

aptem.

Intelligent apprenticeship technology®

a.

## Transforming and Growing FE College Apprenticeships

10 best practice principles and  
steps to successful implementation



## Contents

---

Introduction	03
The strategic context	06
Getting started: 10 best practice principles	08
Steps to successful implementation	16

## Introduction

**Apprenticeships are a growing part of the education and training sector and, potentially, provide an opportunity for FE colleges. There is growing evidence (City and Guilds/ILM 2019)<sup>1</sup> that businesses are increasingly seeking to take advantage of the Levy to train their workforces, even if they want more flexibility about how they use the Levy. The government is also under pressure to facilitate more apprenticeship opportunities for SMEs.**

The UK government wants apprenticeships to bridge skills gaps and promote social mobility. The Levy puts power and, albeit through a direct nudge, investment in skills in the hands of employers.

The UK government wants apprenticeships to bridge skills gaps and promote social mobility. The Levy puts power and, albeit through a direct nudge, investment in skills in the hands of employers. The government has also been keen to encourage the private sector. Consequently, we have seen a growing number of independent training providers (ITPs) offering apprenticeship training at levels 2 to 5, and some private colleges, such as BPP University, offering apprenticeship training at levels 6 and 7.

At the same time, budgets for the FE sector have declined. The Institute for Fiscal Studies (IFS 2018)<sup>2</sup> noted that FE colleges are the losers in education spending, being 'one of the few areas of education spending to see cuts since 2010'. These spending cuts have not only hit the 16-18 student body, they have also affected adult education. The IFS note that the total number of adult learners has fallen from four million in 2005 to 2.2 million in 2016, and that this fall particularly impacted low-level qualifications. Total funding for adult education fell in real terms by 45% between 2009-10 and 2017-18.

<sup>1</sup> <https://www.cityandguilds.com/what-we-offer/employers/optimising-your-levy/thank-you>

<sup>2</sup> <https://www.ifs.org.uk/uploads/publications/comms/R150.pdf>

Some FE colleges have built a large and successful apprenticeship offering. Others are developing plans. But many colleges are managing with diminishing resources and have significant worries about the direction of government policy and the future of the UK economy. In that context, it may feel like one hurdle too many to fully engage with developing new apprenticeship programmes.

Colleges have a vast experience and a vital role in delivering education and skills training to local populations. While apprenticeship programmes in many ways represent a new level of challenge for colleges, they are adjacent to the core business of FE colleges.

The team at MWS Technology have created this document to piece together what we have learned in talking to ITPs, HE and FE institutions about apprenticeships. We have over 90 apprenticeship delivery clients and have been talking in depth to many more. The people in our company have a breadth of experience in the business and education sectors.

We want all FE colleges to have our advice about best practice in growing or setting up successful apprenticeship programmes, and practical tools to help you understand local markets and building a business model.

If you would like to talk to us about our advice or the Aptem end-to-end apprenticeship management system please call **020 7870 1000** or email [info@aptem.co.uk](mailto:info@aptem.co.uk).

**Richard Alberg**  
Chief Executive

# 90

**We have over 90 apprenticeship delivery clients and have been talking in depth to many more. The people in our company have a breadth of experience in the business and education sectors.**



# The strategic context

## The skills gap

That the UK has a skills gap is uncontested. Research by City and Guilds ([2018](#))<sup>3</sup> showed that nine out of 10 employers struggled to find staff with the right skills. Employee research by the [Chartered Institute of Personnel and Development \(CIPD 2018\)](#)<sup>4</sup> revealed that 49% of UK workers are either over-skilled or under-skilled for the jobs they do. The CIPD also reported that the UK has the highest proportion of jobs in the OECD that need no skills at all.

Our society is undergoing rapid technological change, which drives demand for reskilling.

The government has responded to this challenge by reforming the apprenticeship sector, most significantly with the Levy and the development of employer-led apprenticeship standards. It has also been keen to develop the role of the private sector in education and skills training, believing (rightly or wrongly) that competition will drive up standards.

In the wake of concerns about some ITPs on the Register of Apprenticeship Training Providers (RoATP), arguably attention has turned to encouraging a greater role for FE colleges and universities in apprenticeship delivery. While there may be little direct support for colleges growing in apprenticeships from Government it is supportive of them doing more.

## The Apprenticeship Levy

The Levy, where employers with annual wage bill of over £3 million are required to pay 0.5% of their total wage bill into a digital account to pay for apprenticeship training, is an additional source of funding outside of public spending on education.

While there are concerns about whether the Levy will be enough as demand grows, it is unlikely at present that it will be significantly reformed, other than to find ways to increase the quantum of available Levy funding. The Treasury is highly likely to resist returning the cost of apprenticeship training to the public purse and both of the main political parties are committed to improving vocational training.

Apprenticeships, and in the longer-term technical qualifications, look like they are here to stay.

## Standards

Until very recently, apprenticeships were governed by frameworks, which were tied to traditional vocational qualifications. Now, because of government reforms, all apprenticeship providers are transitioning to standards – employer-led specifications of the skills, knowledge and behaviours required to fulfil a role. Standards may or may not have qualifications as a requirement. All apprenticeships will be on standards from 2020.

Standards are more complex to teach well and to show student progression. However, they are also funded more generously. This creates a tremendous opportunity for colleges.

## Colleges and apprenticeships

Cuts in funding for study programmes mean colleges operate on thin margins, making it hard to reward and invest in staff and maintain and improve facilities. Yet many colleges have proved to be highly adaptive, forming partnerships with local employers, universities and other public institutions to strengthen their position or merging with other regional colleges to improve resilience. And many are either actively engaged in developing apprenticeship provision or at least looking at the potential.

If colleges adapt, apprenticeships are a potentially high margin activity aligned to the college's community and teaching mission. They are a way for the college to generate profitable revenue, maintain strong community links and better utilise staff and infrastructure assets – while not taking dangerous risks by entering new and unfamiliar markets.

If colleges adapt, apprenticeships are a potentially high margin activity aligned to the college's community and teaching mission.

<sup>3</sup> <https://www.independent.co.uk/news/business/news/brexit-skills-workers-shortage-employers-struggle-fill-vacancies-city-and-guilds-a8394126.html>

<sup>4</sup> <https://www.cipd.co.uk/knowledge/work/skills/untapped-potential-uk-skills>

# Getting started: 10 best practice principles



---

**01**  
Start small and  
grow slowly



---

**02**  
Profit and quality



---

**03**  
Evaluate the market



---

**04**  
Focus on strengths



---

**05**  
Business planning and  
risk management



---

**06**  
Reaching employers



---

**07**  
Referrals



---

**08**  
Training partnerships



---

**09**  
Sales and marketing



---

**10**  
Expert knowledge

## 01

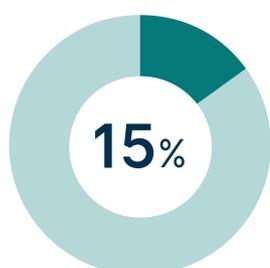
### Start small and grow slowly

Some ITPs generate millions in annual revenue and have thousands of learners. They have branches across the country and deliver a range of apprenticeship standards and frameworks.

Building a business of this scale is a tremendous achievement – it will have taken time, investment and skill, and perhaps also some good fortune.

FE colleges, by contrast, are charities without access to external capital. They also tend to be regionally based – great for leveraging geographical expertise and connections, but they won't necessarily be able to scale up as quickly as private companies.

We'd argue that it's wise for FE colleges to start small and grow slowly. An annual intake of 400 learners making 15% net profit is eminently achievable, and with the right infrastructure can be grown relatively quickly and with modest investment.



**An annual intake of 400 learners making 15% net profit is eminently achievable.**

## 02

### Profit and quality

Apprenticeships should all generate a good gross margin. But to get to that, planning is required along with some potentially difficult decisions about how to tackle the available market, goals, the resources required to do well, delivery risk and timing. Without being thorough at this initial conceptual stage it will be hard to ever develop a plan that has the prospect of teaching success and good margins that add to, not detract from, a college's financial security.

Coming with the new Apprenticeship standards is regulatory pressure to ensure that they are in practice the intended big step up from frameworks in quality. Current Ofsted inspections are focusing on apprenticeships. Weaknesses in teaching and learning are being strongly criticised. Providers need to ensure that all apprentices are genuinely developing new substantive skills, knowledge and behaviours, that this can be evidenced and that action is taken at each level from the learner to the top of the organisation when this is not the case.

Good planning means starting with what the standard requires and how that translates to a quality offering, from start to finish. Colleges, because of their experience and highly-trained staff, are well placed to do this.

A quality apprenticeship programme that satisfies learners and employers is what will allow you to grow and generate healthy revenue and profit.

---

## 03

### Evaluate the market

Most colleges draw from their geographical region. To plan effectively means understanding what the labour market gaps are and what employers need. This requires research and evaluation.

Colleges need to work with local employers who are more likely to draw on local labour markets; national employers are more likely to work through national providers. Talking to local employers will give you an idea of what they need. Often, they will be seeking help in working out their training requirements and what apprenticeships can deliver for them. Employers will be more than willing to have a conversation with established institutions like colleges.

Employers may have already signed up with a provider, but will almost always be open to a conversation about how colleges can help meet their needs. Similarly, it's important not to begin with the assumption that ITPs do not deliver a quality product, despite some negative news. It is always worth looking at local ITPs and learning from them, so when colleges talk to employers, they can demonstrate how they have an edge. Even a *"not now we are in the middle of a contract"* response usually can be turned into *"please talk to us, just not quite yet"*.

Other important organisations to talk to are the local Chamber of Commerce, local government and Local Enterprise Partnerships – and indeed any other employer organisations local to the college.

The college's own board of governors should be, or should know, well-connected people from whom to draw insight.

---

## 04

### Focus on strengths

All colleges have specialisms, and these, along with local demand, should also guide choices as to which apprenticeship standards to launch. What can particular colleges deliver well? Do they have curriculum design expertise? Do colleges have tutors available to teach particular standards or the physical infrastructure to support the standard – for example, engineering equipment or a hairdressing salon?

Balanced against expertise and specialisms should be a consideration of what standards will make money and bring in high numbers of learners. There are other questions to consider too. How many standards can the college realistically offer and achieve real quality? At what point does breadth and appealing to lots of employers and learners start to involve over-stretch and declining quality? Which standards are likely to have better achievement rates? Which standards lend themselves to efficient roll-on/roll-off delivery?

Lastly, it is vital to maintain good and ongoing relationships with the employers to which colleges provide a service. Providing a business service is almost always relationship-based and employee training particularly so. Colleges need to show consistently that this is a relationship that matters and that they are investing in it (not just apprenticeship provision, vital though that is). With good and productive relationships, colleges can grow provision with existing clients and reach out to their new ones.

## 05

### **Business planning and risk management**

Think about whether the apprenticeship offering should be run as an arms-length business.

The benefit of this model is that it ring-fences risk (financial and Ofsted). In addition, colleges can consider hiring staff on a different contractual basis to college staff (the disadvantage of this model is that your college unions might be concerned about staff terms and conditions). However, this model can offer flexibility to employer and employee, which does suit some groups. In addition, performance related pay is becoming increasingly common, even in public sector education and training.

In addition to apprenticeships, it is worth considering whether colleges can successfully deliver AEB and traineeships. Both offer high margins and can utilise the apprenticeships cost base.

As of 2019, you can deliver as much as you are able to Levy payers. However, you will also need an allocation to service non-Levy SMEs. When putting together a list of target customers, it is important to separate them into Levy and non-Levy employers as each require a different approach. Our advice is chiefly orientated on growing with Levy employers.

Colleges can either fund growth through existing apprenticeship profits or through investment from the college. With the investment that is possible, create a proof of concept model where the college can see if some progress can be made before adding in further investment funds. Ideally, each investment should build upon achieved success with an allowance for modest mistakes along the way.

Institutions can also protect themselves against risk by channelling expenditure into variable rather than fixed costs. Once the business is stable and effective you can look to reduce spend by moving from variable to fixed.

**Colleges can either fund growth through existing apprenticeship profits or through investment from the college.**



---

## 06

### Reaching employers

Employers are absolutely critical to making a success of apprenticeships. With the Levy, they now have the funds that colleges used to receive. As a consequence, colleges now have to persuade employers to pay for the apprenticeship training they offer. This situation pitches colleges into a business services market where they will be competing with other colleges, ITPs and employer in-house training solutions.

What do employers most want to hear and see?

- **Talk like an employer** – use the language they use and aim to glean an understanding of their needs;
- **Build relationships** – employers are most likely to use those providers they know and trust. Personal relationships matter;
- **Problem-solve** – employers like to work with people who will solve their problems;
- **Know the market** – research employers and competitors to build market authority.

Employers are channelling Levy funding and absorbing the cost of time spent off-the-job in the expectation of a productivity return. Showing the value of training – for example, by standard, by group and by apprentice – can enhance client relationships. Understanding a client's commercial drivers can help to demonstrate value.

The college apprenticeship business is a great way to build broader employer relationships valuable to securing work placements, curriculum design input and support with stakeholders such as the local authority and the LEP.

---

## 07

### Referrals

Client referrals are a vital part of growing a business. If you have a happy client, the chances are that they will know others who can also use your services. It is important to ask them to refer the college and for you to show appreciation when they do.

The college may already have friends and contacts who will be willing to help. Boards of governors include business people. For example, two referrals each from five governors, to employers who can take five apprentices could be worth £250,000 in rolling revenue. Colleges may also consider inviting influential people to join the board if they don't have this kind of representation.

Colleges have significant advantages over ITPs when it comes to supporting employers in the recruitment of apprenticeships, as they have a pool of potential apprentices already enrolled at the college.

Open days, 'try before you buy' work placements and traineeships are all useful ways to help employer recruitment. Colleges also excel at pastoral care and can show parents and learners that apprentices will be supported throughout their training.

---

## 08

### Training partnerships

Colleges often have specialist facilities and teaching capabilities that ITPs do not. The potential for partnerships with ITPs, many of whom have thousands of learners, may boost revenue. Colleges should research the private training providers with clients in their region and explore the possibility of becoming local delivery partners.

Contemplating such a move may take a college out of its comfort zone, but the potential rewards make it worthwhile. The Aptem [sector research tool](#)<sup>5</sup> can help you identify other providers delivering in your region.

---

## 09

### Sales and marketing

Admissions departments within colleges are normally administrative and advisory. Growing an apprenticeship offering to employers requires a different set of skills led by the ability to sell. A good salesperson should be able to demonstrate a successful track record. People who work in sales are also accustomed to moving on if the relationship is not right or if they aren't bringing in results.

Most colleges do not have a large budget for marketing. However, it is critical to be able to present information about the apprenticeship programmes to employers. These materials need to include the college's 'unique selling points' – its competitive differentiators and specialisms.

Employers want to see in marketing materials:

- A training proposition that makes their organisation a better place to work, making it easier to hire the best staff and then retain them;
- A training provider that can help their employees become better at their jobs and improve organisational productivity;
- A training provider that can take away the pain and bureaucracy of apprenticeships and make programmes simple to implement;
- A supplier that understands their needs and pressures and can mould its offering to their (the employer's) needs.

<sup>5</sup> <https://www.aptem.co.uk/apprenticeship-data/>

---

## 10

### **Expert knowledge**

Reaching out to other colleges that have a successful track record in apprenticeship provision is an excellent way of doing essential research.

Colleges find it useful to talk to colleges close to them, to get an understanding of how the market works in their region, or they may reach out to other colleges who have similar expertise.

There is an increasing amount of cross sector development training for college chairs, principals, aspiring principals and CFOs.

This is an ideal opportunity to make some new connections and to seek some help. If colleges have particular strengths – curriculum planning or real estate, for example – this could be the basis for a dialogue.

Most colleges that have succeeded in growing their apprenticeship business have done so over a long period, accumulating hard-won experience of what to do and what not to do. Hearing about this first hand is extremely valuable.

Colleges find it useful to talk to colleges close to them, to get an understanding of how the market works in their region.

## Steps to successful implementation

### The teaching challenge

Colleges are the experts in delivering teaching. Apprenticeships, however, differ to conventional qualifications. In order to maximise revenue (which will benefit other areas of the college) and ensure good retention and completion rates, employing distinctive techniques in teaching delivery will help. These include:

- Identifying engaging and high quality distance learning teaching materials for delivery;
- Using Skype, webinars and other communication tools to reduce travel and staff time;
- Use technology to monitor compliance (to Ofsted, the Education and Skills Funding Agency, and so on) – Aptem is one example of a platform that significantly assists with compliance;
- Design programmes so you can enrol new learners all year round;
- Don't design a programme with front-loaded costs (for example, bootcamps) if you have concerns that there will be material early learner drop-out rates;
- Plan the programme around learners sitting the end-point assessment, the culmination of study in a standard. Some students want a qualification rather than sitting the EPA and may drop out pre-EPA;

- The faster learners complete their apprenticeship training, the less chance there is of them dropping out and the sooner you cease delivery costs. Programmes need to be streamlined and efficient;
- There needs to be a process in place to ensure that students and employers are seriously committed to the programme.

### Business planning

For most colleges, apprenticeship growth is about expansion and scale rather than start up. You need a plan but as nothing works out exactly as planned not an overly detailed blue-print.

Planning to grow apprenticeship training is demand-led, not funding-led. It has to project into the future beyond each academic year. It is subject to opportunities and risks beyond the college's control and even on occasions foreseeable vision. However good the current planning process, it will have to adapt.

Key is the robust realistic scope to win apprenticeship business at the outset and the rate at which this can be grown.

Essential is working out which employers who would work with you – more likely local or regional companies rather than larger ones with national training contracts – can be persuaded to take on what numbers of apprentices, standard by standard.



Directly related is the amount of teaching time that is required to deliver good quality training to remote learners. Most employers need reassurance about the quality of time spent off the job and that it is being used well. Teachers will have to go out to learners and this is not an easy fit with study programme work.

What are the accommodation requirements: employers expect quality and colleges often find themselves renting hotel space for offsites, for example.

Having good quality materials and equipment is an important investment. It conveys to employers and learners that the college is determined to provide leading edge teaching. Equipment and teaching materials are key to winning business and delivering quality, so budget accordingly.

It is all too easy to plan significant growth, but it is unlikely to be achievable. A good plan is medium term – three to five years – and shows progressive growth from a low base. Faster growth runs the risk of budgeting costs ahead of revenue and big losses when the rapid revenue does not follow.

A good plan is one that has real, well thought through support coming from proper discussion involving all the key decision makers. As this is a business distinct from the study programme, time spent pre-launch on what might happen post-launch is critical. Whatever you decide, ensure that the assumptions are all clearly drawn out and recorded.

Senior management needs to exercise sensible stewardship so that the apprenticeship team does not over promise to win support to proceed. It also needs to make sure that the apprenticeship business – necessarily somewhat apart from the core study programme business – is treated as a college business and makes the fullest use it can of existing college resources to deliver quality with the most efficient cost base.

No one plan is going to succeed in balancing out all of the complexities of forecasting a new or expanded business. A good discipline is to plan on at least two different bases. One should be a business case that is achievable but realistic. The other should be a financing case setting out slower growth and showing the likely maximum use of college funding.

As ever, a plan needs to be clear and also well thought through if it is to win support from the governing body.

### **Having the right team**

Consider carefully whether you have the right people in place to operate an apprenticeship business. Having people without the right skills or temperament is unfair to them and also makes success less likely. Would an interim or two with commercial apprenticeship experience make practical and financial sense? MWS and our partners have a wide network and may be able to suggest individuals who can help whilst you seek the right permanent hire.

### **Assessing your market – the Aptem Market Analysis Tool**

Assessing potential to grow has to be a desk exercise and involve a lot of discussions and bridge building with employers. Analysis of the local market will help identify the current total market, demand for the standards you teach, or can teach well with investment, and the employers who could be buyers from the college.

Using publicly available data from a range of sources our Research and Analytics team have built the Aptem Market Analysis Tool which is accessible on our website (<https://www.aptem.co.uk/apprenticeship-data/>).

This tool provides apprenticeship market analysis for each local authority district in England; the analysis can be displayed at a national level or drilled down to one or more local authority districts. It can be used to: identify the standards and frameworks that are delivered within your region, the colleges and training providers operating in your region and how many learners they have, and for a selected training provider/college which apprenticeships they deliver along with learner numbers.

### **Employer engagement and support**

Colleges should have boards that include successful businesspeople / public sector employees from the area. They are supporters of the college and as governors are backing you in your growth plans. Speak to each governor and see who they can refer you to for new business. Be tenacious as people often forget that they have promised to help and need to be nudged. If you don't have governors who can help with this, bear it in mind for the next round of recruitment.

When talking to employers you have to speak their language. Their timescales can appear abrupt. They want answers not debate. They need reassurance that you are there to solve, not add, to their problems. They don't want to hear about yours.

Persuading an employer to use the college for Levy apprenticeship provision is like any other business service: you must persuade the customer that their paying you is a fair exchange and value for money. Employers take looking after staff seriously and nearly everyone has a skills-gap they are trying to fill. The college as an important vocationally focused academic institution in the area should be well placed to appeal. Providing a business service is always to some extent relationship based, and training staff very much so. You need to show consistently that this is a relationship that matters to you and that you are investing in it (not just apprenticeship provision, vital though that is).

Who on your board is recognisable as “*employer attuned*” because they are an employer or have good connections at local employers?

What can your board tell you – or find out for you about what employers in your area need – in general or specifically?

How can you pitch your apprenticeship staff to an employer as relevant to their needs? What “two way street” credentials can you offer?

How do you best demonstrate that you will work with your employers in partnership?

Can you show employers end-to-end support, covering support on recruitment, induction, pastoral support as well as good teaching relevant to the workplace?

### Staffing

Hiring good salespeople is difficult. The fact a person interviews well does not mean that they have the temperament and discipline to be an effective salesperson. Do your best to find people who can demonstrate that they should be successful (they have a successful track record in similar sales / have sold to a similar customer base).

Ensure they know to whom they should be selling;

Ensure they understand what they should be selling;

Set realistic targets;

Monitor activity and progress;

Be prepared to dismiss when it seems probable the person is not right.

Decide if your sales model is to have hunter / farmers or hunters with separate account managers – and hire accordingly. Do not turn your salespeople into administrators.

### Getting underway

Be confident about the quality of your teaching and the quality of your plan.

Launch your new offering with an event that gets publicity and gives you promotional material to use later.

Keep promoting: it takes a while to build awareness.

Ensure that all your key audiences: employers, learners, parents, stakeholders like the LEP, are kept aware and involved.

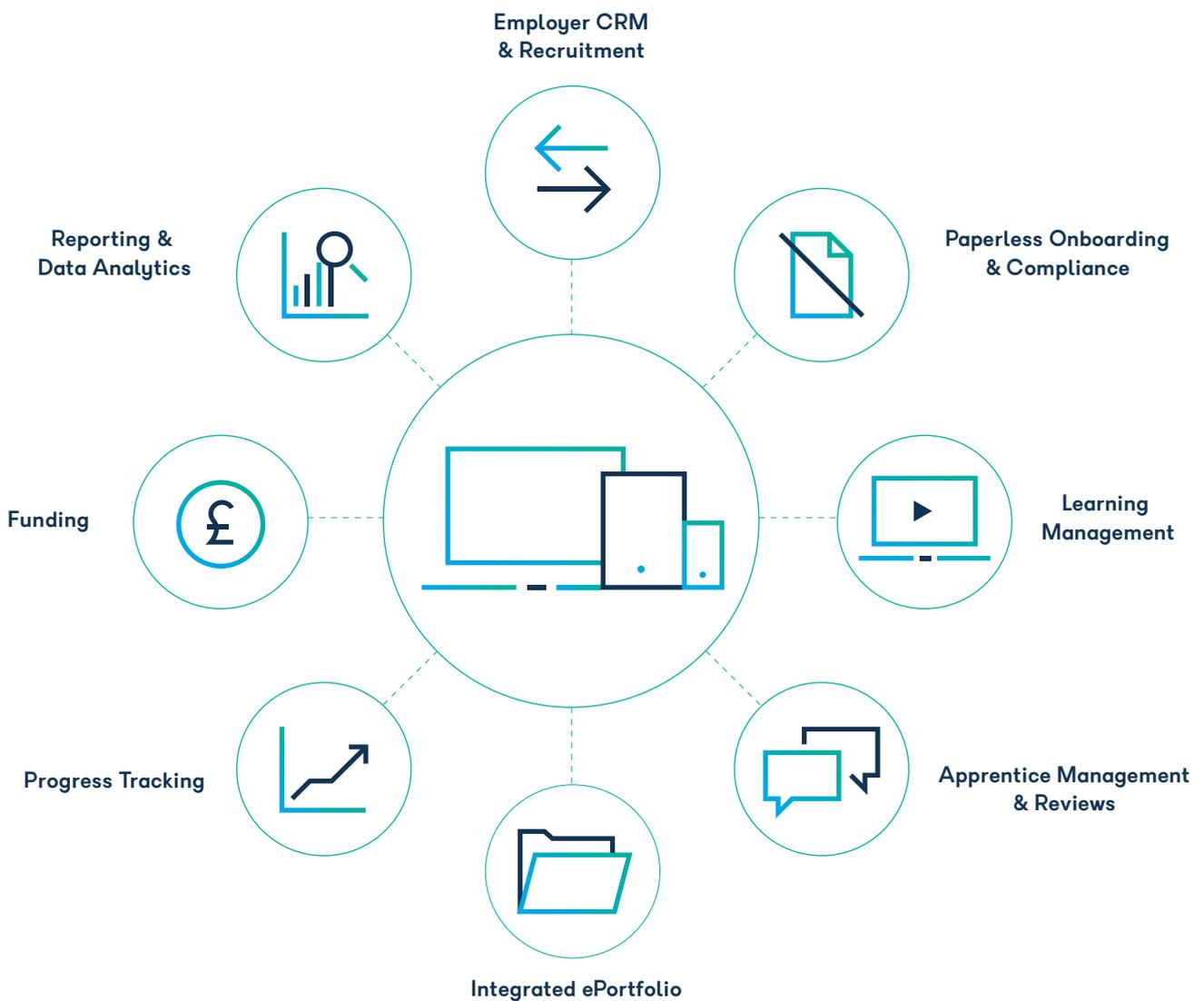
Reflect as a team on what is going well and not so well and what has to be changed now to solve or forestall a problem.

Allow time: however good your plans, delivering them takes longer than anticipated so don't change too much too quickly

Keep the governing body updated – with the not so good news as well as the good.

## The role of Aptem

The moment you look to scale your apprenticeship business you need fit for purpose technology in place. A high quality system designed for apprenticeships, as opposed to study programmes, enables operational efficiency, helps you ensure compliance and puts you in control of your business.



If you would like to talk about how Aptem can help you, please get in contact and we will happily tell you what we can do.

We will listen to your needs and if Aptem meets them we will be a knowledgeable, supportive partner.

You can book a demonstration at [www.aptem.co.uk/book-a-demo](http://www.aptem.co.uk/book-a-demo), email us at [info@mwstechnology.com](mailto:info@mwstechnology.com) or phone us on 020 7870 1000.







Intelligent apprenticeship technology

Aptem is the latest product developed by Aptem Ltd, pioneers in technology solutions for the vocational training, further education and welfare to work sectors since 2009.

**[info@aptem.co.uk](mailto:info@aptem.co.uk)**

**020 7870 1000**

**[www.aptem.co.uk](http://www.aptem.co.uk)**