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APPRENTICESHIPS & TRAINEESHIPS FOR 16-19 YEAR OLDS

SUBMISSION TO THE HOUSE OF COMMONS
EDUCATION COMMITTEE



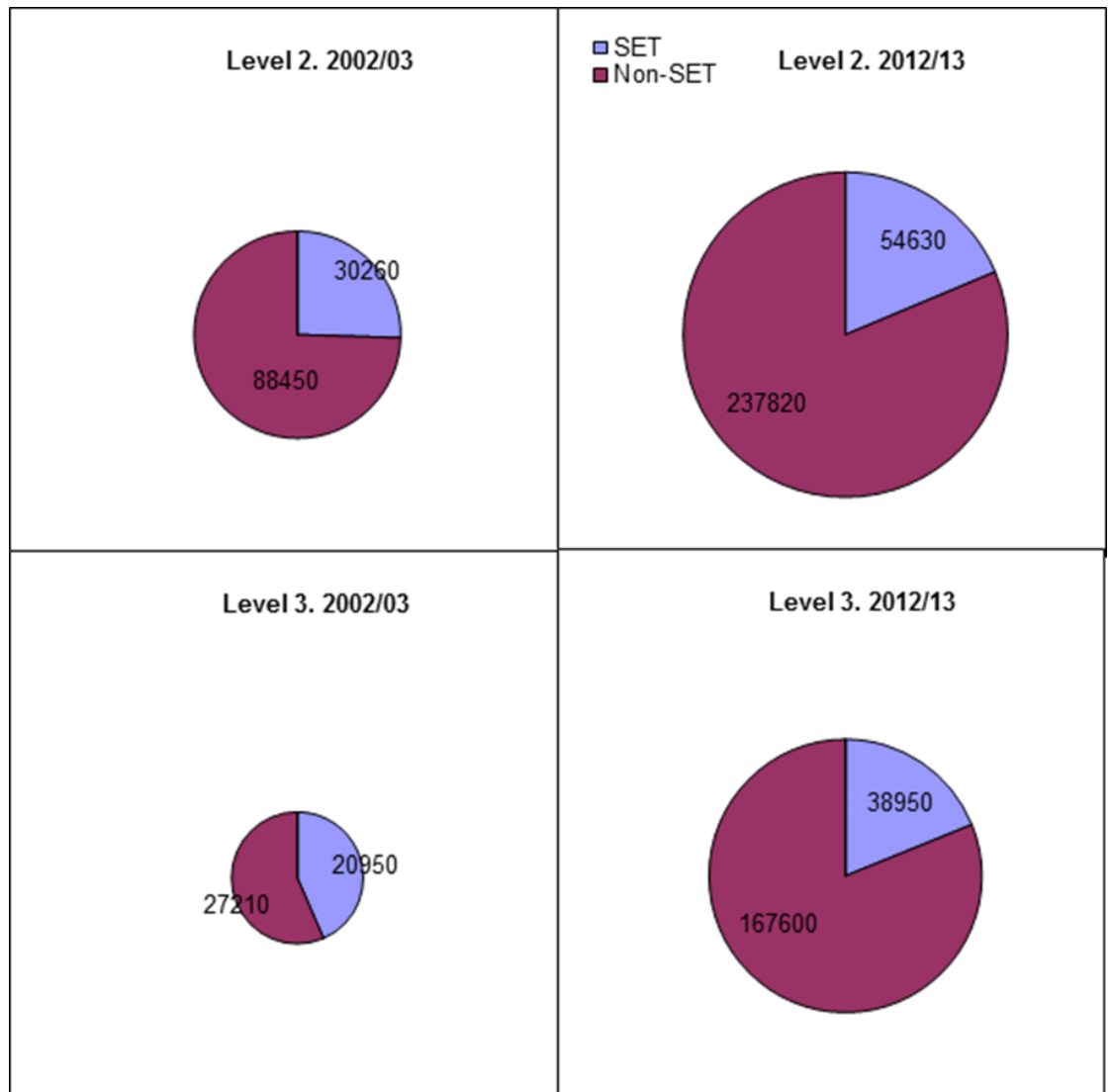
GATSBY

INTRODUCTION

- 1 Gatsby is a Trust set up in 1967 by David Sainsbury (now Lord Sainsbury of Turville) to realise his charitable objectives. We focus our support on the following areas:
 - Plant science research
 - Neuroscience research
 - Science and engineering education
 - Economic development in Africa
 - Public policy research and advice
 - The Arts
- 2 Our submission is focused on the Committee’s questions about apprenticeship quality and the role of employers and the Government in the apprenticeship system. While Gatsby is predominantly interested in science, engineering and technology (SET) based apprenticeships, much of what we say here is relevant to all apprenticeships.
- 3 In 2013 Gatsby made funding available to support the employer groups that are ‘Trailblazers’ for the Government’s current apprenticeship reform programme. The recommendations we make in this submission are informed by our involvement in the Trailblazers programme, but also from research and projects we have funded independently over the last few years.

INCREASING APPRENTICESHIP NUMBERS

- 4 Since apprenticeships were revived in the early 1990s, it has been government policy that, in a market economy, apprenticeships should be developed and funded wherever employers demand them. As a result, the apprenticeship system in England has expanded to include training at different levels and across all sectors of the economy. This has led to significant growth in sectors not traditionally associated with apprenticeships, such as health, retail and business administration.
- 5 Intermediate apprenticeships (level 2) now dominate the system. This is a unique feature of the English system – we are the only country where level 2 apprenticeships outnumber those at level 3. In countries with world-renowned apprenticeship systems such as Austria, Germany and Switzerland, almost all apprenticeships are equivalent to level 3.
- 6 In general, most poor quality apprenticeship provision in recent years has been found in non-traditional apprenticeship sectors, and particularly at intermediate level. The worst examples are short programmes (sometimes only a few months long) that involve no, or very little, training. In such cases, employers will convert existing employees onto an apprenticeship, thereby training them for a job that they already do.
- 7 In contrast, there has been a relatively small increase in the number of SET apprenticeships over the last decade compared to non-SET apprenticeships. As shown in the charts below, those starting an advanced apprenticeship in a SET discipline (the blue sectors) currently make up a small minority of apprenticeship starts.



- 8 Whilst it is important that apprenticeships meet employers' needs, recent history has shown that it can be difficult to satisfy the diverse range of employers (from micro businesses through to multi-nationals) within any given sector. Efforts to do so in the past have led governments to compromise on apprenticeship standards. Furthermore, what employers say they want is likely to be driven by their immediate skills needs, and may not therefore be in the best interests of apprentices, the profession or the wider economy.
- 9 Government investment in apprenticeships should ensure that apprentices obtain certificated and transferable skills. Some of these skills may be of little immediate benefit to the apprentices' employer, and, in some sectors, they may even increase the risk of the apprentice being poached by a competing business. However, they are precisely the skills that are good for the long-term future of the apprentice and the economy. Low-end apprenticeship training does not provide these skills – it enables employers to train employees for a very narrow job role, providing few of the transferable or broad occupational skills that typify the best apprenticeships here and in our economic competitors.

- 10 **Government investment in short-duration, low-level apprenticeships does not represent an appropriate use of tax-payers' money. Public funds should only be used to support apprenticeships of significant duration and which demonstrably lead to the mastery of an occupation.**

TRAILBLAZER APPRENTICESHIP REFORMS AND THE NATURE OF 'OCCUPATION'

- 11 The government's current Trailblazer reform programme has given employers responsibility for designing a new set of standards for apprenticeships. This is an important change; giving employers greater input over the content of apprenticeships will lead, in most cases, to better employment outcomes for apprentices. However, since these apprenticeships are subsidised by the public purse, we believe that safeguards should be put in place to ensure the interests of the apprentices are also protected. It is important that the Trailblazer process produces apprenticeships that meet employers' needs but it must also equip individuals with broad, transferable skills and mastery of an occupation.
- 12 **Every apprenticeship should lead to a clearly-defined occupation, and each occupation should only have one apprenticeship standard. In this way we can ensure that:**
- young people and their advisors can clearly understand the routes open to them;
 - quality can be assured across different employers; and
 - employers, particularly SMEs, are able to understand how apprenticeships can be used to meet their skills needs.
- 13 This is the situation in Germany and Switzerland, where around 300-400 occupations are officially approved for apprenticeship training. However, in the UK there is currently no shared understanding of what is meant by 'an occupation'. This lack of clarity around which occupation an apprenticeship leads to makes it much harder to explain apprenticeship options to young people and their influencers.
- 14 In the past, the English apprenticeship system has been driven and defined by the needs of different sectors rather than occupations. This led to frameworks that covered a multitude of very different occupations. This sectorial tendency seems to be reasserting itself in the latest reforms, for example we have concerns that the titles of 5 of the 51 new standards that have been published contain the term 'maintenance technician' suggesting a very similar occupation practised in a different setting. This is akin to having a different accountancy apprenticeship standard for every sector in which accountants work.
- 15 The proliferation of large numbers of overlapping apprenticeships poses a real risk to the apprenticeship infrastructure as a whole. This is because:
- large numbers of different apprenticeship standards makes it harder to ensure rigour and quality is maintained.
 - apprenticeships will invariably become too narrow – reflecting specific job roles rather than occupations – and will not provide the transferability that justifies public funding.
 - employers who have not been involved in the development process will not be able to identify which apprenticeships are appropriate for their skills needs.
 - it will be difficult for training providers such as FE colleges to meet demand for the off-the-job element of lots of different apprenticeship programmes.
- 16 **Reflecting the practice in countries with highly-successful apprenticeship systems, we believe that the Government must take on a leadership role in determining which occupations warrant publicly-funded apprenticeships; it cannot be left to employers alone.** This process should be transparent, and provide a set of criteria that underpin the decision

about what counts as an occupation as opposed to a job role. These criteria could use parameters such as: the amount of training required; the number of people currently working in the occupation (and labour market predictions for the future); the type of skills and knowledge that are required; and whether there are professional or other qualifications associated with the work.

- 17 **We believe that using the existing Standard Occupational Classification (SOC) codes system, used by the Office for National Statistics and which has international currency, would be the most straightforward approach to bringing coherence to England's apprenticeship system.** Not only do SOC codes already exist and have proven robust over time, but such an approach would also join up apprenticeships to the datasets used for national and regional labour market information (LMI). This could prove very powerful, not least in improving career guidance for young people. It would, for example, make it possible for the first time to tell a young person considering an apprenticeship leading to a particular occupation, how many jobs there are, where the jobs are located, and the average salary they could expect in such an occupation.
- 18 Linking to Labour Market Information would help identify occupations where there is significant potential for apprenticeship training; in other words significant numbers employed now (and to be in the future) and at a level that means job roles are only open to qualified applicants. Following this approach it is likely that a majority of apprenticeship numbers would be found under SOC codes 3, 4, 5 and 6, which, at their current most granular (4-digit) level, identify around 170 occupations. Our preliminary work suggests that the current SOC system may need to have some additional granularity (eg 5-digit) built into it (as happens in the USA), and that this would lead to around 300-400 occupations suited to apprenticeship training.

MAINTAINING STANDARDS OVER TIME

- 19 It has been encouraging to see how many employers have become involved with the Trailblazers programme. However, it is critical that this engagement is maintained as the reformed Trailblazers are delivered and evaluated.
- 20 Other countries with strong apprenticeship schemes have systems for maintaining apprenticeship standards over time and, where appropriate, adjusting them in response to changing skills needs. Currently, it is unclear who will take responsibility for this work in England. It is unrealistic to expect large numbers of employers to organise themselves to carry out this work. Instead, **government must either play a coordinating role in overseeing the maintenance of apprenticeship standards over time or nominate appropriate accountable organisations to take on this responsibility.**

PROFESSIONAL REGISTRATION

- 21 The membership of any professional body comprises individuals working in businesses of all sizes (from sole traders to multi-nationals), at all levels (from trainee to Board member), drawn from right across the relevant industry. Professional bodies can, therefore, genuinely claim to understand the full range of skills needs required by an occupation, from the perspective of practitioners, their managers and business leaders. The lack of involvement of professional bodies in the past has diminished the rigour and breadth of previous attempts at occupational standard-setting. Professional bodies are guardians of occupations, and professional registration provides a mechanism for ensuring that vocational education is employment-focussed and high quality. The professional standards used for registration are set and updated by the profession itself and strongly focused on the needs of employers.
- 22 Schemes of voluntary registration have numerous benefits to both employers and the individual. Indeed, the business model is built on the value registration has with both employers and individuals. This is the same dual purpose that the Government wants to achieve with apprenticeships – a training

model that is focused on the needs of employers, whilst also providing individuals with the occupational competence that will enable them to transfer their skills to other employers/sectors later in their careers.

- 23 We are pleased, therefore, that the current reforms are beginning to link apprenticeships to registration. Professional registration demonstrates mastery of an occupation – it verifies that an individual has the broad, transferable, occupational skills that should be the hallmark of all good apprenticeships. **To assure the long-term quality of apprenticeships in England, professional bodies should be given a central role in the apprenticeship system – alongside employers and employer bodies. Only in this way will publicly-funded apprenticeships align to professional registration standards, and thus ensure a qualifying apprentice is professionally competent and has achieved mastery of their occupation.**

APPRENTICESHIP SUPPLY

- 24 As the benefits of apprenticeship have become more widely recognised there have been demands to increase the number of apprenticeships. Often these calls focus on the need to better inform young people about the benefits of apprenticeship. However government statistics clearly show that there is already more demand for apprenticeships from young people than there are apprenticeships available.
- 25 More needs to be done to increase the number of apprenticeship places on offer, but this must never be at the expense of quality. We know, for example, that small firms who require training for just one or two apprentices a year often cannot find the off-the-job training they need. **Over the past two years we have been working with a group of consulting engineering firms, supporting them to set up consortia that aggregate their apprentices into single cohorts. This approach has created large numbers of high-quality apprenticeship places over a short space of time, enabling the employers to purchase the training provision that meets their needs. More could be done to replicate this model in other areas of the economy where each individual employer only has demand for a small number of apprentices each year.**
- 26 We have also carried out research into the practice of ‘apprenticeship over-training’, which involves large employers training apprentices for businesses in their supply chains. The arrangement is mutually beneficial – large employers can assure the quality of technicians in their value chains, and smaller employers acquire technicians who have been trained on the latest equipment and by experienced trainers. Our research shows that this model also helps to increase the supply of apprenticeship places, as many of the smaller employers would not take on apprentices without the support of the large employer. **We believe the model of large employers ‘over-training’ apprentices to meet the needs of their supply chains is one that could be replicated more widely across the economy, driving up apprenticeship numbers amongst small employers who are not currently engaged with apprenticeships. Government should incentivise employers to experiment with this approach.**

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