



House of Commons Education Select Committee - The apprenticeships ladder of opportunity: Quality not quantity

Background

In October 2018, the House of Commons Education Select Committee published a report entitled: [The apprenticeships ladder of opportunity: Quality not quantity](#). The Council provided [written evidence](#) to the committee. The committee is also investigating nursing apprenticeships and a report on this is expected in the next few months. Education policy is a devolved policy matter and this briefing refers to England only.

Key findings

The report is divided into two parts: quality and social justice. The first half puts forward recommendations to improve the quality of apprenticeships. The second half outlines suggestions to ensure that social justice is at the heart of the apprenticeship agenda.

Quality

Significant changes to apprenticeship policy occurred in 2017, including the introduction of the apprenticeship levy and the establishment of the Institute for Apprenticeships (IfA). These developments were intended to assist the Government to deliver its target of three million apprenticeship starts by 2020. The committee is keen to ensure that the drive to meet this target does not negatively impact on the quality of apprenticeships.

The report finds that there is insufficient clarity about who is accountable for the quality of apprenticeships. It indicates that there is an overlap in the roles of Ofsted and the Education and Skills Funding Agency (ESFA). The ESFA register has seen a trebling of approved providers since it opened. However, many of these providers have not been subjected to Ofsted monitoring visits to assess the quality of their provision.

The ESFA recently changed its guidelines so that new providers, who are not judged to be adequate will not be able to accept any new apprenticeship starts. However, the committee recommends that the relationship between the ESFA and Ofsted should be clarified. It states that new providers judged to be making insufficient progress by Ofsted should be removed from the ESFA register and the amount of training that a provider can offer should be capped until Ofsted rates a provider as making sufficient progress. It further recommends that all new providers should receive a monitoring visit by Ofsted in the

first year after a provider joins the ESFA register. If these recommendations were to be implemented, then this would be a significant rebalancing in power between Ofsted and the ESFA.

The committee also recommends that Ofqual alone should be responsible for the quality assurance of end point assessments. It suggests that the Government should continue to monitor organisations that have responsibility for the quality of apprenticeships to ensure that they have the necessary resources to deliver for apprentices.

The report is critical of the role of the IfA itself. Whilst it does not recommend that it should be abolished¹, the committee recommends several measures that the IfA should implement. These include: the development of clear progression pathways within apprenticeship standards, the promotion of degree apprenticeships, and the formalisation of the role of the apprentice panel with the IfA's structures. The committee further recommends that the Government should establish an effective complaints process for apprentices to challenge poor provision.

The requirement for a 20% minimum amount of off the job learning is questioned by the committee. Whilst this may protect apprentices in some instances, the committee is conscious that this rule may not be appropriate for all apprenticeship standards. It also comments on the relationship between off the job learning and funding bands and the difficulties for disciplines with external professional regulation, such as nursing, to vary off the job learning requirements.

The report examines apprenticeship funding issues, including the apprenticeship levy and funding bands. In June 2018, the Department for Education (DfE) stated that employers had so far used only one tenth of their levy funds. The committee suggests that the levy may be incentivising employers to purchase provision that accredits their employees' existing skills, rather than training them for new roles. Some evidence given to the committee suggested that funding bands were being set too low and stated that the 24-month period, during which levy funds can be spent, was too short. The committee recommends that the Government increases the top funding band, doubles the time employers must spend their funds to 48 months, and allows employers to transfer more of these funds to firms in their supply chain.

Subcontracting is also considered in the report. This is an area that Ofsted is monitoring, and it has begun a visits programme of subcontracted provision. The committee recommends that Ofsted undertakes a review of subcontracted provision, increases the number of monitoring visits, and inspects the largest subcontractors separately to lead providers. The report is critical of the ESFA's failure to provide guidance on management fees and the financial arrangements between lead providers and subcontractors. Whilst some providers have set a voluntary cap of 20% on management fees, the committee suggests that the Government should consult on and set a limit on such fees. It is also of the view that lead providers should be required to deliver a minimum amount of education to apprentices and that this should be more than a token amount.

Social justice

¹ This was a recommendation of the House of Lords Economics Affairs Committee's report [Treating Students Fairly: The Economics of Post-School Education](#) (p7). The Council produced a [briefing](#) on this report.

The second half of the report focuses on the contribution that apprenticeship routes may play in increasing social justice in the education sector. The report expresses concerns that there are significant barriers to accessing high-quality apprenticeships for the young and socially disadvantaged.

The new funding system includes incentive payments for both employers and providers to assist them to recruit young and disadvantaged apprentices. However, the focus is often on existing employees rather than those outside the labour market. Apprenticeship starts for 16 to 18-year olds have fallen by over 5% since the apprenticeship levy was introduced and the number of level 2 apprenticeship starts has also decreased.

Non-levy paying employers must co-contribute 10% of the costs for their apprentices' training. The committee calls for increased funding for small and medium enterprises (SME) to recruit young and disadvantaged apprentices. Additionally, the committee recommends the existing co-investment waiver is extended for small employers to cover all 16-18-year-olds and more disadvantaged 19-24-year-olds employed by non-levy paying employers. The committee also supports the introduction of bursaries, including for clothing, equipment, and travel, for disadvantaged apprenticeships. From August 2018, care leavers aged between 16-24 will receive a bursary of £1,000 if they become an apprentice, but the committee thinks this should be applied more extensively. It further recommends that a social justice fund be created using money from the apprentice levy to support organisations that help disadvantaged people become apprentices.

The committee is critical of the apprentice minimum wage, which it states is not a living wage. It increased last year to £3.70 per hour, though the average apprentice actually earns £6.70 an hour. However, the most recent apprentice pay survey found that nearly a fifth of apprentices at levels two and three were being paid less than they were legally entitled. The committee recommends that the Government continues to raise the apprentice minimum wage at a rate above inflation, moves towards the abolition of the apprentice minimum wage, and redoubles efforts to identify and sanction employers who evade the minimum wage. A kitemark for good apprentice employers is recommended.

The report addresses barriers experienced by apprentices, such as the benefits system and travel costs. In terms of benefits, an apprenticeship is a job which means certain forms of state support, including child benefit and Care to Learn, are unavailable to apprentices and their families. Additionally, the committee reports that travel costs can make pursuing an apprenticeship difficult and the Government's continued inaction in this area is preventing the young and disadvantaged from accessing opportunities. The committee recommends that the Social Mobility Commission (SMC) investigates how the benefits system affects apprentices, that the Government acts on the SMC's findings, and that the Government also sets out plans to reduce apprentice travel costs.

The report notes that people with learning difficulties and disabilities are less likely to become apprentices. Some have suggested that apprenticeship requirements such as English and maths qualifications should be relaxed for these individuals. The committee recommends that the Equality and Human Rights Commission (EHRC) conducts a triennial monitoring review of apprenticeship participation by gender and

ethnicity and examines the effect of learning difficulties and disabilities on apprenticeship uptake. This should be used to inform Government and employer policies.

The committee finds that careers advice in schools has been inadequate and failed to inform young people of all options available to them. The committee is concerned that apprenticeship routes are not necessarily known about and understood. The committee recommends that a UCAS-style portal for technical education should be introduced.² It is hoped that this would simplify the application process. The committee also calls for the Government to enforce the Baker clause, which requires schools to allow colleges and training providers to talk to their pupils about apprenticeships and technical education.

Next steps

The Government will publish a response to this report. A report on the committee's inquiry into [nursing apprenticeships](#) is also forthcoming. Apprenticeships are likely to be explored further in the committee's inquiry into the [Fourth Industrial Revolution](#).

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² A further recommendation of the House of Lords Economics Affairs Committee's report [Treating Students Fairly: The Economics of Post-School Education](#) was for a single UCAS-style portal for applications to higher education, further education, and apprenticeships (p12).