

Learning and Skills Confidence Index survey

November 2017

The learning and skills sector continues to face new reforms, reviews and restructuring. For learning and skills organisations, this brings challenges as well as opportunities.

Six months on from our first confidence index, SDN conducted a second snapshot 'confidence index' survey to benchmark the current level of confidence of learning and skills organisations and the key factors that will contribute to their future success.

Context – the current landscape

Over the last six months, several important changes to policy have emerged:

- [Launch of the apprenticeship levy](#) – employers with a paybill over £3m are now paying a 0.5% levy for apprenticeships. Preparedness and effective use of the levy among employers has been mixed
- [Non-levy procurement](#) – the ESFA process for non-levy procurement has been tumultuous. After a second tender process and multiple delays, providers are still awaiting the outcome
- [Register of Apprenticeship Training Providers](#) – the second wave of applications has been published and the third wave of applications await approval. Similar to the first wave, there has been a significant increase in employer-providers and HEIs
- [Register of End-Point Assessment Organisations \(EPAOs\)](#) – approved EPAOs has increased (now stands at over 90) and EPAOs now need to operate within new conditions introduced by the ESFA
- [Institute for Apprenticeships](#) – operations have started and the IfA is now carrying out its sector role. IfA have appointed [Open Awards](#) to carry out their EQA function for end-point assessment. Gerry Berragan has been named as the IfA's new CEO
- [Apprenticeship starts](#) – the first apprenticeship start figures to be published since the introduction of the levy have shown an initial drop in starts by 59%. [Recent indications](#) from Apprenticeship Service activity however show this may only be a short term issue
- [T-Levels action plan](#) published – announcing the first three route ways (digital, childcare and education, and construction)
- [Future Apprenticeships](#) – DfE/ETF programme support has focused on preparing providers to deliver particular industry standards and support for those (organisations and individuals) planning to deliver end-point assessment

Headline findings

- Overall, respondents were marginally confident about the future. Compared with six months ago, confidence has slightly increased over a one-year time horizon
- FE colleges remain more optimistic about their future than independent training providers
- Compared with six months ago, there has been a drop in confidence among senior managers, reflecting the current turmoil of non-levy procurement and employer reactions to 20% off-the-job requirements
- In contrast, the confidence of front-line staff in their organisation's future success has increased, as their understanding of the new standards and their future role becomes clearer
- The top factors affecting respondents align with the above - changes to funding policy and systems, reforms to apprenticeships, employer engagement, and Ofsted's future approach to inspection. Broader policy changes remain a lower priority, including the technical reforms, devolution, area reviews and Brexit
- Providers expected their confidence to accelerate if there was:
 - Stability and clarity of funding policy, particularly around non-levy procurement. Providers need time to implement new policies – also providing the ESFA with time for a more considered implementation of new systems and processes
 - Greater flexibility around 20% off-the-job requirements – current arrangements are putting some employers off from engaging in apprenticeships, particularly SMEs
 - Clarity around what end-point assessments will look like in practice, with a greater number of End-Point Assessment Organisations in place, ready to offer their services
 - Employer ability to fully utilise their levy funds as part of their recruitment and L&D strategy, alongside continued SME engagement in apprenticeships
 - Improved careers advice in schools and a greater breadth of entry-level standards for 16-18-year-olds to encourage social mobility

Level of confidence

Are you more or less confident about your organisation's success in the learning and skills sector?

| | <i>June 2017</i> | <i>November 2017</i> | <i>Change to confidence</i> | |
|---------|----------------------|--------------------------|---------------------------------|---|
| 1 year | 52 (+) | 54 (+) | + 2 | <i>0 = low confidence</i> |
| 5 years | 52 (+) | 52 (+) | -/+ 0 | <i>50 = neutral</i> <i>100 = high confidence</i> |

When comparing confidence ratings by organisation type and job role, findings suggest:

- A drop in confidence among senior managers, compared with this time six months ago - reflecting the current turmoil of non-levy procurement and employer reactions to 20% off-the-job requirements
- A rise in confidence among front-line staff, in part as their understanding of the new standards and their future role becomes clearer
- FE colleges remain more optimistic about their future than independent training providers

Diagram 1: Comparison – confidence over one year

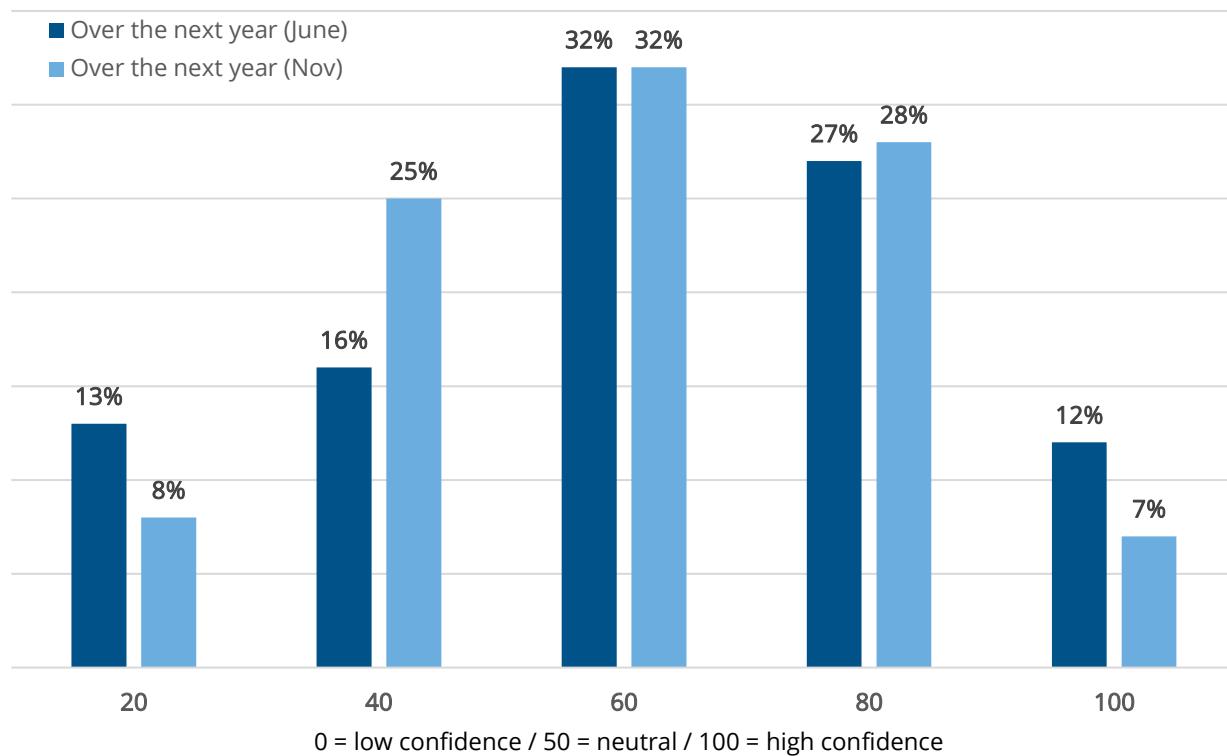
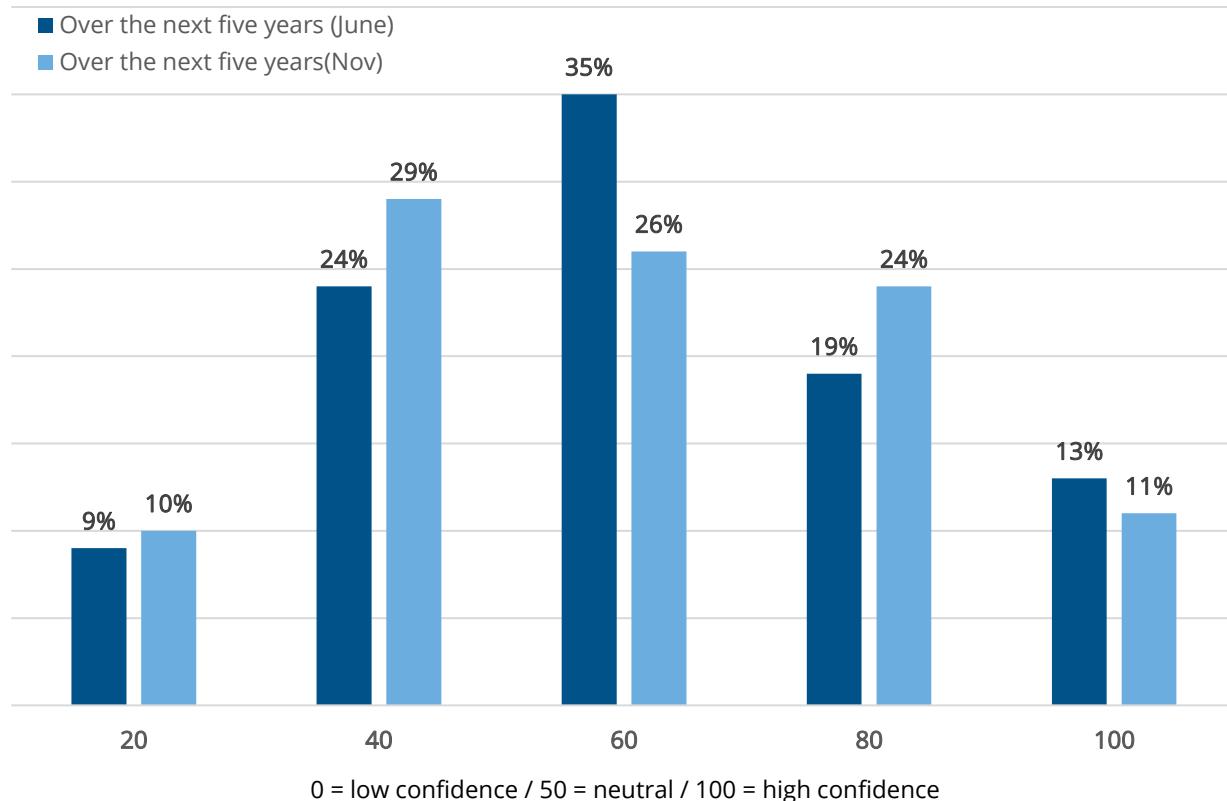


Diagram 2: Comparison – confidence over five years



Factors important to the success of learning and skills organisations

| Factor | Rating (June) (low score = important) | Rating (Nov) (low score = important) | |
|--|--|---|---|
| Funding policy and systems | 5.4 | 3.8 | ↑ |
| Reforms to apprenticeships | 4.2 | 3.9 | ↑ |
| Employer engagement | 6.2 | 4.9 | ↑ |
| Ofsted and inspection | 8.2 | 6.4 | ↑ |
| Recruiting / training staff with the right level of skills | 8.0 | 6.5 | ↑ |
| Expanding and diversifying your offer | 7.6 | 7.0 | ↑ |
| English and maths | 8.0 | 8.3 | ↓ |
| Partnerships and collaboration with other providers | 8.2 | 8.6 | ↓ |
| Localism / LEPs | 9.0 | 9.0 | → |
| Higher-level training and skills | 9.4 | 9.0 | ↑ |
| Introduction of technical education routes | 8.5 | 9.4 | ↓ |
| New technologies for learning and skills delivery | 8.9 | 9.7 | ↓ |
| Brexit | 9.0 | 11.3 | ↓ |
| Area reviews | 10.0 | 11.5 | ↓ |

Themes from qualitative responses

Are there any issues of importance to your success, that we have not identified above?

- Greater flexibility around 20% off-the-job requirements
- Stability and consistency of government policy (DfE, ESFA and IfA)
- Improved careers advice in schools and a skills system that enables social mobility
- Able to obtain (or increase) ESFA contracts, particularly for non-levy procurement). Clarity about ESF funding longer-term
- Clarity around what end-point assessments will look like in practice, and a greater number of End-Point Assessment Organisations in place, ready to offer their services and work with training providers
- Employer ability to fully utilise their levy funds as part of their recruitment and learning and development strategy
- SME's continued engagement in apprenticeships, in light of new funding regime and 20% off-the-job requirements

What would help you to succeed, or increase your confidence?

- Greater flexibility around 20% off-the-job requirements – current arrangements are putting off employers from engaging in apprenticeships
- Removal of bureaucracy of apprenticeship administration for employers – many employers are yet to register and start using the Apprenticeship Service
- Stability and clarity from the ESFA, particularly around non-levy procurement –provider confidence in the ESFA is waning. Providers need time to implement new systems and policies – this would also give the ESFA time for meaningful system evaluation
- Improved communications with employers – many, particularly SMEs, are still unaware of the new funding system and how they engage
- Clarity and stability around the approval of new apprenticeship standards and assessment plans. Also a greater breadth of entry-level standards for 16-18-year-olds
- Improved careers advice in schools
- Clarification of T-Level policy and ensuring a fair market for awarding organisations

Other comments

"If employers are in the driving seat do they prioritise the same points that the ESFA and Ofsted do? Previously the funding came from government so any associated requirements were accepted by the customer. We have employers who are not keen on some of the governments associated requirements but how will Ofsted view this on inspection. We have had to satisfy this requirement but the customer is not pleased about this. Providers may find themselves having to satisfy 2 masters and this may not be achievable."

"As a small provider with two funding partners for non-levy provision and a direct contract for levy-funded provision we now have three completely different sets of employer and learner paperwork to use in different situations. For operational staff involved in recruitment and delivery, this is becoming unmanageable."

"Unfortunately, the lack of confidence this year is a result of poorly distributed information from the ESFA and also the timeframe in which it was provided. It has led to quick decisions being made within the organisation that has made departments feel uncomfortable."

Who responded?

The survey was promoted through a wide variety of channels including direct mailings to SDN's contact base, through regional WBL/College provider networks and through social media. *Caveat:* The majority of responses came from SDN's contact base, and therefore represents a skew towards apprenticeship providers. The findings are based on 72 responses

Diagram 3: Respondents by organisation type

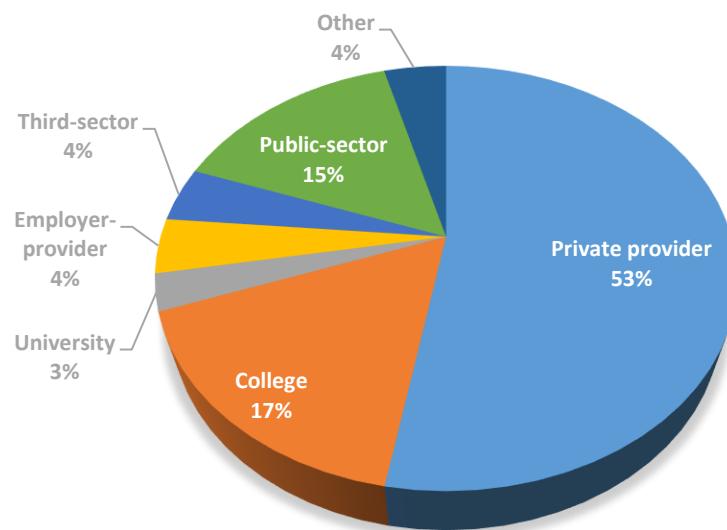


Diagram 4: Respondents by job role

