

Apprenticeship Training Agencies (ATAs)

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Key Features of the Apprenticeship Training Agencies (ATAs)

Operation date: 2009-2022 (with some exceptions)

Target population: SMEs, Large Businesses; Apprentices

Purpose: An Apprenticeship Training Agency (ATA) is a not-for-profit entity that assumes direct responsibility for the employment and management of individuals undertaking apprenticeships in collaboration with an approved Training Provider. While apprentices are formally employed by the ATA, they are placed with a 'host employer' for the practical component of their training. The ATA additionally oversees and coordinates the delivery of apprenticeship training, which is facilitated through Training Providers contracted by the Learning and Skills Council (LSC).

Introduction

Created amidst the 2008 economic recession, ATAs were designed to tackle youth unemployment and provide more flexible training options as businesses faced economic uncertainty. The national context has developed since then: the Apprenticeship Levy was introduced and subsequently reformed; with technological and digital change, employer needs have shifted; and young people's access to opportunities has varied, with competition currently high. These conditions nonetheless call for a similar policy response: a flexible and adaptable apprenticeship model. Reflecting on the UK's first apprenticeship agency model during a period of economic and social uncertainty provides a timely opportunity to 'learn from the past' and help improve apprenticeship delivery, boost employer engagement, and better address the needs of learners in today's labour market.¹

¹ This review has been prepared to provide an independent synthesis of policy developments around ATAs, though public resources on this topic were not readily accessible. It is intended to inform debate and practice, while encouraging further research and reflection. Thank you to Sorah Gluck for her feedback on an earlier draft of this piece.

Policy context

In 2009, the UK Government announced a major funding programme aimed at expanding apprenticeship opportunities and strengthening skills development in sectors deemed essential for national economic growth. This initiative was partly in response to the global financial crisis of 2008-2009, which had intensified concerns about youth unemployment, skills shortages, and the need for workforce adaptability in an uncertain economy. The Government looked abroad for proven models, identifying the Australian Group Apprenticeship Scheme as an effective approach to widening access and participation in apprenticeships while supporting small and medium-sized enterprises (SMEs).

Policy Overview

The policy introduced significant public investment. 12 organisations were awarded a share of £7 million of National Apprenticeship Service (NAS) funding to establish ATAs under the ATA/GTA Pilot Programme (Business, Innovation and Skills Committee, 2012b), including four ATAs in the London region. The pilot ran from autumn 2009 to March 2011. ATAs were a relatively new model in England, designed to act as the legal employer of apprentices while placing them with 'host companies' for their on-the-job training. This structure shifted the administrative and employment responsibilities including payroll, HR, and pastoral support, from the host company to the ATA, reducing perceived risks and administrative burdens for employers, particularly SMEs. The London Apprenticeship Company (LAC) played a pioneering role, becoming the first ATA in the UK in 2009 (LAC, 2024).

The 2009 ATA/GTA Pilot Programme as well as funding new ATAs also funded a small number of Group Training Associations (GTAs): two GTAs as well as one hybrid ATA/GTA (Business, Innovation and Skills Committee, 2012b).² GTAs have existed in the UK since the 1960s, originally established to support employer collaboration on apprenticeship training, although little attention was paid by the government in reinvesting in this initiative until the 2000s (GTA England, 2014). GTAs were established through partnerships with Industry Training Boards, most notably the Construction Industry Training Board (CITB). In many cases, GTAs work closely with Local Enterprise Partnerships (LEPs), Combined Authorities, or sector support bodies like CITB, to align provision with regional economic needs. An umbrella organisation for GTAs in England was created in 2009, called GTA England, aiming to raise the profile of GTAs and seek further funding and to devise standards for GTAs (TUC, 2010). GTA England comprises 28 GTAs that collaborate with more than 24,000 employers, over 90% of which are SMEs (GTA England, 2016). GTA funding comes from a mix of government contracts, employer contributions, and levy allocations, though changes introduced by the Apprenticeship Levy have disrupted their traditional funding mix, making the model harder to sustain (GTA England, 2016). Despite this, many GTAs survived and now operate as training providers.

In contrast with ATAs, GTAs are traditionally industry-led organisations, operating on a **not-for-profit basis**, with boards of directors largely made up of volunteers from industry, working collaboratively to improve sector-specific training (GTA England, 2014). Their core function is to coordinate, deliver, and sometimes broker high-quality apprenticeship training (level 3 and above), especially in sectors with skills shortages or where employers, particularly SMEs, may struggle to navigate training independently. Differing from ATAs, **GTA apprentices are employed directly by host employers**, a critical point for the positive collaboration between numerous GTAs and unions (TUC, 2010). However, their distinctive roles were often not always appreciated in policy discourse and even by local stakeholders, which undermined the visibility of GTAs and their capacity access to sustained funding (LLAKES, 2012). Furthermore, GTA England (2016) warned that relying too heavily on the ATA business model to boost apprenticeship numbers could be problematic, arguing that 'employed status is also in the best interests of the learners'. This underscores a fundamental difference between the two models: unlike the business-driven ATA model, GTA's not-for-profit nature prioritises learner outcomes by supporting direct employment with host employers, an approach viewed as offering greater stability and future outcomes, safeguarding, and union representation for apprentices (TUC, 2010).

² In the UK, very few organisations combined both ATA and GTA functions, partly because government policy prohibited training providers from also being ATAs. This led to a divergence from the more integrated Australian model. While there has since been some relaxation of this rule, the government now emphasises maintaining a 'clear blue water' separation, ensuring, through audits, that public funds are not misused by training providers involved in ATA-type activities.

Policy aims

The overarching goal was to create up to 10 new ATAs by the end of 2009, with the potential to deliver up to 15,000 apprenticeship placements by 2014/15. The Government intended to:

- Expand apprenticeship numbers quickly, especially in industries critical for economic recovery and growth, including environmental technologies, creative industries, engineering, manufacturing, logistics, and business administration.
- Increase the flexibility of the apprenticeship system for employers, encouraging more SMEs to take part by offering a “try before you commit” approach.
- Provide stability and continuity for apprentices by allowing them to switch host companies without losing their place in training.
- Test and adapt the Australian ATA model to the English context, generating evidence for future skills policy.

Policy Implementation

The Government based the ATA model on the Australian Group Apprenticeship Scheme model. Group Training Organisations (GTOs) are intermediary organisations that employ apprentices directly and place them with host employers for on-the-job training, the vast majority of them functioning as not-for-profit organisations (Australian Apprenticeships, 2017). At the time of ATA implementation, GTOs were the largest employers of apprentices in Australia, with over 40,000 apprentices employed per year, around 10% of the national total (TUC, 2010).

In contrast, in the UK context, the government defined ATAs as a ‘business’. While some were not-for-profit, there was no restriction on private sector groups establishing themselves as ATAs (Business, Innovation and Skills Committee, 2012b). The NAS was also concerned with promoting the services of ATAs and GTAs to SMEs (Business, Innovation and Skills Committee, 2013). The ATA initiative gained early momentum, with several organisations, including the LAC, successfully placing apprentices and demonstrating the model’s value for both employers and learners.

However, over time, the approach faced challenges. The number, size, and focus of ATAs varied greatly between organisations. This led to ATAs operating in vastly different ways, some which were heavily focused on support and additional added value to providers, employers and individuals, while others being low-cost models. In some extreme cases, the ATAs did not even directly meet their apprentices, adopting a ‘light touch’ approach. The TUC criticised ‘lighter touch’ ATAs, cautioning that they risked fostering precarious employment, as placements could be terminated at short notice (TUC, 2010) and apprentices were less likely to be integrated into employers’ long-term workforce planning. In a House of Commons debate, Tom Wilson, director of Unionlearn, argued that ‘increasingly ATAs are running low-paid, poor-quality schemes with little progression or career development’ (Business, Innovation and Skills Committee, 2012c).

Policy evaluation

A formal review of the ATA initiative took place in 2012 by the NAS, which evaluated their progress since implementation since 2010, alongside the Government-commissioned independent Holt Review (2012), and parliamentary inquiries into apprenticeship access for SMEs. These evaluations examined how ATAs were operating, their impact on apprenticeship take-up, and any risks associated with the model. The NAS review, while still holding ATAs in high regard for their potential to engage SMEs, reported some early challenges. Based on qualitative research reflecting stakeholders’ experiences during the pilot phase, the review concluded that although “there was value in the model [...] it was a hard model to operate and manage, and in particular the financial model was challenging” (Business, Innovation and Skills Committee, 2012a).

Holt (2012), in his review of improving SME access to apprenticeships, concluded positively on the potential contribution of ATAs. He noted that they played a key role in lowering the barriers that often prevent SMEs from engaging with apprenticeship schemes, by acting as the legal employer and handling recruitment, payroll, and administrative functions, ATAs reduced perceived risks for businesses, particularly smaller employers, and offered flexibility in the form of short-notice withdrawal or switching between host companies. However, he also warned that apprentices employed through an ATA might receive less oversight and pastoral care from host employers (Education Committee, 2012).

Concerns regarding the possible misuse of ATAs were raised at this time. This included the proliferation of low-quality apprenticeships that met only minimum statutory requirements, or functioning primarily as a means of reducing labour costs (TUC, 2010). Critics argued that the model could weaken employer commitment to apprentices, as host companies had no long-term contractual responsibility for them. Further concerns were expressed around training providers registering as ATAs, as allocated funding could be misappropriated as well as potentially reducing their rates as the managing fees would be different to businesses, creating an uneven playing field. Trade unions, including Unite, advocated that ATAs should operate on a not-for-profit basis, be governed within their relevant sector, and ensure robust mentoring and fair pay for apprentices (United the Union, 2016).

In response to these findings, the government decided to introduce quality measures retrospectively. In April 2012, the NAS introduced a new ATA Recognition Process and a National Register of Approved ATAs (Education Committee, 2012a), emphasising apprentices' interests.³ ATAs were tasked with generating new apprenticeships without displacing directly employed apprenticeships while also securing training quality, continuity of employment if a host could not sustain a placement, and progression into permanent employment (Business, Innovation and Skills Committee, 2012b). These measures were intended to improve oversight in line with industry standards. While no new direct funds were allocated to ATAs, organisations were encouraged to place bids to establish new ATAs under the Government's Growth & Innovation Fund (GiF) (Business, Innovation and Skills Committee, 2012b).

Overall, early evaluations concluded that while the ATA model had clear benefits in widening participation and improving flexibility, these advantages carry significant risks without a clearer bureaucratic system, better industry alignment, and clear safeguarding mechanisms to prevent the exploitation of young apprentices.

Policy trajectory and lessons learnt

From ATAs to Flexi-Job Apprenticeship Agencies

By the mid-2010s, Government priorities in skills policy shifted towards employer-led apprenticeships under the Apprenticeship Levy (introduced in 2017) and direct employer responsibility for apprenticeship employment. As a result, dedicated national funding for establishing new ATAs was phased out by 2018, and their role in the apprenticeship system diminished (Camden, 2021). Some ATAs, like the LAC, adapted and continued operations without central government funding, while others closed. During this time, new and existing ATAs were 'operating without any distinct monitoring or oversight arrangements imposed by the Education and Skills Funding Agency (ESFA)' according to the DfE (Camden, 2021).

In an effort to revamp the agency apprenticeship model, the government produced a review of the quality of ATAs through the ATA Survey as well as the Individualised Learner Record (ILR) (Business, Innovation and Skills Committee, 2013).⁴ However, this record was prone to data inconsistencies with providers likely to record the host company as the employer rather than the ATA. From this report, it was presented that only around 1,340 ATA-led apprenticeships were started between 2013/14 far from the 15,000-government target, throwing into question the necessity for ATAs (Robertson, 2016). As a result, the central government decided to rebrand the ATAs into Flexi-Job Apprenticeship Agencies (FJAAs).

Addressing the lack of sustained monitoring mechanisms, the FJAA framework introduced a new formal regulatory system. The FJAA was largely framed as a new model offering greater support to sectors unable to offer standard 12-month contracts, such as the creative industries. This would enable apprentices to move between multiple employers on short-term placements throughout their programme. Such a brokerage model would be more flexible while reducing administrative responsibilities for SMEs (Murray, 2021). In contrast, ATAs typically placed apprentices with a single employer for the duration of the apprenticeship.

In 2021, ATAs were informed that to continue to operate, they would need to re-register in the new Flexi-job apprenticeship register. If successful, organisations were entitled to start up money named 'expansion funding' (£7M assigned to this) (DfE, 2021). Only around 11 of the original ATAs registered in the first stage (Noble, 2016). Some

³ The ATA delivery model was regulated through the Employment Agency Standards Inspectorate, Ofsted, and Awarding Bodies. The ESFA was responsible of reviewing the model as part of its wider responsibility for apprenticeship development and quality (ESFA, 2017).

⁴ This was done by tracking the Learning Delivery Monitoring, a code that providers had to use to disclose if an apprentice was employed by an ATA.

failed to pass the register requirements due to a lack of understanding of the new system or, for those 'light touch' organisations, due to a lack of safeguarding regulations. They were later given the option to resubmit.

There was considerable pushback from ATAs and GTAs, who viewed the change as unnecessary and criticised it as the DfE 'reinventing the wheel' (Whieldon, 2021). Furthermore, concerns surrounding apprentice exploitation and precarious working conditions continued to be present during the ATA-FJAAs transition, warning that the short-term contracts and expanding responsibilities and power of the FJAAs left apprentices in a more distanced and precarious condition in relation to the employer (Murray, 2021).

Lessons learned

As the UK's first apprenticeship agency model, reviewing the strengths and shortcomings of ATAs provides valuable insights to navigate the rapidly evolving apprenticeship landscape and shape the future of FJAAs. Addressing the primary shortfalls of its design and implementation is equally important, in identifying priority areas in current and future apprenticeship agency frameworks.

The **absence of rigorous monitoring and quality assurance mechanisms** during the pilot phase as well as post-2018 allowed some ATAs to operate at substandard levels. Without strict oversight, there was a risk of poor training quality, mismanagement, and failure to meet apprenticeship standards, which ultimately undermined the credibility of the ATA system. For brokerage services to succeed, robust monitoring frameworks must be reviewed on a regular basis, ensuring consistent delivery of high-quality apprenticeships, safeguarding both learners and employers' needs.

Concerns around the potential exploitation of apprentices and the risk of precarious working conditions were persistent criticisms of the ATA model. Some apprentices experienced limited support and job insecurity, raising ethical and legal issues. To avoid repeating these mistakes, agency-based brokerage services must implement strong protections for apprentices, including clear employment rights, adequate supervision, and mechanisms to report and resolve grievances as well as a commitment for the apprentice to transition to a higher standard of apprenticeship or employment. Ensuring apprentices' wellbeing is essential for maintaining trust and promoting long-term success within apprenticeship schemes.

In its design, the ATA model had potential, particularly in offering SMEs greater flexibility and access to apprenticeship opportunities they might not have otherwise pursued. Their role in reducing some of the initial barriers to employer engagement remains a valuable asset of the model. However, without adequate monitoring and supporting mechanisms for both apprentices and employers, their long-term positive impact remains limited.

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