Making the most of apprenticeships

- A recording of this webinar and the slides will be made available within a week of this event.
- To listen in, please make sure the sound on your computer is un-muted and your speakers are turned on/headphones are plugged in.
Agenda

• Overview of the apprenticeship reforms
• The Barclays apprenticeship programme
• Q&A
Speakers

Bar Huberman
Host
XpertHR

Simon Ashworth
Chief policy officer
AELP

Mike Thompson
Director for early careers at Barclays

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Simon Ashworth

• Chief policy officer, Association of Employment and Learning Providers (AELP)
• National trade association, representing 800+ organisations delivering vocational learning, sustainable employment and employability support
• AELP members deliver 76% of England's apprenticeships plus other skills and employment programmes
• Prior to working at AELP, Simon worked at a number of training providers in senior roles, including Babington Group as director of new products and services
• At Babington Group, Simon led on the apprenticeship reforms, working on a number of different employer trailblazer groups, and engaging with and mobilising a number of levy-paying employers in readiness for May 2017
The apprenticeship reforms

- **Funding:** How apprenticeships are funded changed from May 2017. The apprenticeship levy and a new co-investment model for non-levy paying employers.

- **Frameworks to standards:** Mid-transition from apprenticeship frameworks to employer-led apprenticeship standards: 2014 to 2020. Apprenticeships now move from level 2 > level 5 to level 2 > level 7 (advent of new degree apprenticeships).

- **Delivery:** Significant change in the make-up of apprenticeships. Moving to a model of independent third-party end-point assessment (EPA) for standards.

- **Open market:** Over 2,200 organisations approved for delivery of apprenticeship training (Register of Apprentice Training Providers RoATP).

- **Governance:** The new Institute for Apprenticeships (IfA) launched in April 2017.
Reforms in summary (1)

• All apprenticeship frameworks to be replaced by new apprenticeship standards: Apprenticeship standards are being designed by employer groups, require an EPA and often do not require any qualifications. Frameworks being switched off in phases through to 2020.

• National funding rates replaced by “negotiated” rates: From May 2017 the Education and Skills Funding Agency (ESFA) will no longer determine apprentice funding values using a formula and a fixed rate. Instead, providers and employers will negotiate a level of subsidy within one of 15 upper limits.

• Extra £1 billion for apprenticeships via a new apprenticeship levy: From April 2017 employers are paying an extra 0.5% of their payroll above £3m into their levy pot. This is expected to generate £2.5bn per year for England, and providers will access this pot via the Apprenticeship Service. Levy-paying employers will be able to spend their levy from May 2017. Employers have 24 months in which to spend their levy.
Reforms in summary (2)

• **A 90% subsidy when the employer levy pot is empty**: If an employer has no levy pot (98% of employers) or it runs out, the ESFA will pay 90% of the negotiated rate for apprenticeship training on the condition the employer will pay 10% *in cash* for its share.

• **16 to 18 financial incentive for all employers**: All employers regardless of size are eligible for a £1,000 cash incentive for employing an apprentice aged 16 to 18 post 1 May 2017. £1,000 is paid in two £500 instalments at 3 months and 12 months if the apprentice is still in employment at those points. This is regardless of whether a framework or standard applies.

• **Candidate eligibility**: From 1 May an individual can be funded to undertake an apprenticeship at the *same or lower level* than a qualification he/she already holds, if the apprenticeship will allow the individual to acquire *substantial* new skills and the content of the training is *materially different* from any prior training or a previous apprenticeship.
Maths and English: Post May 2017 the Government will pay £471 for maths and £471 for English if required by the apprentice. This is paid by Government, not the employer.

Additional Learning Support (ALS): Post May 2017 the Government will pay £150 for additional learning support required by the apprentice. This is paid monthly by the Government.

Subcontracting of provision: Removal of “managing agent” model.

Funding bands: There are 15 new funding bands which will cover existing frameworks and the new standards. Band 1 is worth up to £1,500, and band 15 is worth up to £27,000. Apprentices signed up prior to May 2017 will continue on their original funding arrangement until they complete or leave the programme.
Non-levy and levy funding

**Employers with a paybill under £3m**
(non-levy paying)

Will co-invest on 1:9 ratio with Government for the delivery of apprenticeship standards and frameworks.

There are a variety of incentives for employers and providers and uplifts for apprentices aged 16 to 18.

**Employers with a paybill over £3m**
(levy paying)

Pay an apprenticeship levy via PAYE and HMRC - funds go into the Apprenticeship Service (TAS) account.

With 10% additional top-up from the Government.

The levy can be spent only on training and assessment of apprenticeships.
Simple levy calculation

Example employer: 80% of employees live in England and 20% of employees live in Scotland and Wales.

- Employer of **250 employees**, each with a gross salary of £20,000
- Paybill: 250 x £20,000 = **£5,000,000**
- Levy sum: 0.5% x £5,000,000 = **£25,000**
- Allowance: £25,000 - £15,000 = **£10,000** annual levy payment
- Adjustment for % of workforce living in Scotland and Wales:
  £10,000 x 0.8 = £8,000

10% top-up: **£8,800 available via digital account** to invest in apprenticeship training and assessment
### Funding: apprenticeship pricing

**Funding bands for new starts from May 2017 for Standards and Frameworks**

<table>
<thead>
<tr>
<th>Band</th>
<th>Band upper limit</th>
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<tbody>
<tr>
<td>1</td>
<td>£1,500</td>
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<tr>
<td>2</td>
<td>£2,000</td>
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<tr>
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<td>14</td>
<td>£24,000</td>
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<tr>
<td>15</td>
<td>£27,000</td>
</tr>
</tbody>
</table>
## Funding: non-levy examples

Co-investment funding for new standards from May 2017

<table>
<thead>
<tr>
<th>Standard name</th>
<th>Funding band</th>
<th>Government contribution</th>
<th>Employer contribution</th>
<th>16-18 employer incentive</th>
<th>16-18 provider incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network engineer (4)</td>
<td>Band 12: £18,000</td>
<td>£16,200</td>
<td>£1,800</td>
<td>£1,000</td>
<td>£1,000</td>
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<tr>
<td>Infrastructure technician (3)</td>
<td>Band 11: £15,000</td>
<td>£13,500</td>
<td>£1,500</td>
<td>£1,000</td>
<td>£1,000</td>
</tr>
<tr>
<td>Customer service practitioner (2)</td>
<td>Band 2: £4,000</td>
<td>£3,600</td>
<td>£400</td>
<td>£1,000</td>
<td>£1,000</td>
</tr>
<tr>
<td>Dental nurse (3)</td>
<td>Band 9: £9,000</td>
<td>£8,100</td>
<td>£900</td>
<td>£1,000</td>
<td>£1,000</td>
</tr>
</tbody>
</table>

**Note:**

- £1,000 incentive payment received by both the employer and provider for each 16- to 18-year old apprentice - claimed for at 90 days (50%) and 365 days (remaining 50%).
- Providers must evidence employer contribution before so can claim the government contribution.
Frameworks to standards

Apprenticeship standards

• Created by employers for employers
• Skills, knowledge and behaviours (SKB)
• Qualifications not mandatory for many standards
• Maths and English
• End Point Assessment (EPA)

https://www.gov.uk/government/collections/apprenticeship-standards

Apprenticeship frameworks

• Created by Sector Skills Councils (SSCs)
• Specification of Apprenticeship Standards England (SASE)
• Qualification centric (certificate or diploma) - knowledge and competence
• Employee rights and responsibilities (ERR)
• Personal learning and thinking skills (PLTS)
• Maths, English and sometimes IT

http://www.afo.sscalliance.org/frameworks-library
End point assessment (EPA)

Existing SASE frameworks

Training provider/FE college: Training delivery/assessment

New standards

Training provider/FE college/employer: Training delivery

Apprenticeship duration

Gateway

Independent end point assessment

Register of Apprentice Assessment Organisations (RoAAO):
Selecting a provider

- **RoATP Approved:** Register of Apprentice Training Providers – government-approved list of providers cleared to deliver apprenticeships to employers from 1 May.
- 2,200+ approved providers...where do you start? Some ideas to consider:
  - Competitive tendering process
  - Provider’s previous track record and expertise
  - Employer-led, so programmes you want, not what providers can deliver
  - Geographical coverage
  - Supply chain offer/prime contractor - wide breadth of needs
  - Co-developing programmes - utilising the flexibility within new standards

Becoming a trailblazer (1)

- Apprenticeships are developed by trailblazer groups:
  - Have a wide range of employers that are committed to working actively on the development of a new apprenticeship standard, and intend to use the apprenticeship standard once it has been approved for delivery.
  - Have at least 10 different employers as members (in addition to any professional bodies and trade associations that want to be involved).
  - Reflect the range of companies that employ people in this occupation, including size, geographical spread and sector. Any trailblazer group should normally include at least two employers with fewer than 50 employees.
Becoming a trailblazer (2)

• Trailblazer groups should be open to new members, and prepared to consider carefully how the standards they are working on relate to the needs of other sectors. You are not allowed to charge for membership of a trailblazer group.
  ✓ Occupational profile
  ✓ Entry requirements *(only if needed)*
  ✓ Requirements: knowledge, skills and behaviours (KSBs)
  ✓ Link to professional registration *(where professional registration exists)*
  ✓ Duration and qualifications
  ✓ Level and review date

“How to” guide for trailblazers:
Public-sector apprenticeship targets

- Prescribed groups and public-sector bodies with 250 or more staff in England have a target to employ an average of at least 2.3% of their staff as new apprentice starts over the period 1 April 2017 to 31 March 2021. Bodies in scope “must have regard” to the target.

- The Government considers the duty to have regard to the target means that in making workforce planning decisions, public bodies should actively consider apprenticeships, either for new recruits or as part of career development for existing staff. Apprentices are considered “new apprentices” - who will count towards the target - only in the year in which they begin their apprenticeship.

- The Government encourages public bodies that are looking to establish further apprenticeship standards to engage with the Institute for Apprenticeships to establish these.

List of Government agencies in scope:
Apprenticeships in the future...

• All employers move to the TAS. No further allocations systems for providers and truly a system of employer choice. January 2018? Or before April 2019?

• Awareness of the different levers and mechanisms to manage future funding flows. Important to know and recognise:
  - £3m levy threshold
  - 0.5% apprenticeship levy
  - Standards and frameworks funding band allocations
  - Co-investment methodology (90:10)
  - 24-month levy period
  - % of funding levy-paying employers get to spend
Mike Thompson

• Director, early careers
• Chair of trailblazer group for financial services
• Member of Apprenticeship Delivery Board
Barclays apprenticeships - overview

• 3,000 people helped into work and long-term career since 2012

• Target long-term unemployed
  ➢ Over 6 months unemployed - 16/24
  ➢ Over 12 months unemployed - 24+
  ➢ Fewer than 5 GCSEs

• Range of entry-level roles across organisation
Government reforms - overview

• Levy only part of wider set of reforms:
  ➢ Traineeships
  ➢ Employee ownership - Digital Apprenticeship Service
  ➢ New standards v outdated frameworks
  ➢ Degree apprenticeships
  ➢ Open eligibility
Benefits of reforms for early careers at Barclays

• Diversity of new recruits
• Enhanced progression and career pathways
• Higher quality qualifications
• Investment in our existing workforce to close skills gaps
Building a diverse workforce

Meet Doris. Former postal worker. She found a new career. We found her talent. She's not your average Joe. And this isn’t your average apprenticeship.

Meet Stephen. He’s 35. He earned his stripes as a corporal. Now he’s earning a degree. He’s not your average Joe. And this isn’t your average apprenticeship.

Meet Nicola. Mother of 6. She balances her studies and helps customers balance their finances. She’s not your studies and helps customers balance their finances. She’s not your average Joe. And this isn’t your average apprenticeship.

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Able to Enable

Jonathan Allen
Able to Enable Intern, now a Barclays Apprentice
Progression paths

Foundation/progression apprenticeship programmes

Higher apprenticeships - junior, leadership and specialist roles

Graduate programmes
Q&A

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• How to employ an apprentice: bit.ly/how-to-employ-an-apprentice

• Apprenticeship agreement: bit.ly/apprenticeship-agreement

• Letter offering a permanent job to an apprentice whose apprenticeship is coming to an end: bit.ly/apprenticeship-letter


• On-demand webinars: bit.ly/xperthrwebinars