



Permanent Secretary

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Richard Cooke
Clerk to the Committee
Public Accounts Committee
House of Commons
London SW1A 0AA

20 November 2019

Dear Richard,

Ninety-Eighth Report of Session 2017-19: The Apprenticeships Programme.

The Committee's 98th Report asked us to write by the end of November 2019, setting out further information about my Department's work on level 2 standards; women in STEM apprenticeships; interventions with failing providers; coverage and capacity of end-point assessment organisations; and quality assurance arrangements. I have provided below the information requested on each of these areas and the work of the Department, which is discharged through the Education and Skills Funding Agency.

PAC Recommendation 2. The Department should assess whether there are enough level 2 standards to allow school leavers or those with fewer skills to easily access apprenticeships and report back to us within six months on its assessment and any action it proposes to take to redress the balance.

The government's aim is to ensure that apprenticeships continue to effectively support individuals' skill and career progression and enable employers to meet the current and future skills needs of their organisations.

To improve the quality of apprenticeships and ensure their relevance to the skills needed in the country, employers define the apprenticeship landscape by developing standards and setting the level of skill required for occupational competence. To achieve this, the Institute for Apprenticeships and Technical Education (the Institute) is responsible for working with employers to identify and develop apprenticeship standards across a wide range of occupations and levels, including level 2. There are currently over 100 approved apprenticeship standards at level 2 available to employers and learners, with 19 further level 2 standards in development.

The Institute's programme of statutory reviews for the fifteen technical routes, which includes updating the relevant occupational maps, will continue to ensure that the right apprenticeship standards are available at all levels, including level 2, to meet the needs of employers, individuals and the wider economy. Where reviews of occupational maps identify the need for new standards at level 2, the Institute will support employers to develop these, so that sufficient standards are being developed for the right occupations at the right levels.

The Richard Review predicted that the reforms to improve the quality of apprenticeships would realign the proportion of those at level 2, with a reduction in the number of starts on lower level apprenticeships and a rise at higher levels. The bulk of this fall has occurred with the ending of lower-quality apprenticeship 'frameworks' which are being replaced by employer-designed standards. These frameworks often did not meet the minimum quality standards required by the government's reforms, for example the minimum 20% off the job training requirement and minimum 12 months' duration.

Apprenticeship standards are designed by employers to meet the skills needs of individual occupations, unlike frameworks that were defined by level-based qualifications. This means that apprenticeship standards do not work in the same way as qualifications, where you may progress from a GCSE to a degree in a single subject. Instead, each apprenticeship standard represents occupational competence in its own right and an individual does not progress from one standard to another in the same way. Having completed a standard in a level 2 occupation, it is possible for an individual to choose to do an apprenticeship at a higher level in a related but different occupation. For example, bricklaying is a level 2 occupation, but one of the potential progression routes could be to site manager, which is a level 4 occupation. The Institute's occupational maps are important in helping employers and potential apprentices understand how different occupational roles fit together within and across sector-based routes, how an individual might choose to enter that labour market, and the progression opportunities.

This means that a level 2 apprenticeship is not the entry level route into the labour market that frameworks were often seen to be, particularly among younger apprentices. Many of these did not provide high-quality training in clear occupational roles and had little employer input to their design. It is also important to note that apprenticeship standards are intended to ensure that learners are fully competent in the occupation they are training for at the appropriate level, regardless of their entry point.

In recent years there has been a significant upward shift toward apprenticeship starts in occupations at higher levels, reflecting the Government's wider ambition to boost further education over the next decade to improve outcomes for young people and deliver the skills our economy needs. For example, the level 3 share of the apprenticeships programme has increased by 6.8% and starts at higher levels (4 and above) have increased by 68% compared to the same point last year. Because apprenticeships at higher levels deliver greater productivity benefits and earnings than level 2, the Department wants to see more people with the opportunity to start at higher level occupations and to progress beyond level 2. This too will help close the gap between the working age population qualified to level 3 in the UK, contributing to the Government's ambition to rival other high-performing technical education systems.

Providing support to progress onto and from apprenticeships

The Department is working to ensure that support is available to help young people or those with lower skills to access an apprenticeship, setting them on a career progression journey:

- While apprentices feel well-prepared for their job, not all will receive advice or information to help them plan their career. This may be exacerbated for people from disadvantaged backgrounds, who may not have the cultural capital or access to networks. To help apprentices find out more about the career progression opportunities available to them through apprenticeships and other forms of training, the National Careers Service is building on the Institute's occupational maps to show potential progression routes and clarifying pathways to higher-paid, productive occupations.

- In disadvantaged areas the Department is undertaking work in four local authorities with employers, providers and other local partners to promote and generate more opportunities for higher-level apprenticeships. The learning from this project will be shared to enable other local authorities to learn from this work.
- The Department has support available for apprentices that need it and to this end: additional learning support is available for people who are disabled or who have learning difficulties; additional payments are made to employers for 16 to 18 year-olds and for those with educational health and care plans; and through the care leavers bursary scheme. The Department also funds the teaching of English and maths, a core requirement for completing an apprenticeship, for those that have not yet achieved the necessary level.
- Traineeships are an option for those not ready to enter an apprenticeship. They are the government's pathway programme to apprenticeships and other employment for 16 to 24 year-olds that are unable to start an apprenticeship or job without a supported transition. They provide work experience, work preparation training and English and maths tuition. Growth funding is available for those providers who wish to start or expand traineeship programmes.

Post-16 Level 2 Qualifications Review

Beyond apprenticeships, the Department is looking at the role of classroom-based level 2 study through the review of post-16 qualifications at level 3 and below. The Department wants students to have a clear understanding of what level 2 study can provide them, whether that be through apprenticeships, classroom-based study or the transition programme to T Levels. The review aims to ensure that every qualification approved for public funding is necessary and has a distinct purpose, is high quality and supports progression to positive outcomes. The initial consultation, which ran from March to June 2019, set out proposals for developing a streamlined and simplified qualifications landscape. The Department is engaging with other Government departments and stakeholders on this work. The intention is to consult again in spring 2020 on more detailed reform proposals.

PAC Recommendation 3.2. In the absence of targets relating to gender, it should evaluate the impact of its efforts to attract more women into STEM apprenticeships and report to us within six months on how it plans to address under-representation.

Evaluation of the current position

The numbers of women going into STEM sector apprenticeships has risen since the introduction of the apprenticeship reforms in 2017, rising from 8.2% in 2016/17 to 9.7% in 2018/19 (in-year, Q1-Q3). ICT has seen the biggest growth / highest contribution with 20% of starts in the sector subject area made by women.

Since these reforms, starts on higher-level standards have increased markedly, which is benefitting women in the STEM sector. Women entering STEM roles tend to go into higher-paying, higher-level STEM apprenticeships, with level 4+ cohorts being 21% female, compared to 6.3% at Level 2. New standards such as Digital Marketer and Data Analyst have grown rapidly, with female starts increasing from 190 to 1350, and 20 to 300 respectively for 2016/17 and 2017/18. This growth is keeping pace with male starts in these standards. In fact, Digital Marketer and Laboratory Scientist are two STEM standards which have higher representation of women than men, with 51% women on the Digital Marketer standard, and 56% on the Laboratory Scientist standard. Other standards with high female representation include Laboratory Technician (47%) and Data Analyst (38%).

The Government's focus on increasing the pool of young women equipped to take on STEM careers is essential for improving female uptake of STEM apprenticeships. The Department is seeing positive impact from initiatives to achieve this. In the sciences, based on 2019 results data, girls are now taking more science A levels than boys (Biology, Chemistry and Physics). At pre-16, in 2019 there was an increase in all pupils in England achieving top grades at mathematics GCSE and an increase in the number of girls obtaining top grades. This means more girls are academically equipped to take up STEM apprenticeships. Our overall assessment is that there have been positive gains in the number of women entering STEM apprenticeships, particularly at higher levels, a trend expected to continue.

Our strategy

Influencing young people, teachers and parents:

Girls being less willing to take up STEM roles is a long-standing issue. A collective response is needed to affect the deep cultural change needed to increase uptake of STEM apprenticeships by women.

This has to be achieved by reaching girls in schools and encouraging them to see STEM careers as a legitimate option. This is a focus for the Department, where activity has been increasingly successful in increasing the number of girls taking STEM subjects. In 2019 the proportion of female A level students in STEM subjects increased to 37.6%, up from 36.2% in 2018 and 34.5% in 2017¹.

The Department is encouraging this growing number of girls studying STEM subjects into apprenticeships through its Apprenticeships Support and Knowledge in Schools (ASK) programme. This now has a new sixth-form offer to attract A level students into apprenticeships and new materials available on STEM apprenticeships. ASK has partnered with BT, Network Rail, GSK, Troup Bywaters + Anders, the Technical Apprenticeship Consortium and the Institute for Apprenticeships & Technical Education through New Scientist Live 2019 to promote STEM apprenticeships to girls. Presentations by female STEM apprentices have also been broadcast nationally into school assemblies.

The Department is building on this by increasing the ASK programme's activities targeting girls studying STEM subjects. It is also improving STEM subject teachers' knowledge of apprenticeships and working through the Department's teacher networks. The Department also has school-based interventions to increase girls' take up of STEM subjects, including by supporting pilots to promote take up of Physics and Computer Sciences.^{2 3}

Girls' attitudes towards STEM subjects starts at a very young age. Through the Careers & Enterprise Company the Department is investing £2 million in developing and extending career-related learning in primary schools to help children keep their horizons broad and doors open. This work is being led by the Government Equalities Office with support from DWP, BEIS, MHCLG and the DfE.

Communications, information and guidance:

The Department's apprenticeships "Fire It Up" media campaign already includes strong, positive messaging on women in STEM apprenticeships. Examples include posters and adverts containing Hajra Bibi who is on a R&D Laboratory apprenticeship, and case studies including Megan Whitbread, who is on a Building Services Engineer apprenticeship. To evaluate the success of the campaign, the Department will directly compare male and

¹ Joint Council for Qualifications

² <https://www.stem.org.uk/news-and-views/news/new-funding-announced-address-gender-balance-computing>

³ https://www.iop.org/education/teacher/support/girls_physics/current-projects/page_63825.html

female campaign responses and through-clicks. Interest in the five women in STEM stars of the campaign will be tracked and data analysed. This campaign evaluation is due at the end of November 2019 and thus unable to be included in this report, but will be included in the next report to the Committee.

In line with Philip Augar's review of post-18 education, the Department will make earnings information on different apprenticeships more visible. This will help girls to understand the relative earnings performance of different types of apprenticeships and begin to help change attitudes. Earnings are just one aspect of what attracts a person to a career, so the Department will be looking to learn from what works in standards with significant female representation, and amongst employers that achieve significant female representation to further develop its communications, information and guidance.

Influencing employers:

Because apprenticeships depend on employers offering an opportunity and then deciding who to recruit, influencing employers to offer more STEM roles and to promote and offer them to women is an important role the Department can play. Through the Apprenticeship Diversity Champions Network (ADCN) the Department works with some of the country's most influential employers, promoting and sharing best practice. This includes activity proven to lead to improved STEM uptake amongst women and the business benefits that come from having a more inclusive workforce. There is activity to provide expert advice through Employer account managers, case studies, online apprenticeship campaigns, and events. Two ADCN employers being showcased include Nottingham City Homes which has achieved 45% female representation in construction apprentices, and 50% in caretaking, and GlaxoSmithKline which now has 47% female UK intake for STEM apprenticeships. The ADCN currently has over 80 members who cover all sectors and sizes, many of which sit within STEM industries.

Through the Department's employer account management system, large levy-payers with a poor record in female STEM recruitment have been identified. They are being supported to develop strategies that will increase representation. The Department will also look to reach employers more widely through our digital service and through intermediary organisations.

The Department is working to increase women's representation in STEM apprenticeships in disadvantaged areas, where there is a more general under-representation in higher-level apprenticeship standards. For example, the 'Opportunities Through Apprenticeships' project includes STEM employers who are specifically focussing on improving prospects for women. In Portsmouth, BAE Systems is actively looking to recruit women into the naval dockyard operation. In South Tyneside, following the introduction of the levy, Lookers has increased the gender diversity of apprentices from one to 26 female Apprentice Technicians. The next phase of this project will make best practice available to other disadvantaged areas and, where applicable, employers more generally.

The Department is making it easier for large employers in the STEM sector to transfer money from their levy accounts to smaller employers, helping them to increase their numbers of apprentices. As part of their corporate social responsibility, a number of large employers are setting criteria for transferees to meet improved diversity measures. These large employers will be supported to encourage their smaller STEM employers to increase the number of women in their STEM apprenticeships.

Working across government

The Department is part of the cross-government effort to increase the number of women in STEM occupations. This includes the independent review of the gender pay gap in

medicine; improving progression of the female workforce in schools; the Women in Finance Charter, and the Tech Talent Charter with the British Retail Consortium.

PAC Recommendation 5. The ESFA should evaluate the impact of its interventions with failing providers that fall short of contract termination and report its findings to us within six months.

The Department's first defence against failing providers is to ensure that market entry requirements and processes enable the identification and screening out of those providers that do not have the necessary competence and financial sustainability to deliver quality apprenticeships. The refreshed Register of Apprenticeship Training Providers (RoATP) includes entry criteria designed to test the capacity of potential providers and requirements for providers to demonstrate their financial stability. All organisations wanting to access ESFA funding to deliver apprenticeship training must now be on the RoATP. This includes existing as well as new providers, and all subcontractors regardless of the value of the apprenticeship training they intend to deliver.

Since opening the new RoATP the proportion of applications received from new entrants has fallen in comparison to the old RoATP, and around 300 of the providers invited to reapply to date have not done so (and will therefore be removed from the register). This suggests that the more rigorous entry criteria are deterring providers from seeking to enter or attempting to remain on the register. Over 2,000 applications have been reviewed to date, resulting in around 25% of providers failing in their application. This is a lower proportion of failures than for the old RoATP and indicates that the providers applying to the RoATP are now more likely to meet requirements for competence and financial sustainability. The Department continues to review and assess the criteria for entry onto the register and may look to further strengthen certain requirements in due course.

Once a provider has passed this new higher bar to entry, they are subject to oversight by the Department. The apprenticeship provider base comprises a range of provider types including further education and sixth form colleges (colleges), independent training providers (ITPs), higher education institutions, other public sector bodies and employer-providers. In the academic year August 2018 to July 2019 over 1,000 ITPs delivered nearly 60% of all funded apprenticeship provision and 199 colleges delivered around 30% of provision, with the remaining 10% split between the other provider types. The Department's focus therefore has been on colleges and ITPs which are the providers where interventions that fall short of termination can have the most impact.

The Department published revised approaches to risk assessment and oversight for colleges and ITPs in April 2019. These approaches differ in detail because of the nature of the provider types but are based on the same principles of identification of risk of failure at an early stage. Colleges or providers are required to demonstrate that they are taking action to address issues and mitigate risks, with sanctions for non-compliance. For ITPs the revised risk assessment takes into account trends in key areas including:

- financial concerns, including a financial health assessment score that is only marginally above the threshold for inadequate, decline in financial health, cash flow issues, late submission of accounts, reliance on Department funding coupled with significant change (increase or decrease) in Department funding;
- quality concerns based on progress judgements in published Ofsted Monitoring Visits or declining qualification achievement rates; and
- assurance and compliance concerns, including outcomes of audits and assurance reviews, outcomes of funding rules monitoring, data quality, complaints and whistle-blowers, compliance with subcontracting requirements.

Alongside the revised risk assessment, the Department has introduced risk-based contract management to proactively manage highest risk ITPs. Risk assessments are not published, but where providers are subject to proactive contract management they are made aware of the factors that are causing concern. Since the introduction of the new approach, the Department has identified risks requiring management in around a quarter of active ITPs. Prior to the introduction of this approach, the only actively managed ITPs were those exiting the market due to failure or their own business decisions. Over the last few years there have been failures of large ITPs that had not been anticipated by the Department. While the revised risk assessment will not prevent failure altogether, the Department is now better sighted on risks and better able to mitigate the impact of failure on learners.

In August 2019 the Department introduced new strengthened contracts for ITPs that enable it to seek assurance or impose additional requirements that ensure providers are taking appropriate mitigating actions when risk of failure is identified. The types of requirements that contract managers are imposing include: seeking assurance about a provider's capacity to manage significant growth; requiring an improvement plan to address issues identified by Ofsted (in some cases this also includes requirements to increase the capacity of the senior management team); or seeking assurance about a provider's ability to manage and submit accurate data. If the issue is serious, the contract manager may require the provider to stop taking on new apprentices until assurance is received. In all cases where breaches are not remedied there is a clear escalation route from contract management action to contract termination. As the revised contracts have only been in place for 3 months it is too soon to be able to demonstrate the impact of these actions but this will be reviewed early in 2020 and feed into further changes to contracts, if required, for 2021 to 2022.

The majority of cases where action is being taken which falls short of contract termination are where an ITP has been assessed as having inadequate financial health. Contracts are not necessarily terminated early if the provision is of good quality and learners will benefit from continuing their training with the provider. In such cases the provider will be subject to additional requirements and will have to demonstrate that its financial sustainability is improving in order to continue to receive funding. The Department does not publish financial health assessments of individual providers, however around half of ITPs assessed as having inadequate financial health from April 2018 to September 2019 are no longer inadequate, and the majority of these are still active in the apprenticeship provider base. This demonstrates that where the Department has taken action short of contract termination, the providers have generally been able to recover their position and continue to deliver apprenticeship provision to the benefit of learners and employers.

In the case of colleges where early risks are identified, the FE Commissioner undertakes a diagnostic assessment and makes recommendations for remedial action by the college. ESFA case managers monitor the college's implementation of the recommendations and if the necessary actions are not being taken, will escalate concerns which may lead to formal intervention. Once a college enters formal intervention the FE Commissioner undertakes a further review and makes recommendations that could include structural change. In recent years many formal intervention cases have been considered alongside or as part of the post-16 Area Review Programme, which resulted in 57 college mergers, of which 39 were supported with Restructuring Facility funding.

The apprenticeship reforms have led to a significant increase in the provider base, almost exclusively in terms of ITPs. Over 600 of the current active ITPs have entered the provider base since the introduction of the levy. The Department has agreed with Ofsted that they will continue their programme of monitoring visits to these new apprenticeship providers. Data published by Ofsted in September 2019 shows that between February 2018 and August 2019 they had undertaken, and published the outcomes of, 360 new apprenticeship provider monitoring visits. Of these, 81 had been judged to be making insufficient progress.

In all cases the Department has applied its published policy preventing these providers from taking on new apprentices.

The Department is currently considering how best to use employer feedback to inform risk assessment and oversight of providers. Research with employers has identified that they value feedback from other employers above all other feedback to inform their decisions about providers. Employer feedback on providers has been live for over 12 months and the results are available online via Find Apprenticeship Training and the Fire It Up website. For the first time, the Department has also developed and tested collecting live feedback from apprentices and is making this a feature of the Apprenticeship programme. The development of both of these services is based on user research so that the information has saliency and can help employers become better-informed customers. The Department tracks the use of feedback via the Apprenticeship Service; since July there have been 81,717 unique searches on Find Apprenticeship Training that will all have seen feedback on providers, of these 2,483 have clicked through to the link 'find out how these reviews work', which indicates a high degree of employer interest. The Department continually reviews feedback across all services to inform improvement activity.

The Department has started a review of subcontracting arrangements as set out in a letter from the ESFA Chief Executive to providers in October 2019. In the academic year 2018 to 2019 the proportion of apprenticeship provision declared as subcontracted by directly funded providers was 6.7%; this has decreased significantly over the last 3 years. While it is not possible to directly attribute the decrease in subcontracting to changes in the apprenticeship funding rules, it has coincided with the introduction of the requirement that main providers must directly deliver at least some of the training and/or on-programme assessment. The findings of the subcontracting review will be incorporated into the Department's future approach.

The Department has established a new team to work across the ESFA to ensure compliance with the apprenticeship funding rules and to coordinate and strengthen our focus on enforcing sanctions on individuals and organisations that fail to comply with our funding agreements and rules. The team will establish and manage an overall compliance strategy to tackle non-compliance and to ensure that the collective actions provide oversight and assurance of the funding rules, driving compliance improvement.

The Department continues to consider how further strengthening of the entry and exit criteria for those on the Register might usefully be considered and are committed to ensuring that appropriate controls and safeguards are in place to ensure that the provider market is of high quality and is sustainable.

PAC Recommendation 6.1. The ESFA and the Institute for Apprenticeships & Technical Education should write to us within six months to provide more detail about the coverage and capacity of end-point assessment organisations; specifically, they should set out the coverage by region and how many apprenticeship standards have only one assessment organisation.

End-point assessment (EPA) allows the apprentice to demonstrate, as part of an independent evaluation, the knowledge, skills and behaviours for occupational competence. It is through this demonstration that the apprentice can be signed off as competent in their occupation. Assessment of the apprentice at EPA can only be done by organisations that have themselves demonstrated the experience, capacity and capability to make such important judgements.

In June 2019, the Department put in place arrangements to ensure that no apprentices could start newly introduced apprenticeship standards unless there is an 'agreement in principle' from at least one end-point assessment organisation (EPAO) to provide an EPA for that standard. This was fully implemented by October 2019 for all new standards introduced from then and means that if a new standard does not have this agreement, the Department will hold back apprentices from starting until an EPAO is found. This is an important step in supporting our objective that every apprentice starting on standards will be able to access an EPA.

The delivery of EPA is a developing and growing market in which organisations are increasingly identifying the opportunity to enter and building their resources and experience. Demand for standards, and therefore EPA, is dictated by apprenticeships as jobs. Therefore, the future timing of when EPA is required and the shape of the market are complex and dynamic. The Department is closely monitoring the market to ensure timely and quality coverage across the country. Of the apprentices who are expected to reach their gateway review within the next 12 months, 99.9% of standards have an EPAO on the register of end-point assessment organisations (RoEPAO).

Monitoring of apprentices as they approach their EPA is an ongoing activity. Each month the Department analyses apprenticeship data and then contacts all training providers with apprentices who have planned end dates in the next three months but have no EPAO recorded on the individualised learner record (ILR). The objective of that contact is to prompt action from the training provider to work with the employer to get an EPAO in place. Where an EPAO has been recorded on the ILR, this information is shared with the EPAO for their planning purposes. To improve the quality of the EPA information reported through the ILR, the Department has clarified requirements for training providers in the apprenticeship funding rules, and is undertaking dissemination activity through direct communications, webinars and raising awareness with employers of the importance of early EPAO engagement. Longer term the Department is working with employers to better understand their decision-making processes when selecting an EPAO. This will help inform which improvements should be made to the apprenticeship service to create a central, efficient employer-apprentice-EPAO engagement journey.

As the market develops and the apprenticeship reform programme takes shape, the Department is continually keeping policy and implementation under review and taking action where necessary, for example streamlining the journey from deciding to enter the EPA market to becoming a registered EPAO. The Department and the Institute also support and encourage the use of remote assessment where appropriate, as a whole or in part, through online tests, online portfolios or video conferencing, to increase scale, improve geographic coverage and lessen potential disruption to apprentices and their employers.

EPAO national and regional coverage

Of standards that have apprentices, 88% have at least one EPAO that will deliver an assessment at a national level. 99.7% of EPAOs deliver assessments at a national level, where there is at least one EPAO on the RoEPAO and apprentices on programme. The majority of EPAOs deliver EPAs at a national level due to a combination of factors. These include response to employer demand; that many EPAOs have a national programme of academic and technical qualifications; and managing the impact of the necessary upfront investment cost.

Standards with only one EPAO

For some standards, it is expected that there will only ever be one EPAO on the RoEPAO. This is because:

- in regulated occupations, restrictions are sometimes in place to limit the EPAO to just one organisation;
- in specialised occupations, the low number of apprentices and specific requirements for assessors mean it is not viable for more than one EPAO to participate in the market;
- some occupations may only be in a small number of employers; and
- employers may not wish to contract with multiple EPAOs, thus limiting the EPAO market for specific standards.

The Department is monitoring the numbers of apprentices per standard to ensure supply is in line with demand. Six of the standards with only one EPAO have only been introduced over the last six months. The Department expects EPAO numbers to grow as these standards become more established and the number of apprentices grows.

Standards with no EPAOs

There are 146 standards that do not have an EPAO on the RoEPAO:

- 60 of these were introduced in the last six months;
- 41 are older standards with no apprentices currently on programme;
- Only 48 standards have apprentices on programme, and the Department is working closely with potential EPAOs for each one of these standards to agree on timings for applying to the RoEPAO.

The Department is confident that there will be EPAOs on the RoEPAO for all standards that have apprentices on programme by the time an apprentice reaches an EPA. The Department is actively engaging with trailblazer groups and EPAOs to ensure full coverage of all standards regardless of apprentice starts. In the small number of instances where the Department has received feedback that the requirements of a specific assessment plan are deterring EPAOs, the Institute has intervened to address this and worked with trailblazer groups to improve the deliverability of the assessment.

The Department has a rolling programme of EPAO applications to the RoEPAO and each month new EPAOs are added for both new and existing standards. Earlier in 2019 a new register application process was implemented which has reduced the time needed to process EPAO applications. The Department is working to attract more EPAOs and recently launched the tool “Opportunity Finder” to help EPAOs identify standards that might be of interest and to make more informed decisions. This tool clearly displays all standards available for assessment, the number of apprentices on each and how many EPAOs are already approved to offer assessment for each standard. This will enable the Department to attract existing and potential EPAOs to assess standards, in particular those standards growing in apprentice numbers, to boost coverage and capacity.

EPA readiness checks

To ensure EPAOs are ready to deliver assessments on new standards, the Department is working with External Quality Assurance (EQA) providers to conduct regular readiness checks. EQA ensures that independent EPA of apprentices provides a robust, fair and consistent assessment of occupational competence. EQA is supported by a number of other mechanisms, such as the development and approval of EPA plans by employers, ensuring that content of EPA meets employers’ needs; the RoEPAO making sure that the organisations delivering EPA meet a quality bar; and the role of the Quality Alliance, who actively promote quality.

To ensure EPAs are planned in advance, the Department updated the funding rules in August 2019 so that employers and providers must engage with their EPAOs at least three

months in advance of the date that they want an EPA to take place. This will help EPAOs manage capacity and deliver EPAs when they are needed. The Department is encouraging providers to register apprentices with EPAOs at the earliest opportunity to further encourage EPAOs to be actively ready.

From October 2019 the Department started a pilot to work with around 40 EPAOs to support them in making progress towards being ready to deliver EPA. The Department expects the pilot to be complete by the end of 2019 and once the results of the pilot have been analysed, the Department will consider rolling out the process to all new EPAOs early in 2020. The Department will work with EPAOs for up to twelve months from their acceptance on to the RoEPAO. This will help to ensure that EPAOs are making appropriate progress towards being ready to deliver by the date indicated in their application.

Once the Department is satisfied that sufficient progress is being made, information will be passed to the Institute to be shared with the EQA provider to initiate a quality check in line with the EQA framework. This focuses on the occupational relevance of the assessment that the EPAO has designed and developed. EPAOs rated as 'not ready to deliver' must make all changes identified by the EQA provider and will undergo a further readiness check before they can deliver any EPA.

PAC Recommendation 6.2. The ESFA and the Institute for Apprenticeships & Technical Education should write to us within six months to set out what they will do to streamline and strengthen quality assurance arrangements in order to give greater confidence that end-point assessments are robust, fair and consistent.

The Department's EQA arrangements remain critical to the ongoing success of the apprenticeship programme. There has been a significant programme of work to strengthen and streamline EQA in recent months. Firstly, to make sure that quality assurance is consistent across and between standards, the Institute has developed a common framework for EQA, together with a supporting digital reporting platform. Roll-out is now proceeding: all EQA providers must follow the framework and provide the Institute with the data it needs to monitor performance through the digital platform. The framework was developed in consultation with stakeholders and has been broadly welcomed.

Secondly, the Institute has strengthened oversight of EQA delivery. The Institute has regular performance management reviews with all EQA providers, including its direct delivery provider. EQA findings are scrutinised by the Institute's Quality Assurance Committee to make sure there is consistency of assessments. As the new digital system is rolled out to EQA providers over the next few months, the rigour of this scrutiny will continue to grow.

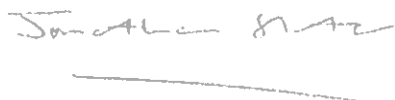
Finally, alongside this work, Ofqual, Office for Students (OfS) and the Institute have been exploring whether arrangements for EQA might be simplified and strengthened further in the future, moving to a system whereby Ofqual and OfS conduct the vast majority of EQA assessments and report to the Institute. This has the potential to reduce the complexity of the current system and protect the interests of the apprentice, with Ofqual and OfS able to use their regulatory powers to take action where EPA delivery is found to be inadequate.

A move to such a system is likely to entail trade-offs between simplicity and stability in the still maturing EPA market. There are complex areas still to be addressed, such as the involvement of professional and employer-led bodies and the relationships between all organisations involved. The Institute, the Department, Ofqual and OfS are also all conscious of the need to minimise any disruption to the market and maximise the potential benefits of such a system. The Institute, with input from the Department, therefore, intends to launch a public consultation on a simplified, strengthened future EQA system in the New Year.

In the meantime, Ofqual and the Institute have worked closely to align their approaches to assurance and regulation and anticipate Ofqual's transition to the Institute's common framework shortly. Discussions with OfS are less advanced, although expected to transition onto the Institute's framework soon after Ofqual.

I hope this information is helpful in assuring you of the impact of our current actions and our future plans. I am copying this letter to Gareth Davies, Comptroller and Auditor General and David Fairbrother, Treasury Officer of Accounts.

Best wishes,

A handwritten signature in dark ink, appearing to read 'Jonathan Slater', with a horizontal line drawn underneath it.

JONATHAN SLATER
PERMANENT SECRETARY