

The Chartered Banker Institute Response to Draft Strategic Guidance for the Institute for Apprenticeships 2017/18

General Thoughts

The Chartered Banker Institute is one of a small group of professional bodies to be granted End Point Assessment (EPA) status for apprenticeships. We have a long and proud history of being the standard-setting, accrediting and awarding body for the banking industry and in recent years we have done a great deal to raise high levels of professionalism in the sector.

We are broadly supportive of the objectives underpinning the creation of the new Institute for Apprenticeships (IfA) and are committed to using our skills and experience to help the employers, the IfA, and individuals establish, monitor and attain high levels of achievement through the apprenticeship process, which will ultimately aid the re-establishment and re-vitalisation of the banking profession that customers can have confidence and trust in. In considering the role of the IfA, we agree there is a need for the working relationships with other bodies with relevant regulatory and oversight responsibilities, e.g. Ofqual and Ofsted, and their counterparts in the other UK nations, to be strong and clearly defined from the start. This should allow areas of overlap to be dealt with swiftly to avoid any confusion in their respective responsibilities.

We welcome the opportunity to comment on the first annual Strategic Guidance to the IfA, and believe that similar consultation in future years would be beneficial in ensuring the quality and success of apprenticeships.

Information about the background and ongoing work of our Institute can be found in the [Appendix](#) to this response.

Specific Comments on the Guidance

1. Operating in the broader context [§8-11]

The guidance makes continuing reference to technical education. It is our experience that there exist many, and sometimes, differing views on what is considered technical education. A lack of clarity here would have the potential to limit or complicate engagement with apprenticeships. We would suggest that some consideration is given to providing a definition of what is felt to be the key characteristics of 'technical education', to aid interpretation of what it represents. Care will be needed to ensure that such a definition does not exclude the contribution of universities and professional bodies. Clarifying the interpretation so that it clearly includes professional and vocational education would also potentially aid the objective of engaging wider understanding and acceptance of apprenticeships amongst key stakeholders, i.e. parents, career advisers and employers.

We note in §11 that the IfA is positioned as '*the lead organisation in ensuring apprenticeship quality*' and would comment that the guidance could use this section

to make clearer reference to how this objective will be met regarding the four-nation strategy for apprenticeships. Specifically, the guidance would benefit from greater clarity on how the IfA will work with the devolved agencies. For larger employers, such as banks with significant operations, and potentially large numbers of apprentices in two or more nations this remains a significant challenge in terms of equality of opportunity and consistency of learning and development strategy and operations. We agree with, and echo, the comments made by the Federation of Awarding Bodies [FAB] in their response on this point¹: *'The Federation believes that the divergence in apprenticeship policy across the 4 nations presents challenges and risks for large national employers and for learners. We would therefore welcome some assurance that the Institute will seek to establish strong strategic relationships with these agencies.'*

2. Core Principles / Carrying out Core Functions [§12-14]

We believe the guidance would benefit from further clarity regarding the broad use of the term *training*. Whilst we understand and support the intention, it is the case that some EPAs, particularly professional bodies such as ours, may also provide contributory qualification(s), which could inadvertently fall into the definition of 'training'. While the usual practice for qualifications, particularly at level 3 and below, is that we have little direct engagement with the individual apprentices, there may be a relationship in terms of provision of learning materials to help prepare candidates for professional examinations. It should be noted, however, that the learner relationship between apprentice and tutor is led by an approved training provider, with the training provider firmly ring-fenced from the qualification assessment process. Furthermore, the choice of qualification is made by the employer, a choice over which we have little or no influence. We are confident that our existing quality assurance protocols and governance model can manage any potential conflicts of interest where the qualifications and EPAs in a single apprenticeship are delivered by the same professional body. Additionally, it is our view that the role of bodies, such as ours, in delivering relevant professional qualifications, provides another opportunity for engagement with employers and policymakers, and forms a cohesive approach to ensuring that standards and supporting qualifications continue to evolve to ensure that apprenticeships, and their component parts, continue to meet employer needs.

3. Standards Development and Approval [§15-18]

In considering this aspect of the Strategic Guidance, we note the comments made by FAB in its response¹:

'Awarding organisations have always worked with employers and in fact 2/3rds of Ofqual regulated awarding organisations are trade and professional bodies. We believe the guidance could be strengthened by making explicit reference to the value that assessment professionals can add to every stage of the development of standards and assessment plans.'

As experienced standard setters for our profession, with strong links through existing initiatives, such as the Chartered Banker Professional Standards Board [details in Appendix 1 below], we and bodies like ours are well placed help and support employer-led development of appropriate standards which are consistent with those

¹ http://www.awarding.org.uk/images/pdfs/Update_20170113/IFA_Response_January_2017.pdf

already existing within the 15 educational routes. As noted by FAB, we can provide valuable assistance at each stage, not in least in helping ensure that employers are fully aware of the range of assessment options available, but also helping them consider 'best fit solutions'. The involvement of bodies such as ours also means that knowledge elements of standards can continue to reflect current practice and considerations from our assessment review process can also be used to inform updates to standards.

We also share the view expressed by FAB¹ that the Strategic Guidance '*would benefit from some explicit reference to the responsibility of the Institute for the maintenance of standards to ensure they do not become out-dated and continue to fully reflect the needs of employers.*' and that this would go some way to supporting the stated objective [§16] of ensuring '*public confidence in the standards*'. We believe that bodies, such as ours, that are recognised for a focus on the development of ethical professionalism could and should help support this objective by playing a key role in the development of standards.

Where the Strategic Guidance refers to occupational maps [§18] it proposes there should be no duplication. Whilst we understand the intention here, we would caution against certain unintended consequences; it could be argued that, to meet objectives supporting skills transfer and utilisation a degree of duplication is desirable. In such an interconnected economy, we would also question whether such a thing is even possible. A solution, if not already considered, would be to have representation of all 15 routes regularly meeting to consider the positive aspects of duplication to ensure the process for individuals changing career is streamlined.

4. Assessment [§19-23]

We strongly agree that ensuring quality and consistency of assessment is critical to the success of the IfA and the apprenticeship framework. However, we share the view expressed by FAB in its response¹ '*that any attempt to make the EQA approach of the Institute 'distinctive from the others available' could lead to confusion and perceptions that some EQA approaches are not as robust as others*'.

Regarding §23, we are supportive of the move to a single body issuing certificates for the achievement of standards and would welcome further guidance for EPAs on the exact nature of the process, including the respective roles and responsibilities for each party i.e. IfA, Skills Funding Agency [SFA], EPA, training provider and individual, and the opportunity to provide comment on same prior to its implementation. We would welcome further guidance on whether (and, if so, how) the IfA would work with relevant bodies in the devolved nations to issue certificates.

We also note that there are further considerations which the IfA may wish to monitor, and the Strategic Guidance may therefore wish to reflect, regarding the detail of the certificates, to ensure that they meet key criteria to reflect the existing, and differing policies for certification across the devolved agencies. We would recommend that a sample is produced and submitted to open consultation.

5. Funding [§24-25]

We are supportive of the approach proposed and would ask that the IfA consider opening its proposed plans for advice for consultation, or at the very least engage with bodies beyond the Technical Education groups.

In considering the guidance under §25 (bullet four), we note that employers will already have measures and indeed a legal obligation to improve take up among disadvantaged groups. For our part, our Institute is experienced in finding solutions that help remove barriers to learning and assessment, whilst maintaining a broad consistency amongst learner groups.

6. Other Functions [§26-29]

We are supportive of the proposal for annual reporting, which will be a key factor in assessing the success of the IfA and wider apprenticeship engagement. We agree with and commend for further consideration the proposal made by FAB in its response that *'it should be a government requirement (not request) that the Institute should develop and publish a series of top-level success measures/criteria that it is then required to publicly report against each year, using a transparent and consistent methodology. We believe that data on access to apprenticeships by those from different socio-economic backgrounds, genders and ethnicity should be part of the reporting criteria.'*

In considering the *'elements of the registers of training providers and assessment organisations'* that have been delegated to the IfA, we propose that in developing the key criteria for the Register of Apprenticeship Training Organisations, the IfA considers an open consultation beyond the Technical Education groups.

7. Working with Key Partners [§30-32]

As mentioned in our comments above, the Strategic Guidance would benefit from more detail about how the IfA will work the devolved administrations. We would echo the request from FAB¹ for an assurance that the IfA will seek to establish strong strategic relationships with these agencies.

8. Engaging Apprentices [§33]

We are supportive of this proposal and offer our support in helping the IfA defining and establishing successful mechanisms giving voice to the apprentices themselves. Our existing relationships with employers and individuals through membership offer a good opportunity to compare the experiences of apprentices with other groups of learners, e.g. graduate entrants. We have already given apprentices the opportunity to talk about their experiences to senior learning and development staff from banking organisations during our 2016 Banking Education Conference. The opportunity to engage with apprentices at high profile, sector-specific events such as this can have considerable impact. Anecdotal feedback from delegates indicated that the apprentices themselves were the best possible ambassadors for the trailblazer approach.

9. A Fair and Open System [§34]

We are supportive of all steps taken to discourage arrangements which add unnecessary cost and confusion to the apprenticeship process. We would that greater support could be given to employers by through the role of the IfA that stresses quality and as the key factor in the selection of an EPA provider; so often service and costs are considered without the important element of quality, which is critical in delivering a successful outcome for all parties. We believe it would be beneficial if the Strategic Guidance outlines what powers the IfA will have at its disposal to fulfil its statutory duty *‘to discourage behaviour seeking to make a profit by delivering services that are not necessary and do not add value’*.

APPENDIX 1

The Institute in Numbers



10. Institute Background

1. The Chartered Banker Institute (“the Institute”) is the oldest professional banking institute in the world. The Institute was founded in 1875, operates in all UK nations, and has a significant and growing international presence. The Institute has driven an agenda of ethical professionalism throughout its existence; promoting professional standards for bankers, providing professional qualifications for retail, commercial and private bankers in the UK and overseas, and offering professional membership to qualified individuals.
2. The Institute received Royal Charters of incorporation in 1976 and 1991. In 2000, approval was received from the Privy Council to award the “Chartered Banker” professional designation to individuals meeting the Institute’s highest standards and qualification requirements for ethical, professional and technical competence. The Chartered Banker Institute is the only body able to award this title. For an individual to become a Chartered Banker requires Masters-level study of modules in: (a) contemporary issues in banking, (b) credit & lending, and (c) risk management, plus a choice of elective modules in subjects including retail banking, corporate banking and private banking. All students must also complete a Masters-level module in Professional Ethics and Regulation. Qualifications are offered by the Institute itself, as well as by a range of university partners.
3. Post qualification, all Chartered Bankers and the great majority of the Institute’s members must satisfy the Institute’s Continuing Professional Development (CPD) requirements, including mandatory annual ethics refresher training, to continue to use the “Chartered Banker” designation.
4. In addition to the flagship Chartered Banker qualification, the Institute offers a wide range of professional banking and regulatory qualifications, to support individuals at all career levels, all of which involve study of professional ethics.
5. The Institute currently has over 30,000 members. In addition, over the past 5 years, a further 28,000 individuals have participated in a training programme delivered by an employer, university, college or other training provider, accredited

by the Institute against our professional and qualifications standards, and providing a pathway to achieving a professional qualification awarded by the Institute.

6. The Institute works with a very wide range of education partners, including universities, colleges, other professional bodies, and training providers to support the initial and continuing professional development of bankers. This includes a wide range of UK university degree partnerships (including the unique Chartered Banker MBA, with Bangor University) and apprenticeship/higher apprenticeship programmes (the Institute has recently become one of a relatively small and select group of professional bodies to be granted End Point Assessment (EPA) status for apprenticeships in England). We also work with banks themselves, and their chosen learning partners, to develop, implement and accredit training programmes aligned to the Chartered Banker framework, creating pathways to professionalism linked to banks' own employee journeys.
7. Internationally, the Institute's impact and influence is growing, with partnerships with professional bodies in the Bahamas, Hong Kong, Ireland, Malaysia, Malta and Pakistan. Nearly 400 emerging banking leaders from 49 countries are currently studying on the Chartered Banker MBA programme (offered in partnership with Bangor University). In Malaysia, more than 1,000 individuals are currently studying to become Chartered Bankers, and seven bank CEOs became the first Malaysian Chartered Bankers in November 2015 with strong support from Bank Negara (Malaysian Central Bank). The first 500 students to gain the Professional Banker Certificate (China) qualified in 2016, via the Institute's partnership with the training division of the People's Bank of China.
8. *Young Banker of the Year Award* - In 1989, the Institute established the Young Banker of the Year competition, and this continues to be the highlight of the Institute's annual event calendar. The competition seeks to highlight the contribution of one individual with the potential to lead positive, customer-focused change, as judged by a distinguished panel of industry figures, chaired by the Lord Mayor of London, and plays an important role in promoting a revitalised banking profession by recognising the qualities of young bankers, who through their ideas and actions can help to improve the reputation of the industry.
9. See www.charteredbanker.com for more information on the Institute and its activities.
10. In 2008, the Institute began work leading to the launch of the Chartered Banker Professional Standards Board (CB:PSB) in October 2011, chaired by Lady Susan Rice. The CB:PSB is a unique initiative, led by 9 UK banks² and the Chartered Banker Institute, to enhance and sustain professional and ethical standards in banking in the UK. The CB:PSB develops and, through its member banks, implements professional standards (standards of conduct and expertise) for individual bankers which will contribute to the restoration of public trust and confidence and promote a culture of professionalism in the banking sector.
11. In October 2011, the CB:PSB published the Chartered Banker Code of Professional Conduct, to which all member banks subscribe, and which encompasses approximately 70% of the UK banking workforce. In July 2012, the

² CB:PSB members are Barclays, Clydesdale & Yorkshire Banks, HSBC, Sainsbury's Bank, Santander UK, RBS, Tesco Bank, United Trust Bank and Virgin Money; covering over 300,000 individuals in the UK employed by CB:PSB firms.

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CB:PSB launched its first standard, the Foundation Standard for Professional Bankers (the Foundation Standard). Nearly 250,000 bankers, including 173,986 in the UK, achieved the Foundation Standard in 2015³. As well as increasing the numbers who achieved the Foundation Standard, some CB:PSB firms have started working towards the Leadership Standard (CB:PSB's second standard launched in 2015) and expect a number of senior individuals to meet this exacting standard in 2017.

12. The CB:PSB works closely with regulators and the Banking Standards Board (BSB). The BSB's mission is the development, promotion and encouragement of professional high professional standards in the banking sector, with a focus on institutions. The CB:PSB focuses on professional standards for individuals.

See www.cbpsb.org for more information on the CB:PSB and its professional standards.

³ [CB:PSB Annual Progress Report 2016](http://www.cbpsb.org/publications/progress-report-2016.html): <http://www.cbpsb.org/publications/progress-report-2016.html>