

AELP NATIONAL CONFERENCE 2018



FE WEEK

FE Week is the only newspaper dedicated to the further education and skills sector in England.

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Excitement has been building ahead of the speech from the skills minister, Anne Milton, at AELP's annual conference.

There was a chance the speech would be used to announce a dramatic policy U-turn: scrapping non-levy employer contributions for at least some apprenticeships.

And it has been many years since I can remember an FE minister making a genuinely new announcement in a conference speech.

But any hope of announcements came to nothing. Ms Milton appeared to mostly stick to the script given

No change... and that's good!

to her by officials, adding reference to careers advice near the end (take note, speechwriter!)

The lengthy ministerial Q&A was welcome, with delegates keen to probe on the usual range of issues and concerns relating to apprentices.

Overall it felt very much like she is still in listening mode, but doesn't

“Any hope of change came to nothing”

believe the evidence is clear yet that any policy change is needed.

She talked about being “able to demonstrate causality” – so I expect a bunch more AELP surveys in the coming weeks.

And several months ago the minister said in a webinar with me –

“against advice from officials” – that she didn't expect pick-up on starts until September.

So even if Mark Dawe, AELP's chief executive, follows through on his threat to “almost daily” remind the minister of the need for change, there is no sign of it any time soon.

As regular FE Week readers will know, I think it is far too soon to panic about apprenticeship numbers, and even Jason Holt, representing small employers, is warning that a change in direction on fees would be premature.

Another highlight that I suspect we shall return to were the warnings from Sally Collier, the chief executive from Ofqual.

Coming onto the main stage after Sir Gerry Berragan had claimed that within a few years hundreds of thousands of apprentices will be going through end-point assessments, Ms Collier warned of a

lack of potential assessors.

At the AELP conference next year I'm willing to bet the employer fees U-turn debate will feel a distant memory, and the new barrier will be to capacity in the new assessment system.

Oh, and problems with implementing AEB devolution... See you in 2019!

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Managing Director, NCFE



Navigating the changing landscape of technical education

The much-awaited T Level consultation response arrived over the May bank holiday weekend, and after months of silence on the issue, we now have a clearer idea of the policy and how and when it will be implemented.

The development of T Level policy has been an unusual process, and a ministerial direction to stick to a 2020 implementation of the first routes was the latest extraordinary twist. Jonathan Slater, the Department for Education (DfE) Permanent Secretary, wrote to Damian Green to request a delay to T Level implementation. The fact that the Education Secretary insisted on sticking to the timeline for implementation is now a matter of public record, and the pressure for the first three routes to succeed is greater than ever.

The consultation response itself was a long document, and whilst we did learn some new details, it seems the DfE will largely proceed as proposed.

The Institute for Apprenticeships (IfA) released outline content for the first T Levels, alongside yet another

consultation. After initially giving everyone a week to respond (over half term), the deadline for responses has been extended twice and is now 29 June 2018.

The DfE has also started engaging Awarding Organisations (AO) in

“We'll be working with government, the IfA, our partners and centres to give T Levels the best chance to succeed, despite the unusual and turbulent nature of the policy”

relation to the tender process, as a single AO will deliver T Levels for each route (or part of a route).

Timescales are challenging, and there is a lot of detail still to be worked out and we owe it to the first T level learners, currently coming to the end of year 9, to get things right. We'll be working with government, the IfA, our partners and centres to give T Levels the best chance to succeed, despite the unusual and turbulent nature of the policy.

Change is the name of the game in education at the moment and as well as the introduction of T Levels, we also have the ongoing apprenticeship reforms with the gradual migration of frameworks to standards.

At NCFE, we understand the

importance of clarity and support when it comes to navigating reform and accommodating change. We're uniquely set to support the most recent announcements from the DfE, with a range of qualifications for apprenticeship frameworks, and a growing range of end-point assessment (EPA) solutions for apprenticeship standards. The DfE has halted turning off apprenticeship frameworks, saying that they won't withdraw any further frameworks

until 2020. This is welcome news and it's encouraging to see that the DfE are willing to hit the pause button and allow providers to choose what they see fit for their learners.

From 1 August this year, we'll also have an amended apprenticeship

funding regime for new starts on apprenticeship frameworks and standards, increasing the number of funding bands from 15 to 30. The DfE continues to expect employers to negotiate a price for their apprentice's training and assessment, in the knowledge that the funding bands set the maximum amount that the government is prepared to contribute towards off-the-job training and assessment for each apprenticeship.

However, alongside this, the IfA has

started reviewing the funding bands for 31 standards which are already approved for delivery. The IfA will pass its recommendations to the DfE, who takes the final decision on all funding bands. There's no date given for the close of the review, but as it came hot on the heels of the release of the new funding bands, it's our expectation for these new bands to be in place for 1 August and the new academic year.

As always, we believe in being open and honest with our customers and ensure we communicate changes and developments as soon as possible. To make sure that we can support our customers with the ongoing reforms, we are part of various trailblazer groups in which we share knowledge, advice and support to centres, employers and training providers.

We're here to support and guide our customers through the changing landscape of technical education and have a range of solutions so that learners are getting the very best training to prepare them for, and support them in, their chosen industry and profession.

Now is the time to reform the levy



“AELP remains a staunch supporter of the levy itself”

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The AELP is a “staunch supporter” of the apprenticeship levy, but it believes reform is urgently needed to turnaround the drastically low starts numbers.

Martin Dunford, its chair, told his members at conference that they will continue to back the policy and it is “far too soon” to consider using its proceeds to fund other forms of training – as some in the sector want.

However, after months of “terrible figures”, it is now “time for action”.

“AELP remains a staunch supporter of the levy itself,” Mr Dunford said in his opening address.

“But let me give you a direct quote from my speech here 12 months ago

which was less than two months after the levy funding system had been introduced – ‘AELP is already receiving reports that non-levy start numbers are plummeting’.

“Now when I used the word ‘plummeting’, I’m not sure I had in mind a fall of over 50 per cent, which is of course what the latest monthly statistics are reporting for all apprenticeships.

“But these terrible figures have been part of a consistent pattern of decline over many months, and AELP is estimating that 206,000 starts per quarter are now needed until the end of March 2020 for the government to achieve its three million manifesto target instead of the 77,000 achieved in the last recorded quarter.”

The AELP member survey 2018 (see page 14) shows the “reasons for

the continuous falls and there are no surprises”.

“But what does surprise us is why after so many months of woeful numbers, the government has so far chosen not to act,” he added.

Mr Dunford said AELP is not only interested in total starts.

Instead, “it is about getting the balance of apprenticeship provision right within a finite budget from level two to level seven and a programme that really supports the career aspirations of people of all ages and employers of all sizes who wish to offer apprenticeships”.

AELP has been advocating for some time for an immediate suspension of employer contributions for 16- to 24-year-old apprentices at levels two and three by non-levy payers or those employers that exceed their levy.

“If this were to happen, we think it would make a huge difference because the 10-per-cent financial contribution is proving to be too much of a barrier for thousands of small businesses already facing other additional costs such as the increases in business rates,” Mr Dunford told delegates.

He also offered a word on how integral independent training providers are to the apprenticeship market.

For the third successive year, independent training providers are delivering three out of every four apprenticeships in England, he said.

It is “noteworthy” that there has been “little change” in the proportion of starts which are being subcontracted out, he claimed.

“Therefore the MPs on the education select committee would do well to look

closely at the best practice guidance on subcontracting which AELP, Collab Group and Hoxley published at the beginning of this year and in particular our recommended cap on management fees which should be no greater than 20 per cent unless justified in a transparent way and in exceptional circumstances,” he continued.

AELP is aware of one mayoral combined authority which is “seriously considering adopting the cap” for its devolved AEB programme, and “we believe that the ESFA should now actually incorporate it into its funding rules for all skills programmes”.

Without “firm rules in place”, those opposed to subcontracting altogether “might win their argument which in our view would be disastrous for employers and learners”.



Milton offers no concessions

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Issues with the 10-per-cent fee that small businesses must pay when they take on apprentices have been “noted”, but there will be no announcement on a rule change anytime soon, the skills minister has said.

There was a lot of anticipation over whether Anne Milton would scrap the fee altogether during her speech at the AELP national conference, after she told FE Week she was “keeping an open mind” on the policy last week.

She did not rule out binning it, but told delegates she is not sure the co-investment is the real reason for the sluggish apprenticeship starts numbers.

“I’m sorry I’ve not made any big announcement but I see this conference as an important opportunity to gather your thoughts and feedback,” Ms Milton said. “Co-investment for 16- to 24-year-olds, noted.”

Addressing the policy again in a Q&A session following her speech, she said: “What one battles with and all governments do is to demonstrate causality.

“I think that is a hard thing here. If you took away the 10-per-cent co-investment there would be less money in the pot to do apprenticeships. You get less apprentices for your money.

“But it is about demonstrating causality and that us the key for me. When you have a lot of other factors out there it is quite hard to demonstrate.”

AELP boss Mark Dawe hit back at Ms Milton’s claim.

“Providers take the 10-per-cent hit so there would be no impact on numbers,” he said.

“Numbers are a concern but at the moment it is from lack of demand and we need to change that.

“We will be in almost daily communication on this matter.”

He added that it is good that the minister was “here and listening” but

“I’m sorry I’ve not made any big announcement”

she isn’t “offering any solutions”.

“It’s been a year, numbers are down, we need some action,” he said.

The apprenticeship levy is paid by employers with an annual payroll of £3 million or more, who can then spend their contributions on apprenticeship training.

Smaller employers can also access the funds generated through the levy, although they must pay 10-per-cent towards the cost of the training.

There was no mandatory charge before May last year, simply an assumed contribution for apprentices aged 19 and over.

Since last May, only 16- to 18-year-olds at employers with fewer than 50 staff are fully funded and therefore free to train.

The AELP has been heavily campaigning to remove the 10-per-cent rule as it believes it puts SMEs off apprenticeships, and is the reason why

starts have fallen so much since the introduction of the levy.

Latest figures show that starts for March were down 52-per-cent compared with the same period in 2017.

Jason Holt, the chief executive of levy-payer HoltsGroup and the chair of the Apprenticeship Ambassador



on employer fees

Shadow minister 'disappointed'



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The skills minister should have the "courage of her convictions" and say whether she actually plans to change the 10 per cent apprenticeship co-investment rule for small employers, her shadow counterpart is set to say tomorrow.

Gordon Marsden is due to address delegates on day two of the AELP national conference.

Speaking to FE Week ahead of his slot, he said it was "very disappointing" that the skills minister "didn't at least say that she would look seriously at proposals" to change the requirement, despite mounting evidence that it is holding back apprenticeship starts.

"To say that it's been "noted" is classic civil service language for saying they're not going to proceed on the matter," he told FE Week.

"If that was the coded message maybe she should have the courage of her convictions and say it straight out."

On the matter of the 20 per cent off-the-job training rule – another contentious issue for providers – Mr Marsden will stress the need for more clarity over what does and doesn't count.

"It's not a question of percentages, it's a question of clarity for employers as to what that means," he said.

Other topics Mr Marsden will touch on during his speech tomorrow include traineeships, and reiterating his support for the programme, and T-levels.

"We will be asking strong questions about where T-levels are fitting into the whole family of what FE providers are being asked to engage with, and where they fit in the post-18 review," he said.

This will include the need for greater clarity around "how easy it is for young people to move across from them and other qualifications, whether we're talking about BTECs or whether we're talking about A-levels".

He will stress the importance of service sector skills and the need for "proper programmes for progression from level two".

Mr Marsden will also touch on Labour's plans for a national education service and "how it might work and the implications of that for issues like devolution and also in terms of T-levels".

The service will "make it easier for us to engage with some of the devolution options for skills," Mr Marsden said.



Gordon Marsden

Network, recognises that the 10-per-cent "can be a turn off" but he believes it should stay put.

"I have apprentices in junior manufacturing and programming and I am happy to pay the 10-per-cent because it is worthwhile for all the benefits I get from those apprentices

and the apprenticeship programme," he told FE Week.

"I completely sympathise with it being a barrier and there is a lot of supporting evidence to say that charging the 10-per-cent is prohibitive.

"I understand that for SMEs a £27,000 apprenticeship which

costs them nearly £3,000 could be prohibitive. The contribution can be a turn off.

"But I think we change the rules far too quickly so let's stick with what we have, give it a go, and then take a view over time rather than a knee jerk reaction."



New ESFA boss chooses conference speech to raise issue of role in

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The Education and Skills Funding Agency is strengthening its audit and intervention team to ensure its cash is used “appropriately” – as the National Audit Office is likely to come knocking.

Eileen Milner, the agency’s chief executive, used her speech at today’s AELP conference to warn providers that they will be investigated and removed from the sector if any misuse of government funds is found.

She said its newly created “market oversight unit”, which FE Week revealed was being beefed up last month amid mounting concerns about new providers entering the sector, would be critical to this.

She then interestingly admitted that the team and this crackdown on oversight is being launched as a preemptive measure in case of possible investigations into the agency by the National Audit Office and Public Accounts Committee.

“It is my duty as the accounting officer to make sure that we assess and address any risks that may have adverse impact on sustainability and quality in education and skills,” Ms Milner said.

“We do this through our provider market oversight function which has at its heart an assurance programme.

“As ESFA-funded providers it is critical that we are able to provide assurance that the funds provided by us are spent and governed appropriately.

“We carry out funding audits and look at a considerable amount of data all year round because we need to be alert to any issues at the earliest possible opportunity. We are prioritising this as an activity that the ESFA undertakes.

“We appreciate the cooperation that you show with these activities.

Just as you know we knock at your door the NAO and Public Accounts Committee quite rightly knock on ours.

“We seek to prevent problems from the outset by working with you.”

The ESFA’s audit and intervention team will operate directly under the leadership of Matt Atkinson, the agency’s director of provider market oversight.

The team is expected to review “financial statements and management reports to ensure funds are used for the proper purposes and potential areas of irregular expenditure is identified”.

It comes in response to considerable numbers of untried and untested providers that have hit the market recently, for example through the register of apprenticeship training

providers.

“We want a preemptive approach ensure sustainability that seeks to avoid future risks,” Ms Milner told AELP delegates.

“I am a realist and know there are always going to be issues and concerns.

“The earlier that we can detect these the greater chance we have to resolve them in a straightforward

way that has the least impact on your operation.

“There are always going to be instances where we have to come in and investigate and provide intervention.”

She added that it is the ESFA’s “responsibility” to “ensure the money that we disperse is used properly to provide high-quality education and training”.



ence compliance

It is in “all of our interests that where there are instances where we see this being compromised that we should be able to act quickly and remove providers from the sector who are bringing it into disrepute”.

The National Audit Office expressed concern at the potential for abuse of the apprenticeship system back in 2016.

“DfE and the SFA are yet to establish

what information they will need to monitor key behavioural risks and spot signals that these risks may be maturing,” its report said.

“While they might reasonably expect the vast majority of employers, training providers and assessment bodies to act properly in response to apprenticeship reforms, a small minority may behave in unintended ways.”

seek to prevent from the outset working with you”

Paul Joyce: Ofsted is not happy with its early monitoring visits

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The results of the early monitoring visits to new apprenticeship providers are “concerning”, Ofsted’s deputy director for FE has said, after a quarter were given ‘insufficient progress’ verdicts.

Paul Joyce hit out at the newcomers in his speech at the AELP conference today, asserting that apprentices “deserve better than that”.

“Our monitoring visits to new directly funded providers are designed to give an early assessment of the quality of provision,” he told delegates.

“I have to say that the outcomes to date are concerning. Around a quarter of the judgements inspectors have awarded have been ‘insufficient progress’ – meaning that providers are making slow progress and the demonstrable impact on learners has been negligible.

“Apprentices deserve better than that.

“This is a concern to me and Ofsted continues to work closely with the Department for Education and the Education and Skills Funding Agency to discuss and agree arrangements for the quality monitoring of these new directly funded providers.”

Numerous new providers have failed to come up to scratch over the last few months – including Mears Learning, Watertrain Limited, Key6 Group, Mooreskills, and Apprentice Team.

Perhaps the most damning report was for Key6, whose training Ofsted described as “not fit for purpose”.

The ESFA banned it from delivery, but this only lasted for two months.

Mr Joyce pointed out that the monitoring visits show a “really mixed picture in relation to quality”.

“It has been pleasing to see some new providers making significant progress and apprentices receiving high-quality training that develops substantial new knowledge, skills and



behaviours that are beneficial to them and their employers,” he said.

“In the best examples, apprentices and employers are extremely complimentary about the high-quality training, excellent resources and the support and guidance provided by experienced training provider staff.”

However, it is “less pleasing to see existing employees with almost all the knowledge, skills and behaviours required for the apprenticeship being recruited as apprentices and a train-to-gain, assessment-only programme delivered”.

“Or where the quality of training provided is simply not good enough, where training is not well planned or coordinated and where apprentices and employers feel let down,” he continued.

“Wherever inspectors come across this substandard provision, they will have no hesitation in reporting insufficient progress.”

Speaking to FE Week after his speech, Mr Joyce said he is expecting a policy announcement “imminently” in relation to intervention at these

failing providers.

“We continue to talk with the DfE and ESFA about how best to monitor the new apprenticeship providers,” he said.

“That is in terms of our resources and conversations in terms of their intervention policy as a result of our judgements.

“Those negotiations are continuing, progressing well, and I am expecting the DfE to make a policy announcement imminently in relation to their intervention policy, and I do hope to hear very soon about the additional resources we are likely to get to carry out more monitoring visits.”

FE Week revealed last month that the watchdog will soon be given as much as £7 million to visit every new apprenticeship provider.

Critically, it will also have the final say over quality, after the skills minister Anne Milton admitted in May to the education select committee that it wasn’t clear who was accountable for quality at these new providers.





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Manager at Virgin Trains

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IfA boss comes out fighting

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The Institute for Apprenticeships is actually on track to achieve the rapid improvement in apprenticeship standards approval it had promised, its boss Sir Gerry Berragan has claimed.

He told delegates at the Association for Employment and Learning Providers' national conference that there had been good progress in 2018.

He launched a "faster and better" campaign in December to

"streamline the approvals process", after employers and providers complained that the process was too slow.

"In the final six months of 2017, 37 standards were approved for delivery, but in the first six months of this year, there have 72 approved so far – over a 95 per cent increase," said Sir Gerry.

"My suspicion is that figure will end up around 90 before the end of this month.

"290 standards were approved for delivery today and I think it will be over 300 by the end of this month.

I'm confident that figure will be over

400 by the end of the financial year.

"The often heard complaints that there aren't enough standards available are beginning to look decidedly shaky – people will have to find other reasons as to why they think the reforms aren't working."

Sir Gerry spoke after the results of a live vote with delegates were shown on stage.

They were asked if the pace of standards roll-out had negatively affected the amount of apprenticeship provision they could deliver.

Only 21 per cent said "no", while 38 per cent agreed it had left employers

"quite frustrated", and 24 per cent complained it had a "significant negative impact on our business".

Skills minister Anne Milton has told FE Week that the IfA had "definitely got faster and better", but "probably not" fast enough.

"I have been in there with a big stick," she added (See cartoon).

Standards, which are developed by trailblazer groups of employers, contain the skills, knowledge and behaviours an apprentice will need to have learned by the end of their apprenticeship.

Sir Gerry also spoke positively about external quality-assurance: "It

is worth reassuring us that EQA is heading in the right direction."

EQA is the process that ensures apprenticeship assessments are consistent and reliable, and that they deliver the right outcomes.

There are currently 10 organisations cleared to do this, and "probably" "around 30" looking ahead.

The IfA has proved to be the most popular EQA option. Sir Gerry explained how his organisation will start charging for the service.

"Legislation passed last December allows us to charge up to £56 per apprentice [for EQA], but this is a maximum," he said. "We will try to get our cost well under that" and ensure "adequate notice" is given to those who will have to pay.

As for the apprenticeship funding bands, "over the coming weeks, we will look at improving feedback to trailblazers on how we have reached

"People will have to find other reasons as to why they think the reforms aren't working"



our funding recommendations”, he said.

“We want to provide greater transparency, while still allowing our panels and the approvals committee to have free and frank discussions.”

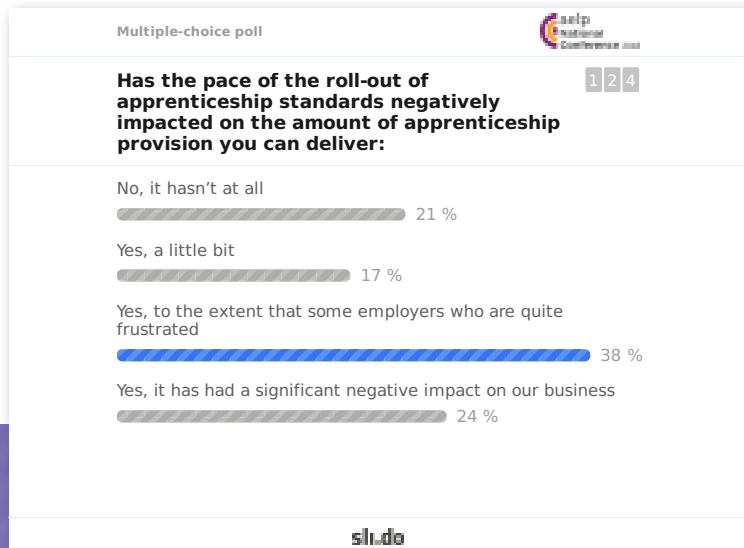
He conceded that “employers are sometimes frustrated when our final funding band recommendation is lower than the quotes the training provider has given”.

This happens for various reasons,

including when the provider quotes “for ineligible costs”.

The government has asked the IfA to review funding bands for some existing standards, he confirmed.

“This will help ensure employers can access high quality apprenticeships that offer best value for money. We are working with trailblazers to carry out this review in an open and balanced and fair way.”



Cartoon from FE Week edition 249



Sally Collier: Ofqual needs help assessing good EQA

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The chief exams regulator wants help keeping tabs on apprenticeship end-point assessment and has fresh concerns about capacity.

Ofqual boss Sally Collier extended an invitation at the AELP national conference for delegates to join an expert panel that looks into technical issues surrounding EPA.

“A plea from me today: if you would like to join our panel of experts in assessing those technical materials from a functional point of view, not from an assessment point of view, we would love to hear from you and we would love to work with you,” she said.

She admitted harbouring doubts about how well the system is currently working.

“In terms of the ongoing regulation of EPAs, one of the things that we are concerned about at the moment is assessor capability and capacity, and we will have a programme of work to

look at this over the coming months,” said Ms Collier.

FE Week has repeatedly reported on complaints about apprenticeship standards being approved for use before EPAs and assessor organisations were in place to carry them out.

The DfE claimed in April that the situation had improved markedly, and that 99.1 per cent of all apprentices were on standards with at least one end-point assessment organisation, rising to 99.7 per cent for those due to finish within the next 12 months.

Delegates also heard from Ms Collier about external quality-assurance for EPAs.

EQA providers oversee EPA assessment procedures and employer groups who develop new apprenticeships can choose the body that regulates their standards.

They can opt for one of four different EQA options: Ofqual, the Institute for Apprenticeships, a professional body, or an employer-designed option.

“As I’ve said many times – we are not lowering the quality bar, but we are looking at that process from the organisation’s point of view,” said the chief regulator. “Can it be slicker, can it be quicker, can it be easier to navigate?”

“And how to support organisation in deciding whether an EQA provided by us is right for them?”

She also discussed the efficiency of the qualifications market.

“In our statutory objectives, we have one about the efficient running of the qualifications market, and we are going to be taking some proactive steps in this space,” she said.

“We are going to be launching a call for evidence and we are interested to know from those of you who buy qualifications – whether you can find and compare prices easily and whether you know what you are getting for your money.

“We also want to know from awarding organisations what you think of our current rules on price transparency.”



AEB devolution: It's all about managing



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Providers will need to “manage their risks” ahead of the devolution of the adult education budget as there are “so many unknowns”, a skills expert has warned.

But, according to Gareth Thomas, the managing director of Skills and Employment Support Limited, there are also opportunities for providers to “shape what’s happening”.

“I think there’re so many unknowns across the policy area at the moment,” Mr Thomas told delegates during a workshop on the first day of the AELP conference.

“The best thing to do is to manage your risk at the moment. You can calculate what your potential impact is,” he said.

“If you lose all that AEB centrally, what are we going to replace it with? What proportion are we going to get? What outcomes are we going to get?”

Seven mayoral areas will get control of their AEB budget from 2019/20, and they will need to go out to tender by September in order to have contracts in place for then, he said.

He warned there’s likely to be a “bun fight” in the next few months “about how the different localities go to market with that money”.

Some will continue to offer block

funding to colleges in their areas, while others will move to a full and open competitive tender.

“Whether you come in from outside or whether you come in from inside, you’re going to have to demonstrate whatever they ask – and that’s the big unknown,” he added.

Some areas, such as London, have said they want to focus on outcomes such as progression into work – so “if I was a provider hoping to deliver in London, what data would I be collecting now? Employment outcome data”.

But other areas are less open about what they’re looking for, in which case it’s up to providers “to decide for yourselves what data you think they’re going to want”.

To further complicate matters, some providers could find themselves “holding contracts with maybe four or five devolved places, without even being a massive provider”, depending on where they’re based.

“The big national providers, you’re going to have to have a team of people to manage your relationships, your bidding, and it’s starting to think about the timing of that, because they won’t all happen at the same time,” he continued. “Get as close to everybody as you can at the moment.”

“You’re going to have manage multiple relationships, which is a pain. Make sure you’ve got the right people managing them.”

“If you lose all that AEB centrally, what are we going to replace it with?”



But, he said, if the authorities still “don’t know what funding model they want, they don’t know what they want to buy and they’ve got to have it all nailed down by September” this means “there is a really good opportunity to shape what’s

happening in your locality”.

“If you’re confident in your delivery, and you understand the combined authorities, you could be in a really good place.”

He urged providers to influence procurement and budget setting.

“Crudely, get off your backsides and go and engage with them if you haven’t already, because it’s not too late,” he said.

Once devolution has kicked in, providers’ allocations for non-devolved areas will be based on the



ing your risks



proportion of their learners who live in those areas.

Providers should be "proactive" and work out what proportion of their AEB they will still receive from the ESFA and what they will have to bid for.

"Look at that gap that is going to come. What are you going to do about that?" he asked.

"Whatever you do, be proactive. Otherwise it's going to happen to you, and I fear for those who aren't proactive."



Jason Holt: Let's refocus apprenticeships on SMEs

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It's time to "recalibrate" apprenticeships so that they focus on small employers, the chair of the Apprenticeship Ambassador Network has said.

Jason Holt, who has also been apprenticeships ambassador for small businesses, believes that small companies need a "simple and easy" approach from providers and government.

Small employers "think that the spotlight has focused too much on levy-payers".

"It's now time to recalibrate the apprenticeship focal point so that SMEs sit within the cross wires, to show that the reforms can work for all sizes of business," he added.

"Stakeholders are approaching businesses in lots of different ways. There's lots of duplication. There's lots

of noise," he said.

"That's not good for small businesses. They need a more streamlined approach," he said.

Mr Holt was named chair of the ambassador network in March, replacing its disgraced former chair David Meller.

He's long championed apprentices in small businesses, having authored a 2012 government review on the issue.

There, he found that "ambassadors and influence with employers" were vital "to getting the right message across" – just as they are now.

"Apprenticeships are key to the growth and success of SMEs," he said.

They have an "absolute appetite" for apprenticeships, and are "investing significant time and money, far more in proportion than a large company".

But to boost numbers in small employers, it is vital to work on a local level rather than national level.

"We need to make sure we think about SME engagement with

apprenticeships on a more local basis," he continued.

Local partnerships, such as those with the Apprenticeship Ambassador Network and AELP's regional networks, are "best placed" to do this.

They can "factor in local skills strategies, boosting opportunities to increase diversity in apprenticeships, involving local employers, local enterprise partnerships and training providers," he said.

Mr Holt cited research from the Federation of Small Businesses that found 24 per cent of small employers already employ at least one apprentice, while a further 24 per cent would consider taking one on in the future.

"With millions of SMEs to reach out to, there a massive opportunity to get more of them engaged," he said.

"The benefits of apprenticeships for SMEs are compelling. Working with you we can get SMEs fired up to play their part."



Three quarters of providers unhappy with non-levy apprenticeship funding

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Almost three quarters of training providers are unhappy with the amount of non-levy apprenticeship funding available, claiming it is “insufficient” to meet demand from small businesses.

A new AELP survey, published on the second day of its national conference in London, reveals that the apprenticeship money set aside for SMEs this year is vastly lacking.

The government has allocated up to £650 million for the 15 months between this January and the end of next March – a major fall on the £1 billion that was available to small businesses in the previous 12-month period.

And in order to get their hands on a portion of this year’s cash, providers had to endure a shambolic procurement process – which saw some defunct providers winning contracts while ‘outstanding’ ones missed out. Several small providers

simply went out of business.

Seventy-three per cent of the 246 providers who responded to AELP’s survey complained the £650 million fund is “insufficient”.

There are several other serious issues to resolve in the roll-out of the government’s apprenticeship reforms.

Seventy-seven per cent still believe that employers are struggling to understand and engage with the new apprenticeship system.

Meanwhile, 72 per cent said there are not enough new apprenticeship standards in place, and 82 per cent do not think there are enough end-point assessment programmes available.

The Institute for Apprenticeships introduced its “faster and better” process for approving standards earlier this year but AELP’s survey reveals that 60 per cent of providers are still doing the bulk of their training under the old apprenticeship frameworks.

Only 27 per cent have been able to move the majority of their provision to standards.

Just 11 per cent of respondents said the apprenticeship reforms are generally going well.

“None of these findings come as any surprise as we’ve been feeding back similar anecdotal evidence for months from regional meetings to ministers and officials on why apprenticeship starts have been dropping so sharply,” said AELP boss Mark Dawe.

“But while AELP remains supportive of the apprenticeship policy, the levy itself and standards, the survey results do underline the sheer scale of the challenges and the urgent need to make changes to the way that the apprenticeship reforms have been introduced.”

Seeing these concerns borne out in black and white goes “a long way” to explain why the latest official set of apprenticeship start numbers are over 50 per cent down on a year ago, AELP believes.

Over half of providers are changing how they deliver apprenticeships in response to the reforms.

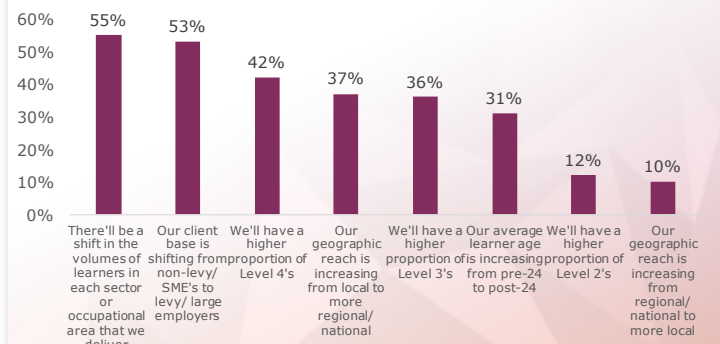
Fifty-five per cent are moving their provision across to a different sector or occupational area, while 53 per cent are seeing their delivery switch over more to the large levy-paying employers.

Additionally, 42 per cent say the reforms are prompting them to run more higher-level apprenticeship programmes in response to employer demand.

Mr Dawe said the switch to higher-level apprenticeships is “good for the programme’s reputation, but we have to get the balance of provision right from level two to levels six and seven.”

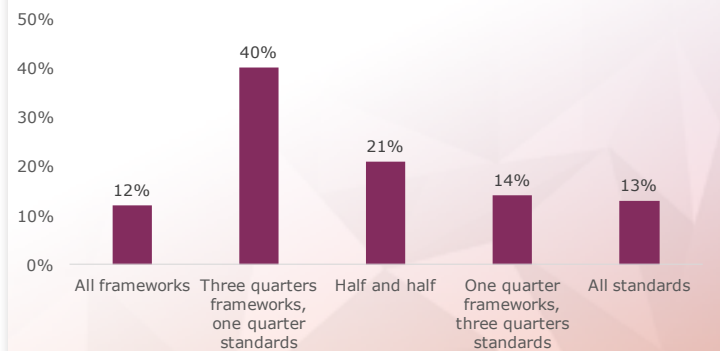
“As the recent AELP policy submission showed, it’s vital for a post-Brexit economy and social mobility that lower level provision isn’t abandoned and this means getting the way it’s funded right,” he

Apprenticeship provision is changing. More than half see a shift in learner volumes and/or client bases



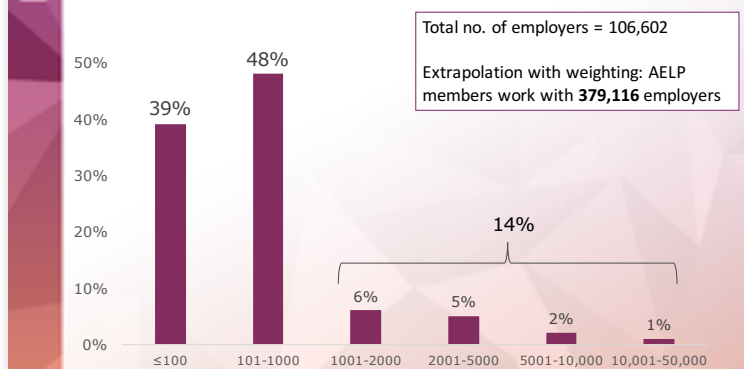
Q13. In what ways, if any, is your apprenticeship provision changing?
 Base: All respondents who are apprenticeship providers excl. Don't know/ None (n=164)

Balance of delivery between Standards and Frameworks



Q14. Approximately what proportions of frameworks and standards are you currently offering?
 Base: All respondents who are apprenticeship providers excl. Don't know/ Not applicable (n=195)

Number of employers engaged



Q06. Approximately how many individual employers does your organisation engage with across all programmes?
 Base: All respondents who are providers excl. Don't know (n=200)

added.

“This is why AELP is calling for an immediate suspension of employer contributions for 16- to 24-year-old apprentices at levels two and three by

non-levy payers or those employers that exceed their levy.”

AELP has over 900 members who serve 380,000 employers across the country.



Should Anne Milton have removed the 10% employer contribution?

The minister has refused to drop the ten per cent fee that small businesses must pay when they take on apprentices, despite vocal demands from Mark Dawe. But do AELP's members all agree that Anne Milton should have scrapped the contribution? We went asking...



Earl Hibbert
Pertemps Recruitment
Partnership

Absolutely. There's a huge call for it. It's a challenging and complex question for lots of sectors. For small businesses, that 10 per cent represents a significant investment. I understand the rationale, but I think for 16- to 24-year-olds in particular, or for micro-businesses where £100, £500 or £1,000 might represent a significant investment, that's money off their bottom line that they can probably ill afford at the moment.



Louise Baxter
North Lincolnshire Council

I do think it's an employer's responsibility to pay for some of their training. I may be of the old school but certainly I paid for my own apprenticeship many years ago and I think it sets the standard for the future. So long as employers get things free, they'll always want them free, so I think the 10 per cent should stay. I'm all for people paying their way.



Alan Woods
VTCT

I think it was a missed opportunity from the minister to make a really significant announcement today. You need to realise that businesses taking on apprentices are making as much of an investment as they can financially contribute, and the quicker the government realises that, the faster that will start to reverse the decline. To do something around that 10-per-cent funding rule would be a really good start from the government.



Simon Martin
Academy Transformation
Trust Further Education

It's a bit of a storm in a tea cup because for most employers, the actual amount that you're talking about every month is very small. If it's a low-value band, say 10 per cent of £2,000, that is a very small amount when broken down into 12 or 18 monthly instalments. But if it's a higher-level band at £27,000, it's spread out over three years, so in terms of a monthly commitment, it's still very small. I think it's very unlikely that there are many employers who could not afford to pay that.



Jill Eaton
Sporting Futures Training

We're a small provider working in schools and the 10 per cent is a real barrier to non-levy schools. If the teaching assistant standard goes through at £5,000, asking the non-levy schools to pay £500 in addition to salaries for the apprentices is going to be a real barrier. It might seem not a lot, but in schools with deficit budgets, where they're looking at redundancies, it's a tipping point, really.



Bally Bhogal
Independent Training And
Skills Services

From everything we're seeing, we don't see very much hesitation from employers – they just want great-quality training. As long as they're getting that, they're quite happy to put their hands in their pockets for the 10 per cent. So I have to say personally, I'm not seeing the resistance. We're independent advisors, so we go out to employers in all sectors, of all sizes, promoting apprenticeships and the non-levy funding that's available.



Rani Rathore
Kent Community Learning
and Skills

Absolutely. I think the 10-per-cent rule is a real hindrance to access to apprenticeships. We're a local authority provider working with levy payers and SMEs and we see this across the board. If we're talking about social mobility, you've got to be able to make it happen for the employer – they are critical. If the employer is looking at it in pound signs, it becomes a different relationship, and that's what we want to overcome.



Lynda Whitehorn
VTCT

There is a huge difference between a small employer, which is 50 members of staff and below, and a micro employer, which is five and below. Micro employers cannot afford the 10 per cent. They are working with pennies, not hundreds or thousands. We need to get the definition right: levy-payer, small employer, micro business. We need a clear definition and a clear policy moving forward: small employers should be treated differently from micro employers.



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