Changes to the apprenticeship funding band recommendation process

Consultation summary and response to feedback
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Section 1 - Introduction

BACKGROUND

1.1 The public consultation ran for a period of 12 weeks from 24 February until 18 May and asked a set of questions on a proposed new apprenticeship funding model to recommending funding bands and two option variations. It was published alongside a consultation document, research report and impact assessment. There were 253 responses, which included responses from EPAOs, employers, training providers, employer providers and others.

1.2 The second consultation builds on earlier work to improve the transparency of the existing process and to help develop a simpler, clearer model which uses an independent evidence base to support greater value for money.

APPRENTICESHIP FUNDING MODEL DEVELOPMENT

In developing a new apprenticeship funding model, the Institute aims to have a process which:

- Is simpler and more transparent in process and outcomes
- Relies more on independent evidence
- Gives funding information to trailblazer groups at the right time to help support the standard development process
- Has flexibility to reflect the particular needs to apprenticeships; and
- Strengthens value for money, by supporting employers to pay the appropriate costs for training and enabling more employers to access funding

EVIDENCE BASE

1.3 In November 2018, the Institute commissioned research agency IFF to conduct a piece of work in understanding the costs associated with delivering apprenticeship standard training and assessment. This research was completed in late 2019 and the report was published as a supporting document to the consultation. It has informed our work on the new funding model.

ENGAGEMENT

1.4 The Institute organised a series of roadshow events to support the consultation and provide an additional opportunity for stakeholders to discuss the proposals with the project team. Events took place in Birmingham, on 10 March, and Sheffield, on 11 March, however due to the outbreak of COVID-19, the London and Bristol events, scheduled to take place the following week, were cancelled. Digital sessions to replace the cancelled events took place on 22, 28 and 29 April.
Section 2 – Overview

2.1 The consultation document posed a number of different questions relating to a proposed core apprenticeship funding recommendation model and the two options that allow for a degree of variation.

2.2 The consultation questions encouraged respondents to elaborate after each answer, which meant that respondents were able to provide comprehensive reasoning for any given response. All responses were considered and the feedback has been used to develop the revised model, which we share as part of our second consultation.

WHAT WE HAVE TAKEN ON BOARD

2.3 When asking which aspects of the current model we would like to keep, respondents informed us they valued the opportunity for trailblazers to provide more information that allows the funding band to respond to differences in costs between apprenticeship standards. We have reflected this by allowing trailblazers to provide more input on training and consumable costs, and now also teaching salaries. Including teaching salaries as part of the trailblazer input was something that a large number of respondents thought was key in determining costs. Likewise, respondents stressed the need to include more specific consumable costs to reflect variation. We will test these during the second consultation and piloting phase the extent to which trailblazer groups are able to provide the information needed for this element of the proposed model.

2.4 We have also taken on board suggestions to address the assessment costs of a degree as part of a wider change to allow greater variation of fees for mandatory qualifications, as part of the revised model.

WHAT FALLS OUTSIDE THE SCOPE OF THE CONSULTATION

2.5 Many respondents agreed the description of a funding band gave them a good understanding of what a funding band represents. However, some also raised concerns about what the public funding should cover, including that it should be extended to include additional delivery costs. This is outside the scope of this project and is the responsibility of the Department for Education, as laid out in the Education and Skills Funding Agency’s apprenticeship funding rules.

2.6 We noted some concerns about the regional cost variation. However, we are constrained by the requirement to set a single funding band for use by all apprenticeship cohorts. The apprenticeship funding rules provide policy on support measures that address the differing circumstances of learners.

1 See section titled ‘What can be Funded?’
WHAT WE ARE KEEPING AND WHY

2.7 For other concerns, rather than making amendments we have sought to provide additional explanation. For instance, there were some concerns with the use of independent research by IFF as part of the model, particularly that not all of the standards were covered so it could only have limited representation. It’s important to note that IFF engaged with several training providers, covering a large number of apprenticeship standards across different routes and levels. They were also broadly representative of region and provider type. However, we recognise the apprenticeship market continues to evolve, and we will continue to build and develop our evidence base. We are developing plans to ensure this happens.

2.8 A significant number of respondents indicated that they would like to see our model include training provider quotes as an input to the calculation. Our core design principles for a new approach include the need for transparency, consistency and timeliness. Experience of the current funding recommendation approach provides strong evidence that these principles are not delivered using provider quotes as an input. Therefore, we have retained the use of models set out in the first consultation, so that inputs to the model are either from the independent data provided by the costs of delivering apprenticeship standards research, or through trailblazer input. We do, however, anticipate that in some circumstances trailblazers will draw on support from training providers and/or end-point assessment organisations in providing information to the Institute on the individual delivery and cost implications of apprenticeship standards. For further details please refer to the second consultation document.

2.9 Whilst the proposed model set out in the second consultation continues to use quotes from EPAOs as an input for the EPA cost category, the Institute intends for this to be a short-term solution until further data can be gathered on the costs of delivering EPA and a more transparent, consistent and timely rates-based model can be introduced.
Section 3 – Summary of responses

FEEDBACK ON THE CONSULTATION QUESTIONS

Does this explanation help you understand what a funding band represents?

The first consultation question aimed to establish a respondent’s understanding of a funding band within the context of the apprenticeship standard process.

87% of respondents that answered the question said the explanation helped them understand what a funding band represents

The majority of respondents stated that the consultation document helped to explain what an apprenticeship funding band represents. A number of respondents made the point that further clarity would be required in order to attain a true understanding of the different elements that make up an apprenticeship funding band, with some explaining that more consideration should be applied to the particular sector and level of an apprenticeship standard.

“We understand the principle of the funding band, what it represents and the rationale for it. We fully support the effective and efficient use of public funding to ensure value for money.”

“Absolutely understand. I would also like to see a fair and open process where funding for some standards that are not fairly paid such as level 2 and 3 in adult care can be challenged and reviewed in line with the new process.”

Some respondents suggested that the full cost, including ineligible items, of an apprenticeship should always be covered by a funding band, suggesting that employers should not have to provide additional funding for an apprentice. Other respondents chose to highlight the potential impact on the quality of a standard if attributed with a low funding band, following the implementation of a new model.

“I understand the principle of funding bands, but fear the set value may be insufficient for many employers, who will not supplement”

“Need to ensure that funding bands are not set too low and impact on the quality of the apprenticeship a provider is able to deliver. Realistically most employers are not in a position to fund training outside of the levy.”

Several comments were made about eligible costs policy, which is outside the scope of this consultation.

“We understand the definition but believe that the definition should include provider overheads, including the considerable cost of ensuring that we have the right apprentice on the right programme prior to enrolment.”
On balance, responses to this question indicated that respondents have a good understanding of what a funding band represents and that the background information provided as part of the consultation was a helpful explanation.

Addressing what items are identified as eligible for public funding is outside of the scope of this project and is the responsibility of the Department for Education, as laid out in the Education and Skills Funding Agency’s apprenticeship funding rules.

**Which aspects of the existing funding recommendation process would you like to retain in a new approach?**

This question provided respondents with a list of attributes of the existing apprenticeship funding recommendation process and asked respondents to select the ones they would like to see retained.

In response to this question, a large number of respondents recognised the importance of having a transparent system that is consistent in its approach and one that establishes a solid foundation of core principles. A large number of respondents stated that those involved in apprenticeship delivery should be able to provide information that determines funding.

“It is important that those delivering the training have a relevant input, otherwise the apprenticeship may not be deliverable, or standards will decline. Transparency is also needed from the beginning, especially to trailblazer groups who are developing apprenticeships for their sector.”

“Transparency, accurate sources and consistency are called for.”

A large number of respondents suggested that a vital part of the process should be to obtain quotes from training providers and EPAOs to inform any decisions on setting funding bands. Several comments were made in favour of using market costs to provide a truer representation of the actual prices associated with the various parts of delivery.

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“Use information from current successful providers to advise costs and issues arising. Inform Trailblazers and Institute of actual delivery costs.”

A relatively large number of comments referred to an existing aspect of the current system (“sharing information on funding bands of standards with similar characteristics with trailblazer group”), and queried use of the word ‘similar’. Respondents expressed concerns about the risks of comparing standards with apparently similar characteristics and referred to existing discrepancies between standards that have been compared in the past.

“No clear definition of ‘similar Standards’ - standards may be similar in content, level, demand, industry/sector, route but not necessarily all of those so current process of comparing doesn’t work - cost should be derived from real cost of delivering each particular Apprenticeship.”

“I think comparing standards is a bad idea, especially if they don’t have a similar assessment strategy. The cost of materials for apprentices to work with may be more expensive, the labour more expensive, the rate for an IEPA could differ, the charge from the EQA...”
Respondents made reference to the role of the trailblazer group in the existing process and expressed concern that groups might not be diverse enough to fully understand the nuanced costs of an apprenticeship standard. These comments called for a more joined-up approach between training providers, EPAOs and employers.

“Employers need to be involved (via panels) to stipulate what they think is affordable and reasonable for the training they are receiving from a training provider. EPAO's will also provide a clear and impartial approach as to how much it would cost to enable a training providers to train to an outstanding level that the employer is paying for.”

“Employers who are members of trailblazer groups find this area the most difficult to understand as we are not training experts and the rules about what is or isn't included are complex and often known by providers but not employers. Comparing similar standards and having clear guidance on the major factors that influence funding bands would be much more useful earlier on and encourage the inclusion of providers in the creation of the standards which could lead to better and more efficient ways of delivering the training elements of providers.”

<table>
<thead>
<tr>
<th>Our proposed model reflects the significance of transparency, and the consultation document includes details of all rates and values used in the model. It also includes the opportunity for trailblazers to provide information to support the process of recommending a funding band. We expect to test during piloting the extent to which input is required from training providers and end-point assessment organisations to achieve this. We also expect to identify what support we can most usefully provide to trailblazers for this model and whether this continues to be in the form of ‘intensive workshops’.</th>
</tr>
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<tr>
<td>Our proposed model moves away from relying on commercial quotes from training providers. We believe this is the right approach as reliance on commercial quotes limits transparency, and we anticipate that gathering information on training will allow us to recommend funding bands that reflect variation in typical eligible costs between apprenticeships.</td>
</tr>
<tr>
<td>Our proposed model includes a review of market costs when reviewing information provided by trailblazers, as well as drawing on those with relevant experience to give an independent perspective.</td>
</tr>
<tr>
<td>Our proposed model does not make use of ‘similar standards’ as part of the process of generating a funding band recommendation, reflecting the comments above that there can be significant variation in costs between standards that have shared characteristics.</td>
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</table>

For the purposes of this consultation, we have used the term ‘formative assessment’ as outlined above. Do you think this is an appropriate term to capture these costs?

70% of respondents that answered the question found using the term ‘formative assessment’ and the definition provided helpful
The figure below illustrates how the different respondent groups answered.

*Figure 1. Frequency of respondents, by respondent type, that believe the term ‘formative assessment’ is an appropriate term.*

A large number of respondents considered the term ‘formative assessment’ to be a clear definition that is relevant to the sector and easily understood.

“As a cost title it’s relative and appropriate.”

“Well known term that has been used for many years”

“Yes the term is clear in referring to the preparation activities to support learners’ readiness for EPA and we have seen that apprentices often need a lot of support to be ready for this process, whether in terms of preparing portfolios, articulating their KSBs or preparing for interviews.”

Some respondents argued that a number of elements that fall within ‘formative assessment’ have been overlooked and that aspects are missing from the description of what formative assessment encompasses. Commentators argued that the HEI sector involves aspects of assessment that have not been recognised. Some responses mentioned the cost for a mandatory qualification, in the proposed new modelling, as being too low to represent degree apprenticeships and as a result there could be a risk of undermining mandatory qualifications.

“Formative assessment is understood as a term but this does not take ‘summative' assessment into account. In other words, when completing a higher education qualification or degree as part of an apprenticeship, each academic module will be summatively assessed. These summative assessments also indicate the learner’s readiness to pass through gateway.”

“What about the assessments in degree apprenticeships? Has Higher Education been considered here? A £300 charge for a qualification isn’t enough for degree apprenticeships.”

On balance, responses to this question indicated that respondents consider the term ‘formative assessment’ to be appropriate for what it describes and so, going forward, no change will be made in its title or description.

We have taken on board suggestions to address the assessment costs of a degree as part of a wider change to allow greater variation of fees for mandatory qualifications.

Do you support using a weighted rate to help reflect circumstances that drive higher costs?

**67% of respondents that answered the question supported using a weighted rate to help reflect circumstances that drive higher costs**

The figure below illustrates how the different respondent groups answered.

*Figure 2. Frequency of respondents, by respondent type, that support using a weighted rate to help reflect circumstances that drive higher costs*

As illustrated in Figure 2, there was support from respondents across all organisation types for using a weighted rate in an apprenticeship funding band model. Many comments in support had a caveat that the agreed core costs should be accurate and not underestimate the actual costs of aspects like teaching resources. Respondents mentioned that the different levels of an apprenticeship should be taken into consideration when generating funding bands and suggested that the average figures provided in the core model do not appear to accurately represent the actual costs incurred.
A relatively large number of respondents, both in support of and against the use of a weighted rate, expressed concern that the model in the consultation document was too simplistic in its design and lacked the ability of properly accounting for differences in salaries.

“The model is too simplistic in determining the average cost of a tutor, taking no account of the differences in pay between level of standard.”

“There is not enough flexibility to allow for the difference in requirements for teaching on different apprenticeships. The level and/or field is not indicative of the required training.”

“Weightings are crucial to account for the variances in equipment and resources that are required for some standards over others. This is particularly critical in the digital and creative industries.”

Several respondents suggested the weighted rate model as being too prescriptive an instrument, which could impact standards by over-funding or under-funding and that a transparent process of any uplifts would ensure an understanding of how a funding band has been generated.

“However, the selection and degree of weightings should be informed by an open transparent process that must include representatives of employers, EPAOs, apprentices themselves and training providers. The reasons for the differentials in costs should be published in full.”

Again, respondents suggested that actual costs were not properly represented when using averages in the weighted-rate model, particularly teaching, assessment and consumables costs. Other respondents queried how the model accurately captures formative assessment and EPA costs.

“…careful when trying to estimate costs of teaching and assessment. In many cases the assessment is driven by the trainers/teachers so the formative assessment rate will also need to increase. In some sectors teachers/trainers demand is high and supply is low…”

“Actual cost should be used. In vehicle repair, costs to deliver Standards vary greatly with some using few materials at low cost and others using plentiful materials at high cost (e.g. paint, paint mask, equipment). Weighting costs doesn’t reflect this price differential.”

Similarly, some respondents from the HEI sector chose this answer section to warn of the potential impact to degree apprenticeships if a weighted rate model was implemented. Comments suggested that salaries for higher education cost more than the average figures in the model, which could make delivery of some degree apprenticeships unviable.

“In Higher Education the expertise needed can be at professorial levels where the monthly teaching rates would be far in excess of the rates proposed. If high quality apprenticeships are to be maintained and higher education institutions are to continue to deliver then arbitrary monthly teaching rates designed for FE and ITPs primarily must better reflect the real costs of teaching higher education. Present rates proposed would be significantly below the rates required.”
“It’s not clear how this model can be usefully applied to degree apprenticeship programmes. The range of PCM teaching rates gives significantly different costing outcomes.”

Other respondents expressed concern that a “one-size-fits-all” approach would only serve to impact on the quality of delivery of an apprenticeship standard and that a potential drop in funding would have knock-on effects. One respondent explained that a lower funding band generated following a review might not cover the costs of the tutors expected to deliver the apprenticeship by an employer.

“…This would lead to a huge drop in quality of delivery or standards not being delivered at all.”

“The standards have been designed by employers which are demanding, detailed and challenging, the cost model above will not enable a provider to deliver a good apprenticeship programme.”

The model set out in the consultation drew on research findings from the Cost of delivering apprenticeship standards, which was conducted by IFF Research Ltd and was published alongside our consultation. A number of respondents expressed concerns about this research. Comments included scepticism about the number of organisations surveyed across the different sectors, leading some respondents to call for additional research to be conducted.

“This methodology has been based on an historic provider base and does not reflect the growing number of HEIs delivering apprenticeships. More research into the cost of delivering apprenticeships within HE needs to be conducted to inform these weighted rates.”

On balance, responses to this question indicated that respondents supported a weighted rate to help reflect sector-based circumstances that drive higher costs.

Reflecting other responses to this question, our proposed model includes the opportunity for trailblazers to provide information relating to salaries and the cost of consumables.

Some responses to this question (and others) suggested that funding should be adjusted to take account of the level of the apprenticeship. Level did not seem to consistently correlate to higher costs in our commissioned research, and significance testing did not find a link between level and costs. When exploring this further, we found that the rationale for higher level learning being more expensive was often linked to higher teaching salaries, which we have now incorporated into our proposed model. We also found that higher level apprenticeships tended to have longer durations, and our proposed model also reflects the impact of duration on cost.

It remains a core principle of our approach to draw on independent evidence to identify the main categories and average costs of delivering apprenticeships. The cost of delivering apprenticeship standards research provides us with an independent source of information. At the point of research sampling, standards included were broadly representative of factors such as route, level and duration,
and the training providers sampled were also broadly representative of region and provider type. However, we recognise the apprenticeship market continues to evolve, and it is important we continue to build and develop our evidence base. We are developing plans to ensure this happens, but for now, the costs of delivering apprenticeship standards report gives us a useful independent evidence base to support our work on the new model.

If a weighted rate is used in the new model, would you support using the Programme Cost Weighting for the weighting factor as outlined above?

48% of respondents that answered the question supported using the PCW in the weighting factor in the new model

The figure below illustrates how the different respondent groups answered.

Figure 3. Frequency of respondents, by respondent type, that would support using the PCW for the model’s weighting factor.

A significant number of respondents expressed concerns that solely using the PCW for the weighting factor of an apprenticeship funding model could generate low funding bands that might not be sufficient for apprenticeship provision. Some respondents felt that the weighted rate model was too generic and would not accurately reflect the consumables and capital costs associated with delivery in their sector.

“the PCW do not reflect the true cost of delivery for the vehicle repair standards.”

“It still doesn’t go far enough. It is a step in the right direction but not a complete fix.”

“We disagree with the weighting factors. It does not also take into consideration the variable costs involved in running a FE College.”
As seen in responses to the previous question, several respondents considered the model too simplistic an approach to capture the true costs of apprenticeship delivery.

“the PCW model does not appear to be refined enough to factor in the costs of such delivery”

Again, respondents chose to comment on the IFF research and impact assessment document that were published alongside the consultation, with a high number of comments made regarding the potential impact on the HEI sector.

“...even the highest estimate of the weighted rates outlined for the components of the funding formula are likely to be insufficient to deliver a Degree Apprenticeship.”

“The evidence base used to design these proposals relies too heavily on duration as a driver for cost and has not adequately captured the type and complexity of fixed and variable costs incurred by HEIs in delivering higher and degree apprenticeships, which are not typical of other training providers.”

Some responses to this question referred to there being a stark contrast in teaching costs depending on the level of a particular standard. Comments suggested that more specialist standards, within the same route, required more specialist teaching, which means paying higher salary costs. One respondent referred to the style of teaching being different between standards, with some aspects of learning being delivered in smaller 1-1 settings that might not be picked up when using a crude model based on averages.

“Salaries within the engineering and manufacturing sector have increased significantly, therefore we need to consider these salaries in the retention and recruitment of relevant skilled staff.”

“The sectors reflected are too broad with standards and qualifications within sectors being significantly different. More sector breakdown would need to be applied based on the detail and standard and additional consideration for the learner and employer circumstances would need to be considered.”

“PCW in the main assumes a group classroom-based approach and despite research suggesting most off-job training is delivered in groups, apprentices working in the service sector, with varied shift patterns, frequently receive 1:1 coaching and 1:1 assessment, at their workplace, the PCW model does not appear to be refined enough to factor in the costs of such delivery”

A number of comments were made in favour of engaging organisations across the apprenticeship landscape in order to establish the actual costs involved with the different elements that make up an apprenticeship standard, as opposed to using a ‘generic’ weighted model that could be exposed to errors.

“Specialist apprenticeship costing requires specialist input from employers, training providers and regulatory bodies who understand the specific and critical cost involved. Using a generic weighting model may not reflect true and essential costs”
Comments made in response to the proposed use of the PCW for the weighting factor were evenly spread, with some sectors expressing more support than others. We noted that respondents from the HE sector were strongly opposed to the use of PCW factors.

The new model we propose as part of our second consultation takes these mixed views on the use of PCW into account, by giving trailblazers the choice of whether to use a rates-based approach (drawing on PCW factors) or a ‘variable’ approach (which relies more on information provided by the trailblazer) when making a funding band recommendation. Where the ‘variable’ approach is used, it will take account of teaching salaries and modes of delivery, as suggested in the feedback.

Are there any other weighting options which the Institute should explore?

63% of respondents that answered the question thought there were other weighting options which the Institute should explore

The figure below illustrates how the different respondent groups answered this question.

Figure 4. Frequency of respondents, by respondent type, in favour of the Institute exploring other weighting options for a proposed new apprenticeship funding model.

In response to this question, a large number of comments reflected the feedback provided for the previous answer and reiterated that the funding band generated by the demonstrated weighted rate model would not be sufficient enough to cover the actual costs of apprenticeship delivery. Some respondents expressed a preference for the trailblazer input option of the model and made comments supporting the use of trailblazer knowledge and experience to recognise nuanced costs.

“the current proposed PCW model does not recognise special circumstances that trailblazers may wish to put forward.”

“…using the employer trailblazer knowledge and experience to fully understand the drivers for the variability in the cost base at a standard level.”
As seen in response to other questions, respondents commented on a potential impact to the HEI sector were there not an option in the model to recognise outlier costs that, according to them, make it more expensive for universities to run apprenticeship programmes.

Some comments referred to a need to recognise costs of the additional support associated with formative assessment and EPA of an apprentice, including exam entry and materials. Other respondents called for recognition of standards that include more than 1 mandatory qualification.

“The size of the assessment as designed by the trailblazer group needs to be considered.”

“The complexity and number of components that the EPA contains. Having had insufficient funding allocated to the standards already this formula would result in a decrease in funding. In developing the EPA as a Trailblazer we were encouraged to build in a number of components into the plan making it more complex and onerous than some of the earlier approved standards...”

A number of respondents referred to the role of their organisation in delivering an apprenticeship standard and addressed the potential impacts of the proposals on future viability. This provoked respondents to refer to their different sectors and arguments were made for recognition of different consumables and capital costs incurred in delivery.

“Standards that support the service sector in particular the hair and beauty industry, where a learner has to perform highly skilled techniques, using multiple types of consumables and have to consider numerous anatomy and physiology influencing factors, should be weighted highly for delivery and formative assessment in preparation for an EPA.”

“It is also clear that the ‘consumable value’ needs a more nuanced approach to weighting than the current four values; again, this is likely to be influenced by level.”

“As mentioned in a previous question, there is a vast range of consumable costs across different Standards in the same and different sectors. For example, for Level 3 Insurance Practitioner the cost of exam entry and materials costs over £700, but with only £200 outlined in the core model, this will need a very high PCW factor to reflect reality.”

Qualifications at higher levels were also mentioned by some respondents, who argued that additional funds should be available when an apprenticeship standard is more expensive due to the additional assessment required during delivery.

“As you move through Level 4 and Level 6 Insurance Standards, this becomes even more of an issue due to more exams and materials needed to complete the qualification.”

Some respondents called for a recognition of geography to be included in the model, requesting for standard-level uplifts to be made depending on the location of the training being delivered.
“Cost weighting based on delivery region (some areas of the country cost more to deliver in than others). To include a weighting where provision is delivered nationally from a central base to balance increased costs”

“Consideration also needs to be given to the weighting for the region / area where a provider is based.”

Other topics mentioned in comments were calls for the size of an employer to be taken into consideration when potentially setting weighted rates, for delivery to remain viable for smaller organisations. Often mentioned alongside this suggestion was the recognition of class size to also be considered.

“Size of the employer (smaller the employer the greater funding), the lower the programme the higher the weighting, age of the apprentice (higher funding at 16-18 and less at 21+). Higher funding where there is less than 5 apprentices with the same employer.”

“…some weighting factors that recognise the cohort and provider types being supported either through weighting or discounting. It is more expensive to manage, administer and deliver to a cohort of 12 split across 12 employers as opposed to a cohort of 12 all based on the same site with the same employer for example.”

An overriding topic across responses to this question was that the needs and support for the apprentice should be paramount when making any amendments to the funding process. Respondents argued that the level of support required for an apprentice should not be overlooked and that in some cases a substantial amount of work is needed to help guide an apprentice to EPA.

“The personal circumstances of the learner and employer must be considered in any approach to funding to ensure that all apprentices have the same experience and opportunity, which is not influenced by a lack of funding support.”

“…supporting learners at Level 2 is often far more expensive than higher level qualifications. Also supporting learners in Micro / SME employers is often far more expensive than larger employers.”

We recognise that training and assessment costs can vary considerably across apprenticeship standards. Our proposed model includes a ‘rates-based’ element which draws on average rates from the Cost of delivering apprenticeship standards research. While this element of the model will produce suitable estimates of cost in some instances, we recognise that in other cases additional information will be needed to arrive at an appropriate funding recommendation. Our proposed model includes a ‘variable’ element that allows this to be done.

The ‘variable’ element of our proposed model includes the ability to adjust the cost of consumables and mandatory qualifications, as referenced above.
We also anticipate that by allowing the use of teaching salaries to adjust the estimate of teaching costs, we will naturally address some of the issues in regional cost variation where an apprenticeship standard is mainly delivered in higher cost regions. However, we are constrained by the requirement to set a single funding band for use by all apprenticeship cohorts. Consequently, where there are regional variations in cost for an apprenticeship that is delivered nationally, we are unable to adjust for this within our funding band recommendations.

The same constraint affects our ability to reflect differences in cost arising from the size of the apprentice’s employer. Where an apprenticeship standard is mainly delivered in one size/type of employer, we expect the ‘variable’ element of our proposed model to be able to reflect the drivers of cost (for example, smaller group sizes). However, as with region, where an apprenticeship is delivered to a range of sizes of employers, we are unable to adjust for this within our funding band recommendations.

As some comments fall outside the scope of the consultation, we would refer readers to the Education and Skills Funding Agency’s apprenticeship funding rules, which include support measures that address the differing circumstances of learners.

Do you support using trailblazer group input to inform the teaching value by reflecting higher costs?

82% of respondents that answered the question supported allowing trailblazer group input to amend the rates for the teaching value in circumstances where it is necessary.

The figure below illustrates how the different respondent groups answered this question.

Figure 5. Frequency of respondents, by respondent type, that support using trailblazer group input to inform the teaching value.

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2 Under section ‘What can be funded?’
In answering this question, respondents provided similar suggestions to previous comments made in their feedback regarding areas for recognition in the model for setting apprenticeship funding bands.

A large number of respondents suggested that in order for this option of the model to work, trailblazer groups need to fully understand the whole process and have access to the appropriate expertise to inform the additional input into the model. Comments were made in support of a joined-up approach to ensure that trailblazers are fully equipped to make decisions on funding bands that reflect the actual costs associated with delivery.

“Trailblazer employers, who are not teaching experts but will understand the content of the standard, will need to be informed of the costs of provision by those delivering it.”

“But this would require trailblazers to have adequate training provider representation in order for them to fully understand the teaching costs and value”

Some respondents considered the trailblazer groups as not being diverse enough, stating that the groups lack the representation of training providers’ interests. Other respondents suggested that trailblazer groups are out of date and complain that the membership consists of retired consultants who are not aware of the existing cost challenges.

“The trailblazer group coming from diverse backgrounds can provide a joint up cost model to suit different organisations.”

Respondents tended to agree that trailblazer group input is vital in the funding band recommendation process and would help to produce a more accurate representation of costs.

“Yes it would make sense for the Trailblazer to input here. The Employers on the Trailblazer could support the input with detail from their orgs about Employer demand - as this is an Employer led process, it would make sense for them to contribute to this decision”

“We believe that the trailblazer group can provide further detail for the model to reflect the true cost of delivery”

As seen in comments received for previous questions, respondents focused on their organisation’s sector and argued that the full associated costs need to be recognised in a trailblazer input model. Respondents highlighted the difference in teaching methods by different training providers, with some preferring online modules rather than classroom learning. A large number of comments, again, referred to the HEI sector and reiterated that teaching costs for degree apprenticeships have to be recognised.

“£20-24 is not reflective of HEI staffing costs.”

“The core model proposed uses a teaching rate band of £130 and assumes a salary of £20 - £24 per hour. This does not fit with university pay rates. A university lecturer on the lowest possible spine point (33) has a salary of £30 per hour.”
Again, the importance of reflecting the actual staff costs and teaching styles (1-1 sessions or group learning) are both common themes in responses to this question. Furthermore, some respondents called for a review system which would allow continued refinement of funding bands by a trailblazer group.

“The terminology of a class is an out-moded concept for apprenticeship and vocational delivery, (the language needs to catch up with modern training and coaching methods), it at least recognises 1:1 delivery. Any funding model must reflect modern, blended learning delivery techniques.”

“…this activity would need to be conducted on an on systematic basis to allow funding models to be refined in future.”

Responses to this question indicated that respondents would prefer using trailblazer input to inform the teaching value by reflecting higher costs.

Our proposed model reflects this by allowing trailblazers to opt for a funding band drawing on inputs they provide, including salary levels.

We expect to test, during the second consultation and piloting phase, the extent to which trailblazer groups are able to provide the information needed for this element of the proposed model.

We have reflected suggestions to amend terminology from ‘class’ to ‘group’.

Would you be able to provide the information needed for a bespoke teaching calculation?

61% of respondents that answered the question would be able to provide the information needed for a bespoke calculation

The figure below illustrates how the different respondent groups answered this question.

Figure 6. Frequency of respondents, by respondent type, that could provide the information needed for a bespoke teaching calculation would be possible.
A number of respondents identified as EPAOs and so would not hold this type of information. Other respondents explained that teaching data should only come from training providers.

Some respondents called for a collaborative approach across the industry to provide the data required under a fair and accountable system.

“…this would need to be provided by training providers who are working with industry panels to develop and deliver robust new approaches to teaching and learning for apprentices”

“Why not think out of the box and create a task force headed up by UKFT and have a steering committee by sector that includes FE, HE, independents, Employers AND the apprentices themselves so there is a learners voice too”

“This may be best facilitated by coordinating as part of a group for example with University Alliance, Universities UK or UVAC.”

Several respondents commented on the discrepancies between training provider teaching methods and explained that two different training providers could deliver very different results, suggesting that training provider input should be balanced and fair.

“Even in one sector area delivery the method and hours of teaching is dependent on the background cohort or the employer expectations. For the same apprenticeship training programme, an employer can request a focus (or additional classes) on specific item that reflects their specific needs.”

“Even if individuals were to provide a model, there is no guarantee that the same standard delivered by a different provider or even the same employer would follow the same model.”

“On the whole, although experience would suggest that there is considerable variation by provider in their ability to provide relevant costs.”

A number of respondents explained that they could provide the appropriate information, although it would depend on aspects like programme and delivery model and mandatory qualifications, along with clear criteria and reasonable timescales. Other responses mentioned work currently being completed to support an apprenticeship standard or referenced occasions when their organisation has submitted information in the past to help to develop new standards.

“We already support and work closely with the trailblazer employer groups and provide relevant quotes to support the current funding band assessment process. This allows us to outline the actual costs of delivery aligned to employer needs and to maximise the apprentices experience, outcomes and progression. So for us, we would be more than happy to provide bespoke teaching calculations and quotes.”

Some respondents commented on the additional burden on resources associated with providing this kind of information and were sceptical that it would not promote a fairer system.

“The potential administration to manage any information collect would be prohibitive and potentially subject to inconsistencies or abuse, from unscrupulous providers.”
“Trailblazers are a useful way but it is important to note that they are an unpaid element which a company has to support. This is an additional cost borne by companies as well as all the other work they do.”

Other respondents referred to their own sector and provided more details on the type of data that their organisation could provide to inform a bespoke teaching calculation.

“To assess the viability of delivery, the cost of teaching and a breakeven point is calculated for all of our provision. We utilise tools such as our MIS alongside other provider developed resources such as income trackers to help identify course viability factoring items such as retention and achievement weightings into the analysis.”

“We deliver the majority of the financial services standards which have professional qualifications embedded within them so are well placed to provide further detail on bespoke design and delivery.”

Some respondents offered to share the appropriate data with IfATE and argued that it would demonstrate that training provider input is key in capturing accurate teaching costs.

“We would be able to provide detailed information on teaching costings, including hourly rate and number of contact hours required depending on the apprenticeship programme. We could substantiate the hourly rates and provide supporting evidence for our delivery model including contact hours. We could also provide evidence to support the amount of formative work that we do with apprentices, which would far exceed the proposed allowance.”

“Yes, we would work with IfATE, Trailblazers and other HEIs to provide these costs to inform the funding model. For example the current cost-based model is flawed as it does not take account of the true costs of delivering Higher and Degree apprenticeships.”

We noted that a significant proportion of trailblazers felt they would be able to provide the necessary information, alongside high proportions of training providers who would be willing to support trailblazers in this. We have noted the issues around variation in training approaches and will test this during further consultation and piloting.

It’s important to note that we do not expect this process to result in a fixed training plan that all training providers would need to deliver against.

What other evidence might be useful for a trailblazer group to provide for a bespoke calculation of teaching costs?

In response to this question, comments included suggestions that have been mentioned throughout the feedback so far, including a call for the recognition of market rates of teaching, identifying the location of training providers, addressing the actual costs associated with the different apprenticeship standard levels and a realistic understanding of salaries.
A large number of respondents continued to suggest that training provider input should be a key element of any new funding band model and that without their industry knowledge there would not be a reputable understanding of real teaching costs.

“Examples from Training Providers of costs”

“Engaging with providers and providing a detailed breakdown. This can be investigated at all stages by the RM to ensure that it is consistent with the standard and other similar standards.”

“Evidence from training providers must be included in order to assess the actual cost of each apprenticeship.”

“The teaching costs are understood by the training provider - we wouldn’t tell an employer how their costs work, so not sure why their input would be useful on this.”

Some respondents called for a recognition of cost of staff recruitment for certain apprenticeship standards, explaining that at certain levels it becomes more challenging to recruit appropriate staff. Respondents called for trailblazer groups to establish an understanding of the minimum level of qualification and expertise required for a tutor to deliver a particular module.

“Sector expertise, availability and cost of teaching workforce, which changes according to supply and demand. Sector demand for certain skillsets means that teaching staff can be hard to recruit at precisely the time they are needed to help address sector skills shortages.”

“…how easy it is to recruit into the teaching area and the costs of recruitment, the level of CPD and training that is required, whether the delivery is in centre or online and the costs of the incentre”

A number of responses mentioned that recognising the potential teaching group size could assist the trailblazer group in providing a bespoke calculation of teaching costs, along with understanding the teaching method of delivery. Throughout responses, comments were made regarding the difference in teaching costs when comparing a virtual lesson with classroom learning.

“…Mode of delivery (face-to-face, online)”

“…other teaching methodologies including simulation require specialist equipment, and some apprenticeships do not allow for easy online learning”

One respondent referred to the costs associated with apprentice exposure to specialist equipment during their learning and suggests using invoices and quotes for trailblazers to include it when recommending a funding band.

“Additional evidence could include details of access to specialist equipment required during training which may be limited in terms of availability, or potentially have an impact on other operational activities. The costs could be derived from, for example, invoices or quotes for any specialist tools and equipment.”
Again, a number of comments fell outside the scope of the consultation, with one respondent referring to the travel and subsistence costs for staff when delivering training for an apprenticeship and calls for recognition of hiring room space for delivery. Whilst other similar comments referred to the increasing costs of overheads and upgrades to machinery and technology involved with teaching.

“…room hire costs travel costs for staff to attend”

“Information on industry developments such as changing technology and equipment which will need to be accommodated within the costs”

“Any such trailblazer rate should also include some recognition for overhead costs”

A few respondents mentioned having to ensure that teaching delivery is compliant with ESFA and Ofsted’s expectations and that costs associated with regulatory body requirements and quality assurance processes need to be captured in the model.

Our proposed model responds to several of the specific suggestions made in response to this section, such as better reflecting teaching group size, mode of delivery, salary levels, and consumable costs.

In seeking to move to a more transparent model based on independent evidence, our proposed model does not rely on commercial quotes from training providers. We anticipate that trailblazers may still engage with training providers for support on identifying information such as modes of delivery, and this is something we will test during piloting.

In recommending a funding band, we can only take account of costs identified as eligible in the ESFA’s funding rules.

Do you support using trailblazer group input to inform the consumables value to help reflect the exceptional circumstances where higher costs are necessary?

87% of respondents that answered the question supported allowing trailblazer group input to amend the consumables value in exceptional circumstances where it is necessary
The figure below illustrates how the different respondent groups answered this question.

**Figure 7. Frequency of respondents, by respondent type, that support using trailblazer group input to inform the consumables value.**

A large number of respondents agreed that it would be a fairer system if trailblazer groups provided an insight into consumables costs when necessary, with some stating that it would provide more realistic figures for their particular route and level of apprenticeship standard.

"I think this would allow useful flexibility to reflect costs in exceptional circumstances. For example, in the software world licences, in engineering some hardware. Perhaps a ceiling limit could be established."

"Yes. Standards in technical occupations such as those found in the nuclear sector have much higher consumables costs than those shown in the consultation."

"This is critical for specialist areas that require large amount of raw materials such as food."

Some respondents caveat their support with the reservation that a trailblazer group should be sufficiently diverse in order to fully understand the costs of consumables, and includes expertise from both training providers and EPAOs, whilst others call for a moderation panel to oversee the process.

Similarly, respondents that did not support using trailblazer input to inform the consumables value explained that trailblazer groups do not have sufficient expertise to advise on costs more suited to training providers.

"The trailblazer group would need to be representative of more than one training provider to ensure that the delivery cost meets all training providers who will deliver."

"Unless the trailblazer contains organisations who actually deliver this training they cannot possibly know what it costs to deliver it."
Some comments asked how this method would affect the decision-making process, with some respondents saying there could be knock-on impacts to the responsiveness of the trainer provider and that delivery preparation could dwindle. Other respondents felt that consumables costs only made up a small element of apprenticeship funding and were not an important factor when compared to the level of qualification.

On balance, responses to this question indicated that respondents would prefer using trailblazer input to inform the consumables value by reflecting higher costs where appropriate. We have reflected this feedback in our proposed model.

Would you be able to provide the information needed for this type of consumables cost calculation?

Understandably, this question received a mixed response across the different sectors, and was not explicitly relevant to all respondents.

62% of respondents that answered the question would be able to provide the information needed for this type of consumables cost calculation

The figure below illustrates how the different respondent groups answered this question.

Figure 8. Frequency of respondents, by respondent type, that are able to provide information to support trailblazer group input to inform the consumables value.

Respondents to this question suggested consulting with a range of training providers and industry bodies to ensure a fair process. Many respondents said that they could readily provide the information required and expressed an eagerness to work with the Institute going forward. Some respondents reservedly pointed out that their cooperation with the Institute would depend on how well resourced the organisation is.

“Absolutely, we have a lot of information available on this”

“We have already done this with our management accountants and can provide very detailed costings”

“Yes, given time.”
What other evidence might be useful for a trailblazer group to provide for a bespoke calculation of consumables costs?

In response to this question, respondents mentioned various aspects that might benefit the provision of a more bespoke calculation of consumables costs. A key recurring factor was encouragement for trailblazer groups to have up to date price information.

Some respondents, again, mentioned that an understanding of the teaching delivery method would give a clearer idea of the consumables costs required, whilst one respondent provided a list of eligible and non-eligible items that could facilitate the calculation.

“Recruitment costs, Teaching costs, Consumables, Support costs, Travel for assessors, Exam registrations”

One respondent suggested a review process of the figures.

“Regular review of figures used. Consideration of three-year trends of costs, macro impacts as changes in national / global situations can impact dramatically on price”

As seen throughout responses, several comments reflected on the sector and level of an apprenticeship standard playing a role in how consumables costs are calculated, with weightings suggested depending on the level of expertise and critical importance of an apprenticeship. Other respondents focused on the HEI sector and claimed it to be more expensive to deliver degree apprenticeships.

“Safety criticality of the occupation, for instance an occupation where the impact of mistakes is potentially catastrophic, in this case the Apprentice may have to undertake training (and EPA) in a more repetitive manner and thus use more consumables to ensure they reach competence.”

“We do not feel the current model takes into consideration the much higher consumables costs of delivering a Higher or Degree apprenticeships in for example clinical environments and laboratories and therefore the input of expert opinions of trailblazers and PSRBs is essential to identify these costs.”

Some respondents, again, highlighted the importance of having a diverse trailblazer group.

“The key requirement is that the Trailblazer group fully understands the
standard and what the standard implies in terms of the provision required to meet the standard.”

“Trailblazer groups would need to include research and innovation groups to keep abreast of new development”

“This can only be undertaken at an individual standards level and by individuals with appropriate current occupational experience and understanding.”

For other respondents, participation and cooperation from the industry was key to developing a fair system that accurately captures costs.

“We believe that with the participation of a range of organisations involved in the direct delivery of apprenticeships, that the Institute will be able to create a really robust and fair model for all. We welcome the transparency and the opportunity to provide our comments as part of the consultation process and look forward to being part of any future model development, refinement and enhancement.”

The model proposed in this consultation included an initial estimate of consumables, linked to the route of the apprenticeship. While this weighting may address some of the feedback (such as potential higher costs certain sectors), we recognise that trailblazers will be able to provide more precise information on consumables to reflect the full range of factors that influence this cost.

Consequently, the model proposed in the second consultation includes the opportunity for trailblazers to supply such information to allow a bespoke estimate of eligible consumable costs to be made. We will test during the consultation and piloting stages the extent to which trailblazers are able to provide this information themselves, and whether the support of other groups, as suggested in this section, is necessary.

Do you have any further thoughts on the proposals, including any suggestions for refining?

The nature of this question encouraged respondents to add further context and depth to their answers to previous questions and highlight the key areas that they believed require attention. Comments that were raised in previous answers which did not explicitly relate to the question will be included in this section.

Some respondents mentioned the potential impact of making further changes to the apprenticeship funding recommendation process soon after the last amendments were made. The comments stated that continued tweaks to the process would only serve to hinder the organisations wanting to deliver apprenticeships.

“…speed is of the essence, get the methodology out, get it adopted and we
will train. Constant changes/fiddling do no one any favours least of all the employers trying to create apprenticeships.”

“Bureaucracy is grinding us down and specialist trades are at risk of having no training provision at all.”

“I am pleased there is a consultation on changes but why is this happening so soon after standards and levy have been so recently introduced? Many standards have still yet to be fully delivered and until they do, costs can not be fully understood and attributed.”

“The current system has only been in operation for a few years, to change it again in such a short space of time seeks to undermine the good work that all parties have put into developing the system that we have at present, particularly employers.”

We are aware of the need for maintaining a good balance between stability (in process and funding bands set) and having a funding band recommendation model which is more transparent, simple to understand, consistent and which strengthens value for money. The approach set out in our second consultation, including the approach taken for reviews and revisions, aims to further refine our approach to achieving this balance.

The relationship between funding and quality was a theme throughout responses and presumptions were made that potential reductions in funding would equate to a drop in quality. Linked to this, the use of a 9% margin (on top of eligible costs) in the consultation drew comment from respondents regarding the potential impact on apprenticeship viability.

“9% profit margins for all we do is just so low especially when we pay out 25% on subcontracting and high EPA costs.”

“It is important to remember as well the 20% completion fee is taken off whatever price is agreed - from this approach when there is only a 9% profit added would mean for 2-3 yr programmes providers would be delivering at a loss for that period.”

“The 9% implied profit margin in calculation of the funding band rate is not sufficient to cover overheads. An overhead amount based on FSR data (in the case of HEIs) should be included in the calculation. Funding bands will need reviewing and uplifting regularly if tying funding bands to cost.”

We acknowledge the term ‘profit’ used in the first consultation did not effectively describe the uplift we were trying to represent. We have adjusted our description of this uplift in our proposed model.

In recommending a funding band, we only take account of costs identified as eligible in the ESFA’s funding rules.
In understanding the proposed model and the two option variations being consulted on, respondents were encouraged to refer to the accompanying research report *Cost of delivering apprenticeship standards* (conducted by IFF Research), and impact assessment document which were published at the launch of the consultation. As such, a number of comments were received, in response to the different questions, which referred to these accompanying documents. Some respondents referred to the number of standards included in the impact analysis.

“There are also significant issues with the IFF methodology, which they themselves caveat, that demonstrate that it would be unwise to use the current values within a one-size-fits-all approach to determine funding bands:

(1) Only 12 apprenticeships out of the 204 surveyed were delivered by HEIs; only 14 Level 6-, and four Level 7-, delivered apprenticeships were surveyed

(2) Only one EPAO at Level 6 or 7 was surveyed

(3) Only four follow up Stage 3 interviews were conducted with HEIs…”

“We have concerns about the validity of the teaching rates generated through the cost research.”

“Impact analysis – within the associated Impact Analysis to this consultation, we note that only 9 standards have been fully modelled based on the 5 categories. We have a concern that although with a range of duration of apprenticeship standards have been used, no indication of the actual standard has been given, which could directly influence the teaching upload the cost of consumables that are taken into account.”

“…only 9 standards have been used in the interim impact assessment to indicate the effect of these changes across the entire apprenticeship marketplace. This represents only 1.6% of standards approved for delivery. There is no transparency about what these standards are, their level, sector, if they have integrated end point assessment and whether they lead to professional registration.”

Many respondents referred to the HEI sector and the potential impacts of the model and options on higher level provision being a direct result of the *Cost of cost of delivering apprenticeship standards* research not accurately capturing a true representation of HEI sector specific data.

“The report conducted by IFF Research Ltd found that the median cost of delivering an Apprenticeship standard was just £7,068. This implies that the providers questioned must mainly have been delivering lower level, generic standards and is not representative of those delivering at higher levels where the cost is considerably higher. This is especially true of degrees. We are concerned that the range of providers questioned was not representative enough of the whole sector (this is supported by fact only 15% of the standards available were considered as part of this research).”
It remains a core principle of our approach to draw on independent evidence to identify the main categories and average costs of delivering apprenticeships. The cost of delivering apprenticeship standards research provides us with a source of this information. At the point of research sampling, standards included were broadly representative of factors such as route, level and duration, and the training providers sampled were also broadly representative of region and provider type. However, we recognise the apprenticeship market continues to evolve, and it is important we continue to build and develop our evidence base. We are developing plans to ensure this happens, but for now, the costs of delivering apprenticeship standards report gives us an appropriate independent evidence base to support the new model.

We acknowledge the use of average rates cannot, by definition, reflect the full extent of variation in cost in the apprenticeship market. However, our impact analysis indicates that funding bands generated using rates derived from the research will produce a realistic level of funding for a significant proportion of apprenticeships. Our proposed approach set out in our second consultation provides an option for a more bespoke approach to be used where costs are expected to differ significantly from those averages.

Respondents felt that some apprenticeship standards had more economic importance than others, and standards that address social mobility and areas of skills shortages should expect an uplift in funding. Comments included support of uplifts when assessing apprenticeship standards for STEM subjects and called for government recognition of routes that might serve to increase economic prosperity for the UK.

“We are accordingly concerned that Degree Apprenticeships in some critical areas, nursing/healthcare, for police constables, social worker, in STEM and construction would become unfeasible to deliver for the funding band determined through the methodologies proposed.”

“The funding band models risk decreasing the range of apprenticeships and job pathways available in the long term as well as slowing down progress of making the health and care system a more inclusive place to work, through the expansion of access to education and development opportunities for underrepresented communities.”

“I think the alignment of funding with industrial policy is key but needs supported by alignment of funding with social policy, as well. This way we can use funding to act as an enabler for key policy priorities be it infrastructure builds and economic regeneration or increasing concerns around aging populations and the need for social care. This also aligns with country’s needs post Brexit.”
Some respondents referred to impacts from Covid-19 on the apprenticeship landscape and that amendments to the funding band recommendation process could place additional burden on the organisations involved with delivery, particularly at such a challenging time. Whilst others questioned what lessons have been learned through the global pandemic, and how could the Institute adapt its processes accordingly to support the continued delivery of apprenticeship standards.

“Systemic changes, need alignment with wider government proposals and strategic direction. With the Treasury’s review of the apprenticeship levy still to take place, as well as future planning for the post-COVID-19 apprenticeship recovery plan, changes made now are likely to cause significant confusion, disruption and be unsustainable, leading to further reduced participation and advocacy from training providers, employers and apprentices.”

“Whilst we understand and support elements of the drivers for reviewing funding bands, particularly in terms of greater transparency of calculation, the timing of this consultation is concerning in that it ignores the exceptional context in which providers are currently operating and what adjustments might be necessary for a post-Covid-19 economic recovery plan.”

“We would also question whether this is the right time to be undertaking this consultation during the national crisis caused by the Covid-19 outbreak. This situation has already provided widespread disruption to employers and their existing apprentices, and a major review of the funding model would only add to the instability.”

“As we transition out of C-19, there must be an opportunity to consider (1) how innovative methods of digital assessment can be applied across more apprenticeships, (2) how some of the EPA flexibilities applied to specific standards has still enabled the process to be completed robustly and (3) what this means to cost-savings and maximising the effective use of funding.”
We acknowledge the challenges faced by many involved in the delivery of apprenticeships, caused by the COVID-19 pandemic. The first consultation was extended by 6-weeks in response to the situation and a further opportunity to engage in the design of the new system is offered by the second consultation.

The decision on the timing of a piloting phase and any potential implementation will be taken with the robustness of the apprenticeship market in mind.

We appreciate that future delivery models for training and assessment are likely to be affected by COVID-19. We have addressed this within proposals set out in our consultation document and will continue to keep this under review.

Across every opportunity to provide further feedback, comments were made about the individual needs of an apprentice and the varying level of support required for each enrolment. Respondents called for recognition of this element within any new system that is developed to ensure that the process is fair, transparent and delivers value for money.

“…a funding model should be clear and simple to understand. It should support the true costs of delivering an excellent education to all students, meeting all their diverse needs and aspirations. Changes to funding models should not be driven by a desire to cut costs or to generate profits for private providers.”

The Institute is rightly committed to recommending a maximum level of funding for apprenticeships that offer value for money for employers and for taxpayers. This means funding at an appropriate level of each apprenticeship, but it also means funding at a level that allows high quality delivery of training and assessment. Reducing funding to apprenticeships has never been a design principle of the proposed model and it has not been developed with this as the purpose.