



Construction
Leadership
Council



Enabling Successful Built Environment Apprenticeships

A Call to Action

Summary Report - July 2023

Higher technical and professional
(degree) apprenticeships

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🐦 [@CICtweet](https://twitter.com/CICtweet)

The **Construction Industry Council** is the representative forum for professional bodies, research organisations and specialist business associations in the construction industry. CIC uses expertise to shape a built environment that delivers a better society and a better world bringing built environment professionals together – sharing a collective interest in enhancing the industry for a greater positive impact and contribution to society.



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The **Construction Leadership Council** works in partnership with governments and organisations of all sizes across the industry to ensure the construction sector has the voice, support and resilience needed to grow, improve productivity, attract and retain talent and successfully transition to Net Zero. Our vision is to lead a new era of delivery in the built environment.



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University College of Estate Management is the leading provider of supported online education for the Built Environment, with over 100 years' experience of providing the highest quality learning opportunities. At any one time, UCEM has more than 4,000 students from more than 100 countries benefiting from its qualifications taught by tutors with extensive industry experience.

Foreword

University College of Estate Management (UCEM) prides itself on its century-long focus on flexible part-time and distance learning models, and now online learning, specifically for the built environment sector. This sets UCEM out as an institution with an extraordinary pedigree in providing accessible learning to students who are working in this sector, or for those who would not typically find a route to a qualification if we did not exist.

As a result, apprenticeships are at the very heart of all that UCEM says and does. We now have over 2,000 degree apprentices across our undergraduate and postgraduate programmes, which accounts for more than 50% of our entire student population, making UCEM the most prolific university when it comes to the proportion of our student intake being apprentices. This also places UCEM in a unique position to bring together stakeholders to influence and improve the apprenticeship system, and to deliver the competent and capable workforce needed by the built environment sector now and in the future. However, to realise this, UCEM believes that change is needed.

Since the reform of apprenticeships a decade ago, combined with the introduction of the apprenticeship levy in 2017, the levels of funding for the delivery and assessment of apprenticeships have remained fixed. There has been little or no consideration for hyper-inflationary price rises particularly affecting the built environment sector during and following Covid-19, nor the more recent challenges surrounding the cost-of-living crisis. The result is that training and assessment costs significantly more now than they did when the level of funding for apprenticeships was set.

The combined complexities of the funding and regulatory systems add further pressure to those delivering training.

The manner in which funding flows (in arrears) for apprenticeships is at odds with all other funding models in operation in the higher education system, and the penalties levied on training providers, for example, for non-compliance with funding rules, or the withdrawal or non-completion of

apprenticeships, are onerous. They also apply even if the circumstances are beyond the control of the training provider. Apprenticeship regulation is overly burdensome, with a variety of regulatory bodies and processes in play leading to duplication, overlap and in some cases competing priorities and requirements.

Apprenticeship providers, like ourselves, are finding it increasingly challenging to deliver everything required, and we must move forward with a more coherent and consistent system of apprenticeship regulation: this reform should focus on reducing the administrative costs of apprenticeships in favour of funding being better used to support training that meets our sector needs.

We also need a more responsive apprenticeship system that is enabled to embrace and support the changes that industry needs much more rapidly, and in favour of delivering the competencies to address carbon net-zero, sustainability, digital transformation and building regulation.

In focusing change on these priority areas, we can start to drive a more agile and more responsive apprenticeship system.



Ashley Wheaton

Principal,
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Executive Summary

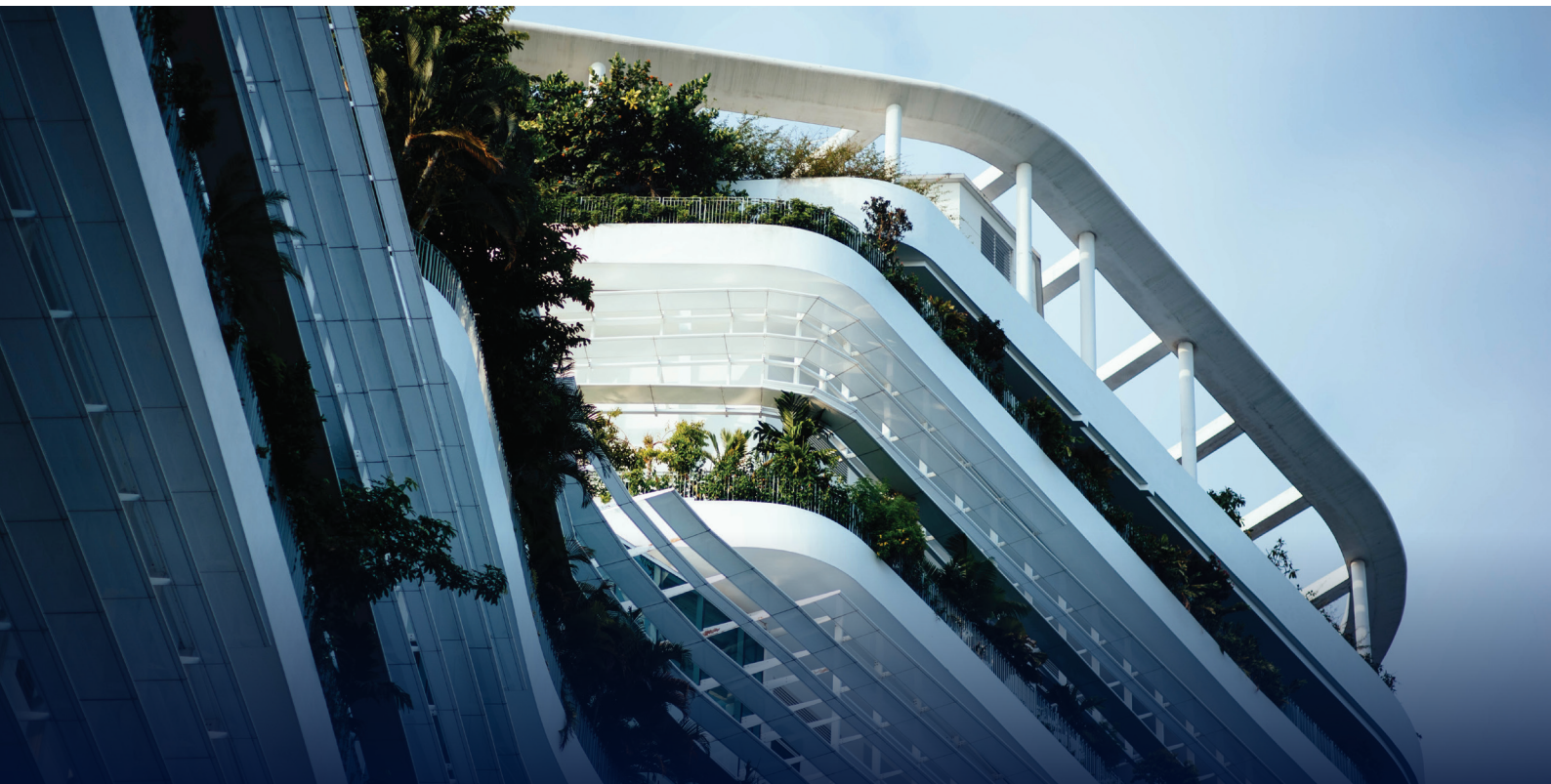
There is no doubt that apprenticeships and the apprenticeship funding systems need improvement to continue to attract, train and retain the talent needed by the construction and built environment sector now and in the future. We need to work together to tackle the challenges and barriers faced; this report provides an agreed set of priorities and recommendations that must be taken forward to ensure closer working is achieved and improvement made to the apprenticeship system for the benefit of all.



1. Apprenticeships must be more responsive and relevant

Stakeholders should engage with the development, and sharing of, better-informed careers information, advice and guidance, representative of the wide variety of technical and professional occupations on offer.

IfATE working in partnership with employers, training providers and professional institutions, needs to continue to make improvements to apprenticeship development, to create a responsive and sustainable system owned by IfATE and supported by the CLC People & Skills workstream.





2. Improve the apprenticeship funding system

The apprenticeship levy must be reviewed to ensure it continues to drive forward investment in apprenticeships, their successful outcomes, and to be open to other uses, including to better support high-quality apprenticeship delivery and assessment.



3. Rationalise regulation and compliance

The funding rules and regulation of apprenticeships need wholesale simplification and rationalisation, with recording and reporting on the priority outcomes for apprenticeships: a competent workforce that is trained well, prepared for future skills adaptations, is retained, and is productive.



4. Improve the focus on the positive outcomes of apprenticeships

The Government needs to define a more inclusive apprenticeship accountability framework which reports and recognises broader measures of success to capture a broader evidence base to enhance the apprenticeship system.



5. Improve partnerships and collaboration

The Construction Leadership Council (CLC), working in partnership with the Construction Industry Council (CIC), must be supported in its aspirations to influence government to promote and deliver improvements focused on higher technical and professional careers in the sector; and to raise the profile of apprenticeships.

1 Introduction

With reforms to the apprenticeship development and levy systems taking place over the last decade, a range of successful outcomes have been seen; the most impressive being the advancement of higher technical and professional apprenticeships. Large numbers of employers are recruiting apprentices to these programmes to support the training and assessment of competent professionals.

The Institute for Apprenticeships and Technical Education (IfATE)¹ now reports around 100 live individual occupations in construction and the built environment open to apprenticeship training and assessment. Of these, 27% are higher level (level 4 to 7) apprenticeships, and 16% are degree apprenticeships, that is, they contain a mandatory undergraduate and/or postgraduate qualification as part of the apprenticeship.

The vast majority of these higher and degree apprenticeships reside in the 'design, surveying and planning (DSP)' areas of construction and the built environment. Of these, IfATE reported that five apprenticeships alone currently account for over 65% of apprenticeship starts in the DSP pathway, and all offer a direct route to professional registration via the End Point Assessment (EPA) process².

These apprenticeships are:

- Chartered Surveyor (Level 6) (26%)
- Civil Engineer (Level 6) (12%)
- Surveying Technician (Level 3) (12%)
- Civil Engineering Technician (Level 3) (9%)
- Civil Engineering Senior Technician (Level 4) (6%)

Over the past 12 months, whilst apprentice starts have reduced by 17% across the construction and built environment sector, higher and degree level apprenticeship starts have increased by 5%, with

21,000 of the 146,000 starts recorded in these occupations³. This demonstrates that employers are committed to training apprentices at higher levels, often over longer periods than their trade-based counterparts. They are also committed to supporting apprentices to enter and progress their careers via the suite of apprenticeships available, right through to professional registration with one of the professional institutions in the sector.

However, navigating the apprenticeship system in England remains challenging for some employers, and apprentices themselves; some apprenticeships are not delivering the final assessment of competence as originally imagined or intended, the result being that apprentices withdraw from training, or are registered as a 'non-completion', and therefore do not fully achieve the apprenticeship via the end point assessment process.

Whilst revisions to some apprenticeship occupations and their EPA plans are underway, often with the aims of complying with newer policy and improving successful outcomes, there remain several often conflicting barriers and challenges that also need tackling to enable and enhance the apprenticeship system.

Training providers in particular, are voicing their concern about costly and burdensome regulation, the inflexibilities of funding, and the impacts of penalties levied on the training provider for withdrawals and non-completion of apprenticeships, which are often beyond their direct control.

Opportunities for a broader set of success criteria also need to be explored to truly recognise and register the multiple positive outcomes for apprenticeships: this could include the timely completion of qualifications and apprenticeship programmes, progression into more advanced apprenticeships, and the retention of apprentices in the sector.

1. Institute for Apprenticeships & Technical Education [IfATE] (2023) *Apprenticeship Standards* [online]. Available at: <https://www.instituteforapprenticeships.org/apprenticeship-standards> [accessed 19 June 2023].

2. Nicholls J (2023) *Ensuring the success of technical & professional apprenticeships*, 17 May 2023. INSPIRE: Enabling Successful Apprenticeships event, UCEM, Reading.

3. Data presented by IfATE on 17 May 2023 was provided by the Education and Skills Funding Agency (ESFA) for the 2022/23 academic year. Updates to ESFA data can be accessed and data tables created via GOV.UK, Department for Education [DfE] (2023) Table Tool: Create your own tables [online]. Available at: <https://explore-education-statistics.service.gov.uk/data-tables> [accessed 17 June 2023].

2 INSPIRE: Enabling Successful Built Environment Apprenticeships

In May 2023, the University College of Estate Management (UCEM) hosted its inaugural 'INSPIRE' event, the first in a series of themed sessions that enable collaboration between influential stakeholders to consider the various challenges facing the industry, bringing together **IN**fluence for **S**kills, **P**roductivity, **I**ndustry, **R**esearch and **E**ducation, and offering leadership and collaboration that is integral to the construction and built environment sector.

This event was supported by Construction Industry Council (CIC) along with Construction Leadership Council (CLC). Through this partnership, outcomes from the INSPIRE event are to be utilised to support their mutually beneficial activities and workstreams, and to advance opportunities for broader engagement around education, routes into industry and apprenticeships^{4,5}.

The 'Enabling Successful Built Environment Apprenticeships' event brought together senior stakeholders, including CEOs and senior business

leaders, professional bodies, higher education, regulatory bodies and employers to identify mutual aspirations for the construction and built environment apprenticeship system and generate ideas as to how to enable these goals, and provide a basis for engaging key decision makers, such as government and regulators. A number of organisations gave their time to contribute to the inaugural INSPIRE event (Appendix A).

Led by Ashley Wheaton, UCEM Principal, and Aled Williams, UCEM Executive Director Innovation & Partnerships (CLC Chair, Routes into Industry; CIC Chair, Education & Future Skills Committee; Chair, Council of Heads of the Built Environment) the day began with some scene setting, covering the role and impact that UCEM, as a specialist and online university, has had as early adopters of apprenticeships, the value and importance that apprenticeships continue to have at UCEM, whilst recognising the opportunities and limitations now in place to build relationships that ensure a more robust apprenticeship system is put in place.

4. CLC (2023) *Industry Skills Plan Update for the UK Construction Sector 2023 - 2024* [online]. Available at: <https://www.constructionleadershipcouncil.co.uk/news/clcs-skills-plan-for-2023-24/> [accessed 17 June 2023].

5. CIC (2021) *Carbon Zero: the professional institutions' climate action plan* [online]. Available at: <https://www.cic.org.uk/uploads/files/old/cic-carbon-zero-climate-action-plan-for-professional-institutions-7.pdf> [accessed 17 June 2023].



Insights Summary

Initial scene setting was followed by two short think pieces by Jill Nicholls, Head of Construction & the Built Environment, Transport & Logistics at IfATE and Clare Johnson MBE, Deputy Head of Profession, at the Valuation Office Agency (VOA).

Jill Nicholls outlined some of the latest government data around construction and built environment apprenticeships, noting some of the successes and positive outcomes from the apprenticeship system seen to date.



Priority areas for action were also outlined: improving apprenticeships through reviews, ensuring apprenticeship completions via the reduction of withdrawals (often at EPA gateway), and improving partnership working.

IfATE, however, raised issue with a small minority of apprenticeship training providers and employers who have failed to fully embrace the full requirements of an apprenticeship and move beyond the degree qualification alone; this impacts apprentices who, as a result, are poorly prepared for, or cannot progress to EPA, and often results in withdrawal or non-completion of the apprenticeship. This was a major consideration in IfATE's recent review of degree apprenticeship policy, where degree apprenticeships must 'integrate end point assessment' but also recognise how this can be aligned with professional registration requirements⁶.

Whilst IfATE reported that data (including the reasons behind withdrawal and non-completions) currently remains limited, they recognise there are opportunities for improvements in capturing the data to better understand the key issues and priorities, to work more broadly with all stakeholders to recognise a broader range of positive outcomes from apprenticeships, and to engage a broader range of government departments and ministers to ensure aligned approaches to better define and communicate success.

Clare Johnson MBE presented an employer view on the current apprenticeship system, and how the VOA uses apprenticeships to better attract, recruit and train talent alongside graduate and experienced workforce recruitment. Since technical and professional apprenticeships have been available, the VOA has moved further away from its historical graduate intake, seeking to address key skills needs, whilst improving retention, diversifying its workforce, and enabling social mobility. To do so, the VOA has introduced training for line managers, improved apprentice onboarding, and sets performance objectives for apprentices (as it does with all other staff). Issues with the disconnect between on and off the job training have been experienced by apprentices, as have wellbeing issues.



6. Institute for Apprenticeships & Technical Education [IfATE] (2023) *Degree Apprenticeships* [online]. Available at: [Degree apprenticeships/Institute for Apprenticeships and Technical Education](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118444/Degree_apprenticeships/Institute_for_Apprenticeships_and_Technical_Education) [accessed 19 June 2023].

VOA also reported that they had experienced an impact on productivity – taking on apprentices in large numbers requires significant mentoring and line management resource, and with the broader market seeking skilled staff, there has been significant competition for skills, with the route to professional review via the EPA also taking longer than anticipated. In order for VOA to sustain the level of apprenticeship intake, the organisation is aiming to grow its community of supervisors and mentors to ensure a high-quality experience and successful outcomes; so that the apprentices are retained in the business. VOA is also considering how it might utilise apprenticeships across the UK nations more widely, and to plan for their future skills needs.

Workshops

Two workshops followed in which all attendees participated, interacted and engaged in the discussions; the aim was to reach a consensus on outputs.

- The first workshop focused on the problems, issues and challenges facing apprenticeships in the construction and built environment sector and sought to identify how we move beyond these barriers to define and deliver successful apprenticeships;
- The second workshop focused on the solutions that need to be realised to achieve the successful apprenticeships defined earlier, whilst ensuring high-quality apprenticeships, and the collective achievement of positive outcomes for all stakeholders.

Following feedback from the separate workshop groups, consensus was achieved in relation to the headline themes presented below, and this call to action and recommendations were agreed.

The aim ultimately is to engage all stakeholders, to influence and enact change, to take forward an improved, more robust apprenticeship system, which is better and more successful.



3 Headline Themes

The lively and productive discussion generated in the workshops resulted in five key areas which the attendees agreed represented the best areas to focus on at a high level, to overcome the identified barriers and challenges. The overall aims are to simplify the apprenticeship system to be more responsive and relevant to all stakeholders⁷; make positive changes to improve the flexibility and flow of apprenticeship funding whilst removing unnecessary bureaucracy; recognise and reward the variety of positive outcomes from apprenticeships; and facilitate better collaboration between government, industry, professional bodies and education providers.

Outcome 1:

Apprenticeships must be more responsive and relevant

The English apprenticeship system has evolved dramatically since 2013, with a large array of apprenticeship occupational standards generated through employer leadership, with training provision developed and delivered in partnership with providers and professional institutions.

The following can be seen as markers of success:

- Through the employer-led trailblazer process, employers have been able to lead the development and management of professional apprenticeships for the first time;
- These apprenticeships open multiple access points and progression pathways to professional careers that were previously missing from the portfolio of funded apprenticeships; and
- Employers are now able to recruit and train employees to a high level, working in partnership with colleges, universities, and professional institutions.

As a result of the employer-led system, the occupational standards are longer and more demanding, based on knowledge, skills and behaviours as well as including external validation through end point assessment (EPA).

Apprenticeships in general are seen as less prestigious and are perceived as the poor relation to other more traditional career pathways. This encapsulates several issues such as the lack of awareness and wider societal perceptions. There is little focus on the ever-increasing variety of rewarding technical and professional occupations in the sector open to apprentices that combine the very same underpinning educational pathways with on-the-job training and professional development supported by employers.

“There’s still a prestige gap, a perception that an apprenticeship is somehow not the equivalent level of traditional qualifications.”

(Apprenticeship Provider)

7. IfATE (2023) A Simpler Skills System [online]. Response to ‘The Big Conversation’ consultation. Available at: <https://www.instituteforapprenticeships.org/about/operational-plans/a-simpler-skills-system/> [accessed 16 June 2023].

Employers are keen to make construction and built environment apprenticeships a destination of choice, be that for new entrants, returners and those seeking to upskill.

Attracting and retaining the best talent is proving harder, with many employers struggling to keep up with the demand for competent employees and a population decrease, meaning fewer younger people are entering the workforce. Generally, employers at the event noted that apprentices appear to be more productive and loyal to their organisations than traditional graduate career pathways. Also, apprentices often score higher marks than their counterparts studying on a purely academic route.

“Apprentices are often way above the skills and knowledge levels of undergraduates – apprentices have learned it; they’ve applied it and they are like mentors to the undergraduates”

(Professional Body)

These outdated perceptions around apprenticeships must change, and the equity of opportunity presented and promoted clearly. This needs to be combined with better understanding and visibility of all the options open to learners and employers about apprenticeships in the industry and how these can offer a rewarding career accessed on a ‘earn while you learn’ basis.

However, apprenticeships are far more than a ‘route to a free degree’ – with this mantra playing into variable quality experiences. Too many employers and training providers are not truly understanding their respective roles and responsibilities in supporting both on and off the job training and professional development, resulting in too many apprentices not being prepared for, or withdrawing before, their EPA. This unfortunately plays into real and significant challenges for apprenticeship training providers, who are ultimately penalised by retention of funding tied to successful completion of the EPA.

“The focus should be on the whole end-to-end experience for the apprentice, ensuring that the ‘off the job’ training is joined up with the day-to-day work experience and both of those support a successful EPA completion”

(Apprenticeship Provider)

Apprenticeship standards are high-level documents; they can be slow to reflect changes happening in industry and can take time to progress through formal approval processes. This can result in apprenticeship programmes being devised many years prior to apprentices completing which begs the question of timely responsiveness to meet industry needs.

“Future skills - sustainability, net zero, digital – are not represented sufficiently within Apprenticeship Standards currently”

(Employer)

Employers are also concerned that those entering the sector need to be committed to, and prepared for, the **productivity, rapid technological, digitisation and net-zero challenges** that the sector faces. The occupations available as apprenticeships need to be more readily adaptable and challenge all parties to drive forward with innovation in the curriculum. This requires **greater partnership working**, and the opportunities for broader engagement of industry supporting the **design and delivery** of specialist knowledge and skills better explored.

The training plans that underpin apprenticeships need to be more readily available to support all employers and training providers to view the finer detail (breadth and depth) expected of the apprenticeship: these training plans also need to be readily adaptable to individual employers working in partnership with their chosen training partner, and to ensure the currency and relevance of industry and professional practice.

For high-quality apprenticeships to deliver the competent and productive workforce needed, there must be a concurrent focus on the apprenticeship delivery and assessment processes, and the roles and responsibilities of each party involved in the apprenticeship, and ensuring these are better explained and embedded in the apprenticeship.

Partnership working is essential to success, with access to good line managers and mentors often the route to timely and successful apprenticeship completions.

A sustainable ‘system’ needs to be established to review the technical and professional curriculum periodically (set frequency). This should be owned and coordinated by IfATE and the CLC People & Skills workstream supported by industry and education.

Outcome 2:

Improve the apprenticeship funding system

The apprenticeship levy was introduced in April 2017 for employers with a salary bill over £3 million per annum: the levy aimed to enable employers to fund the training and assessment of apprentices in their workforce. Where employers failed to spend all their levy, the remainder would be returned into the apprenticeship system for other employers to utilise to train their apprentices.

When combined with the employer-led apprenticeship standards system, the following can be seen as markers of success for the apprenticeship levy:

- The levy has driven significant investment in apprenticeships, with large employers now focused on graduate and apprenticeship recruitment, alongside experienced and skilled recruitment;
- Levy funds are being used to support the training of a technical and professional workforce, which was previously out of the scope of former apprenticeship framework funding mechanisms;
- Employers are engaging with a wide variety of apprenticeship training providers who utilise levy funds to develop the skills businesses need; and
- Non-levy payers can now access 95% of the funds needed to train their apprentices.
- Apprentice levy pledge system allowing unspent funds to be made available to other employers within the sector.

The funding of apprenticeships was one of the most important and frequently raised matters during discussions because, as one contributor put it, “funding does drive behaviour”. Many employers in recent years have focused on maximising their levy spend, with many now utilising their full or a significant proportion of their levy allocation, whilst others are overspent.

The **incentives** to enable levy sharing are also facing barriers to their use and uptake: levy transfers, aimed to transfer unspent apprenticeship funds from one employer to another, are not being routinely taken up, or working as well as they could, resulting in the apprenticeship levy **not being utilised or retained in the sector**. For example, large employers stated that there was a lack of guidance on how to transfer their levy funds to support smaller firms.

“The ability to transfer our unspent apprenticeship levy funds is welcome, but too much onus is on employers to make this happen.”

(Employer)

Despite a downturn in apprenticeship recruitment during the years affected by the Covid-19 pandemic (leading to a reduction in employers’ use of the apprenticeship levy), the Government’s apprenticeship funding model, which relies on apprenticeship levy income, is often reported as being at potential risk of total levy overspend⁸.

The **lack of flexibility of the apprenticeship levy** is also proving problematic: some employers are now reporting that they can no longer fund alternatives to apprenticeships, resulting in less funding available to those in the workforce that require upskilling via the likes of continuing professional development (CPD), or for supportive activities that would further drive-up apprentice numbers, or improving the support from mentors and line managers for higher quality apprentice outcomes; this mirrors what had been previously reported by employers in this sector in 2020⁹.

Some are questioning if apprentices themselves should invest in, or part-fund, their training, or at least be held accountable for a level of funding if they leave the apprenticeship early, and particularly at the gateway to, or during, EPA.

8. Linford N (2021) *Apprenticeship levy funding: the truth is out there*, FE Week [online]. Available at: <https://feweek.co.uk/apprenticeship-levy-funding-the-truth-is-out-there/> [accessed 17 June 2023].

9. Williams A, Sudworth C and Bartle S (2020) *Build back better: Improving the apprenticeship system to better support infrastructure* [online]. Available at: <https://www.cic.org.uk/shop/reports> [accessed 17 June 2023].

The rules which govern this apprenticeship funding were also seen as overly complex and sometimes blunt instruments, exacerbating funding problems. Employers and training providers currently have no recourse to claw back funding from apprentices; both are **unfairly penalised if the apprentice fails to proceed with EPA**. Employers will have paid the full amount for training and assessment, but **20% of this amount is withheld from the training provider**, resulting in significant financial losses, especially where the training to EPA gateway has been completed successfully.

For example, if an apprentice withdrew from their apprenticeship before taking their EPA (even if they had undertaken a multi-year qualification and even if the withdrawal was no fault of the apprenticeship provider), then the provider would be denied the final 20% of the apprenticeship funding 'completion payment' which could amount up to £5,400. This is especially unfair to providers.

Withdrawals often occur in the 'gateway' period between finishing a qualification, but before taking EPA, by which stage the provider had invested significant resources, with the withdrawal also negatively impacting the provider's Qualification Achievement Rates (QAR) a formal measure of a provider's performance. The same happens when an apprentice only part completes the EPA process: the training provider is adversely penalised.

Many stakeholders are questioning if the original ambitions for the apprenticeship funding system remain true: that is, employers can devise the apprenticeship training they require that leads to a competent and productive workforce and that their apprenticeship levy can fund the training they need. There are now growing calls for a review of the apprenticeship levy so that it provides greater transparency as to how the apprenticeship levy is being used, and the levels of funding available for the Government's apprenticeship programme¹⁰.

Also requiring scrutiny are the **funding bands**, which dictate the level at which individual occupations are funded. Whilst the mechanisms for allocating funding bands have recently undergone review, these remain set at the levels they were some years ago and remain based on the historic qualification-based

apprenticeship frameworks, which have failed to **reflect the often-longer duration of technical and professional apprenticeships or the rising costs of delivery and assessment**.

"The fact that funding bands have not been addressed is a bit of a problem because everything else has gone up in value and cost and delivering a good apprenticeship is not a cheap thing to do."

(Professional Body)

Away from the mechanics of the apprenticeship levy, the amount of funding for individual apprenticeships was seen as an even more pressing issue. There needs to be a better match between the actual costs of providing a high-quality apprenticeship and the funding allocated by government. Rising costs, especially for consumables and expensive equipment needed to teach built environment professional and technical apprenticeships were threatening the viability of these apprenticeship programmes. This was because there had been no equivalent rise in the funding bands for these apprenticeships. The upper limit of the maximum 'apprenticeship funding band' (£27,000), into which many sector professional apprenticeships fall, has not risen since its introduction in May 2017 and is set below the tuition fee limit for traditional university degrees (£27,750).

For many apprenticeships, where funding bands allocated are too low, employers are unable to find willing training providers to support the training of their apprentices. One example provided was access to funds to coordinate and support investment in a viable training programme for the Acoustics Technician apprenticeship, which has until recently struggled to 'get off the ground'. Apprenticeship funding bands must be allocated to enable high-quality training and assessment of apprenticeships to be provided, or we run the risk of damaging the apprenticeship brand.

"We have been unable to recruit and train apprentices as the funding band allocated to the occupation is not viable for training providers to offer the programme."

(Employer)

10. Chowen S (2023) *Ex-DfE ministers call for 'apprenticeship levy 2.0'*; FE Week [online]. Available at: <https://feweek.co.uk/ex-dfe-ministers-call-for-apprenticeship-levy-2-0/> [accessed 17 June 2023].

Outcome 3:

Rationalise regulation and compliance

The regulation of degree apprenticeships is now disproportionate to risk and places an excessive burden on training providers, diverting resources, ultimately derived from employers via the apprenticeship levy. Regulation and funding compliance are inextricably linked; UCEM estimates that 15% of the costs of delivering an apprenticeship relate to **funding and regulatory compliance** alone: **funds which could and should be better served by investing in the training of apprentices.**

Now at over 130 pages, the Education and Skills Funding Agency (ESFA) **apprenticeship funding rules**¹¹, the means by which training providers, in collaboration with employers, commit to funding the training and assessment of apprentices, **need significant consideration and simplification.**

Whilst rules are needed to ensure appropriate spending of taxpayers money, the apprenticeship system has significantly moved away from this model; apprenticeship levy paying employers now fund apprenticeship training and assessment, and it must be questioned if the annual apprenticeship funding rules, their complexities, intricacies, and ways in which training providers are challenged to meet targets, **remain wholly appropriate.**

For example, the Government must consider which rules are absolutely necessary, and which might be better presented as guidance; whether certain rules might be better served by the phasing of training delivery or meeting agreed milestones; if rules enable or stifle innovation; if the rules truly support apprentices with more appropriate break clauses or to enable the recognition of stop-off points; and if the penalty clauses levied are fair and appropriate (and whether they are in the control of the training provider or employer).

“There is a patchwork of regulatory bodies that have oversight of degree apprenticeships, there are so many regulators whose conditions we must meet. Around 10-15% of our entire costs are spent on regulatory compliance.”

(Apprenticeship Provider)

Adding to the burden of apprenticeship training providers is the requirement to **navigate through multiple regulatory systems** (these can include Ofsted, ESFA, Office for Students, Ofqual at organisational level, through to the Quality Assurance Agency and professional accreditation processes at subject level) which duplicate, overlap and often compete with one another.

For any apprenticeship training provider, there is a need to put into place a coherent and consistent system of regulation, which prioritises the range of outcomes from apprenticeships, offers consistent measures and targets, and fairly addresses issues with funding. We must now move beyond the historical systems on which these outdated regulatory and funding mechanisms were based.

Reporting and monitoring must focus on and prioritise the real outcomes from apprenticeships that all stakeholders aim to deliver: a competent and capable workforce, which can be retained and is productive.

In return, simplifying the apprenticeship funding rules and reducing the burden of regulation on training providers might open avenues for greater innovation in apprenticeship training and assessment.

11. GOV.UK, Department for Education [DfE] (2022) *Apprenticeship funding rules for main providers* [online]. Last updated 24 October 2022. Available at: [Apprenticeship funding rules for main providers - Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/apprenticeship-funding-rules-for-main-providers) [accessed 2 June 2023].

Outcome 4:

Improve the focus on the positive outcomes of apprenticeships

In the construction and built environment sector, technical and professional apprenticeships are maturing, with the initial cohorts on the new-style occupational standards now coming to, and through, the EPA process. No matter the stakeholder, it is evident that there is a wide range of positive outcomes from the apprenticeship system, with many employers, apprentices and training providers keen to promote the apprenticeship route whilst sharing their lessons learned. The following can be seen as markers of success:

- Employers are routinely recruiting apprentices, alongside graduates and experienced professionals;
- Employers are looking to apprenticeships to grow and diversify their workforce;
- Employers are using apprenticeships to support the career progression and upskilling of their staff or offering mentoring and line management as developmental CPD opportunities;
- Employers are gaining, and seeing improved retention of, competent and qualified professionals; and
- Relationships between employers and training providers have expanded and are being maintained through apprenticeships.

However, despite the successes seen, there are a large number of reasons for apprentice withdrawals and non-completions: some apprentices leave during the initial stages of the apprenticeship as they didn't realise what they were taking on; others have personal commitments or life experiences, which take priority over apprenticeship training (this being more prevalent on the longer duration apprenticeship programmes); and others who are simply offered promotions, often in other organisations.

“It is often not the job or the apprenticeship training that makes someone stop their apprenticeship, its personal things, but providers can unfairly become accountable for these ‘uncontrollable’ factors.”

(Employer)

For many apprentices who progress with the full training programme and duration, the progression into, and completion of the EPA can also be problematic. These are some initial trends being reported:

- Apprentice and/or employer have not had information about EPA, or understand its role in the apprenticeship, with this being reported from the outset;
- There has been a lack of support from employers and/or training providers, with regular reviews during training and before the EPA not being used to support the development of competence, or to ensure this can be achieved in a timely manner;
- Apprentices not being adequately prepared for their EPA, or are not able to readily demonstrate full competence, often following completion of a knowledge-based or degree qualification; and
- There are delays to gateway ‘sign-off’, long waiting lists for EPAs, or apprentices (and their employers) are unable to meet the ‘verification’ processes involved in the EPA.

Whilst ready changes can be made, such as adjusting EPA plans to reduce barriers to completion, others remain more problematic. These challenges have been faced along the way by many stakeholders, with solutions being found that support all parties directly engaged in the apprenticeship.

It is these lessons learned that, if shared, will support improvements for future cohorts, not only in supporting and improving training but in successfully completing these apprenticeships.

Changes to apprenticeship policy, with a move towards integrated apprenticeships, are now underway. These changes are aimed at reducing withdrawals from apprenticeships at gateway and improving successful completions. Ultimately, this move will also aid providers in receiving timely full payment for the training they deliver which also reduces the risk of training providers leaving the market. However, **integration needs to be carefully worked through to ensure apprenticeships continue to deliver and assess competence as recognised by industry.**

In the current apprenticeship reporting system, there are very limited opportunities to detail the scale and timing of these withdrawals and non-completions issues. It relies on training providers reporting:

- Withdrawals within the Individual Learner Record (ILR), but with little scope for providing reasons for non-completion;
- Apprenticeship outcomes against the 'Qualification Achievement Rate' (QAR) and 'timely completions', which does not reflect where apprentices have completed the training element of the apprenticeship but have not then proceeded with the EPA.

End point assessment organisations (EPAOs) also experience very limited options to report apprentice outcomes; outcomes from EPA being simply the grade awarded on completion of the EPA. However, EPAOs have no direct mechanism to report where, when and why apprentices fail to progress through their EPA.

It, however, remains true that training providers are the ones ultimately penalised, even when withdrawals and non-completions are out of the control of the training provider, and sometimes, their employer.

“We have a 50-50 split of females and males in our apprentices which is fantastic”

(Employer)

With the introduction of the recent 'Accountability Framework'¹² there must be greater opportunity to recognise and record data and information, and to broaden how the Government measures 'success' in apprenticeships. This must include measures against progression to more advanced apprenticeships (even before EPA), completion of training programmes to EPA gateway, promotion and retention of apprentices in the sector, and improved diversity and social mobility of the workforce.

Progression to another more advanced apprenticeship is not currently recognised as a successful outcome. However, when a T-level student is recruited into an apprenticeship, even before completion, this is measured as a positive outcome. What is acceptable for T-level candidates moving onto an apprenticeship should be replicated when an apprentice advances their career via another apprenticeship, even before they complete an EPA. There needs to be fairness and consistency of approach when implementing technical education policies.

“Degree apprenticeships create progression pathways as the requirements of professional bodies have been incorporated into the apprenticeship programme.”

(Academic)

The Government needs to define a more inclusive apprenticeship reporting system that recognises and measures a broader set of success measures, and truly captures data to inform and prioritise improvements to the apprenticeship system.

12. GOV.UK, Department for Education [DfE] (2023) *Apprenticeship training provider accountability framework and specification* [online]. Last updated 4 May 2023. Available at: [Apprenticeship training provider accountability framework and specification - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118111/apprenticeship-training-provider-accountability-framework-and-specification.pdf) [accessed 16 June 2023].

Outcome 5:

Improve partnerships and collaboration

Apprenticeships can only work if all participants and stakeholders agree on what makes apprenticeships successful, and if they plan and coalesce around actions to make positive changes in a timely manner.

Lessons have been learned from the trailblazer process, which initially suffered from a lack of engagement from training providers: to develop and review occupations, there needs to be a healthy mix of all stakeholders, from employers to training providers and EPAOs, with support from professional, statutory and regulatory bodies (PSRBs). The trailblazer process is enhanced further if current apprentices or recent apprentice completers also share their experiences.

What has been visible, is that the **key issues and challenges are commonplace (no matter the stakeholder), and there is agreement that apprenticeships are a good and valuable thing. Sharing experiences, from within and beyond this sector is essential: our issues, concerns and solutions are equally applicable to other sectors.**

However, a more coherent industry voice remains a priority: the **CLC must be supported in its aspirations through the Industry Skills Plan¹³**, supported by their People & Skills Workstream, to promote and deliver improvements focused on the higher technical and professional careers in the sector; and to raise the profile of apprenticeships with more employers as a route to engaging and providing real opportunities to develop a more diverse and competent workforce.

The **CIC should continue to bring together professional institutions** across the sector to ensure apprenticeships continue to be recognised as routes to professional registration and embed the skills in education and training programmes supporting apprenticeships required to produce the professionals of the future; these being competent and capable professionals committed to lifelong learning and CPD.

With so many policy and funding changes to the apprenticeship system over the past decade, now is the time to take stock: we must ensure that employers, who fund the apprenticeships, are supported, listened to and enabled to continue their commitment to apprenticeships, whilst allowing changes to apprenticeships to be worked through, and to continue to deliver fit for purpose training that is of high-quality and recognised for meeting and adapting to industry needs.

Training providers must also play their part: the development of programmes in isolation from employers is set to fail to deliver improved apprenticeships. They must better engage with employers to collaborate and co-deliver apprenticeship training and assessment that is flexible, relevant, faces industry challenges head-on, and drives innovation and productivity.



13. CLC (2023) *Industry Skills Plan Update for the UK Construction Sector 2023 - 2024* [online]. Available at: <https://www.constructionleadershipcouncil.co.uk/news/clcs-skills-plan-for-2023-24/> [accessed 17 June 2023].

Professional bodies must continue to support apprentices and promote the apprenticeship route to professionalism; they must also work with employers and training providers to navigate and implement innovative solutions that deliver successful outcomes recognised by industry.

A sector-wide, holistic approach that brings all stakeholders together is needed: we should ensure that workstreams including the Construction Skills Delivery Group¹⁴ (CSDG) continue to bring together government and industry to develop and deliver reforms. Education, collaboration and engagement are essential to influence IfATE, the ESFA and representatives from across government. We need better-informed routes to driving forward improvements to apprenticeships, and to securing appropriate changes to the apprenticeship funding system.

Only through improved partnership working and collaboration will apprenticeships remain successful and continue to deliver professionals that are essential to delivering on skill shortages, driving up the competence and future capability of the construction and built environment workforce.

Collaboration and partnership also remain essential to attracting and retaining the right people in the construction and built environment sector, via the right apprenticeships, the right training providers and EPA processes, at the right time.



14. CSDG is responsible for addressing skills needs in the construction sector with responsibilities to influence and advise on Government policy decisions including data monitoring/oversight allied with improving and expanding the take up of the government skills offer. It includes Government Departments: Department for Education (DfE), Department for Work and Pensions (DWP), Department for Transport (DfT), Department for Levelling Up, Housing and Communities (DHLUC), Department for Culture, Media and Sport (DCMS), His Majesty's Treasury (HMT); Industry Training Boards (CITB & ECITB); Industry; CLC People & Skills Workstream; Construction Sector Delivery Lead (Department for Business & Trade) working with DfE and DWP.

4 Recommendations

Outcome 1:

Apprenticeships must be more responsive and relevant

Employers are keen to make the construction and built environment sector, and apprenticeships, a destination of choice for new entrants, returners and those seeking to upskill. To make this possible, outdated perceptions around apprenticeships in construction and the built environment must change, with the wide variety of career opportunities and occupations needing to be better promoted to ensure the equity of opportunity.

Improvements to the outcomes of apprenticeships must be made, with more appropriate and accessible information relaying the expected competence outcomes of apprenticeships versus other options. This must be supported with clear advice and guidance for potential apprentices and employers outlining the options open to them, the outcomes expected, and the relevant roles and responsibilities expected of each party at the various points in the apprenticeship.

RECOMMENDATION 1

We call on stakeholders to engage with the development, and sharing of, better-informed careers information, advice and guidance, representative of the wide variety of technical and professional occupations on offer. In making this clear from the outset, the competence-based outcomes offered by apprenticeships will differentiate the offer from other routes into industry and withdrawals and non-completion of apprenticeships should be minimised.

Occupational standards, and the underpinning training for apprentices, need to be more responsive, adaptable and supportive of the productivity, rapid technological, digitisation and net-zero challenges that the sector faces.

Apprentices will need to be prepared for careers that develop and change and they must demonstrate a commitment to lifelong learning; training providers will also need to work in greater partnership with employers to realise this change and drive innovation in the curriculum, with employers encouraged to support the design and delivery of training and assessment.

RECOMMENDATION 2

To create a sustainable system, owned by IfATE and supported by the CLC People & Skills workstream, we need to continue to make improvements to the apprenticeship development, review and approval process by working in partnership with employers, training providers and professional institutions. This needs to be more responsive to requests for minor adjustments and revisions to occupations and their EPA plans and to push forward content that supports key future skills developments in occupational standards.

Outcome 2:
Improve the apprenticeship funding system

There must be greater transparency in terms of the funding available for apprenticeships, and how apprenticeship levy contributions are being used. Where the levy is not being utilised, the Government must ensure the incentives that facilitate the sharing or transfer of levy funds are better promoted, are accessible and the administrative processes simplified.

The funding bands allocated to occupations need reconsideration as part of a wholesale review of apprenticeship funding. High-quality, construction and built environment (including STEM-based) apprenticeships need to be fully funded for their full duration, with uplifts that address the rising costs of delivery and assessment or risk the departure of apprenticeship training providers from delivery.

RECOMMENDATION 3

The apprenticeship levy must be reviewed to ensure it continues to drive forward investment in apprenticeships, their successful outcomes, and to be open to other uses, including to better support high-quality apprenticeship delivery and assessment.

Outcome 3:
Rationalise regulation & compliance

The apprenticeship regulatory requirements are far too complex, cumbersome and often conflict with intended policy outcomes. Both funding and regulation need to prioritise the mechanisms to identify, record, monitor and support the delivery of high-quality apprenticeships, with a broader set of positive outcomes recognised via a revised 'Accountability Framework'.

By focusing efforts on the priorities for the apprenticeship system, greater innovation and cost savings can be achieved, with data that captures, informs and is responsive to priorities, and is supported by all stakeholders.

RECOMMENDATION 4

The apprenticeship funding rules and regulation of apprenticeships need wholesale simplification and rationalisation, with recording and reporting on the priority outcomes for apprenticeships: a competent workforce that is trained well, prepared for future skills adaptations, is retained, and is productive.

Outcome 4:

Improve the focus on the positive outcomes of apprenticeships

Lessons learned by both training providers and employers from the delivery and assessment of apprenticeships need to be shared to support improvements for future cohorts of apprentices, enhance training, and deliver more successful apprenticeships. Where integration of EPA in degree apprenticeships becomes mandated via policy changes, this needs to be carefully worked through to identify the benefits and limitations of this model in the construction and built environment sector, and to secure professionally recognised competence outcomes.

The current restrictions in reporting successful outcomes for apprenticeships via the QAR are no longer fit for purpose: government needs to enhance the criteria for capturing a broader variety of successful outcomes for apprenticeships via its 'Accountability Framework'; with success measures, such as progression to more advanced apprenticeships (even before EPA), promotion and retention of apprentices in the sector, and improved diversity and social mobility of the workforce all valued outcomes to apprenticeships.

RECOMMENDATION 5

The Government needs to define a more inclusive apprenticeship Accountability Framework which reports and recognises broader measures of success to capture a broader evidence base to enhance the apprenticeship system.

Outcome 5:

Improve partnerships and collaboration

With the key issues and challenges now well understood, there is an opportunity to collaborate and drive forward improved partnership working models with a more coherent industry voice. Only with this combined industry voice will apprenticeships remain successful and continue to deliver professionals that are essential to delivering on skill shortages, driving up the competence of the construction and built environment workforce.

Collaboration and partnership are critical to attracting and retaining the right people in the construction and built environment sector, via the right apprenticeships, the right training providers and EPA processes, at the right time.

RECOMMENDATION 6

The Construction Leadership Council (CLC), working in partnership with the Construction Industry Council (CIC), must be supported in its aspirations to influence government to promote and deliver improvements focused on higher technical and professional careers in the sector; and to raise the profile of apprenticeships with more employers as a route to engaging and providing real opportunities to develop a more diverse, competent and capable workforce (both now and in the future).

5 Next steps

This Call to Action will be shared with all delegates of the INSPIRE: Enabling Successful Built Environment Apprenticeships event held in May 2023. It will also be openly published and shared via networks, including through the Construction Leadership Council (CLC) and Construction Industry Council (CIC), the aim being to promote, share and engage broader stakeholders in focused discussion around the headline themes, and taking action to progress the recommendations within this report.

UCEM will also contact, and follow up with, the appropriate range of Ministers with responsibilities across the apprenticeship piece, their teams and other senior officials across the Government, inviting them to engage with the INSPIRE programme and/or through the networks and activities residing in the collaborative actions of the CLC and CIC.



6 Conclusion

With a decade of practice now maturing, the INSPIRE event has brought together key stakeholders to share the positive outcomes of apprenticeships – many of which are all too often unsung. We must do more to work collectively to communicate and promote the wide variety of opportunities and recognise the variety of outcomes that higher and professional apprenticeships offer in the built environment sector. These include progression and retention; not simply the data recording completion of the apprenticeship EPA.

Securing the professionals for our sector is important, as is increasing social mobility and the diversity of our workforce: we need our apprenticeships to be responsive to the sector’s needs, preparing our future workforce with the competencies that will deliver productivity, net-zero, sustainability and digital transformation, whilst ensuring we have the professionals recognised to deliver building safety.

We must adopt the recommendations to drive forward the change needed: we can only do so if all stakeholders come together to ensure that there is a joined-up approach to dealing with the challenges and barriers identified, to ensure all those engaged in apprenticeships fully understand their roles and responsibilities, and that apprentices themselves can understand the differences between apprenticeships and other routes into and through the sector.

Through the Construction Leadership Council (CLC) and Construction Industry Council (CIC), we must engage and involve those implementing policy around apprenticeships and their funding, to respond collectively to, and build on the recommendations presented here. This report will be shared with the appropriate range of Ministers, their teams and other senior officials across the Government, inviting them to engage with its findings. We also need all government departments to work more collaboratively to remove conflicting policies, go further with its simplification processes and reduce unnecessary burden, in favour of improved funding and better outcomes for apprentices.



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Appendix A – Contributors

Thank you to those, listed below, who contributed to this report by attending the inaugural UCEM INSPIRE event ‘Enabling Successful Built Environment Apprenticeships’:

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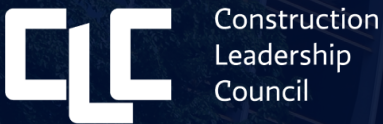
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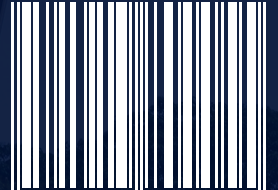
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