levy**
- Employer and government contribution into DAS, paid by employer to provider via The Apprenticeship Service.
- Government tops this up by 10%.
- Once levy spent, employers use same model as non-levy payers.
Partnership options

- Working with an Education Provider, such as Pearson, including Advice, Guidance and Support
- Working with a PTP or FE College
- Direct delivery (employer provider)
- End-Point Assessment
Pippa Morgan, Head of Education and Skills, CBI

Pippa leads the CBI’s work on education and skills and is responsible for policy development and lobbying across these areas.

Prior to this role Pippa spent two and a half years as the CBI’s political adviser, during which time she was responsible for the organisation’s political engagement and produced the CBI’s business manifesto for the 2015 election.

Before working for the CBI Pippa was a parliamentary researcher in the House of Commons and she has a degree in history from Cambridge University.
Case Study: Rotational Degree Apprenticeships

- New talent route, but also about the opportunities to upskill existing staff
- Offering an opportunity to combine apprenticeships across three different leading companies and complete a degree at Pearson Business School, the Rotational Degree Apprenticeship programme is a three-year structured training programme.
Pearson is a business too  
(our business is education)

Some of the businesses we currently work with:
Ways we can help

**Reform**
- Transition?
- New to Apprenticeships?
- Meeting the target (3 million)
- Spending your Levy

**Post 16 Skills Plan**
- Link to Apprenticeships
- Additional employer involvement
- Talent pipeline through Apprenticeships and T&P

**Governance**
- The Apprenticeship Service
- IfA
- Brexit
- Changes in Government

**Your business**
- What do you know? What’s your business doing?
- What should you be thinking about?
Your next steps to delivering successful apprenticeship programmes

1. Identify your business goals
2. Work with a partner like Pearson to identify the standards and programmes that will have the most impact
3. Review your delivery options for quality and value, whether these are in-house or with training providers and colleges
4. Plan for end-point assessment – remember you need to have this built into your programmes
5. Stay up-to-date with governance and regulations
6. Keep in touch with your peers’ and competitors’ plans
7. Evaluate your apprenticeship programmes’ impact on the skills, productivity and profitability of your business.
Further information
The employer’s guide to apprenticeships

- Learn more about funding, recruitment and getting a return on your investment
- Read case studies from other employers

The Guide will be sent to you after the presentation
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