

“Apprenticeships policy will have succeeded when most parents want their children to consider choosing an apprenticeship...”

THE COMMISSION ON APPRENTICESHIPS

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Duncan O’Leary
Ian Wybron
March 2014

The commissioners

Robert Halfon MP, Member of Parliament for Harlow and co-Chair of the Commission

Robert was elected a member of parliament in 2010. He has since run a number of high-profile campaigns, including his Petrol Promise movement, calling on the Government to lower fuel duty and cut petrol and diesel costs for hard-pressed motorists. Robert is committed to improving apprenticeship opportunities in the UK (having employed the first ever parliamentary apprentice) and was labelled ‘the best campaigning MP in Parliament today’ by Conservative Home in 2012.

Lord Maurice Glasman, Labour peer and co-chair of the Commission

Lord Glasman joined the House of Lords in February 2011. He is one of the founders of Blue Labour and sits on the Private Bills Select Committee since joining the Lords. In addition, he teaches a Master’s programme at Queen Mary, University of London. Maurice is the author of *Unnecessary Suffering*.

Mike Cherry, Federation of Small Businesses

Mike is the National Policy Chairman for the Federation of Small Businesses. A woodworking engineer by trade, he took over the running of the family manufacturing business in 1983. Mike leads the policy team to make sure small business issues are understood and represented in Westminster, Whitehall and Brussels.

Kirstie Donnelly, City & Guilds

Kirstie joined City & Guilds in December 2011 and is the UK Managing Director, having worked at the forefront of the e-learning sector for over 20 years. Her previous role was with learndirect as Director of Products and Marketing. In June 2011 Kirstie was awarded an MBE in the Queens Honours for her services to e-learning in the FE and adult sector. She is also a Fellow of the Royal Society of Arts.

Steve Hindley, Midas Group

Steve is Chairman of the Midas Group. He has over 30 years' experience in the construction industry. A graduate civil engineer and a Fellow of the Institution of Civil Engineers and the Chartered Institute of Building, Steve was chairman of the CBI in the South West for two years and is now a member of the CBI Construction Council.

Nazir Huseinmiya, Construction Apprentice

Nazir is an apprentice who has previously held positions with Skanska and CITB. In 2013 he was named National Construction College Apprentice of the Year, Most Promising Apprentice by the Civil Engineering Contractors Association, and National Construction College Construction Operative of the Year.

Steve Radley, CITB

Stephen Radley joined CITB as Director of Policy and Strategic Planning from his role as Director of Policy and External Affairs at the manufacturers' organisation EEF. At EEF he was responsible for developing and delivering EEF's programme of policy work covering a range of areas, including economics and industrial policy, energy, skills and environment, employment and pensions, and health and safety. Before that Stephen was chief economist at the Henley Centre and a policy adviser for education and training at the Confederation of British Industry.

Stewart Segal, the Association of Employment & Learning Providers

Stewart has been Chief Executive of the Association of Employment & Learning Providers since 2013. He previously worked as an independent consultant within the training sector, working with a number of training providers and colleges specialising in business development and funding issues. He has a background in human resources and general management in the private sector.

Baroness Sharp of Guildford, House of Lords

Margaret Sharp is a Liberal Democrat member of the House of Lords, having become a member in 1998. Her career has spanned both academic and public service, including lecturing at the London School of Economics and Sussex University. She has chaired a number of policy working groups and served as vice-chair to Paddy Ashdown on the Party's main policy committee. Since being appointed to the House of Lords she has served as Liberal Democrat Spokesperson for Education and Employment, Further Education, Higher Education and Skills, and Science and Technology.

Dr Hilary Steedman, Senior Research Fellow, Centre for Economic Performance at the London School of Economics

Dr Hilary Steedman has been engaged in research on apprenticeship, vocational training and labour market transitions since 1980, first at the National Institute for Economic and Social Research and subsequently as a senior research fellow of the Centre for Economic Performance at the London School of Economics. She has directed a number of major research programmes using international comparisons to analyse UK policy and practice, and consulted for the European Commission, the European Centre for the Development of Vocational Training (CEDEFOP), the International Labour Organization and the Organisation for Economic Co-operation and Development. She is currently a member of the Scientific Committee of the Federal Institute for Vocational Training (BIBB).

Ray Wilson, Carillion Training Services

Ray is Director and General Manager of Carillion Training Services, the single largest employer of construction apprentices in the UK. He started his career in 1982 as a hardware engineer for IBM UK. Ray is passionate about apprenticeships and helping young people into the world of work. He is a member of the CITB, the UK Contractors Group Training Committee, UK Contractors Group Apprenticeship Group and the Cross Industry Construction Apprenticeships Task

Introduction

Apprenticeships policy will have succeeded when most parents want their own children to consider choosing an apprenticeship. This is the acid test of their worth. It would signal that apprenticeships have achieved both status in society and currency in the labour market.

We are not there yet. New polling commissioned for this report shows that most parents think that apprenticeships are valuable, but not for their own children; that apprenticeships are more suitable for low achievers than high achievers; and that apprenticeships help produce steady jobs, but are not a route to the top. Despite the insistence of politicians from all parties that technical and vocational learning must achieve ‘parity of esteem’, we remain a long way from achieving it.

These attitudes are no accident. They are the product of institutional structures that have shaped the British education system and labour market for many years. They begin with a schooling system that has prioritised academic work over technical and vocational learning, from the options available to young people to the attitudes and advice of teachers.

Under successive governments, serious practical and technical learning has been absent from most people’s education from an early age. This has framed the choice to pursue technical education as being a second-best option, for those not likely to succeed in academic study, rather than a positive choice in its own right. This frame has been reinforced by teachers who, overwhelmingly, pursued academic routes themselves and have felt more comfortable advising pupils and parents about which university to choose than suggesting they consider technical and vocational options.

What has begun at school has been perpetuated in

post-compulsory education and the labour market itself. One way of illustrating this is to consider the divide between the professions and other vocations. The professions – such as medicine, accounting or the law – have benefited from clear routes to professional qualification, with high quality training on and off the job, and institutional structures that reinforce professional identity and social status. Anyone wishing to become a doctor has understood exactly how to get there and, perhaps most importantly, known that they cannot practise as a doctor without that training, and few have doubted the quality of training they would receive along the way.

The same has not always been true for non-professional vocational roles. In many of the trades, routes to qualification and progression have often been opaque, training has varied far more in quality and the institutional architecture surrounding particular occupations has been weaker. Whereas professional bodies like the British Medical Association have enjoyed power and influence, setting standards, encouraging training and promoting the profession itself, the same cannot be said for many vocations outside of the professions.

This undervaluing of technical work and learning is not inevitable and it can be changed. In other countries apprenticeships are popular options with both employers and individuals, associated with the pursuit of excellence. In Germany and Switzerland, for example, more than half of employers offer apprenticeships, compared with around 15 per cent in the UK.¹ In these countries, apprenticeships are understood by potential apprentices as being an investment in their future, by employers as a means of achieving higher productivity, and by wider society as valuable for young people. Our task as a nation is to emulate this.

The good news is that there is growing support for this view of apprenticeships from across the political spectrum. There has been a successful drive to increase apprenticeship numbers under successive governments, with apprenticeship starts in England increasing from around 70,000 in 1996–97 to 440,400 in 2013/14.² The apprenticeships budget has increased

steadily, supporting this growth for three parliaments in a row.³ Each of the three main political parties has set ambitious targets concerning the quality and quantity of apprenticeships in coming years.

This emerging consensus is based on evidence demonstrating that apprenticeships can enhance productivity, boosting the earning power of apprenticeships and growth in the wider economy: 72 per cent of businesses report improved productivity as a result of employing an apprentice, with the average apprenticeship increasing business productivity by £214 a week.⁴ Apprentices can expect to earn around 18 per cent more following an advanced apprenticeship than they would have done without it.⁵ Wider society benefits not just through higher tax receipts as profits and wages rise, but also through the creation of a more highly skilled workforce for the future. The National Audit Office finds that the economic returns to apprenticeships are around £18 per pound of government funding.⁶

The Commission on Apprenticeships

This Commission reflects that potential for cross party consensus and cooperation. It has representatives from the Conservative, Labour and Liberal Democrat parties, and a wealth of expertise from beyond politics. The full list of commissioners is set out below. The remit of the Commission, for which Demos acted as the secretariat, was to explore how to maximise the power and prestige of apprenticeships in England.

The Commission began with a written call for evidence, which more than 50 separate organisations responded to. It continued with three days of oral evidence sessions, involving employers, training providers and apprentices. These discussions were followed up by case study visits to five apprenticeship schemes and, finally, a poll of 1,000 parents of 15–16-year-olds. The Commission has adopted the construction industry as its prime case study, but has taken evidence and examined schemes from a range of sectors, with a view to making recommendations for apprenticeships policy at the national level.

Box 1

Members of the Commission on Apprenticeships

Co-chairs

Lord Maurice Glasman, Labour peer

Robert Halfon MP, MP for Harlow

Commissioners

Mike Cherry, Federation of Small Businesses

Kirstie Donnelly, City & Guilds

Steve Hindley, Midas Group

Nazir Huseinmiya, Construction Apprentice

Steve Radley, Construction Industry Training Board

Stewart Segal, Association of Employment and

Learning Providers

Baroness Margaret Sharp, House of Lords

Dr Hilary Steedman, London School of Economics

Ray Wilson, Carillion Training Services

Secretariat

Alice Meaning, Demos

Duncan O'Leary, Demos

Ian Wybron, Demos

The starting point for the Commission is to build on the system we have. As City & Guilds has noted, instability has been a contributing factor to the historic underperformance of the UK's education and training system. In the last three decades alone, there have been 61 secretaries of state responsible for skills and employment policy, compared with 18 for schools policy and 16 for higher education (HE). There have been no fewer than six different ministerial departments with overall responsibility for education since 1981.⁷ The Commission's view is that stability and evolution are preferable to constant revolution and reinvention.

The Commission has sought to build on the work of the Richard Review of apprenticeships⁸ and the subsequent reforms introduced by the government. These reforms have been trialled through the trailblazer programme, rolled out

in stages with a view to learning lessons as the trailblazers progress. Through the written call for evidence and oral evidence sessions, the Commission has sought to gather lessons emerging from that process, while also exploring ways to tackle long-standing problems.

Apprenticeship reform

In 2012 the Richard Review sought to revive the idea of apprenticeships as a route to mastery of a particular occupation, learned through a combination of on-the-job and off-the-job training, rather than simply a training course like any other. As Richard put it, ‘Everything is not an apprenticeship.’⁹ This fundamental principle, the report argued, could drive a simplification of the apprenticeships system, with the establishment of one apprenticeship standard for each occupation. This simpler system would allow for clearer routes into different occupations.

The second strand of the Richard Review was concerned with raising the quality and value of training. Richard’s solution to this challenge came in two parts. First, employers would be given more power to shape the content of apprenticeships, by working together in groups to agree the skills and competencies for each standard. Second, individual employers would be given more power to select the training providers best placed to meet their particular requirements for the off-the-job elements of apprenticeships. In practice, this would mean that employers would have direct control over government funding, as well as the power to strike agreements with colleges and other providers over the price of training. As consumers of training, employers would also be asked to contribute towards the cost of training themselves.

The Commission welcomes the direction of these reforms. It regards the reconnection of apprenticeships with defined occupations as essential to ensuring their status in society and their currency in the labour market. An apprenticeship should lead to induction into a professional community, with all the expectations of professional and ethical standards that

entails. These standards should, in turn, ensure that apprenticeships are valued by society and are valuable to employers and individuals.

The Commission also supports a strong role for employers in shaping apprenticeship standards, as well as the principle that employers should have the power to select the training providers that are right for them. The Richard Review rightly identified that employers hold valuable information about the requirements for excellence within particular occupations, and are best placed to identify the training providers who can meet their own training needs. Placing purchasing power in the hands of employers creates incentives for colleges and providers to strive towards excellence themselves.

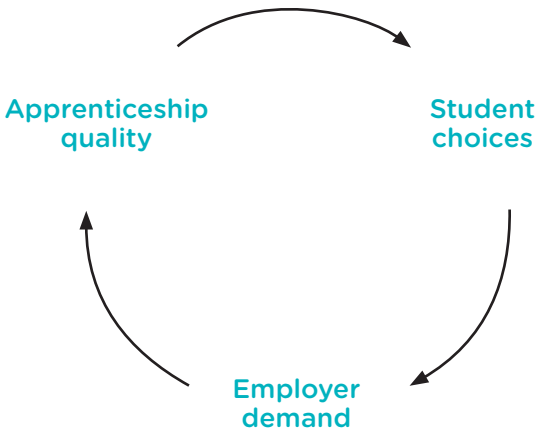
This report

This report is an attempt to build on the work started by the Richard Review and subsequent reforms. It considers issues that were addressed only tangentially in the Richard report, such as the role of schools in raising awareness of apprenticeships, and examines some of the detailed policy questions that arise from the trailblazer programmes. This report has not been able to address everything, and a number of questions for the future of apprenticeships policy remain open. In particular, recognising that there will be a tough fiscal climate for any incoming government following the 2015 general election, the report has not focused on issues that have significant cost implications for government (for example, the age banding system and how this relates to funding available to employers). Furthermore, the Commission would welcome additional work on how to better insulate apprenticeships against future financial shocks – particularly in some sectors such as construction.

The report is divided into three main chapters, which reflect three interrelated goals for any successful apprenticeship system. First, young people and parents must regard apprenticeships as an attractive option; second, employers must be willing and able to offer apprenticeships in sufficient

number; third, the training and qualifications on offer must be both relevant and of the highest quality. These three interrelated goals, illustrated in figure 1, are addressed in consecutive chapters, before the key messages and policy recommendations are summarised in the concluding chapter.

Figure 1 **The three goals of an apprenticeship system**



1 Student choices

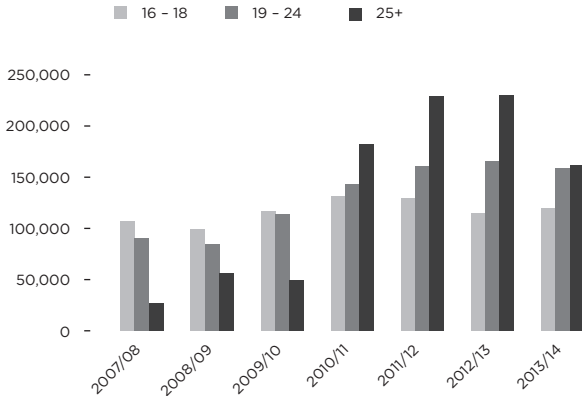
The number of people starting an apprenticeship has been increasing for almost a decade, though it has decreased slightly over the last two years. Government figures show that there were 440,400 apprenticeship starts in 2013/14 in England – more than double the number in 2003/04 (227 per cent higher) – though it includes a 15 per cent drop since 2011/12.

Competition for apprenticeship vacancies can be fierce. Data from the National Apprenticeship Service show that between August and October 2013 there were 461,530 applications for 37,410 apprenticeship vacancies in England – around 12 applications for every apprenticeship place.¹⁰ Furthermore, the number of applicants is rising at a faster rate than the number of vacancies (applications were 43 per cent higher than the same period in 2012, compared with a rise of 24 per cent in the number of vacancies).¹¹ The most established apprenticeship schemes are heavily oversubscribed; for example, Rolls-Royce reports it has 4,000 applicants for 200 places.

Yet, it is clear that school leavers pursuing an apprenticeship are in a small minority, particularly compared with their peers going to university. Statistics show that only 7 per cent of 18–19-year-olds are undertaking an apprenticeship, compared with 38 per cent who go to university.¹² In line with this, the number of apprenticeship starts for 16–18-year-olds increased by just 3 per cent between 2009/10 and 2013/14, compared with a 40 per cent rise for 19–24-year-olds, and a 229 per cent rise for over 25s. As a share of all apprenticeship starts, 16–18-year-olds accounted for 42 per cent in 2009/10, down to 27 per cent in 2013/14, although around three-quarters of employers who offer apprenticeships report offering them to 16–18-year-olds.¹³

Figure 2 shows the number of apprenticeship starts in all sectors between 2007/08 and 2013/14, by age band.

Figure 2 **Apprenticeship starts in all sector areas between 2007/08 and 2013/14, by age band**



Getting school leavers to take up apprenticeships in greater number is a priority area for the government, signalled in the financial incentives available to employers taking on younger apprentices. At the moment, the government pays 100 per cent of the external training costs for 16–18-year-olds (compared with 50 per cent for those over 19); and makes available additional money to eligible businesses taking on young apprentices through the AGE grant for 16–24-year-olds. Under the apprenticeship reforms, employers will be expected to contribute more to off-the-job training costs, but there will be a financial incentive tied specifically to taking on a 16–18-year-old.

Increasing employer demand for apprenticeships will in part be shaped by the supply of high calibre students coming out of the school system who see the value of an apprenticeship route. The figures quoted above show the size of the challenge

in getting more young people to engage. But this is about more than winning over young people themselves – as explored below, it is also about tackling the attitudes of parents and schools, both of which have a weighty influence on school leavers' choices.

The role of parents and schools

The social status of apprenticeships remains a problem. Findings of the Commission show that parents do not particularly like the idea of their own children taking apprenticeships, and nor do many schools want their students to take one. In some schools teachers and careers advisers simply fall short of informing their students about what an apprenticeship can offer, while it appears in other schools they actively discourage students from considering them an option. The powerful cultural assumption that sees an academic path as the gold standard of education and an apprenticeship as a 'second-best' route for weaker students needs to be overcome.

Evidence shows how important the views of parents and schools can be in shaping the thinking of young people about their learning and future careers. One survey by the Association of Colleges found that seven in ten 11–16-year-olds (70 per cent) turn to parents, and almost six in ten (57 per cent) to teachers, for advice about their careers.¹⁴ Other evidence shows that less than a fifth of parents see apprenticeships as having the same status as a university education. As young people thinking about taking an apprenticeship see their parents and schools as key sources of advice and information, addressing the attitudes among these two groups is a priority.

The Commission consulted with a wide range of stakeholders in the course of its research about the role of parents and schools in promoting apprenticeships, the result of which is explored below. We begin with the findings of a new survey commissioned for this report, conducted by Populus Data Solutions. The poll of 1,000 parents of 15–16-year-olds was intended to provide a more detailed idea of their engagement with apprenticeships, particularly whether they

think an apprenticeship is a good option for their own children compared with others, what career opportunities they perceive apprenticeships to offer a school leaver compared with university, and to what extent they receive information and advice from schools on apprenticeships. The 15–16 age bracket was selected as a key point at which important decisions are made in relation to life beyond school, and therefore when school staff would be most likely to be having conversations with parents and pupils about their options.

What do parents think of apprenticeships?

- Nearly all (92 per cent of) parents think apprenticeships are a good option for young people nowadays
- One-third (32 per cent) of parents think that an apprenticeship would be the best option for their son or daughter

Our polling revealed that the vast majority of parents – nine in ten – believe apprenticeships are a good option for young people nowadays. Gender, age, class and educational background made very little difference to whether parents thought this or not. The same proportion of parents (92 per cent) who had gone to university agreed with this statement as did those parents who had completed an apprenticeship, though parents who had completed an apprenticeship tended to agree more strongly.

The polling also showed that the majority of parents believe there should be some rebalancing between the proportion of young people going to university and completing an apprenticeship, and the extent to which the education system promotes these as options to young people. Our poll presented parents with statistics showing that 38 per cent of 18–19-year-olds choose to go to university, compared with 7 per cent who are currently taking an apprenticeship.¹⁵ More than three-quarters (77 per cent) of parents said that the proportion taking an apprenticeship should be higher. When asked if the education system has the ‘balance right’ in the way

it promotes apprenticeships and university as options for young people, only a quarter of parents (26 per cent) agreed.

However, it is clear that apprenticeships are still perceived by parents as an option for the less academically able. Parents are considerably more likely to say that apprenticeships are a good option for young people who struggle at school (86 per cent) than for those who achieve highly (57 per cent). Even more starkly, just less than a third of parents (32 per cent) think that an apprenticeship would be the best option for their son or daughter, compared with just over a half of parents (52 per cent) who think that university would be the best option for them.

When considering what is best for their own children, the polling showed that parents preferred to 'stick with what you know'. Parents are (to some extent) divided into camps depending on their educational background: 66 per cent of parents who went to university believe it to be the best option for their child, while only 21 per cent think an apprenticeship would be; in contrast, 47 per cent of parents who completed an apprenticeship believe university would be the best option for their child, compared with 55 per cent who think this of an apprenticeship.

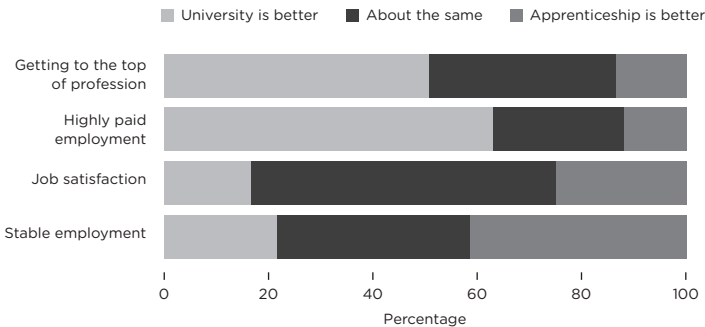
The polling also suggests that the vast majority of parents see their own children as doing either well or very well academically (84 per cent). This helps explain the finding that parents continue to see apprenticeships as a better option for weaker academic performers (other people's children) compared with the more academically able (their own).

What does an apprenticeship offer compared to university?

The value of particular educational pathways is inevitably linked to perceptions about the kind of jobs that those pathways will lead to. The Commission therefore sought to explore the extent to which parents believe that apprenticeships lead to a number of desirable career outcomes. For context, this was compared to the university route, though the Commission

recognises that these two routes are not mutually exclusive, especially for higher apprenticeships. The career outcomes we tested for were stable employment, highly paid employment, job satisfaction, and getting to the top of the chosen profession. The results are summarised in figure 3.

Figure 3 **Responses to the question ‘If your child was looking for a job, would you be more likely to suggest an apprenticeship or university as the best route towards the following...?’**



It is important to note that across all four career outcomes, a reasonable proportion of parents believe that neither completing an apprenticeship nor going to university is a better option than the other. However, apprenticeships tended to be judged the better route towards stable employment and job satisfaction, while university was judged (overwhelmingly) as the better route towards highly paid employment and the top of a career ladder. Specifically:

- Almost twice the proportion of parents thought an apprenticeship is a better route to stable employment than parents who thought so of university (42 per cent compared with 22 per cent)
- Almost two-thirds (63 per cent) of parents thought university the better route towards highly paid employment, compared with just 12 per cent who thought so of an apprenticeship

- A substantial majority (85 per cent) of parents do not see a difference between university and apprenticeships when it comes to job satisfaction, but among those who are divided more (25 per cent) believe an apprenticeship is the better route than university (16 per cent)
- More than half (51 per cent) of parents think that university is the better option for getting to the top of a profession, while only 14 per cent think so of an apprenticeship

These figures confirm that there is a long way to go before apprenticeships are seen by parents as a truly aspirational option with the kinds of opportunities for career progression open to graduates.

Apprenticeships in construction

The Commission adopted the construction industry as a sector case study. The government sees this sector as a key one for growth, but the construction industry faces its own particular challenges in appealing to parents and young would-be apprentices. A survey by the Construction Industry Training Board in 2013 found that when 14–19-year-olds were asked to rank the construction sector's appeal on a 1–10 scale (with 1 being the lowest and 10 the highest) the sector scored an average of 4.2 out of 10.¹⁶ The sector is responding to the challenge with campaigns to improve the sector's image, but it is a live issue.

Two additional questions were included in the Commission's survey to get a sense of how apprenticeships in the construction industry specifically are viewed by parents as options for young people. In line with the general findings above, the poll found that three-quarters of parents (75 per cent) agreed that an apprenticeship in construction is a good option for young people. But the polling suggests that parents are much less likely to think this for pupils who achieve highly at school (38 per cent) than for those who struggle at school (75 per cent). Thus parents' views on apprenticeships in this sector are comparable to their views about apprenticeships in general.

How much do parents find out about apprenticeships from schools?

Parents' views are shaped by their own experiences, but also by the interactions they have with respected professionals, such as teachers or careers advisers. The Commission sought to understand more about these interactions, again using the university as a point of comparison with apprenticeships. The Commission's poll confirmed that there is a substantial discrepancy in the extent to which schools are providing parents with information about apprenticeships compared with university. Less than a fifth (19 per cent) of parents report having had a conversation with a teacher at their son or daughter's school about taking an apprenticeship, compared with 45 per cent who have had a conversation about their child going to university.

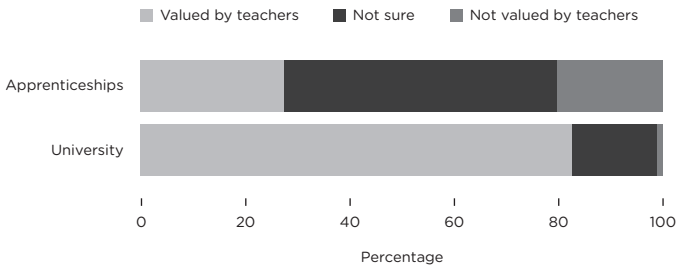
Of the small proportion (13 per cent) of the overall sample of parents who had themselves completed an apprenticeship, 42 per cent reported having had a conversation with a teacher about their son or daughter taking an apprenticeship. This suggests that parents already more 'in tune' with apprenticeships – and therefore better equipped already to offer their child advice and guidance in relation to apprenticeships – are the ones receiving information about them. Of those parents who had not completed an apprenticeship, just 15 per cent reported having had a conversation about apprenticeships with a teacher. Schools do not appear to be taking the initiative.

Perhaps because of the lack of information on apprenticeships, the majority of parents are unsure of the extent to which teachers value apprenticeships as a route for pupils, while they are clear about the value placed on the university route. Just over half of parents (52 per cent) are not sure about the value placed on apprenticeships by teachers, with 27 per cent thinking they are valued. This compares with 83 per cent of parents thinking university is a valued route, and only 16 per cent not being sure. This is summarised in figure 4.

Teachers' views on the value of apprenticeships are likely to reflect their life experience, as they overwhelmingly went to university. A degree is a requirement to obtain Qualified

Teacher Status (QTS), and less than 4 per cent of teachers work in publicly funded schools without QTS.¹⁷ Therefore teachers can have little knowledge of apprenticeships and may hold outdated assumptions about their value. One contributor to the Commission remarked: ‘Schools are organisations that are pretty much full of people who have gone through the academic system.’

Figure 4 **Parents’ perceptions of the extent to which teachers value apprenticeships and university**



Are schools promoting apprenticeships?

Findings from the polling are one component of a far broader body of evidence gathered by the Commission in relation to schools. The Commission’s call for evidence asked for views on the education system and routes into apprenticeships, and received responses from more than 50 organisations. The Commission heard the views of apprentices themselves, employers and training providers during oral evidence hearings, and also conducted follow-up case study visits (see below).

One of the key areas of agreement among contributors to the Commission is that schools’ funding and accountability discourages the promotion of apprenticeships and vocational learning. The following statements drawn from the written evidence demonstrate this:

Funding of provision incentivises institutions, such as schools with sixth forms, not to move young people into other provision such as apprenticeships. Each pupil is worth at least £4,000.

Evidence from a local government association

Experience suggests that few young people are properly informed by their schools about apprenticeships, especially if they are deemed potential sixth form students.

Evidence from City & Guilds and the Institute of Leadership Management

Schools are currently incentivised to retain bright people and drive them into higher education. School achievement metrics should be adjusted to encourage apprenticeship entries.

Evidence from the Chartered Institute of Building Services Engineers

Funding on a per pupil basis is designed to ensure that schools value their students. League tables are designed to ensure that schools do everything they can to promote high academic achievement. Both are valuable in helping drive up standards. However, these two things can also have unintended consequences where apprenticeships are concerned. Schools do not want to lose students at 16 to an apprenticeship because they will lose the funding, and they are even more reluctant to lose bright pupils who will contribute to league table performance.

The experiences of apprentices

Studies suggest that many young people take an apprenticeship despite, rather than because of, advice given at school. A 2013 survey conducted by the Industry Apprentice Council (IAC) found that less than one in ten apprentices (9 per cent, $n = 571$) reported finding out about their apprenticeship through a teacher or careers adviser. Close to one in five (17 per cent) reported being actively discouraged from pursuing an apprenticeship by teachers and careers advisers, and around two-thirds (62 per cent) said that HE was perceived by their school as the 'number one pathway'. Along similar lines, a 2013 survey by the Chartered Business Institute of 14–25-year-olds

found only a quarter (26 per cent, n = 2000) felt they were given guidance on apprenticeships, compared with two-thirds (65 per cent) who were given guidance on university.

The Commission heard in-depth accounts from around 20 apprentices during its inquiry, all of whom were asked about what support and guidance they received from school in relation to undertaking their apprenticeship. It consulted apprentices from a range of sectors – including the creative industries, construction and manufacturing – and levels, from intermediate apprenticeships (level 2), through to higher apprenticeships (level 4).

In line with the findings of the IAC survey, the majority of apprentices who spoke to the Commission said that their schools did not provide them with guidance on apprenticeships. Therefore they relied either on their own initiative, or found out about apprenticeships through friends and family. These are examples of what apprentices who gave oral evidence in parliament said:¹⁸

I went off my own back. My college itself was much more focused on trying to get more people into the universities and apprentices were very far on the side of that... You really had to do it yourself.

At school we'd have a careers day and they'd talk about jobs that you could do after university... they'd never offer apprenticeships... I went off my own back, looked in the newspaper and found one.

I was at school four years ago and I don't recall any advice or guidance given to me for apprenticeships... I responded to [an] application.

Other apprentices the Commission spoke to described how their schools had discouraged them from taking up an apprenticeship, particularly those who had achieved highly at school.

One higher apprentice who works for the engineering company MBDA (see case study), said she was not granted leave by her sixth form college to go to her interview for an apprenticeship:

My college wasn't very supportive. I remember I went to my interview and they wouldn't authorise my absence because it wasn't a university interview. I had to really fight.

Other apprentices from MBDA described experiencing similar discouragement from their schools:

They wanted me to go to Oxford or Cambridge... As soon as I said I was going on an apprenticeship it was: 'right, ok, well you should be going to university, here are your other options, you shouldn't be going down this path, it's not right for you'... No support whatsoever... apart from a few individuals.

At my school, as soon as I told them I was planning on looking at apprenticeships they didn't want the meetings on where you are going to next, it was always the sixth formers they wanted to speak to.

These stories are all the more worrying given the value that these individuals have since placed on the apprenticeships they went on to complete at MBDA.

Apprentices who described having had some support tended – as in the first instance above – to highlight the role of key individuals in the school rather than suggesting that apprenticeships had acceptance within the institution. One level 3 apprentice from the construction industry had actually been to university to study illustration, and felt that he would have progressed faster had his school encouraged him to take an apprenticeship:

I wish I was pushed to do an apprenticeship more definitely, because I wouldn't have gone to university or be in debt now and I wouldn't be three or four years behind, I would be earning more money and be higher up the ladder.

One further, powerful, insight to emerge from the oral evidence given by apprentices is that apprenticeships can

actually be a profitable route to university, and that taking an apprenticeship and taking a university degree are not mutually exclusive options, as the culture of schools seems to suggest. Three of the higher apprentices the Commission consulted were studying towards or had completed a degree, and described the benefits as being financially supported by their employer and gaining vital work experience that many of their friends at university lack.

How open are schools to industry?

Contributors to the Commission agreed that schools need to do more to promote apprenticeships. Some spoke about the wider failure of schools to promote vocational learning and equip young people with the skills needed for the labour market, with one employer saying: ‘Schools are not an asset for business.’ Others, including representatives from professional bodies and learning providers, focused on poor quality careers advice and poor links between schools and local businesses.

This concern about careers advice is reflected in the wider evidence reviewed by the Commission. A recent Ofsted review found that only a fifth of schools provide adequate guidance to all pupils,¹⁹ while the new secretary of state for education has declared that improving careers advice is a key priority for her.²⁰ For their part, 77 per cent of employers in the 2014 CBI/Pearson Education and Skills Survey thought that careers advice was not good enough; 66 per cent reported being willing to take a greater role in delivering it.²¹ In line with this, the Association of Colleges wrote in its submission to the Commission:

There is widespread agreement that the careers advice currently on offer is inadequate. This has been confirmed by Ofsted, the Education Select Committee, and a number of charitable and social organisations. Vocational training and apprenticeships in particular are rarely promoted effectively to students – especially by schools with their own sixth form.

In particular, the Commission raised the lack of a strong face-to-face offer to pupils and lack of minimum professional standards for careers advisers as key issues.

In recent reforms responsibility for providing careers advice to pupils has shifted from local authorities – delivered through the Connexions service – to individual schools. Since 2012, schools have had a statutory duty to provide independent and impartial careers advice to all year 8–13 pupils, with each school having discretion over the services they commission.²² While the National Careers Service offers schools a telephone and online service, evidence shows this is rarely used; only older users of the service (over 19s) are entitled to face-to-face consultations.

The status of work experience in the school system has also changed. The Coalition Government has removed the statutory duty on schools to provide ‘work-related learning’ for 14–16-year-olds, the idea being to give more flexibility to schools and encourage them to focus provision on older students. In light of these changes, the Commission was concerned to hear one employer from the construction industry speak about a significant drop in the amount of work experience her company was being asked to provide, and how this had affected the company’s ability to recruit apprentices:

Almost every week I used to have kids coming in from the local schools to try us out and see what we were like and, basically, that stopped.... [Schools] say that they don’t have any money, so therefore they’re not sending these kids to go out to all the local businesses anymore... It has dramatically reduced the pool of potential apprentices for us... It is a little bit like pulling teeth at the moment.

The Commission heard that employers had difficulty in accessing schools. Ofsted expects schools to build links with local businesses, and employer surveys show that many schools are doing so. For example, in the 2014 CBI/Pearson survey, around two-thirds (64 per cent) of employers reported having links with secondary schools and sixth form colleges. But some – especially smaller – employers who gave evidence to the

Commission expressed frustration that schools are not allowing them into the schools to talk to pupils about apprenticeships, and when they are, it is to a select audience of pupils, usually those with weaker academic backgrounds. This, again, was identified as a particular issue for the construction industry; one employer who had hoped to address a full assembly hall was given only a handful of pupils to speak to.

A construction employer who was able to speak to a wide range of pupils described a school's disappointment when her construction company recruited one of its bright pupils as an apprentice:

I went to a school several weeks ago. We've just taken on a student from the school and that student was an A student, and he was adamant he wanted to be a carpenter. His dad was a carpenter, that's what he wanted to be, and when I went to do a careers talk at the school and I said 'oh this lad's joined us', [a member of staff was] mortified, saying, 'I can't understand why he doesn't want to stay at sixth form, why he didn't want to go to uni.' But this is the career he wanted to do and he's an exceptionally good apprentice.*

It is not just employers in the construction industry who have difficulty accessing schools. When giving evidence, a representative from a large IT company said: 'I can happily go and talk to schools, but they don't want to talk to me.'

Achieving good school-employer links

Around two-thirds of employers appear to have links with secondary schools, but the strength of school links to business appears to be a mixed picture across schools and the country. Although some of the evidence set out above provides cause for concern, the Commission also heard accounts of excellent relationships that exist between schools and employers, which others can learn from. To explore an example of a strong partnership between a company and schools, the Commission conducted a case study of the engineering company MBDA, explored in case study 1.

Case study 1

MBDA Missile Systems

MBDA is a leading global missiles systems company with 3,000 highly skilled engineers and system designers in the UK. It delivers complex weapon requirements for the Armed Forces. The company has been training apprentices in the UK for more than 20 years, over which time it has won 38 awards for their apprenticeship schemes. The company believes that apprenticeships are crucial for fulfilling some future staffing requirements in the engineering sector and therefore has set a target of taking at least 20 new apprentices each year, as it manages changes in the demographics of its workforce and replaces its older workers.

School links

MBDA attributes part of the success of its apprenticeship scheme to maintaining strong links with schools. It hosts competitions in schools for 14-year-olds to build robots and gliders, and runs a work experience programme for older school students. MBDA apprentices themselves do a lot of the promotion of apprenticeships in schools, and MBDA invites teachers to visit sites in Stevenage and Bolton.

The lead on apprenticeships at MBDA told the Commission that there were clear benefits from there being close partnerships between industry and schools, and that industry must play a role in breaking down cultural barriers:

You've got to be realistic, school teachers have never worked in industry so they only know the academic route. Unless you bring them in and educate them how can they promote apprenticeships? So industry has a role to support and develop teachers in our own way.

A teacher at a local partnering school talked about the benefits of working with MBDA, in particular having mentors from MBDA for some of their students. He felt

that pupils seeing ‘high ability’ apprentices could help to break down some of the negative perceptions towards apprenticeships in schools.

Several MBDA apprentices told the Commission that their schools or sixth form colleges had discouraged them from taking an apprenticeship (see the section ‘The experiences of apprentices’ above). However, many apprentices now felt they enjoyed good relationships with schools. One said:

My college was quite academic so when I told my tutors [I was doing an apprenticeship] they were so disappointed, which is a shame. But now... they've actually turned around and they keep asking me to come back. I'm happy to do so, to promote apprenticeships to the younger ones, and it's really nice to see that they have realised how good apprenticeships are.

The Commission takes great hope from this example: it shows that there are serious cultural barriers and misperceptions, but these can be overcome.

Encouraging schools to do more

We need parity of esteem between apprenticeships and academic routes so that more high performing students choose to take on an apprenticeship.

Evidence from the Confederation of British Industry

The evidence presented to Commission suggests that many schools are failing to properly engage with apprenticeships. The majority of parents and young people are not receiving information and advice about apprenticeships and the career opportunities an apprenticeship can offer – instead, the school system continues to drive home the message that academia is the gold standard of education. Schools must do more to promote apprenticeships and engage with industry.

Until they do, school leavers will continue to consider apprenticeships a second rate option.

The attitudes and expectations of school leavers are shaped partly by experience. This includes whether or not young people are given a taste of technical and vocational learning at a young age, allowing them to learn whether or not it matches their interests and aptitudes. The Commission recognises that this is a difficult area for policy making. The 2011 Wolf Report argued that too many pupils were taking vocational courses that had little value to them, and the Government has since removed many of these qualifications.²³ But in order to encourage better engagement with apprenticeships, the Commission believes that more children need to be offered a taste of vocational learning earlier in their lives – vocational subjects should not be the preserve of pupils thought to be failing at school. Therefore the Commission particularly welcomes the emergence and expansion of university technical colleges, and believes more can be done to support their work. In particular, the Commission believes that a broader vocational offer for all students could be achieved through school partnerships, for example with the new university technical colleges.

At present, children aged 14–16 in maintained schools take core subjects of English, maths and science and are offered at least one option in four entitlement areas: arts, design and technology, humanities, and modern foreign languages. There is no entitlement to take an applied (vocational) GCSE or Business and Technology Education Council (BTEC) qualification. While academies and free schools are given more flexibility over the curriculum, these too should be judged on their vocational offer when their curricula are signed off by the secretary of state.

The Commission believes that offering all school age pupils an early taste of vocational learning would allow parents and pupils to make more informed choices. A ‘broad and balanced’ curriculum should include a vocational offer to all pupils. The Commission recommends, therefore, that all students aged 14–16 should be offered the chance to take a

vocational subject alongside academic study. This would not be compulsory but the option should be available to all.

The Commission anticipates that many schools would fulfil this obligation through forming closer partnerships with further education (FE) colleges and institutions with a strong vocational focus, such as university technical colleges and career colleges, and making the most of the collective links with local businesses. Evidence shows that three times as many students from university technical colleges take up apprenticeships as from mainstream schools – but the courses on offer have routes into university. Such collaboration between schools and university technical colleges, recently advocated by Her Majesty’s Chief Inspector of Education, Sir Michael Wilshaw,²⁴ would help broaden the options available to young people and bridge the divide between academic and vocational learning. The Commission recognises that these partnerships will not form overnight, and that reasonable expectations should be set out in consultation with schools.

Box 2 *All students aged 14–16 should be offered the chance to take a vocational subject alongside academic subjects, though this should not be compulsory. This entitlement could be delivered through schools forming partnerships with institutions that have a strong vocational focus, such as FE colleges and university technical colleges. The Commission recognises this change in practice would need to be implemented within a reasonable timeframe, in consultation with schools.*

Contributors to the Commission were clear that improving the engagement of schools with apprenticeships would require improving their incentives and accountability. Recent reforms have begun the important work of holding schools accountable for how well they prepare their students for adult life, not just how well they perform in exams. The Department for Education has made clear that ‘destination data’, tracking educational or employment destinations of students after they leave school, will become an increasingly important source of school accountability.

The Commission supports these reforms and believes that destination data should be developed further. As things stand, destination data are captured by schools and only cover the destinations of pupils one year after leaving school. The Commission believes this should be developed in two ways: first, destination data should track pupils for several years after they have left school, to provide a better measure of career outcomes; second, such tracking should be carried out by central government joining up relevant datasets, rather than being the responsibility of schools.

Being able to publicise these longer-term outcomes would give schools a stronger stake in the career outcomes of their pupils – encouraging better careers advice while pupils are at school and more use of ideas like alumni networks to support pupils after they leave school. And by joining up datasets, such as the unique learner number that every pupil has and the national insurance number that every individual acquires, the government could produce the data without adding to the data-gathering burden on schools.

The government is currently exploring the possibility of developing destination data to track earnings, as a complement to published information on exam results.²⁵ The Commission welcomes this and recommends that these data are developed in a way that allows for effective comparisons between schools so comparisons could be made between students achieving similar grades at different institutions. This would allow parents and pupils to make simple judgements about the value added by schools, in addition to exam performance, and would provide stronger incentives to schools to provide more and better careers advice, including on apprenticeships, and work experience with local employers. This complements Lord Young's recent recommendation (when discussing the future earnings and employment record) that the government should publish employment rates and earnings for ten years after the completion of every further and HE course.²⁶

Box 3 *Pupil destination data should be developed further, to track pupils for several years after they have left school, in order to provide a better measure of career outcomes, by joining up government datasets, rather than by schools themselves.*

The Commission supports the idea that schools should be free to decide how best to provide careers advice to their pupils, rather than be expected to use a service that may not be suitable for them. This might involve training existing staff to provide careers advice, in addition to commissioning other organisations to deliver an independent service. The Commission believes that this model would be reinforced by the existence of a strong public sector provider to compete with other players in the market.

The public sector provider would employ qualified professionals to provide face-to-face advice services to school students. Schools would have to pay for this service, as with any other provider, but its existence would help drive up standards in the market. The obvious candidate for this is the National Careers Service (NCS) whose remit in schools is currently limited; and NCS in turn should explore better links with the National Apprenticeship Service.

Box 4 *Schools should continue to have freedom to determine how careers advice is provided. As at present, there should be provision that is independent of the school. The Commission recommends that there should be a high quality public sector careers service to compete with other providers; the NCS should develop the capability to offer face-to-face advice to schools and compete with other providers.*

Industry must continue to knock at the door of schools, taking proactive steps to engage staff and offer work experience to pupils. Employer bodies, industrial partnerships and sector skills councils have an important role to play in helping coordinate such efforts, particularly where there are misperceptions about sectors as a whole. This role might include providing basic information packs to employers

in the sector, for example about the number and type of jobs available in the sector, which could be used in engagement with schools.

Box 5 *Employer bodies should coordinate efforts to promote greater understanding of their industry by building partnerships with schools.*

It is also important that schools are ready and willing to build partnerships with the business community. Governance arrangements can be important in setting the tone for this. Academies and free schools are required to have two elected parent governors and the principal (unless he or she chooses not to be), while local authority maintained schools have slightly more regulation. The Commission believes existing regulation should be supplemented by bringing local labour market knowledge into governing bodies of schools.

The Commission endorses Lord Heseltine's recommendation that all boards of governors in secondary schools should include two influential local employers.²⁷ The Commission also recommends that one member of every school governing body should be appointed as a 'careers lead'. This would follow the model that many schools already adopt in appointing a lead governor with responsibility for special educational needs. Improving the social status of apprenticeships will require a concerted effort from all parties involved.

Box 6 *The Commission endorses Lord Heseltine's recommendation that all boards of governors in secondary schools should include two influential local employers. The Commission also recommends that one member of every school governing body should be appointed as a 'careers lead'.*

When young people consider taking an apprenticeship, progression routes must be crystal clear. Achieving this will be vital in demonstrating to teachers, parents and pupils that apprenticeships can be a route to the top, rather than simply an option for those without that ambition.

The Richard Review sought to focus apprenticeships on achieving mastery of an occupation. It gave less emphasis to achieving general ‘levels’ of learning and more to acquiring the skills and competencies required within particular occupations:

*Labelling apprenticeship qualifications according to ‘levels’ can be useful, aiding transferability and progression outside of the sector. But it is important that levels should not drive the process. The skill level of the standard and qualification should be driven by what is required to do a real and specific job well, not by a desire to fit with level definitions – or because we ‘need a Level 3 framework in this sector’.*²⁸

The Commission agrees with this approach. Levels of learning are useful as a means of categorising apprenticeships, but not as an end to be achieved in themselves. To achieve levels of learning, structured routes are required, which illustrate to people that progression is possible – and how to achieve it. This is not always the case at present. For example, the standards for Highways Maintenance Skilled Operative Level 2²⁹ and Trailblazer Apprenticeship Standard Highways Maintenance Supervisor Level 3³⁰ illustrate this. The standards for Highways Maintenance Skilled Operative Level 2 contains a suggestion that ‘upon the successful completion of this apprenticeship apprentices should consider the Highways Maintenance Supervisor Level 3 Apprenticeship’ – but there is no information on the extent to which a level 2 completion qualifies an apprentice to move up the next level.

The Commission recommends that every apprenticeship standard should have a section on potential progression routes after completion of the apprenticeship. This should include information on whether or not completion of a standard at one level automatically qualifies an apprentice to progress to the next level. Where this is not the case, specific information should be provided as to what other skills, competencies or qualifications would be required in order for an apprentice to make that progression.

Two other points are important to note. First, progression routes should not be made clearer to the detriment of the status of lower level qualifications – level 2 qualifications are valuable for learners in and of themselves in many instances. Progression should be an option for all, but not the only route to recognition and status. It is also important that apprentices have a broad understanding of the different progression routes available, including how an apprenticeship could be a possible entry route to a university course and vice versa (for example, people with relevant degrees can move on to higher-level apprenticeships equivalent to a postgraduate qualification).

Box 7 *Every apprenticeship standard should have a section on potential progression routes after completion of the apprenticeship. This should include information on whether the completion of a standard at one level automatically qualifies an apprentice to progress to the next level (including opportunities to pursue HE qualifications where appropriate). Where this is not the case, specific information should be provided as to what other skills, competencies or qualifications would be required in order for an apprentice to make that progression.*

Taken together, the Commission believes that these ideas supplement recent reforms, building on and complementing many things that are good about the school system, while addressing the historic problem that technical and vocational routes have been undervalued. The next chapter turns to those who must provide apprenticeships if student demand for them is to be satisfied – employers.

2 Employer demand

The central rationale for apprenticeships is their economic value. The Centre for Economics and Business Research estimates that people completing apprenticeships between 2012/13 and 2021/22 will contribute around £3.4 billion in net productivity gains to the UK economy.³¹ Young people who complete an apprenticeship are significantly more likely to be in work, and stay in work, than similar young people who have not completed an apprenticeship, and they are likely to earn more than people with similar level qualifications.³²

In many sectors – including construction and engineering – apprentices are seen as vital in closing current skills gaps, responding to changing skills needs and replacing retiring workers. In the construction sector, for example, it has been estimated that there are 21,900 vacancies, of which 5,000 are ‘skill-shortage vacancies’ (where employers are unable to find applicants with the requisite skills), and there are 2,400 other ‘hard-to-fill’ vacancies.³³ There are also long-term challenges: it has been estimated that simply replacing the skills lost through older workers retiring between 2010 and 2020 in skilled construction and building trades will require around 434,000 recruits.³⁴ Apprenticeships are recognised by many in the sector as essential in addressing both short and long-term requirements.

Despite these general benefits, there is work to do in convincing more employers that apprenticeships can work for their particular business. Nationally, there are currently many more applicants for apprenticeships than places offered by employers – as noted in the previous chapter, there are around 12 applications for every apprenticeship vacancy.

Figures show that increasing numbers of employers have been offering apprenticeships over the last few years, but they

are still very much a minority. The latest UKCES Employer Perspectives survey shows that just 15 per cent of employers currently have or offer formal apprenticeships, up from 13 per cent in 2012. The proportion of employers having or offering apprenticeships varies by size of employer and by sector. Nearly half (49 per cent) of companies employing over 100 people either have or offer apprenticeships, and 31 per cent of companies with 25–99 employees, and 15 per cent of companies with 25 staff or less do so; and around one in five (19 per cent) employers in both construction and manufacturing offer apprenticeships, compared with 12 per cent in trade, accommodation and transport, and 7 per cent in primary sector and utilities. Overall, one in ten (10 per cent) employers actually has formal apprentices in role.³⁵

So while there are considerable issues around apprenticeships in relation to schools, as discussed in the previous chapter, the demand side is key to unlocking the potential of apprenticeships for the UK economy.

The apprenticeship trade-off – why take on an apprentice?

Three different interest groups make a long-term investment in apprenticeships:

- the government, which contributes towards the cost of the training, in return for a long-term benefit to the wider economy
- apprentices, who forgo some income in return for training which will boost their long-term employability and earning potential (hence the lower minimum wage for apprentices)
- employers, who employ apprentices while they are not yet fully productive, at the beginning of their training, and invest staff time in on-the-job training (the recent reforms to apprenticeships look set to increase the financial contribution of employers, who will be asked to contribute towards the cost of off-the-job training too)

It is crucial for employers to see taking on apprentices as an investment in the long-term future of the business, otherwise it makes more business sense for them to employ someone who is already fully productive and less demanding in training and supervision. Therefore when deciding to take on an apprentice employers make three important assumptions; they assume that:

- the firm will need the apprentice in the long term (there will be enough work)
- the apprentice will wish to stay for the long term, enabling the employer to recoup their investment
- the training that the apprentice receives will enable them to work productively at the end of their apprenticeship

Research with employers conducted by the Department for Business, Innovation & Skills (BIS) in 2012 found that the three top motivations for taking on an apprentice were improving or maintaining skill levels (45 per cent of employers), training people ‘the way we want’ (32 per cent), and improved productivity (14 per cent). The top reported benefits were increased productivity (72 per cent of employers reporting this), improved staff morale (69 per cent), and improved product and service quality (67 per cent).³⁶

Several contributors to the Commission made the point that SMEs find it difficult to make the long-term investment that apprenticeships require because of lack of resources and stability of work. The Chartered Institute of Building Services Engineers wrote that short-termism is ‘endemic’ in small businesses. Many small employers feel that taking on apprentices is simply inappropriate for their business, because they cannot guarantee that they will have enough work over a long enough period to ensure their investment (particularly of their time in supervising an apprentice early on) is recouped. Research from the Federation of Small Businesses found that over 70 per cent of small businesses have never taken on an apprentice, and over 60 per cent would not consider taking one on in the future. But this leaves 40 per cent of small businesses who might consider it – a key audience for policy makers in this area.

Getting the reforms right

The reform process begun by the Richard Review is a key opportunity to make apprenticeships more attractive to employers. Employers want to replace a complex system with a simpler one; and they want to see training for apprentices that is of high quality and aligns more closely with the needs of their industry. The reforms are generally welcomed by employers insofar as they are intended to give employers a much stronger stake in the system, through collective control over apprenticeship standards and direct purchasing power to select the colleges or training providers right for their business.

The Commission supports this direction of travel. But it is clear from the evidence gathered by the Commission that there remain issues to iron out if the reforms are to achieve their desired outcome: to increase the quality and quantity of apprenticeships in the UK.

The new standards

Apprenticeship reform fits into the broader agenda around employer ownership of skills. The 2013 CBI/Pearson survey found that more than nine out of ten employers (93 per cent) support the view that employers should have greater ownership of the skills agenda, with the design of qualifications around industry standards the top priority. This is where the new apprenticeship standards sit.³⁷

Contributors to the Commission – including employers, learning providers, professional bodies and others – agreed that the idea of introducing greater coherence and rigour to the apprenticeship system through new standards is welcome. Many thought that some apprenticeship frameworks – the precursor to the new standards – were of little value to apprentices and industry, lacking currency in the wider labour market. While a process of slimming down these qualifications had begun under the old system, the proliferation of apprenticeship frameworks was thought to obscure routes to qualification and progression within

particular courses. This left employers and individuals unclear about whether investment in particular courses would produce the occupational competencies they were looking for.

The new standards are supposed to be more clearly designed than in the past by groups of employers (employers were formerly represented on sector skills councils designing frameworks), with discretion over the assessment criteria (for example, standards and assessments do not have to be based on national occupational standards if they are thought to be out of date). There was a feeling among the employers the Commission consulted that this could pave the way to a closer alignment between apprenticeships and what industry actually needs.

But the Commission heard concerns that larger employers will dominate the process of designing the new standards, leaving smaller employers with limited input and influence. For example, the TUC wrote in its submission:

Trailblazers being dominated by large employers could lead to the exclusion of SMEs and mean that new standards are not necessarily giving young people the transferable skills that are needed for the industry/sector as a whole.

Other contributors who submitted evidence to the Commission shared concerns that many SMEs will have neither the time nor resources to get involved in the new employer-led schemes – which could impact on their buy-in to the new standards. This is particularly important for sectors such as construction, which have a high proportion of SMEs. The Federation of Master Builders commented:

Small businesses, which make up over 90 per cent of all businesses in the construction industry and whom [sic] employ the majority of apprentices currently... will be unlikely to understand or have the time, budget or resources to write standards or employ training managers to do so on their behalf.

If new apprenticeships are to be fit for purpose, the interests of employers of all sizes must be represented in their design. To explore how SMEs can be fully involved in creating standards, the Commission contacted K&M McLoughlin Decorating, an SME involved in the Phase 2 trailblazer in construction (case study 2).

Case study 2 **K&M McLoughlin Decorating**

K&M McLoughlin is a painting and decorating company based in London. The company started in 1988, and now has a workforce of around 150 qualified decorators. K&M has recently become the principal contractor for a ten-year initiative with the London Underground, and has long-term contracts with East Thames Housing, Islington, City of London and many of the major contractors in London.

K&M offers apprenticeships in painting and decorating at intermediate level and is developing apprenticeships at advanced level. It runs a fully accredited and dedicated college, and so is able to deliver the National Vocational Qualifications (NVQs) that are part of the apprenticeship scheme. Since 1997, 90 apprentices have completed an apprenticeship scheme at K&M. (Alongside its apprenticeship programme, K&M also offers a five-week pre-apprenticeship scheme for unemployed young people aged 16–24 in London, and is currently exploring provision for those aged 24+ with Jobcentre Plus.)

An SME involved in new apprenticeship trailblazers

K&M was asked by the Construction Industry Training Board if it wanted to be part of the construction sector trailblazer. The first two standards to be developed were for wood occupations and construction assembly technicians. Alongside involvement in this trailblazer, K&M separately helped put together an application to create a new standard in painting and decorating for a future trailblazer, but this has not yet been approved by government.

Reflecting on the experience of the first two standards, the senior manager at K&M, Jean Duprez, was cautious about the new approach to creating standards. She said there was indeed a live issue around the dominance of large contractors in the process and a lack of transparency over what types of company are involved.

However, when speaking about the process of bringing together employers (including initially around 15 SMEs, and later 30) to apply to government to create a new painting and decorating standard, she described the process as quite straightforward, establishing contact with other employers via email and telephone through ICI Dulux contractors' supply chain:

[It was] very quick to get the paint industry together... It's interesting to see that they combined and united... On that application we have our peers, some of them companies who we compete with. It doesn't come down to competition when it's a meeting of this magnitude. It's about making sure that more stringent standards are set so painting & decorating is recognised as a profession that brings value to a building, and not devaluing the job role to near labouring status. Because it is definitely getting devalued by anyone thinking they can come in, thinking that they can hold a brush.

When asked what was needed for successful involvement of SMEs in trailblazers, she said: 'There has to be a group of like-minded companies from the same industry dealing with their industry... It shouldn't be that the people who give the work out dictate.'

Ensuring the place of SMEs in designing the new apprenticeship standards essentially amounts to a concern about the breadth of those standards: apprenticeships should connect with well-defined occupations and produce broad occupational competencies, as Richard envisaged, rather than focus too narrowly on the requirements of a particular cluster of employers. While many of the early trailblazers appear to have

avoided this problem, by linking standards to professional registration and involving bodies representing the interests of entire sectors, the Commission believes that this best practice could be built into the system more deliberately. One large employer involved in a trailblazer said:

There's a process that we need to design as we go along because it literally is all trailblazing... making the rules up as we go along in many cases... I don't think that most employers realise the responsibility that they've now got.

The Commission believes that, in building on the best practice of some of the trailblazers, the UK should move closer to the model operated successfully in countries such as Germany and Switzerland.

In these countries there is a definitive list of occupations that are approved for publicly funded apprenticeships. (There are between 300 and 400 such occupations in Germany.³⁸) Each occupation has its own apprenticeship standard, with breadth ensured by not just the involvement of individual employers, but also occupational bodies and institutions reflecting the interests of whole sectors. Completion of an apprenticeship demonstrates mastery of the occupation and therefore allows for professional registration.

The Commission hopes that the UK will replicate this model, especially as processes are undertaken to replace the old frameworks with the new standards, beyond the work of the initial trailblazers. The Gatsby Foundation recommends that this could be done through a three step process:

- *identifying and publishing a definitive list of occupations* that apprenticeships can lead to, drawing on Standard Occupational Classification codes, which are approved and used by the Office for National Statistics
- *developing high-level criteria* that every set of 'occupational standards' must meet, including that apprenticeships lead to professional registration where it exists

- *establishing expert groups* comprising employers (including small employers), professional and occupational bodies, sector skills councils and others to devise the apprenticeship standards³⁹

The Commission believes that this idea would complement the proposals in the Richard Review and the experiments in the trailblazers, many of which involve occupational bodies and sector skills councils, as well as individual employers of different sizes. As with the trailblazer exemplars, this would result in apprenticeships leading to professional registration wherever possible, providing both status in society and currency in the labour market.

The Gatsby Foundation adds that one further benefit of linking occupations to Standard Occupational Classification codes would be that apprenticeships could be connected to datasets providing national and regional labour market information. Such an approach would be incredibly useful in promoting apprenticeships and providing careers advice, as it would allow prospective apprentices to access important information about the occupation they would be joining, including the numbers of jobs available in different areas of the country and average earnings. This would help address some of the major attitudinal and informational barriers to participation in apprenticeships that the Commission has identified.

Box 8 *The Commission supports the recommendations of the Gatsby Foundation that the Government should publish a definitive list of occupations that apprenticeships can lead to, drawing on Standard Occupational Classification codes, used by the Office for National Statistics. This would link apprenticeships to occupations and allow apprenticeships to be connected to datasets providing national and regional labour market information.*

One further aspect of the German and Swiss training systems is the more rigorous use of the licences to practise than is the case in the UK. In Germany and Switzerland a licence is required to work in a particular trade, as is the case for

professions such as accountants or lawyers in the UK. These licences are acquired through demonstrating occupational competencies. The system is used as a tool to protect consumers in industries where there is an asymmetry of information between providers and consumers, to promote training, and to encourage professional ethics and standards.

The Commission heard a range of views on the value of this approach. Some organisations believe it to be integral to raising the status of trades, through ensuring standards of excellence, while others regarded it as an unnecessary barrier to people entering new jobs without the requisite licence. The Commission's view is that the use of licences is suitable for some trades and vocations but not others.

Box 9

The Commission recommends that having identified and published a definitive list of occupations that apprenticeships can lead to, the government, working alongside employers, occupational bodies, unions and consumer groups, should conduct a review to identify the occupations whose practitioners should require a licence to practise.

Funding reform

In evidence to the Commission a number of organisations identified funding reform as a problem area for employers, in particular small businesses. Under the apprenticeship reforms, funding for off-the-job training will be passed to employers to manage instead of going directly from government to training providers. This is intended to give employers purchasing power and to incentivise training providers to be more responsive to their needs (see chapter 3).

The three original policy options, first consulted on by the government in 2013, were:

- *a direct payment model*: businesses register apprentices and make claims for government funding through a new online system; government funding is then paid directly into their bank account

- *a PAYE payment model*: businesses register apprentices through a new online system, then recover government funding through their PAYE return
- *a provider payment model*: government funding continues to be paid to training providers, but they can only draw it down when they have received the employer's financial contribution towards training⁴⁰

Following this consultation, the options were narrowed to two approaches in 2014, both based on routing funding directly through employers, which would be consulted on further. The first approach is the PAYE payment model de-scribed above; the second is an apprenticeship credit model: an online account for employers, which they use to buy the training and assessment they choose from registered providers. The employer and the government pay their contributions into the apprenticeship credit account. Employers control all of the money for training and assessment, but only have to pay in their contribution.

The devil is in the detail on funding reform, and the Coalition Government is clearly at pains to get it right. In January 2015 the Government committed to further consultation on the issue, stating in a press release,

*While putting employers in control of apprenticeship funding is a non-negotiable part of the reforms, it is clear from the feedback received that further detailed design work is needed before there can be a final decision on how this would work in practice.*⁴¹

The Commission welcomes the decision to listen carefully to stakeholders – businesses, colleges and training providers – rather than rush this decision.

The Commission found that employers welcomed the principle that they should be able to select the college or training provider that is right for them. However, many were worried about the bureaucracy that might come with handling government funding directly:

Most of our employers see the new proposed funding methodology as too bureaucratic and time consuming, and too risky in terms of the cash flow implications... These reforms may mean small firms will not employ apprentices.

Evidence from Summit Skills

Sectors such as hair and beauty, with high numbers of small businesses, find the potential bureaucracy particularly unattractive:

Most employers in the hair and beauty sector do not want any additional administration, so while in theory having funding directed towards employers sounds attractive, the reality of handling payments, negotiating with training providers... is very unappealing.

Evidence from the National Hairdressers' Federation

In its evidence to the Commission, National Electrotechnical Training, an independent, registered UK charity providing training for the electrical installation industry, cited research demonstrating that the businesses it works with report being less likely to train an apprentice under either a PAYE system or an apprentice credit account.

Representatives from other organisations who contributed written evidence to the Commission suggested that a requirement for employers to pay for training upfront (whether or not this could later be recovered) could be particularly damaging for apprenticeship numbers. Several of those making submissions argued that such an approach would put too heavy a strain on the cashflow of small businesses operating without large reserves:

The requirement for an upfront employer cash payment (in addition to separate contributions in kind) that is common to all... of the government's suggested reforms has the potential to radically reduce participation.

Evidence from the National Institute of Adult Continuing Education

Being required to pay their contribution upfront will be prohibitive to a lot of small firms.

Evidence from the Chartered Insurance Institute

The Commission is concerned that without greater reassurance to employers, these fears will have an effect on employer engagement with apprenticeships. For example, one small employer in the construction industry commented:

I'm not an expert on the full details but the consultation I saw on how funding would be dealt with makes me extremely worried... It's already making me and other businesses consider if we take on apprentices now, in case the system changes.

The Commission recommends that the Government either reverts to one of its earlier policy options, such as the provider payment model – which does not require employers to handle public money directly but still leaves purchasing power in the hands of the employer – or offers each business a choice as to whether they want to directly handle public money or not. This latter option would enable businesses equipped to handle public funding and/or make upfront payments to do so, but no organisation would have to operate this way.

Box 10 *On funding reform, the Government should either implement one of its earlier policy options, such as the provider payment model, or offer each business a choice as to whether they directly handle public money or not.*

De-risking apprenticeships

The Commission believes that getting the procedures right around creating new standards and finding the right policy on funding reform will reassure employers thinking of taking on an apprentice. However, the Commission received evidence to suggest that there are further barriers to many businesses taking on apprentices. The first was that many

employers are wary of taking on an apprentice because of uncertainty around whether they will have enough work for the duration of the apprenticeship.

Many apprenticeships last considerably longer than the Government's one-year minimum. In the construction industry, for example, apprenticeships tend to last for two to three years, while small employers – which account for most employers in the sector – can have uncertain pipelines of work, and be taking on contracts that last for considerably less time. Carillion, a construction services company, noted this as being a key barrier to greater take-up of apprentices among small businesses in its written evidence to the Commission: 'Continuity of workload is a major concern to small firms and can be a deterrent to taking on an apprentice.'

One solution to this problem is to share the risk among a group of employers through shared apprenticeship schemes. Under this model, apprentices are employed by a managing agency and can complete their apprenticeships on a number of placements with different employers. The Commission discussed the benefits of the shared apprenticeship model with local government representatives involved in Training and Apprenticeships in Construction (TrAC), a shared apprenticeship scheme in construction, explored in case study 3.

Case study 3 **Training and Apprenticeships in Construction**

Training and Apprenticeships in Construction (TrAC) is an employer-led initiative set up to support employers who are unable to provide employment for the full duration of an apprenticeship framework. TrAC is a not-for-profit company supported financially by around 30 main contractor partners and eight local authority partners across the East and South East. The Commission heard from representatives of local authorities in East Sussex, Norfolk and Medway which are affiliated with TrAC.

TrAC is collaborating with the Construction Industry Training Board to deliver its shared apprenticeship scheme. Like other schemes of this kind, apprentices complete placements with a range of different contractors

over the course of the apprenticeship, typically over two to three years in total. The placements are organised by TrAC, and usually last six months each. TrAC pays the apprentice wages rather than the employer (claiming this back from the employer for hours worked), and also organises the off-site training at a college or other learning provider.

This set-up allows flexibility for employers, enabling them to take on an apprentice with the knowledge that there is a network of employers who will be able to offer work and take on the apprentice if need be. The flexibility TrAC allows employers is particularly important in the construction industry where the vast majority of employers are SMEs and where longer-term pipelines of work can be uncertain. Paul Wright, who chairs the local authority steering group for the TrAC shared apprenticeship scheme says that it is 'all about working together to ensure small employers can work with larger ones so all can take on apprentices by sharing the work'. While apprentices are able to move around to different placements, if a business has an apprentice for a certain amount of time and wants to offer further employment they can do so. Involvement in the TrAC scheme also lends itself to requirements to provide apprenticeship training as part of local government contracts.

TrAC is a new scheme, which started in late 2012, but all apprentices who have completed their apprenticeship as part of TrAC in East Sussex, Brighton, Kent, Norfolk, Essex, Thurrock, Southend, Suffolk and Medway are currently in employment. The employment of seven apprentices who are still completing their apprenticeship has been transferred to their host companies mid-programme.

While shared apprenticeship schemes do not appeal to all employers – and are more suitable for some industries than others – the Commission believes that schemes such as TrAC could help to encourage more small employers to take on

apprentices. Evidence from similar schemes in Wales, in the construction and engineering sectors, suggests that this approach can be successful from the perspective of both employers and apprentices. Indeed, an independent evaluation – although based on small numbers – found that apprentices who were part of the shared apprenticeship schemes had better completion and better employment rates than apprentices as a whole in Wales.⁴²

The Commission recommends that employer bodies and industrial partnerships take the lead in establishing shared apprenticeship schemes within sectors. Large employers taking on this responsibility for the benefit of the wider supply chain (for example, in sectors such as construction) are also welcome and should be encouraged more widely. The aim should be to increase the number of small businesses taking on apprentices, and to reduce the number of apprenticeships that are started but not completed in SMEs. Several apprentices on the TrAC scheme transferred to being employed directly by the host employer, and this should be an end-goal, giving employers a sense of ownership and apprentices a clear idea of continuity and the route towards a stable job.

Box 11 *Employer bodies, industrial partnerships and large employers should take the lead in establishing shared apprenticeship schemes within sectors. These schemes should be evaluated against their success in achieving two aims: increasing the number of small businesses taking on apprentices and reducing the number of apprenticeships that are started but not completed in SMEs.*

Retention

Confidence in the commitment of apprentice recruits is also seen as important for encouraging greater employer investment.

Evidence from the Home Builders Federation

Some employers face the prospect of training their apprentice for the full duration of their apprenticeship and then losing that apprentice to another employer, as there are no legal obligations on the part of apprentices to stay with their employer once they have completed their apprenticeship. The fear of losing trained apprentices – often framed as ‘poaching’ by another employer – is a disincentive for businesses to invest in an apprentice.

Table 1, taken from a BIS research paper, estimates how much employers actually invest in apprenticeships in different sectors, based on case studies of around 80 employers. The figures are based on summing the costs (including wages, costs of supervision for on-the-job training, costs of organising training, and so on), and subtracting from the resulting figure the estimated financial value of the apprentice to the employer. The figures are for the costs of training apprentices at the levels commonly offered by employers in each sector, so some of the cells are empty.

Table 1 **Summary of employers’ net costs of training an apprentice**

Sector	Apprenticeship level		
	Level 2	Level 3	Levels 2+3 combined
Engineering			£39,600
Construction			£26,000
Retail	£3,000		
Hospitality	£5,050		
Transport and logistics	£4,550		
Financial services	£7,250	£11,400	
Business administration	£4,550		
Social care	£3,800		

Data have been rounded to nearest £50

Source: BIS, *Employer Investment in Apprenticeships and Workplace Learning*⁴³

Table 2 presents the BIS estimation of how long it takes employers to recoup the net costs of their investment in apprenticeships.

Table 2 **Estimation of how long it takes employers to recoup the net costs of their investment, by sector**

Sector	Apprenticeship level	Payback period
Engineering	Level 3	3 years, 7 months
Construction	Levels 2+3	2 years, 3 months
Retail	Level 2	2 years, 3 months
Hospitality	Level 2	10 months
Transport	Level 2 (mechanic)	6 months
Financial services	Level 3	2 years, 6 months
	Level 2	3 years, 8 months
Business administration	Level 2	9 months
Social care	Level 2	3 years, 3 months

Source: BIS, *Employer Investment in Apprenticeships and Workplace Learning*⁴⁴

These figures show that in the majority of sectors employers need to retain apprentices for between two and four years once they have completed their apprenticeship to fully recoup their investment.

Other statistics from government demonstrate the extent of the problem of retaining apprentices, suggesting that one-third of specifically recruited apprentices part company with their employers after completing their apprenticeship.⁴⁵ Over half of the apprentices who leave take another job. Other research has found that four-fifths (80 per cent) of employed apprentices said that they were likely to remain with their current employer for the next two to three years; but this leaves one in five who do not plan to do so.⁴⁶ The risk of apprentices

moving on to other employers once trained undermines firms that make long-term investments in apprentices, which are recouped over time as apprentices acquire more skills and work more productively.⁴⁷

The Commission believes that a strategic move towards longer duration apprenticeships under the reforms is wise and will help to ensure that apprentices are closer to being fully productive by the time they complete their apprenticeship. In German-speaking countries apprenticeships tend to include a period of skill consolidation, in which training continues but is scaled down. This period, in which apprentices are able to work more productively, using the skills they have acquired, allows employers to recoup some of the costs of the apprenticeship training before the apprenticeship is completed. The model is good for apprentices, who can consolidate what they have learned, and reassures employers that they will see more value from their investments.

Apprenticeships policy in England is moving in this direction. In 2011 the Coalition Government introduced a minimum length for all apprenticeships, specifying that every apprenticeship must last for at least one year. There is also a push for more advanced and higher-level apprenticeships, which tend to last longer. The Commission welcomes the attempt to bring in longer apprenticeships, and believes there is the potential to go further still to bring England into line with other comparable countries.

The Commission received suggestions as to how this might be achieved, for example by building stronger reciprocal commitments between employers and apprentices, which encourage employers to invest in high quality training and apprentices to stay with the employer for longer.

The Commission recommends that the Government trials a new 'mutual guarantee' arrangement at the start of an apprenticeship, as part of an apprenticeship agreement. As part of the current wave of reforms, it is intended that employers will be expected to contribute directly towards the cost of off-the-job training. Under a mutual guarantee arrangement:

- The employer would specify how much will be invested by the employer in off-the-job training, and make clear to the apprentice at the outset how the apprenticeship will work, and how much on-the-job and off-the-job training they can expect.
- The apprentice will commit to completing the apprenticeship, agreeing to repay the employer for the cost of their off-the-job training should they not complete it.

Currently, apprenticeship agreements can contain repayment clauses for off-the-job training costs, but findings from the Commission suggest that employers are not always aware of or confident about them, and the reforms (in asking for greater financial contributions from employers) give a new urgency to making such clauses clearer.

The arrangement would build on precedent from other parts of the economy, such as law firms, where employers routinely fund training with the agreement that employees will remain with the firm employing them for a given period of time – or repay some of the costs of their training. This kind of arrangement should reduce the risk for employers in investing in an apprenticeship. It would also create an incentive for employers to move towards longer duration apprenticeships, with skill consolidation periods like those in Germany, under which their investments would be protected for longer. For their part, would-be apprentices would benefit from greater clarity about investments being made in them, what exactly apprenticeships will involve, and longer periods of stable employment and training at an important point in their careers.

The Government's role in helping enable these mutual guarantees would be to provide guidance and legal clarification on repayment clauses for apprenticeships, and to set expectations on the level of clarity required in future apprenticeship agreements.

Box 12

The government should trial a new 'mutual guarantee' arrangement at the start of an apprenticeship, as part of an apprenticeship agreement. Employers would clarify the level

of their investment in off-the-job training and exactly what individuals should expect from an apprenticeship, while apprentices would commit to completing the apprenticeship or covering the costs of off-the-job training. Such arrangements would create incentives to have longer duration apprenticeships, with skill consolidation periods, under which employers' investments would be protected for longer.

Public procurement and apprenticeships

Companies should not be allowed to work on government contracts or big contracts unless they train. Really simple... because that's why we have a skills shortage.

Evidence from K&M McLoughlin

A further way to drive up demand for apprenticeships among employers is to give greater weight to apprenticeships in public procurement contracts.

Public bodies – central government departments, local councils, the NHS – are required by law to seek value for money when putting public contracts out to tender. Since the Public Services (Social Value) Act 2012, there are additional legal requirements to consider wider social value as part of value for money, which can include training of the local workforce and apprenticeships.

Many local councils have adapted their practices to meet these new social value obligations. In a 2014 report, the Communities and Local Government Committee outlined some good examples of council procurement practices in relation to apprenticeships, including weighted tender exercises. One of these exercises requires bidders to take on a new apprentice for every £1 million spent if they wish to increase their 'value added' score.⁴⁸

However, there is still room for improvement. The Communities and Local Government Committee report stated that the quality of councils' procurement practices is patchy. London Councils has estimated that London boroughs could

generate up to 5,500 apprenticeships a year via procurement, as opposed to 300 apprenticeships a year currently.⁴⁹ Barriers cited by London Councils include the capacity of local government to monitor and follow up contractor commitments, issues around recruitment of apprentices, and contractors' expertise in building apprenticeship opportunities into bids.

Expecting contractors to take on apprentices also has the potential to cause problems if the contract length does not match the duration of the apprenticeship – as explored above in relation to the construction industry. Representatives from TrAC thought that shared apprenticeship schemes could help overcome this issue. Employers would be expected to take on an apprentice for the periods for which they have work, but there is a safety net of other employers in the scheme:

That's why the shared apprentice scheme does tend to lend itself quite well to this, because if a company does tend to win a lot of projects, it's convenient. But if they don't we need to be able to move that individual around to make sure that they do actually continue their training.

The Commission supports the use of 'social value' frameworks in procurement and believes that they could be a useful tool in encouraging more employers to offer apprenticeships. However, it cautions that such tools need to be used carefully, with the right institutional support around them. Where appropriate, schemes such as TrAC should provide support to help small employers fulfil obligations. Furthermore, it is important that procurement rules do not inadvertently disadvantage those employers who are already employing apprentices, by expecting them to go even further where this is not practical. Those involved in procurement should consider whether or not potential contractors will provide apprenticeships during the life of a contract, rather than whether they will create *additional* apprenticeships as a result of it.

Convincing employers to invest in apprenticeships

The only way to change something is to go through it... There's a failure of employers to step up to the mark.

Evidence from the Phoenix Artist Club

As there are many more apprenticeship applications than places – 12 to one – convincing employers of the benefits of taking on an apprentice, and mitigating the perceived risks, should be a key priority for government.

It is vital to get the detail of the current reforms right. Many employers, professional bodies and others are concerned that the new standards should avoid pitfalls by linking to clearly recognisable occupations and equipping individuals with broad occupational competencies. Meanwhile it is important to ensure that the new funding regime genuinely empowers employers, rather than creating problems with cashflow or bureaucracy.

As there is increasing demand for employers to take on apprentices it is necessary to assure employers of the value of their investment. This could be achieved to a considerable extent by introducing clearer standards, and reducing risk through measures like shared apprenticeship schemes and better mechanisms for reciprocal commitments between apprentices and their employers (outlined in the recommendation above). But it is also clear that local and national government can do more to incentivise employers, including through making requirements of them through public procurement practices, and putting in place robust monitoring processes to ensure that they follow through on their obligations.

The final piece in the jigsaw is the quality of the training that employers are able to access, which is addressed in chapter 3.

3 Training supply

If employers are to invest in apprenticeships, they must be assured that the training on offer is both relevant to their business and of the highest quality. Employers are able to control some of apprentices' training themselves, as they are responsible for on-the-job training, but apprentices also require training away from the workplace. The taxpayer also has an interest in this, as a co-funder of apprenticeships, as do apprentices themselves, who accept lower wages on the understanding that they will gain occupational competency through the training they receive.

The Commission included questions in its call for written evidence around how the training system can deliver more high quality apprenticeships, particularly in the context of apprenticeship reform. Aside from receiving a large number of responses to these questions, the quality of training provision was discussed during oral evidence sessions with apprentices, employers, FE colleges and private training providers. The Commission was particularly interested in how better relationships, built on mutual trust and accountability, can be fostered between training providers and employers. Case study visits were undertaken to follow up both positive and negative examples of existing relationships between them.

An emphasis on training

One concern heard by the Commission was that a minority of employers offering apprenticeships show little interest in training apprentices at all, using the apprenticeship system instead as a source of cheap labour, rather than as a long-term investment in an individual. This signifies a breakdown of the

three-way apprenticeship bargain, under which the taxpayer invests money and the apprentice accepts lower wages in return for an employer's contribution to training an apprentice.

There is understandable concern among politicians and policy makers that apprentices are not exploited by employers. The Commission welcomes this but cautions that attention should be focused in the right areas. International evidence shows that UK apprentices are paid relatively well by comparison with other countries, such as Germany, Austria and Switzerland, where apprenticeships are well established and well respected.

While there is variation in pay, on average apprentices in their first year of an apprenticeship in England receive 51 per cent of their fully qualified rate, compared with 25 per cent in Austria, 21 per cent in Germany, and 9 per cent in Switzerland. In absolute terms, apprentices in the UK have an average hourly pay of £6.05 compared with between £3.47 and £4.64 in Germany, £2.67 and £5.60 in Austria, and £1.39 and £3.01 in Switzerland.⁵⁰ One factor that may influence this is that more apprentices in the UK are over 19 than in these countries.

The Commission therefore urges policy makers to focus on continuing to improve the quality and value of the training that apprentices receive. Enforcement of the apprentice national minimum wage is important, especially in light of figures showing that 14 per cent of apprentices were paid below the appropriate national minimum wage in 2013, including nearly a quarter (24 per cent) of 16–18-year-old apprentices⁵¹ – but it is vital that the training element of apprenticeships is centre-stage.

The Commission notes and endorses the National Institute of Adult Continuing Education's call for an apprenticeship charter, which would serve as a quality mark, awarded to employers who demonstrate commitment to high quality learning in apprenticeships and to future learning progression. The Commission supports the creation of a national quality standard, run along the lines of Investors in People.

Box 13

The Government should provide support for an apprenticeship charter, which would serve as a quality mark, awarded to employers who demonstrate commitment to high quality learning in apprenticeships and to future learning progression.

Mapping training provision

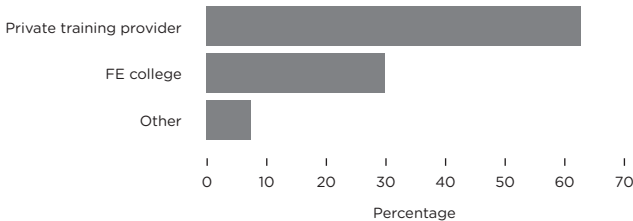
The vast majority of businesses involved in apprenticeships have an appetite to train. One of the challenges for apprenticeships, therefore, is to raise the quality of off-the-job training as far as possible. The external training needs of businesses are delivered by a range of provider types in the UK, including private training providers, FE colleges, universities, third sector organisations, large businesses and public sector bodies (for example, local government bodies and hospitals). Government data show that the vast majority of apprenticeships are delivered by either private providers (just under two-thirds) or FE colleges (just under a third) (table 3 and figure 5).

Table 3 **Apprenticeship starts in 2011/12 by provider type, all levels**

All ages	General FE college incl tertiary	Sixth form college	Special colleges	Other public funded	Schools	Private sector public funded	Total
Total apprenticeship starts	155,800	1,300	4,400	33,000	100	326,000	520,600
% of total	29.90%	0.20%	0.80%	6.30%	0.00%	62.60%	100%

Source: Skills Funding Agency and BIS, 'FE data library: apprenticeships'⁵²

Figure 5 **Apprenticeship starts in 2011/12 by provider type, all levels**



Source: Skills Funding Agency and BIS, 'FE data library: apprenticeships'⁵³

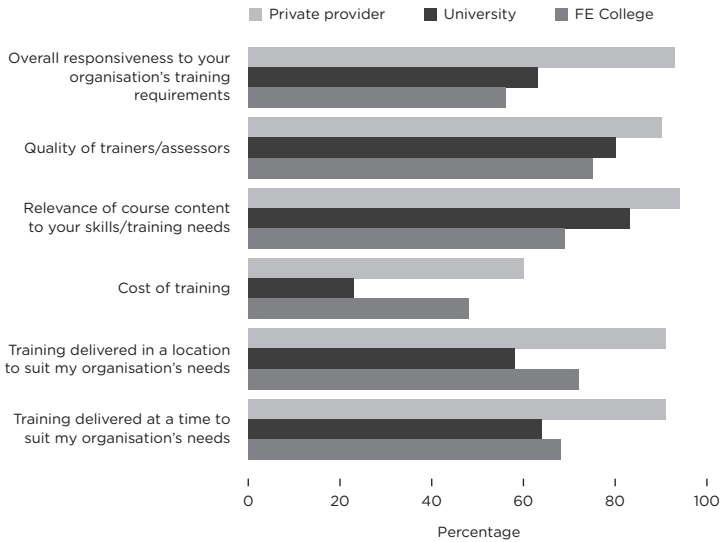
How satisfied are employers with training providers?

The 2014 CBI/Pearson Education and Skills survey gives a snapshot of employers' attitudes towards the different training providers they use for external training (in general, not just for apprenticeships).⁵⁴ It appears that employers are generally satisfied with the way providers are meeting their needs, judged according to training providers' responsiveness to their individual requirements, overall quality of training, relevance to industry, and other indicators shown in figure 6. Satisfaction varies considerably by training provider type – with private training providers receiving higher net satisfaction scores than either FE colleges or universities – and by satisfaction indicator (for example, cost attracts least satisfaction for all provider types).

Further research on apprenticeships in a report by BIS in 2012 found that just over three-quarters of employers (77 per cent) were satisfied with their ability to select an apprenticeship framework relevant to their needs. The report also found that satisfaction was high for the relevance of the apprentice's training (69 per cent very satisfied vs 4 per cent dissatisfied); and that two-thirds (66 per cent) of employers were satisfied with the overall quality of training from the provider, compared with 7 per cent who were dissatisfied. Smaller employers were slightly less likely to be very satisfied with overall quality (59 per cent).⁵⁶

Figure 6

Balance of employer satisfaction with training providers*



*Net balance of employers satisfied or very satisfied minus those dissatisfied or very dissatisfied

Source: CBI, *Gateway to Growth*⁵⁵

The views of apprentices

While the quality of training provision is important for employers, it should also be a pull for apprentices thinking of taking an apprenticeship. The vast majority of apprentices surveyed by BIS in 2012 were satisfied with the training provision they completed as part of their apprenticeship – both in relation to its relevance to their current or future employment (88 per cent satisfied) and its overall quality (86 per cent satisfied). This level of satisfaction holds true across all apprenticeship sectors.⁵⁷

The BIS survey found that 5 per cent of apprentices expressed dissatisfaction with their apprenticeship, with one of the most likely reasons for this given as lack of support from

or contact with the training provider (four in ten of those who were dissatisfied).⁵⁸ This finding was reflected through the Commission's consultations: several apprentices reported that they had mixed experiences with their training provider, with a minority feeling completely let down by the system. One apprentice hairdresser told the Commission that the first training provider she studied with (which she thought was very good) went bankrupt, and the next training provider had been awful, losing records of her examinations. She compared the two experiences:

[With the first provider], if you had any problems you could speak to anyone there and they would sort it out, there was really good communication... they kept an eye on everyone. They knew everyone personally... [With the second] there's no communication, they don't know who I am... You can get a tutor that knows what they're doing, and at other times a tutor that really doesn't have a clue about your industry.

The apprentice said that the first provider had given her additional support with English and maths because she had been diagnosed as dyslexic, while the second provider had not. She said: 'It's more "here you go, you do that" and that's it.' Her account was testament to how disruptive to learning and demotivating a poor relationship with a training provider can be. The approach of the first provider – personalised and supportive to the learner – should be the norm for all training providers.

Other apprentices described a lack of interaction between employers and training providers. Some felt that this could lead to situations where on-the-job training and off-the-job training do not properly complement one another. One apprentice described some unhelpful repetition and gaps in training provision: 'I see the connection [between on-the-job and off-the-job training], but there's always stuff that either side will not offer me.'

Getting the relationships right

Successful apprenticeships require partnerships between employers and training providers.

Evidence from Milton Keynes College

Relationships matter, and employers and training providers must work together to ensure that apprenticeships are a success. Many employers the Commission spoke to enjoyed very good relationships with local colleges or providers, built on good communication, trust and repeat business. But the Commission also heard examples from employers of training providers being extremely difficult to work with, and out of touch with the requirements of industry.

As the quote above suggests, the importance of the relationship between employers and training providers is paramount to a successful apprenticeship programme. Being caught in between two interests whose agendas do not match up can be bewildering for an apprentice. After hearing evidence given in parliament by employers, apprentices and training providers, the Commission undertook two case study visits to explore what features make or break an effective partnership between employers and learning providers. The first is a positive account from the Leeds College of Building (case study 4).

Case study 4 **Leeds College of Building**

Leeds College of Building (LCB) is a general FE college specialising in construction education and training. LCB was first established in the 1960s, and is the only general FE college in the UK specialising in construction and the built environment. LCB currently has around 8,000 students enrolled.

LCB offers apprenticeship courses from level 2 through to level 5, across a wide range of subjects in construction and engineering. LCB runs its own managing agency for apprenticeships, working with a network of eight other colleges to deliver training nationally

alongside its core offer in Leeds. LCB has a timely success rate for all apprenticeships at 75 per cent against a national rate of 55 per cent.

Work-based employer engagement advisers

The Commission was interested in speaking to LCB staff to explore its success in forging strong relationships with the employers it works with. The college has a strong reputation in the construction industry. Derek Whitehead, Deputy Principal and Executive Director for Curriculum and Quality, described a key worker model that was important in this regard – the use of ‘work-based employer engagement advisers’ – who not only help to keep relationships with employers on a firm foundation, but also support apprentices through their apprenticeship, together with NVQ assessors.

Each apprentice coming to LCB is assigned a work-based employer engagement adviser who sees that apprentice through the full duration of their apprenticeship framework. These advisers are involved from the very start, checking the compliance of employers with health and safety requirements and other requirements of the Skills Funding Agency. Work-based employer engagement advisers provide mentoring support to apprentices and ensure that there is a strong line of communication between college tutors or assessors and the employer, to enable robust monitoring of the apprentice’s progress in the college and work environment. They make sure that the provision of the college complements that of the employer, and vice versa. Every three months, LCB conducts ‘tri-party reviews’ involving the college, employer and apprentice. These meetings allow any issues to be addressed, including the need for provision of additional learning support if required.

Derek summed up what he felt was key to the college’s successful relationship with employers:

What's key is the communication... [Employers] really want to know: are their apprentices getting a quality learning experience while they're off the job and at the college? Does it match what they want as an employer?... Communication about how well the apprentice is doing and whether they're on target to achieve. There are no surprises then, at the end of the year... Jointly, with the employer, we can resolve any issues around that apprentice's performance and well-being on the programme.

In a 2014 inspection, Ofsted commended the college on its level of support and welfare services available to students. This process begins before the work-based employer engagement adviser is assigned, with good links to local schools enabling college staff to identify students with additional support needs and make the transition to the college as smooth as possible. The Ofsted report also commended the college on its advice to students on progression to higher-level study, employment and self-employment. LCB was judged by Ofsted as good overall.⁵⁹

The set-up at the LCB chimes well with the written evidence submitted to the Commission by the Federation of Small Businesses, which stated that 'for businesses to engage, [training] must be relevant, understandable, and with the benefits of, and support for, engagement made clear'. Strong communication underlies the success of the LCB model. Having a key worker for apprentices for this purpose – who manages and brings together employer, apprentice and learning provider in a structured manner – is a model worthy of greater take-up among colleges and other training providers.

The Commission heard other accounts of good relationships existing between colleges and employers with similar messages about strong communication and the importance of face-to-face contact. For example, one of the colleges working with the engineering company MBDA

described an important ‘two-way’ relationship, where members of the college are invited on-site to be told about the latest developments in industry.

The second case study exploring what features make or break an effective partnership between employers and learning providers looks at a poor relationship between the two parties. It explores the problems of a small employer who wants to take on an apprentice of accessing training, and how communication between employer and training provider can break down very easily.

Case study 5 **The Phoenix Artist Club**

The Phoenix Artist Club is one of the last private members clubs in central London for the creative and theatrical industries. The club has a small creative theatre and a large kitchen. The owner, Ken Wright, employs ten staff, including two apprentices: Robert, working as an apprentice chef in the kitchen, and John, a technical apprentice working in the theatre.⁶⁰

Challenges for an SME accessing training

When giving evidence to Commissioners Ken said:

I am tired of being treated with utter contempt by the education establishment.

Ken was speaking about his efforts to get Robert – his chef apprentice – a good place at college, and subsequent problems working with workplace assessors. The Commission also met Robert himself and Ian, the head chef at the Phoenix Artist Club.

Robert left school at age 16, when he had ‘few prospects... no skills, no qualifications, no trade’. His story illustrates the barriers that exist for a young person with a challenging background of taking up an apprenticeship, and the complexity of navigating the apprenticeship system for a small employer, particularly in relation to the training system.

Ken described trying to get Robert a place at college as a ‘non-starter’. He told the Commission that none of the local FE colleges would return his calls (an allegation repeated by another employer the Commission spoke to). Ken was eventually approached by someone at an apprenticeship management agency who offered to take Robert on and find him a place at college. While Ken feels the clout of the agency helped, in order for Robert to take up the offer Ken had to ‘essentially fire’ Robert, who is now employed by the agency:

It’s a mess... Employing a 20-year-old and then in order to get him further educated having to sack him – how can that be logical? Who benefits from that?

While the agency has been supportive in some respects, Ken described a lack of ownership over the apprenticeship – feeling like a ‘sponsor’ of Robert rather than an employer. He feels it removes the ability to manage properly.

Ken continues to have problems with the invoicing system operating between himself, the apprenticeship management agency and the FE college; with the organisation; and with the relevancy of college training provision. He described the educational jargon of workplace assessors as one aspect of an ‘appallingly poor service’.

In general Ken described the apprenticeship system as ‘awfully complicated... a minefield’, talking through the layers of bureaucracy and presenting evidence to the Commission on the level of administration involved for an SME supporting two apprentices. But he also said that there are some clear benefits: ‘It’s a bit of fun passing on the baton, seeing them develop and the eyes brighten... You get a lot out of it.’ Robert has now passed his mid-term exams, gaining GCSEs in maths and English. Ken described Robert’s new confidence in his own abilities, saying that this is ‘exactly what apprenticeships should be about’.

Case studies 4 and 5 clearly indicate the importance of getting the fit right between training providers and employers. Good relationships are built on strong, clear lines of communication, responsiveness to industry, and ultimately mutual concern for the wellbeing of the apprentice. Ken is not alone in describing poor relationships that are built on misunderstanding and confusion.

The Commission believes good practice must be promoted in this area. It is also important to get a sense of balance: employers can be just as guilty of not keeping up their side of the bargain as training providers. While the Commission heard negative accounts of learning providers from employers, it also heard positive accounts (and from employers about other employers). One college representative said: ‘It’s worth recognising there are good and bad employers in every sector’, noting that while there are some employers with whom they will have repeat business, there are others with whom they will not place apprentices because ‘it’s obvious exploitation’.

Expertise in the colleges and providers

Some employers to the Commission deemed some training colleges and training providers are out of touch with the latest working practices, which they found frustrating. This is another unnecessary drag on demand for apprenticeships.

The perception that some providers delivering apprenticeships are not up to date in their training appears to be an issue for some sectors in particular. On most measures of satisfaction, employers offering construction, planning and the built environment apprenticeships scored lowest on the BIS survey. The Commission received evidence to the same effect. These quotes are taken from the written evidence:

The present system offers training in skills that are not necessarily wanted by the sector now or in the future. The industry must work closely with the education system to ensure that programmes are pertinent to the sector’s needs.

In our sector FE can be years behind actual operational practice. This creates an incoherent experience for the learner.

Evidence from Chartered Institute of Building Services Engineers

Employers from other sectors also expressed problems with the relevance of some of the courses on offer by the training provider they use. One small employer working in marketing, who gave evidence in parliament, found the course offered by the local college completely inappropriate for his business. On-the-job and off-the-job training failed to complement one another:

The course was completely for business-to-consumer which is a completely different course to the business-to-business course... so [the training provider] was taking the child right from the start and teaching them one thing, and of course he didn't get the relevant experience when we brought him back to the workplace.

This is disorientating for learners, and damaging for the employer's investment. This particular employer felt that the college had no interest in him as an employer and, if anything, was helping to prepare his apprentice for moving on:

Things I would overhear or know because the apprentice told me – they're working on helping them develop their CV. You know, I'm investing so much time in this guy and they're trying to get him ready for someone else. There's such a disconnect there.

The Commission also heard from employers about the difficulty they sometimes have in finding training providers locally offering appropriate courses for their apprentice, so sometimes apprentices are bussed to learning providers some distance away from the business. Two of the employers who gave oral evidence to the Commission spoke about sending their apprentices considerable distances to receive appropriate training – in one case, two hours from the business – at the employer's expense. Employers in more rural locations can find this particularly difficult; one construction SME employer said that accessibility is a 'massive issue'. For their part, training providers who spoke

to the Commission argued that while there may be demand for some courses and apprenticeships, it is not always economic for those courses to be provided if the class sizes are low, because of the staffing and other resource implications. In some cases, specialist institutions are more appropriate providers for some modules than general training providers; where it meets the needs of employers, arrangements for intensive ‘block-release’ training for apprentices rather than day-release could help – this is offered to employers who partner the LCB, for example.

Choosing the right provider

The Richard Review and subsequent reforms have sought to increase the quality of training provision through a ‘demand-led’ approach. This involves giving employers more power to hold colleges and training providers directly to account. As Richard put it in his report:

*Purchasing power for training must lie firmly in the hands of employers. Employers are best placed to judge the quality and relevance of training and demand the highest possible standards from training organisations.*⁶¹

The Commission supports this approach but believes more can be done to help employers make the choices that are right for them. The Commission heard too many accounts of employers feeling they simply ended up with a substandard provider rather than made a proactive and informed choice.

Many providers find choosing a training provider straightforward, but this is not always the case. The Commission heard accounts of employers finding the system very confusing. For example, one small employer said ‘The training landscape is too complicated, leaving the employer at the mercy of the markets... We’ve had terrible experiences... fortunately we have a really good one now.’

Other employers felt they had ‘ended up’ with a training provider rather than proactively chosen one – sometimes under the pressure of needing a replacement after one had failed

(either to provide an acceptable service, or – in two cases heard by the Commission – because of financial difficulties).

Employers have a number of resources to assess the quality of training providers before making a decision, including:

- the Skills Funding Agency, which publishes a register of training providers, showing the list of organisations that have passed their initial due diligence called the Register of Training Organisations⁶²
- FE Choices, a facility to compare training providers on a number of factors such as success rates and results from employer and learner surveys; it allows selection of providers by area and sector⁶³
- Ofsted, which has several sources of data including a search facility on the last inspection report for each college or provider;⁶⁴ Learner View,⁶⁵ which enables learners to rate FE and skills providers; and Employer View,⁶⁶ which enables employers to rate FE and skills providers

Each of these sources of information is useful in its own right, but taken together represents less than the sum of its parts. Each dataset is published in a different place, without a central tool to bring it all together in a straightforward, accessible way. As a result, many of the employers who spoke to the Commission were unaware of many of these options.

The Commission believes that the information in the sources above could be usefully brought together in a more coherent fashion. The Commission recommends that the open data team in the cabinet office leads a cross department initiative to bring together and publish these datasets in one place. Following the logic of the Government's drive towards open data, the purpose of publishing these data sets in one place would be to allow others, beyond government, to develop ways of presenting the data in accessible ways to help employers and apprentices make informed choices.

Box 14

The open data team in the cabinet office should lead a cross department initiative to bring together and publish the respective datasets for FE Choices, Learner View and Employer View.

Helping providers anticipate employer demand

The Commission believes that more can be done to help colleges and training providers anticipate the needs of employers in their area. The Commission heard repeated concerns from employers that they were unable to find training to match their needs when taking on an apprentice. Some reported having to travel large distances to provide the right resources. Representatives from colleges and training providers, meanwhile, argued that it can be difficult to respond to changes in demand for training overnight. Courses must be put together, staff may need to be taken on, equipment must be updated and each course requires enough students to sign up for it to be feasible. For this to be addressed colleges and training providers need to understand what employers in an area are likely to need in one, two or three years' time.

A lot can be achieved simply through conversations between employers and providers, facilitated where necessary by local institutions like local economic partnerships and supplemented by tools like employer surveys. However, the Commission believes that this is another area where a more open approach to data would also help.

Putting in place the correct mechanisms to match demand for training with supply more effectively is a real challenge. Currently, data on numbers of apprenticeships (published by BIS) are only provided on individual sectors, such as construction. In order for training providers and others to track and predict industry skills needs, this information would usefully be provided at a more detailed, occupational level, for example, that of a carpenter.

Without this information – broken down by geography and including metrics such as apprenticeship starts and completion rates – there is no simple way of establishing whether employer demand is being properly met in a local

area. For example, it is impossible to tell whether training providers are putting on bricklaying courses that are unnecessary for employers' future skills needs, or whether there are courses in sufficient number, in the right areas of the country.

Box 15 *The Commission recommends that the Government adopts a new data-sharing protocol, to free detailed information on the apprenticeships being offered by employers in local areas. This information, which could be broken down by occupation, is already held by the Skills Funding Agency and National Apprenticeship Service, and could be made available much more widely.*

Workplace assessors

One final area of concern raised to the Commission relates to workplace assessors, who visit the workplace to make competency assessments of the apprentice for the vocational qualification attached to an apprenticeship. While statistics quoted above suggest that a majority of employers are satisfied with workplace assessors, some contributors to the Commission outlined increasing problems around making sure that workplace assessors are properly qualified, particularly as the number of apprenticeship frameworks has expanded. The following two quotes are taken from evidence received by the Commission:

[There is] real pressure on the labour market for well-skilled, well-qualified assessors.

Evidence from London Learning Consortium

[The] creative industries, seen as a key sector for growth... [have not] traditionally had vocational qualifications, and in order to deliver those you need somebody who has got both the occupational competence and the assessor qualifications, and there just aren't people in the sector.

Evidence from Milton Keynes College

Some contributors to the Commission suggested that there needed to be greater involvement of industry in this regard:

[Learning providers should] utilise the skills of trades-people to become NVQ assessors so that the competence based skills are assessed on real industry standards.

Evidence from Greater Manchester Chamber of Commerce

One interesting idea submitted to the Commission is to use the skills and knowledge of retired – or retiring – workers for the purposes of workplace assessment. The Commission is attracted to the idea of a Teach Next scheme, which would encourage retiring workers in particular occupations to take on roles in training and assessment for apprenticeships, and believes this would be a fruitful avenue for further enquiry.

Box 16 *The Government should work with occupational bodies and employer groups to explore the potential for a Teach Next scheme, which would encourage retiring workers to take on roles in training and assessment for apprenticeships.*

Raising quality

The Richard Review and subsequent reforms have placed significant emphasis on raising the quality of training provision, rightly recognising that this has a close relationship with employer demand. For employers to be confident in making long-term investments in apprenticeships, training must be of sufficiently high quality to pay dividends. The Commission supports the move towards a more demand-led system, with purchasing power lying with employers. However, more can be done to help providers understand employers' requirements and employers establish which training providers are right for them.

4 Conclusion

After decades of neglect, apprenticeship numbers are growing in England, having risen substantially under consecutive governments, and there is increasing public and political support for them. All the major parties are committed to keeping up the momentum in the months before the May 2015 general election.

Despite this surge in support, major challenges remain. As the new research produced for this Commission reveals, parents support apprenticeships enthusiastically in general terms, but remain less convinced that they are right for their own children. Schools continue to promote academic routes far more enthusiastically than technical and vocational learning, and many employers still need convincing that the risks associated with investing time and resources in apprenticeships will pay dividends. This concerns the relevance of courses and qualifications, the quality of training, and the inherent challenges of investing in staff who may either leave, or prove surplus to requirements in the future.

The Richard Review and subsequent reforms provide a framework for addressing many of these challenges, through anchoring apprenticeships to occupations, simplifying the system, working with employers and reforming the training system itself. The Commission on Apprenticeships has sought to work with the grain of these ideas, and has found broad support for them. In doing so, the Commission has engaged a broad range of institutions with an interest in apprenticeships, from employers to training providers, and parents to apprentices themselves. It has also sought to adopt a non-partisan tone on an issue where there is considerable scope for agreement between the main parties. In that spirit, the commission makes the following recommendations:

For schools

- All students aged 14–16 should be offered the chance to take a vocational subject alongside academic study. This would not be compulsory but the option should be available to all. This entitlement could be delivered through schools forming partnerships with institutions with a strong vocational focus, such as FE colleges and university technical colleges. The Commission recognises that this would need to be achieved within a reasonable timeframe, in consultation with schools.
- Pupil destination data should be developed further, to track pupils for several years after they have left school, to provide a better measure of career outcomes. This should be done by joining up government datasets, rather than by schools themselves.
- Schools should continue to have freedom to determine how careers advice is provided. As at present, there should be provision that is independent of the school. There should be a high quality public sector careers service to compete with other providers; the NCS should develop the capability to offer face-to-face advice to schools and compete with other providers.
- Employer bodies should coordinate efforts to promote greater understanding of their industry by building partnerships with schools.
- As per Lord Heseltine’s recommendation, all boards of governors in secondary schools should include two influential local employers. One member of every school governing body should also be appointed as a ‘careers lead’.

To increase employer demand

- Every apprenticeship standard should have a section on potential progression routes after completion of the

apprenticeship. This should include information on whether the completion of a standard at one level automatically qualifies an apprentice to progress to the next level (including opportunities to pursue HE qualifications where appropriate). Where this is not the case, specific information should be provided as to what other skills, competencies or qualifications would be required in order for an apprentice to make that progression.

- The Government should publish a definitive list of occupations which apprenticeships can lead to, drawing on Standard Occupational Classification codes, used by the Office for National Statistics. This would link apprenticeships to occupations and allow apprenticeships to be connected to datasets providing national and regional labour market information.
- The Government, working alongside employers, occupational bodies, unions and consumer groups, should conduct a review and identify the occupations whose practitioners should require a licence to practise.
- On funding reform, the government should either revert to one of its earlier policy options, such as the provider payment model, or offer each business a choice as to whether they directly handle public money or not.
- Employer bodies, industrial partnerships and large employers should take the lead in establishing shared apprenticeship schemes within sectors. These schemes should be evaluated against their success in achieving two aims: increasing the number of small businesses taking on apprentices and reducing the number of apprenticeships that are started but not completed in SMEs.
- The Government should trial a new ‘mutual guarantee’ arrangement at the start of an apprenticeship, as part of an apprenticeship agreement. Employers would clarify the level of their investment in off-the-job training and exactly what individuals should expect from an apprenticeship, while

apprentices would commit to completing the apprenticeship or else covering the costs of off-the-job training. Such arrangements would create incentives towards longer duration apprenticeships, with skill consolidation periods, under which employers' investments would be protected for longer.

For high quality training:

- The Government should support an apprenticeship charter, which would serve as a quality mark, awarded to employers who demonstrate commitment to high quality learning in apprenticeships and to future learning progression.
- The open data team in the Cabinet Office should lead a cross-departmental initiative to bring together and publish the respective datasets for FE Choices, Learner View and Employer View.
- The Government should adopt a new data-sharing protocol, to free detailed information on the apprenticeships being offered by employers in local areas. This information, which could be broken down by occupation, is already held by the Skills Funding Agency and National Apprenticeship Service, and could be made available much more widely.
- The Government should work with occupational bodies and employer groups to explore the potential for a Teach Next scheme, which would encourage retiring workers to take on roles in training and assessment for apprenticeships.

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There is political consensus about the value of apprenticeships to the UK economy. Yet, it is clear that there is a long way to go before the potential of apprenticeships is realised. Apprenticeships continue to be seen as a second-best option for school leavers compared to university. Meanwhile, the majority of employers do not offer them.

The Commission on Apprenticeships was launched in March 2014. Co-chaired by Robert Halfon MP and Lord Maurice Glasman, and including a range of experts, the Commission sought to explore how to increase the power and potential of apprenticeships in the UK. This is the final report of the Commission, which draws on evidence gathered by the Demos secretariat over the course of 12 months. This includes responses to a written call for evidence, three oral evidence hearings with employers, training providers, and apprentices, five follow-up case study visits, and original polling of parents. The report features the construction industry as a major case study sector but makes recommendations for apprenticeships policy in the round.

The report is an attempt to build on the work started by the Richard Review and subsequent reforms. It considers issues that were addressed only tangentially in the Richard report, such as the role of schools in raising awareness of apprenticeships, as well as examining some of the detailed policy questions which arise from the trailblazer programmes.

The Commission recommends a number of measures to increase the quality and quantity of apprenticeships. These include creating better incentives for schools to promote apprenticeships and vocational learning; measures to reassure employers about the value and security of their investment in an apprentice; and measures to drive up the quality of the off-the-job training on offer.

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