

The British Institute of Facilities Management (BIFM) welcomed the Apprenticeship Levy in 2016 because it understood that investing in training at work was vital in addressing one of the economy’s biggest challenges – productivity. The expectation was that the Levy would help close the skills gap the Facilities Management (FM) sector is facing by providing guaranteed investment in developing the necessary skills, whilst also being a useful tool to promote social mobility.

The Levy’s implementation by the Institute for Apprenticeships (IfA) however risks holding back the viability of the new FM apprenticeships and potentially exacerbating the skills gap even further.

BIFM is calling on the government to review the Apprenticeship Levy in two key areas:

Sufficient funding bands for the FM Apprenticeship Standards

Flexibility to use the Levy funds on a wider range of training interventions

Low funding band allocations and impacts

Both the Level 4 and 6 FM apprenticeships have not been allocated sufficient Levy funding for delivery and appeals have been unsuccessful.

BIFM and the Trailblazer Group have found a potential solution¹ for the Level 4 Apprenticeship but the Level 6 degree level Apprenticeship funding gap (£9000) is too big to bridge.

BIFM hopes to deliver the Level 6 FM apprenticeship as a ‘closed programme’, but funding rules are proving a challenge.

“Open” delivery of the programme, only feasible at reduced cost, would seriously undermine the quality of the course and the skills delivered because it would be inevitable to cut the one-to-one delivery of the standard which is more onerous than a ‘normal’ academic degree.

BIFM will work with employers and training providers to deliver such “closed” programmes by helping to deliver guaranteed numbers and economies of scale.

However, the impact of this ‘closed’ option, if funding rules don’t preclude this last resort, is that:

- It will drastically limit participants’ uptake
- The FM specific degree qualification will be abandoned in favour of the more generic management degree apprenticeship qualifications as more Levy money can be withdrawn (£27,000 for the latter compared to £18,000)
- Employers will disengage and merely consider the Apprenticeship Levy as a tax
- It will threaten the ongoing viability of the FM degree apprenticeship at a time when managerial skills are much needed in the sector².

Without changes, a sector employing 10% of the UK’s workforce will be left with significantly reduced tools for upskilling, attracting, training and retaining staff.

Key facts



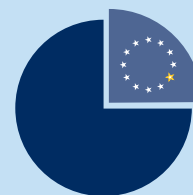
• The UK FM Industry accounts for around **7%** of the UK’s GDP³



• The value of the FM sector is put at up to **£120 billion**⁴

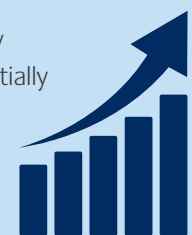


• FM employs almost **10%** of the UK’s workforce⁵



• In parts of the industry, up to **24%** of the FM workforce are EU nationals⁶

• An effective workplace can improve productivity by **1-3.5%**, potentially delivering a **£20 billion** uplift to the UK economy⁷



¹ BIFM is applying to provide the EPA for the Level 4 apprenticeship, like that we can ensure that the price is kept just, and levy funding will be directed at teaching provision rather than inappropriately high EPA fees

² FM Business Confidence Monitor, BIFM, (March 2018), 12p

³ FM Business Monitor, (May 2015), 12p

⁴ Value Judgement, Facilitate, FM World, May 2017, p.49

^{5,6} Has Brexit hit home yet?, Insights into facilities management, Issue 17, p.17-18

⁷ The Stoddart Review – The Workplace Advantage, (December 2016), Raconteur, 42p

BIFM is calling for:

1. Sufficient Levy funding to be made available for the FM Apprenticeships⁸

Without appropriate funding allocation, quality apprenticeships responding to employer needs cannot be delivered. Both other FM apprenticeships also received insufficient funding compared to the costing proposals.

The £9,000 degree funding shortfall for the Level 6 is so large that “open delivery” of the standard is impossible. It also undermines the equivalency objective between academic and technical education.

“Closed” delivery, if possible, will have repercussions on participant numbers and for the government’s 3 million target. A review of the funding bands can address this.

2. More flexibility of the Levy rules to allow for a wider range of training interventions

Not all upskilling requires long term training; short courses and continuing professional development can be efficient too. BIFM has always championed the crucial role that life-long learning must play in addressing the skills gap and improving productivity, particularly in growing areas such as automation and AI.

By allowing more flexibility to use Levy funds for non-apprenticeship training too, the Levy could become a broader “Skills Levy” which would allow for a much greater number of people to be upskilled, delivering a greater range of skills.

Additional observations and questions to the Secretary of State for Education:

- Why is it not possible to submit a material appeal against a funding band decision? Funding band decisions can only be appealed on procedural grounds.
- What assessment has been made of the long-term impact of allocating funding bands 30% below the different cost proposals on:
 - the quality of the apprenticeships provided
 - the skills gap being narrowed
 - employers’ inability to recoup Levy funding and SME participation where they have to top up funding
 - training providers that will operate below or at cost
 - the parity of esteem between technical and academic education, given the FM degree apprenticeship receives less funding than its equivalent academic route, despite apprenticeships being more onerous in their one-to-one delivery
- Different External Quality Assessment standards (on the End Point Assessment) are being applied by the different EQA routes – BIFM is experiencing this for the level 4 EQA approval process. What is the government doing to ensure consistent standards application across the EQA routes?
- Will the Government ensure that any FM sector Apprenticeship Levy underspend can be retained for the FM sector, to address the existing skills gap, across the skills spectrum?

About BIFM

Encompassing multi-disciplinary activities, FM contributes to the everyday functioning of hospitals, airports, and ordinary businesses, by integrating people, place and process within the built environment with the purpose of improving the performance and quality of life of people and the productivity of the core business⁹. By making the workplace as efficient as possible, FM professionals have a major role to play in making the UK a more productive place¹⁰. Without FM support, the economy would grind to a halt.

The BIFM is the professional body for FM. Founded in 1993, it promotes excellence in facilities management for the benefit of practitioners, the economy and society. Supporting and representing over 17,000 members around the world, both individual FM professionals and organisations, and thousands more through qualifications and training. We also provide guidance and support research that helps increase workplace productivity which contributes to raising standards, a happy workforce and healthy economy, and provide a platform for meaningful and evidenced debate on issues of importance.

⁸ Only one FM apprenticeship Standard (Level 3) is operational. Level 4, although approved, is still awaiting its EPA approval and the Level 6 cannot yet be delivered as we are still working to overcome the funding gap solution

⁹ FM description based on the International Standards Organisation ratified definition, ISO 41 011

¹⁰ The Stoddart Review – The Workplace Advantage, (December 2016), Raconteur, 42p