

## **Flexi-Job Apprenticeships: Reshaping the role of Apprenticeship Training Agencies**

### **Key notes – Taken from Official Consultation document.**

Since 2015 we have transformed apprenticeships into a prestigious technical education programme that is launching people's careers, upskilling and retraining workers, and helping employers develop the skills they need to thrive.

Having raised the quality and prestige of apprenticeships, we now want to ensure that employers in all sectors can make full use of apprenticeships and enjoy the benefits they bring to individuals and businesses.

In the *Skills for Jobs: Lifelong Learning for Opportunity and Growth* white paper the government set out proposals to develop portable apprenticeships, putting apprentices in the driving seat and enabling them to move between employers and step on and off their apprenticeship in industries or professions where short-term contracts are the norm.

To support our ambitions for portable apprenticeships, at Budget on 3 March 2021 the Chancellor announced that we will launch a £7 million fund in July 2021 to create new flexi-job apprenticeship schemes and expand the best existing models. Building on the Apprenticeship Training Agency model, employers will be able to come together and access funding to create new or expand existing schemes to boost the use of apprenticeships in sectors with non-traditional employment patterns. In this way these schemes will help to overcome some of the structural challenges limiting employers in certain sectors or professions making greater use of apprenticeships.

### **Portable, flexi-job apprenticeships**

As apprenticeships are a minimum of 12 months and require the apprentice to be in continuous employment throughout, taking on and supporting an apprentice for the duration of their apprenticeship is not something some employers have felt able to commit to.

To overcome these barriers, we are developing portable apprenticeships which recognise that an apprentice in the digital, creative or agricultural sector – for example – will likely work for a number of employers while completing their training. Portable apprenticeships will also recognise that apprentices may need to take breaks throughout their apprenticeship as one project ends and there is a delay before their next one begins.

We want to make apprenticeships portable by:

- enabling employers to recruit apprentices even though they cannot employ the apprentice for the whole duration of their programme;
- making it easier for apprentices and employers to see the progress that an apprentice has made through their training and the skills and experience they would bring to their next project; and
- enabling apprentices to pause and then resume their apprenticeship between projects, and for funding to stop and start as required despite changes in employer.

Some employers have already developed models of flexi-job apprenticeships which can help to overcome these challenges. Known as Apprenticeship Training Agencies (ATAs), these bodies provide continuous employment to apprentices while loaning them out at a charge to other employers. This enables the apprentice to develop their knowledge, skills and behaviours in a variety of workplaces, and for employers it removes the barrier of making a long-term commitment to employ an apprentice.

The distinctive feature of the ATA model is that the ATA is the apprentice's employer and therefore retains responsibility for managing their apprenticeship, even while the apprentice undertakes placements with other businesses. This means that alongside the apprentice's off-the-job training delivered by a training provider of the ATA's choosing, the apprentice undertakes on-the-job training in one or more business's workplace. (Despite their name, ATAs are not training providers – training will be delivered by a provider entirely separate from the ATA.)

The best ATAs are very clearly employer-focused and play a vital role in enabling employers in certain sectors, entirely in keeping with the employer-led apprenticeships system that our reforms have established.

Our ambition, building on the examples of the best ATAs, is to develop flexi-job apprenticeship schemes that overcome the structural challenges in certain sectors or professions to greater use of apprenticeships. We want these schemes to respond to the evidenced demand of the employers they serve, provide a high quality experience for apprentices which leads to excellent longer-term employment outcomes, and in so doing achieve financially sustainable operating models.

We expect flexi-job apprenticeship schemes to have a strong presence in and knowledge of their sector, profession or locality; to meet a clearly defined need for skills from employers and to act as valued and trusted advisors to businesses, removing barriers caused by lack of understanding or capacity, and taking on responsibility for recruiting apprentices, administering the placement of apprentices with appropriate businesses, and providing ongoing monitoring and support to the apprentice and the host business. Flexi-job apprenticeship schemes should also have strong links with a range of training providers and end-point assessment organisations across the apprenticeship standards they offer.

We hope that flexi-job apprenticeship schemes will aspire to play a larger role than simply the hiring and placing of apprentices with a host business. Our ambition is that flexi-job apprenticeship schemes might also:

- act as leaders and conveners within their sector, profession or geography to address strategic skills challenges and drive the use of apprenticeships;
- seek to increase the diversity of people undertaking apprenticeships in the industries and regions they serve;
- develop and oversee schemes to facilitate the greater transfer of levy funds to support apprenticeships managed by the scheme or in other related employers;
- identify demand for apprenticeship training provision and work with providers to develop capacity to meet this demand; and
- Work with employers to identify new apprenticeships standards that may be required to meet emerging and future skills needs in a sector.

### **Providing a high-quality experience for apprentices**

As apprentices move between placements with host businesses, the flexi-job apprenticeship scheme, as the apprentice's employer, must provide constant support, ensuring that the movement between placements does not disrupt learning or the development of knowledge, skills and behaviours. We will expect flexi-job apprenticeship schemes to have clear strategies for ensuring the quality of the apprenticeship experience for apprentices. These must be directly linked to the apprenticeship standards that a scheme is offering to its apprentices, ensuring that the sequencing and duration of apprentices' placements with host businesses directly complements off-the-job training throughout the life of an apprenticeship.

Placements with host businesses must deliver substantial on-the-job training and support, and provide the opportunity for apprentices to apply and evidence the knowledge, skills and behaviours they develop in order to pass their end-point assessment at the planned time. Flexi-job apprenticeship schemes must develop criteria and safeguards for selecting the host businesses and training and assessment organisations they work with, and the support they provide to the employer and apprentice during placements.

### **Funding and financial sustainability**

Flexi-job apprenticeship schemes will employ and pay the wages of the apprentices they recruit. Our ambition is that flexi-job apprenticeship schemes achieve financial sustainability, and our £7m fund is intended to overcome some of the initial set-up costs and barriers to this. As part of this consultation we are keen to understand the opportunities for new and existing schemes in becoming financially sustainable, as well as the challenges. In doing so schemes may choose to explore whether employers in their sector, profession or geography would contribute to the costs of its operation in recognition of the wider benefit it delivers to skills development.

In funding the costs of apprenticeship training for its apprentices, flexi-job apprenticeships must operate in the same way as any other employer. Apprenticeship training must be funded:

- from the scheme's levy funds (if it pays the apprenticeship levy);
- from funds transferred by another levy-paying employer; or
- by reserving funds on the apprenticeship service and contributing the requisite amount of co-investment (currently 5% of the cost of training).

Levy funds may only be used to meet the costs of apprenticeship training.

### **Operating framework for flexi-job apprenticeship schemes**

If flexi-job apprenticeship schemes are to win the support and confidence of both apprentices and employers, it is vital that we establish an operating framework which sets clear expectations on quality and performance, assures the quality of experience of apprentices and employers, and removes any obstacles that might prevent these schemes from operating successfully.

We propose to close and withdraw the dormant register of ATAs and replace it with a new register of approved flexi-job apprenticeship schemes. All organisations seeking to be recognised as a flexi-job apprenticeship scheme, whether existing ATAs or newly created schemes, must apply to and be accepted onto this register. In doing so we may require these schemes to set out the apprenticeship standards they intend to offer to recruited apprentices.

We propose to invite applications to join the register in July 2021. To be eligible to receive monies from the £7m fund announced by the Chancellor at Budget, an organisation must be successful in applying to join our register of flexi-job apprenticeship schemes.

We envisage that the application process will require flexi-job apprenticeship schemes to demonstrate that they meet entry criteria consistent with our vision in section 2 in order to gain admission to the register. We will set out the final conditions and process for applying in July, enabling organisations to submit applications to the register in parallel with an application for funding.

We will also develop a process for monitoring and assuring the compliance of approved flexi-job apprenticeship schemes with the conditions of entry to the register.

While no decisions have been taken about the size of awards or the number of such schemes we intend to support, we expect to support multiple schemes.

We will set out conditions on the use of the fund in July 2021, but at this stage our intention is that any funds awarded should be used for:

- set up or expansion costs;
- costs for activities that will increase the number of apprenticeships starts;
- costs for activities that will improve and assure quality;
- investment costs that will lead to financial sustainability in the medium to long-term.

We are clear that funding should not be used to pay the wages of apprentices or the costs of apprenticeship training.