



# **Build back better:** Improving the apprenticeship system to better support infrastructure

September 2020

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## Acknowledgements

We are grateful to the Construction Industry Council (CIC), University College of Estate Management (UCEM) and Technical Apprenticeship Consortium (TAC) for their support.

The **Construction Industry Council** is the representative forum for the professional bodies, research organisations and specialist business associations in the construction industry. Established in 1988 with just five founder members, CIC now occupies a key role within the UK construction industry providing a single voice for professionals in all sectors of the built environment through its collective membership of 500,000 individual professionals and more than 25,000 firms of construction consultants. The breadth and depth of its membership means that CIC is the only single body able to speak with authority on the diverse issues connected with construction without being constrained by the self-interest of any particular sector of the industry.

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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 3,500 students from more than 100 countries benefiting from its qualifications taught by tutors with extensive industry experience. UCEM helps to enhance Built Environment professional careers through its accredited property-related and construction programmes. Since 2015 UCEM has developed substantial apprenticeship provision and now has more than 1,300 apprentices on programme, across a range of apprenticeship standards offered at undergraduate and postgraduate levels.

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The **Technical Apprenticeship Consortium** is a network of 14 employers from the engineering consultancy sector, pushing forward the apprenticeship agenda. TAC facilitates the development of Apprenticeship Standards that have been prioritised by the employer members, and support in the development of qualifications, supports employers to identify and ensure ongoing high quality and responsive apprenticeship training provision, and promotes the links from apprenticeships to professional registration across engineering, transport and the environment.

[www.tacnet.org.uk](http://www.tacnet.org.uk)

[@TAC\\_Updates](https://twitter.com/TAC_Updates)



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Thank you to the organisations who gave their time to contribute to the CIC Apprenticeship Task and Finish Group and to all those that disseminated the survey questionnaire. We are especially grateful to the workshop attendees, and to those that contributed to the survey questionnaire (See Appendix 'A' for details).

Thanks, are extended also to the Construction and Built Environment Education Advisory Committee  
[www.cbee.org.uk](http://www.cbee.org.uk)

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## Foreword

Since the Richard Review of Apprenticeships, employers have been charged with developing and delivering apprenticeships through which the majority of construction employers have changed the way they recruit, train, and ultimately fund the development of the skills they need.



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The evidence presented to us clearly shows that across our sector, employers are passionate and committed to the new apprenticeship system, widely engage in trailblazer activity, develop both technical and professional apprenticeships, support apprentices on and off the job, and highly value the clear links to professional registration.

As this report highlights, employers remain concerned over the long-term stability and the viability of the system and funding reforms, especially through the levy.

Employers continue to state the need for a more responsive and efficient apprenticeship development and review process, for flexibility in the use of the levy, and to access the right type of training in the right place for their apprentices.

As Government focus is now turning to the development of the National Infrastructure Plan to aid recovery from Covid-19, the Construction Industry Council (CIC) and employers are calling on Government to work across the whole construction sector, to ensure we have apprenticeships that are fit for purpose, to deliver technical and professional skills, and provide employers the opportunity to shape and drive forward the right outcomes across the full construction sector, driving forward innovation and growth within the UK economy.

Without the right kind of careers information, advice and guidance within the schools' system, employers will continue to suffer the inability to attract and retain the best talent.

For too long construction has suffered with outdated perceptions of muddy boots and hard hats, often associated with low level jobs. Now is the time for the Government to work with our sector to showcase and promote the careers across the full spectrum of employers and occupational roles, showing the opportunity that future talent can have in driving forward innovation and technological solutions that will shape their environment for the better.

This report is designed to inform and support employers, providers, professional bodies and policymakers, helping them to collectively shape future developments across the breadth and depth of the construction sector. We now present a range of recommendations to aid in the ongoing reform of apprenticeships and their funding and push forward with a better National Infrastructure Plan.

Finally, we would like to thank all those that have given their time and expertise and insight from their organisation's perspective, without which this report and its recommendations could not have been forged.

### **Graham Watts OBE**

CIC Chief Executive

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## 1. Introduction

In the UK, the construction industry represents 9% Gross Domestic Product (GDP) and employs 3.1 million people<sup>1</sup> but constantly reports skills shortages, with technical and professional skills in particular demand, which continues to hamper growth<sup>2</sup>.

As we take steps to move forward from the impacts of Covid-19, the UK Government has indicated that it not only plans to increase spending on house building, but also advance its investment in jobs, including infrastructure, through the forthcoming National Infrastructure Plan<sup>3</sup>.

The Construction Industry Council (CIC) is the representative forum for the professional bodies, research organisations and specialist business associations in the construction industry, providing a single voice for professionals in all sectors of the built environment through its collective membership of 500,000 individual professionals and more than 25,000 firms of construction consultants.

The breadth and depth of its membership means that CIC is the only single body able to speak with authority on the diverse issues connected with construction without being constrained by the self-interest of any particular sector of the industry.

Through CIC's membership, employers were asked about their experience with apprenticeships, the challenges and issues faced, and what improvements they would make to the apprenticeship system earlier this year.

This report aims to present the employer feedback we received and set out how employers would like to see the apprenticeship system and levy evolve.

What is clear from the feedback we received, is that our members and their respective employer partners remain enthusiastic about apprenticeships and the benefits they bring. Our employers have invested heavily in apprenticeships and have worked collectively and collaboratively to define and develop apprenticeships that meet the needs of the sector.

However, there remain concerns about the apprenticeship system: both our employers and our professional partners feel improvements could be made. The CIC should work in partnership with its members, employers, the UK Government, and other appropriate stakeholders, to support the evolution of the apprenticeship system for the better.

With UK Government's focus turning to the forthcoming National Infrastructure Plan, our employers need to remain at the heart of the proposed employer-led apprenticeship system, enabling them to design, recruit, and train for the technical and professional skills they need, through a supportive network of quality training providers who are adequately funded and resourced.

Together we must embrace the challenges of increased technology, digitisation, and innovation, whilst improving stability, efficiency and productivity, and meet the societal aims set for net zero carbon emissions within construction.

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1 GOV.UK, Department for Business, Energy & Industrial Strategy (2018) *Industrial Strategy: Construction Sector*, London [online]. Available at: <https://www.gov.uk/government/publications/construction-sector-deal> [accessed 3 August 2020]

2 CITB Research (2019), *Construction Skills Network, Industry Insights: Labour Market Intelligence UK 2019-2023* [online]. Available at: <https://www.citb.co.uk/about-citb/construction-industry-research-reports/construction-skills-network> [accessed 3 August 2020]

3 GOV.UK, Prime Minister's Office, 10 Downing Street (2020) *Build, Build, Build*, London [online]. Available at: <https://www.gov.uk/government/news/pm-build-build-build> [accessed 3 August 2020]

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## 2. About this research

In February 2020, the Construction Industry Council (CIC) through its member bodies, surveyed employers across the construction sector in relation to their expectations and experiences of apprenticeships across the four nations of the United Kingdom.

### **The specific objectives of this survey were:**

- To identify the main challenges experienced by employers in dealing with the apprenticeships system
- To articulate actionable improvements to the apprenticeships system for the benefit of the built environment industry
- To make specific evidence-based recommendations to policy makers

A number of organisations gave their time to contribute to the CIC Apprenticeship Task and Finish Group and survey questionnaire (Appendix 'A'). As a result, a pilot questionnaire was designed and tested and the results from this fed-forward to develop the final survey. The final questionnaire mixed a quantitative and qualitative approach to collect both facts about the respondents and their perceptions. This data was mainly obtained in the form of answers to a range of question types including Likert scale, multiple-choice and open questions to understand their responses. The survey was distributed through an online survey – two surveys were available to employers:

- the first being targeted at those actively engaged in apprenticeships (involved), and
- the second being for those who were seeking to engage in apprenticeships but had not yet done so (considering).

It was envisaged that the survey would capture results representative of:

- the span of construction sector employers, capturing data from clients, to consultancies, to contractors and sub-contractors,
- the specialist to multidisciplinary employers across the construction sector,
- the wide range of employer sizes (micro to large employers), and
- employers from or operating in all four nations of the UK.

Through our surveys, we have captured employer feedback from all these target audiences, the profile of respondents can be seen in Appendix 'B'. The responses received through the survey were analysed using descriptive and qualitative analysis. The data was coded and analysed using Excel and SPSS (Statistical Package for the Social Sciences) software.

Once the results were gathered, they were discussed in a workshop to aid verification and contextualise the key headlines and themes emerging from employer respondents. Additional desk-based research was also undertaken to further quantify and qualify the results, adding depth to the findings and recommendations presented in this report.

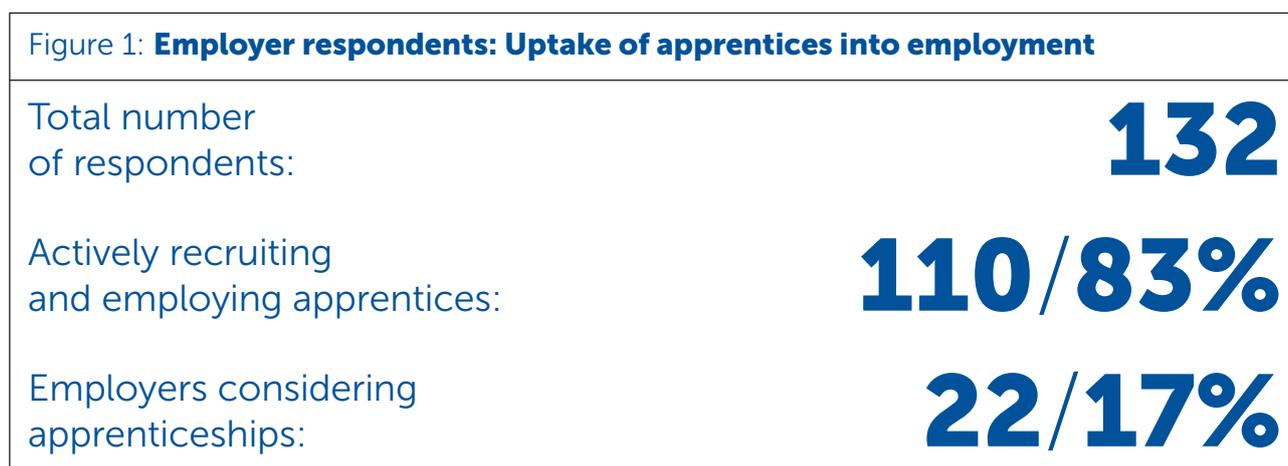
### 3. Employer investment in apprenticeships

In terms of attracting, developing and retaining the skills needed, apprenticeships are one route forward for the sector to resolve some of the skills issues faced.

The employers we surveyed were highly committed to apprenticeships, with **over 83% already recruiting and employing apprentices** in Figure 1. Many employers extol the virtues of apprenticeships, with messages that chime with those reported by the Institute for Student Employers (ISE)<sup>4</sup>, who summarise that apprenticeships are good for:

- **The Economy.** They ensure the development and flow of skills to where they are needed and enhance productivity.
- **Employers.** They provide employers with easy access to skills, loyal and committed staff and the ability to shape the training and development of their workforce.
- **Young People.** They provide a progression route into meaningful training and good quality employment.

ISE 2019: 1



Apprenticeships are a partnership between employers and the education and training system, whereby jobs are provided to support the investment in skills needed by organisations and the individual.

Since the Richard Review of Apprenticeships<sup>5</sup> in 2012, employers have been asked to invest in apprenticeships through two key routes:

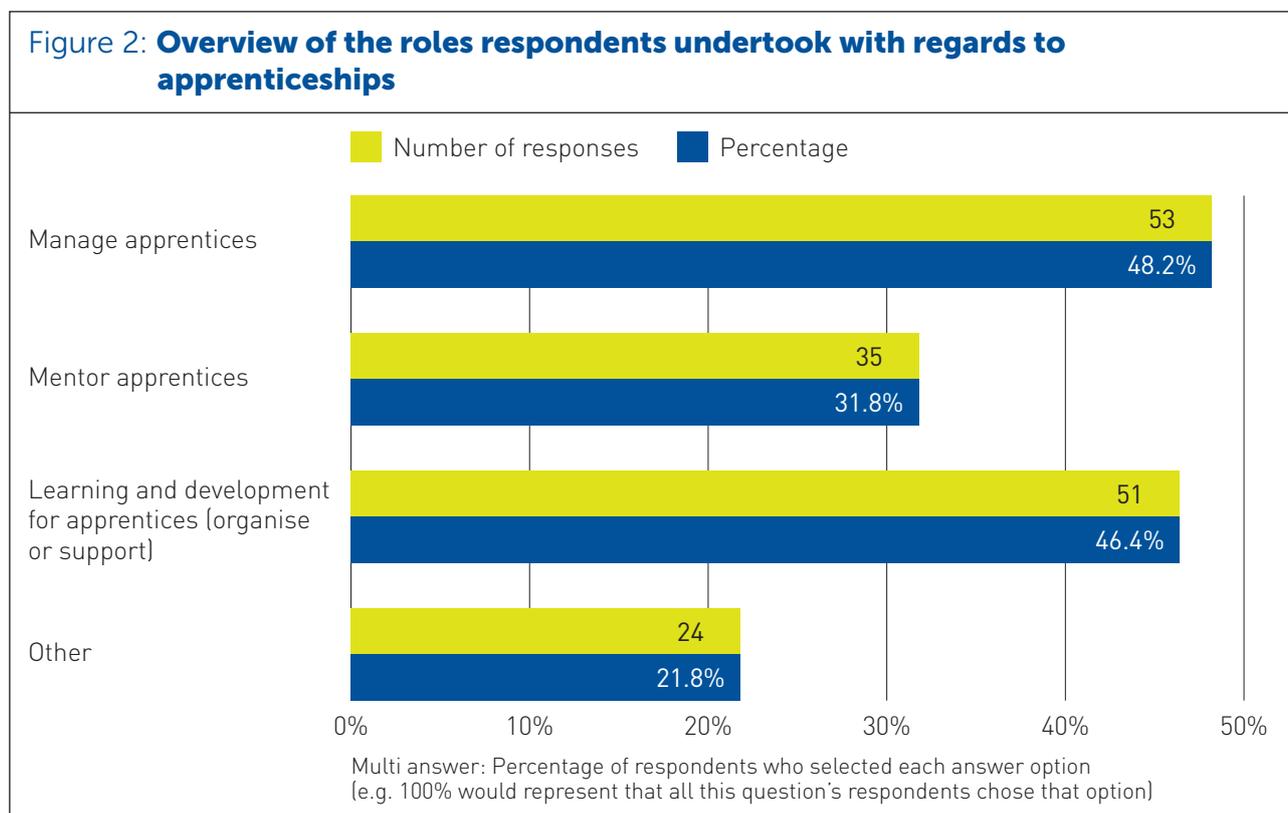
- Employers with a salary bill over £3 million through payment of an apprenticeship levy since April 2017
- The design and development of apprenticeships, through trailblazer groups, in collaboration with the Institute for Apprenticeships and Technical Education (IFATE)

<sup>4</sup> Institute of Student Employers (2019) *Stability, transparency, flexibility and employer ownership: Employer recommendations for improving the apprenticeship system*, London [online]. Available at: <https://ise.org.uk/page/ISEPublications> [accessed 3 August 2020]

<sup>5</sup> GOV.UK, Department for Business, Innovation & Skills (2012) *Richard Review of Apprenticeships*, London [online]. Available at: <https://www.gov.uk/government/publications/the-richard-review-of-apprenticeships> [accessed 3 August 2020]

Figure 2 shows that our employers have been broadly supportive of the aims of the current reforms, investing heavily to prepare for and implement new administrative, management and mentoring structures within their own organisations, whilst collaborating and often resourcing, with others to design and develop apprenticeships, with over one on three reporting participation in trailblazer groups through design and development of apprenticeships. One survey respondent stated:

*“For our organisation, it works perfectly well. We made sure we were ready for when the levy was implemented by educating ourselves, so we understood how it worked”.*



The Institute of Student Employers (ISE)<sup>6</sup> also provided two case studies of employers from the construction sector, with the following reported:

*“[Arup] is very committed to apprenticeships and has been active in developing new standards through [the trailblazer groups]. The firm anticipates that it will continue to grow the scale of its apprenticeship programme over the next few years”.* ISE 2019: 15

*“[Mott MacDonald] has been involved in developing standards as part of the Technical Apprenticeship Consortium (TAC), an employer sector group working together to meet their needs through the recruitment and development of apprentices. TAC allows employers in the group to automatically form trailblazer groups, and has created four level three standards, and four level six standards. The employers in the TAC co-fund the costs of running TAC, which include employing staff to bring expertise and administrative support to this group”.* ISE 2019: 19

<sup>6</sup> Institute of Student Employers (2019) *Stability, transparency, flexibility and employer ownership: Employer recommendations for improving the apprenticeship system*, London [online]. Available at: <https://ise.org.uk/page/ISEPublications> [accessed 3 August 2020]

## Recommendation 1:

Government must celebrate the successes of the apprenticeship system but must also showcase the employers that have invested and created high quality apprenticeships in key sectors.

### 3.1 The apprenticeship levy

Overall 2 in 3 of our respondents are now paying the apprenticeship levy (Figure 3) suggesting that our employers are now financially supporting apprenticeships like never before.

Figure 3: **Does your organisation pay the apprenticeship levy?**

Total number  
of respondents:

**132**

Levy  
payers:

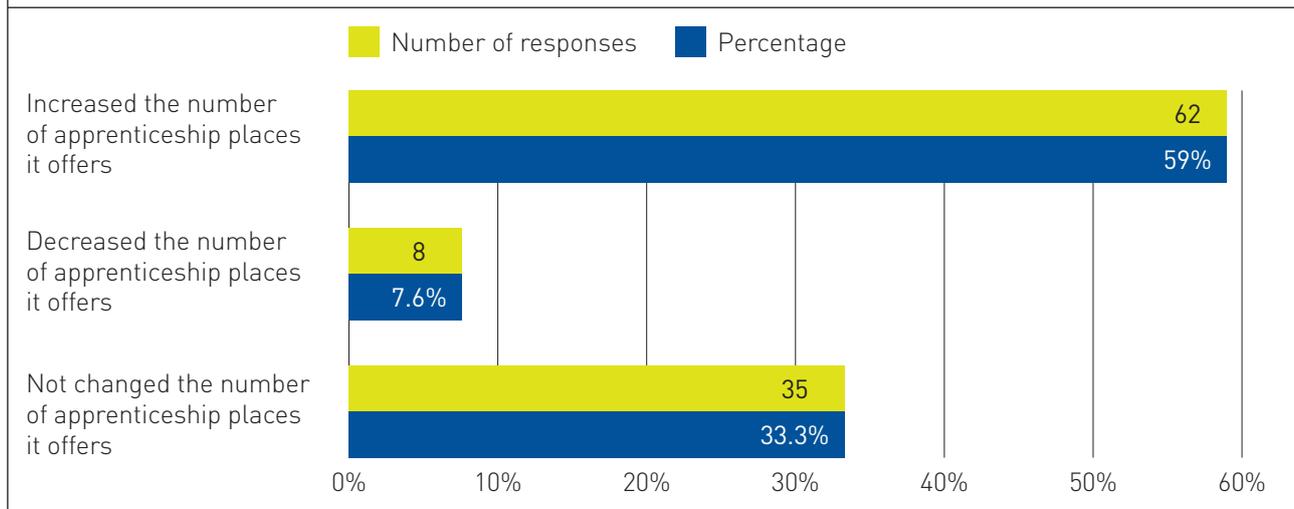
**88 / 66.6%**

Non-Levy  
payers:

**43 / 33.3%**

For those involved in apprenticeships already, the levy itself is driving up the recruitment of apprentices with **nearly 60% of levy paying employers having increased apprentice recruitment** whilst only 7.6% stating they decreased activity in Figure 4<sup>7</sup>.

Figure 4: **About the levy and your organisations uptake of apprenticeships since its introduction**



7 Note: The respondents stated this in February 2020, less than a month before the UK was forced into a lockdown with Covid-19

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This suggests that apprenticeships are gaining traction in our sector and are becoming a more popular career choice. ARUP reports<sup>8</sup> that its “*apprenticeship programme was revitalised in 2012 and has grown ever since. Arup is currently recruiting around 75 apprentices a year and spending around 18% of its apprenticeship levy*”. ISE 2019: 15

It was not only levy payers that stated they were increasing investment in apprenticeships. Of those employers involved in apprenticeships, **20% of the non-levy paying respondents reported they are planning to increase apprenticeship recruitment**, with only 15% stating they were reducing recruitment in the near future.

Although our employers are investing heavily in both financial and resource commitments, the reforms have not been without some criticism.

In terms of the levy itself, our levy-paying respondents are failing to extract the maximum value from their potential levy spend, with only a fifth having spent over 50% of their potential accessible funds. There were a number of employer comments around the ability to be able to spend the levy to support sustainable investment in their organisation.

*“The levy is also too high – it is impossible to spend it all without every employee being on an apprenticeship which is not a sustainable way to run a business. Unspent money should be reinvested in a visible way”.*

In research carried out by UCEM in 2018<sup>9</sup>, three contractors were each expected to pay between £3m to £5m per annum in apprenticeship levy, with employers stating that the ‘*levy is a form of taxation; great if it achieves the object of employers thinking differently*’ but that was not the mantra when the levy was brought in. The message to employers around the apprenticeship levy promoted by George Osborne was that ‘*those paying it*’ would be ‘*able to get out more than they put in*’<sup>10</sup>.

With FE Week<sup>11</sup> reporting in July 2020, that in 2019/20 the Treasury took back £330m of unused levy funds, and £300m in 2017/18, employers are beginning to voice concerns over the use of the levy and the transparency of what is done with unspent levy funds.

## Recommendation 2:

The Government must reassert the principles of the apprenticeship levy set out by George Osborne: ‘you get more out than you put in’ and provide transparency to how the apprenticeship levy is used.

Even with the opportunity for employers involved in apprenticeships to **transfer unused levy funds** to support other employers’ apprentices, **only 13% had considered doing so** (Figure 5). Nearly 25% of our respondents had not considered transferring levy funds, the most common reasons being that they had used or allocated all their levy at this time, they didn’t have close enough relationships with others, they felt they could not mitigate risks with transferring funds to others, or they simply didn’t know they could.

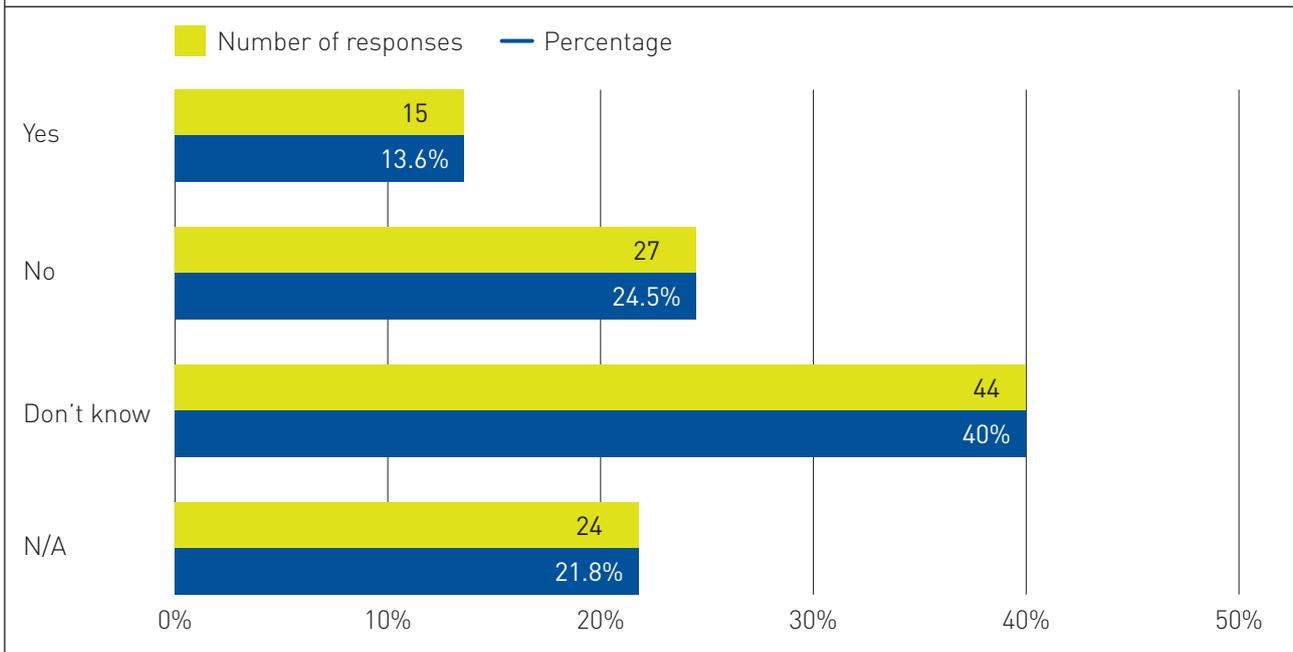
8 Institute of Student Employers (2019) *Stability, transparency, flexibility and employer ownership: Employer recommendations for improving the apprenticeship system*, London [online]. Available at: <https://ise.org.uk/page/ISEPublications> [accessed 3 August 2020]

9 Williams A, Galloway K and Bartle S (2018) *Degree Apprenticeships in Construction and the Built Environment: The Emerging Landscape*, Reading: University College of Estate Management and Council of Heads of Built Environment [online]. Available at: [https://www.ucem.ac.uk/wp-content/uploads/2018/07/UCEM\\_CHOBE\\_HSET-report.pdf](https://www.ucem.ac.uk/wp-content/uploads/2018/07/UCEM_CHOBE_HSET-report.pdf) [accessed 3 August 2020]

10 GOV.UK, HM Treasury (2015) *Chancellor George Osborne’s Summer Budget 2015 speech*, London [online]. Available at: <https://www.gov.uk/government/speeches/chancellor-george-osbornes-summer-budget-2015-speech> [accessed 3 August 2020]

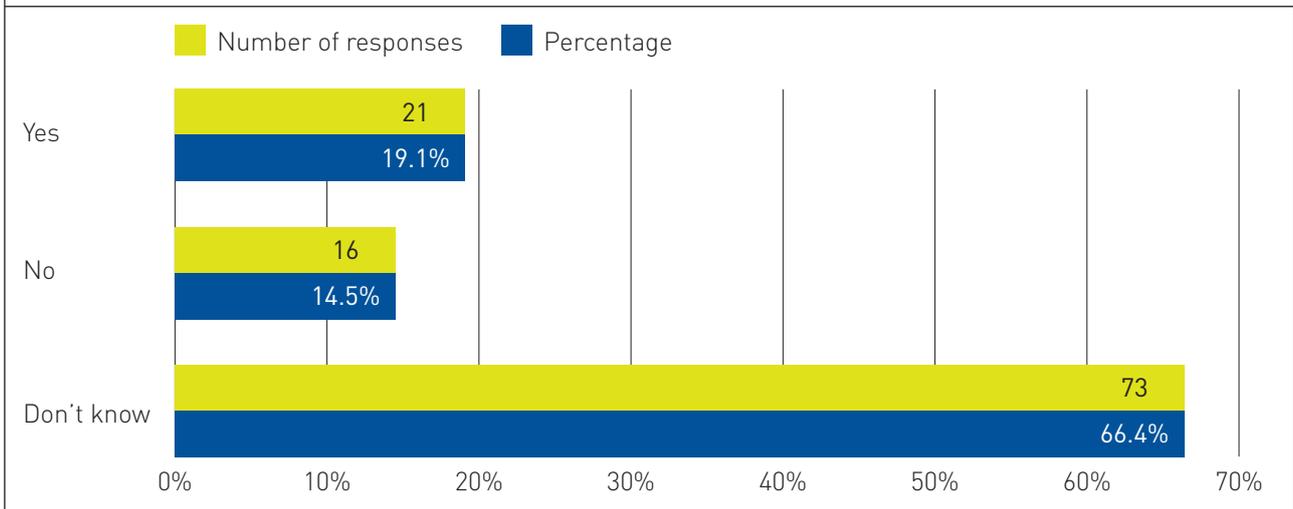
11 Camden B (2020) *Treasury took back £330m of apprenticeships funding in 19-20*, FE Week [online]. Available at: <https://feweek.co.uk/2020/07/10/treasury-took-back-330m-of-apprenticeships-funding-in-19-20/> [accessed 3 August 2020]

Figure 5: **Has your organisation considered transferring unspent levy funds?**



Employers involved in apprenticeships were also lukewarm to a construction focused brokerage system, with **only 1 in 5** believing they would find it useful (Figure 6). This is echoed by the Federation of Master Builders (FMB)<sup>12</sup> where its research stated that employers felt transferring funds would be time consuming and could raise concerns of favouritism in the supply chain, with only 20 apprenticeship starts happened through transfers in England (in 2019).

Figure 6: **Company responses to the need for a levy transfer brokerage service for the construction sector**



### Recommendation 3:

For apprenticeships to continue to be valuable and investment worthy, employers must remain engaged in discussions with Government to ensure the appropriateness, and secure the stability, of the apprenticeship levy.

12 Federation of Master Builders (2020) *Trading Up: A blueprint for collaboration to boost construction apprenticeships* [online]. Available at: [https://www.fmb.org.uk/media/55298/trading-up-final\\_linked.pdf](https://www.fmb.org.uk/media/55298/trading-up-final_linked.pdf) [accessed 3 August 2020]

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### 3.2 Increase the flexibility of the apprenticeship levy

When asked about apprenticeships, our respondents considered the **greatest barrier was the inflexibility of the apprenticeship levy** itself, with many stating that they believe it should also cover costs for apprentice travel and accommodation (often incurred through block release delivery).

In research carried out by ISE<sup>13</sup> and UCEM<sup>14</sup>, employers are also calling for an extension to the period in which levy payers can access their funds based on significant delays to the approval of apprenticeships, and others simply as some apprenticeships are much longer, so less apprentices are recruited over the same period.

Our employers believe that the levy should also support the costs associated with operating and managing apprenticeships within their organisations, whilst some also support the option to train and develop apprentice mentors within companies.

In larger companies dealing with multiple apprenticeships and training providers, many survey respondents stated that there were challenges with administrative procedures and management overhead.

*“The paperwork is far too intensive. Checking contracts, commitment statements and learning agreements is very time consuming and the forms are not standardised – different providers have different templates adding to the management cost of apprenticeships”.*

Experience suggests that there is a long learning journey for every employer that is new to the apprenticeship landscape. Whilst many of our smallest employer respondents do not often pay the apprenticeship levy, they are reporting a long learning journey when they are new to apprenticeships, whilst most report an increased level of apprenticeship management when apprentices enter the workplace. Both these elements are hard to resource and can place potential barriers to SMEs taking on apprentices.

#### **Recommendation 4:**

The Government should:

- Consider streamlining the apprenticeship management systems further by investing in the Digital Apprenticeship Service (DAS) to minimise administration and management of the apprenticeship levy and contracting processes
- Increase the guidance and support it provides to SMEs to ensure they too can readily access and manage apprentices through an improved DAS system.

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13 Institute of Student Employers (2019) *Stability, transparency, flexibility and employer ownership: Employer recommendations for improving the apprenticeship system*, London [online]. Available at: <https://ise.org.uk/page/ISEPublications> [accessed 3 August 2020]

14 Williams A, Galloway K and Bartle S (2018) *Degree Apprenticeships in Construction and the Built Environment: The Emerging Landscape*, Reading: University College of Estate Management and Council of Heads of Built Environment [online]. Available at: [https://www.ucem.ac.uk/wp-content/uploads/2018/07/UCEM\\_CHOBE\\_HSET-report.pdf](https://www.ucem.ac.uk/wp-content/uploads/2018/07/UCEM_CHOBE_HSET-report.pdf) [accessed 3 August 2020]

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Employers, large and small, reported they needed to identify, develop, manage and mentor apprentices, but felt they did not have enough capacity to do so adequately to employ further apprentices, and retain adequate levels of productivity. Furthermore, the costs associated with these support roles within industry are often prohibitively high, and at present, none of these costs can be covered by apprenticeship funding. Covid-19 has only exacerbated this issue.

**Recommendation 5:**

The Government should consider how the apprenticeship levy could be used to support and fund all direct apprentice and employer management costs.

Other employers also felt that the work carried out by trailblazer groups could be sped up if some levy funds could be released to provide administrative support for such work. These are not new arguments.

The CIC supports the calls from ISE and the CBI to revisit and review the way the apprenticeship levy should be spent, placing employers back at the heart of the apprenticeship system.

**Recommendation 6:**

The Government should consider how it can better resource employers to develop and review apprenticeship standards in a more cost effective and quicker manner.

#### 4. Review the way apprenticeship standards are created, developed and reviewed

Turning to the **design and development of apprenticeships**, most employers involved in apprenticeships make the point that this, and now the review of apprenticeships, **remains overly bureaucratic, slow and unwieldy** (Figure 7 and 8).

Figure 7: **Faster development of apprenticeship standards**

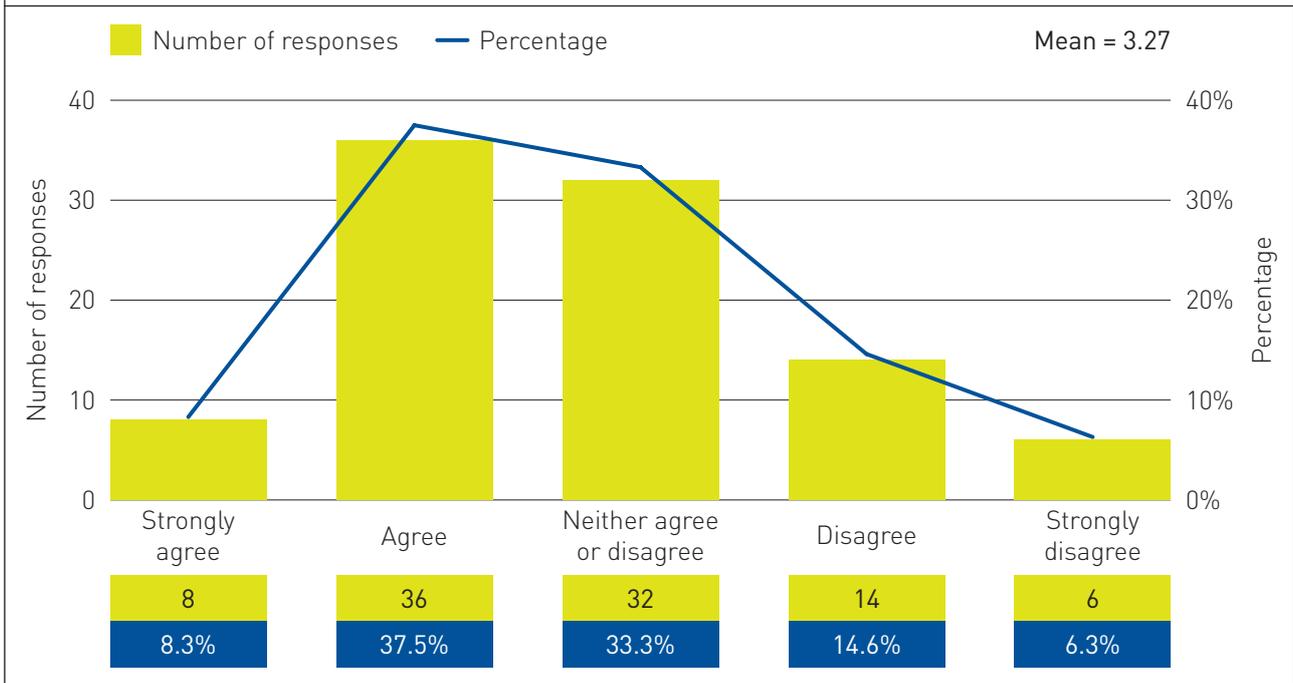
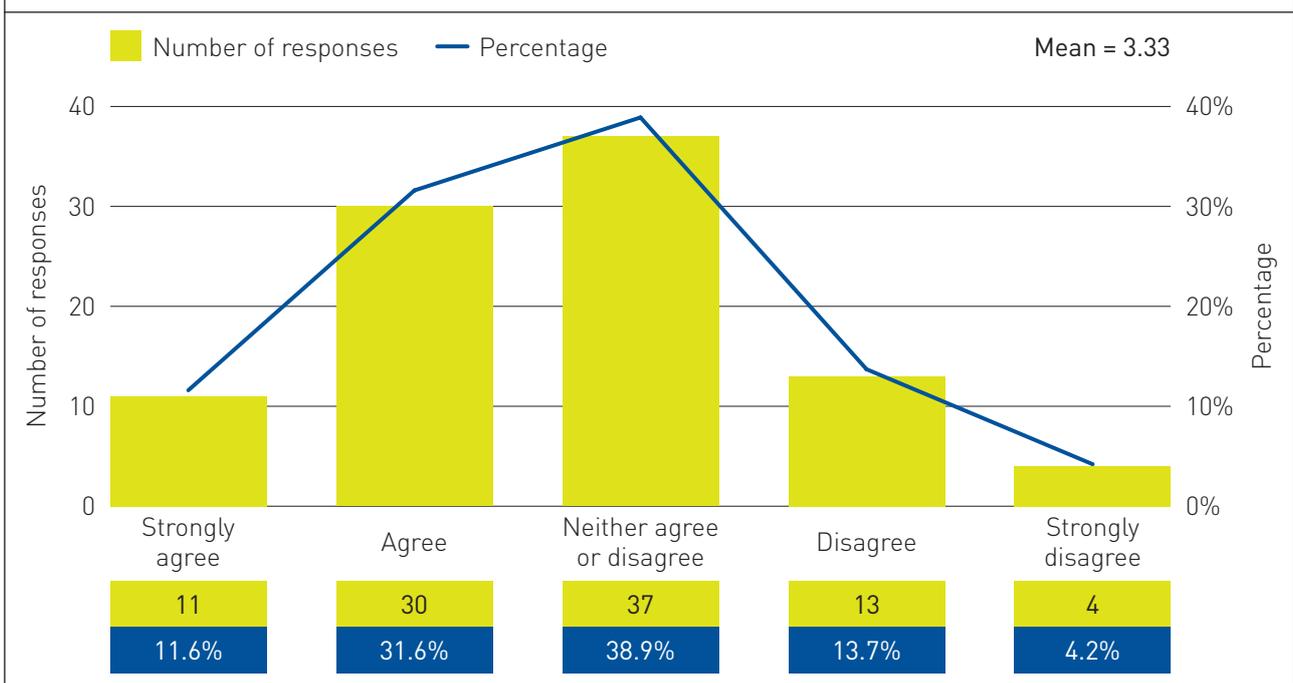


Figure 8: **Challenges with bureaucracy**



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The Technical Apprenticeship Consortium has recently reviewed two apprenticeships that were originally approved in 2015 and 2016, and states: *'the processes that trailblazer groups must go through to review and update live apprenticeships is no less cumbersome than any new proposal we have put forward in the last two years. There remains little regard for the implications that seemingly small policy details have on the eventual implementation, delivery or assessment of apprenticeships, particularly where employers are seeking to align outcomes of the end point assessment with professional registration.'*

Employers have also begun to question the capacity of the Institute for Apprenticeships and Technical Education (IFATE) to cope with so many narrow standards coming forward which could not only limit the number of apprenticeships offered, but also access to appropriate training provision. Employers remain pragmatic, and would welcome having fewer but broader apprenticeship standards, perhaps offering consolidation where needed:

*"We would prefer fewer but better-quality apprenticeships; there are too many occupations on offer, and there needs to be consolidation especially at levels 2, 3 and 4".*

If capacity was an issue, some employers are now voicing their concerns over the capabilities of IFATE to understand the occupations that employers need, where these occupations lead to, and where professional recognition is recognised and valued as part of the apprenticeship assessment process, culminating in long delays to the approval of some apprenticeships, particularly at higher and degree level:

*"Simply put, IFATE don't have the industry knowledge or skills to assess, it's far too complicated to get a standard approved".*

One trailblazer group reported that it suffered significant delays in approval, putting this down to never ending changes in policies, and even down to the inability to name a professional institution in the documentation<sup>15</sup>.

### **Recommendation 7:**

Apprentices must have their competence assessed and recognised through professional registration which also proactively promotes routes to highly valued careers which are often allow employers to demonstrate competence globally.

The CBI also reported similar issues in January 2019<sup>16</sup>, and called for IFATE to speed up the development process, with staff adopting consistent approaches to the standards approval and assessment plan processes.

### **Recommendation 8:**

Employers must remain in the driving seat of apprenticeship reform, taking the lead in the creation, development and review of apprenticeship standards, ensuring that are right for business.

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15 Williams A, Galloway K and Bartle S (2018) *Degree Apprenticeships in Construction and the Built Environment: The Emerging Landscape*, Reading: University College of Estate Management and Council of Heads of Built Environment [online]. Available at: [https://www.ucem.ac.uk/wp-content/uploads/2018/07/UCEM\\_CHOBE\\_HSET-report.pdf](https://www.ucem.ac.uk/wp-content/uploads/2018/07/UCEM_CHOBE_HSET-report.pdf) [accessed 3 August 2020]

16 CBI (2019) *Getting Apprenticeships Right: Next Steps* [online]. Available at: <https://www.cbi.org.uk/media/1351/cbi-getting-apprenticeships-right.pdf> [accessed 3 August 2020]

## 4.1 Ensure greater transparency over funding decisions

With IFATE being the conduit to the Education and Skills Funding Agency (ESFA) and Department for Education (DfE), the level of funding allocated to some construction apprenticeships remains problematic.

Whilst on the face of it, apprenticeships across construction are in higher funding bands compared to other programmes at the same level, construction, and particularly technical and professional, apprenticeships within construction typically have much longer durations, meaning that that funding must be stretched further.

For example, in Table 1 we now present a number of level 3 apprenticeships approved for delivery and the funding band they have been allocated, comparing the cost per month or 'drawn down' from the levy open to them:

Occupation	Typical duration (months)	Funding band allocation	Monthly funding draw-down rate
Chef	18	£9,000	£500
Hair Professional	12	£5,000	£416
Advanced Beauty Therapist	18	£8,000	£444
Watchmaker	24	£27,000	£1,125
Advanced Carpentry and Joinery	12	£9,000	£750
Installation/Maintenance Electrician	42	£18,000	£428
Plumbing and Domestic Heating Technician	48	£21,000	£437
Engineering Technician	42	£26,000	£619
Engineering Design and Draughtsperson	42	£24,000	£571
Surveying Technician	24	£9,000	£375
Civil Engineering Technician	36	£12,000	£333

As the approach to allocating funding bands is not transparent, nor appears to take into consideration the outcome (often being the same professional registration as engineering and manufacturing / 'licence to practise' for disciplines including surveying), productivity or return on investment to GDP, it is not surprising that employers and trailblazer groups remain frustrated with the funding band allocation and the processes by which it can currently be challenged.

Furthermore, these funding band decisions directly affect the availability of provision for employers. Whilst employers have a balanced view on apprenticeship funding, they do report issues with a lack suitable courses (Figure 9) and education provision choice to support the recruitment and placement of apprentices on the right programme in the right place (Figure 10).

Figure 9: **Lack of courses available (colleges / universities)**

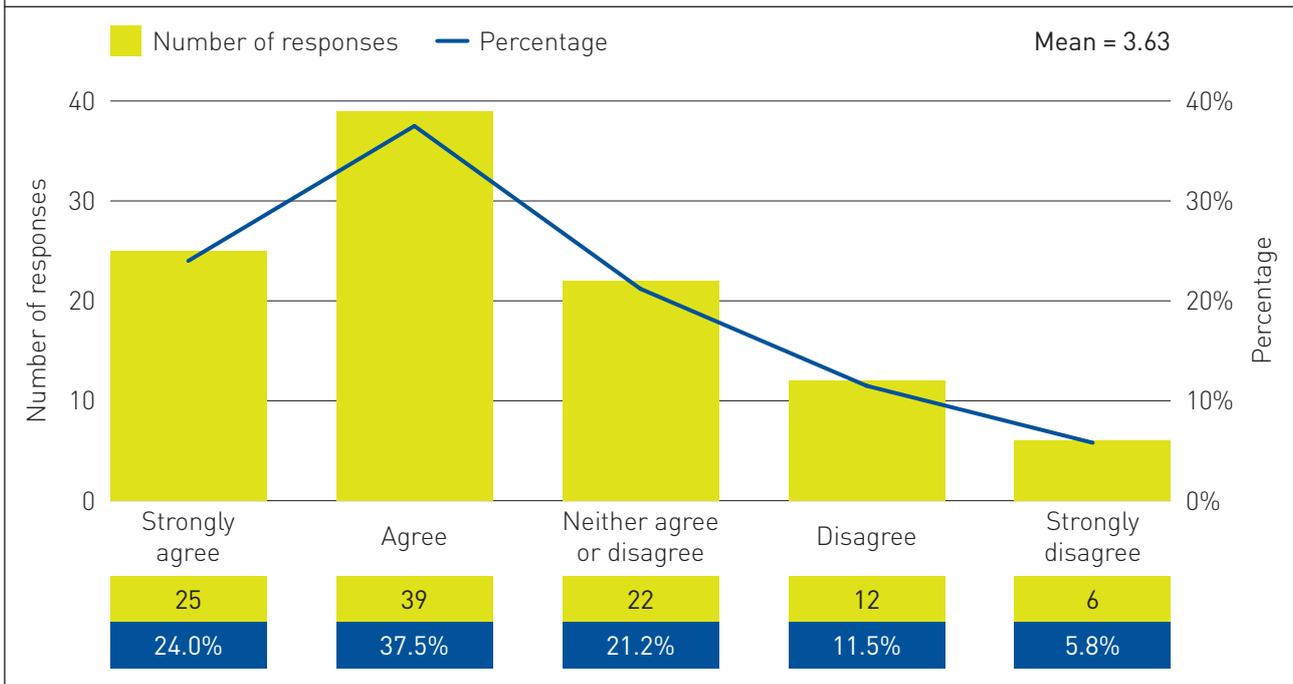
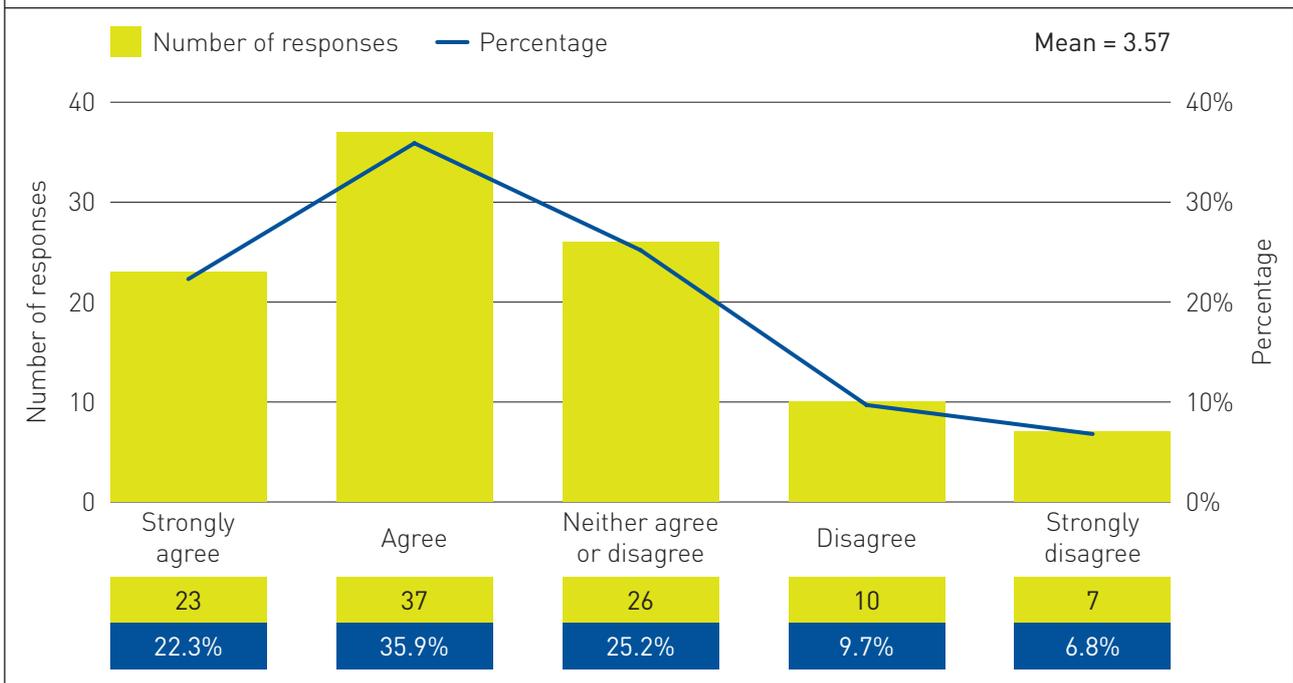


Figure 10: **Lack of education provider choice (colleges / universities)**



With the funding bands as they currently stand for technical and professional construction apprenticeships, it is no wonder that training providers remain fixed to offering traditional style 'trade' or 'higher return' apprenticeships. We cannot base funding decisions on out-dated information or methods and with arbitrary caps.

The impact of the funding band allocation process is already affecting some apprenticeship standards. For example, the Architectural Assistant (Degree) apprenticeship was approved with a funding band of £21,000 in June 2018. Since this point, only two universities have begun to offer this programme to employers. This is now limiting delivery to employers that are local to these universities.

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A number of employers stated that the level of funding allocated to standards is closing the door to delivering apprenticeships in partnership with providers as no further funding beyond that allocated can be found:

*"We are an architecture, engineering and design practice and an apprenticeship levy payer: with the make-up of our practice being at least 45% architects it was only right that we were part of the Architectural trailblazer group. The issue our organisation now has is being able to support anyone on the Level 6 Architectural Assistant (Degree) apprenticeship as the funding band was set to £21,000. Universities that we have spoken to have said that we, as a company, would need to top this fee up by £1,500 each year, a total of £6,000. As we are already paying into an apprenticeship levy pot that we are not able to spend, it is not something that we will consider. One of the reasons our organisation wanted to be involved was to ensure anyone had access to becoming an architect, it didn't matter about the individuals background or bank balance".*

Employers need funding bands that will deliver nationwide coverage of the apprenticeship to allow the attraction and recruitment of talent local to their business and ensure the long-term availability of the apprenticeship.

Providers on the other hand need to see demand from employers, ensure deliverability within the funding band allocated, and create viable cohorts for apprenticeships to secure future delivery.

Whilst initial funding bands are allocated at the time of approval, these funding bands remain in place until the apprenticeship is reviewed, either by the trailblazer group or the IFATE itself. Within the current funding model, there is no scope for altering the costs of delivering the apprenticeship in light of inflation or other factors, placing further pressure on employers to 'add to the pot' and providers to implement cost-saving, often resulting in the reduction of quality associated with delivery and assessment.

### **Recommendation 9:**

The Government, through IFATE, must do more to work with employers to ensure there is greater transparency over the funding decisions made, and to review inappropriate funding bands which stymie the development and delivery of high-quality provision.

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## 5. Support the development and delivery of high-quality sustainable training

Further education and independent training providers report they not only find it uneconomical to offer and deliver the technical skills programmes needed for infrastructure<sup>17</sup>, but our survey shows they also struggle to recruit the suitably trained and industry experienced staff to support delivery and cannot offer the quality of provision sought by employers.

One employer stated: *'We've worked with a good number of providers, and delivery isn't always perfect, but we've always found our providers keen to resolve any issues. The one issue that could be improved is the number of good quality construction tutors/assessors. This is the main barrier for the effective delivery of construction apprenticeships.'*

Another stated they needed *'an increase in the number of providers offering..... better quality of delivery across Level 3'*.

### **Recommendation 10:**

We must do more collectively to attract and promote talent from within industry to enter the FE sector, providing improved training and upskilling of teachers, lecturers, and work-based assessors.

This issue does not stop at technician level apprenticeships. Universities within the built environment sector have also reported issues with delivering and costing apprenticeship programmes beyond the traditional degree, and struggle to find the additional finances to cover the added complexities associated with apprenticeship delivery, competence assessment throughout the programme, preparing apprentices for end point assessment, and the day to day management and reporting into alternative funding systems<sup>18</sup>.

This will only be worsened for universities offering level 4 and 5 programmes, which must now also be Ofsted inspected<sup>19</sup>. With universities already being inspected by the Office for Students (OfS), and now Ofsted for level 4 and 5 apprenticeship programmes, universities are reporting that the costs of running parallel quality assurance systems are not only burdensome, but costly to implement and manage. This approach not only puts off universities providers from entering the 'higher level' apprenticeship market but limits the availability of apprenticeship provision to employers.

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17 Association of Colleges (2020) *REBUILD: A Skills Led Recovery Plan* [online]. Available at: <https://www.aoc.co.uk/rebuildresources> [accessed 3 August 2020]

18 Dawson S and Osborne A (2018) *Reshaping Built Environment Education: The Impact of Degree Apprenticeships*, Newcastle: Northumbria University and Council of Heads of Built Environment [online]. Available at: [http://nrl.northumbria.ac.uk/id/eprint/36461/1/CHOB%201617%20Reshaping%20Built%20Environment%20Education%20Report%20FINAL%20\(002\).pdf](http://nrl.northumbria.ac.uk/id/eprint/36461/1/CHOB%201617%20Reshaping%20Built%20Environment%20Education%20Report%20FINAL%20(002).pdf) [accessed 3 August 2020]

19 Lester S and Bravenboer D (2020) *Sustainable Degree Apprenticeships*, Centre for Degree Apprenticeships / University Vocational Awards Council [online]. Available at: [https://www.mdx.ac.uk/\\_\\_data/assets/pdf\\_file/0033/565863/sustainable-degree-apprenticeships-2020.pdf](https://www.mdx.ac.uk/__data/assets/pdf_file/0033/565863/sustainable-degree-apprenticeships-2020.pdf) [accessed 3 August 2020]

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Two-degree level apprenticeships in architecture were approved in 2018, with the entry level Architectural Assistant apprenticeship at level 6 receiving a funding band allocation of £21,000 for the entire programme, despite the trailblazer group pushing for the maximum funding band. With the complexities of apprenticeship funding, and the high costs of delivery of the apprenticeship through university programmes linked to RIBA part 1 recognition, a significant funding gap has evolved, with most university providers pulling away from delivery as the apprenticeship is 'uneconomical to run' according to Gloster in the Architects' Journal<sup>20</sup>.

With both the level 6 Civil Engineering and Chartered Surveyor (Degree) apprenticeships typically taking between 5 and 6 years to complete for a new entrant, and providing direct access to apprentices to apply for professional registration through the end point assessment, this drives the highest funding band of £27,000 to the maximum. Employers are calling for such high priority, high skill, professional apprenticeships to have the arbitrary funding band raised.

*"More quality provision and providers, with greater transparency and consistency on funding bands allocated. We must also stop IFATE reducing funding bands even further through sector reviews – this will drive down access to quality provision even further".*

### **Recommendation 11:**

The Government, through through IFATE and Education Skills Funding Agency (ESFA), must do more to work with employers to adjust the arbitrary £27,000 maximum funding cap, to ensure more appropriate funding band allocation to, and support for the development and delivery of, technical and professional apprenticeships, and particularly those that lead to professional registration.

Whilst there are many calls from stakeholders, including the Association of Employment and Learning Providers (AELP)<sup>21</sup> and more latterly the Augur<sup>22</sup> review to some extent, for the Government to focus on level 2 and 3 apprenticeships, employers have invested in and need higher level and professional skills to be delivered through apprenticeships, and funded through the levy. These vital programmes to the UK economy are not currently funded at higher rates than any other level 2 or 3 apprenticeship, and such calls must be resisted.

Calls from organisations that also represent a high proportion of non-levy paying organisations should not call on larger levy paying employers to pay for the entire apprenticeship system. This means that the Government should be committed to reinstating public funds to support apprenticeship delivery. In this we agree with the Augur review's conclusion that *'getting employers to pay for the whole system would put too much emphasis on economic value alone. A shared responsibility, in our view, is the only fair and feasible solution.'* GOV.UK, DfE, 2019: 8

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20 Architects' Journal (2019) *One year on, are apprenticeships failing to open up the profession?* [online]. Available at: <https://www.architectsjournal.co.uk/news/one-year-on-are-apprenticeships-failing-to-open-up-the-profession/10044121>.article [accessed 3 August 2020]

21 Association of Employment and Learning Providers (2019) *A Sustainable Future Apprenticeship Funding Model*. Bristol [online]. Available at: <https://www.aelp.org.uk/media/2997/a-sustainable-future-funding-model-discussion-paper-march-2019-final-080319.pdf> [accessed 3 August 2020]

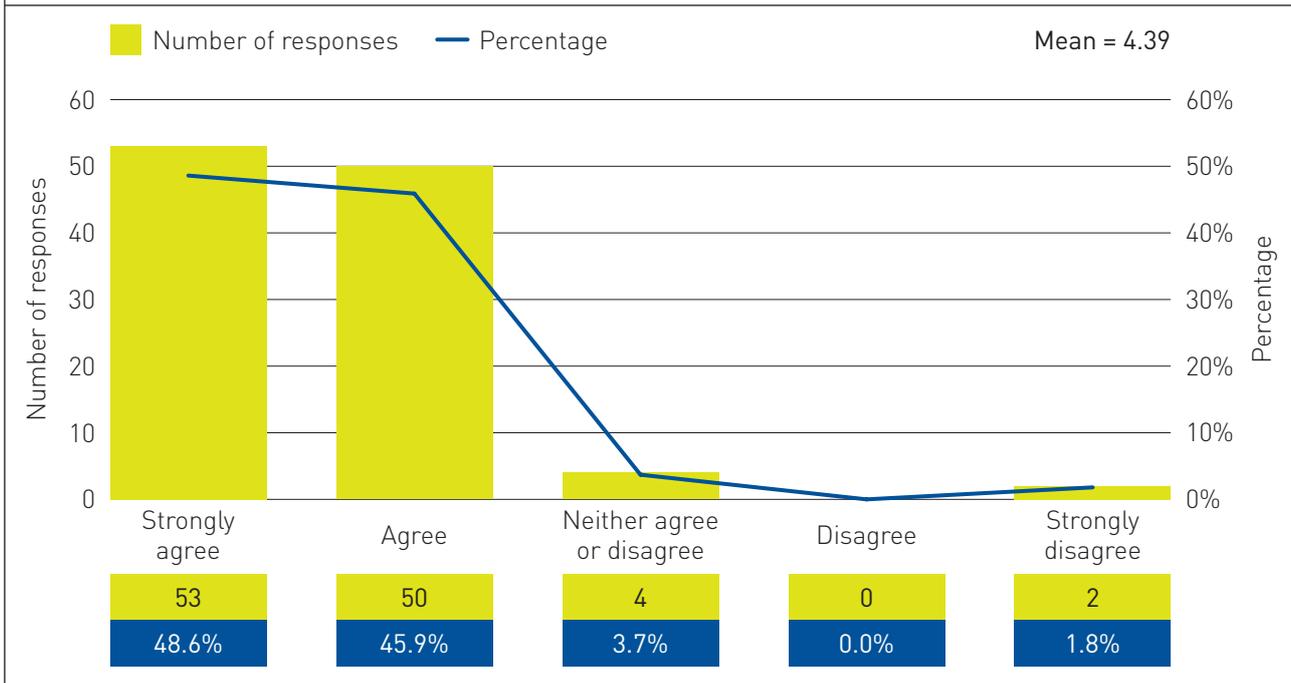
22 GOV.UK, Department for Education (2019) *Independent panel report to the review of Post-18 Education and Funding*, Augur review, London [online]. Available at: <https://www.gov.uk/government/publications/post-18-review-of-education-and-funding-independent-panel-report> [accessed 3 August 2020]

## Recommendation 12:

The Government must not continue to rely on apprentice levy income to fund the apprenticeship system. It must reinstate public funding to support an increase in access to high quality training at all levels.

Despite the issues, 95% of our respondents still see that apprenticeships will continue to have an important role within their organisations (Figure 11).

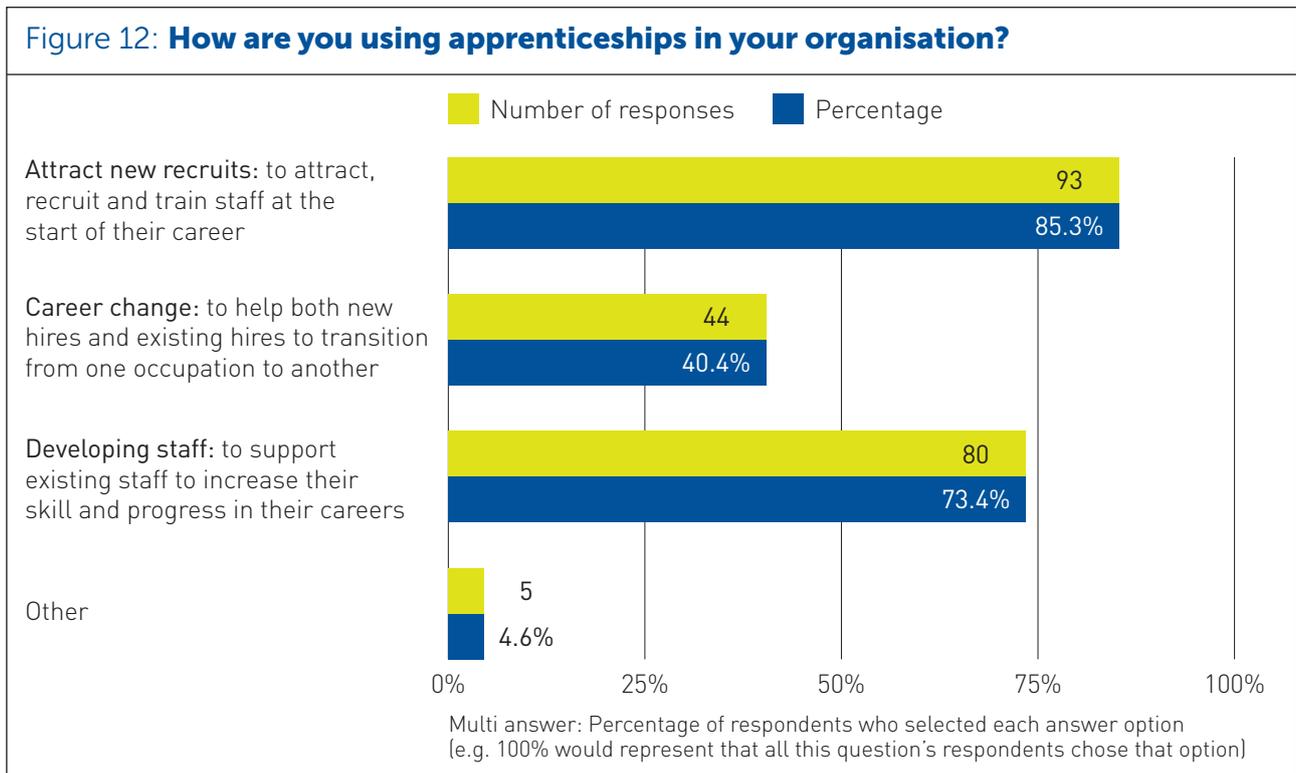
Figure 11: **Apprenticeships have an important role in my organisation**



One survey respondent stated: *'The system took a while to implement, and there are still a number of employers, who don't realise how apprenticeships are designed, delivered and assessed. More still needs to be done to educate employers.'*

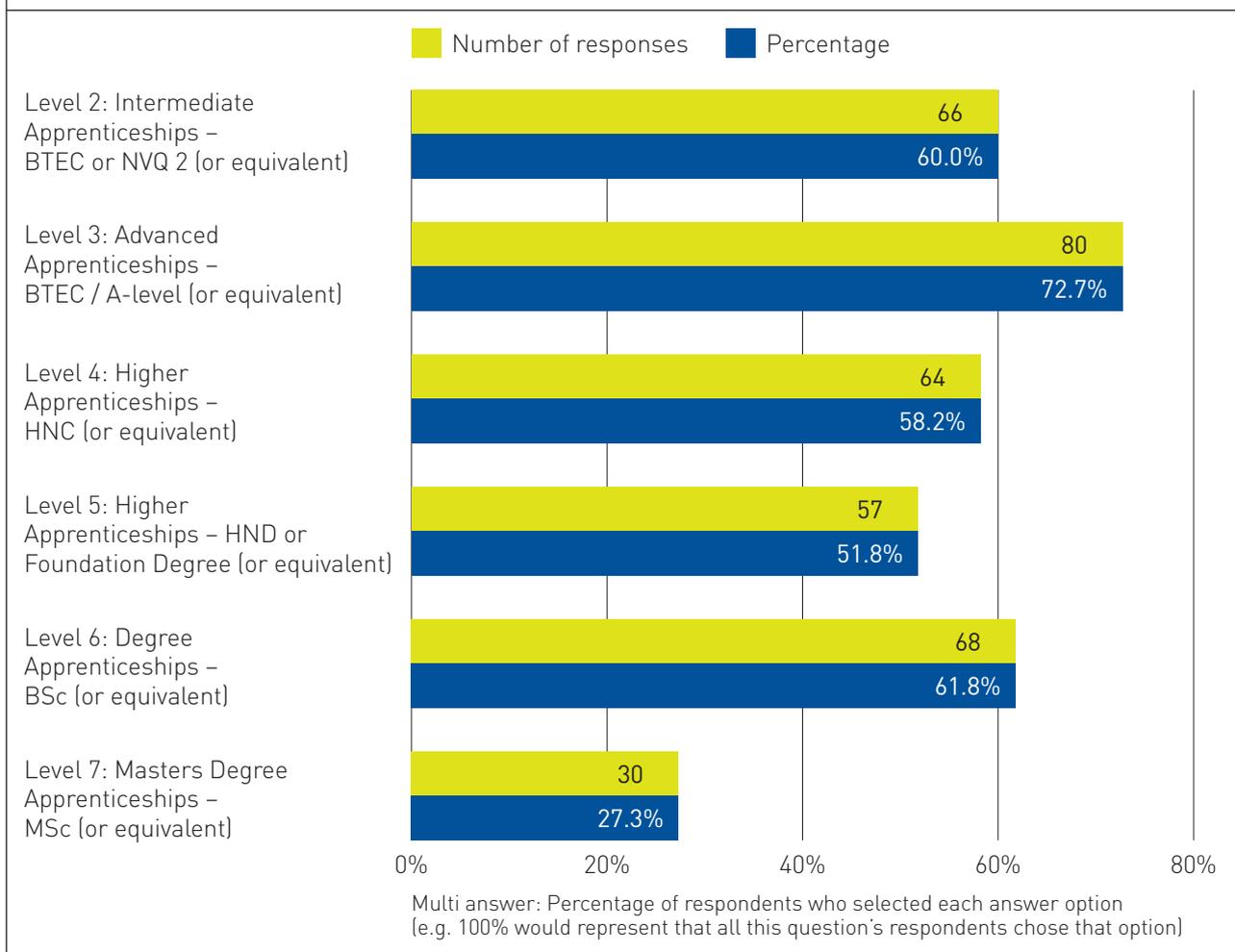
## 6. Celebrate how technical and professional apprenticeships can transform careers for everyone in companies of all sizes

The vast majority of employers involved with apprenticeships are actively using them to attract new recruits (85%) or to develop existing staff (73%), with a significant number (40%) using apprenticeships to aid the transition from one career to another (Figure 12).



Employers are using the full range of apprenticeship levels open to them, not only to train in technical and professional skills, but to increase their ability to manage projects which can often be complex in the construction sector (Figure 13).

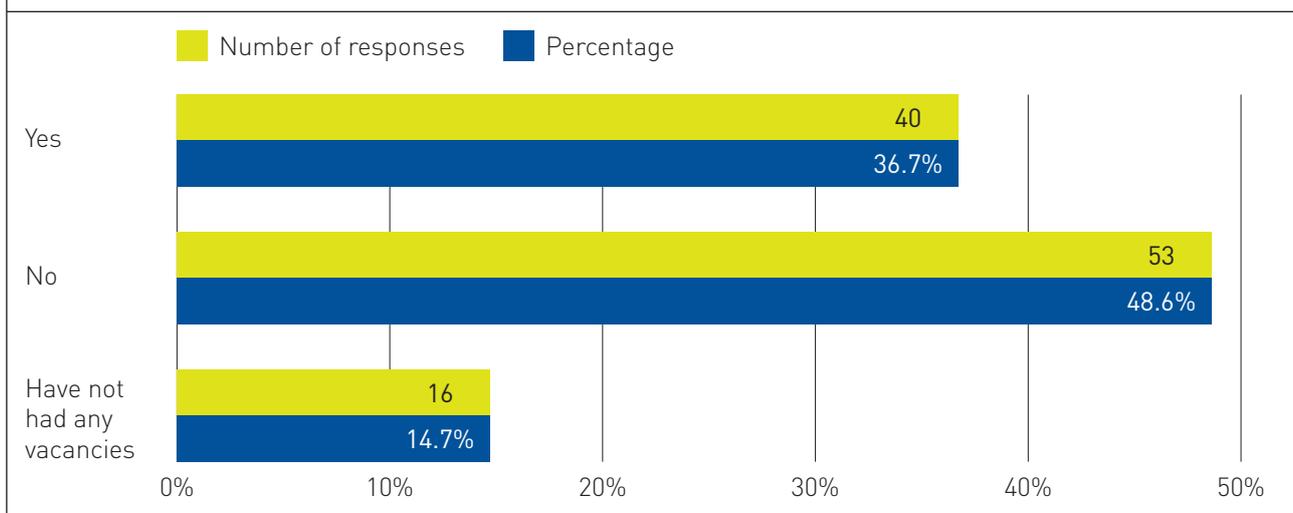
Figure 13: **What level of apprenticeships does your organisation use?**



Whilst many construction sector employers report that they suffer when it comes to attracting talent<sup>23</sup>, our employers are bucking this trend, with only 1 in 3 stating difficulties in recruiting hard to fill apprentice vacancies (Figure 14). One employer stated that *'apprentice positions are far too competitive and individuals are not always developed or experienced enough at such a young age to perform in interviews.'*

23 Federation of Master Builders (2020) *Trading Up: A blueprint for collaboration to boost construction apprenticeships* [online]. Available at: [https://www.fmb.org.uk/media/55298/trading-up-final\\_linked.pdf](https://www.fmb.org.uk/media/55298/trading-up-final_linked.pdf) [accessed 3 August 2020]

**Figure 14: During 2019 (last 12 months) were any of your apprenticeship vacancies difficult to fill?**



That said, employers are all too acutely aware of the common misconceptions relating to the careers offered in the construction sector, and as one respondent stated, *'I think this is more ground based roles where the attraction to the workforce is struggling. It is harder to get people to do the work on the ground.'*

On top of the challenges related to perceptions of our industry, there is the issue with promoting apprenticeships within the education system as viable alternatives to full-time study much more fairly. Employers state that 'early engagement with schools, from year 7 onwards, to change the perception of apprenticeships' is needed to 'provide a foundation for development of young people'.

Additionally, there remains an issue with the level of accuracy with which some sectors and roles are presented by careers teams. If the Government, through intermediaries such as the Career Development Institute and the Careers and Enterprise Company, is to continue its approach, it must also address the knowledge and information that is provided to careers advisors in order to give accurate information and guidance within the school environment.

### **Recommendation 13:**

Government should support schools to promote accurate careers advice and apprentice routes alongside full-time education and training.

Many employers in the sector are beginning to engage and take up the opportunities to participate in the annual National Apprenticeship Week campaign, and apprentices from the sector now featuring in the 'Fire It Up' campaign<sup>24</sup> with many more apprentices coming forward from diverse backgrounds.

### **Recommendation 14:**

The Government should promote apprenticeships throughout the year, not just focusing on young people, but to promote apprenticeships to those seeking to develop their skills, for those changing industry or those joining the industry at an older age.

<sup>24</sup> Tahirah Tang-Campbell is a structures engineering apprentice at Waterman / Megan Whitbread is a building services engineering apprentice at Troup Bywaters and Anders.

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However, with universities routinely promoting their places through a range of media and TV adverts and through the well-developed and understood UCAS system, apprentice promotion cannot compete. Whilst the 'Find An Apprenticeship' portal exists, its promotion and functionality is limited.

### **Recommendation 15:**

The Government should review, revise and promote the 'Find an Apprenticeship' portal, increasing its functionality to ease its use for potential apprentice applicants and for employers to routinely place and promote apprentice vacancies.

#### **6.1 Business needs to play its part: business to business promotion is needed**

There are many construction companies who are advocates and members of The 5% Club<sup>25</sup>, which supports business to develop and build their apprenticeship programmes, aiming for 5% of the workforce at any one-time being apprentices.

One of our respondents reported that *'apprenticeships provide individuals that can deliver productivity and profits quicker and more readily than their academic counterparts'* yet we need to ensure that these messages are driven to the key decision makers within business to support an increase in apprentices entering the construction profession, whilst being open about the challenges they present.

Our employers are *'passionate about the career development of our employees and we believe that by engaging with the younger generation we can help them develop and become skilled professionals. Apprenticeships are a great way for us to achieve this goal.'*

### **Recommendation 16:**

Employers must support the Government by providing case studies and feedback which can support the upselling of apprenticeships within our industry.

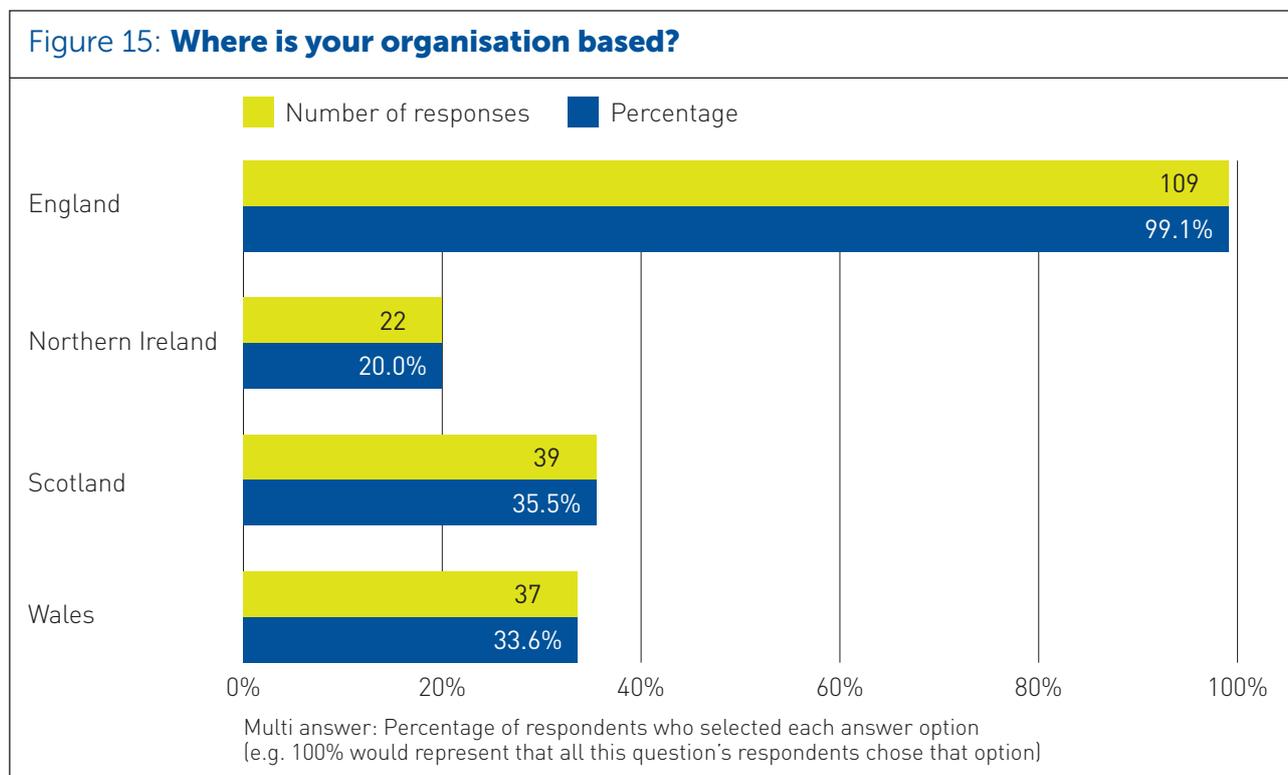
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<sup>25</sup> <https://www.5percentclub.org.uk>

## 7. What else should be done?

### 7.1 Join up the apprenticeship systems across the United Kingdom

Whilst 99% of involved employers within our respondents transact at least part of their business in England, only 60% were solely England based, with 1 in 5 reporting their organisations had bases in all UK nations (Figure 15).



However, the need for technical and professional skills are needed, through apprenticeships, across all four nations of the UK.

Whilst employers in England have made great strides towards technical and professional apprenticeships, more recently followed by a newly formed Graduate Apprenticeship in Civil Engineering in Scotland, employers need consistency of approach to the development, delivery and funding of apprenticeships across all nations.

We need to learn the lessons from the trailblazer and graduate apprenticeship development processes, implementing improvement to Government and employer collaboration, to speed up developments, simplify the funding apprenticeship system, build on the most suitable reforms to ensure apprenticeships remain fit for purpose.

#### **Recommendation 17:**

Governments across the nations should convene a working group complete with employers to explore the ways of creating a more joined up UK-wide system that aids apprentice development and recruitment for the better.

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## 7.2 Reduce the burden on employers having to pay both the apprenticeship and CITB levy

Many employers in the construction sector not only pay the apprenticeship levy, they must also pay the Construction Industry Training Board (CITB) levy, leaving many wondering why there are now two systems operating to fund the training of apprentices and employees and why this was not given more thought when apprentice reforms were being implemented.

One employer respondent stated: *'This is an unfair system and the additional industry levy should be taken into consideration' whilst another suggested that 'if there is a broadening of the Apprenticeship Levy, it should take over the need for the CITB levy'.*

### **Recommendation 18:**

The Government must explore ways of reducing the burden on employers paying both the apprenticeship and CITB levies, and re-focus CITB training where it is needed most.

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## Summary

High skill, high tech apprenticeships are needed to boost the technical and professional skills facing infrastructure in the push for economic recovery according to our research.

Employers remain committed to apprenticeships, but for apprenticeships to continue to be valuable and investment worthy, they must remain engaged in the discussions with Government to secure stability and funding mechanisms that are right for apprentices and right for business.

As we move away from the devastating effects of Covid-19 and towards a new Government National Infrastructure Plan, the CIC is calling on the Government to support employers and apprenticeship providers to embrace an increase in the technical and professional skills needed to secure and future proof the industry, whilst taking the UK forward.

We now call on Government to work with CIC, employers and the professional bodies to:

### **Recognise the value of technical and higher-level apprenticeships leading to professional registration**

- Longer and higher cost programmes need appropriate funding without which the provider network will continue to idle away with a 'boots not suits' approach to training.
- Secure the role of professional bodies in apprentice (end point) assessment, providing high value returns to business and continue apprentices' access the professions.
- Encourage providers to engage and support a push for a more professional workforce in the construction sector, forging the skills needed to support technology and digital development, innovation, to increase workplace and project efficiencies and productivity, whilst supporting the societal aims for net zero carbon emissions.

### **Increase the flexibility of the apprenticeship levy**

- Extend the period the levy is available to employers to stabilise recruitment and progression through longer, higher cost apprenticeship programmes where higher funding bands are needed to increase access to provision.
- Enable financial support to apprentices to cover the costs of transport and accommodation to regional providers.
- Support employers to embed new administrative and mentor support programmes focused on managing and progressing apprentices.

### **Join up and improve the apprenticeship systems across the UK**

- Employers need technical and higher-level apprenticeships across all four nations of the UK.
- Whilst employers in England have made great strides towards professional apprenticeships, the other nations need to work even more proactively with employers to design, develop and fund these high return professional apprenticeships.
- We need to learn the lessons from the trailblazer process to improve the collaboration, speed, and flexibility of apprenticeship development, and reform the way in which apprenticeships are reviewed to ensure they remain fit for purpose.

### **Celebrate and promote apprenticeships**

- Government should ensure there is appropriate promotion and imagery for apprenticeships across the breadth of construction reflecting the realities of the sector – we need technology and innovation, driven by both boots and suits.
- Employers understand, agree, and promote the virtues of apprenticeships to recruit and develop new talent but more should be done by Government to ensure these messages and careers are promoted through the education system alongside other full-time education pathways.
- Only once employers see stability and ease of access to the apprenticeship system, will they promote the business virtues of apprenticeships complete with return on investment and increased efficiencies and productivity.

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## Appendix A – Contributors

Thank you to the organisations who contributed to the CIC Apprenticeship Task and Finish Group and to all those that disseminated the survey questionnaire. We are especially grateful to the workshop attendees, and to those that contributed to the survey questionnaire.

Name	Representing / Host Organisation
Aled Williams	Construction Industry Council (CIC) / University College of Estate Management (UCEM)
Caroline Sudworth	Technical Apprenticeship Consortium (TAC)
Stephen Bartle	University College of Estate Management (UCEM)
Chris Welch	Royal Institution of Chartered Surveyors (RICS) / Gardiner & Theobald
Mike Cox	Royal Institution of Chartered Surveyors (RICS)
Kevin McAllister	Chartered Institute of Plumbing & Heating Engineering (CIPHE)
Katie Holt	Chartered Institution of Civil Engineering Surveyors (CICES)
Linda Hausmanis and Fraser Talbot	Institute of Workplace and Facilities Management (IWFM)
John Barfoot	Chartered Association of Building Engineers (CABE)
Helen Taylor	Royal Institute of British Architects (RIBA) / Scott Brownrigg
Martyn Price	Cross-industry Apprenticeship Task Force (CCATF)
Noora Kokkarinen	Chartered Institute of Architectural Technologists (CIAT)
Rachel Morris	The Institute of Clerks of Works and Construction Inspectorate (ICWCI)
Eddie Tuttle	Chartered Institute of Building (CIOB)
Lulu Shooter	Federation of Master Builders (FMB)

## Appendix B – Respondents

### 1. Background

The CIC asked employers in the industry across the 4 nations over a 5 week period around the middle of February 2020 about their experience with apprenticeships, the challenges and issues faced, and what they feel would improve them.

An online survey was distributed on the web-based Jisc 'Online surveys' tool and submission of the questionnaire was deemed to be confirmation of participation. All responses were treated confidentially, and the respondents' details were kept anonymous. Appropriate ethical review due process was undertaken by the lead investigator to gain University College of Estate Management research ethics approval, including compliance against the General Data Protection Regulations (GDPR) and Data Protection Act 2018.

### 2. Overall respondents

There were 132 responses, 110 of which were 'active' in recruiting and employing apprentices, with the remaining 22 'considering' apprenticeships at the time.

Figure 1: **Employer respondents: Uptake of apprentices into employment**

Total number of respondents:	<b>132</b>
Actively recruiting and employing apprentices:	<b>110 / 83%</b>
Employers considering apprenticeships:	<b>22 / 17%</b>

Figure 2: **Does your organisation pay the apprenticeship levy?**

Total number of respondents:	<b>132</b>
Levy payers:	<b>88 / 66.6%</b>
Non-Levy payers:	<b>43 / 33.3%</b>

### 3. Respondents actively engaged in apprenticeships

Figure 3: **Size of organisation**

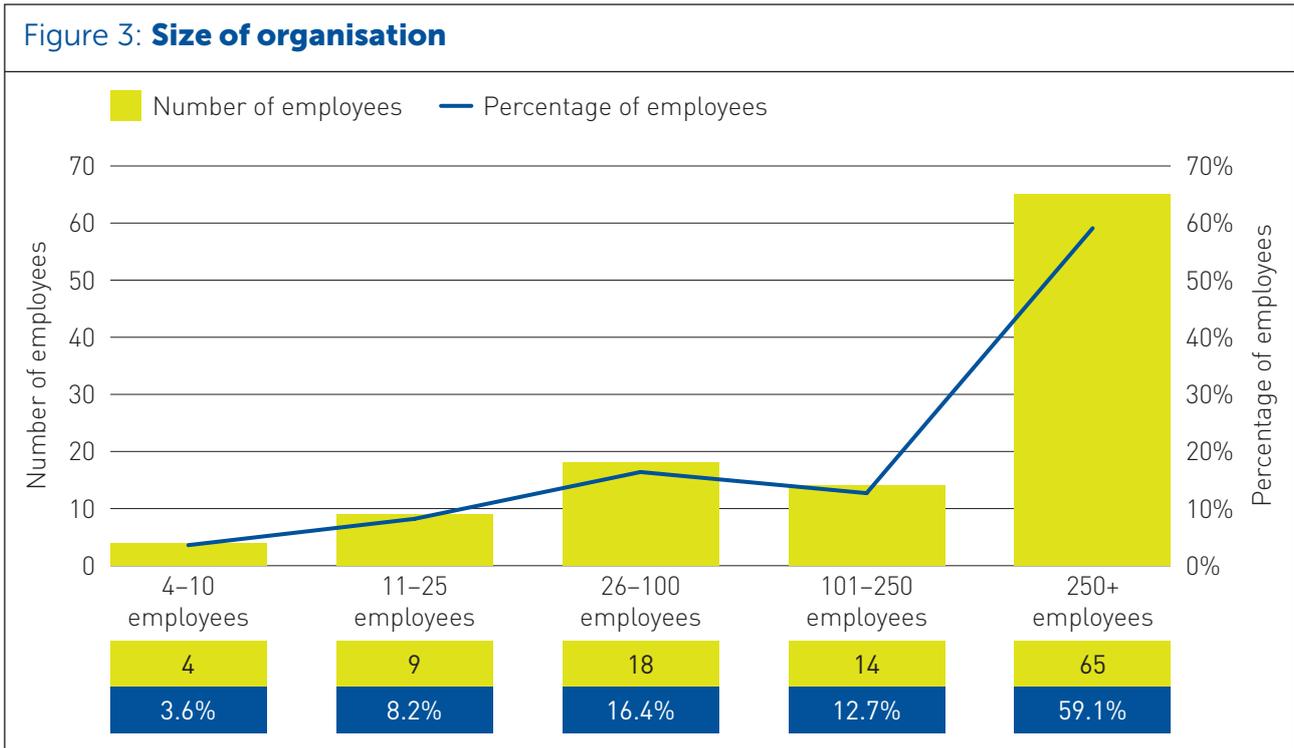
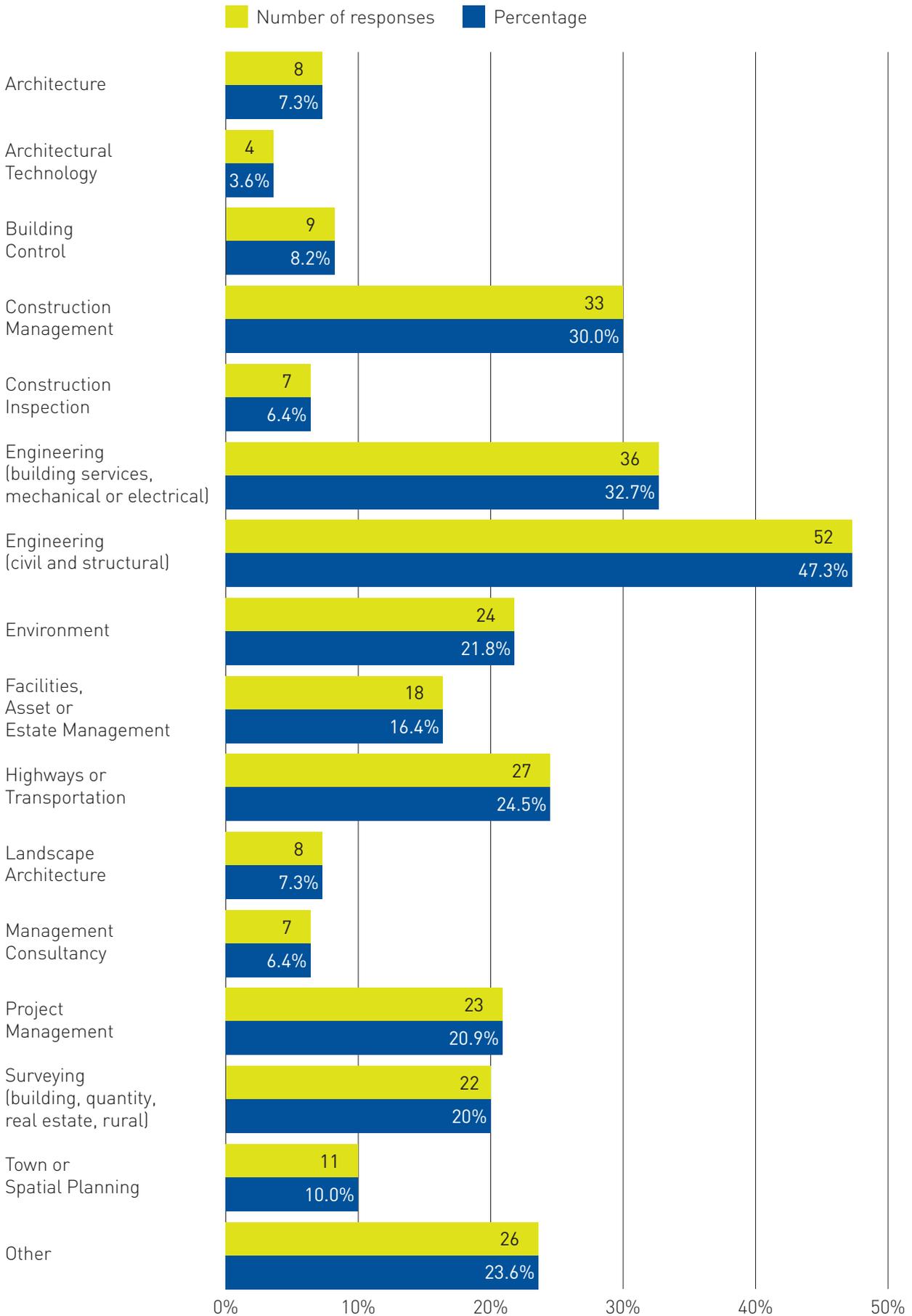


Figure 4: **Organisation main activity**



Multi answer: Percentage of respondents who selected each answer option (e.g. 100% would represent that all this question's respondents chose that option)

Figure 5: **Where is your organisation based?**

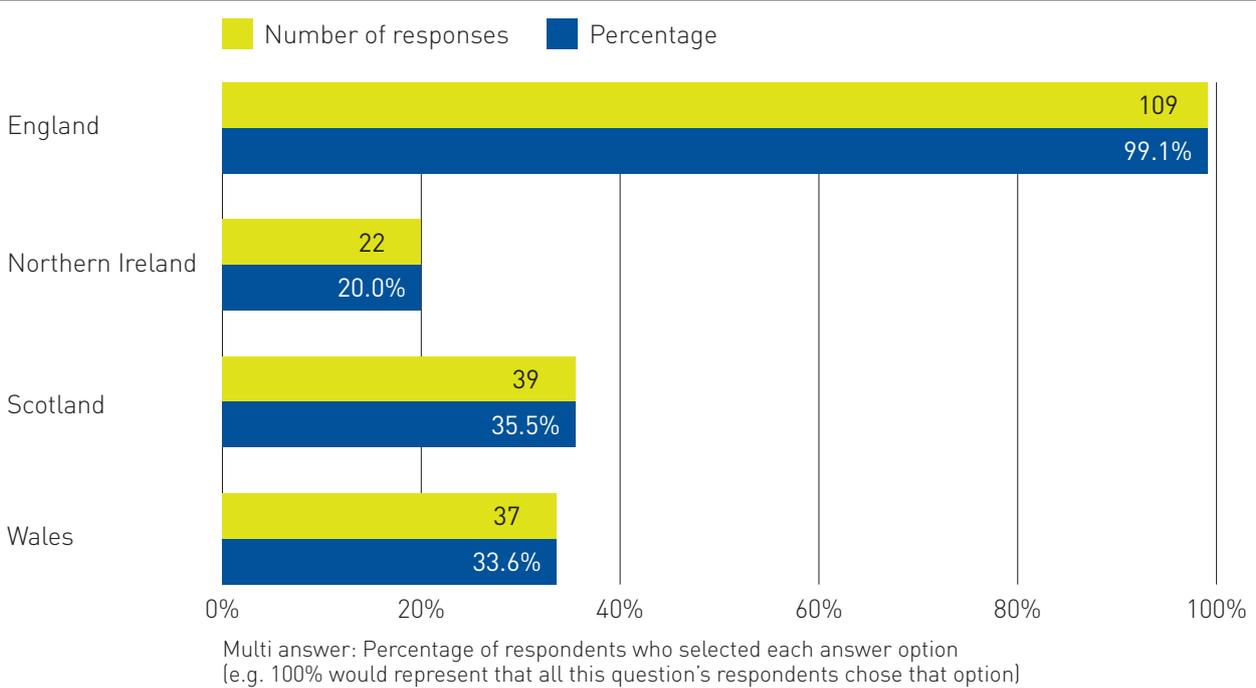


Figure 6: **Overview of the roles respondents undertook with regards to apprenticeships**

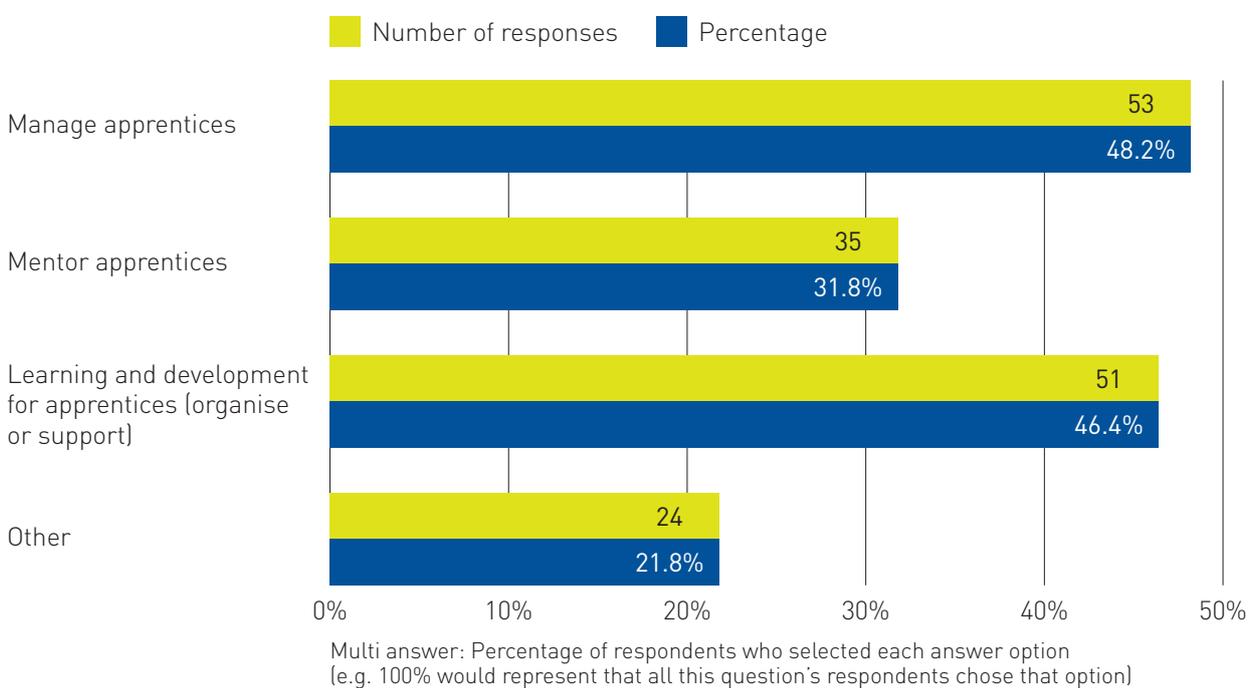
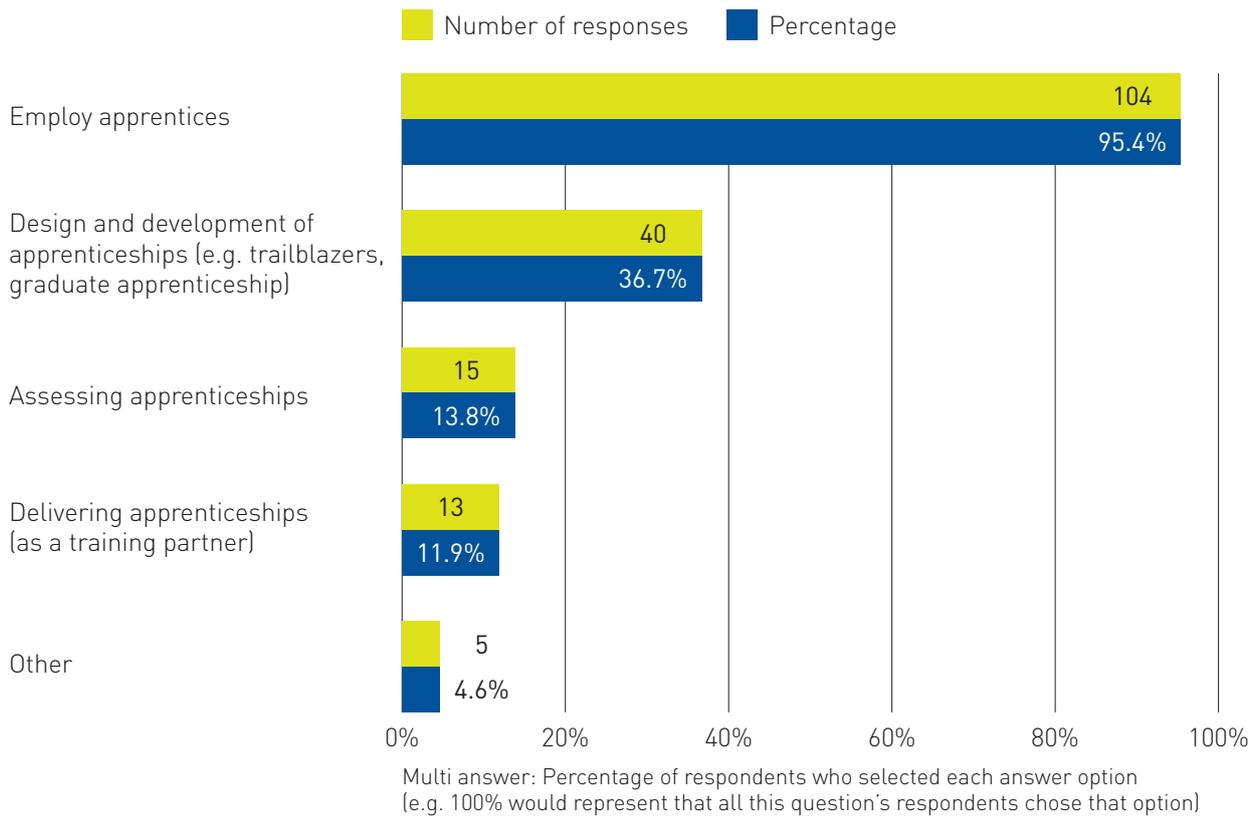


Figure 7: **Involvement in Apprenticeships**





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