

WORKSHOP

BIRMINGHAM

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UNLOCKING GROWTH: OPTIONS FOR LEVY REFORM

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HEADLINE SPONSOR



UNLOCKING GROWTH: The Options For Levy Reform



end-point assessment and so much more

AGENDA

- What we know so far
- What we can speculate
- The 'underspend'
- What 'the sector' wants
- How to fund it
- Distributing the funds
- Popular suggestions
- Unintended consequences

WHAT WE KNOW SO FAR



Skills England to replace IfATE



ESFA scrapped



Levy will be reformed

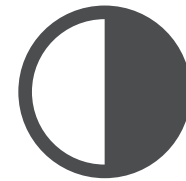


Government likely to protect apprenticeship numbers



More money is needed... and there are no popular options

WHAT WE CAN SPECULATE



It won't be 50% of the levy



DfE have hinted at an 'approved list of products'



DfE and Labour both keen on some form of 'pre-apprenticeship'

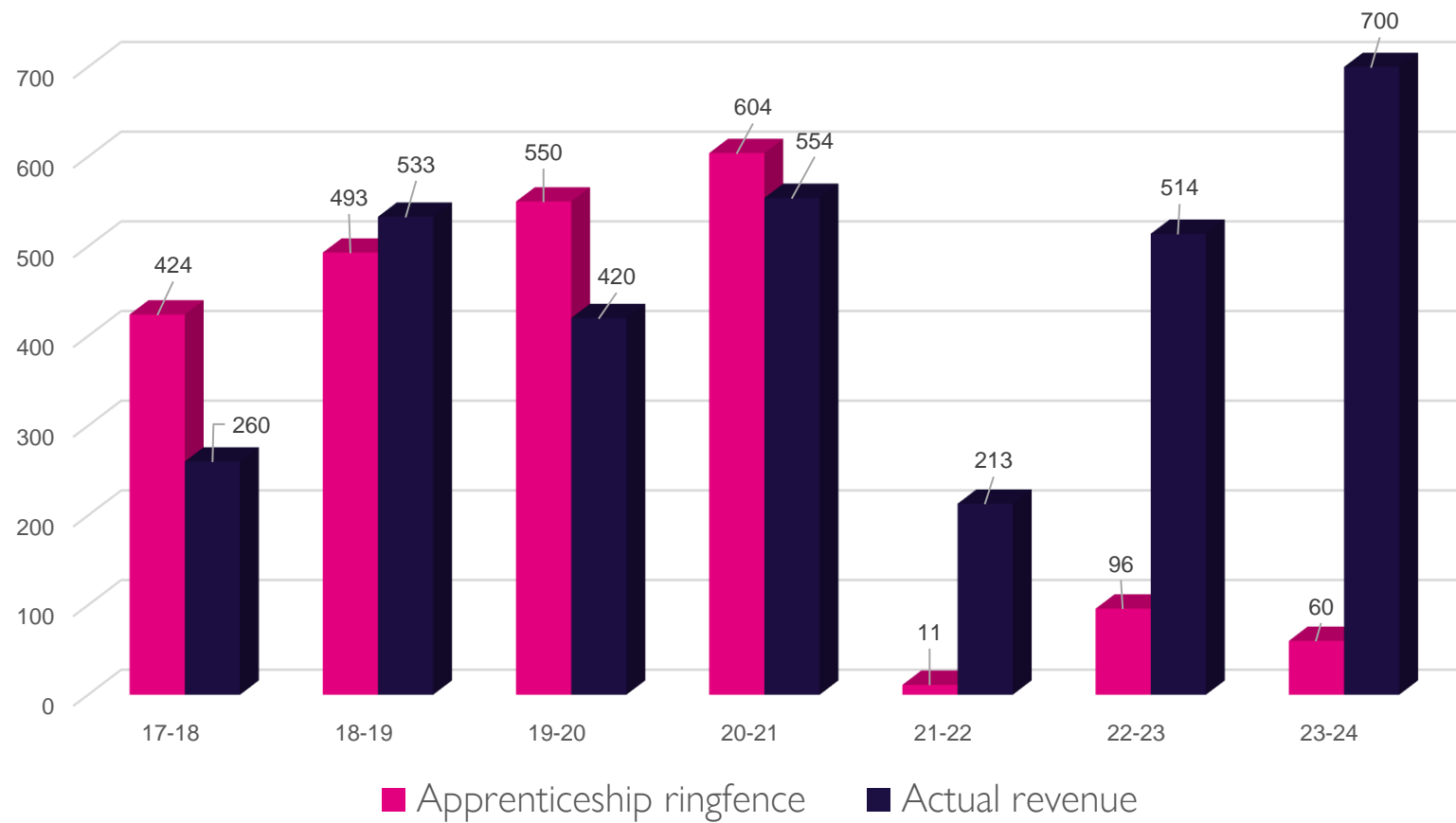


It's going to take time and may well be phased



THE 'UNDERSPEND'

Cash returned to treasury (£m)



WHAT 'THE SECTOR' WANTS

- To protect apprenticeship numbers
- More flexibility to meet employer demands
- To retain an all-age, all-level offer
- Simplification of end-point assessment
- Improved process for Trailblazers
- Better SME engagement
- Rethink on OTJT and maths and English
- To retain an employer-led, not programme-led model



HOW TO FUND IT

If we are to maintain existing apprenticeship numbers, more money must be made available to fund these flexibilities. Options include:

- Force more employers to pay the levy
- Increase the levy contribution from 0.5%
- Limit which apprenticeships are eligible for funding
- Limit individuals' eligibility criteria (age, earnings, prior attainment)
- Increase the budget



DISTRIBUTING THE FUNDS

- Only levy-paying employers have access
- All employers have access
- Per-employer pots
- Centralised pots
- Devolved allocations
- Minimum apprenticeship spends



POPULAR SUGGESTIONS



FOUNDATION APPRENTICESHIPS

- Learners must be in employment
- 6-9 month duration
- Plugs the gap left by frameworks



REGULATED QUALIFICATIONS

- Generic, transferable skills
- Industry-specific 'bolt-ons'

UNINTENDED CONSEQUENCES



We exhaust the funds



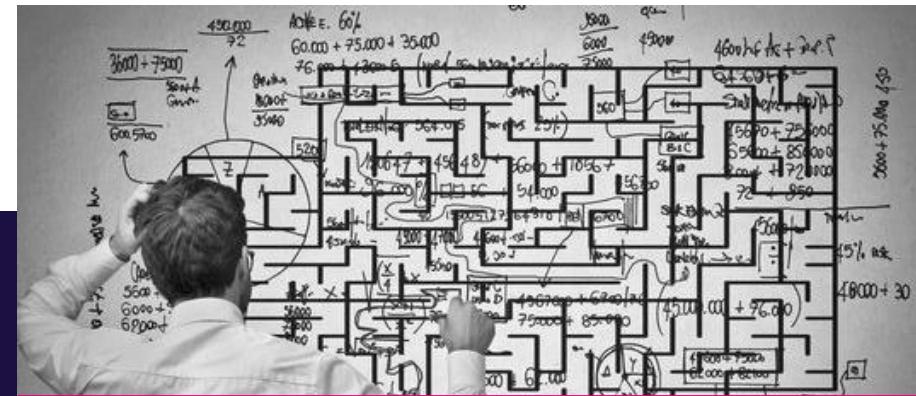
Flexibilities are too relaxed; cash is wasted



We push out higher-level apprenticeships



Protectionism prevails



We make it too complicated



CONCLUSION

- Let's not waste this opportunity
- We must not repeat mistakes of the past
- We need to agree what 'success' looks like
- We need an honest conversation about how it's funded
- We must listen to what employers want and need



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