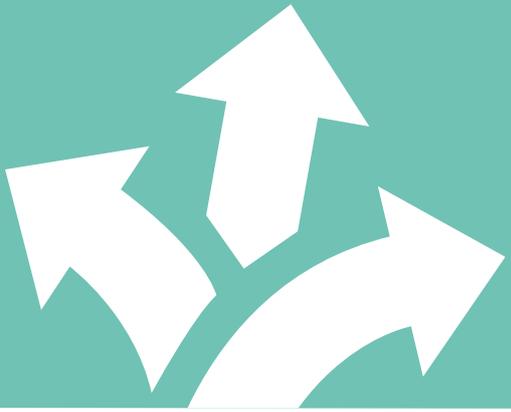


All change: Where next for apprenticeships?

Ten essays on quality, access and the future





Acknowledgements

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Since the 16th century, apprenticeships have been a way for people to combine learning and earning, and for employers to meet their skills needs. At Learning and Work Institute (L&W) we welcome their renaissance over recent decades.

The introduction of the Apprenticeship Levy, a payroll tax on large employers, ring fenced for apprenticeships, was a bold move. Along with other changes in the way apprenticeships are designed, funded and delivered, it has changed the rules of the game and got more people talking about apprenticeships than perhaps ever before.

We are now more than one year into the new system. It is still too early to tell what its impact will be and it's important not to jump to conclusions – the skills system has been bedeviled for too long by constant chopping and changing. But it is right to look at how the Levy and other reforms are working so far and to think about where to go next.

This essay collection is a contribution to that debate. It focuses on three key issues:

1. Quality. How do we make sure that apprenticeships are of the highest quality so that they bring real benefits to people and employers?

2. Access. How do we make sure that everyone who can benefit from an apprenticeship has a fair chance to get one, regardless of background or location?

3. Future. How do we build on the levy and wider reforms so that we meet our future skills needs and boost social mobility?

I'm delighted by the array of experts we've brought together to share their thoughts, ranging from the voices of apprentices through to employer representatives and experts in the field. These pages are filled with experiences and ideas from a wide range of perspectives.

Our research tells us there is more to do to ensure all apprenticeships are world class and to widen access to them. But it also tells us that there is a reservoir of good will running across our economy and society to make a success of this. The nature of policy making is that once one challenge is overcome, the next appears. So continuous improvement is key.

As a country we face a generational challenge to grow our prosperity in an ever-changing world and make sure everyone has the chance to make the most of their talents. Apprenticeships hold the potential to help us do this and make a real difference to our future prosperity and fairness.

At Learning and Work Institute, these are themes and ideas that illuminate all that we do. Our aim is to continue the debate and make sure apprenticeships help deliver a skills revolution underpinned by opportunity for all.

Stephen Evans, Chief Executive, Learning and Work Institute

Robert Halfon MP

Chair of the Education Select Committee

Forewords

My dream is for this country to become an apprenticeship and skills nation in which everyone, no matter their background, can climb the educational ladder of opportunity. I believe we are making progress. There are many remarkable employers and providers, up and down the country, changing the lives of learners and transforming our country's skills base. But there is still more to be done, because for many people an apprenticeship is not simply a job, not simply training. It's a chance for them to realise their potential.

The introduction of the Apprenticeship Levy demonstrated Government's willingness to take the lead and act to support an expansion of apprenticeships. Much has been positive: funding has doubled, and employers are more aware than ever of the benefits apprentices can bring their firms. But the levy, as currently designed, does not do enough to help people reach the educational ladder of opportunity and aid their climb towards a good job and a secure future for themselves and their families.

We must do more to help, and this should start long before an apprenticeship begins. Organisations across the UK are working to bring people to the ladder and, in particular, to support young people to gain the skills and confidence they need to make that climb. Money should be set aside from the levy to create a specific apprentice social justice fund to support organisations that bridge the gap between school and apprenticeship and help disadvantaged young people seize the opportunities that would otherwise pass them by.

Because these opportunities are worth shouting about. My two favourite words in the English language are degree apprenticeships and I am passionate about the potential they offer to revolutionise our education and training system. They are key to

fighting social injustice, offering young people the chance to earn as they learn and avoid mountains of debt. As I have said many times, half of students in higher education should be degree apprentices.

There is no lack of enthusiasm from employers, providers and young people. The challenge is building a system to meet the demand and designing clear progression pathways to give everyone the opportunity to go as far as their hard work and enthusiasm can take them. Because increasing the number of higher and degree apprenticeships should not be at the expense of lower level programmes. They are not in opposition, but complementary parts of one system, equally important in combatting social injustice.

The levy, and the additional funding it brings, gives us an opportunity to build this new world. An apprenticeship and skills nation of rising productivity with social justice for all. A ladder of opportunity not just for individuals but for the whole country. We must make sure that this opportunity is taken.

Robert Halfon MP, Chair of the Education Select Committee

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Introduction

Around 500,000 people start an apprenticeship each year, a significant rise over recent decades. Most recently the Government's target for three million apprenticeships by 2020 has been a major focus for policy. Alongside this has been one of the biggest policy reforms in recent memory, including the introduction of the Apprenticeship Levy on the largest employers and changes to the development and funding of apprenticeships. These changes have been big and bold, and we have welcomed their principles and the renewed focus on apprenticeships.

We are now just over a year into the new system and the number of apprenticeship starts is around one third lower than last year. Debate rages over whether this represents teething troubles (employers have up to two years to spend their levy funds while they get to grips with the new system), a rise in quality (as the proportion of starts at level 3 and above rises, which some argue is where greater productivity improvements are found), or a fundamental problem (as employers can't get what they want and so are disengaging).

In truth it is too early to tell. However, there are things we do know. Learning and Work Institute's research has focused on quality and access.

On quality, the best apprenticeships are world class and putting employers in charge could help make sure more of them are. But we were concerned before the levy was introduced that employers would rebadge some training, particularly at higher level, as an apprenticeship.

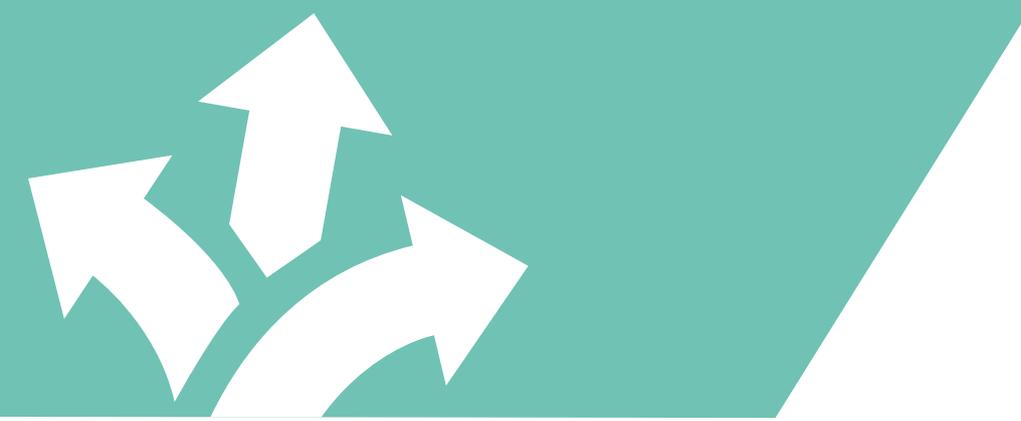
This would increase apprenticeship numbers at these levels, but without increasing the total amount of training. We think that more changes are needed to ensure the development and delivery of world class apprenticeships across all sectors, occupations and levels of learning.

On access, there are great examples of efforts to tackle under-representation, but how can we end the participation penalty that some groups face? We think the new system needs further change to tackle underlying inequalities in access to apprenticeships for particular groups. This is critical in ensuring that everyone has a fair chance to benefit fully from an apprenticeship and that employers have a wider talent pool to draw on.

Now the levy and wider reforms have been in place for a year, attention is also turning to next steps. Should the levy be expanded to cover more employers and more forms of training? What role should cities and local areas have in commissioning apprenticeship provision or working with employers to raise demand? How can we make sure we have world class apprenticeships accessible to all?

These are big questions. An apprenticeship revolution is underway. We have a chance to make a success of it for the long-term.

This essay collection brings together the thoughts of leading thinkers and organisations on how to ensure the quality of apprenticeships, how to widen access to them, and where next for the levy.



Quality

Apprenticeships must be high quality if they are to deliver on their potential to give people opportunities to enjoy rewarding careers and meet future skills needs.

What does quality mean? For Learning and Work Institute, it must mean meeting the skills needs of employers, as well as offering genuine opportunities to improve individuals' skills. Otherwise, employers are unlikely to engage and invest, and apprenticeships are unlikely to lead on to future job and career opportunities. The government has aimed to do this by asking groups of employers to establish new standards setting out the competencies expected of someone when they finish an apprenticeship. Whether an apprentice has met these standards is assessed in an End Point Assessment (EPA) designed by employers, with the standard of assessments overseen by one of a number of External Quality Assurance (EQA) organisations (of course for this to work all standards need agreed and ready EPA and EQA organisations that are credible with employers, something that is not yet the case).

Having played a role in shaping the apprenticeship reforms, Tom Richmond, now Senior Research Fellow at Reform, sets out some of his concerns about how the fledgling system is developing, including whether all occupations can or should be apprenticeships. A concern we share at Learning and Work Institute is whether some apprenticeships are broad enough. For

example, Tom's essay cites a 2015 Select Committee report finding that retail apprentices in Germany had much broader roles than the more task-based and instruction-driven UK roles. The risk is that an apprenticeship may prepare you for your current role, but not for your future career. This could lock in low productivity in some sectors, rather than using apprenticeships to broaden and reshape work and skills. To help tackle this, we have argued for a two-tick system: requiring apprenticeship standards to be approved by employers in that sector, but also to meet the test of matching the best in the world. The best apprenticeships already meet this test – this would help to raise the bar for all.

In her essay, Jo Maher, Principal and Chief Executive at Boston College, sets out the role of Further Education leaders in delivering quality apprenticeships and the challenges in doing so, particularly for providers working in rural locations and with small and micro businesses. She talks about how large and small employers can share expertise and give people a wider range of opportunities. Jo also makes the case for the development of a 'quality mark' for employers, showing their commitment to a high-quality experience and helping potential apprentices make informed choices about where to work. Could the good work standards being developed by a number of Combined Authorities be further developed to include a specific focus on recognising quality apprenticeships?

The theme of levy-payers supporting smaller business within their supply chain is also picked up by Annie Peate, Education and Skills Policy Adviser at the Federation of Small Businesses (FSB). Employers are clear that they want greater flexibility; which includes making sure the new system works for smaller employers. Annie argues for a greater focus on engaging SMEs and on allowing larger firms to

Quality

transfer some of their levy funds to smaller firms; this has recently been introduced, though initially limited to just one firm per levy payer. Given the complex nature of modern supply chains, this could better allow money and support to go where it will make most difference.

The quality of training is inspected by Ofsted. Worryingly, 51% of the 189 providers inspected in 2016/17 were judged as requiring improvement or inadequate. This would not be acceptable for schools and shouldn't be for apprenticeships either. The recent expansion in the number of providers approved to deliver apprenticeships raises the question of whether Ofsted has sufficient resource to inspect such a large number of providers. We think the government needs to set out a clear vision of the provider market it wants to see, clarify the responsibilities of the range of organisations involved in the apprenticeship system, and ensure that Ofsted and others are adequately resourced.

The additionality of training matters too. One risk of the levy, is that the training employers were already doing gets rebadged as an apprenticeship so that employers can recoup their levy payments. This would increase the number of apprenticeships, but not the amount or necessarily the quality of training. There are clear signs of this happening. For example, 65% of apprentices were already employed by their employer before their apprenticeship. There are not sufficient safeguards in place to ensure that they have either changed role or that their role has changed substantially to require an apprenticeship. The absence of other publicly supported workforce development routes also increases the risk of trying to shoehorn everything into being an apprenticeship. Similarly, the growth in higher apprenticeships has the potential to be a game changer, both for the apprenticeship brand and to improve the UK's

leadership and management which research shows holds productivity back. However, this will only be the case if this training is additional, and the full benefits of apprenticeships will only be realised if they help to narrow inequalities in access to workforce training rather than reinforcing them; currently the most highly skilled are four times as likely to get training at work.

Quality, though, means more than the standards designed and providers inspected. The apprentices that have contributed to this essay collection tell us that the employer has a key role to play. This includes the quality of their line manager, the identification of a mentor from elsewhere in the business, and the opportunity to work shadow and experience the whole business. For the best employers, this is already business as usual for their apprenticeship programmes. We need to make it business as usual for everyone, exploring the best ways to do this including spreading best practice and setting out some clear standards.

Ultimately, apprenticeships should lead on to high quality jobs and good future career prospects, whether with the same or a different employer. We think the government should publish regular data on the long-term earnings and employment outcomes of apprentices. This should be broken down by sector, by region, and potentially by provider or employer where possible. This information is already published regularly for university students. It would help measure and demonstrate the benefits of apprenticeships and also help potential apprentices make informed choices about their education and careers.



Quality first, access second?

Tom Richmond

Senior Research Fellow at Reform

Apprenticeships have come a long way. Back in the 18th century apprentices were usually aged 12 or 13 but could be as young as 7. They were typically unpaid, bound to their masters for years on end, often worked through the night and risked contracting a serious illness. Mercifully the situation has improved since then. Even so, important questions surrounding this unique form of training remain as fundamental now as they were in centuries gone by – namely, what is the quality of the experience that each apprentice receives, and who is given access to apprenticeships?

Research conducted by Learning and Work Institute has raised numerous concerns. It seems little more than stating the obvious to say that everyone who could benefit from an apprenticeship should have a fair chance to access one, but this is not the case at present. Too many groups in society, such as those from poorer backgrounds, remain under-represented in apprenticeships.

For example, young people eligible for free school meals (FSM) are much less likely to begin an apprenticeship compared to those who are not eligible. Similar problems with under-representation

have been identified for people from black, Asian and minority ethnic backgrounds. Such circumstances ultimately reduce the talent pool available to employers and means that young people are missing out on opportunities that could allow them to thrive.

Let us fast forward to, say, five years from now. Learning and Work Institute conducts the same research exercise again and finds that – following a concerted effort by government, employers and stakeholders – young people eligible for FSM are now equally likely to undertake an apprenticeship, while the same proportion of people from black, Asian and minority ethnic backgrounds now undertake apprenticeships as those from other backgrounds. Problem solved? Sadly not.

Being enrolled on an 'apprenticeship' is only part of the story. Little progress will have been made if those from more disadvantaged backgrounds end up on apprenticeships that do not deliver significant benefits. For example, 44% of apprentices on a level 2 programme (equivalent to GCSEs) earn less than £9,500 a year compared to only 31% of those on level 3 programmes (equivalent to A-levels). In terms of pay across different sectors, apprentices in hairdressing and childcare receive an average of £5 or less an hour whereas other sectors can command £8 an hour. In addition, Business apprentices receive less than one-third of the number of hours training

per week provided to Construction and Engineering apprentices. If apprentices from disadvantaged backgrounds frequently end up working at lower levels and in poorly-paid sectors with fewer training opportunities, the potential benefits could be curtailed.

The challenge is therefore two-fold: first, increase the access of under-represented groups to apprenticeships; and second, ensure that these learners enrol on apprenticeships that deliver genuine and tangible improvements to their careers and later progression. To deliver this ambition, improving quality should come before improving access, yet the latest evidence on the quality of apprenticeships being designed and delivered by employers is far from encouraging.

“the latest evidence on the quality of apprenticeships being designed and delivered by employers is far from encouraging.”

Despite the rhetoric from successive governments, politicians appear unable to resist the temptation to promise an increase in the number of apprenticeships being delivered on their watch. Inevitably, this distracts ministers and civil servants from focusing on improving quality at the same time. The astonishing rise in apprenticeship numbers since the 1990s has, in truth, been driven almost entirely by political decisions such as allowing apprenticeships to be delivered at Level 2 (below the international standard of Level 3) and removing the upper-age limit of 25. This has given the impression of apprenticeships becoming more popular when the reality is much less convincing. It has also meant that more difficult questions around the depth and breadth of apprenticeship training have been largely ignored. Numerous external reviews and Select Committee reports and external reviews have highlighted the dreadful quality of some courses that were being called ‘apprenticeships’ in the past. Ministers have typically been reticent to address these issues, knowing that tackling poor-quality apprenticeships would almost certainly reduce overall numbers.

In 2012 the Government-sponsored Richard Review voiced concerns about the definition of an ‘apprenticeship’ in the UK, saying “there has been a drift towards calling many things apprenticeships which, in fact, are not”. The Government’s subsequent reform programme claimed that employers were best placed to design high-quality apprenticeships (in the form of new ‘apprenticeship standards’) and, as a result, employers were given almost complete control over what they wish to label as an apprenticeship. However, the decision to leave the definition of an apprenticeship in the hands of employers has created two problems. First, employers do not have to focus on genuinely skilled occupations, as you would find in apprenticeship systems in other parts of Europe – they merely have to describe any job or role that they wished to be called an ‘apprenticeship’.

Second, the subsidies available from government for apprenticeships are worth hundreds of millions of pounds a year, meaning that the more forms of training an employer can rebrand as an apprenticeship then the more subsidies they can access. These two issues have the potential to undermine the interests of apprentices and taxpayers both now and in future.

While some employers have used the flexibility given to them by the Government to generate high-quality apprenticeship standards, others appear to be simply rebranding other training courses as ‘apprenticeships’ instead. For example, the list of roles now counted as an ‘apprenticeship’ includes many low-skill and often very short training courses such as serving customers in a delicatessen or coffee shop or performing basic office administration. Since the introduction of the levy, employers are increasingly relabelling professional development courses (particularly in leadership and management) as apprenticeships. The list of the most popular apprenticeship standards includes becoming a ‘Team Leader’, ‘Supervisor’ or ‘Manager’. Cranfield University’s prestigious School of Management has even re-designated its existing Executive MBA as an apprenticeship to attract up to a 90 per cent government subsidy towards the programme costs.

The opening page of the Richard Review observed that the growth in apprenticeship numbers in the preceding years had “led us to stretch the definition of what an apprenticeship is too far and, as a consequence, we risk losing sight of the core features of what makes apprenticeships work, what makes them unique”. Six years on, the same mistakes could be made all over again. No-one wants apprenticeships to be confined to traditional sectors such as manufacturing and engineering because this would deny learners the opportunity to enter skilled occupations elsewhere in the economy. That said, we cannot allow poor-quality ‘apprenticeships’ to undermine the value and prestige of this vital link between education and work.

The OECD (Organisation for Economic Co-operation and Development) rightly warned in a report in 2017 that “even just a small proportion of low-quality apprenticeships can damage the overall reputation and ‘brand’ of apprenticeships”. Protecting the apprenticeship brand must be the primary consideration if we are to improve quality and access. This will not happen by itself. Government has all the necessary levers at its disposal to drive positive changes through the apprenticeship system, but to do so it must explicitly set a new course that has apprenticeship quality as its main objective.

“Government has all the necessary levers at its disposal to drive positive changes through the apprenticeship system,”

Three major steps are required to achieve this. The first step must be to abandon the target of 3 million apprenticeship starts between 2015 and 2020. At present, the Government has effectively incentivised themselves to downplay the importance of apprenticeship quality as they chase towards an arbitrary target.

This makes them more likely to allow employers to endlessly rebadge and relabel training courses as apprenticeships even if they are nothing of the sort. It is therefore doubtful that any substantial progress can be made towards improving quality when this target is still active.

The second step is for the Government to take a robust and unequivocal stance on what should and should not be classified as an apprenticeship. An internationally-benchmarked definition of an apprenticeship should be used to filter all the apprenticeship standards either in development or in current use. This definition should focus on the role of apprenticeships as an education and training programme that combines vocational education with work-based learning to enter a new skilled occupation or trade.

Furthermore, the definition should highlight the importance of ensuring that an apprenticeship supports learners to reach ‘occupational competence’ in terms of them being able to operate independently in the workplace, take responsibility for their own actions and exercise autonomy over complex and non-routine work. Any standard that is not able to meet this new definition should be withdrawn immediately and either revised or discarded. Professional development courses and low-skill roles would be rejected under this definition because they are not related to gaining genuine occupational competence in a newly-acquired skilled occupation. The new benchmarked definition would therefore prevent the possible misuse of the apprenticeship brand by employers and training providers.

The third step is to change the way that Government interacts with employers. The Apprenticeship Levy is bureaucratic and cumbersome for the large employers who already have to use it, let alone the smaller employers receiving transferred levy funds, who will be required to follow suit, from May 2018. Forcing employers to make cash contributions towards the cost of training their apprentices is also at odds with research evidence from this country and abroad, including the Richard Review itself. In fact, in many countries employers get paid by government to take on apprentices. For example, since 2008 companies in Austria have received government

grants for each apprentice equivalent to as much as three times an apprentice's gross wages. It is hard to fathom why the Government expects more employers to offer apprenticeships when employers are being required to pay for the privilege. Moving to a less bureaucratic system for employing apprentices would be a useful place to start.

In addition, offering subsidies to employers for taking on apprentices – similar to the Apprenticeship Grant for Employers seen in recent years – could also be a valuable tool in generating more apprenticeship opportunities, particularly in smaller workplaces and for more disadvantaged groups. Germany has experimented with subsidies for work placements aimed at socially disadvantaged learners in the past. This type of innovation should be promoted and carefully monitored in this country too.

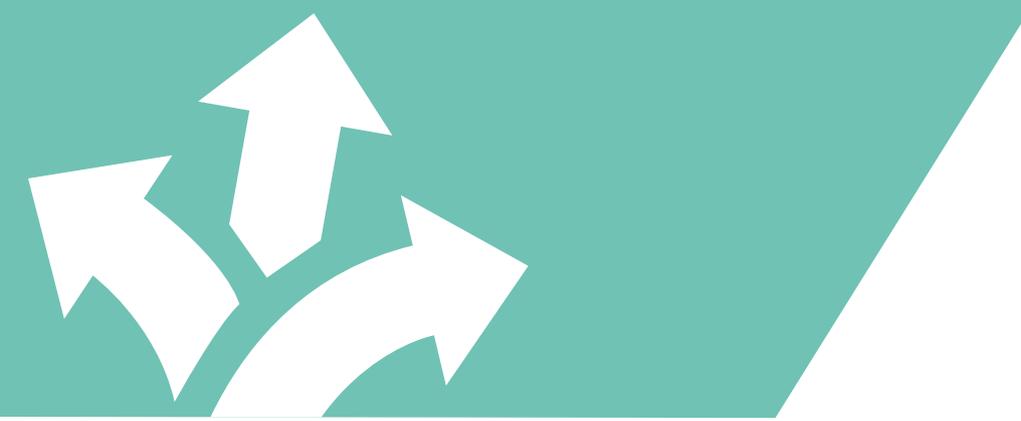
The three-pronged approach outlined above should make a significant contribution to safeguarding the future of our apprenticeship system.

“Focusing on quality rather than quantity will promote a more constructive dialogue about how we use apprenticeships to support young people into skilled occupations and tackle skills shortages”

Focusing on quality rather than quantity will promote a more constructive dialogue about how we use apprenticeships to support young people into skilled occupations and tackle skills shortages in our economy. Furthermore, if we want apprenticeships to be taken seriously by learners, parents, teachers, employers and politicians then poor-quality apprenticeships must be removed from the system as a matter of urgency. A new and more stringent definition will help protect the reputation of apprenticeships, which in turn will mean apprenticeships generate better outcomes and attract a wider range of applicants.

Finally, targeted subsidies can create more apprenticeship opportunities for under-represented groups and reducing the bureaucratic burdens on employers will improve access more broadly. Offering grants to employers, particularly smaller organisations, that take on apprentices from disadvantaged backgrounds to help with training and recruitment costs would be a sensible place to start.

In short, get the quality right to ensure that apprenticeships are an aspirational and beneficial choice for all learners, and then focus relentlessly on improving access through providing more support to employers of all sizes. Apprentices, employers and taxpayers stand to benefit on both counts for many years to come.



Meeting the quality challenge: A further education leaders perspective

Jo Maher

Principal and Chief Executive at Boston College

High quality apprenticeships provide the right balance of technical, academic and professional skills, contextualised to the job role, allowing apprentices to grow in their roles and to be ready for the next step in their employment. Quality providers understand that working with employers who are invested in their apprentices and the training process are critical to success.

In the UK, we are developing some of the world's best apprentices, evidenced by our performance on the international stage at WorldSkills competitions. Team UK is currently ranked 10th in the world, despite significant funding cuts which have reduced the training hours for competitors in recent years.

Apprentice medal winners representing Team UK range from the self-employed, to those working for micro-SMEs, through to apprentices in blue chip companies. The success of the Team demonstrates that high quality is achievable across a variety of training providers, in different businesses and in locations all over the UK.

However, unlocking the secrets to the success of WorldSkills for FE providers and employers more broadly has been challenging. To understand the scale of the challenge, we need to examine the relationship between the fees for apprenticeships and the quality of provision.

Employers rightly want high quality training that represents value for money, in order to optimise return on investment through increased employee capability and productivity. College leaders are motivated to deliver a high-quality offer and are regulated by Ofsted to ensure they do so. And providers can be removed from the apprenticeship register if graded inadequate by Ofsted. Satisfaction surveys published nationally give employers and apprentices informed choices on quality perceptions.

Quality requires that providers invest in staff training, resources and appropriate expertise, which means the business model requires good financial health to allow investment.

Apprenticeship reforms have impacted the margins that providers can deliver by moving the purchasing power to the employer, banding the value of apprenticeship standards and changing approaches to procurement and contracting – making it increasingly difficult to stay viable in a complex market.

“the relationship between quality and value for money, in a competitive but highly regulated marketplace, risks potentially reduced access to apprenticeship provision and consequently poorer “social mobility.”

The result of the relationship between quality and value for money, in a competitive but highly regulated marketplace, risks potentially reduced access to apprenticeship provision and consequently poorer social mobility. The reason for reduced access is that further education leaders may be required to streamline their offer related to demand and viability. Previously, colleges in the strongest financial position have been able to navigate recession, and real-term funding reductions against the backdrop of declining demographics, by cross-fertilising income streams; the reality is that the majority of level two and three apprenticeship programmes run on a lower surplus than full-time further education, and significantly lower than higher education. The impact on rural colleges is greater given the travel times and costs to remote, and often small, workplaces.

Rurality – challenges and opportunities

The greatest challenge for apprentices living in rural areas is the time and distance it can take to access an apprenticeship. The chair of the Education Select Committee, Robert Halfon MP, has been urging the Government to follow through on its manifesto ‘travel cost pledge’ as a way to drive social mobility for apprentices. The travel cost pledge, aimed at ensuring subsidies fall in line for disadvantaged learners, provides support irrespective of whether the individual is an apprentice or full-time FE learner. It would be a welcome move for both training providers and employers.

The greatest challenge for rural college leaders, which has largely gone unnoticed in the reforms, is that the assessors they work with have the same time and distance issues as the apprentices they need to assess. This is compounded by most employers in rural areas being micro-businesses that are only able to employ one apprentice. FE leaders in rural colleges are required to model their delivery plans on an assessor spending an hour with a maximum of four apprentices in a day to allow for travel time. Whereas

in an urban college an assessor could train up to seven apprentices a day individually, and if they are in a Levy-paying employer with a group, could work with a whole group in the same business.

Technological advancements enable remote tutorials and blended learning options as part of the training, which helps to reduce travel costs. However, technical training, e.g. cattle foot trimming and operating machines, requires essential human input. The result is that not only are delivery costs for training higher for rural colleges due to individual contact time, but travel expenses are also increased. These additional costs will become even more challenging when the transitional measures reduce or stop, for example the 20% uplift for providers whilst they adjust to the reforms.

Recommendation 1 - Rural uplift:

There are opportunities to better support rural providers by providing an uplift, calculated in a similar way to the disadvantage uplift in full-time FE funding, as a weighting to both the employer and the provider. A small uplift, spread across the delivery, would enable rural colleges to continue to offer a broad range of apprenticeship standards and remove the risk that when the incentives reduce or stop, college leaders will be required to streamline provision in order to focus on the standards with demand and volume to generate any form of surplus.

“The greatest challenges for employers in rural locations include size, scale and breadth”

The challenge of scale for employers

The greatest challenges for employers in rural locations include size, scale and breadth. Greater scale would allow for more apprentices to work for one manager, resulting in supervisory efficiencies, such as demonstrating a new piece of machinery to a small group at the same time and greater potential productivity return on investment. Smaller businesses are less able to offer breadth as they cannot match

the experience of larger companies which often rotate their apprentices through different aspects of the business to provide a wide-ranging experience. Smaller businesses are also less able to afford to take on another apprentice once an apprentice finishes with them.

The Government has tried to address the scale challenge by allowing Apprenticeship Levy payers to pass their levy down their supply chain, which is a welcome move. There is also widespread agreement that apprentices should be able to secure employment at the end of their apprenticeship. However, micro-SMEs can only bring in another apprentice if they secure growth as a business. Therefore, irrespective of being able to access levy money through the supply chain, SMEs are unable to provide a guarantee of employment at the end. This has the potential to further fuel the gap between levy employers and non-levy employers with an attendant impact on social mobility.

Recommendation 2 - An apprenticeship loan system:

In order to offer a solution to ensure SMEs can continue to offer apprenticeships we need to examine existing systems that have successfully managed loaning employees. There is a model currently in operation involving multi-million-pound companies helping smaller companies through an employee loan system (many of whom are apprentices) supported by financial contributions. This is the player loan system used in professional football.

Think of professional football as 92 businesses spread out across four leagues.

- The teams in the top two leagues are all levy payers.
- In 2016-17, Premier League-winning Manchester City's wage bill alone was £225 million, whereas in League 2 there are fan-owned clubs, e.g. Wycombe Wanderers, which in total are worth less than £5 million.
- A young professional footballer, likely to be an apprentice, is not getting enough playing time at their Premier League club to support their

development and is loaned out for up to one year to a lower league club.

- In the large majority of cases, the levy-paying Premier League club would contribute towards the wages of the player whilst they are at the lower league club.
- The player normally has a year to develop their technical skills and to gain more experience before going back to the 'parent' club to try to progress their career.

An apprenticeship loan system may be viable for a blue-chip company which has a large levy and supply chain and is able to loan an apprentice to an SME, with a view to bringing them back a year later to progress their employment. The benefit to the SME is being able to pay the apprenticeship wage and to have a regular supply of apprentices. In some cases, the larger company may be willing to contribute to a higher wage for the apprentice. The Levy fee to support training could continue to be transferred in this model to account for the fact that they are investing in their future employee and benefitting from the additional supervision, training and development that the SME provides. Apprenticeship Training Agencies may have a role to play in facilitating the mechanics of this loan system.

Analysis and reflections on Trailblazer group experience

Employer-led Trailblazer groups were set up to drive forward apprenticeship standards for occupations within their sectors. Many started with just employer representatives but evolved over time to allow FE leaders and staff to observe and provide input, whilst not forming part of the membership.

Many employers train the niche skills required for their specific competitive advantage, which can lead to difficulties in considering the training requirements for a whole standard and for national recruitment. This is exacerbated when a decision around funding professional qualifications could favour one employer over the other. Employers in the private sector are required to generate profit as their key business objective, so are less likely to share any competitive advantage. In contrast, college leaders have a key role in supporting as many people to be as qualified as possible, to create a better supply of skilled

labour. This means FE and HE leaders can support decisions that benefit the wider population. Involving educationalists is critical in supporting an employer-led agenda that retains upskilling apprentices in the most effective way at its heart, as well as incentivising high-quality employers.

Portability of standards and quality

The removal of qualifications from the majority of apprenticeship standards, unless the trailblazer group can evidence formal registration and role requirements, may impact apprentices at a later stage in life. For some employers, a qualification in a related area forms key selection criteria for interviews and many employers are clear about the level of qualification. We, therefore, need to make sure that the standards and training that are being offered are of high quality, are portable, and will not limit the ability of those currently undertaking apprenticeships to develop or change careers in the future.

Recommendation 3 - Employer quality mark:

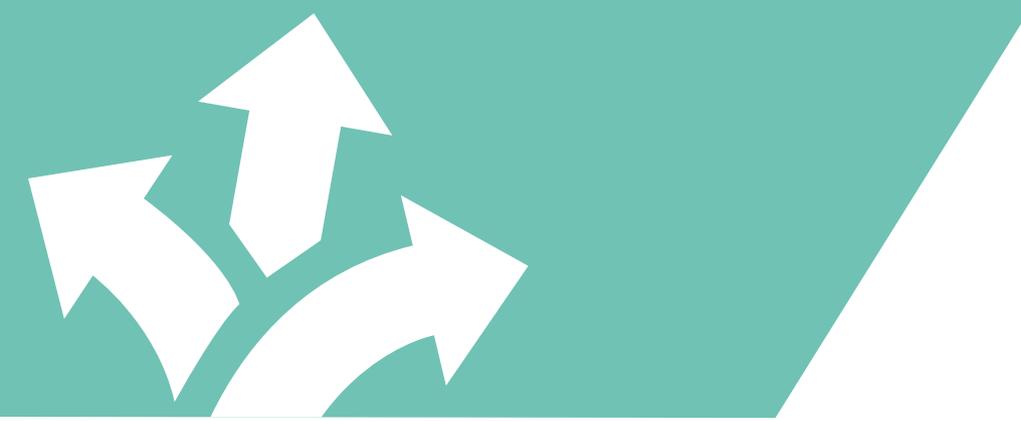
High quality is about the work the employer and the training provider do together and quality employers ensure that their apprentices have jobs at the end of the programme.

“A ‘quality mark’ for apprenticeship employers could be developed to enable apprentices to select employers in the same way as Ofsted scores schools”

A ‘quality mark’ for apprenticeship employers could be developed to enable apprentices to select employers in the same way they can look at a training provider’s Ofsted grade and feedback score. Significant amounts of data on the performance of training providers is available, but if apprenticeships are truly a tripartite relationship, then employers should also be able to evidence their role in providing high quality training.

Translating best practice from WorldSkills Team UK and training providers which have consistently trained the best UK talent, coupled with their employer partners who have supported medal winners, is critical in supporting and ensuring that we raise the quality bar. For the UK to improve its competitiveness

and thrive, having motivated employees working to international standards is a key driver and Team UK can act as the vehicle to help make this happen.



Let's make 2018 the year of the non-levy payer

Annie Peate

Annie Peate, Education and Skills Policy Advisor at the Federation of Small Businesses (FSB)

The anniversary of the introduction of the Apprenticeship Levy is upon us. It's been a busy year, characterised by strategic workforce planning exercises and forecasting; unless, that is, you're one of the 98 per cent of businesses in the UK that do not pay the levy. 2017 was the year of the levy-payer, and to some extent this was a necessary focus on the part of Government to get the newly renovated apprenticeship system up and running. However, at FSB, we believe that 2018 must be the year of the non-levy payer.

Large businesses are often perceived as being the driving force behind apprenticeship growth, however small businesses make up the overwhelming majority of businesses in the UK, and so provide the foundation upon which this growth is established and delivered. Small businesses are the unsung heroes of the apprenticeships world, offering a diverse range of opportunities across the country. So what do apprenticeships in small businesses look like?

SME apprenticeships buck the young people trend

FSB research from 2016 found that one in four small businesses in England have at least one apprentice.

In addition, a quarter of those currently without an apprentice said that they were considering employing one in the future, suggesting even greater capacity for future growth in the small business community. We also discovered that most apprentices in small firms are between 16 and 19 years old, and further exploration of the data showed that the key motivator for offering apprenticeships was a business owners' commitment to giving young people opportunities. Through conversations with many small businesses, it is clear that one of the reasons for this preference for younger apprentices stems from a desire to 'grow their own' staff that have not yet taken on another employer's cultures and values, as well as giving the next generation the best start possible in the labour market. We also found that 79% of apprentices in small firms were recruited as a new employee from outside the business, and that two thirds of their apprenticeships lead to longer-term employment.

The price of success

However, that doesn't mean that there aren't challenges associated with taking on apprentices. One of the most significant of these being cost and it's a barrier that has only increased in the last year as changes to apprenticeship funding came into effect to coincide with the introduction of the levy.

From May 2017, some small businesses were required to contribute 10% towards the cost of apprenticeship training and assessment. For some, this represented a watershed moment, where they were forced to rethink their apprenticeship offer. Taken in isolation, this may not seem significant, but it came at the same time as the rising cost of doing business: increases in the National Living Wage minimum employer contributions from auto-enrolment of pensions; and higher business rates. Finding the funds to invest in apprenticeships was always going to be a challenge.

However, with the introduction of co-investment came recognition by the Government of the need to support the smallest businesses. This led to the decision to fully-fund apprenticeship training and assessment costs in businesses with under 50 staff if the apprentice they recruit is aged 16-18, or a 19-24-year-old with an Education Health Care Plan or was formerly in care, along with an additional £1,000 payment to for employers take on a 16-18-year-old on an apprenticeship framework or standard to help meet the extra costs associated with this.

Despite these 'small business' incentives, apprenticeship start figures released in March 2018 showed yet another drop in the number of under-19s starting apprenticeships compared to the same quarter last year – down by 16%. This follows a trend since October 2017 where there was a 41% reduction in under-19s starts compared to October 2016. Arguably, the behaviour of large levy-paying employers is partially responsible for this reduction; but it would be remiss not to consider the impact of funding changes on the apprenticeships investment decisions for SMEs that aren't eligible for small business support.

It is for this reason that FSB would like to see small business incentives extended to firms employing up to 250 employees. We believe that this would lead to a greater number of small and medium-sized businesses being supported to either begin or continue a long-standing tradition of offering apprenticeships, particularly to younger people. This would be a big step in closing the 'skills gap' by facilitating access to high-quality training for the next generation of workers. Maximising the impact and reach of apprenticeships must be the focus of

future developments if we are to ensure the pathway is accessible and offers a genuinely high standard of study and experience to apprentices.

'Them and us' could be just 'us'

Often when discussions around the levy take place, a clear 'them and us' narrative emerges as distinctions are inevitably drawn between levy-payers and non-levy payers. However, imagine a situation where these two parties could collaborate to enhance the reach, impact and scale of each other's apprenticeship offering.

This could now happen through the voucher transfers mechanism that came into effect in April 2018. This new policy allows levy-paying employers to share up to 10% of their vouchers to another employer to use for apprenticeship training. This can include:

- an employer in the levy-paying employers supply chain
- employers in the levy-paying employers industry
- via an Apprenticeship Training Agency
- working with regional partners

This policy could represent a significant opportunity for levy-payers to support small businesses to access apprenticeships. But, because businesses can transfer vouchers to employers of any size, we are concerned that small firms are less likely to receive this additional support because they face being crowded-out by larger, vocal businesses that already have well-organised apprenticeship funding. The risk, then, is that this potentially innovative mechanism may not meet its intended purposes of supporting firms that struggle to invest in apprenticeship training. We could see further decline in the opportunities available to young people in small firms.

Train the trainers

However, it's not just access to financial support that small businesses stand to gain by working with larger levy-paying businesses. Having the support of companies that know the apprenticeship landscape well with experience of apprenticeship standards, recruitment and development and – crucially – that

can help to navigate the online digital apprenticeship service, provides inexperienced, smaller firms with confidence and expertise. Working in tandem in this way will not only lead to a strategic proliferation of apprenticeships in key sectors and industries, including those identified in the Industrial Strategy, but will lead to improvements in quality as best practice is shared by employers of all sizes.

To that end, FSB would like to see the Government urge levy-paying businesses to prioritise transferring some or all of their vouchers to small businesses in their supply chain, sector or community over larger businesses. We would also like the Government to review the 10% restriction on levy transfers in order to maximise apprenticeship opportunities in smaller businesses, with the support of larger firms.

I started this article by boldly stating that 2018 should be the year of the non-levy payer; the small businesses found in every corner of the country that provide opportunities to would-be apprentices out of reach of the well-known programmes available in our large towns and cities. Based on my personal experience assisting FSB members to navigate the apprenticeship system, I frequently encounter businesses that are unaware of the support – both financial and otherwise – that they are entitled to, which we believe could be easily remedied by Government through targeted and strategic communications. We have long-called for a specialist small business apprenticeship helpline that provides practical, tailored advice to firms to compensate for the absence of suitable guidance, particularly for small firms, available via the National Apprenticeship Service and other official sources.

"If we are to truly mobilise the army of existing and future small business apprentice employers, we need to give them access to more and better advice"

FSB believe that if we are to truly mobilise the army of existing and future small business apprentice employers, we need to give them access to more and better advice, guidance and information on the practicalities of taking on apprentices. Receiving advice from business peers is always powerful as it can take the anxiety out of recruiting an apprentice and provide the opportunity to ask questions from someone who's been there, done that. In that sense, local SME ambassadors could act as a useful mechanism for this type of information-gathering. However, in the first instance there needs to be an appetite from the small business community to find out how an apprentice could benefit their business, and this needs to come via strong, clear messaging from the Government. The reality is that media campaigns which feature high-rise buildings and impressive boardrooms may encourage more young people to consider an apprenticeship, but there is also the risk of alienating the average small business that is on the cusp of taking on an apprentice.

FSB research conducted prior to the introduction of the levy found that just 16% of small businesses with apprentices sought information before taking them on. This raises questions about the suitability of that apprenticeship for the business and job role, the decision-making process that led them to choosing this provider and the management and development of the apprentice once in the business.

Quality not quantity

Apprenticeship reform was intended to improve the supply and quality of vocational training, equipping learners with new skills instead of, as many believed, simply accrediting existing skills. However, as we see further reduction in the number of apprenticeship starts, the Government needs to seriously rethink the importance of its target of 3 million apprenticeships starts by 2020. The target itself has always been a political one, commanding far greater gravitas in the corridors of Whitehall than with the employers of the West Midlands, for example.

The continuing fixation on meeting the 3 million target risks sacrificing apprenticeship quality and the successful matching of young people's career prospects with appropriate training opportunities, as businesses – levy-payers and otherwise – are pressurised to offer places, and quickly.

"The continuing fixation on the 3 million target risks sacrificing apprenticeship quality and the successful matching of young people's career prospects with appropriate training"

We believe that there's a unique window of opportunity for policymakers and politicians to make the changes outlined above to improve access to, and the quality of, apprenticeships for employers and young people alike. With Brexit providing an uncertain backdrop, it has never been more important to create a skills system that delivers.

Half of the small businesses we surveyed in late 2017 believe that technical skills are most important to future growth. We also know that skilled trades are experiencing the highest number of shortages. Many of our members' businesses depend on our education and skills system to produce young people that can fill this widening technical skills gap that threatens the sustainability of industry. Apprenticeships are a widely-regarded way of achieving this.

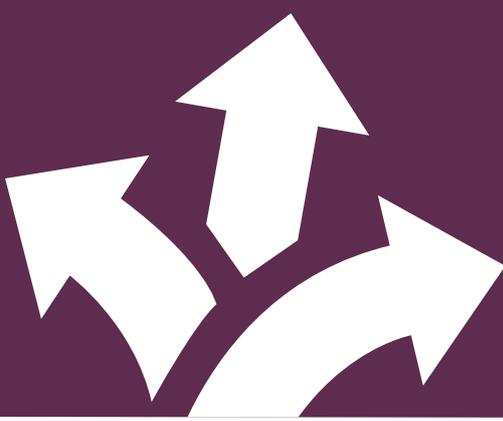
We believe the Government is heading in the right direction, but there needs to be a far greater focus on supporting and incentivising – not overlooking – small businesses to secure their involvement in apprenticeships if we are to ensure that recent good work will not be unpicked.

"Small businesses will be the real driving force behind much of the Government's reforms to technical and vocational education and training"

Small businesses will be the real driving force behind much of the Government's reforms to technical and vocational education and training. What's more, our evidence shows that they are creating jobs for younger people and providing credible pathways into the world of work. However, if small firms don't get the right support and incentives, it will all fall at the first hurdle.

We are presented with a great opportunity – and small businesses want to support it. Yet if we don't grasp the opportunity before us then we will not be empowering our young people to truly see vocational education as an effective route on which to build their career, nor enable them to truly reach their aspirations – both for their future and ours.

Levy-paying businesses have dominated Government's consciousness at the expense of small, non-levy paying firms that are of equal, if not arguably greater, importance in providing accessible, quality opportunities for young people, for far too long. 2018 is the year for change, and it cannot come soon enough.



Access

There are significant inequalities in access to, and attainment in, most forms of education. This is true of apprenticeships too. We need people to have an equal chance of accessing all types of apprenticeships, in all sectors, if apprenticeships are to help increase social mobility – the extent to which life chances are dependent on family background.

Today we're some way short of that: in some parts of the country, young people eligible for Free School Meals are half as likely to get a level 3 apprenticeship, for example. Overall, growth in apprenticeships in recent decades has disproportionately come among those aged 25 and over. There is nothing wrong with this in principle – an aging population and global economic change means an increased need for retraining – but the proportion of young people doing an apprenticeship is low by international standards. Learning and Work Institute research shows that we need a greater focus on careers advice, financial incentives and support, along with awareness and role models.

There are significant inequalities in access for other groups too. Our research shows under-representation of people from black, Asian and minority ethnic (BAME) backgrounds, something addressed by the essay from the Chief Executive at the Black Training and Enterprise Group, Jeremy Crook. The government has a target to increase the proportion of BAME apprentices by 2020. Our research found that people

from BAME backgrounds are just as likely to apply for apprenticeships, but their application is half as likely to succeed. In part this is because London, which has a higher BAME population, has the lowest proportion of apprenticeships of any region in England. But our research and Jeremy's essay identify the importance of effectively engaging employers and or role models so that potential apprentices see 'people like me'.

Gender segregation is also a significant challenge. Women are under-represented in some sectors such as engineering, and men are under-represented in other sectors such as childcare. For example, our research shows that of 17,500+ engineering apprentices in 2014/15, only 600 were women. Women are less likely to apply for apprenticeships in this sector and women who do apply tend to apply for fewer apprenticeships than men. While this reflects the wider labour market picture, apprenticeships represent an opportunity to try and change this picture. This requires a dedicated effort, including commitment from employers and identification of role models.

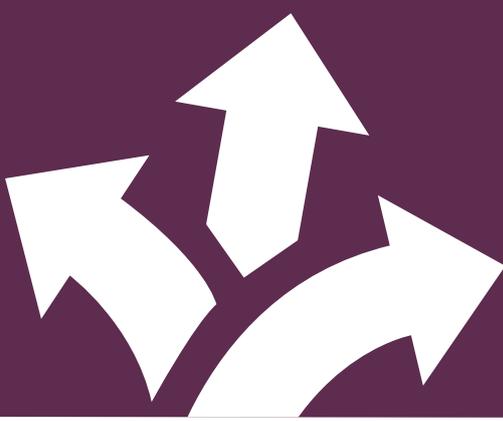
People with health problems and disabilities are also under-represented in apprenticeships. Jan Tregelles, Chief Executive at Mencap, focuses on people with learning disabilities in her essay. Only 6% of this group work and apprenticeships could play a vital role in changing this. Jan highlights a number of changes that could help, including additional funding, flexibility in the application of English and Maths requirements, and reasonable adjustments in the application of end point assessments. Again, this is part of a wider challenge, given people with health problems and disabilities are less likely to be in work, but apprenticeships could play a bigger role in tackling this inequality.

Access

Flexible working and part-time learning are much more prevalent than ever. Yet there is relatively little provision of flexible apprenticeships, despite the rules not preventing this. This is an issue highlighted by Mark Gale and Dr Carole Easton at the Young Women's Trust. Our research, undertaken jointly with Young Women's Trust, Timewise and Trust for London, has shown a latent demand from employers and individuals. Increasing the number of flexible apprenticeships is a win-win. It would allow more people to undertake an apprenticeship where, for example, they have caring responsibilities. It would also allow employers who may not be able to take on a full-time apprentice to participate in the programme. We need the Government, Local Authorities, employers, and training providers to take a lead in thinking about how this would work in practice and then making it happen.

The Young Women's Trust essay also highlights the challenges around low pay for apprentices in some sectors and the wider costs of, for example, travel. Our research - and the views of apprentices in this collection - back this up; we need simpler minimum wage rules, greater awareness of them, and better understanding of the wider support that apprentices might need. For example, we have argued for an Apprentice Premium, mirroring the Pupil Premium in targeting resources on groups that are under-represented today. This could draw together existing funding streams which are aimed at under-represented groups or those that need more support. Our research says that providers find these complex and difficult to access; an Apprentice Premium would help to simplify and focus support. It could help to underpin some of the other actions identified above to make sure everyone who can benefit from an apprenticeship is able to access one.

Taken together, it's clear we need to do better. The current situation is both unfair and means that as a country we are not making the most of everyone's talents. Lots of attention is rightly paid to widening participation in higher education. Widening access to apprenticeships and other forms of technical education is just as important. It is both a social imperative and economic necessity.



Eradicating the opportunity deficit for black, Asian and minority ethnic young people

Jeremy Crook

Chief Executive at the Black Training and Enterprise Group (BTEG)

My organisation, the Black Training and Enterprise Group (BTEG), mainly works with black, Asian and minority ethnic (BAME) young people helping them to make informed decisions about their futures and to understand the importance of effectively demonstrating their individuality and potential to employers. We still meet far too many young people in school who are unaware of apprenticeships and what this route can offer. Schools provide little careers information about apprenticeships, have virtually no contact with employers and are largely focused on getting good GCSE grades and progressing their students to Sixth Form to do A-levels.

More BAME young people are choosing to stay in education for longer than white young people. We recently asked a group of young foundation degree students, mostly from BAME backgrounds, why they think that is. They told us that more academic qualifications will give them a better chance of success in the labour market. However, the reality

is that BAME graduates have higher rates of unemployment than white graduates.

“The reality is that BAME graduates have higher rates of unemployment than white graduates”

Apprenticeships traditionally provide a route into the labour market for young people without higher level qualifications but have not always been an option that BAME young people have been successful in accessing.

In 2016/17, just 11% of the 494,900 apprenticeship starts in England, were made by ethnic minority people. Compare that with the national population in the 2011 Census when 14.5 % of England's population were from an ethnic minority. In that year, around one quarter of applications via the government's Find an Apprenticeship website were from BAME individuals, but the start rate for BAME individuals was half that of white applicants. BAME people remain particularly under-represented on apprenticeships in sectors like engineering and manufacturing, where average earnings tend to be higher, and over-represented in lower earning sectors such as retail.

Recent measures the Government have put in place are welcome:

- the target to increase the proportion of BAME apprentices by 20% by 2020;
- the Apprenticeships Diversity Champions Network championing apprenticeships and diversity amongst employers;
- the Five Cities Project bringing together partners in Greater Manchester, Bristol, Birmingham, Leicester and London to identify 'what works' in improving take up of apprenticeships among under-represented groups including from BAME backgrounds;
- the National Apprenticeship Service promoting the take-up of apprenticeships among underrepresented groups.

While these initiatives are important, and employer focused, the practical challenges will be keeping a strong focus on ethnicity, showing effective change in the workforce profiles of the companies involved and attracting new companies.

According to Gov.uk, the Diversity Champions Network has only around 40 members, including public sector organisations. In late 2017 Business in the Community launched its first Best Employers for Race List but struggled to list 100 companies in the UK. This shows how far we need to go to see real change. Employers appear far more willing to be proactive, and publicly willing, to sign up to national equality standards around gender and sexual orientation, but are reluctant to embrace ethnicity. Policymakers and diversity practitioners need to face up to this and engage with employers to understand why this is the case.

We consider that successive governments have failed to put enough resources into transforming the way apprenticeship providers and employers address diversity and inclusion, particularly for BAME individuals (and those with learning disabilities).

The need to convince employers to adopt and offer apprenticeships appears to have outweighed the need to make sure that providers deliver fair outcomes and that employers recruit from the whole talent pool. All too often employer-led bodies have associated equality and diversity with generating red

tape that only produces extra burdens for businesses, especially for SMEs. It's time to move away from this outdated response and encourage employers to view fair and inclusive recruitment as a necessity that brings both business and social benefits.

"The need to convince employers to offer apprenticeships appears to have outweighed the need to deliver fair outcomes"

So, what more needs to happen to improve apprenticeship opportunities and outcomes for BAME individuals? We need larger numbers of employers to offer advanced level apprenticeships as a real alternative to the full-time university option. There are talented young people opting for degree courses that offer poor employment outcomes. These young people should be accessing quality apprenticeships that provide level 4 and 5 qualifications. This requires employers to create more high-level apprenticeships and to make sure they have an approach to recruitment that delivers for BAME individuals.

Generally, apprenticeship providers and employers focus on the shortcomings of young people, such as a lack of certain work-relevant competencies. There are certainly things the education system can do to help graduates of the system be better prepared for the world of work. But employers have a role to play too, especially around the protected characteristics included in the Equality Act 2010. We need employers to ask themselves the key question - do we reflect the ethnic make-up of the local population? Private sector employers are crucial - and we must do everything possible to get many more employers to embrace both apprenticeships and ethnic diversity.

There are some welcome signs of change: BTEG recently attended two employer networking events where ethnicity and recruitment have been the focus. One was in Birmingham - organised by Unionlearn - and focused on boosting quality and access. The other was an awards event hosted by a successful

tech sector provider in London. This provider rightly has a core focus on quality, access and meeting employer needs. Impressively, just over half of the provider's apprentices, each year, are from BAME backgrounds. It was a very positive event and it was good to see employers nominating and recognising their talented apprentices. The winners were proud to receive their trophies and prizes and all looked forward to advancing their careers in the tech sector. This was proper inclusion: representing all members of our society and recognising talent from across the board.

We hope similar events are held across the country, especially during National Apprenticeships Week. However, providers and employers need to use these kinds of celebration events to ask themselves fundamental questions about the ethnic diversity within their companies and the sectors they operate within.

We need to learn from successful initiatives and apply these across the country. The following initiatives and practical actions offer some ways forward:

Connect employers with schools and diverse young people

The London Legacy Development Corporation (LLDC) recently commissioned a BTEG-led partnership to connect young people at school with tech and construction sector employers that are offering opportunities over the next decade in their locality. The LLDC see the value in school age young people having contact with employers and role models as early as possible. Young people are often not aware of the full range of career opportunities that they can pursue in construction, tech and other sectors such as engineering.

Young people value seeing and meeting role models that come from a similar background and this makes a real difference for girls, individuals with learning difficulties and disabilities and BAME young people who may not have considered these options as being for 'people like them'.

"Young people value seeing and meeting role models from a similar background and this makes a real difference for girls, individuals with learning difficulties and disabilities and BAME young people"

Targeted interventions are necessary to tackle the biggest challenges

In 2014, Trust for London, City Bridge Trust and BTEG formed a partnership called Moving on Up. This aimed to increase the employment rate for young black men in London over a two-year period to match the employment rate for young white men. Six local employment brokerage providers were awarded grants totalling £800k to help 270 young black men into work and, importantly, to help BTEG extract 'learning' about the process of engaging and connecting young black men with employers. One of the key learning points from the Moving on Up initiative was that engaging with employers is essential but challenging. The Moving on Up programme found that direct contact with employers helped to improve confidence and motivation, increased the young men's social capital and sometimes led to job offers. However, getting employers to engage with the programme was a huge challenge.

Through the Moving on Up programme BTEG works closely with Jobcentre Plus. In 2017, BTEG and Jobcentre Plus tried to organise a series of breakfast meetings with small groups of local employers to discuss the initiative to get more young black men into work and explore what they could do to open opportunities and increase their young black male talent profiles. No local firm was willing to engage and one local Jobcentre Plus manager explained that their biggest challenge was convincing employers to employ young black men. Young black men make up 1 in 5 of the young male 16-24 population in London.

Improve workforce ethnic diversity and the employment of BAME young people

One senior leader in a large company spoke to BTEG about BAME recruitment and initiatives aimed at improving the representation of disadvantaged groups. It was pointed out that while the company supports a range of projects focused on BAME young

people, the initiative that had had the most impact on the company was one that focused on social mobility. The respondent thought this was because people in the company at all levels had come to see the benefit of the initiative and had mainstreamed it, whereas BAME projects tend to remain marginal to the business.

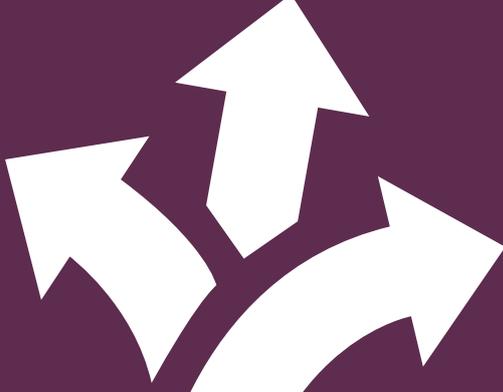
For BTEG it's no surprise in a predominately white organisation that leaders, managers and individuals at all grades seem more willing to embrace social mobility programmes. The focus on low income families and young people who are the first to attend university connects with many people who had a similar journey. Projects specifically on ethnicity might be more difficult for them to connect with as they might feel they are discriminatory.

Social mobility programmes are a mechanism for improving diversity. BTEG would like to see these programmes adopted for ethnic diversity as well as for those from disadvantaged socio-economic backgrounds. Companies should be careful, however, not to overlook BAME young people from higher income backgrounds especially on graduate schemes and paid internships.

Defining new talent

The recent Open University publication, 'The Apprenticeship Levy: one year on' (2018), contains some interesting findings based on a survey of 750 business leaders. The research found that 54% of employers in England are using apprenticeships for training new recruits and 22% for replacing an existing graduate scheme. It said that 37% of employers have found that offering apprenticeships has helped them to attract 'new talent'. This is encouraging but the report has not defined what is meant by 'new talent'. BTEG believes we must define what we mean by new talent and the definition must include ethnicity, gender, learning difficulties and disabilities, and other relevant protected characteristics. This is where the National Apprenticeship Service must be bolder and work with employers to ensure that this is the standard definition of 'new talent'.

There should be no opportunity deficit for any group of young people. Recent initiatives to improve apprenticeship participation rates for BAME young people are welcome, but more needs to be done. The Government has used legislation to force companies to publish data on the gender pay gap and even though the data provides a limited picture, it's a very positive step forward. We believe that employer action is key. Large companies should now adopt the Government's data-led approach to drive change in relation to ethnicity (and for people with other protected characteristics who face similar issues). We also urge companies of all sizes to engage with or replicate for themselves the practical actions outlined in this essay.



Unlocking apprenticeships for people with a learning disability

Jan Tregelles

Chief Executive at the learning disability charity Mencap

There is no doubt that people with a learning disability have had a difficult ride when it comes to education, training and employment. As recently as 1970, children with a learning disability were considered uneducable and it took another eleven years – until the landmark Education Act of 1981 challenged this belief – to introduce the concept of special educational needs. Today, it is unthinkable to suggest that a child with special educational needs should not have access to education, and integration into the mainstream is now the direction we are moving towards.

There are clearly still challenges and the current school funding crisis is making those more pronounced, but around 50% of children with Education, Health and Care Plans and all of the wider cohort of children with special educational needs now attend mainstream schools.

“The greater focus on education and training has done little to shift the woeful employment prospects for people with a learning disability”

Sadly, though, the greater focus on education and training has done little to shift the woeful employment prospects for people with a learning disability. It is still a tough reality that if you are born with a learning disability, experiencing the pride, joy and independence that comes from having a paid job will be a dream rather than a realistic goal for most. Just under 6% of people with a learning disability known to local authorities are in paid work. This compares to employment rates of 47% in the wider disability community and an overall employment rate of 74% in the general population, making clear the extent of the barriers faced.

Depressingly, the only available data has shown a decline in employment rates for people with a learning disability in recent years; against a backdrop to the Government's manifesto pledge to get 1 million more disabled people into work over the next 10 years. This is why it is so crucial that the pathway to employment that apprenticeships offer is accessible, and that it works for people with a learning disability. Unfortunately, what we have now, is still some way off from an inclusive offer.

We, and the wider learning disability sector, have concerns that people with a learning disability could be overlooked and excluded from this vital new route to employment. Participation rates are incredibly low;

around 2% for people with a learning disability. We therefore welcomed the taskforce created by Paul Maynard MP, which looked at how apprenticeships could be made more accessible for people with a learning disability and introduced a disability success measure to increase the proportion of apprenticeship starts by people with learning difficulties by 20% by 2020.

"We are using our own Apprenticeship Levy to train a cohort of apprentices within our organisation which also enables us to test the process"

We are using our own Apprenticeship Levy to train a cohort of apprentices within our organisation which also enables us to test the processes and the Maynard taskforce recommendations. We are using the Government's Pacesetter programme – which includes a small number of local areas and organisations who have previously demonstrated commitment and good practice on this agenda – to feedback our learning and evaluate the success of our work to feed back to the Department for Education.

A huge barrier for people with a learning disability wanting to become apprentices was the requirement to achieve a Level 1 qualification in both English and Maths to complete their apprenticeship. This excluded many people with a learning disability, who whilst perfectly capable of doing the job required, were unable to complete their training due to not being able to meet the required standard of English and Maths. This barrier was made more severe by employers adding an entry requirement of a grade C in GCSE English and Maths to choose the 'best' candidates from an oversubscribed pool of applicants.

This was overturned in September 2017. The Government accepted the recommendations from the Maynard Taskforce to remove the English and Maths barrier for a defined group of applicants with a learning disability who have an Education, Health and Care Plan. Coupled with the additional £1,000 funding for the training provider and for the employer to support access for people with a learning disability, we should see an opening up of apprenticeships to a wider range of people with a learning disability.

There will still be large numbers of people with a learning disability, however, who do not have an Education, Health and Care Plan, and we have been calling for the English and Maths flexibilities to apply to a much wider group. We believe that we should specifically explore whether those who have, or have been, in receipt of SEN (Special Educational Needs statement) support in school, and who therefore already have recognised support needs, should be offered those flexibilities too. We recognise that many people with a learning disability will struggle to move straight into an apprenticeship. Traineeships offer a good stepping stone, but many people over 25 could also benefit from them if the age cap was removed to bring them in line with apprenticeships.

Attention must be also given to young adults in the 19-25 group as it is widely recognised that it can take those with a learning disability a little more time to become 'apprenticeship ready.' For these young people, a baseline assessment in English and Maths could be carried out to ensure they are eligible for the more flexible requirement. To prevent any abuse in the system, the assessment could be validated by the Department for Education.

The changes have led to Mencap developing its own apprenticeship offer, testing how the flexibilities work in practice and hoping to illustrate to other employers the benefits of taking on an apprentice with a learning disability and outline the level of support required. We're using our own levy to employ up to 20 apprentices.

One of these recently described their apprenticeship journey to a roundtable of MPs:

"I wanted to do an Apprenticeship in administration as an opportunity to get back into work. I had been out of work for almost 3 years."

"For me it's great because you are learning, gaining knowledge and my confidence has been boosted so much. Everything is a learning curve and I'm really enjoy it."

"I get 1:1 support with my maths and English and sometimes in a group. I would definitely recommend it to other disabled people who want to get out there and work."

Despite implementing some of the changes from the Maynard Taskforce we are still some way off a fully inclusive offer for apprenticeships. The introduction of End Point Assessment (EPA) has created a further barrier. EPA is the final part of completing an apprenticeship which often consists of interviews, synoptic testing and observations of someone completing a task. These pressured environments can put people with a learning disability at a significant disadvantage as the assessment can rely on verbally relating skills.

It is crucial, therefore, that both the apprenticeship standards and the EPA take into account the types of reasonable adjustments that can make a huge difference to people with a learning disability. For this to work we need to give employers and providers practical examples of the types of reasonable adjustments that can be applied to ensure these are implemented effectively.

We would recommend the publication of clear guidelines around the application of reasonable adjusts such as:

- CV/Video CV to replace online-only application process;
- Informal discussion and work trail to replace formal interview;
- Ongoing observation and professional discussion to replace end point assessment (the employer can assess whether someone has demonstrated they can do the job);
- How to embed functional skills specifically related to the job for English and maths rather than formal qualifications.

We view apprenticeships in the wider context of breaking down the various barriers to employment faced by people with a learning disability.

"One of the biggest fears from employers is that taking on an employee with a learning disability will create more work than it solves. Mencap found the opposite"

One of the biggest is the fear from employers, born from a lack of knowledge, that taking on an employee with a learning disability will create more work than it solves. Research commissioned by Mencap found the opposite, with most employers reporting a range of benefits.

In 2017, Mencap asked Drs Stephen and Annie Beyer to carry out a systematic review of research into the business benefits of employing people with a learning disability. The review found that once in work, people with a learning disability stay in their jobs 3.5 times longer on average than non-disabled co-workers. Staff morale is often improved; one study shows that 72% of employers regard the impact on company morale as an 'important factor' in deciding to employ people with a learning disability. It can also be a PR boost for companies. In one large study 92% of consumers interviewed said they felt more favourable towards companies who hired disabled people, and 87% agreed that they would prefer to give their business to companies that hire people with disabilities. But these benefits of employing people with disabilities are not common knowledge amongst employers, and the same is true for apprenticeships. In fact, a key recommendation from the Maynard Taskforce was for the Government to implement a communication strategy to "promote awareness, particularly of the funding and financial support available, and the positive benefits of taking on someone with learning difficulties or disabilities".

At Mencap we know these benefits better than most and have seen the difference that apprenticeships can make to an individual. In fact, one of our apprentices is managed by someone who also has a learning disability – illustrating perfectly what is possible when someone is given the support to develop in their role with small adjustments made where necessary.

Ciara Lawrence, who has a learning disability and is now managing someone for the very first time in her career at Mencap, explained her employment journey:

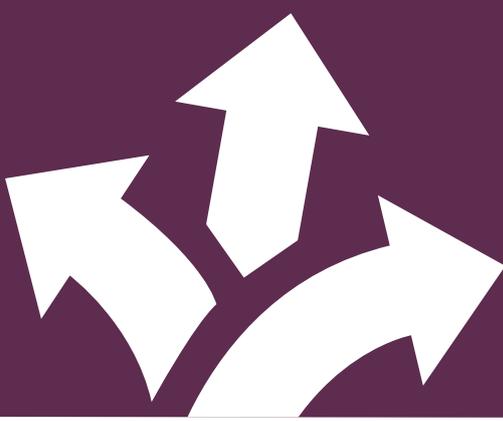
"To me, as someone with a learning disability in full-time work, having a job is hugely important. It's helped me gain independence, boosted my confidence, allowed me to earn money, develop new skills and really show employers what I'm capable of. We need employers to see what great workers people with a learning disability are. They're hard working, reliable and can teach us things others can't. Apprenticeships are a fantastic way for people to learn new skills on the job and for employers to see what people are capable of, which is why they need to be made more accessible for everyone.

I'm very lucky to be managing our apprentice. Managing someone has been a goal of mine for a while, so it's been a really positive challenge for everyone."

Things are changing, but we have a long way to go and a lot of learning to do. I am hopeful, that similar to what happened to education for people with a learning disability over the last 50 years, we will look back at the 2010s and 2020s as the decades that brought about greater training opportunities for people with a learning disability.

For this to really happen, the Government needs to listen to our calls in relation to End Point Assessment and flexibilities around English and Maths. We need to ensure that employers know about and get the support they need to recruit apprentices with a learning disability and that they are truly knowledgeable about reasonable adjustments. We need more examples of people with a learning disability undertaking apprenticeships, showcasing that this works, both for the employer and the employee. Perhaps this is where the public sector could lead by example, making sure that apprenticeships success stories are shared far and wide.

Given all that, I am hopeful that in 10 years' time we will have a more inclusive workforce and that apprenticeships will be widely on offer for people with a learning disability.



Affordability, diversity and flexibility: tackling entrenched gender segregation for young women

Mark Gale & Dr Carole Easton OBE

Policy and Campaigns Manager & Chief Executive at Young Women's Trust

The Government's three million target has brought a welcome focus to apprenticeships that was missing for too long. The fact that women account for more than half of apprenticeships starts is often cited as evidence that the changing profile of apprenticeships is providing opportunities for people previously left out of the system.

However, research from Young Women's Trust has shown that, behind these numbers, the reality of apprenticeships for young women is often far from positive. There has been much discussion about how apprenticeships offer opportunities for young people to develop their skills and for businesses to address skills gaps, but there is a growing body of evidence showing that apprenticeships are not working for all young people. Polling of former apprentices has shown that young women are less likely to find employment after an apprenticeship and that they are not accessing suitable opportunities to the same extent as young men. Entrenched gender segregation, along with low pay and a lack of part-time opportunities, continue to keep young women and those from poorer socio-economic groups

from accessing the best apprenticeships. This limits the potential of the system to be truly effective in delivering the skills the economy needs.

It is important to better understand these barriers in order to identify how the ongoing process of reform can be harnessed to make apprenticeships more affordable, flexible and diverse – to create an apprenticeship system that delivers on its promise by working for all young people.

Low pay and a lack of financial support

For many apprentices, low pay fails to match up to the cost of living, leaving them to struggle financially during their apprenticeship. Polling by ComRes for Young Women's Trust in August 2017 found that for 2 in 5 apprentices (43%) the costs associated with doing an apprenticeship such as travel to work, buying clothing or paying for childcare, are higher than their earnings.¹

This rises to 60% for those apprentices who are parents – a group overwhelmingly more likely to be female. Young women are especially susceptible to experiencing financial difficulties during apprenticeships, not least because they continue to earn less than their male counterparts. Amongst current and recent apprentices, the average wage for

women, weighted by apprenticeship level, is £6.67 compared to £7.25 for men.²

As a result, 81% of current or recent apprentices surveyed said that they struggled to make cash last to the end of the month, and have to borrow money from friends and family, get into debt or use foodbanks; young women are amongst the worst affected³. This is perhaps not surprising when the apprenticeship minimum wage is just £3.70, even after the most recent annual increase. Many apprenticeships will get paid more than this, but 1 in 5 are still paid less than £5 an hour⁴.

It is those young people from the most economically disadvantaged groups – who are disproportionately found in lower level apprenticeships with limited opportunities for progression – that are most likely to be paid at or around the minimum.⁵

“Current patterns of apprenticeship engagement risk further entrenching inequality, acting as a brake on social mobility”

Ironically, current patterns of apprenticeship engagement therefore risk further entrenching inequality, acting as a brake on social mobility.

Financial disparities for women do not end after their apprenticeship is completed. Sutton Trust has shown that the financial returns for men undertaking a level 3 apprenticeship are greater than for women. Men who start an apprenticeship earn about 37% more than those who left education with A-levels only, whilst the equivalent uplift for women is just 9%.⁶ Young Women's Trust research has also shown that women are less likely to be employed after completing an apprenticeship.⁷

And low pay doesn't just make life difficult for apprentices. It also puts people off applying for apprenticeships in the first place. A survey of 4,000 young men and women aged 18-30 carried out by Populus Data Solutions for Young Women's Trust in July 2017 showed that 3 in 5 young people (62%) who didn't undertake an apprenticeship had been put off by the extremely low levels of pay.⁸ Some of these will have chosen instead to undertake a Higher Education course, but thousands of others will have moved into low skilled work at the national minimum wage. Both the perception and the reality of low pay limits

access to apprenticeships and reinforces the idea that apprenticeships are a low quality, second-best option. As long as these gender and socio-economic gaps exist, apprenticeships will fail to reach their full potential. Young women, especially those from poorer socio-economic groups, will continue to miss out on the best apprenticeships and employers will lose out on being able to make use of all talent.

Gender and occupational segregation

The disparity in gender is largely a reflection of the sorts of apprenticeships that are undertaken by men and women. Two thirds of female apprentices work in just five sectors, with 27% undertaking apprenticeships in health and social care alone. The gaps are therefore underscored by the huge variations in pay levels between apprenticeships in different sectors. For example, the average weekly rate of basic pay for apprentices in the female-dominated framework of hairdressing was £161. This compares to £289 for engineering apprenticeships, which is heavily male dominated.

Gender segregation limits opportunities for women to benefit from the best apprenticeships. Yet it is deeply entrenched within the apprenticeship system; the proportion of female engineering apprentices is little changed in over a decade and reflects wider employment trends. Young Women's Trust's research has identified three underlying issues that at least partly explain this trend.

“Careers advice, especially for young women, often fails to provide adequate information about different paths and, crucially, apprenticeships”

Firstly, careers advice, especially for young women, often fails to provide adequate information about different paths and, crucially, advice about apprenticeships is severely lacking. Young Women's Trust's annual survey showed that 1 in 3 young women and 1 in 4 young men who didn't follow an apprenticeship route would have done so if they had been provided with better information about their options. Women were also twice as likely as

young men to say that they had not followed an apprenticeship route because they felt it wasn't for someone of their gender, with 1 in 6 young women giving this as a reason for not doing an apprenticeship. Earlier research interviewing young women who were not in employment, education or training (NEET) also identified that young women frequently felt careers advice funnelled them into a narrow range of careers and failed to tackle gender stereotypes.⁹

Secondly, despite many organisations making efforts to tackle these barriers, the perception for many young women – particularly those taking their first steps into a career via an apprenticeship – is that they are not welcome in those sectors and have little chance of being successful. Forthcoming research by Young Women's Trust and the University of Chester shows that, due in part to a lack of understanding of the existing legal framework around positive action, measures taken by organisations to improve diversity often fall short of what is possible.

Thirdly, a lack of part-time and flexible apprenticeships limits the ability of young women, especially those with caring responsibilities, to engage with apprenticeships. Currently just 11% of apprentices are contracted for less than 30 hours a week and just 3% work between 16 and 19 hours per week.¹⁰ Polling of 800 HR professionals by Young Women's Trust showed that more than half of employers would consider offering part-time apprenticeships but believe they would be too difficult to administer. Meanwhile, potential apprentices found that resources such as the Government's Find an Apprenticeship service did not allow them to search for part-time apprenticeships, leading many to believe they are simply not available.¹¹

Making apprenticeships work for everyone: affordability, flexibility, diversity

Despite the barriers facing all young people – and particularly young women – in accessing high quality apprenticeships, there is potential to make apprenticeship work for everyone if we find ways to make them more affordable, flexible and diverse.

Making apprenticeships more affordable

We need to make apprenticeships more affordable.

Young Women's Trust believe that this should begin with an immediate increase in the apprenticeship minimum wage.

This has the support of employers. In a survey of 800 HR decision makers by YouGov for Young Women's Trust, 75% of employers agreed that the apprenticeship minimum wage was too low. The low minimum wage creates a perception amongst potential apprentices and employers that apprenticeships are a low-pay, low-quality option. Increasing the minimum wage would challenge this perception, encouraging employers to invest in apprenticeships of greater quality which would be linked to a natural uprating of pay.

Some concern has been expressed that increasing minimum rates of pay would result in fewer opportunities being made available. However, the polling appears to counteract these fears. When asked about the impact of increasing the minimum wage for under-25s to the Living Wage, just 15% of employers indicated that they would cut back on employing younger workers as a result. This suggests that, providing the increases are appropriately phased, there is significant scope to increase the apprenticeship minimum wage with minimal impact on the availability of apprenticeships for younger people.

Additionally, the Government should further explore how to reform financial support for apprenticeships. This would include consideration of how maintenance loans can be extended to apprentices and how support can be further supplemented by offering Government-backed bursaries to those most in need of support or to encourage uptake of apprenticeships in key sectors.

Making apprenticeships more diverse

To incentivise employers to take measures to increase diversity, the Government should reinstate the apprenticeship diversity fund, with additional resources for employers and training providers. Consideration should also be given to providing additional payments to employers and providers of apprenticeships for women in male-dominated sectors. Similar payments are currently made

to employers and providers of 16-18-year-old apprentices to cover the additional costs of recruiting and supporting younger apprentices. Similar justifications can be made for payments in certain sectors to cover the cost of positive action measures such as those outlined above.

Furthermore, clearer guidance from Government on the use of effective positive action measures would help to clarify the law and provide confidence to employers about measures they can take to tackle underrepresentation of groups, including young women. This could be further supplemented by using public sector procurement powers and sector specific targets to drive action, whilst consideration should be given to whether quotas would be more effective should these measures fail to have the desired impact.

High quality careers advice needs to be available for young people in a way that provides information on a range of options and challenges stereotypes. Additional resources should be made available for schools to provide independent careers advice, expanding the duty schools already have, to ensure information is provided about a range of career options with explicit reference to apprenticeships.

“Increasing the flexibility of apprenticeships would enable more people to benefit from the skills and development of an apprenticeship”

Make apprenticeships more flexible

Increasing the flexibility of apprenticeships would enable more people, including young parents and existing part-time staff, to benefit from the skills and development of an apprenticeship, providing a much-needed boost to the economy. For employers in the public sector it could also support efforts to meet the public-sector apprenticeship targets.

By starting with the principle of what works for apprentices, employers may find huge benefits from gaining access to a wider talent pool and increasing productivity. Government, too, needs to promote flexible apprenticeships. A valuable starting point would be including positive examples of part-time apprenticeships in the Government's guidance and making opportunities on the Find an Apprenticeship website searchable by whether they are part-time or flexible.

At their best, apprenticeships can offer invaluable experience of the workplace and work-related training and learning. However, there remains much to be done to ensure that the apprenticeship programme delivers for young women whilst also meeting the skills demands of the economy. Apprenticeships must become more affordable, more diverse and more flexible – with a greater focus on tackling the gender segregation that still sadly persists.

Apprentice voice

What quality means to an apprentice

"In addition to a good manager, a good quality apprenticeship should involve a good team, sometimes there might not be a specific team that some apprentices work in but, for those that; do a supportive team can help an apprentice develop a wider range of skills."

Jemma, transport planning apprentice

"To ensure that an apprenticeship achieves quality, I think the government should set out what an apprentice needs as well as a compulsory training day for the Education Manager or Apprentice lead to undertake. This should have information on how to work with young people, including how to encourage them and monitor their progress as some managers do not have experience of working with young people."

Jemma, transport planning apprentice

"I came straight from sixth form so adapting to the work life style has proven to be a new and exciting challenge. It might sound very daunting, but in a quality apprenticeship this is not the case. The support I received prior to starting and the support I continue to receive has been amazing.

"Another thing that really impressed me was that all of the nationwide apprentices were expected to attend the same induction programme as other Virgin employee.

"My manager went out of her way to ensure that I was happy and supported in those first nerve-wracking weeks. and her role has been pivotal within my apprenticeship."

Katherine, retail travel apprentice

"In my experience as an academic student, I was not well informed about apprenticeships, with the information stemming from my own research as opposed to freely available knowledge from my teachers. I believe government should help to fuel the apprenticeship drive by promoting greater awareness of the benefits, and classifying students entering apprenticeships as a form of higher education (particularly for higher level apprenticeships that are equivalent to university such as law.

"It would also be useful to encourage young apprentices to network at an early stage in their careers and help promote apprenticeships by attending school careers fairs or offering mentoring/vacation schemes for students to undertake work experience."

"It is important that the government removes barriers and creates frameworks for employers. This could include encouraging employers to consider life experience on balance with academic qualifications, particularly for older candidates applying for apprenticeships who may not have the required qualifications. Additionally, for candidates with children or care responsibilities that may not permit them to work full-time, clarity is required by the government on the conditions for part-time apprenticeships (a minimum of 16 hours per week and where these are applicable) and they should be advertised on a wider scale."

Michelle, legal apprentice

"One of the greatest aspects of apprenticeships is that you are already in the working world and have easier access to opportunities. I think that when an apprentice begins their apprenticeship, they should work with the employer and the training provider to set five career goals. These should then be met with support from the employer, resulting in the apprentice gaining more responsibility, attending external courses, building their portfolio and achieving career progression."

Olivia, medical apprentice



Gaining the edge: reflections on an apprenticeship journey

Dexter Hutchings

Digital Marketing Apprentice at Edge Foundation

I have recently finished my Level 3 Digital Marketing apprenticeship while employed by the Edge Foundation, a small independent education charity.

I had always enjoyed school and done quite well in my GCSEs with little revision. This complacency led me to think sixth form and university was the best route for me. However, after seeing my grades quickly drop in sixth form and without much support to help me, I decided to study at my local Further Education college instead. Unfortunately, I didn't enjoy this either as it was less practical than I had assumed it would be and I realised I needed to do something different. Having worked from the age of 14, I was already well equipped with the skills necessary for the world of work, so decided an apprenticeship might suit my needs better.

While I was at school, I was steered towards studying A-levels and then going to university but didn't receive any information about apprenticeships or other routes into employment.

To make a well-informed choice, it is imperative that young people know about the alternative pathways available to them. This does not mean simply making them aware of the alternatives, but also giving them the knowledge to make good choices. Students need to know what all the routes involve, the advantages and disadvantages of each and the ways into each route. An amendment to the Education Bill legislation in 2017, proposed by former Secretary of State for Education and Chair of the Edge Foundation, Lord Baker – means that all local authority-maintained schools and academies must now give education and training providers the opportunity to talk to pupils in years 8 to 13 about approved technical qualifications and apprenticeships.

Careers advice in schools should mention all the pathways and give detailed advice on each. I believe that information about all the different ways into jobs should be easier to find and of a

higher quality. It is relatively easy to find a university that offers a course in your chosen subject. I think there should be a sort of easily accessible comparison site, which could show the different routes available into any chosen career and the advantages and disadvantages of each one. If you wanted to become an engineer, for example, an apprenticeship could be a much more valuable pathway than going to university.

I was lucky because through my own research and thanks to my friends and family who were already on apprenticeships, I was aware of them and could see the advantages.

The main benefit of an apprenticeship is that you get to earn while you learn. However, I have also appreciated taking on the responsibilities I have been given, enjoyed the office environment and made lots of great contacts. Over the course of my apprenticeship I gained confidence, matured as a person and learned so many transferable skills. I saw huge personal growth and also gained experience in other areas of the organisation beyond the remit of my role such as organising events and attending policy seminars, which I probably wouldn't have had the opportunity to do as part of a degree course at university.

Even if we can make information on apprenticeships more readily available, there is also work to do to make the application process easier. I found it much more challenging than I thought it would be.

I was in a fortunate position as I was in college with the spare time to search for apprenticeships and attend interviews. However, those in year 11 have the challenge of timing their application so that they can start at the right time, without spending too much of their time which they need to prepare for their GCSE's. My initial challenge was finding an apprenticeship that suited me and which I thought would be enjoyable. I attended a few interviews where the role wasn't quite right. I found several apprenticeships that could have been suitable, but many providers require you

to interview with them before your CV is sent to the company which led to several deadlines being missed. My application for the position at Edge required me to do a pre-interview with the provider with multiple functional skills tests, which I had already completed with several other providers. I then had two interviews with Edge before being offered the job.

My solution to this issue would be to create a portal which stores data such as functional skills results, your CV and personal information. Providers could then conduct phone interviews with candidates to speed the process up and avoid deadlines being missed.

"Apprenticeships have often been seen as being 'for other people's children' and changing these perceptions continues to be a challenge"

Apprenticeships have often been seen as being 'for other people's children' and changing these perceptions continues to be a challenge. A lot of this is due to schools not giving much information on apprenticeships, perhaps because it is advantageous to a school to retain students through to the sixth-form. Apprenticeships have lost some of the stigma associated with them, especially since universities such as Cambridge have announced they will now offer degree apprenticeships. However, there is a long way to go before the majority of parents recognise the value and benefits of an apprenticeship as a lot of misunderstanding and snobbery persists.

A lot more people are slowly finding out about apprenticeships and as more people opt to complete an apprenticeship, word of mouth helps to raise their profile.

There has certainly been a shift in perception and with the rise in university tuition fees and more opportunities for degree apprenticeships, it's becoming increasingly attractive to young people and their families who might traditionally have favoured higher education. While this is welcome, I do have some concerns that a swing in popularity and a shift towards higher level apprenticeships, might disadvantage young people for whom an

apprenticeship gives them the opportunity for 'learning by doing' alongside theoretical work. I think it would be disappointing if a greater take-up amongst more affluent young people, meant there were fewer opportunities for more disadvantaged youngsters who may be less likely to achieve academically. Opening the door to a new demographic should not close the door for another.

“Opening the door to a new demographic should not close the door for another”

Something that often puts young people off apprenticeships is the pay. I appreciate that lower pay is balanced by the benefits of training and development, however, I would like to see an increase in the apprentice minimum wage. Those from more deprived backgrounds may have to travel further to get equal opportunities. Travel can be expensive and those on the minimum wage struggle to cover travel and other living costs. Needless to say apprenticeships really can offer a pathway to a good salary, I was lucky that Edge valued me as an employee and opted to pay the going rate. One of my favourite statistics from my year at Edge is from our plan for 14-19 Education, which shows that a graduate earns less on average five years after graduation (£26,000) than a Level 5 apprentice two years after completion (£27,800).¹²

Increasing accessibility and making apprenticeships more appealing to all could help solve some of the pitfalls the government has faced with apprenticeships. Apprenticeship starts fell 41 % in the first six months since the Levy was introduced, compared to the same period the previous year. However, a lot of this seems to stem from employers being deterred from creating apprenticeship posts because of the increased costs and complexity of the new scheme.

The Institute of Directors has said that just 14% of employers who pay the Apprenticeship Levy think it is fit for purpose and only around a third understand the system perfectly. Even fewer will reclaim their full levy entitlement.¹³

It is clear that much more work must be done with employers so that they understand the levy and the advantages of employing an apprentice. In his keynote address at the Edge Annual Lecture last year, Siemens Head of HR and member of the Institute for Apprenticeships, Toby Peyton-Jones, pointed out that good companies recognised that the return on their investment in apprenticeships, is the apprentice themselves.

We also need to make sure there are a variety of roles available at all levels so that anyone can start an apprenticeship appropriate to their qualifications and prior learning. These different levels allow for suitable progression for people of all capabilities whether that may be those with no previous qualification's or those who achieved four A's at A-level.

Edge Foundation is a small organisation, but they offered me a lot of support throughout my apprenticeship and always gave me the time I needed to complete any work. I was given routine tasks, but also the freedom to work on other projects and create my own pieces of work. This independence was a huge part of my development and allowed me to break new boundaries. The team was very welcoming, and we work very closely in everything we do. I believe this environment was key to me achieving my apprenticeship. I certainly learnt a lot more at my place of work and through self-teaching than in the classroom.

“The key to an apprentice's success is the combination of a good training provider and a supportive employer”

It is clear to me that the key to an apprentice's success is the combination of a good training provider and a supportive employer. My time as an apprentice was not plain sailing when it came to lessons at the academy with my training provider. As little as 5% of my time was spent doing off-the-job training. This time was used to complete essays in a controlled environment. During the whole year of

my apprenticeship we only had one brief lesson. The provider said that it was our employers' job to teach us all the skills that we required. However, I believe the provider should definitely be teaching us some of the essential knowledge. Many small organisations will not have the resources available to teach apprentices the skills required for them to complete their whole apprenticeship framework.

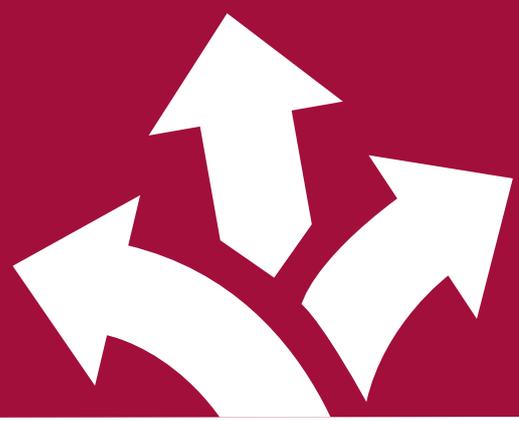
Other apprentices studying at my academy were not being exposed to any of the apprenticeship framework and were doing jobs not related to their apprenticeship. This put them in a position where they were struggling to complete the framework, however, leaving would put them at risk of being left without a job which in turn means they cannot complete their apprenticeship. I feel that work needs to be done to ensure this does not happen in the future.

I also experienced a high turnover of assessors in my year as an apprentice. I had four different assessors and went several months without any. Although this may be uncommon, it had a detrimental effect on my learning. Controlled assessments were often left in the hands of assessors, so they could not be accessed in uncontrolled environments and this led to many of my peers losing work throughout their apprenticeship, as assessors would not pass work onto their successor when leaving the academy.

I believe that frameworks and standards should be much more rigorous and every training provider should be offering the same level of teaching. It is crucial that a provider is actually teaching from a lesson plan and not just offering minimal assistance and a controlled environment for assessments to be completed in. All my assessors had little knowledge of the framework and had come from a niche part of the industry and seemed to have little to no teaching experience.

Training providers should be recruiting assessors with a broader knowledge and with a qualification in teaching/training. This could be a new short course that is created for those who are assessing apprenticeship frameworks and standards. Overall, I would highly recommend looking into completing an apprenticeship. I am very happy with my choice but wish I had known more about them sooner. Since completing my apprenticeship I have been offered a full-time job at Edge, where I intend to stay for the foreseeable future.





Are apprenticeships for other people's children?

Ben Kinross

Apprentice Engagement Officer at the National Society of Apprentices

Everybody is talking about apprenticeships. We're not so good at talking to apprentices. What we do at the National Society of Apprentices (NSoA) is take what decision makers are saying about apprenticeships and translate it into language that apprentices can get their head around. Then we give apprentices a space where they can reflect on what they think about their apprenticeships. Finally, we support a group of apprentices to speak to decision makers.

On a more personal note, I like apprenticeships. I really like apprentices. I am one of those lucky folk who really enjoy their job. This is the spiel I've recounted dozens of times when asked what I do.

I have a confession though. I have a daughter and I worry about her doing an apprenticeship.

Yes, I'm one of those people who thinks apprenticeships are probably for other people's children.

There are a myriad of barriers for would-be apprentices to overcome, but I think that it's important to recognise that one of those barriers is often people like me. As a parent, as a youth worker and as a voter, I've put up with a vocational education system that's "ok" but not something I'd want my kid to do.

I'm wanting to be convinced that an apprenticeship would be good for my daughter. The apprentices I meet that are on excellent apprenticeships tell me that combining education and work provides them with an experience that is both meaningful and challenging, with high-quality training both on and off the job. There are the usual trials and tribulations of the workplace, but these apprentices have hit the jackpot. They have employers who have understood that off-the-job learning is not a chore to be completed or a hoop to be jumped through but an integral part of educating, creating and shaping their workforce. They do not see it as "time lost" but instead as time invested.

"What worries me as a parent though, is that it seems such a lottery: What would make me change my mind?"

What worries me as a parent though, is that it seems such a lottery. Which begs the question: "What would make me change my mind?"

Having reflected long and hard on this question, I have concluded that I would need to know that my daughter's apprenticeship was good work and a real education. Work where she was stretched and valued. An education that enabled her to progress in the job she's chosen or go on to further study.

Work has to pay and what I see in parts of the apprenticeship world puts me off:

- If you're paid the apprentice minimum wage you will have less money to live on than a full-time university student.
- If you are a 16-18-year-old your parents or guardians will not receive child benefit.
- If you are a 16-18-year-old and have a child, you are ineligible for Care2Learn childcare.
- Your entitlement to travel discounts pretty much depends on whether you live in a city or metropolitan area with a devolved mayor, of either political hue.
- Failing to pay even the scandalously low apprentice minimum wage appears to have little or no risk. Year after year the apprentice pay survey tells us of endemic underpayment of tens of thousands of apprentices without a single fine being issued.

The apprentices I work with say that limiting the time you can be paid the apprentice minimum wage to just six months before being paid the appropriate national minimum wage would balance their desire to see the end of low pay for apprentices without jeopardizing the number of apprenticeships available to young people.

To borrow a phrase, education means education

Apprenticeships in England require 20% off-the-job learning. The high-quality apprenticeship systems in Europe all have substantial elements of this. It is most disheartening to see this come under attack months into its introduction. In last year's apprenticeship pay survey we learnt that just a third of women received their 20% off-the-job learning. This was further investigated in Learning and Work Institute's 'Sticking to the Rules' report, which found that over half of

employers did not know an apprenticeship required off-the-job training; four in ten didn't know that this training needed to be paid.

"If we are to have an employer-driven apprenticeship system, employers must know, and stick to, the rules of the road"

If we are to have an employer-driven apprenticeship system, employers must know, and stick to, the rules of the road. It is not acceptable that employers expect 100% of an apprentices' time when they are happy to pay less than 50% of the minimum wage. In contrast, employers in Europe recognise that in order to grow and develop their industries apprentices need time for an education.

The apprenticeship I want my daughter to be able to enjoy would have technical and vocational education that equips her for her career. It would also include the broader educational activities that she would expect if she were learning elsewhere. I'm not simply talking about English and Maths, vital as they are, but also opportunities to be involved in social action, supported volunteering, perhaps even learn a foreign language.

We could do well to look at allowing programmes and activities like, for example, Step up to Serve, the National Citizenship Service or the Brathay Challenge to be included within the 20% off-the-job training element.

Data and Information matters

I can't tell what is going to be a great apprenticeship from one that simply meets the minimum legal requirements. As a parent I need something a bit more substantial than the accepted wisdom that says, "large engineering firms will do well".

Twenty or so years ago, if I remember correctly, my careers teacher told me that Warwick University was good for Maths and Bath University was good for Business. I don't have to rely on that kind of half-remembered nonsense if my daughter wants to go to university. She can look it up... graduates from a specific university on a specific course think this about their education and they progress into these jobs.

Why is this not available to us for apprenticeships? As a parent I would like to know who both the employer and training provider are at application. I'd also want to see how many apprentices completed their apprenticeships, how many stayed within the company and how many progressed onto further learning.

Whilst we are on the subject of data, the lack of LGBT+ participation data for apprenticeships got an eyebrow arch from my daughter the like of which is usually reserved for when I express the possibility that I might dance at a family wedding. This data is collected and is published by the Department for Education for other characteristics and has driven work to expand access to apprenticeships amongst people with disabilities for example.

In the absence of any systematic and widely promoted source of information about range and quality of apprenticeships on offer, apprentices repeatedly say that after personal recommendation from friends and family, the method they use to assess apprenticeship quality is pay.

If my daughter is reading an advert for an apprenticeship, the single piece of reliable data to compare one apprenticeship with another is pay. Comparing £3.90 and £4.90 is easy to do and the difference easily understandable. It says nothing about apprenticeship quality, though.

The apprentices I work with are pretty savvy. They can spot the illegal ones: no contract, no learning, or paid under the minimum wage. What they don't have is a simple way of differentiating between merely legal and actually good. The Institute for Apprenticeships has had a year to bed in. It's time it moved from rubber stamping new standards to telling apprentices what excellence looks like and where they can find it.

"I'd like to see a clear statement on what an excellent apprenticeship looks like and an Institute-backed quality mark to reassure apprentices and parents"

As a parent I'd like to see a clear statement on what an excellent apprenticeship looks like and an Institute-backed quality mark to reassure apprentices and parents that their apprenticeship is a great apprenticeship.

Decision time

It's not long now before my daughter has to make these decisions. What kind of education does she want, what does she want to do in the future? Helpfully she's at a school that promotes apprenticeships, giving her an advantage over many other school leavers. Hopefully she'll have access to enough reliable information to make an informed choice.

If we'd moved to Germany, I wouldn't be having this discussion with her. The world of Ausbildung is far from perfect. Occupational segregation and the gender pay disparity stemming from this makes my daughter incandescent with rage. I would, however, know that wherever she did her apprenticeship, her employer would have someone qualified to support her apprenticeship, her training provider would be required by law to provide a broad education and her qualification would allow her access to further study if she wanted it.

All of this has been talked about again and again at home over the kitchen table. Being an independently-minded teenager, she's not been slow at pointing out my parental hypocrisy. At this stage I have no idea what choices she will make. The aspiration of excellent apprenticeships for all isn't an unattainable dream but we need systematic change to make it a reality.



Future

The Apprenticeship Levy and other wide-ranging reforms to apprenticeships have been in place for just over one year. Policies should be given time to settle in – the skills system is probably the most over-reformed area of public policy. Nonetheless it is important to consider the future direction of travel.

Learning and Work Institute support the levy and wider reform principles: they have the potential to be a game changer for skills in the UK. Our ideas for next steps are based on building on the framework now in place.

The principles underpinning them are:

- **flexibility**, meeting the UK's skills needs in the most flexible way possible;
- **focus**, targeting investment and effort where it can make most impact and ensuring fair access; and
- **impact**, measuring the impact on employers and individuals, and maximising value for money for taxpayers.

Based on this, we think there are three big areas (beyond reforms identified earlier in this collection) to focus on next.

The first is the role of apprenticeships and learning in wider economic development. This is something that Dr Julie Nugent, Director of Skills and Productivity for the West Midlands Combined Authority (WMCA),

focuses on in her essay. The WMCA's plans for development and growth of the West Midlands economy include devolution deals transferring transport, housing and other powers along with an £8bn investment. Apprenticeships can play a role in helping deliver this investment and ensuring local people benefit from it.

This shows the need for a balance between national frameworks and local delivery. Apprenticeship standards are rightly determined at national level (occupations don't vary significantly between regions) and funding is also national as, for levy payers, it is routed through their digital account. However, Metro Mayors and Local Authorities can play a critical role in putting apprenticeships and skills development at the heart of economic development plans and integrating policy together. For example, the WMCA and some other cities and local areas provide transport subsidies for apprentices and also require developers to take on apprentices as part of planning permission and Section 106 agreements. This is a placemaking role rather than budget holding role.

The second is how to improve the focus and impact of apprenticeships. The Government's target of three million starts by 2020 has helped focus attention. However it ultimately runs the risk of focusing too much on quantity rather than quality, and the wrong measure of quantity too (starts, rather than completions and impact). We don't think there should be another headline starts target after 2020. Instead the focus should be on the number of young people completing apprenticeships and its impact on their long-term career prospects and employers' productivity. For example, the previous government's target for 50% participation in higher education for young people drove focus – should there be an equivalent target for apprenticeships?

Future

The third relates to the scope of the levy, currently restricted to spending on apprenticeships only. In part this is to support delivery of the government's target of three million apprenticeship starts by 2020. IPPR's Joe Dromey sets out the case both for local government to play a role and also for a wider Skills Levy including expanding the number of firms paying the levy. There is a clear case for examining this: apprenticeships are important but they should not be the only route for people to improve their skills at work.

The challenge is to balance the desire for flexibility with the need to ensure investment makes a difference and doesn't just replace existing activity. Potential areas for investment could include:

- **traineeships**, which can play a role in preparing young people for apprenticeships and in widening access;
- **T-level work** placements, where an estimated 220,000 placements are needed across the economy by 2020; or
- **basic skills**, given half of the nine million adults who lack functional literacy and numeracy skills are in work.



Fixing the apprenticeship system locally

Joe Dromey

Senior Research Fellow at IPPR

The Apprenticeship Levy is a welcome effort to boost training given low and declining levels of employer investment; but it has had a difficult first year.

A significant factor in accounting for the teething problems is the excessive centralisation of the apprenticeship system, and the lack of devolution and local flexibility. It is increasingly clear that if it is to be fixed, the apprenticeship system needs to be fixed locally.

A difficult first year

The Apprenticeship Levy was a bold and radical reform, but its introduction has not been plain sailing, having been followed by a significant decline in apprenticeship starts. Part of this decline may be the result of employers taking a 'wait and see' approach to the new reforms; and we might expect to see an upswing in starts ahead of April 2019 as levy funds start to expire and as more apprenticeship standards are approved. Nonetheless, the early signs have been troubling.

Experiments with devolution

The UK is one of the most centralised states in Europe, with comparatively weak powers for local and regional government. This has traditionally been the case with our apprenticeship and adult skills system, in which local and regional government has had comparatively few powers to shape provision to meet the needs of local economies, local employers and local communities.

In recent years, as part of the Northern Powerhouse agenda, there have been some tentative and welcome steps towards a more devolved system for apprenticeships and adult skills. The Adult Education Budget (AEB) is set to be devolved from next year to a number of combined authorities, giving them greater flexibility to meet local needs. However, the AEB accounts for a relatively small part of adult skills funding; in London, the budget that will be devolved to the Mayor of London will be around £400m – equivalent to just £45 per adult per year.¹³

There have also been some efforts to create a more devolved and flexible apprenticeship system. Wave One City Deals included a number of measures, such as the establishment of Apprenticeship Hubs, provision to set up Apprenticeship Training Agencies and investment to support local Employment and Skills Partnerships.¹⁴

In places where the Apprenticeship Grant for Employers was organised locally, funding was able to be adjusted by industry and by area to change provider behaviour and stimulate apprenticeship growth where it was most needed.¹⁵

“With the advent of the Apprenticeship Levy, local areas have barely been given a look in”

Devolution checked – the centralisation of the Apprenticeship Levy system

With the advent of the Apprenticeship Levy, however, local areas have barely been given a look in. The Department for Education sets the rules and provides oversight. Employers design apprenticeship standards and individually make decisions on whether and how to invest in apprenticeships. Finally, the Institute for Apprenticeships approve apprenticeship standards and assessment plans. While the levy funds are devolved to Scotland, Wales and Northern Ireland, the system in England is highly centralised, with local authorities and combined authorities having no role in shaping the policy. The only direct control the Mayor of London or the Mayor of Greater Manchester has is over how to spend their own Levy funds; they have no official levers to influence the behaviour of employers in their region.

There are potential benefits to such a centralised and an 'employer-led' system. By stimulating demand for apprenticeships, but putting individual decisions in the hands of employers, the Government hopes that employers will invest in apprentices that meet employers' skills needs and boost productivity. Decisions on training are left to the market in the hope that this will deliver optimal results. For employers operating nationally, centralisation means more simplicity, as they do not have to engage with a system that has regional variations across England.

The limitations of a centralised and employer-led system

But, while there are benefits from this centralised and 'employer-led' system, there are very significant challenges too.

First, the Levy will do little to boost investment in training in many areas of the economy, including areas which might be strategic priorities for local areas. Take the construction sector, for example. As the levy is a payroll tax that affects only large employers, it will do little to boost investment in construction which is dominated by self-employment and by Small and Medium Enterprises (SMEs). Construction accounts for over 7% of employment, yet the levy will raise just £50m a year – less than 2% of the total.¹⁶ Therefore, while boosting construction training in the capital ahead of Brexit is one of the key priorities for the Mayor of London, he has no direct control and no ability to make construction a strategic priority for investment.

Second, employers may make decisions that don't necessarily accord with the priorities of policymakers. The Government has highlighted the need for additional higher and degree level apprenticeships, yet the vast majority of the growth in apprenticeships in recent years has been at level 2 and level 3. Over the last year, since the introduction of the levy, there has been a growth in higher and degree level apprenticeships – though from a very low base – and a big decline in level 2 apprenticeships. The Conservative manifesto talked of '3 million apprenticeships for young people', yet the growth in recent years has been among adults. In 2006/7, over half (57.3%) of apprenticeship starts were by people aged under 19, with just 0.2% being aged 25 or over. A decade later, half (46.6%) of apprenticeship starts were by adults aged 25 and over, and just one in four (24.7%) were aged under 19. So, while the Metro Mayor of Liverpool wants to create more 'gold standard' higher and degree level apprenticeships for young people in order to provide high-quality routes for those who choose not to go to university, he has very little ability to do so beyond exhorting local employers.

Third, the levy may exacerbate rather than address the deep regional inequalities that scar our country and hold back our economy. The Government has claimed that the levy is a key part of its plans to boost

skills and productivity across the country. Yet as it is essentially a payroll tax on large employers, it will raise far more in London where there are higher levels of pay and a greater proportion of employment in large firms. Conversely, the levy will raise far less – and potentially stimulate training less – in the regions that need investment in skills the most.¹⁷

Finally, under the current system, any levy funds that are unspent after 24 months revert to the Treasury and are lost to local economies. While the Mayor of the West Midlands wants to invest unspent funds from the region in high quality vocational provision, he currently has no ability to do so. The Government has provided no assessment as to the proportion of the £3 billion Levy funds that it believes will go unspent, though on current measures this is likely to be substantial.

Fixing the apprenticeship system locally

Ministers and civil servants will be anxiously awaiting each monthly release of statistics on apprenticeship starts, but perhaps the best thing that Ministers and civil servants could do is to recognise that the apprenticeship system can only be made to work if it is managed locally.

The most effective vocational education systems that we see in Europe tend to have extensive devolution and local flexibility, with strong local and/or regional institutions to oversee the system.¹⁸

“If we are to deliver a step-change in employer investment in high quality training, we need to see greater devolution”

If we are to deliver a step-change in employer investment in high quality training, we need to see greater devolution. We need to recognise that it is locally elected and locally accountable leaders who best understand the needs of local employers and the local economy; the needs of local people and local communities. They understand the barriers that employers face in taking on apprentices in their

region, and they understand the barriers to access that prevent young people in their region from taking up available opportunities. We need to build strong regional institutions which can both tailor the system to local needs and stimulate a collective local commitment to skills and productivity.

As a starter, Government could devolve top-up funding. Currently, employers who choose to invest their levy funds get a 10% contribution from government. This goes to all employers, in all industries and all areas, irrespective of the apprenticeship they are investing in instead.

Government could devolve this funding to local areas, allowing local and regional authorities to vary the subsidy by a number of factors such as area industry, or level or age of the apprentice, in order to stimulate employer investment where it is needed most. In London, for example, this could involve less investment in retail apprenticeships and more investment in construction apprenticeships. In Liverpool, it could mean more funding for employers taking on young people for level 3 or level 4 apprenticeships and less for older apprentices already in work with their employer.

Government could also devolve unspent levy funds to local areas to invest in business support, careers advice and high quality vocational provision. The Government had always expected some levy funds to go unspent and they planned to use some of these funds to support apprenticeship training at non-levy paying SMEs. However, we know that many employers plan to write-off their levy funds as a tax.

This is money that should be invested in boosting training, skills and productivity, rather than disappearing into Government coffers. Therefore, it should be devolved to local areas, according to skills needs. This could then be invested to subsidise apprenticeships in priority areas or to provide other high-quality vocational provision. It could also be used to provide business support to encourage local businesses to invest in skills, or to fund high quality careers information advice and guidance for learners.¹⁹

In the medium term, IPPR has called for the Apprenticeship Levy to be reformed into a productivity and skills levy to boost investment in training and deepen skills devolution. Set at 0.5 per cent of payroll for mid-sized firms and 1.0 per cent for firms with 250 or more, the productivity and skills levy would bring more firms into paying the levy, and it would raise twice as much as the Apprenticeship Levy. However, it would provide greater flexibility, with firms able to invest their levy funds against all high-quality training – not just apprenticeships. A quarter of the contributions of the largest firms would be top-sliced and devolved, providing a Regional Skills Fund worth £1b for local areas to invest in high-quality vocational education and training. This would turbo-charge skills devolution, and help narrow the deep regional inequalities in skills and productivity.²⁰

The Apprenticeship Levy is a much-needed but poorly functioning policy. There is a strong case for a levy given employer investment in skills in the UK is low and falling. But the levy in its current form is not working – in part because of the reliance on an overly-centralised and employer-led system, which affords virtually no role for local flexibility.

“Instead of looking around for levers to pull from Whitehall, government should recognise that the Apprenticeship Levy can only be fixed locally”

Instead of looking around for levers to pull from Whitehall, government should recognise that the levy can only be fixed locally. We will only be able to build a modern vocational system, which meets the needs of local employers and local communities, which provides high quality opportunities and supports access to all, if we recognise the role of local and regional government and empower those closest to these communities to provide strategic oversight for the system.



Our time is now: the devolution opportunity for apprenticeships

Dr Julie Nugent

Director of Skills and Productivity at West Midlands Combined Authority

The West Midlands is on the rise, driven by a new sense of regional purpose and the confident leadership of the Mayor of the West Midlands, Andy Street, and the West Midlands Combined Authority (WMCA).

The region has the largest economy outside of London, and outside of the capital has the highest number of tech start-ups and the strongest business and professional services sector, with companies like HSBC, Deloitte and PWC investing and expanding in the area. Jobs and productivity are growing at three times the national average. The advent of the high-speed train service HS2 will see billions invested in infrastructure, further boosting the regional economy. As part of this, the region is committed to delivering more good quality apprenticeships.

Two devolution deals have resulted in an £8bn regional investment programme and the transfer of key powers over transport, housing, economic development and skills. The WMCA is comprised of 18 local authorities and 3 local enterprise partnerships (LEPs) working across political parties with an elected

mayor and united behind a shared vision to deliver strong and inclusive economic growth.

One of the WMCA's first actions was to create a Productivity and Skills Commission, led by Dr Andy Palmer, Chief Executive and President of Aston Martin Lagonda Ltd. The Commission brought together business leaders, productivity experts and senior academics to identify the reasons behind the West Midlands' productivity gap and recommend the solutions to address these.

As the birthplace of the original Industrial Revolution, the West Midlands is determined to locate the fourth Industrial Revolution clearly in its domain and there are already strong signs of this happening: In 2021, Coventry will be the UK's City of Culture followed in 2022, by Birmingham's hosting of the Commonwealth Games. No wonder that the region's rallying cry is one of huge excitement - Our Time is Now.

At the same time, growth cannot come at any cost. We need to make sure that more West Midlands residents share in, and benefit from, our economic success. In driving this forward, the WMCA is committed to a new form of collaborative leadership – delivering more for residents and businesses, by moving powers away from Whitehall to the West Midlands and those who know this region best.

The Commission has recognized the need for new ways of working to deliver inclusive growth. WMCA has to make sure that all citizens have the access and opportunity to share in continued economic success. This means working harder and smarter to engage those communities and neighbourhoods that have simply been left behind.

Whilst there is much to celebrate in the West Midlands, there are many challenges. The region suffers from low levels of skills and productivity, and persistently high pockets of economic inactivity and unemployment. Tackling these will require new collaboration at all levels: between industry and academia, private and public sector, national and local government.

However, levels of new apprenticeship starts have been lower than previous years – with the West Midlands experiencing the biggest reduction of all regions. Whilst there has been a pleasing increase in the number of higher level apprenticeships, this dip in delivery overall is concerning. Increasing the range and take-up of apprenticeships is therefore one of the WMCA's regional skills priorities.

This includes ensuring that apprenticeship commitments are fully integrated into all regional developments – from HS2 to the WMCA's significant house-building programme. And it means recognizing and addressing the barriers that prevent some young people from taking up apprenticeships. The WMCA will therefore work closely with the Department for Work and Pensions, the Department for Education and local partners to develop new forms of support so that more young people can access and be supported in to good quality jobs and apprenticeships.

The usual suspects – and the surprising findings

There is a lot of noise around the system at the moment: "The levy isn't getting spent" "The apprenticeship reforms aren't working" "Off-the-job training is too difficult" "We need to start again".

The WMCA's view is that the region's businesses and people can't wait; the perfect system does not exist. Rather, the region's stakeholders are concerned that years of tinkering with the skills system has resulted in a stop-start model that damages the sector and

leaves employers confused or cynical, and young people and their parents struggling to navigate the complexities of qualifications and funding and the route to higher study.

Our region deserves better. Its approach is therefore a pragmatic one: to work with businesses, colleges, providers and universities, and concentrate on making the current system work better. This means starting with evidence rather than anecdote. To that end, the Combined Authority has recently commissioned a survey of regional businesses working through the three Chambers of Commerce, the Confederation of British Industry (CBI), the Engineering Employers Federation (EEF), the Institute of Directors (IoD) and the Federation of Small Businesses (FSB).

The WMCA asked businesses for practical examples of what was working with apprenticeships and what wasn't. The intention was to gather more detail on the reasons why companies weren't engaging and help focus actions and interventions accordingly.

The results were surprising:

- Two-thirds (65%) of West Midlands companies have sought help with recruitment, training and/or apprenticeships, from at least one organisation, including colleges, providers, universities or the JobCentre Plus.
- Those that are not engaged say this is mainly because of a lack of time or clear workforce planning, alongside a perception that they had to pay for training and lacked the budget to do so.
- Two-fifths (41%) of companies currently employ at least one apprentice but this figure is much higher in bigger organisations with 93% of large companies employing apprentices, compared to 54% of SMEs and 30% of micros.
- Manufacturing firms are more likely to hire apprentices than services firms.
- Those companies that don't offer apprenticeships say this is because they are unclear about the benefits of apprenticeships and unsure of how apprentices would fit with their business and wider workforce development strategy. Company

size – i.e. we're "too small" - is also a commonly perceived barrier to apprentice employment.

- Interestingly, issues about the complexity of the system – for example, the requirement for 20% off the job training, new funding rules, and the lack of good providers - were relatively minor – less than 2 out of 10 of all responses. The majority (58%) of companies employing apprentices had not experienced recent difficulties in taking on apprentices.
- Those that had experienced recent difficulties in taking on apprentices (16%) referred to problems in finding the right provider and/or the lack of good quality applicants.

The results are far from conclusive – and arguably the use of business networks means they may not be totally representative. However, they point to an overwhelming need for better communication about the benefits and opportunities of apprenticeships: for employers, for young people and for existing workers.

How can devolution deliver apprenticeship growth?

Too often, apprenticeships are seen as a 'nice to do' rather than part of a business-wide strategy. Companies are also feeling the effect of Brexit, with a tightening labour market and growing concerns about the future availability of skills.

WMCA wants more companies to consider how apprenticeships should be part of their plans. That requires a different approach: sourcing talent; building supply chains with schools, colleges and universities to inspire and access young talent; partnering employers with the regional skills infrastructure to influence and develop the training provision required. The Combined Authority is also conscious that not enough young people and their influencers understand the opportunities available through apprenticeships. Getting this message out to schools and communities is critical – but all too often this is tackled individually or institutionally and therefore fails to have the impact needed.

WMCA's approach is therefore one of co-design and co-ownership – a collaboration that is rooted in the region's ability to get things done.

This means moving beyond the painful dichotomy between skills supply and demand, where each side has a tendency to blame the other. In the West Midlands, partners are clear that resolving the region's skills needs is a shared endeavour.

Employers need to review what training is on offer and identify what's missing or what isn't good enough. They need to help shape the solutions, recognizing that sourcing skills is a strategic priority with which they have to engage. Colleges, training providers and universities need to listen and respond.

Where there are real market failures, the WMCA has a critical role that it can and will play. Our challenge is to enable a more effective regional skills system. The opportunity, and where the Combined Authority has a major advantage over those agencies that have sought to play this role nationally, is its ability to convene and develop mechanisms and relationships between employers and providers at a regional level.

Throughout the rest of 2018 the WMCA will be working with the Mayor's Business Advisory Group, the West Midlands Further Education Productivity and Skills Group, the West Midlands Adult and Community Learning Alliance, the West Midlands Training Provider network and Universities West Midlands to engage more systematically with business. In doing so, it will build on the sectoral taskforces it has already created – initially for Automotive, Construction and Digital – and ensure that its Local Industrial Strategy is built on a clear understanding of skills opportunities and needs.

WMCA priorities for apprenticeships are clear:

- Retaining investment for skills in the region – the WMCA wants to ensure that, as a minimum, Levy funds raised in the West Midlands are spent in the West Midlands, through levy employers or through allocation to non-levy payers and/or other training schemes.

- Promoting the benefits of apprenticeships – raising awareness and maximising opportunities to communicate to young people and their influencers; to employers; and to people in work looking to upgrade their skills.
- Engaging more SMEs in apprenticeships – building on existing practice to make the system easier and more flexible for smaller businesses to use.
- Ensuring more diversity in our take-up of apprenticeships – with a particular focus on encouraging more young people to access high level opportunities in growth sectors and developing pre-apprenticeship provision to enable that progression.
- A constructive relationship with government and its agencies – where barriers to effective apprenticeship delivery can be flagged and swiftly addressed.

"It is becoming increasingly important that we not only allow every region in the UK to determine their infrastructure needs, but that we also have the skills and resource to deliver. In the construction industry we are dedicated to developing regional talent to support the growing pipeline of major infrastructure projects"

Michael Reade, Balfour Beatty Strategic Account Director for the North and Midlands

"We need the West Midlands to be to become a centre of excellence for the creation of technical skills. We urge more devolution of skills responsibility to the WMCA to make the Midlands 'best in class' nationally for provision of engineering and high value manufacturing skills that are designed and delivered in partnership with industry."

Jo Lopes, Head of Technical Excellence, Jaguar Land Rover

The WMCA is seeking a new relationship with government, championing a more integrated approach to cross-departmental policy – and delivery – to better address regional needs. This includes:

- Joint oversight of skills delivery – through our Skills Advisory Panel;
- Alignment of DfE, DWP and BEIS agendas, particularly through the lens of the combined authority's Industrial Strategy and supporting skills plan;
- More effective collaboration to promote the take-up of apprenticeships – with a clear role for the WMCA in the procurement of non-levy apprenticeships and through engaging directly with businesses to better meet local needs;
- An integrated employment support framework to align support for unemployed and low-skilled/ low-paid, and help more residents access good jobs and apprenticeships;

The WMCA will also work with colleges, universities, training providers and key stakeholders to maximize the new powers and levers that devolution brings. This includes oversight of the region's Adult Education Budget; new programmes to help more people get the training and support they need to enter and progress within employment, including through apprenticeships; and greater influence over careers delivery to young people and adults.

We are not waiting for government departments or funding agencies to provide solutions to the region's challenges. Rather, across the West Midlands, there is a growing sense of self-determination, whereby the region's key players are seizing hold of this agenda and developing the regional skills solutions to start addressing these needs.

The WMCA is a catalyst for this and, ultimately, we want to see continued economic growth across the whole of the West Midlands – growth that genuinely delivers more for all the region's different communities.



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