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Children, Schools and Families
Committee

The Draft Apprenticeships Bill

Fourth Report of Session 2007–08

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written evidence*

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The Children, Schools and Families Committee

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Summary

Apprenticeships have a long history and are widely recognised as a powerful form of learning. Not all young people thrive in a school or college environment: some find the world of work more stimulating and a better place to learn. Apprenticeships provide such people with the workplace experience and training to give them the best possible start in their careers.

We welcome much of the Government's policy in seeking to raise the standards of apprenticeships, including some of the measures contained within the Draft Apprenticeships Bill. We are not convinced, however, that legislation is strictly necessary to achieve this. A DIUS Minister spoke of the "symbolic importance" of embedding in legislation the value of developing the skills base, but we question whether it is a good use of Parliamentary time to consider "symbolic" legislation.

The real bite in the Draft Bill lies in the duty to be placed on the Learning and Skills Council (and, in due course, successor bodies), to secure the availability of apprenticeship places for anyone above compulsory school age but under 19, and who holds the necessary entry level requirements. Given the economic downturn, we have grave doubts about whether such a statutory duty can be met. Even if it can, we fear that the pressure of that duty could lead to the quality of apprenticeships being compromised.

We agree with the Government that there is considerable scope for increasing the supply of apprenticeship placements in the public sector, which has consistently lagged behind the private sector. We believe that many hospitals, schools, colleges and local authorities will already have junior posts which would be suitable placements for apprentices if the apprenticeship framework requirements can be met and standards guaranteed. Progress in increasing the number of public sector apprenticeships should be monitored and reported on. The Government's aspiration for a greater supply of apprenticeships and greater diversity of entry to apprenticeships is very much dependent for success on the ability of the public sector to take up the apprenticeship challenge.

We also strongly support group apprenticeship schemes, in which an organisation would have links to smaller firms which, singly, would find it difficult to offer the breadth of experience or continuity of work required for an apprenticeship. The Government should assess the potential for expanding group apprenticeship schemes and should develop models for funding and operating them.

Our concerns about the impact of the challenging economic circumstances extend beyond apprenticeships. The Government plans to introduce legislation in the 2008–09 Parliamentary Session to transfer responsibility for funding and delivering education and training for 16 to 18-year-olds from the Learning and Skills Council to local authorities. This will be a dramatic change and, given the current economic challenges, we urge the Government to proceed with caution to ensure that learning and skills for young people is not impeded by the radical administrative reorganisation this fundamental shift involves.

1 Introduction

1. The Draft Legislative Programme for the 2008–09 Parliamentary Session, published in May 2008, lists proposals for legislation to be brought before Parliament in the 2008–09 Session.¹ One of the flagship bills is to be a bill dealing with education and skills, with the following purposes:

- To promote excellence in schools and help ensure that every school becomes a good school;
- To ensure a customer-driven skills and apprenticeship system; and
- To create a new regulator for qualifications and tests and a development agency for curriculum, assessment and qualifications.

2. Clauses containing provisions relating to apprenticeships were published in draft on 16 July 2008, as the Draft Apprenticeships Bill.² The Secretaries of State at the Departments for Children, Schools and Families and for Innovation, Universities and Skills wrote to the respective Select Committee Chairmen on 15 July 2008 inviting the two Committees to undertake pre-legislative scrutiny of the draft Bill. We have been pleased to do so. We welcome the statement in *The Draft Legislative Programme 2008/09* that publication of legislation in draft “can be extremely valuable where the subject matter is of particular interest to Parliament and where Committees can improve texts on the basis of expert evidence”.³ **We encourage the Government to continue to publish legislation in draft in order to allow early Parliamentary scrutiny as well as greater public engagement with the law-making process. In the case of the forthcoming bill on education and skills, we encourage the Government to publish for pre-legislative scrutiny clauses relating to the promotion of excellence in schools and the achievement of the objective that every school becomes a good school.**

3. We urge the Government, however, to bear in mind that scrutiny of draft legislation takes time if it is to be done properly. We take issue with the statement made in the Foreword to the Draft Bill that this Committee (and the Innovation, Universities, Science and Skills Committee) would scrutinise it. We remind the Government that Committees decide upon their own programmes, and assumptions should not be made about how they will spend their time.

4. Our Report should be read in conjunction with a parallel Report by the Innovation, Universities, Science and Skills (IUSS) Committee, to be published at the same time as ours.⁴ We did not issue a call for evidence on the Draft Bill. Our findings are based largely upon two oral evidence sessions held in October 2008⁵ and two written submissions, from

1 *The Government’s Draft Legislative Programme 2008/09*, Cm 7372

2 Cm 7452

3 Cm 7372, Chapter 4, paragraph 10

4 HC 1062 (Session 2007–08)

5 8 October 2008: Mr Simon Bartley, Chief Executive, UK Skills, Mr Nick Edwards, Vice-Principal, Learning and Skills, Lewisham College, Andy Powell, Chief Executive, Edge Foundation. 27 October: Rt Hon Jim Knight MP, Minister of State for Schools and Learners, Department for Children, Schools and Families, Lord Young of Norwood Green, Parliamentary Under-Secretary of State for Skills and Apprenticeships, Department for Innovation, Universities and Skills.

the Edge Foundation and from the British Chambers of Commerce. All the written and oral evidence is published with this Report. We have also taken into account certain points raised in responses to the Government's consultation exercise on the Draft Bill,⁶ as well as the consolidated experience of Committee members themselves.

5. This Report does not attempt to conduct an exhaustive appraisal of every aspect of the Draft Bill, partly as the policy lead for the Bill lies with the Department for Innovation, Universities and Skills. We have instead concentrated upon those aspects specific to young people of school age; and we also make some general observations regarding the appropriateness of other changes affecting the 14–19 education and training field in the context of the present economic challenges.

Apprenticeships in England today

6. The Government defines an apprenticeship as “a form of vocational training based on a mixture of work-based and theoretical learning”.⁷ There are four core participants in any Government-funded apprenticeship:

- **The employer**, who offers a place, is the primary provider of learning in the workplace, pays the apprentice a wage, and supports their learning time requirements;
- **The apprentice**, who is expected to contribute to the productivity of the employer and to undertake the requisite learning;
- **The training provider**, which provides off-the-job tuition and often takes on much of the bureaucratic workload associated with the apprenticeship on behalf of the employer; and
- **The Government**, which provides funds through the Learning and Skills Council to cover some of the training costs of the apprenticeship, although typically not the wage costs of training time.⁸

Many employers fund their own training programmes for staff: although not necessarily termed “apprenticeships”, they often offer work-based training which bears all the characteristics of the best Government-funded apprenticeships and which meets or exceeds them in terms of quality.⁹

7. The number of apprenticeships has not remained constant over the years. At times of economic recession and retrenchment, employers have often seen apprenticeships as investments which are difficult to justify.¹⁰ Numbers of people in apprenticeships dropped dramatically in the early 1990s, prompting the Government to launch the Modern Apprenticeship scheme in 1994 and to commit public funding to apprenticeships.

6 See <http://www.dcsf.gov.uk/consultations>

7 *World-class Apprenticeships*, DIUS, para 2.1

8 *World-class Apprenticeships*, DIUS, para 2.2

9 Those offered by John Lewis and Vosper Thornycroft were cited as good examples: Qq 26 and 37.

10 Mr Edwards Q 24

Table 1: Apprentices in employment

Year	Apprentices (in thousands)		
	Male	Female (figures in brackets are % of total)	Total
1979	-	-	367
1983	-	-	363
1984	-	-	332
1985	-	-	357
1986*	261	55 (17%)	316
1987	264	58 (18%)	322
1988	268	73 (21%)	341
1989	308	65 (17%)	373
1990	298	59 (17%)	357
1991	270	69 (20%)	339
1992	254	63 (20%)	318
1993	191	45 (19%)	236
1994	167	42 (20%)	209
1995	141	40 (22%)	180
1996	138	36 (21%)	174
1997	141	35 (20%)	176
1998	154	37 (19%)	191
1999	166	30 (15%)	197
2000	179	35 (16%)	215

* Figures from 1986 are compiled on a different basis from those for 1979 and 1983–85 and are not directly comparable.

Source: Labour Force Survey; HC Deb 14 June 1993 col. 450W and 10 November 2000 col. 438W

Numbers of people starting Government-supported apprenticeships rose rapidly up until recently, as Table 2 below shows:

Table 2: Apprenticeship Starts, 1995/96 to 2006/07

	Number
1995/96	26,000
1996/97	70,000
1997/98	75,000
1998/99	118,000
1999/2000	165,000
2000/01	177,000
2001/02	162,000
2002/03	204,000
2003/04	194,000
2004/05	189,000
2005/06	175,000
2006/07	184,000

Notes:

1. These figures represent learners starting an apprenticeship or an advanced apprenticeship. Additionally, there are a very small number of higher level apprenticeships included in the 2006/07 total. Figures for 2005/06 and 2006/07 include participants in workplace-based programme-led Apprenticeships: 16,100 in 2005/06 and 14,000 in 2006/07.
2. Figures are rounded to the nearest thousand.
3. Figures for 1995/96 and 1996/97 were compiled on a different basis and are not directly comparable.

Sources: HC Deb, 23 July 2002 col. 991W and 3 November 2008 col. 171W.

Significantly, completion rates have risen substantially, from 23% in 2001–02 to 63% in 2006–07.¹¹

The Government's ambitions for apprenticeships

8. The Government has ambitions to expand the number of apprenticeships yet further. It cites evidence that:

- “many more people would like to take up an apprenticeship than currently are able to;
- the economy needs the skills and knowledge conferred by apprentices at both Level 2 and Level 3; and
- reforms to the current programme could unlock many more apprenticeship places than are currently available”.

The Government also maintains that apprenticeships are “an important option for those who learn most successfully in work-based learning environments” and can “facilitate the often difficult transition between full-time learning and work”.¹²

9. The Leitch Review set out an aspiration for 400,000 apprentices in England by 2020, and the Government has committed over £1 billion to help achieve such an increase by 2010–11, if apprenticeship places of the requisite quality are available.¹³ In 2006, the Government announced that, by 2013, each “suitably qualified young person” would be entitled to an apprenticeship place. In its most recent strategy review document, *World-class Apprenticeships: Unlocking Talent, Building Skills for all*,¹⁴ published jointly by the Department for Children, Schools and Families and the Department for Innovation, Universities and Skills in January 2008, the Government identified five barriers which needed to be overcome in order to permit the growth in the apprenticeship programme which would allow the objective to be met. Those barriers are:

- the quality of apprenticeships, which is variable;
- the planning and delivery system, which is distracted by competing policy priorities;
- the supply of employer places, which is insufficient to meet demand;
- the status of apprenticeships, which has suffered from a reluctance among the highest-performing learners to enter vocational and work-based learning structures; and
- inequality of access to apprenticeships.¹⁵

10. Before addressing the Draft Bill itself, we make one specific point on access to apprenticeships. The figures in Table 1 in paragraph 7 above demonstrate that the proportion of females engaged in apprenticeships up until 2000 was roughly stable, at

11 Statistical First Release ILR/SFR16, 22 May 2008, www.dius.gov.uk

12 *World-class Apprenticeships*, page 15

13 DIUS press release, 16 November 2007

14 DCSF/DIUS, March 2008

15 The Government notes that English apprenticeships “suffer from serious diversity problems” *World-class Apprenticeships*, DIUS, paragraph 2.18.

about 20%. The Government recognises that there are serious inequalities apparent in the apprenticeship system, with females, black and ethnic minorities and disabled people seriously under-represented. In addition, female apprentices, for example, tend to receive lower pay and less training time and have more limited prospects of progression than their male counterparts.¹⁶ The Government has some understanding of the causes of inequality but admits that its information is incomplete.¹⁷ It argues, however, that the recent general initiatives in respect of apprenticeships will help to address inequalities.¹⁸ In addition, the Government states that it will mandate the National Apprenticeship Service to undertake positive action to address these deeply entrenched problems.¹⁹

11. We are concerned that, without a full understanding of the root causes of inequality in the apprenticeships system, any initiatives adopted by the Government to address the problem will be of limited effectiveness. **We urge the Government to investigate further the reasons for entrenched inequalities in the apprenticeship system and to take specific, targeted action on the basis of a sophisticated system of monitoring participation.**

The Draft Bill and its purpose

12. The Government signalled in the Queen's Speech at the start of the 2007–08 Parliamentary Session that it intended to bring forward legislation on apprenticeships. The *World-class Apprenticeships* strategy review document published in January 2008 set out what legislation the Government's strategy implied; and the Draft Apprenticeships Bill is the result.

13. The provisions of the Draft Bill include:

- Measures to establish a statutory basis for apprenticeship frameworks, defined in the Explanatory Notes to the Draft Bill as high level curricula for an apprenticeship in a specified career;
- Measures to establish a statutory basis for apprenticeship certificates and their award to people who have met the requirements of a recognised apprenticeship framework;
- A requirement upon the Secretary of State to approve the core elements that are to apply to every apprenticeship framework;
- The imposition of a duty upon the Learning and Skills Council and successor bodies to secure sufficient apprenticeship places to offer an apprenticeship entitlement for suitably qualified young people aged between 16 and 18; and
- Measures designed to ensure that schools provide comprehensive information about apprenticeships.²⁰

16 *World-class Apprenticeships*, DIUS, paragraph 7.1

17 *World-class Apprenticeships*, DIUS, paragraph 7.3

18 *World-class Apprenticeships*, DIUS, paragraphs 7.4–7.5

19 *World-class Apprenticeships*, DIUS, paragraph 7.6

20 See Explanatory Notes to the Draft Apprenticeships Bill, Cm 7452.

As the Explanatory Notes to the Draft Bill point out, implementation of the various provisions will involve a number of agencies and authorities, notably the Learning and Skills Council for England and, ultimately, the proposed National Apprenticeship Service.

14. **We record at the outset the general enthusiasm in evidence for apprenticeships in principle and for the Draft Bill in seeking to raise the status and standards of apprenticeships.** Andy Powell, Chief Executive of the Edge Foundation,²¹ described apprenticeships as “one of the most powerful forms of learning”²² and spoke of his “strong belief” that apprenticeships as a form of learning and development were “a good thing”. He described as “absolutely sensible” the aspiration that, in ten years’ time, 20% of young people should be placed in apprenticeships; and he welcomed the steps set out in the Bill which he believed strengthened and supported that aspiration.²³ He added that “if you want significant numbers of young people to learn in this way and have this path to success—which I think is important—it is probably unlikely to happen without some stimulation from Government”.²⁴

15. Mr Bartley, Chief Executive of UK Skills,²⁵ welcomed the inclusion within the Draft Bill of a guarantee of an apprenticeship place for every suitably qualified young person who applies for one: he believed that it would help to achieve the target of 400,000 apprenticeships by 2020 set out in the Leitch Report.²⁶

16. Mr Nick Edwards, Vice-Principal with responsibility for Learning and Skills at Lewisham College, welcomed the Bill as a measure which would “give momentum” to the Government’s commitment to apprenticeships and “give actual leverage” to delivering them.²⁷ He argued forcefully for apprenticeships as an option for young people for whom a school environment was not stimulating:

“Apprenticeships will help young people to stay at school and train until 16 to 18. A lot of young people whom we deal with are school sick. They want to leave school and go into the world of work. Putting them on an academic or on an applied learning programme in a school will not help them. They are ready to go out into the world of work. An apprenticeship is exactly the right programme for them. People learn quicker in the world of work than in colleges and schools.”²⁸

17. Much of the Bill is devoted to enshrining in legislation a framework, already partly in existence, for ensuring that the quality of Government-funded apprenticeships is high. The question arises, however, as to whether the laudable aims of the Draft Bill could be achieved without legislation and the attendant demands upon Parliamentary time. The Minister of State for Schools and Learners, the Rt Hon Jim Knight MP, gave a series of reasons why legislation was justified, one being that there was a need for a more focused

21 The Edge Foundation is an independent education foundation dedicated to raising the status of vocational and practical learning.

22 Q 25

23 Q 2

24 Q 25

25 UK Skills is an organisation set up to champion vocational education. 80% of its funds come from central Government or Government-funded agencies; 20% comes from sponsorship. See Q 28 and 29.

26 See Mr Bartley Q 5

27 Q 3

28 Q 21

delivery body for apprenticeships—the National Apprenticeship Service.²⁹ Although we welcome the intention to establish the National Apprenticeship Service as a co-ordinating body, and although some of the functions to be undertaken by the Service are set out in the Draft Bill, we note that there is no explicit reference to the Service itself in any of the clauses. The Minister’s argument on this count is therefore not entirely convincing.

18. We are somewhat more persuaded by the Minister’s argument that a statutory basis for the apprenticeship guarantee will create leverage over providers to ensure that young people do indeed have an option to pursue an apprenticeship in one of two chosen sectors. We do, however, have reservations about this aspect of the Draft Bill; these are set out in paragraphs 42 to 47 below.

19. In evidence to us, Lord Young of Norwood Green, Parliamentary Under-Secretary of State for Skills and Apprenticeships at the Department for Innovation, Universities and Skills, spoke of the “symbolic importance” of embedding in legislation the value of developing the skills base.³⁰ This appears to us to be perhaps the driving force behind the Draft Bill. **We question whether it is a good use of Parliamentary time to consider “symbolic” legislation.**

20. We make no detailed comment in this Report on clauses 1 to 20 of the Draft Bill, which deal with apprenticeship frameworks, agreements, standards and certificates. These matters are addressed by the Innovation, Universities, Science and Skills Committee in its Report. We have focused instead on the apprenticeship programme from the view of young people aged 14 to 19. The main part of this short Report therefore examines:

- The relationship between apprenticeships and other routes through education and training at age 14–19, particularly Diplomas, and transferability between these routes;
- Whether Young Apprenticeships should be drawn within the scope of the Draft Bill; and
- The impact of the Draft Bill upon the profile accorded to apprenticeships in careers advice provided by schools.

We conclude with views on the supply of apprenticeship placements with employers.

29 Q 75

30 Q 75

2 The Draft Bill and 14–19 education

21. If take-up of apprenticeships is to increase to the levels necessary to meet the targets set out by the Government in its response to the Leitch Review, apprenticeships will need to become a mainstream element of the portfolio of options for young people in education and training. The Draft Bill arrives at a time of considerable flux for 14–19 education, not least because of the introduction of Diplomas and the increase in the age until which a young person must participate in education and training. The full implications of the proposed transfer of responsibility and funding for education and training for 16 to 18-year-olds from the Learning and Skills Council to local authorities, expected to form part of an education and skills bill in the 2008–09 Parliamentary Session, are not yet entirely clear and may be more far-reaching than is generally understood.

The relationship between apprenticeships and Diplomas

22. We asked witnesses whether the Government’s policies in raising to 18 the age to which young people must continue to participate in education or training, together with the introduction of Diplomas, were “joined up” with the provisions of the Draft Apprenticeships Bill. Replies were guarded. Mr Powell, Chief Executive of the Edge Foundation, said that “I do not think we quite know yet” how a Diploma relates to an apprenticeship;³¹ and Mr Edwards suggested that we were “asking for a challenging amount of coherence of Diplomas and apprenticeships”.³²

23. Part of the difficulty is the uncertainty, expressed by this Committee and others, about exactly what type of education Diplomas offer. In April 2007, a previous Secretary of State distinguished between Diplomas and apprenticeships, saying that Diplomas were “not training for employment” and that “if someone wants to take a route to training for employment, that is the apprenticeship route”.³³ Mr Bartley, Chief Executive of UK Skills, pointed out that Diplomas had not been designed as a pathway into a profession; and he made an important distinction between Diplomas, as academic qualifications which teach subjects in an applied manner, and apprenticeships, which teach theory and skills to do a particular job.³⁴ Mr Edwards said simply that “a diploma will give a knowledge of industry, while an apprenticeship will give the skills of industry”.³⁵

24. The difference in learning methods used in Diplomas and in apprenticeships has been made reasonably clear to us, although we suspect that confusion persists in schools and amongst young people. Now that the first tranche of Diplomas is being taught, we would expect the characteristics and purpose of Diplomas to become more widely understood.

31 Q 18

32 Q 19

33 *14–19 Diplomas*, Fifth Report from the Education and Skills Committee, HC 249, Session 2006–07, evidence given by the Rt. Hon. Alan Johnson MP on 18 April 2007, Q 309

34 Q 50

35 Q 50

Transferability

25. Transferability between apprenticeships and other forms of education emerged as an issue during our inquiry. The British Chambers of Commerce stressed that apprenticeships should be “placed within the wider qualifications structure from the outset” and that core elements of different routes through education for 14 to 19-year-olds—apprenticeships, Diplomas and academic routes—should be related and interchangeable, to add cohesion.³⁶ Mary Curnock Cook, Director of Qualifications and Skills at the Qualifications and Curriculum Authority, in giving evidence on the National Curriculum, assured us that there was “a lot of commonality between units in the Diploma, in the apprenticeships and [...] GCSEs and A-levels” and that “the outcome should make it easy for people to progress and transfer between the different suites of qualifications”.³⁷

26. Certain witnesses, however, identified restrictions in transferability between apprenticeships and school-based qualifications (including Diplomas). For instance, Mr Edwards told us that a student who had completed a level 2 construction Diploma could not transfer to a level 3³⁸ construction apprenticeship but would first need to complete a level 2 construction apprenticeship.³⁹ Mr Bartley told us that it was his understanding that a person who had completed a year in sixth form or its equivalent, and who had reached AS level, could not transfer to an apprenticeship at level 3 but would have to start at a lower entry point.⁴⁰

27. Mr Powell, Chief Executive of the Edge Foundation, was critical of the prescriptive nature of some of the provisions in the Draft Bill setting out the qualifications necessary for entry into an apprenticeship scheme. Clause 21 of the Draft Bill states that, in order to satisfy apprenticeship scheme requirements at level 2, a person must hold a specified level 1 qualification as well as functional skills in English and mathematics but should not satisfy the apprenticeship scheme requirements at level 3. The effect of these provisions appears to be to bar young people who hold a specified level 2 qualification (such as five GCSEs at A* to C or a Level 2 Diploma) and who hold level 2 functional skills in English and mathematics from having access to a level 2 apprenticeship, by virtue of their eligibility for a level 3 apprenticeship. Mr Powell described this as “one of the biggest flaws in the Bill” and “unhelpful”.⁴¹

28. The Minister of State for Schools and Learners questioned Mr Powell’s interpretation of the draft legislation and said that “as far as I am concerned, and as far as I am advised, there is no block in the Bill”. He added that he would be “extremely concerned if anything in the draft legislation prevented people from moving between Diplomas and apprenticeships”.⁴²

36 British Chambers of Commerce memorandum, para 5.1, Ev 42

37 Evidence taken on 10 November 2008, HC 651–vi, Q 420

38 Level 2 refers to a standard equivalent to five GCSEs at A*-C or a National Vocational Qualification at level 2. Level 3 refers to a standard equivalent to two A levels or a National Vocational Qualification at level 3. A Level 4 qualification includes first degree, “other” degree and sub-degree higher education qualifications such as teaching and nursing certificates, HNC/HNDs, and other HE diplomas. See www.qca.org.uk

39 Q 19

40 Q 21

41 Q 22

42 QQ 137 and 138

29. On Mr Edwards' point, that a student who had completed a level 2 construction Diploma could not transfer to a level 3 construction apprenticeship without completing a level 2 construction apprenticeship, we see no *de facto* block in the Draft Bill; but nor do we see that holders of a level 2 Diploma or GCSE qualification would necessarily be equipped to undertake a level 3 apprenticeship. In certain cases, it would be unreasonable to expect employers to take on an apprentice who had achieved a qualification at one level but who lacked the requisite technical understanding for an apprenticeship at the next level. As Mr Bartley pointed out, "just because you have a Level 2 diploma, it should not automatically mean that you have the knowledge of a Level 2 apprenticeship. They could be two completely different areas of expertise and underpinning knowledge".⁴³ We agree. **We believe that there cannot be an automatic right to progress from one form of learning at one level of qualification to another form at a higher qualification, although we would expect the Government and providers to make this as easy as possible.**

30. On Mr Powell's point, that young people are effectively barred from entry to a level 2 apprenticeship if they already hold a level 2 qualification and are thereby eligible for a level 3 apprenticeship, we agree that clause 21 of the Draft Bill, by inserting section 31 of the Learning and Skills Act 2000, appears to deny that person an *entitlement* to a level 2 apprenticeship even if it does not bar him or her from actually undertaking it. **Unless the Government can justify denying a young person an entitlement to an apprenticeship at the same level as that of a qualification which they already hold, the Government should redraft clause 21 of the Draft Bill to remove any potential block to access.**

Young Apprenticeships

31. Young Apprenticeships enable young people from the age of 14 to go to work or to training providers for two days per week, with 50 days being spent in work. Mr Powell spoke of the attraction of the scheme to 14 to 16-year-olds: he said that young people were "motivated by it" and found it "enormously helpful", and he noted that young people on the scheme felt that they were treated with respect and grew in maturity as a result.⁴⁴

32. The Edge Foundation pointed out that responsibility for funding Young Apprenticeships would pass from the Learning and Skills Council to local authorities in 2010. The Foundation warned of "anecdotal" evidence that local authorities might close Young Apprenticeship programmes on the basis that Diplomas offered a viable and cheaper alternative. It proposed that the draft Bill should provide an entitlement to a Young Apprenticeship for any 14 to 16-year-old who wanted one.⁴⁵

33. We put the Edge Foundation's proposal to the Minister of State for Schools and Learners. In reply, he pointed out that Young Apprenticeships were not true apprenticeships, in that they did not have to conform to the standards or frameworks set out in the Draft Bill. Lord Young, Parliamentary Under-Secretary of State at the Department for Innovation, Universities and Skills, added that there was no form of

43 Q 20. See also Mr Powell, Q 51.

44 Q 31

45 Ev 3

contract between “apprentice” and employer in a Young Apprenticeship: the workplace learning element was more akin to work experience.⁴⁶

34. We acknowledge that to introduce an entitlement to a Young Apprenticeship for any 14 to 16-year-old who wanted one would not be legislatively simple: it could require a definition in statute of the characteristics of a Young Apprenticeship and of the standards which each placement should meet. We suspect that to introduce such an entitlement would be difficult. Nevertheless we agree that the Young Apprenticeship scheme is a valuable one and should be encouraged and well resourced, independently of Diplomas.

Careers advice

35. Clause 23 of the Draft Bill proposes an amendment to section 43 of the Education Act 1997, which requires maintained secondary schools to provide all pupils with a programme of careers education. Clause 23 would oblige the governing body (or proprietor) and the head teacher of a secondary school, in considering what careers advice would promote the best interests of the pupils concerned, “to include consideration of whether it would be in their best interests [...] to receive advice which relates to apprenticeships”.

36. The Draft Bill has been criticised for not going far enough in ensuring that apprenticeships are given prominence in careers advice provided by schools for young people.⁴⁷ Mr Edwards told us that it was “not a part of the portfolio” offered by the information, advice and guidance service in schools⁴⁸ and that a school would often provide information at open evenings for parents about what it can offer but not about what it cannot offer.⁴⁹ Mr Powell told us that “there is a lot of evidence that there is no impartial advice and guidance” and that “it is in the schools’ interest, if they have a sixth form, for anyone who has reasonable GCSEs to stay in the sixth form”.⁵⁰ We note the wide-ranging recommendations on careers services made by the Skills Commission.⁵¹

37. The Government’s strategy paper *World-class Apprenticeships* stated an intention to include in the Draft Bill measures “to require schools to include comprehensive information about Apprenticeships in the materials they make available”.⁵² No such requirement appears in the draft Bill, which merely specifies that careers advice given to school pupils should take into account whether apprenticeships would be in the best interests of those concerned.

38. The obligations placed upon school-based careers advisers by the Draft Apprenticeships Bill have a stronger basis than it might at first appear. We note that provisions within the Education and Skills Bill currently before Parliament would require

46 Q 128

47 For example the Edge Foundation: Ev 2, British Chambers of Commerce: Ev 42, and responses from EEF and the Apprenticeship Ambassadors Network to the Government’s consultation on the Draft Bill.

48 Q 16

49 Q 60

50 Q 60

51 Skills Commission: *Inspiration and Aspiration: Realising our Potential in the 21st Century* (2008): http://www.policyconnect.org.uk/docs/content/inspiration_and_aspiration-1.pdf

52 *World-class Apprenticeships*, DIUS, paragraph 6.6

anyone presenting careers education to registered pupils at applicable schools (as designated under section 43 of the Education Act 1997) to do so “in an impartial manner” and to give consideration to what advice “will promote the best interests of the pupils concerned”. The same provisions require that a person giving such advice “must not seek to promote, contrary to the pupils’ best interests, the interests or aspirations of the school or of other persons or institutions”. Schools would therefore become vulnerable to legal challenge if they fail to act with impartiality;⁵³ and clause 23 of the Draft Apprenticeships Bill would build on this base.

39. Despite the greater stringency of the requirements placed upon schools by the Education and Skills Bill shortly to complete its passage through Parliament, we nonetheless believe that any approach which leaves discretion to schools-based careers advisers as to what would be in a particular young person’s best interests is an unnecessarily risky one. In the short term, the effects of the obligations on schools imposed by legislation now before Parliament should be assessed; but we fear that the issue may need to be revisited if experience shows that they do not have the necessary traction. We believe that legislation should be made stronger, by requiring schools to include clear and comprehensive information about apprenticeships in the materials made available to learners.

3 The availability of apprenticeship places

40. We conclude this short Report with a commentary on the availability of apprenticeship places, on which the success of the Government's plans depends.

The duty to secure apprenticeship places

41. Clause 21 of the Draft Bill places a duty upon the Learning and Skills Council to secure the availability of apprenticeship places “in sufficient number and variety” for there to be “suitable” apprenticeship places for anyone who is above compulsory school age but under 19 and who holds the necessary entry level requirements. The Draft Bill defines a “suitable” apprenticeship place as one which is:

- In one of two available sectors chosen by the person seeking an apprenticeship;
- At the appropriate level (in terms of qualification); and
- Within the person's reasonable travel area.

42. The practicality of this duty has been questioned and analysed in detail by the Innovation, Universities, Science and Skills Committee in its Report on the Draft Bill.⁵⁴ We did not take evidence from the Learning and Skills Council for the purposes of this inquiry; but we nonetheless detect considerable apprehension that the imposition of any such duty on the Learning and Skills Council or on any successor body is realistic, particularly at a time of economic uncertainty. Mr Powell described the question of supply of apprenticeship places as “arguably the biggest issue” raised by the Bill.⁵⁵ We note that “serious concerns” were expressed in responses submitted to the Government's consultation on the Draft Bill over the ability of the Council or any Government body “to supply apprenticeships to all qualified applicants against the realities of market forces”.⁵⁶

43. The Minister of State himself accepted that the Learning and Skills Council was “not that comfortable, in many ways, with the duty that is being placed on it”.⁵⁷ Mr Edwards told us that “apprenticeships are the only qualifications that are impacted by the national and local economy” and that “trying to grow apprenticeships in the current economic circumstances will be really challenging”. He warned that, as soon as there was a downturn in the economy, apprenticeships would “dry up again, particularly in the industrial sectors”.⁵⁸

44. The proportion of employees aged between 16 and 24 participating in an apprenticeship in the public sector compares unfavourably with the private sector average: 3% compared to 4.9%. Within the public sector, a comparatively high rate within the armed forces (5.4%) compensates for rather lower figures for local government-sponsored

54 HC 1062, Session 2007–08.

55 Q 22

56 Executive Summary, responses to the public consultation on the Draft Apprenticeships Bill, www.dcsf.gov.uk/consultations

57 Q 97

58 Q 24

education (1.5%), higher education (1.3%), central government (2.2%) and the NHS (2.6%).⁵⁹ The availability of apprenticeship places in certain areas of the country is already low: London provides five per cent of apprenticeships in England despite being home to 14 per cent of the population.⁶⁰ We note that funding allocated for apprenticeship programmes in London by the Learning and Skills Council last year was “vastly underspent”, not because young people did not want them but because there were not the employer places.⁶¹

45. Many reasons were given in evidence for the mismatch between supply and demand for apprenticeship places. Changing work patterns were high on the list: Mr Bartley told us that one reason why employers in certain professions traditionally associated with apprenticeships—plumbing and electrical work for instance—were reluctant to take on apprentices was lack of continuity of work. He said that

“By making a commitment to take on a 16 or 17-year-old under an apprenticeship agreement of the type that is referred to in the Bill, you are saying that you will continue their skills training for three and a half years until they become a craftsman or woman. Most small businesses in the plumbing and electrical industries pay their labour force on a weekly basis. The main responsibility for the owner is getting in enough money for the work that he did last week to pay the people who are doing the work this week and finding the work for them to do the week after. While there is that mentality, it is difficult to ask someone to take on a three-and-a-half-year commitment to a young person”.⁶²

He also suggested that a decline in the number of mid-sized family businesses passed from one generation to the next had led to a reduction in the number of business owners making long-term investments in training family members who would in time inherit the business.⁶³ Mr Edwards told us that employers did not, at the moment, see it as their social responsibility to provide training for young people.⁶⁴

46. We also note the statement by Energy and Utility Skills, the sector skills council for the utilities sector, that “driving and insurance restrictions deter employers from recruiting apprentices in the 16–18 age group”.⁶⁵ We raised employers’ concerns about health and safety requirements applicable to young people in the workplace with Ministers, who acknowledged the issue and agreed to consider whether the Draft Bill might be amended to offer some form of reassurance to employers.⁶⁶ **We urge the Government to assess the scope for amending the Draft Bill to provide comfort to employers presently reluctant to take on young people as Young Apprentices or as Apprentices because of health and safety considerations.**

59 See *World-class Apprenticeships*, DIUS, page 34.

60 See <http://www.londoncouncils.gov.uk/children/education14to19>; also *Children and Young People Now*, 30 October 2008.

61 Q 31

62 Q 23

63 Mr Bartley, Q 42

64 Q 24

65 Response by Energy and Utility Skills to the Government’s consultation on the Draft Bill.

66 Q 129

47. **We have grave doubts about whether a statutory duty on the Learning and Skills Council (and in due course the National Apprenticeship Service) to secure sufficient apprenticeship placements can be met, or met without compromising on quality.** The definition in the Draft Bill of what constitutes an apprenticeship framework and the requirement to specify the standards to be met by apprenticeships will serve as controls but not necessarily as a guarantee of quality; and it is difficult to see how employers can be compelled to offer apprenticeships against their will. We note, with approval, that the Government has judged any requirement upon employers to provide apprenticeship places to be wrong and counterproductive.⁶⁷

48. **We strongly welcome the Government’s intention, articulated in the World-class Apprenticeships strategy review paper and reiterated by Ministers in evidence, to take steps to ensure that the public sector offers more apprenticeship placements; and we recommend that this should be monitored and reported on.**⁶⁸ The Minister of State for Schools and Learners made what he described as “a slightly ambitious suggestion”, that each school might take on an apprentice teaching assistant;⁶⁹ and Ministerial champions from different Government departments met in October to discuss ways of working with others to achieve significant growth in public sector apprenticeships.⁷⁰ **We believe that there is significant potential for public sector organisations to use existing posts to provide apprenticeship placements, provided that they meet the necessary framework standards.**

Stimulating the supply of apprenticeship places

49. The Government’s strategy document *World-class Apprenticeships: Unlocking Talent, Building Skills for All*, recognised the importance of boosting the supply of apprenticeship placements and set out a series of measures to achieve that aim, such as:

- Streamlining the process for establishing new Apprenticeship frameworks;
- Recognising training provided by employers which conforms to the Apprenticeships blueprint but which does not receive public funding;
- Financial incentives for large and small businesses, as well as third sector organisations; and
- A vacancy matching service, to connect supply with demand, for the benefit of both potential apprentices and employers.

Group apprenticeship schemes

50. Evidence to the Committee identified one particular way in which the supply of apprenticeship placements might be boosted: group apprenticeship schemes, in which an organisation would employ apprentices and would have links to smaller firms which,

67 Q 106

68 *World-class Apprenticeships*, DIUS, page 41

69 Q 103

70 Q 98

singly, would find it difficult to offer the breadth of experience or continuity of work required for a apprenticeship. Mr Powell suggested that a clause might be added to the Draft Bill to require the Secretary of State to take steps to encourage the formation of group apprenticeship schemes, whether by providing seedcorn funding or by developing models for brokering and funding such schemes. He drew our attention to examples of such schemes in London and, on a greater scale, in Australia;⁷¹ and we note that group apprenticeship schemes are fairly widespread in the engineering sector.⁷²

51. We also note powerful arguments that group apprenticeship schemes, by transferring much of the burden of managing an apprenticeship to a broker, can relieve small employers of some of the more weighty responsibilities and bureaucracy which might otherwise deter them from offering apprenticeships.⁷³ **We strongly support the concept of group apprenticeship schemes, and we believe that they could become one of the principal means of encouraging small employers to offer apprenticeships. We recommend that the Government should assess the potential of group apprenticeship schemes and should develop models for funding and operating them. If they prove to be viable on a larger scale, the Government, through the proposed National Apprenticeship Service, should promote them vigorously.**

71 Q 23

72 KITS—Kirklees Industrial Training Service—is just one example.

73 Mr Edwards, Q 30

4 Conclusion

52. Overall, we welcome the Draft Bill. One of its strengths, in our opinion, is that it will help to raise the profile of apprenticeships at a time when they might be overshadowed by initiatives and reforms elsewhere in the 14–19 sector. Although not explicit in the Draft Bill itself, we also welcome the clear intention in the Government’s Apprenticeship programme to increase the numbers of apprenticeships in regions and sectors where supply has always been low, particularly the public sector. Against these plus points must be balanced our fears that the economic downturn and its consequences for employers will bring into question the practicality of the one powerful lever in the Draft Bill—the duty on the Learning and Skills Council to secure sufficient and appropriate apprenticeship places for each suitably qualified young person who wants one.

53. However, our concerns about the impact of the challenging economic circumstances extend beyond apprenticeships to other areas of 14–19 policy. The transfer of responsibility for funding and delivering education and training for 16 to 18-year-olds from the Learning and Skills Council to local authorities by 2010 is a dramatic change which, unlike the Draft Apprenticeships Bill, has not been submitted for pre-legislative scrutiny. We see a distinct danger that a major reorganisation of responsibilities could occur just at a time when a more cautious approach might be needed to give the necessary priority to learning and skills for young people.

54. We urge the Government not to assume that the provisions of the Draft Apprenticeships Bill will play a large part in meeting the needs of young people in education and training during a time of economic challenge. Thinking on a much larger scale is required; and **we invite the Government to proceed cautiously in the transfer of responsibility for funding education and training for 16 to 18-year-olds from the Learning and Skills Council to local authorities.**

Conclusions and recommendations

Introduction

1. We encourage the Government to continue to publish legislation in draft in order to allow early Parliamentary scrutiny as well as greater public engagement with the law-making process. In the case of the forthcoming bill on education and skills, we encourage the Government to publish for pre-legislative scrutiny clauses relating to the promotion of excellence in schools and the achievement of the objective that every school becomes a good school. (Paragraph 2)

The Government's ambitions for apprenticeships

2. We urge the Government to investigate further the reasons for entrenched inequalities in the apprenticeship system and to take specific, targeted action on the basis of a sophisticated system of monitoring participation. (Paragraph 11)

The Draft Bill and its purpose

3. We record at the outset the general enthusiasm in evidence for apprenticeships in principle and for the Draft Bill in seeking to raise the status and standards of apprenticeships. (Paragraph 14)
4. We question whether it is a good use of Parliamentary time to consider “symbolic” legislation. (Paragraph 19)

Transferability

5. We believe that there cannot be an automatic right to progress from one form of learning at one level of qualification to another form at a higher qualification, although we would expect the Government and providers to make this as easy as possible. (Paragraph 29)
6. Unless the Government can justify denying a young person an entitlement to an apprenticeship at the same level as that of a qualification which they already hold, the Government should redraft clause 21 of the Draft Bill to remove any potential block to access. (Paragraph 30)

Young Apprenticeships

7. We acknowledge that to introduce an entitlement to a Young Apprenticeship for any 14 to 16-year-old who wanted one would not be legislatively simple: it could require a definition in statute of the characteristics of a Young Apprenticeship and of the standards which each placement should meet. We suspect that to introduce such an entitlement would be difficult. Nevertheless we agree that the Young Apprenticeship scheme is a valuable one and should be encouraged and well resourced, independently of Diplomas. (Paragraph 34)

Careers advice

8. Despite the greater stringency of the requirements placed upon schools by the Education and Skills Bill shortly to complete its passage through Parliament, we nonetheless believe that any approach which leaves discretion to schools-based careers advisers as to what would be in a particular young person's best interests is an unnecessarily risky one. In the short term, the effects of the obligations on schools imposed by legislation now before Parliament should be assessed; but we fear that the issue may need to be revisited if experience shows that they do not have the necessary traction. We believe that legislation should be made stronger, by requiring schools to include clear and comprehensive information about apprenticeships in the materials made available to learners. (Paragraph 39)

The duty to secure apprenticeship places

9. We urge the Government to assess the scope for amending the Draft Bill to provide comfort to employers presently reluctant to take on young people as Young Apprentices or as Apprentices because of health and safety considerations. (Paragraph 46)
10. We have grave doubts about whether a statutory duty on the Learning and Skills Council (and in due course the National Apprenticeship Service) to secure sufficient apprenticeship placements can be met, or met without compromising on quality. (Paragraph 47)
11. We strongly welcome the Government's intention, articulated in the World-class Apprenticeships strategy review paper and reiterated by Ministers in evidence, to take steps to ensure that the public sector offers more apprenticeship placements; and we recommend that this should be monitored and reported on (Paragraph 48)
12. We believe that there is significant potential for public sector organisations to use existing posts to provide apprenticeship placements, provided that they meet the necessary framework standards. (Paragraph 48)

Group apprenticeship schemes

13. We strongly support the concept of group apprenticeship schemes, and we believe that they could become one of the principal means of encouraging small employers to offer apprenticeships. We recommend that the Government should assess the potential of group apprenticeship schemes and should develop models for funding and operating them. If they prove to be viable on a larger scale, the Government, through the proposed National Apprenticeship Service, should promote them vigorously. (Paragraph 51)

Conclusion

14. We invite the Government to proceed cautiously in the transfer of responsibility for funding education and training for 16 to 18-year-olds from the Learning and Skills Council to local authorities. (Paragraph 54)

Formal Minutes

Wednesday 19 November 2008

Members present:

Mr Barry Sheerman, in the Chair

Mr David Chaytor
Mr John Heppell
Paul Holmes

Fiona Mactaggart
Mr Graham Stuart
Mr Edward Timpson

The Draft Apprenticeships Bill

Draft Report, proposed by the Chairman, brought up and read.

Paragraphs 1 to 54 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Fourth Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Written evidence was ordered to be reported to the House for printing with the Report.

Ordered, That embargoed copies of the report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Monday 24 November at 3.30 pm

Witnesses

Wednesday 8 October 2008

Page

Simon Bartley, Chief Executive, UK Skills; **Nick Edwards**, Vice-Principal, Learning and Skills, Lewisham College; and **Andy Powell**, Chief Executive, Edge Foundation

Ev 4

Wednesday 22 October 2008

The Rt. Hon. Jim Knight MP, Minister of State for Schools and Learners, Department for Children, Schools and Families (DCSF); and **Lord Young of Norwood Green**, Parliamentary Under-Secretary of State for Skills and Apprenticeships, Department for Innovation, Universities and Skills (DIUS)

Ev 22

List of written evidence

1	The Edge Foundation	Ev 1
2	British Chambers of Commerce	Ev 41
3	Department for Children, Schools and Families (DCSF)	Ev 44

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2007–08

First Special Report	Creative Partnerships and the Curriculum: Government Response to the Eleventh Report from the Education and Skills Committee, Session 2006–07	HC 266
Second Special Report	Special Educational Needs: Assessment and Funding: Government Response to the Tenth Report from the Education and Skills Committee, Session 2006–07	HC 298
First Report	Children and Young Persons Bill [Lords]	HC 359 (HC 711)
Second Report	The Department for Children, Schools and Families and the Children's Plan	HC 213 (HC 888)
Third Report	Testing and Assessment	HC 169-I and II (HC 1003)
Fourth Report	The Draft Apprenticeships Bill	HC 1082

Oral evidence

Taken before the Children, Schools and Families Committee

on Wednesday 8 October 2008

Members present:

Mr. Barry Sheerman, in the Chair

Mr. Douglas Carswell

Mr. David Chaytor

Mr. John Heppell

Fiona Mactaggart

Mr. Andrew Pelling

Memorandum submitted by The Edge Foundation

The draft Apprenticeships Bill underpins plans set out in *World-class Apprenticeships: Unlocking Talent, Building Skills for All*, published by DIUS earlier this year.

Edge strongly supports Apprenticeships, which provide a vital opportunity to learn by doing.

In this paper, we start by commenting on the Bill as it stands. We then outline other steps which we believe should be taken to secure the future success of apprenticeships.

Apprenticeship certificates, frameworks, standards and agreements (clauses 1–20)

The Bill gives a statutory basis for arrangements which are already in place and/or available to those who wish to make use of them. As such, these provisions are largely symbolic. We do support them, because it is important to raise the status of apprenticeships. However, we are concerned that some employers will be reluctant to complete formal agreements, as they were when agreements were first introduced in the 1990s. If this happens, Apprentices will need reassurance that they will still be able to complete their Apprenticeship frameworks.

We are pleased that the draft Bill explicitly extends to Crown Servants and Parliamentary staff. As we note below, we believe much more needs to be done to expand apprenticeships in all parts of the public sector.

Duties of the LSC and the Secretary of State (clauses 21 and 22)

The Government wishes to make apprenticeship places available to every suitably-qualified young person who wants one. This is very welcome.

Of course, the devil is in the detail. As presently drafted, the Bill suggests that each young person should select two sectors; the LSC should then make sure there is a suitable apprenticeship available in one or both of these sectors within reasonable travelling distance from the young person's home.

However, the Bill is deliberately silent on a number of important points. "Sectors" will not be defined by the Bill, but by the Secretary of State. It is not clear whether sectors are to be defined broadly—eg "construction"—or narrowly—eg "bricklayer". We believe this should be spelled out more clearly. Our recommendation would be for a reasonably broad definition.

The meaning of the word "reasonable" is also unclear. The draft says:

"reasonable travel area", in relation to a person, means:

- (a) the specified area in which the person lives, and
- (b) any other area within which it is reasonable for the person's place of work, training or study to be located.

What is "reasonable" may depend on distance, travelling time or the availability of public transport. What is reasonable in a rural area might be different from what is reasonable in an urban area. The word would even have different meaning when applied to different sectors of the economy: for example, it might be reasonable for apprenticeships in common occupations (retail, hair and beauty and so on) to be offered within a mile or two of home, but in less common occupations (say, stonemasonry) it might be reasonable to expect the apprentice to travel 40 miles. This is all far too vague, and could prove highly contentious if the Bill proceeds as drafted.

Clause 21 also introduces minimum entry requirements for Apprenticeships (which lead to a Level 2 qualification) and Advanced Apprenticeships (which lead to a Level 3 qualification). We see two problems with the way this part of the Bill has been drafted.

First, the Bill says that someone who has a Level 2 qualification (eg five GCSEs at A* to C) is, in effect, ineligible for a Level 2 Apprenticeship. We think this is fundamentally wrong. In fact, we think this is the biggest single weakness in the whole of the draft Bill.

Let's take the example of a young person who has achieved grade C GCSE passes in—say—English, Maths, Design and Technology, Music and Geography. She now wants to be an Apprentice car mechanic. The skills and knowledge needed for success as a car mechanic are very different from the skills and knowledge she has gained by studying for GCSEs. She should have every right to enrol on a Level 2 Apprenticeship if that is what she wants to do, and especially if that is the only option currently available in her local area.

In our view, it should be possible to move on from an Apprenticeship to an Advanced Apprenticeship—in fact, this should be strongly encouraged. However, talented young people should not be prevented from enrolling on a (Level 2) Apprenticeship if that's what best meets their needs.

Secondly, the Bill accidentally creates a no-mans-land between Apprenticeships and Advanced Apprenticeships. As drafted, this clause means young people who hold a Level 2 qualification and Level 1 functional skills are ineligible for either an Apprenticeship or an Advanced Apprenticeship. This cannot be right!

Thirdly, we are concerned about opportunities for young people who have not yet achieved a Level 1 qualification and/or functional skills at Level 1. Clause 21 does not mention this group of young people at all, and accordingly they will not have the same statutory right to work-based training as people who do have Level 1 qualifications.

This affects a significant number of young people, including some learners with learning difficulties and disabilities. It seems very surprising that the Government gives this group such a low priority. Accordingly, we believe the Bill should provide a right to pre-Apprenticeship training for all young people not yet qualified for a full Apprenticeship.

Assistance and support in relation to apprenticeship places (Clause 22)

We fully support plans for an Apprenticeship matching service.

Careers education (Clause 23)

There has been some growth in the numbers of Apprenticeships (leading to a Level 2 qualification) in recent years, but the same isn't true of Advanced Apprenticeships (Level 3).

Young people who might once have left school at 16 to start an Advanced Apprenticeship are staying at school or college instead.

The single biggest challenge is information, advice and guidance. In principle, therefore, we welcome clause 23. This amends section 43 of the Education Act 1997, which requires state secondary schools to provide all pupils with a programme of careers education.

However, the Clause does not go far enough. It simply requires schools to consider whether it is in the best interests of their pupils to receive advice about apprenticeships. Schools should not have this discretion: they should be required to provide information and advice about apprenticeships to all pupils and their parents or guardians.

At present, nowhere near enough is done to promote Apprenticeships to young people, parents and teachers. In fact, many teachers actively discourage bright young people from taking an Apprenticeship.

In addition to providing information in print and on-line, we believe young people should be able to find out about Apprenticeships straight from the horse's mouth. In its report, *Inspiration and Aspiration: Realising our Potential in the 21st Century*, the Skills Commission recommended that:

The Government must make sure that people have access to websites where they can find information about training routes and use forums to discuss different careers with those who have experienced them.

Better still, every young person should meet Apprentices and employers while they are still at school, as well as visiting colleges and other learning providers, so they can see and hear for themselves exactly what it means to be an Apprentice in the 21st century.

 OTHER MEASURES WHICH THE GOVERNMENT SHOULD INTRODUCE TO SUPPORT APPRENTICESHIPS
Enable more young people to start before the age of 16

Last year, Ofsted published a glowing report on the success of Young Apprenticeships, which enable young people to get started on a genuinely practical approach to learning from the age of 14. Ofsted said:

Of the 311 students ... in the partnerships inspected in 2006–07, only 17 withdrew.

The students were highly motivated, well behaved, enthusiastic and enjoyed the programme.

Students in one partnership, which provided retail as a vocational area, could not stop saying how good their experience was and how different it was from school.

When the LSC is abolished in 2010, local authorities will take over responsibility for funding Young Apprenticeships. Anecdotally, we hear some local authorities plan to close Young Apprenticeship programmes, on the basis that Diplomas are a viable (and cheaper) alternative. They're not. Diplomas are not vocational programmes and don't provide the same access to practical learning in the workplace. We believe that Young Apprenticeships should be expanded significantly over the next five to 10 years, and that:

- The Bill should provide an entitlement to a Young Apprenticeship for any 14–16 year old who wants one.

Make it easier for Apprentices to get placements in small businesses and voluntary organisations

Many small firms and voluntary organisations find it difficult to guarantee continuous employment. Others can offer some—but not all—of the experience an Apprentice needs to complete a qualification.

In these circumstances, it should be possible for young people to move from one employer to another during their Apprenticeship. One way to achieve this is for Apprentices to be employed by a third party—a kind of employment agency—who would arrange each placement in turn.

Working with the Young Foundation, Edge is providing seed-corn funding for a Group Apprenticeship Scheme in London, to be run jointly by two colleges (City of Westminster and Westminster Kingsway), two third sector organisations (Vital and PDT) and an Australian group apprenticeship provider, Central West Group Apprentices.

The Government should support Group Apprenticeship Schemes in all parts of the country, learning from experience in Australia and early experience of the London scheme. Accordingly:

- The Bill should place a responsibility on the Secretary of State to encourage and support the formation of Group Apprenticeship Schemes in England.

The Government should also consider wage subsidies for small and micro-businesses, recognising the extra burden small firms face when taking on Apprentices. Wage subsidies have already been offered as part of the Train to Gain programme for adults—so why not for Apprentices?

Make it easier for Apprentices to get placements in the public sector

All parts of the public sector—government departments, local authorities, Non-Departmental Public Bodies, the NHS, and so on—can and should take on very many more Apprentices, across a whole range of occupations including business administration, customer service, health and care, landscape gardening, electrical maintenance, engineering, landscape gardening—even hairdressing (in council-run care homes). All parts of the public sector should be set a target to recruit Apprentices.

- The Bill should place a duty on the Secretary of State to set targets for the recruitment of Apprentices by public sector employers.

Offer the right Programme-Led Apprenticeships

Programme-Led Apprenticeships (PLAs) have had a bad press, which is only partly deserved.

The theory is that a young person should start a full-time course at college or with a work-based learning provider. This provides a basic level of knowledge and understanding, making it easier to become a full Apprentice with a local employer. There are several benefits: it helps young people decide if they've made the right choice, and it helps employers recruit young people who have already grasped some of the basics, such as safe ways of working.

The problem arises if young people don't move on from college. If the whole PLA is delivered in college, the lack of work experience presents a big barrier later on.

The LSC has acknowledged this. We welcome their approach, which is to limit PLAs to those programmes which are a genuinely valuable stepping stone into a full-time Apprenticeship, which might be termed pre-apprenticeship training.

- The Bill should define a pre-apprenticeship, or enable the Secretary of State to do so by order.

Make it easier to move on to Higher Education

It should be a lot easier for Apprentices to move on to higher education if they want.

There has been some progress: experiments with so-called Higher Apprenticeships show it is possible to get higher qualifications, including Foundation Degrees, via apprenticeships.

Two problems are holding back progress. First, funding for qualifications above Level 3 falls between two stools—the LSC and HEFCE. There needs to be a clear and separate funding stream for Higher Apprenticeships which provide a work-based route to qualifications at Level 4 and above. It may be possible to achieve this without legislation, but for the avoidance of doubt:

- The Bill should define the term “Higher Apprenticeship” or enable the Secretary of State to do so by order.
- The Bill should amend the Learning and Skills Act 2000 to enable the Learning and Skills Council to provide financial support for Higher Apprenticeships.

The second problem is that some Advanced Apprenticeships don’t prepare young people for degree courses. They are an excellent way of developing the skills and knowledge needed for work, but HE calls for additional skills—essay writing, research, that sort of thing. Some degrees also call for more prior knowledge of maths, science or other so-called “academic” subjects.

This presents a real barrier. Admissions tutors are reluctant to offer places to Apprentices because they think they will struggle in their first year.

The solution must be to offer Access courses to any apprentice who wants one. Access courses already exist, of course, and give people the extra boost they need before embarking on a full HE course.

- The Bill should entitle any Apprentice to take an Access to HE course either at the same time as their Apprenticeship or at any time afterwards.

These steps will make it much easier for Apprentices to move on to higher education. That is a benefit in its own right, but it also has the advantage of proving that Apprenticeships are a genuine alternative to A-levels, Diplomas and other full-time courses.

November 2008

Witnesses: Simon Bartley, Chief Executive, UK Skills, *Nick Edwards*, Vice-Principal, Learning and Skills, Lewisham College, and *Andy Powell*, Chief Executive, Edge Foundation, gave evidence.

Q1 Chairman: I welcome our three witnesses to our deliberations. We are conducting part of a pre-legislative inquiry into the draft Apprenticeships Bill. As everyone knows, this is part of a pre-legislative inquiry across the two Departments. The majority of it, in territory terms, is a Department of Innovation, Universities and Skills responsibility, so I suspect that the lead role has been with DIUS, but we are certainly taking our part seriously, particularly in the areas of 16-to-18 apprenticeships and their career implications. That is what this sitting is about. Simon, what was your reaction when you heard about the Bill? We have had apprenticeships in this country for a long time. They chunter along pretty well, and have increased substantially over the past nine or 10 years. Why do we need the Bill?

Simon Bartley: Thank you very much. My first impression when I heard about the Bill was a positive one. I felt that it was more evidence that apprenticeships and vocational education were at the top of the agenda, or rising to the top of the agenda. So I welcomed it, and carried on welcoming it thereafter. You are right: it is rather nice that somebody has given some credit that apprenticeships have been around for 400 years, and if I put my sector skills council hat on, covering plumbing, I think that they go back to Roman times, if not before. So it is rather nice to hear that apprenticeships have a long life and are worthwhile continuing. The problem that we have had with

apprenticeships in the areas that I have been involved in has been the reluctance of employers to place all their apprentice eggs in the one basket of 16-year-old school leavers. We have been working on persuading the Government to have adult apprentices, so I saw this as a move in the right direction, towards widening the franchise of apprenticeships, so that employers in particular could get more of what they wanted, from different places, rather than from where they were being told was the only place to get it.

Q2 Chairman: Andy Powell, is there anything that you would like to say to the Committee?

Andy Powell: Briefly, I have a strong belief that apprenticeships and that form of learning and development for young people are a good thing. The aspiration that we should, over the next 10 years, build that up to 20% of young people doing them seems absolutely sensible. Therefore, a Bill that strengthens that is, I think, not a bad thing. The challenge of the Bill for me is that the key things lie around it. So the advice and guidance given to young people are important, but so are what leads up to an apprenticeship and where people go on from being an apprentice. In those sort of areas, I have some suggestions of where the Bill is more difficult to support, but I am in support of the concept.

Q3 Chairman: What is the view from your vantage point in the FE sector, Nick?

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Nick Edwards: We welcomed the Bill coming forward. We understood that there was a commitment from the Government towards apprenticeships, but the Bill begins to give some actual leverage to delivering those apprenticeships. It will give some momentum. It also assigns responsibilities, which I think is very important to deliver the targets that the Government want.

Q4 Chairman: How many apprenticeships are there at the moment, Simon?

Simon Bartley: One hundred and eighty thousand a year, I think.

Q5 Chairman: That is a substantial increase, is it not?

Simon Bartley: It is a substantial increase, over the last three or four years, from 60,000 or 70,000. The actual figures are at the beginning of the Bill, I think, in the foreword: 180,000 in 2006–07, up from 65,000 in 1996—so an increase over 10 years. I think that the important thing in the foreword is the number of completions. There is a real issue about the non-completion of apprenticeships. In some sectors—such as plumbing, or electrical contracting or wiring—partially qualified individuals entering the labour market, who may be two years through a three-and-a-half-year apprenticeship, are actually a risk to themselves and to the customers they are working for. Also, by their very dropping out of apprenticeships and not completing, they make employers less likely to want to take on another apprentice. If you are a small employer and you take on one apprentice a year, and one in two of them does not finish, eventually you are going to think, “Why do I put all my effort into this training?” The important thing is the completion figure—up from 40,000 to 112,000, broadly in proportion with what happens elsewhere. The Apprenticeship Ambassadors Network worked on some of the earlier figures and the earlier papers and Bills that have gone through Parliament, and with the target of 400,000 that came out in Leitch for England—500,000, I think, for the whole of the United Kingdom—which is, or was until very recently, a realistic target for apprenticeships and something to be welcomed. The work in this Bill of having older individuals—16, 17, 18, perhaps 19-year-olds—starting apprenticeships with a guarantee helps achieve that target, which I think is a good one.

Q6 Chairman: I do not know whether a lot of people have a memory of what an apprenticeship looked like. What does the apprenticeship look like today? Bring the Committee up to date. How long is an apprenticeship, for example?

Simon Bartley: That is a long question, which could take the whole of our time. Briefly, there are apprenticeships to Level 2 and to Level 3, so the difference in timing for each of those is considerable. In different sectors, of course, they tend to be different, depending on the framework. I can build on the ones in electrical contracting, which I know. In the production of an electrician, there is no Level 2 apprenticeship, because there is no job there for

someone in the electrical industry. The electrical industry wants fully qualified electricians, and they come with a Level 3 qualification. So there is not a Level 2; people pass through where a Level 2 would have been at 12 months.

Q7 Chairman: How long is the overall apprenticeship in that sector?

Simon Bartley: About three and a half years. It is not dependent on time—so the idea of a time-served apprenticeship, which is the historical type of apprenticeship, has gone. An apprenticeship is gained by gaining a technical certificate at Level 3, followed by the NVQ at Level 3. It is the NVQ—the time spent at the workplace doing it—that takes the bulk of the three and a half years. At the end of that, there is an achievement measurement test, which is a practical test to ensure that the time spent on site is not just time served but has achieved the occupational standard required for the craft of being an electrician. That is pretty standard across most craft apprenticeships.

Q8 Chairman: Yes, but you are talking about craft apprenticeships—the model that most of us are familiar with. Andy Powell, how does that compare with apprenticeships in other areas like retail or distribution or leisure and tourism?

Andy Powell: The only thing that I can say in response, though I cannot give the detail, is that they can be very different. The length of time that apprentices serve can depend on the individual, as Simon says, but also, on average, it can vary quite significantly between, for example, engineering on one end, which takes more like four years, and some of the others, such as customer service or retail, which can be quite short.

Q9 Chairman: How short?

Andy Powell: I would have to check this, but I would have thought around a year in some cases. Most Level 2 apprentices take about 12 to 18 months, but it is nearer 12 months or even shorter in some cases. Level 3 apprentices take between a year and a half and two and a half years on average.

Nick Edwards: We would expect to get retail, business administration and IT apprentices at Level 2 through in 12 months if they have the appropriate work experience and can evidence the competencies in the workplace. That is what our funding is based on as well. There is the concept of timely completions. The LSC has a view of how long an apprenticeship should take. Level 3 would take two to three years, but we would be looking to try to get them through in two years if they have already done Level 2.

Q10 Chairman: Why, when I inquired what was the average length of an apprenticeship, was I told it was one year? There must be some pretty short apprenticeships if the average is one year.

Nick Edwards: It depends where the starting point is for the learner. For a Level 2, it would be one year. That is what we are funded for. For Level 3, it depends on experience—what level the person is

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coming in and what knowledge they have of the industry. Remember that people in employment can undertake apprenticeships, as well as people new to the industry. Some people at Level 3 would already have substantial experience in the workplace and would then take a Level 3 apprenticeship that would fast track them through quite quickly, because they can evidence the competencies in the workplace.

Q11 Chairman: I want to press you a little bit more on these very short apprenticeships, especially the shortest—hairdressing or child care. Are there apprenticeships in hairdressing?

Nick Edwards: There are apprenticeships in hairdressing, yes.

Q12 Chairman: How many?

Nick Edwards: I am not aware of how many there are.

Q13 Chairman: Does anybody know? Can you give us any idea of what the numbers are? Are the bulk of our craft apprenticeships at the moment taking three or three and half years, or are the bulk very short?

Simon Bartley: I am drawing on memory here and I might, when the transcript arrives, suggest an accurate change, but I would think that three quarters of apprenticeships are at Level 2 and that no more than a quarter of apprenticeships are at Level 3—in other words, advanced apprenticeships. A lot depends on the requirements of the occupational standard that is going to be met by the apprenticeship, and of course, those occupational standards are slightly dependent on what the employers in a particular industry want the apprentice to have learned. There is meant to be some parity between the occupational standard in hairdressing at Level 3 and the occupational standard of an electrician or plumber at Level 3. It is very difficult to compare exactly. You would need to talk to a QCA or an LSC expert on those. But I would be surprised if an advanced apprenticeship in plumbing—other than through the accreditation of prior learning that Nick has just mentioned—or an advanced apprenticeship in hairdressing took significantly different lengths of time. It might be two and half to three and half years or two and half to five years, but I cannot believe that the average length of a Level 3 apprenticeship or a Level 2 apprenticeship combined number would be 12 months, because that would mean that some were being pushed through in two or three months, and there is not that number of candidates with accreditation of prior learning work experience to justify that. The Apprenticeship Ambassadors Network can probably give you more accurate figures more rapidly than I can.

Nick Edwards: When people enter the workplace, it is often through a more informal apprenticeship. You often get someone, say from hairdressing, who will say that they have left school and they have been taken on as an apprentice. They are not a part of the formal apprenticeship scheme. They are on low pay, doing low-skilled jobs in a hairdressing salon, gradually picking up skills. Then they will apply to a

college or training provider to do a formal apprenticeship. They have already learnt a considerable amount of skills in the workplace. Those people will achieve quicker. You will then get other people who will leave school and go straight on to an apprenticeship—like a hairdressing apprenticeship. They then have to do all the underpinning knowledge, because they do not have the knowledge of the industry and so on, and they will take longer. That is one of the beauties of the apprenticeship scheme—it is customised to the individual's learning needs and to their experience of the workplace.

Andy Powell: Having said that, if we try to hover up a bit from this and say, "How do we increase the quantity and quality of apprenticeships?", the overall brand and quality is very important. That is one thing. The two other things are, depending on which way you look at it, demand and supply—demand by employers for young people and the supply of good young people coming in. The point that you raise, Chairman, is important. But overall, the increase in the completion rate is very significant and commendable, and that quality has made a big difference. If you look at the statistics—I do not have the details in front of me—and at the length of that apprenticeship and the time spent on some sort of formal training that goes with it, there are still a few sectors with areas that should be probed a bit more. But that is not the biggest issue here anymore; the demand from employers is a bigger issue. The challenge is that it rightly varies very considerably between sectors, and you need someone from that sector to understand. There are a few sectors where there is a need for probing to find whether the quality is still there, but I would suggest that quality is not, overall, the biggest issue at the moment.

Q14 Chairman: What is the biggest issue?

Andy Powell: I think that it is the supply and demand. At this particular point in time, all the evidence suggests that the biggest issue is how we encourage employers to take on more young people. There are issues on the supply side as well.

Q15 Chairman: We will be coming back to that later, when we shall be asking what is the nature of an apprenticeship based in college and what is the nature of a more traditional one, based with an employer. But we will hold that back for other colleagues. Can I just push you on the aspiration for 20%? If we are going to have 20% of people keen to enter apprenticeships, which is something that I have always supported, it is right that the quality has got to be there and that the brand has got to be right, so that the parents of young apprentices will have the comfort of knowing that this is a good qualification that leads them into a good way of work. Do we agree on that?

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Simon Bartley: Absolutely.

Q16 Chairman: Is this new apprenticeship linked to the fact that the Government are at the same time going to raise the school leaving age to 18? Do you see this as a very important part of that development?

Nick Edwards: Yes, I do. I have mentioned before that people can leave school at 16 at the moment and say that they are in training, but they are not; they are on low pay and working and picking up skills in the workplace without any formal qualifications. That has now stopped. They can go to the workplace at 16, but they will have to be on a formal training programme, gaining qualifications that recognise the skills that they have got. That is a really positive advance. Also, if the apprenticeships become part of the portfolio on offer for secondary school children at 16 to 18, you will probably start to make the numbers you want. At the moment, it is not a part of the portfolio. The IAG (Information, Advice and Guidance) in schools does not offer children that. There are many reasons for that. The diplomas have come in, and they are beginning to confuse the issue for young people and parents as to when you are getting engaged with the world of work and the skills for work. Most of the secondary school sector is now under Building Schools for the Future. There are new buildings, which are fantastic, but a lot of the schools have premised them on additional student numbers in terms of their resources. Secondary schools are looking to hold on to their learners. For a lot of learners, a secure environment, like a secondary school, is the right place to be, and they are being offered the diploma route. For a lot of learners, beginning to engage in the world of work supported by college and other training provider programmes is the appropriate route, and they are not necessarily getting that through IAG. It is the point that Andy alluded to: this is an excellent product. Parents like this product and recognise what it is, and young people like it. At both ends, the supply chain is the problem in getting people into the apprenticeship programme and securing employment opportunities at the other end. The product is good and the Bill has good initiatives, but the devil is in the detail of how they will pull this off.

Q17 Chairman: Andy, any comments?

Andy Powell: Again, relating to the continuing or leaving age, I think that they are mainly different things. The most important thing for the Government, and across Parliament, is that a message goes out to everyone that there are many paths to success for young people. It is not about parity of esteem between a work-based route, a mixed route or an academic route; it is about parity of resource and recognition, and that is the fundamental message that we must get across. As you know, I strongly support the importance of getting parents and all young people to understand those different routes even from a young age. However, extending the leaving age applies primarily, as I recall, to that 9 and 11%—I cannot remember which way round, but it is those not in

education, employment and training, and those in employment but not in training. That is a different issue. Most young people want to learn and get on and it is about providing highly motivational and relevant ways of people learning. There is obviously a link, but I do not see that it is a strong connection, if I understood the question correctly.

Q18 Chairman: So do you not see it as a coherent set of policies coming from the Government Department? On the one hand, there is the raising of the leaving age for education and learning to 18 and the new diplomas, and this new Apprenticeships Bill. Is this a joined up piece of policy or is it not?

Andy Powell: Potentially. Where the issue still arises is in how a diploma relates to an apprenticeship, for example. I do not think we quite know yet.

Q19 Chairman: Do none of you know? Diplomas have started, and we have apprenticeships. Do any of you know how they join up?

Andy Powell: You can certainly transfer—perhaps I will look to my colleagues on this. You can do a Level 2 diploma and transfer to an apprenticeship. Indeed, you will need to make that available in the Bill, going from a Level 2—whether that is a GCSE or a diploma—to do a Level 2 apprenticeship. That is legitimate, and at the moment it is blocked in the Bill. I have a precise point to make, and then I will ask some of my colleagues who might know the detail better. The area that I always think is missing and that we are not yet sure about—this tries to put it in the language of any parent or employer; I, for example, have a 16-year-old boy—is when and why should I encourage my lad to do GCSEs and go on to A-levels? When should I suggest a diploma route? In theory, that mixture of theory and practice is excellent and would suit him very well. When should I put him in an apprenticeship? Similarly, for an employer, under what conditions and when and why might it be beneficial to employ someone on an apprenticeship who carries on learning that way, and when should they take someone who has done the diploma or A-levels, or a graduate? In the education and training world, we tend to get stuck on what exactly an apprentice and a completion rate are. This is simply a route of learning where people start beforehand and go on afterwards. We must understand that better in general layman's terms.

Nick Edwards: I think that you are asking for a challenging amount of coherence of diplomas and apprenticeships. In terms of diplomas, you would ask, which Government target are they aimed at hitting? I suggest that they are hitting the HE target and encouraging more people to go to HE and vocational HE programmes, rather than hitting an apprenticeship target. The concept of transferability from diplomas is challenging. Somebody who has done a Level 2 construction diploma could not transfer to a Level 3 construction apprenticeship—they would need to go back and do a Level 2 construction apprenticeship. The Level 2 construction apprenticeship is a vocational training programme training people with skills for the workplace, which the diploma does not do. It is not

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a vocational programme; it is applied learning. That is a real challenge. You have products running alongside each other. If professionals in the sector cannot resolve that, then the customers—the parents and the young people—will not necessarily be able to resolve it themselves, either.

Q20 Chairman: So what is the answer? What do the Departments do to sort that one out?

Simon Bartley: I do not know whether the Department can sort that out. That issue has to be considered by the people in the field—the employers who take on these young people at various stages of their career—who will identify the most logical pathways. You must look at the purpose of the diploma and apprenticeship and understand the justification of an employer for taking on a young person, or the justification of a young person for taking it on. A diploma is an applied academic qualification. We are only three weeks into them—two weeks in some schools and colleges—and we need to understand more about them. Diplomas are designed not only to enthuse young people who have been let down by, bored by or have dropped out of the pure academic GCSE route, but to excite some of those people who have been successful at GCSEs and give them a taste of a different route through apprenticeships, foundation degrees or A-levels. I have had a small involvement in the construction and built environment diploma over the past three years. When we started, the issue of crossover from diplomas into apprenticeships was writ large in our brief about developing diplomas. It dropped off over those years because, first, it is a very difficult issue and, secondly, because getting the diploma bit right—perhaps it is a little bit siloed—was such an enormous task that there was not the time nor the inclination to work on it. If I can drop back to the Level 3 electrician where there is no Level 2, the apprenticeship builds on a whole series of theoretical ideas. All of you will remember from your schools that V equals IR , Ohm's law, the whole concept of currents and circuits and capacitors and so on. It is technical scientific stuff. An individual may have completed a diploma that is related not to engineering or construction, but health and social care. As there has been no deliberate attempt to tie the type of diploma to the type of apprenticeship, the person is not likely to come with that underpinning knowledge, or technical knowledge, that is required for them to become an electrician. Therefore, you might do a diploma at Level 2 or 3 but it will not actually match up with the information that is required for an apprenticeship. Just because you have a Level 2 diploma, it should not automatically mean that you have the knowledge of a Level 2 apprenticeship. They could be two completely different areas of expertise and underpinning knowledge. If you go to a public park, you can tell where people walk. It is not necessarily on the pathways that have been laid down by the local authority, but on the slightly muddy areas that cut across the corner from gate to gate that the local authority did not put in. You see the routes laid out by the individuals who are the users of the park,

rather than the planners. We must be careful that the Departments do not try to put those paths in as pathways that will be there for the next 25 years. We need to spend a bit of time—perhaps not until they become muddy tracks, but at least until the grass is trodden down—on the routes that people want to take across the park. It is a little early in the process to draw definitive lines on the diploma to apprenticeship exchanges. It has to be done soon, but it is too soon to do it now.

Andy Powell: I would do three things. I would ensure that our research includes the before and afters of why people go into apprenticeships in the first place. Also, we do not have any research or data on what has happened to previous apprentices. Have they stayed in that industry, have they been successful, where have they gone? That is something that the Skills Commission is now starting and that Edge is supporting. Based on that research—I like Simon's analogy very much—one is developing stories. We need to make very significant improvements to the information, advice and guidance to young people, so that they can access information from previous stories and the paths that people have trod before, such as why they took one route and what they learned from it. I will not go into it now, but we have done a lot of work on that. Such information should be available these days on websites, and there is a website called "Horse's Mouth". People should also be able to talk to others who have trodden those paths and ask them, "Why did you do a diploma? Why did you do an apprenticeship?" In summary, that second issue is really about getting that IAG around stories and what people have done. The third issue relates to policy; it is wider than apprenticeships. It is extremely important that we encourage—probably stronger than that; require, if possible—more opportunities for young people throughout their schooling to understand different worlds of work and what goes on in the world of work, to visit colleges and universities and to talk to apprentices. There is nothing more important for young people as they are going through education than that they start to find out for themselves, to discover and explore, what they are good at, what they are interested in and who they want to be. That lead-up and those stories would solve a lot of the problems associated with how those things interrelate.

Chairman: Right, let us start to drill down on this.

Q21 Fiona Mactaggart: I am interested in your path analogy, Simon, because I have been thinking about it in that way. Of the issues that are identified in world-class apprenticeships, the critical ones are about the planning and delivery system and employer engagement; those are the two that most worry me. I do not see anything in the Bill that requires transferability between different routes, and sufficient transparency to enable transferability. I spend my life telling local authorities, "Do not put a fence there because it will be pulled down. It just will, because it crosses a stampede path that people are always going to take." It will be great if we can find some stampede paths through these learning

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systems, because that means that people are using them, and that would be an important step. However, surely our job should be to make it easier to move between things—for example, to make it easier for a young person who has embarked on a diploma and who realises that they want to get into the world of work quickly to shift into an apprenticeship programme if possible. I am not sure that the Bill makes the kind of requirements that would ensure that.

Simon Bartley: I think that you are right. From my reading of the Bill, no compulsion is in place. Let us not take my analogy of the paths too far. If we can, let us leave diplomas to one side as the modern thing, and just consider apprenticeships, O-levels and A-levels. Let us concentrate on the A-levels. Where are the transferable routes between A-levels and apprenticeships? My understanding is that if somebody gets to an AS-level—they have done one year of what I would refer to as sixth form—getting them to transfer over to an apprenticeship is likely to mean starting again at the beginning of the apprenticeship, because there will be no transfer route. There is no stampede route, to use your phrase, between A-levels and apprenticeships, so there is already a flaw in the programme. Perhaps that is why diplomas are so necessary for the future. I agree that there should be transparency and the ability for people to look at these things, but we must not forget the end purpose of an apprenticeship. The end purpose of an apprenticeship is to have a young person who is capable of taking up the craft and career of their choice. We have to be a little careful to make sure that in the provision of transparency or the development of the pathways—compulsory or voluntary—we do not actually devalue the quality, training or competencies of the individual at the end of the apprenticeship. If we are to have pathways from diplomas, A-levels or baccalaureates, or other areas into apprenticeships, we must ensure that they are facilitating the development of the young person in the apprenticeship, not sending them off on a path of false hope, such as, “At the end of this, I’ll be an electrician, a plumber or a hairdresser, and I did it by doing half an A-level and half an apprenticeship”, and having at the end of that somebody who is neither fish nor fowl. Let us make sure that they are able to do the job that the apprenticeship was set up to do. I agree that we need to put in some pathways. I was only suggesting that we must not stampede. Perhaps there is another way between the stampede path and the local authority path. After a little grass has been stepped down, we can put down some mats—so that the grass and the dirt are not trampled everywhere—that can be moved around so that the main courses of the path can be put in. We can set up a few tentative paths, after which we can see whether they work. If they do not work, we can just tweak them, rather than having to dig them up and put them in place.

Nick Edwards: The Chairman asked whether the new requirement for young people to stay in schools until the age of 18 would help the growth of apprenticeships. I think that it is the other way round. Apprenticeships will help young people to

stay at school and train until 16 to 18. A lot of young people whom we deal with are school sick. They want to leave school and go into the world of work. Putting them on an academic or on an applied learning programme in a school will not help them. They are ready to go out into the world of work. An apprenticeship is exactly the right programme for them. People learn quicker in the world of work than in colleges and schools. That is the truth.

Q22 Fiona Mactaggart: The problem for so many young people is that they start a programme or an apprenticeship, but cannot find employers to take them on. Will the Bill help that problem?

Nick Edwards: Well, what I did not see in the Bill which I saw in the previous document was the proposal for financial assistance for SMEs (Small and Medium-sized Enterprises) in respect of taking on apprenticeships. That detail has still not come through. We were encouraged when we saw that there were to be financial incentives. There are challenges for employers about taking young people in apprenticeships. Train to Gain, another competing programme, has not been mentioned. It will give an employer full Level 2. It is one of the new flexibilities. Young people with an existing full Level 2 will get an additional full Level 2 training programme free to the employer at the workplace much quicker than an apprenticeship. We must remember that a lot of our learners will have come out of school. They will not all be 16 to 18s. They will start apprenticeships when they are 18 or 19 years old. Under the present proposals, under the apprenticeship programme, apprenticeships will be co-funded with the employer. Up to 50% of the funding for an apprenticeship by 2010 will be borne by the employer. Under Train to Gain, they can get the Level 2 qualification and first Level 3 qualification free, and that can be done quicker. We are already beginning to see by our recruitment numbers that employers are beginning to switch from apprenticeships to Train to Gain.

Andy Powell: Going back to the first point about pathways, we put in our written submission that one of the biggest flaws in the Bill, for example, is that, at the moment if students did Level 2 GCSE, or when the diplomas come in, they would be ineligible to do a Level 2 apprenticeship. That is unhelpful. It is quite legitimate to do GCSEs and start a construction apprenticeship. So I think that there is a move there, although I am caricaturing slightly, as all learning involves a bit of theory in practice. The diplomas are concerned much more with education and keeping your options open, and, as Simon said, apprenticeships are more concerned with the training side. On the whole, one would not encourage someone to do an apprenticeship unless they had some understanding of the relevant craft, trade, industry or occupation, and a desire to do it. With regard to the employers—arguably the biggest issue at present—the Bill could do more. Some of that cannot be put in the Bill, but it does mention the public sector, which is very helpful. The Secretary of State might be required to at least set targets for the number of apprenticeships in the public sector,

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whether that is through national Government, local government, the NHS or indeed in schools, where we have some great examples. The Bill could give more support to small firms, which might take the form of incentives, although I have yet to read anywhere exactly what the best form of incentive would be for small firms, so that is a difficult issue. Similarly, the Secretary of State could be asked to encourage and support the development of group apprenticeship schemes or group training associations. In Australia, for example, 10% of all apprentices go through that way. How do you overcome the problem of apprentices being taken on by small firms that might not be able to offer the breadth of experience or might have down times? Essentially, an organisation could be set up to employ the apprentices and be linked to many smaller firms so that the apprentices could go from one to another. We are currently exploring that idea in London with Robin Shreeve, the head of City of Westminster College.

Q23 Fiona Mactaggart: I am interested in group apprenticeships. I represent Slough, which has a diverse economy and many big employers, yet I receive letters from mothers in my constituency stating, for example, that their son has written 95 letters but cannot find an employer who will take him on. In trying to drill down on that problem, it seems to me that the issue in part is that people do not understand it and do not want the bother of it. However, some employers work in very specialist areas, such as plumbers who work with air conditioning, and do not have the range of stuff that would be required in a course and so cannot offer apprenticeships. I do not know why that is more of a problem now, but it does not seem to have been such a problem historically. How can the Government, through the Bill, enable that kind of marriage brokering between the air conditioning guy and the guy who will do some CORGI-registered plumbing and put them together so that you could give a young person the experience they require to become a fully qualified plumber through a proper apprenticeship scheme?

Simon Bartley: That is a really good question, and the group training schemes that Andy mentioned are part of the answer. You have to look at what trade associations or trade groupings there might be. I do not know the details about Slough, but there are likely to be 30, 40 or 50 plumbing companies. Some will be individual sole traders, some will be partnerships, some will work in the black economy, some will be in small businesses, and there might be a franchised outlet such as Pimlico Plumbers. The only body that is likely to take on apprentices on the industry side will be a trade association or a licensing body, such as CORGI, the Association of Plumbing and Heating Contractors or the Heating and Ventilating Contractors' Association. They might be able to do something along the lines that Andy has mentioned. Another suggestion for solving the problem that you have identified might be to use a supply chain. One of the things that you rightly pointed out is that the work done by a plumber

today is much narrower than that done by a plumber 50 years ago. Part of the reason for that is the way in which buildings are purchased, as a main contractor, a management contractor or a public-private partnership contractor—whatever happens to be this week's type of contractor—buys in specific services, and therefore a small business almost has to specialise in order to do the work. Once you specialise, that is great; you can turn out the best person in the world at putting lead joints between old-fashioned pipes and modern pipes. That person could win a skills competition. As you have rightly identified, the difficulty is that someone down the road is an expert at doing only plastic piping. That is the case until you get them to realise that they exist and do it. A building—take this building, Portcullis House—will have required all of those specialist skills. It is possible that each has been carried out by a different contractor. The main contractor who was in charge of putting this building together may have said to one, "You are only good at doing that so we will use you for that." and to another, "You are only good at doing that so we will use you for that." Why on earth should he not have said, "If you both bring an apprentice, we will ensure that all the plumbing apprentices experience working with the others, paid for by their own employer"? That microcosm raises the issue of supply-chain management, which has been raised in other things that we have talked about. May I pick up on one of the reasons why employers do not take on apprentices? About 18 months ago, we questioned employers in the building services sector informally. We did an unusual thing, which was not to ask people who were training why they were doing so, but to find people who were not training and ask them why they were not training. Quite a lot of information gathering forgets to do that. It is more difficult to do because in most cases you do not know where such people are. The primary reason that small employers gave us for not taking on apprentices in electrics and plumbing to Level 3 was continuity of work. By making a commitment to take on a 16 or 17-year-old under an apprenticeship agreement of the type that is referred to in the Bill, you are saying that you will continue their skills training for three and a half years until they become a craftsman or woman. Most small businesses in the plumbing and electrical industries pay their labour force on a weekly basis. The main responsibility for the owner is getting in enough money for the work that he did last week to pay the people who are doing the work this week and finding the work for them to do the week after. While there is that mentality, it is difficult to ask someone to take on a three-and-a-half-year commitment to a young person. The average size of a plumbing practice in this country is four members of staff. If there are only two, three or four plumbers and there is no work in two weeks' time, who do you think will be the first person to be got rid of? Unless they are the owner's son or daughter, it will be the apprentice. Bureaucracy is an issue in receiving the finance of £1,000 for completion. That comes into the equation, but the single biggest reason that came out

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for employers not taking people on was the lack of continuity of work. Crack that one and we can move forward.

Andy Powell: I would go back to urge you to consider a clause in the Bill that asks the Secretary of State to encourage and support group apprenticeship schemes. That would go down to the national apprenticeship service. I have been given information about models. I have already read about them because we are supporting one in London that is designed to solve precisely this issue. Various models have worked here and in Australia. As always, the issue is with financing. In effect, you have another intermediary and the question is how that business model works. If I was in charge—if the Secretary of State had that obligation, and through him the NAS, you would expect it to put some seed corn down and really understand the matter. It should work out which models work and support the development of new models so that this idea can take place. From our point of view, the idea of some sort of group scheme is very important. When an apprentice's work has been completed and there is no new job, they could then go back to the organisation in charge of the group apprenticeship scheme and go off to do other work.

Q24 Mr. Carswell: I have a few general questions. The foreword to the draft Bill talks about apprenticeships having existed for hundreds of years. It then goes on to talk about the Government plans; the Government plan this and the Government plan that. It is very much a Government-driven thing. Apprenticeships, surely, have not been run by the state for that long and history tells us that it is quite possible to have apprenticeships without central Government running it. Is that not the case?

Simon Bartley: Yes. I could not possibly tell you when the Government started to fund apprenticeships. I go back only to the days of the industrial training boards, of which very few are left. There was Government funding for them, but you would have to ask somebody what happened before that. Yes, I am willing to bet that in Victorian times and the time of Brunel building the steam ships there were apprentices working and learning how to rivet steel and do all the rest of it. I am pretty sure that there would not have been any money coming from the Government to pay them, but there may have been a larger amount of money within the procurement and the costing of those sort of projects. I think there is a more recent example of individual employers taking on or doing training, if not a formal apprenticeship. As I said earlier, we have been pursuing the issue of adult apprenticeships for a number of years now—certainly 10 years—and there is some evidence to show that employers have taken on 25 or 35-year-olds and trained them in a partnership. They have perhaps given the person some time to go to college at their own cost, or doing it elsewhere and paying the college fees. There is no Government money going into that. So, employers have been prepared to

do that, and so have mature individuals. All I would say is that it has been a small number and it is the only case I can point to.

Nick Edwards: Well, the Government were not involved until the apprenticeship scheme completely imploded in the previous recession. Employers got out of training because they were looking at their bottom line and cutting their costs. The Government had to intervene to relaunch apprenticeships. It is interesting that we talk about the previous apprenticeship scheme as being almost pre-war. That is because these are not the same animal at all. The apprenticeship scheme was designed by an employer for the skills need of that business. The skills apprentices often learned were not transferable to another business. They were part of the business plan and had an impact on their bottom line. It was the way businesses worked; apprentices were used as cheap labour initially, while they acquired skills. It was part of the financial plan. The Government had to take up apprenticeships because they had gone to waste. There was a national outcry about where young people were going to acquire these skills and where they were going to be supported. There is a big issue about employers. Employers do not at the moment see it as their social responsibility to provide training for young people. They are running businesses which need to employ people and need to be effective businesses. Apprenticeships are the only qualifications that are impacted by the national and local economy. Trying to grow apprenticeships in the current economic circumstances will be really challenging. Already at our college, our apprenticeship numbers are down because businesses are slimming down and cutting costs in construction. They are not carrying people. Diplomas, A-levels and degrees are not impacted by the economy. Immediately the economy downturns, it will have an impact on apprenticeships. Apprenticeships will dry up again, particularly in the industrial sectors.

Q25 Mr. Carswell: So it is theoretically conceivable that it could be done, whether you like the idea or not, without central Government doing it?

Nick Edwards: I do not think I said that.

Andy Powell: At one level it depends what you mean by an apprenticeship. Actually, that style of learning always has been and always will be one of the most powerful forms of learning, whether you are a new MP or whatever. It is learning from people who are more experienced. I suggest that you are asking what is the appropriate level of Government interference in this process. I believe that history would tell you that there are two key roles. First, if you want significant numbers of young people to learn in this way and have this path to success—which I think is important—it is probably unlikely to happen without some stimulation from Government. Secondly, history shows that while there will be very good employers, others will exploit young people. They will not get the breadth of training that allows them to then go on to other careers. I am in favour

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not of strong Government or central planning but of stimulation and quality control. It seems to me that there does need to be a role for the state.

Q26 Mr. Carswell: Mr. Edwards, I notice that you have had an involvement with VT, Vosper Thornycroft. Can you envisage a system in which the apprenticeship scheme might be run by Vosper Thornycroft—by an employer rather than by central Government?

Nick Edwards: The arm of Vosper Thornycroft that runs apprenticeships is its education arm. It is a managing agent, a training provider like we are, although we are funded centrally. Vosper Thornycroft is very successful in delivering apprenticeships. It delivers them totally in the workplace and they are aligned to its own main contracts, because it is one of the biggest naval engineering employers in the country and trains up all the Navy's engineers and so on. It is successful, and I do not think that it is a matter of either/or. Some programmes can be delivered exclusively in the workplace, but in others the employer will need a college or private training provider to assist in delivering the programme. A lot of employers would find it really challenging to deliver the technical certificate themselves. Vosper Thornycroft can do it, but a lot of employers would find that challenging and would need the assistance of another training organisation to do it with them. All employers can deliver the competences in the workplace, as long as they understand their responsibility to have a training manager or training co-ordinator in the workplace. That is another issue for employers—they see that as another responsibility. Under the apprenticeship agreement, they have a responsibility to put the opportunities of the competences in front of the learner. Sometimes employers will say, "Actually, I can't organise that, I can't co-ordinate that. If I do take someone off work to do that, it's going to be a cost to me," and so on. Those are challenges for employers. Sometimes colleges and training providers can step in and help them with that.

Q27 Mr. Carswell: The success of apprenticeships is surely not purely the statistics on the number of apprentices produced but, in a sense, their desirability to the labour market and to future employers. Our documents state: "The Association of Learning Providers say that very few employers directly recruit apprentices". If the scheme were run differently, by employers, might that not change? Might it not, almost by definition, become more successful?

Nick Edwards: What I understand by that statement by the ALP is that we have a lot of employers for whom having apprentices is part of their business plan. They become plumbers' mates or young trainees in an organisation and can add value to the employer by undertaking tasks. When they complete their apprenticeship, the employer does not have a commitment to offering that person a full-time job. That is quite positive, actually, because if they did, they would block the route for

the next apprentice coming through. They look to move that apprentice on to apply for a job and get employment in the sector. What I can say is that all the apprentices at our college who complete, who have been on a training programme with an employer, get work. They secure employment. The product is good, and when employers know that someone has completed an apprenticeship, they know exactly what that person has done and what skills they have, and that they are very employable. Actually, the idea that employers hold apprentices for their lifetime is wrong. They enable them to move on and form a vacancy for the next cohort of apprentices coming to an employer.

Simon Bartley: If I may elaborate on that, I used to run an electrical contracting business. We used to take on a dozen apprentices a year. At the end of the three and a half years, assuming we were down to 10 of those 12, we would probably want to keep six of those 10 to be our electricians. For four of those who had done our apprenticeship, we would have felt that we had done our job. They were not particularly good—they achieved the grade, but we did not think of them as future foreman material or whatever, and we wanted them to go. They always wanted to stay, by the way, but we tended to want them to go. Of the remaining six, we wanted to keep all of them but half of them would have decided to go off and do something else. That might have been to set up their own business, go and work with their uncle who put them into the apprenticeship in the first place or whatever. We would probably end up keeping three of the original 12, and they would carry on working with us and become our job runners, our foremen, our engineers of the future. If all 10 had stayed, or even all six whom we had wanted to stay, we would have had the capacity for enormous growth from a human resources point of view, but we would not actually have had the capacity for the organisation to grow at that pace in order for that to happen. What Nick said is borne out by reality in the workplace.

Q28 Mr. Carswell: Just to finish off, I am curious about UK Skills. Could you elaborate on its status? Where do you get your money from?

Simon Bartley: UK Skills gets about 80% of its money from either central Government or Government agencies such as learning and skills councils, and 20% from sponsorship either from voluntary or private organisations.

Q29 Mr. Carswell: What is its status?

Simon Bartley: We are a completely independent company. We are not a Non-Departmental Public Body (NDPB). We are an organisation set up to champion vocational education, which we do through competitions and award systems. We are in the middle of the national training awards, which we perform, organise and arrange on behalf of the Secretary of State; they are paid for by the Department for Innovation, Universities and Skills. The skills competitions that we run within the United Kingdom pull together Euro Skills Team

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UK and WorldSkills UK. Some of the funding for the local competitions comes from the Government and some of it comes from Edge, which sponsors Team UK and Squad UK for Calgary and London. In 2011, UK Skills will host the WorldSkills competition at ExCel. More than 50% of the money for that will come from the private or grant-making sectors, and the other half will come from the Government.

Andy Powell: As you know, apprenticeships are not run by Government; the learning frameworks are decided by employers through various associations and so forth. The employer employs the apprentice and, with different training providers, ensures that they get the learning. I would like to add one important thing about the role of the state. If there is one thing that I would keep an eye on, it would be targets. In other words, if we are all to live happily ever after—if you agree that far more people get great training and employers want them and all the rest of it—this is about public relations, brand promotion, equality and encouraging people to do it with certain stimuli. That is in direct tension with a target-driven mentality. If things are too driven by targets that say, for instance, that we must have 190,000 completions and so forth, you will inevitably see a new form or declining quality of apprenticeship. They should be driven by quality and the brand on a voluntary basis.

Q30 Mr. Pelling: Very briefly, this is about trying to rebuild after the devastation of apprenticeships in the 1980s. What can be done in the Bill to ensure that the process is simple enough so that employers can tap into apprenticeships? The great frustration that is always expressed by employers is that they have a tremendous skills shortage in X or Y, but that it is not catered for and it is not understood by Government that there is a particular skills shortage. How can it be kept simple so that employers can take best advantage of what the Government are trying to do?

Nick Edwards: I support what Andrew just said, and what Fiona Mactaggart said earlier. The idea of the group apprenticeship is a positive one, because it does the heavy lifting for the small employer. It sorts out all the personnel issues and takes responsibility for managing the learner in terms of them getting their completion. The complexity of the responsibilities involved in the apprenticeship programme, which the current apprenticeship agreement places on small and medium-sized enterprises, puts off many employers. A group apprenticeship system would take on those responsibilities for small and medium-sized employers and would give them confidence. They would be hiring someone. They understand about hiring staff, which is what they would be doing. They would hire an apprentice and other people would take responsibility for the heavy lifting.

Simon Bartley: Keep it simple.

Chairman: I have to say that, as someone who has visited the VT apprenticeship scheme and met the apprentices in Portsmouth, VT does not like being

called by its old name. However, it runs a very good apprenticeship programme. I want to move on to look specifically at 16 to 18 apprenticeships.

Q31 Mr. Heppell: In some respects, the talk about apprenticeships is driven by the Government's wish for people to participate in education or training up to the age of 18. In the report, the Secretary of State says, "In the coming years, we want apprenticeships to be seen alongside university as a great option for young people." Is there that demand from young people? You have said before that this should not be driven by targets. What evidence do we have of the demand for apprenticeships from young people? Can that be quantified? How many people could you get into apprenticeships if the resources were there? I find this difficult because there is a lot of doubt about the figures on who would want to be an apprentice and who would not.

Nick Edwards: We have a much greater demand for apprenticeships than we can supply. The problem is being able to offer employed places. There was concern that the money allocated to apprenticeships in London last year was vastly underspent.

Chairman: Could you repeat that?

Nick Edwards: The money that was allocated for apprenticeship programmes in London by the Learning and Skills Council last year was vastly underspent. That was not because young people did not want to do them or because training providers did not want to provide them, but because they could not find the employed places. On whether young people want to do apprenticeships, the apprenticeship is a clear product. Parents understand that if you go to university, you get a degree. They also understand an apprenticeship. It is different with sectors such as NVQs, City and Guilds qualifications and BTEC nationals. The apprenticeship is a clear product that is aspirational for families. People like to say that their son or daughter is on an apprenticeship or that their son or daughter is going to university to do a degree. It has that kind of aspiration and kudos for people. The problem of getting the employed places for young people is causing the blockage. There is demand from parents, young people and the training providers that deliver apprenticeships.

Andy Powell: May I come in? I am sure that I will have to correct the figures when the transcript comes. There are three points. First, there was a pilot in Hampshire with a new matching scheme. That is the only place that I know of where the figures were taken for a while in a geographical area. Something like 25,000 young people wanted to do an apprenticeship and asked for a placement and there were only 6,000 or 9,000 places¹. A significant number of young people wanted apprenticeships compared with the number of places. The other area

¹ *Note by witness:* The correct figures compiled from feedback from the piloted Apprenticeships Matching Service returned numbers of 17,000 young people wanted to do an apprenticeship but there were only 6,000 places. (House of Lords, *Apprenticeship: Recent Developments*, Third Report of the Economic Affairs Committee, Session 2007–08, HL Paper 137, Q9)

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for which we have data is for big companies, although that is a little artificial. It is harder to get an apprenticeship with some of the big, well-known firms—BT, for example—than to get into Oxbridge. There are data that show this. Secondly, looking at it the other way round, there is strong evidence that shows in all sorts of ways that young people are looking for something other than straight classroom learning and are disillusioned with learning. That leads to my third point—which I would like to make strongly—about young apprenticeships. Young apprenticeships are for 14 to 16-year-olds and have been running for four years. The apprentices go to work or to training providers for two days a week and there is a requirement of 50 days in work. I have been speaking to a lot of young apprentices recently and there was also a recent Ofsted inspection. There is no question but that the young people in the Ofsted report and the ones that I spoke to in Barnsley last Friday find it enormously helpful. They are motivated by it. Importantly, in their words, they are treated with respect and they grow in maturity. They also think that the apprenticeships help them when they go back to school to do their GCSEs at the same time. It would be good if you could consider whether all young people should have an entitlement to do a young apprenticeship under the Bill. I spoke to people who had been to five different companies as part of their experience. Young apprentices also learn what they do not want to do, which is important. They may find that baking is not for them, when they had thought that it was. The more that employers get involved in education, the more the demand from employers will increase. The employers I spoke to loved it. If they get an experience of school it will lead to a demand for full apprenticeships later.

Simon Bartley: May I just add to that? There is a national training provider in the electrical and plumbing industry called JTL. It does not like being called by its full original name either. It would be able to give you the exact figures which would be somewhere in this order: of every 100 people who express an interest in becoming an electrician, about 50 would drop by the wayside by not completing the application process. Of the remaining 50, only 20 would pass the carefully designed test to see whether they would be capable of doing the technical certificate and progressing to Level 3. They would not start on an apprenticeship with the idea of failing, but of those 20, only one or two would be offered places by employers. JTL could give you the exact figures, and ConstructionSkills has done a piece of work relatively recently that looked at the numbers of people who were applying to do an apprenticeship. There is a difference between an apprenticeship and an advanced apprenticeship in the construction industry and the number of places available. So there are some statistics and they vary across regions and industries, but I think all three of us would agree that many young people would express an interest in doing an apprenticeship but they might not all be capable of doing it. Notwithstanding that, the shortage is of employers

taking them on. Understanding that is probably part of the way to resolve the problem that we have over take-up.

Q32 Mr. Heppell: Specifically on the skills bit, I see that it is said that there should not be any minimum requirements because there are not enough people with the qualifications needed at that stage. I worry that a large group in society, who will not have the necessary qualifications at the specific time when they want to become an apprentice, will get frozen out of the system. They are the very people whom it is difficult to get into meaningful employment and involved in society in the first place. Are you sure that the idea of minimum qualifications is right?

Simon Bartley: In the electrical industry the only reason for having a minimum qualification is because the timing, the funding and the facilities of employers and colleges to teach people who are unable to read and write after leaving school are just not there. As an employer—as I was—of electrical contractors, my requirements when taking on apprentices over a three and a half year programme were pretty low. I was talking about three GCSEs, one of which should be a science and one of which would be maths. If they showed great potential I might even waive that. But when I asked them what 12 divided by five was, and they could not do that at the age of 16, I began to wonder how they would be able to do differential equations as part of the requirements of voltage calculations in an apprenticeship. So, we either have to change the quality of the people coming in at the bottom, or we have to decide whether we want electricians to be craftsmen or just better trained electrical labourers.

Nick Edwards: I would like young people to be able to leave school at 14, but to come to college. At the moment, 500 learners aged 14 to 16 come to us to study for vocational qualifications for two days a week. But they have to go back to school for the other three days. These are young people who the schools know will not get five GCSEs A to C, which is the gold ticket to get into the sixth form, which is the gold ticket to go to university. These people have to wait and mark time for two years until they can leave school at 16. A lot of these young people would be better placed going into vocational training much earlier and being able to go to colleges and begin to get the skills to enable them to access apprenticeships much earlier. A lot of the issues around school attendance arise from young people no longer seeing the relevance of the programmes they are on. It does work for a substantial majority of them, but there is a substantial minority for whom schools cease to work and have relevance. Those people should be able to make choices about vocational careers and training at a much earlier age.

Q33 Chairman: Does the Bill deliver that option, in your view?

Nick Edwards: No, it does not.

Q34 Chairman: So you would like us to consider that?

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Nick Edwards: It is an issue, and it has been—it came out of Tomlinson—of when people get connected with their vocation in the personal sense: their vocation in terms of their skills and attitudes being mirrored in a career opportunity, and of not having to wait till 16 or to have failed something before they start something constructive. That is the measure when they leave at 16—what they have not achieved, not what they have achieved—for that particular cohort of young people: “You did not get five GCSEs A to C.”

Q35 Mr. Heppell: Following on from that, the draft Bill says that those who want an apprenticeship must register for two sectors. I am an ex-apprentice. At one stage in my career, I had to choose—well, it was not just me; I was supposed to make a choice, but they decided in the end—whether I would do mechanical or electrical. I can sort of understand that, but the idea of picking two sectors—saying, “Okay, I might end up an engineer or a cook”—seems strange. Does that seem sensible to you?

Nick Edwards: No. The groundwork should be done before. People should have introductory experience in different vocational pathways so that they can make realistic choices about where their skills, aptitude and motivation are, not try it out on an apprenticeship. If you are saying one or two—

Q36 Chairman: But you can see the rationale. As you have been talking, I have been thinking. I am keen that the public sector—health, education and local authorities, which are the biggest employers in most places—should have apprenticeships. I know of areas less diverse than mine or Fiona’s where the choice of apprenticeships is limited. There might not be options. If someone says that they only want to be an engineering apprentice, that may not be deliverable in a considerable area. Are not the two choices aimed at doing something about that?

Simon Bartley: I think that you choose a great example to illustrate your point: engineering or being a cook. If the two sectors are construction or the built environment, there is not a problem. I suspect that in some of Barry’s cases it is likewise. I have a bigger problem with an issue that comes up under the two sectors: if a young person will identify two sectors, and the NAS will find an employer in order to get them an apprenticeship within one of those two sectors, where is the demand drive by employers to ensure that that happens? It will also happen within a geographical area. Take the north-west. I do not know whether any of you are from the north-west; my apologies. In the north-west, if the two sectors that a young person is interested in are construction and the built environment and the sector skills councils for construction and the built environment identify that there is no requirement for further plumbers, electricians, bricklayers or scaffolders in those two sectors, how on earth can the NAS be mandated to find a job within the geographical travelling distance of a 19-year-old person? The sector approach, including what Nick has said, is an interesting one, but it brings a whole host of problems which might be about flooding

local markets with individuals such as Fiona mentioned, who indicated to her that there were no jobs for them at the end of the apprenticeship. We could get back to Lord Tebbit’s “On your bike” if we wanted to extend the conversation.

Andy Powell: As soon as you have entitlement, you have very real challenges and compromises to make. One sector or two sectors, it is linked to what I think the Bill says is a reasonable travel time. What is reasonable if someone lives in a rural area and wants to do certain apprenticeships, and that is their passion? It might be 50 miles. Is that reasonable or not? Those are all very real challenges in the Bill. You are saying that every young person is entitled to something that can only come if employers want them.

Q37 Mr. Heppell: I have one final question. I probably take a very different view with regard to the public sector than Douglas does. You have seen that a theme runs through his questions which is very much a case of, “What the hell have we got a Government for, as we do not even need one?” When I was an apprentice, nationalised industries and the big companies did the apprenticeships. Smaller companies probably also did apprenticeships, but if my memory serves me correctly, people tended to migrate from those big companies and the nationalised industries to fill the jobs in industry. The way I read it, the nationalised companies provided the training and skills for the rest of the country so that the UK benefited in the end. Some of the big companies still run apprenticeship schemes, although not as many as there were. With privatisation, there has been a drain on that and we are trying to rebuild apprenticeships in some respect. If you are not talking about targets, what can you do to ensure that more apprenticeships are available through the public sector so that they can feed out and help the private sector?

Andy Powell: As well as targets, it is like anything else: you make them so damned good that people want them. That includes high quality and sophisticated promotion and communication so that people really understand what apprenticeships are and what the potential is, because they currently do not. That is very important, and we do not do enough of it. At the end of the day, you have to work and make it so good that young people and their parents really want them to do an apprenticeship, and we should remember that in the public sector that can be anything from hairdressing to social care or horticulture. On the side of the employers, I recently saw an employer get up and speak at one of our events for getting businesses more involved in schools and say that he used to spend £100,000 a year on recruitment but now spends nothing because he has apprentices and works with local schools and colleges and all the people want to come to them.

Nick Edwards: I think that there is an opportunity in that respect, which the Bill hints at, whereby organisations rather than sectors can develop apprenticeships, so that the sector skills councils will not necessarily develop all of the apprenticeships.

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Where local authorities can develop their own apprenticeship schemes that are relevant to their local needs and businesses, I think that you could get growth in the private sector. The John Lewis training scheme is as good as any retail apprenticeship scheme and so should become such a scheme. When Marks and Spencer can deliver its training programme as an apprenticeship you will begin to have growth in apprenticeships. The Bill hints that organisations will have the opportunity to develop their own apprenticeship schemes that are local to their business and local to their environment, and that is a real opportunity.

Q38 Chairman: Simon, I am surprised that you have not mentioned the guild system, because you are a lightmonger, are you not?

Simon Bartley: I am.

Chairman: People used to have to pay an employer to become an apprentice, and that was for seven years.

Q39 Mr. Carswell: Those guilds were early trade unions, were they not?

Simon Bartley: They are also restricted practices, so thank you, Barry, for bringing that up.

Q40 Chairman: Do you anticipate a large number of banking apprenticeships imminently?

Simon Bartley: That was a point that I was going to make, as we should not forget that some of the City of London guilds are still the examination boards for qualifications. The spectacle makers is one such guild, but there are others that do superb training. Most of them train in smallish numbers and cannot get any Government money because of the bureaucracy involved. With regard to the public sector, I would like to mention two areas. There is a bit of the public sector called the armed services, which are really good at training apprentices. If you go to the Army engineers at Chatham or to the Navy, you will see that over the past 10 years or so the military training has been interfaced with technical training and has an output in the private or non-military sector when individuals leave the services, and that offers an example. The Army did it because it was embarrassed by the fact that one in five people sleeping rough on the streets of London tonight used to be in the Army: they went in with nothing and came out with nothing. The civil service, both centrally and locally, could pick up some ideas from that example. If you can train an apprentice as an electrician in the Army, in the current circumstances, perhaps we can learn from some other departments that are not included here. Very briefly, we talk about young people as apprentices or non-apprentices, but lots of them went into training that was not an apprenticeship or a degree. That has changed. Two examples are nurses and teachers. In the very recent past, both nurses and teachers tended to get qualified by training schemes in hospitals, which were not necessarily tied in to getting a degree at university. In both cases, lessons can be learned. When we talk

about IAG—I have said this before in Barry's hearing—I wonder whether every teacher who gives IAG has a degree but not an NVQ.

Chairman: We have to give David a chance to come in now.

Q41 Mr. Chaytor: May I pursue the point that John raised about the economic changes? To what extent will the attempt to revive a national apprenticeship system run up against the rocks of the nature of the changes to the economy over the past 25 years and beyond? There is a world of difference between an economy that was dominated by large employers, traditional manufacturing industries and a strong public nationalised industry sector, which, in reality, took on most of the apprenticeships when we had a viable system between them in the post-war period, and today's economy which is—or was until a couple of days ago—dominated by financial services, retail and, until recently, housing and construction and personal services. I cannot see a cat in hell's chance of fully establishing an apprenticeship system if we assume the main providers of apprenticeships will be the small businesses that dominate today's economy. Simon, you gave an example earlier of the construction industry. The typical small business involved in plumbing, electrics or construction is operating on a pretty hand-to-mouth basis. Companies form and decline. Migrant labour comes in and takes some of the work. The whole structure is so much more deregulated now. How can small businesses plan and afford to take on apprentices when there is not the economic stability and certainty that there was in 1950s Britain? I suppose that that is the nub of my question.

Chairman: Andy, you start.

Andy Powell: Yes is the answer. That is why apprenticeships have to change. There have been changes not only in the nature of the industry sector but elsewhere. A while back, people had a job for life. Therefore, going back to Douglas Carswell's point, it was much more understandable for employers to voluntarily take on people because they would be there for life. When we are all expecting at least seven different occupations, let alone jobs, in life, you have to do things differently. At the end of the day, this is about a form of learning which always has been and always will be one of the most powerful ways of learning as it comes from experts and combines theory and practice. Therefore, I would be optimistic, but we have to be innovative and consider ways in which we can cope with the new system. Hence, we have group apprenticeship schemes. In the public sector, one of the employers that won an award for the work they did with us was a school. They allow 10 young people who leave with not ideal GCSEs to come back as apprentices. There are apprentices in IT who sort out all the IT for the school and mentor young people. However, that involves having things such as group apprenticeship schemes and more flexibility in the apprenticeship framework while maintaining quality and other such things.

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Q42 Mr. Chaytor: Would it not be preferable to establish in the legislation the group apprenticeship model as the default position for small employers rather than try to flog a dead horse in persuading thousands and thousands of small employers who are operating on the margins to take on apprenticeships? Would it not be better to say, "This is not on, let us establish a group apprenticeship model to serve the small business sector?"

Chairman: I am watching the time—

Andy Powell: I do not know. I would not be convinced by that, but I will pass it on to the plumber where I live. He is a one-person outfit, he has an apprentice, and he may take on another when the business expands. It is a wonderful thing and he believes in it. It is always about choice, making it easier, encouraging and providing support for people to have these new ideas, but at the end of the day, the employer should decide. Some of them will like that close bond, and it is their future.

Simon Bartley: I will just pick up on that point and then answer your query. I would like to think about it. My gut feeling is to ensure that if it is the default, it does not exclude an individual doing it themselves, as in Andy's example. A lot of small businesses will train an apprentice, and it will be the son or the daughter of the person who runs the small business. Cut that out, and you lose 100,000 apprenticeships instantly. In the last 25 years, in the electrical and building services industry, most of the big companies, which were the old electricity boards, were privatised and stopped training, as did most of the big companies. Look at the top 10 electrical and mechanical contractors in the country and they do not train—NG Bailey is a fine example of bucking that trend. Small businesses have never really trained in proportion to the number of them that there are. Some have done it but the bulk never has. The real core in my sector of apprentices has always been mid-sized family businesses. I suspect that all of you know from your constituencies that mid-sized family businesses are increasingly a thing of the past. Fewer people pass on their business to their son or daughter; they keep the money, play golf with it, invest it in their children's houses. Whatever it is, mid-sized businesses are collapsing around everything we do. If you do that, there is no reason that those businesses will ever invest in training labour to help their son or daughter in the next generation. We have a real other issue along with the things that we have talked about. I go back to procurement, self-employment and the death of mid-sized businesses training, because it is easy to go to an agency and get an electrician for two weeks. Finally, and this is not an anti-immigration comment, it is much easier to find a Polish plumber to come and work with you for three weeks because you have a blip on the number of houses that you have to do, than it is to take on somebody for three and a half years and train them. There is an issue there that must be addressed if we talk about why people are not taking on apprentices.

Nick Edwards: The point is a very real one. There is a real challenge at the moment in the construction industry where the majority of our apprenticeships

lie. The major construction companies do not take on apprenticeships. There is an anecdote that only 14 apprentices were employed on Wembley stadium because companies were on complete time penalties—they were not going to carry people. You can either do it by coercion with the large companies through public sector contracts requiring people to take apprentices, or you do it through financial incentives for the small companies. In the construction industry, most of the apprenticeships at our place come from white van construction business—the small person who is building extensions, refurbishing houses and so on. That is disappearing. The way people finance such businesses is through remortgaging their houses. The remortgaging business is going and instantly we have seen people stopping taking on apprentices because they do not want to carry any extra load. From my position of delivering apprenticeships, the college does very well. We get paid very well to deliver apprenticeships and the employer should also be reimbursed for their training part of the apprenticeship programme. If they saw an impact on the bottom line, they would walk towards it.

Q43 Chairman: You are a big employer in Lewisham, how many apprentices do you and Ruth have?

Nick Edwards: Two hundred and fifty.

Q44 Chairman: That you employ directly, you train?

Nick Edwards: Yes, we train.

Q45 Chairman: Is that typical of an FE college?

Nick Edwards: In London it is, but in the midlands and the north you will have colleges with 2,000.

Q46 Chairman: This is a different question. How many people do you train for your institution?

Nick Edwards: For our own institution we have 32.

Chairman: Even that is quite extraordinary, is it not? I hear what you say, but at least two of you have been in meetings with me in the Skills Commission where Chris Humphries will always say, "Don't get carried away by SMEs." However much you love them, the real employers, the bulk employers are still the big players. We are in danger of getting this out of proportion. The big players in most of our constituencies are the universities, local government, the health authorities. They are the places where we have to look for apprenticeships, if they are going to expand.

Q47 Mr. Chaytor: Your apprenticeships, Nick—the 250—are what are called programme-led apprenticeships?

Nick Edwards: They are people who come to us to do the technical certificate. We contract with them and they are in the workplace. They come as individuals, they already have work and their employer is sending them to us to do an apprenticeship programme.

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Q48 Mr. Chaytor: Right, so how is that different from a programme-led apprenticeship? Are there still such things?

Nick Edwards: There are programme-led apprenticeships and we also do those. We take young people and give them the skills to make themselves useful in the workplace before they go out into employment, because, actually, the employer wants people who are partially skilled and who have industry knowledge already. That is programme-led. There will be people who have already secured employment within a particular vocational area, and the employer will send them to us to get them up-skilled and put them on an apprenticeship programme.

Q49 Mr. Chaytor: But in the context of an economy that is facing a downturn, particularly in construction, over the next two or three years certainly, do you see the programme-led apprenticeship model as being more valuable? Is that the only way that the numbers will be delivered?

Nick Edwards: No, because in the end, although you can start off with a programme-led apprenticeship, the individual has to get employment to get the apprenticeship. Otherwise, you will end up with a bottleneck of disappointed people and you will just convert them on to NVQ programmes. Yes, they will have the qualification to work in the sector, but they will have lost the aspiration that they had in coming for an apprenticeship, and you will have disappointed them because you could not get them employment. Our college is a large vocational college with 15,000 students. I send more people to university than I can give apprenticeships to. At the moment, my numbers are capped by the LSC, in terms of 16–18s and 19-plus, but the LSC will fund me for every apprentice I can get. It is an open book, but we cannot get the employers. The growth for FE and for training providers is to grow the apprenticeships, because that is where the business is. That is where the money is, so everyone is walking towards it, but the challenge, as Simon and Andy are saying, is getting the buy-in from employers.

Andy Powell: The programme-led—I am not sure that I am happy with the phrase—is something to be careful about. I sense that at the moment there is a sort of groundswell of received wisdom that these are awful, and I think that you have to look at them carefully. Actually, you could argue that programme-led is a well-established model. This is what doctors and lawyers did: they did the theory, then the practice. At the moment 14% of apprenticeships are programme-led, which is not a huge amount. I am told that some of those are clearly inappropriate, but they are not necessarily inappropriate, providing that they lead to the workplace and employment. We should not make blanket statements such as, “Oh, the programme-led are rubbish,” or whatever.

Q50 Mr. Chaytor: Two other things. First, on the question of transferability, what is the problem in making it easier to move between the diploma and

the apprenticeship? Why are not diplomas structured in such a way that transferability to an apprenticeship is almost automatic?

Simon Bartley: I could give a very long answer on that, but I will not. The two are not parallel courses of learning. The diploma is really an academic qualification that teaches maths, English, physics or whatever in an applied manner. It does not actually teach people the skills required to do a job. An apprenticeship, even the theoretical bit of it, is all about teaching the theory to enable the person to do the job. There will be items in a construction and built environment diploma that would assist, but it is not of the same volume and if a person on a diploma spends only two weeks in the workplace, they do not pick up an enormous amount of practical skills. To give somebody two weeks’ worth of credit against an NVQ Level 2 apprenticeship or a Level 3 apprenticeship is so small as to be meaningless in the accreditation of prior learning. When the Government designed diplomas, the idea was that they should not be pathways from a construction diploma into a construction job. They should be a way of learning what you should learn at school, using construction, which may be your interest, to develop your interests and help you to learn. I suspect that, if you were to ask me in five years’ time whether that ambition was being fully fulfilled, my answer would be no. I believe that those young people who decide to do a construction and built environment diploma are those with more of a predisposition to do an apprenticeship in construction and built environment. However, we are two or three weeks into it, so let us watch what is going on.

Nick Edwards: A diploma will give a knowledge of industry, while an apprenticeship will give the skills of industry.

Q51 Mr. Chaytor: That reinforces the point that the two ought to be integrated. What is the purpose of segregation?

Andy Powell: Top down, to many young people whom I have met, including my son, a diploma—the application of things—would really turn them on and excite them more than sitting reading books. My son is all right at that, but he does not enjoy it. However, he is not in a position to say that he will take an apprenticeship. He does not have a clue what he wants to do nor does he have a love of a particular area. That is fine. If he were to do a Level 2 diploma in, say, health and social care, and said that he really liked it, it is important to make provision in the Bill for him to go on to do an apprenticeship. The reality is that he will have to go back and do a Level 2 apprenticeship, but that is life. That is fine. It should be catered for, and funded, because different things are involved. That is no different for all of us in life. We must avoid the idea that learning is just going one, two, three, four. All of us who want to learn IT go back to Level 1.

Q52 Chairman: I know that Simon has to go shortly and there is one question to which we would like an answer. We must also give him a chance to comment

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on careers education. I wish to reinforce what is being said about transferability. I think that Nick Edwards spoke about the difficulty of using Train to Gain money. Why cannot Train to Gain money be used to encourage employers to take on apprenticeships?

Nick Edwards: Train to Gain will fund only the NVQ. Initially, it was to fund the first Level 2 NVQ for a learner, but now the new flexibilities are saying that people who already have Level 2 can study additional Level 2. However, it funds only the NVQ. It will not fund the component parts of the apprenticeship framework, which are the key skills and the underpinning knowledge.

Q53 Chairman: So should the Bill say something about that?

Nick Edwards: It should refer to the fact that we have two initiatives for employers to train in the workplace. One is Train to Gain, and one is apprenticeships. They need to have a dialogue with each other because employers will say that they have to do only the NVQ, not the key skills or the underpinning knowledge, and that it is free. They would ask why they had to do the apprenticeship when it would mean more responsibilities for them and, post-19, they would have to co-fund it, whereas under Train to Gain Level 2 would be free at 19-plus, 30-plus or 50-plus.

Chairman: That is a very important point.

Q54 Mr. Chaytor: On another topic, the apprenticeship wage is less than the minimum wage. Is that true? Is that an issue?

Nick Edwards: It can be.

Q55 Mr. Chaytor: Is it not fixed? Are there fixed amounts? How does it work?

Simon Bartley: It is age dependent. If you are a 17-year-old apprentice, your employer has only to pay you a percentage of the minimum wage. I do not know the figures, but they are publicly available.

Is it an issue? A lecturer at the London School of Economics did some work on that for the Skills Commission. Some people think that reducing the wage of an apprentice would attract better people to participate in apprenticeships, and that more employers would be prepared to take on apprentices. Others think the absolute opposite and say that such a situation is disgraceful and that an apprentice should be paid a working wage—the minimum wage without a cut-off—because that would encourage better people to participate. My understanding of Hilary Steadman's involvement is that there is a little bit of "the jury is out" on that issue, but a review is ongoing in DIUS about it.

Andy Powell: A middle way is that some would say they should start smaller but grow, as an encouragement for the employer, to check out the employee and for retention.

Simon Bartley: We used to lose some three-year apprentices because we paid them only 90% of the electricians' wages. It was above the minimum wage, but they knew that they could go off and get another 10% and no one would ask them for their NVQ.

That is a lack of licence to practise argument, but, in general, it is quite good to have a step up so that people stay in training for completion. It is a complicated issue.

Q56 Mr. Chaytor: On other financial support for the employer, Nick, you said earlier that you felt that colleges were paid quite adequately by the LSC for apprenticeships. What is the standard payment to colleges and to employers?

Nick Edwards: You want to know what I get for delivery?

Q57 Mr. Chaytor: Is it a secret? Is there not a standard rate offered by the LSC?

Nick Edwards: There is, but it depends on the apprenticeship and on how much of the framework that I deliver—if I deliver key skills and a technical certificate, or just a technical certificate, and so on. I can get about £3,000 for a learner for a year.

Q58 Mr. Chaytor: How does that compare with an employer who takes on an apprentice? Does the employer receive anything at all?

Nick Edwards: He's not getting anywhere close to that.

Q59 Chairman: Hang on. He's not getting anything—nothing. You said, "He's not getting anywhere close to that."

Nick Edwards: That is right.

Simon Bartley: An employer will be given money by the LSC to take on an apprentice. That money will cover the whole college expenditure if I, as an employer, have to send an apprentice to college or pay the college fees for the technical certificate and key skills, for examination fees and such like, and for some monitoring of the NVQ logbook and evidence. It does not pay any contribution to the apprentice's wages, so, over three and a half years, you can imagine that it makes the rest of the money pale into insignificance. That is the bit that employers do not get.

Chairman: We have to do a bit on careers.

Q60 Mr. Pelling: I do not always share the Carswellian approach—or aversion—to Government, but it is interesting that in the draft Bill, there is the obligation on the secondary school head teacher to ensure that the best advice and, where appropriate, advice about apprenticeships is given. Is that really necessary? Is it a bit too heavy-handed? And, what is your observation of the quality of impartial advice given in schools about training and apprenticeships in particular?

Andy Powell: Far from it—it is the other way. The Bill as I read it says that consideration should be given to informing people about the different options. I think it should be a requirement. It is quite straightforward: all young people and parents should be made clearly aware of the different routes and options open to them. There should also then be consideration of how young people and parents get real experience of work, of talking to employers, of apprentices, and of college and university leading

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the way up there. That is very important. The Skills Commission did a very good report on that, and at the moment there is a lot of evidence that there is no impartial advice and guidance. Why would there be? It is in schools' interest, if they have a sixth form, for anyone who has reasonable GCSEs to stay in the sixth form. Again, one thinks of one's own life, and the chances of young people's parents being told that there is another option are very slim. Having said that, finally, I would say, let us think about different models. This is not about having to spend billions on loads of careers advisers; it is about giving the information, about new technology and about encouraging and enabling young people, which you can these days, to ask people who have been through it, and to go to websites, which is starting to happen. You get little videos of people who have gone to university and are apprentices and so forth, but there is a need for significant improvement.

Simon Bartley: I concur with everything that Andy has said.

Nick Edwards: Practically, I can tell you that within secondary schools in the area where I work, Lewisham, young people, through the career sessions that they have once a week in years 10 and 11, will at some point be told about apprenticeships, but when I attend careers and open evenings for sixth-form applications for 16-year-olds, apprenticeships do not have a stall or stand there. Only if the college attends will they get any information, so the young person will be made aware of an apprenticeship, but when the parent attends the school, there is not someone there—there is not a stand or information. The school is telling parents about what it can offer, but not about what it cannot offer.

Q61 Mr. Pelling: Does that mean that we should not allow schools to have that primary role in careers education? Do you think that it should be an impartial or separate service, perhaps ensconced in a school but nevertheless free of the slightly slanted advice that you might get in schools?

Nick Edwards: That is a challenge, though—is it not?—because Connexions is now part of and delivered by the local authority, which has responsibility for the schools. Connexions and careers guidance were at one point independent of local authorities, but now they are not.

Andy Powell: The short answer is, yes, it should be independent.

Nick Edwards: Yes, but I suggest that Connexions is not necessarily independent; it is part of the local authority.

Q62 Mr. Pelling: There is one difficulty and one reason why the schools might give slanted advice, other than self-interest. The fundamental question with apprenticeships, I suppose, is whether they are regarded as being for those who get lower grades. I wonder how it is possible, through careers education, to get over that stigma, which is still in some people's minds.

Nick Edwards: That is a problem, because that was the case with the old apprenticeship system, pre-1950s, when young people who did not achieve O-levels, as they were in those days, went into vocational areas in manufacturing and went on to apprenticeship schemes. The demands of the new apprenticeship programmes are substantial. They need gifted and talented young people who want to work in industry and want to learn in a practical rather than academic way. Demands are greater, but the message has not got through that apprenticeships are different. These are new models.

Andy Powell: I want to mention two things. First, research and stories: there are plenty of examples of people who have given up A-levels, gone to apprenticeships and been successful. It is not better or worse; it is there. It is about research of understanding what has happened to apprentices, and about those stories. Secondly, there are areas in the Bill that need to be encouraged regarding progression. Whilst we should be quite clear that the primary purpose of apprenticeship is to learn that trade, skill, career and so forth, none the less, for those who wish to go on, for example, there should be higher apprenticeships. They exist but are little known about; one can get a Level 4 through an apprenticeship. That is important and should be in the Bill. Similarly, in our opinion, young people should be given a chance to access an HE course, if they so choose, at some later stage, because, of course, it is difficult for an apprentice to go straight into a university degree. It is like an extended project, but it involves different skills, and they should have the opportunity to gain those skills if they so choose.

Simon Bartley: Most of the stories about progression for apprentices end up at university. Actually, that is a really bad route to be telling stories about, without telling them about other routes. In UK Skills—with my skills competitions hat on—we are looking for young people who are the best welders, the best farriers, the best electricians. Actually, what we want are the stories of when they go on and become the best in the country, when they are 35 or 55, at being an electrical foreman, doing complex works at Wembley Stadium or for the Olympics. Too often—as we have with diplomas, I have to say—we get diverted back on to the track of celebrating academic rather than vocational education. Some of the vocational degrees are equally responsible for that. The days when somebody does an apprenticeship in something that leads on to becoming a lawyer, doctor or dentist are few and far between. Let us have them celebrating the fact that they are an electrician or a plumber.

Q63 Chairman: But there are lots of ways to do that. A chartered engineer does not have to go to university—you can just keep progressing.

Simon Bartley: But no one ever sings about them.

Chairman: They do not, that is right. David, do you want a quick blast?

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Q64 Mr. Chaytor: Perhaps we can stay on careers. Clause 23 of the Bill will require schools to make information about apprenticeships available. This is just completely hopeless, is it not?

Andy Powell: It requires schools to consider—

Q65 Mr. Chaytor: To consider that, yes. This is just a futile gesture, is it not?

Andy Powell: Absolutely. It should require schools to provide all parents and young people with all options.

Mr. Chaytor: That is right. This is a key clause for amendment if we are going to get impartial advice for all young people, and the key to that is getting it

out of the individual school. I accept that there is Connexions within the local authority and still some shared interest, but getting the responsibility for advice away from the individual school must be crucial, and clause 23 is where that could be done.

Chairman: On that, note, I thank you for your attendance. Thank you, Simon, for staying later than the time when we thought you had to get away. We have learned a lot, and I think we are well on course to being able to make a contribution to the proposed legislation. If, when you are travelling home or back to your day jobs, you think of something that we did not ask you but should have, please e-mail us and be in contact with us so that we can make this report as good as it can be. Thank you.

Wednesday 22 October 2008

Members present:

Mr. Barry Sheerman, in the Chair

Annette Brooke
Mr. Douglas Carswell
Mr. David Chaytor
Mr. John Heppell
Mrs. Sharon Hodgson
Paul Holmes

Fiona Mactaggart
Mr. Andrew Pelling
Mr. Andy Slaughter
Mr. Graham Stuart
Mr. Edward Timpson

Witnesses: **Rt Hon Jim Knight MP**, Minister of State for Schools and Learners, Department for Children, Schools and Families, and **Lord Young of Norwood Green**, Parliamentary Under-Secretary of State for Skills and Apprenticeships, Department for Innovation, Universities and Skills, gave evidence.

Q66 Chairman: May I welcome the right honourable Jim Knight, the Schools Minister, and Lord Young, the new Minister from the House of Lords? We are very pleased to have you in front of our Committee. We are looking briefly in this pre-legislative inquiry into the new Apprenticeships Bill. We agreed with the Innovation, Universities, Science and Skills Committee that we would do this pre-legislative inquiry jointly. We are holding two sessions, of which this is the second. The Department for Innovation, Universities and Skills is working closely with us; it is the lead Department. First, Minister, because a lot of young people out there are worrying about their education maintenance allowance, and whether and when they will be paid, before we get started on apprenticeships, would you say something about the progress of paying people their EMAs?

Jim Knight: Sure. Obviously, I would like to underscore what I said to the Committee before about how regrettable the situation is, and we will continue to update you by letter as well, as we have been doing. There are essentially three aspects to the processing that I have been reporting to you on. In terms of processing the applications, you will recall that—I think that it was at oral questions last week, when many of you were away—I reported that the backlog was around 111,000. It is now below 50,000. That is making good progress. Once those are processed, notices of entitlement are issued to learners, stimulating payment through the learning providers. These notices are going out but there is still an issue about whether they are going out fast enough. We are chasing that up and making progress. The number of notices of entitlement issued as of 20 October is 389,196 and there are 237,392 young people who have received payment. There is a gap there which we are trying to reduce rapidly. The challenge is for the colleges to process those notices of entitlement into the system. That involves, for example, putting in all the attendance information for six weeks and that can clearly take a little time. That is in essence the answer to the backlog. The other aspect that we have been reporting on is helpline volumes. They have improved, although they could still be better. They

are now at a level where a reasonable service is offered. It is not as good as I would like, but it is reasonable.

Q67 Chairman: Thank you. Will the Department be looking at the way that it awards contracts, given the ETS saga this summer? There is now a problem with this particular company delivering the results on time, which we expected to be a lot sharper and quicker than this. Are we going to look at the procurement process?

Jim Knight: Certainly. Some time ago I agreed with David Bell, the Permanent Secretary, that we should be looking widely, as you say, at some of the procurement and contract management arrangements to see if there are lessons to be learned across the events of the summer. We need to be informed by Lord Sutherland's findings when he reports later this year because there may be broader lessons to be learned than just the issues around standard assessment tests. We can also translate the internal work that we are doing on lessons learned. I met staff from the Learning and Skills Council yesterday and they are also doing a lessons-learned exercise in respect of the processing of education maintenance allowances.

Q68 Paul Holmes: On another aspect of the issue, the whole point of the EMAs—and they have been very successful—is to get children from poor backgrounds to stay on. I have anecdotally heard of examples in my constituency of Chesterfield of kids who dropped out in September because the EMA was delayed. I have heard that some colleges and schools have used their money temporarily to tide students over. What advice or support have you and the LSC given to schools and colleges about providing that sort of interim help?

Jim Knight: We have been saying consistently to providers—schools, colleges and others—and reinforced in a letter that I sent at the beginning of last week, that we provide substantial amounts, millions of pounds, of hardship funds to providers and we expect providers to use them to provide some payment to young people who would otherwise be at risk of dropping out because they are still waiting for their EMAs. When they arrive the EMAs will be

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backdated to when term started and we have extended the deadline for applications to the end of October. We have reinforced and keep pressing that problem. I am pleased that the number of applications for EMAs is just above what it was at this point last year. Overall, we are not seeing an impact on numbers applying. You could perhaps attribute that slight growth to the amount of publicity that we have inadvertently managed to attract to EMAs. It is extremely regrettable if any individual has felt the need to drop out because they have not had an EMA but in global terms I am confident that it has not put people off.

Q69 Paul Holmes: Have you any feel for how widespread the temporary support being provided in schools and colleges is?

Jim Knight: It helped that we reinforced that message last week, because we were getting some feedback from some colleges through the Association of Colleges. A few colleagues in Parliament have also raised with me the fact that colleges in their area are concerned about this. That is one of the reasons why I wanted to get that letter out, so that people were reassured that they should use their hardship fund. If, in turn, they were concerned about whether they had sufficient resources in the fund, they were told that they should go to the Learning and Skills Council and discuss what is effectively a cash-flow issue for them, while awaiting the back payment.

Q70 Paul Holmes: What about schools, post-16? They do not have hardship funds in the same way.

Jim Knight: It would apply through the local authority, in that case.

Q71 Chairman: Thank you, Minister. Anything more on that? Let us get on with the apprenticeships. Lord Young, I have not welcomed you yet. How long have you been in your post?

Lord Young: I am in my third week.

Q72 Chairman: Your third week?

Lord Young: Yes, I bring you the vast experience of three weeks.

Q73 Chairman: But you do have vast experience; we have never had a Skills Minister who has served an apprenticeship. Did you serve an apprenticeship?

Lord Young: I did indeed.

Chairman: Well then, you are very welcome—you will know something about the subject in a different way.

Lord Young: It was one or two years ago.

Q74 Chairman: I am sure Jim knows a lot about it. You are trade union-backed and you have kept in touch with that. Could you give us a micro-bio of your career?

Lord Young: I started as a telecom apprentice when I was 16, in a grand organisation called the GPO. We had not even advanced to BT status in those days. It was a two-year apprenticeship. I got involved in trade union activities in the mid-'60s as a shop

steward and eventually became elected general secretary of what was the National Communications Union in 1989. We merged with the postal workers in 1995, where my partner in crime, as I sometimes refer to him, was Alan Johnson, now Secretary of State for Health. That is a very potted biography.

Q75 Chairman: That is excellent. It gives Members of the Committee a good introduction. Let us get on with apprenticeships. Minister, why is the Bill before the House? What is its purpose? I do not ask that in a silly way, but there are a lot of people who ask whether we really need legislation in this area.

Jim Knight: I think we do need legislation. We need to put in place a more focused delivery body in the National Apprenticeship Service. We need to put in place an apprenticeship guarantee, so that we can create some leverage over the providers, particularly the Learning and Skills Council and its successor body, to ensure that every young person, regardless of where they are and their circumstances, can identify two sectors where they would be interested in pursuing an apprenticeship and then be able to take that forward. We need a coherent and consistent framework that sets out what would be in each apprenticeship. Technically, it is probably not a framework; we tend to refer to them as blueprints. We need to have that blueprint for all the apprenticeships and then the sector skills councils, and others, can deliver frameworks based on that blueprint. It is right that we set that out in legislation and obviously ensure that young people are getting the right information, advice and guidance about apprenticeships and that, up to the age of 16, regardless of their setting, they are being given advice that includes apprenticeships as they make their decisions as to how they will carry on their learning.

Lord Young: I think that most of it has been encompassed by the Minister. The only other thing I would say is, given the importance we now attach to this in our contribution to developing the skill base, following the Leitch report and other publications on world-class apprenticeships, there is also a symbolic importance of embedding this in legislation. So it has a practical function, but it also signals the importance that we attach to what we are trying to achieve in apprenticeships up to the year 2020.

Q76 Chairman: Describe the perfect apprenticeship for me. What are the essential ingredients of a good apprenticeship?

Jim Knight: The essential ingredients would be that the learner has the theoretical knowledge, combined with practical skill and key skills such as literacy and numeracy, and a good understanding of the industry in which the learner is working and wants to continue working in. Those are the four core elements in every apprenticeship. Obviously, the ideal apprenticeship would have been developed by employers to suit their individual needs, for the individual occupations that they want to bring people into through this form of training.

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Q77 Chairman: So there are some apprenticeships that would involve employer engagement and some that would not.

Jim Knight: Well, if you are referring to the debate about programme-led apprenticeships—

Q78 Chairman: I was referring to your description. As you described it, it looks as though the employment bit was an optional extra.

Jim Knight: No, we are being very clear that you have to be in employment in order to be doing an apprenticeship.

Q79 Chairman: Okay. So, all apprenticeships should have a positive link with an employer.

Jim Knight: Absolutely.

Q80 Chairman: Okay. Lord Young, with your background, you would be familiar with the kind of people that I am familiar with in my part of Yorkshire, who do an engineering apprenticeship—a two, three or four-year apprenticeship, which is very rigorous. When those people qualify, they are normally hotly competed for by employers. Are you familiar with that?

Lord Young: Very much so. Yes. You raise an important point when you talk about how we define the apprenticeship, because of the contract with the employer—we will not count them unless at the completion of their apprenticeship they have a contract with an employer. There will be no dubiety about the number of people in an apprenticeship programme—we are quite clear about that.

Q81 Chairman: Let me continue my understanding of a good apprenticeship. The good apprenticeship is with an employer; it is pretty rigorous training. What is the shortest time in which you can do an apprenticeship in this country, Minister?

Jim Knight: That depends. Given that an apprenticeship is a bringing together of other qualifications or modules of qualifications, you may have already completed some of the qualifications necessary to qualify as an apprentice prior to starting your apprenticeship training formally, in which case you would be able to go through that training more quickly than if you had to accumulate the whole thing. Clearly, having that experience in the workplace is the fundamental thing that we have been talking about. So, you are going to need to spend a reasonable period of time doing that in order to be able to qualify. That will be the thing that makes the difference.

Q82 Chairman: So, what is the shortest time in which you can qualify as an apprentice in any sector if leaving school at 16?

Lord Young: One thing that we should think about, with where they start from, is that we are talking about being employer-led, although there are blueprints, so there is going to be some variation. I would need to consult. Two years comes to mind, but whether it is possible to achieve something in less than that, I would need to check.

Q83 Chairman: What does Jim think?

Jim Knight: I would really struggle to be persuaded that anyone could do it in less than a year. There may be circumstances in which you could do it in less than two years, if you have sufficient—

Q84 Chairman: There are some figures floating around that say that the average length of an apprenticeship is a year.

Jim Knight: Obviously, we can let the Committee know if our understanding is different from some of the reality, but in terms of getting that practical experience and work experience, so much depends on what you have been doing before going into the apprenticeship. In simple terms, I would say that if you are doing less than a year, getting that detailed understanding is something that we would struggle with.

Chairman: You have been passed a note, Lord Young.

Lord Young: Can we compromise on 18 months? The apprenticeship you quoted, the engineering-type apprenticeship, is one end of a scale. There is a rich variety here. If in this country we want to drive up apprenticeships, they have to be related to employer demand—to their needs—within these blueprints, which determine the criteria of quality. At one end will be highly complex engineering, while at the other end there will be completely different types of apprenticeship.

Q85 Chairman: Have you heard of Gresham's law?

Lord Young: Yes. It is about the amount of work expanding to fill the time available.

Q86 Chairman: Well, the Gresham's law I know about is when someone adulterates the currency by melting it down and adding something. Is that not a problem with apprenticeships? You have not mentioned the families of children who might go into apprenticeships. Surely, when we want to sell them the new expanded apprenticeship programme, which is going to get bigger, they should have some guarantee of quality at the heart of it?

Lord Young: That is where the blueprint comes into it, along with the frameworks that are agreed in consultation with employers, the Sector Skills Council, and, at the moment, the Learning and Skills Council, which is going to change. If you are talking about ensuring that we do not have adulterated apprenticeships, I believe that we have quality controls.

Q87 Chairman: But in modern-speak, we could talk about brands. We might have a brand that at one end is a gold-plated and wonderful formal apprenticeship, and at the other end is something in retail and distribution that takes six months.

Lord Young: It would be more than that.

Q88 Chairman: More than six months? So you cannot do any training that would grant you an apprenticeship in six months?

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Lord Young: Well, if you do not mind me saying so, Chairman, you have one vision of an apprenticeship. I remember this same debate taking place in British Telecom, where there was an argument about whether there should be a two-year or a three-year apprenticeship. When we moved to a three-year apprenticeship, we were working for most of the time in that third year. I do not think that it is the length of time that is important, but what is required in order to learn the vocational skills and all the other components that we talk about, such as acquiring reasonable qualifications and so on. What are the requirements? We are saying probably a figure of about 18 months, my officials are telling me. I would not get hung up on saying that if it is longer that must mean better.

Q89 Chairman: I never said that. What I believe and what most people believe is that there should be a minimum guarantee of quality—that is what I am trying to tease out.

Jim Knight: Clearly, quality is absolutely essential, and we have to secure the esteem with which this brand—to use your word—is held by the public. People do value apprenticeships very much, but in the end the quality is measured by the employers themselves and it is the employers who are designing the 180-odd apprenticeship frameworks that we have in place, either directly or through the Sector Skills Council. It is for the employer, while meeting our standard, which we have set at quite a high level around the four things that I set out for you earlier, to design things and look at what qualifications will meet their quality standards. You have to bear it in mind that apprenticeships are at Level 2, Level 3 and Level 4, so there will be differences between the various levels, quite rightly. That is why it is quite difficult for us to come up with a time, because you have to account for prior attainment, different levels and different settings. So to come up with a magic figure for the amount of time that it takes in order to ensure quality is quite difficult.

Q90 Chairman: Okay. Lord Young, would you not say that many people in this country believe that an apprenticeship trains someone with a skill to do something useful and gets them into a good way of employment?

Lord Young: Absolutely.

Q91 Chairman: At reasonable pay?

Lord Young: Absolutely.

Q92 Chairman: Is it not something of a confidence trick if you get the parents and a young person to believe in going into an apprenticeship in retail and distribution, for example, when some of our wealthiest, biggest and most successful retailers pay on average £11,500 a year? Does it seem worth doing an apprenticeship if you end up in that situation?

Lord Young: I think that is a really interesting argument. The answer is yes, in my opinion.

Q93 Chairman: Could you live on £11,500 a year?

Lord Young: I would not want to live on that. Of course I would like to drive up pay.

Q94 Chairman: Many of my constituents have no chance of a decent life because that is all they can earn, even if they take an apprenticeship and work for one of our leading companies. I could not live on £11,500, and I do not think that you could.

Lord Young: I agree that I would find it a challenge. Are we then saying that we would not recommend that somebody go into that particular industry? I would recommend that, despite the point you make. If we do not train people in that industry, their chances of progressing anywhere are even more limited. We are talking about creating life chances for people, so notwithstanding the difficulties of the wages earned in that industry, we must ask, “Do we enhance their life chances and their skills, and do we make them more socially mobile by putting them through an apprenticeship?” The answer is emphatically yes.

Q95 Chairman: That is exactly what I wanted you to tell me. In the argument made by the Minister for Schools and Learners it is essential that there is an element of progression. I can see progression in many of the apprenticeship schemes, not just the gold-plated ones.

Lord Young: Whether it is hairdressing or retail.

Q96 Chairman: Yes, but what the Bill gets to the heart of, and something that I must ask you in searching terms, is whether there is a problem in that at one end of the apprenticeship market you tend to devalue the currency because the package is not strong enough and the security of employment and the payment at the end are not sufficient.

Jim Knight: We made an important announcement that we were raising the minimum wage, and from next August the minimum apprenticeship wage will go up from £80 to £95 a week. Obviously, £95 a week is still a long way off £11,500 a year, but it is important that we seek to push up that wage in the same way that we have the national minimum wage and the tax credit. We absolutely agree with where you are coming from. However, in terms of increasing opportunities for people, they are raising their general skill level even by working in a low-paid industry such as retail or hairdressing, which is a very popular apprenticeship for women. There is a gender issue that informed our reasons for wanting to raise the minimum apprenticeship wage. When I go round colleges talking to people on apprenticeships, such as some women doing hairdressing apprenticeships in Brighton last month, I find that many of them want to run their own business. They need to acquire the necessary hairdressing skills, so they do a Level 2 apprenticeship and then advance those skills through a Level 3 apprenticeship, which includes some of the skills that they need to run a business as well as those required to cut hair and do other things that I do not understand because I do not have much hair. That is their ambition, and that will be their

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progression. New Look, the fashion retailer, is based in my constituency. There is progression in that industry, either towards running your own retail business or up through the company. A member of my family started on the shop floor of Boots, doing temporary Christmas work, and worked her way up to be a well-paid HR professional in retail. There is progression in those industries, but only on the basis of skill, and that is why it is important to enhance skills through apprenticeships.

Chairman: Minister, I understand what you say, but the background of the social structure of our country is changing. Anyone who saw the recent “Newsnight” item on Detroit will know that we face a great challenge as well-paid manufacturing jobs disappear and are replaced by jobs in distribution and retail which usually pay minimum wage-plus. That is a challenge to the whole concept of what you are trying to achieve through the Apprenticeships Bill, but I have had enough of berating you about that. Let me bring in John.

Q97 Mr. Heppell: My apologies—I have to leave early so the Chairman has allowed me to get in early. As someone who went through a five-year, time-served, indentured apprenticeship, I think that I have a little experience in these matters, and your explanation of what a good apprenticeship should be is probably as good as I have ever heard, but may I play devil’s advocate for a minute? My view is that people who acquire apprenticeships will have greater opportunities in life. I know how much an apprenticeship has helped me—it has been a bedrock throughout my life. You know that you always have something behind you, and that gives you a sense of security, but people ask, “What is actually going to be in the Bill?” I hear what you say about it being symbolic, but if that is all it is, something is wrong. What is it that you can do with the Bill that you cannot do without it?

Jim Knight: For me, the most important thing is the apprenticeship guarantee. It is really important that we put in place a driver. I do not know whether you have taken evidence from the Learning and Skills Council about the guarantee, but the LSC is not that comfortable, in many ways, with the duty that is being placed on it, because it will be really tough. However, it is an absolute driver on the LSC that the guarantee will be in place by 2013. If we are to achieve our ambition of one in five young people being in an apprenticeship by 2020, we will have to get that guarantee in place. In the same way, we can put duties on the LSC in respect of diplomas—there are other examples of the way in which duties on public authorities work. In the end, however, the LSC can be taken to court by a young person if it has not delivered on its duty. In terms of creating system change—raising the participation age will create system change by engaging every young person—that is crucial. That is the most important thing. Specifying standards so that the frameworks reflect that is important, and that is a good reason to legislate, but if you wanted the main thing, I would say that it was the duty.

Chairman: Lord Young?

Lord Young: I was going to say the entitlement plus the standards. The Chair pointed out that we need to know precisely what we mean by an apprenticeship, and we do not want to see the currency devalued. The entitlement, plus defining exactly what we mean by an apprenticeship and what it will give you are important. We all understand the need to drive up the number of apprenticeships if we want to meet the challenges set out in the Leitch report. If we really want to give young people—those who might choose a less academic route initially—a chance to progress in their lives, we need something like the Apprenticeships Bill.

Mr. Heppell: I am not quite sure whether it was my question or the Minister’s answer, but we have managed to empty the back of the room.

Chairman: I was warned that a group of young people were coming briefly to look at our Committee—it is nothing do with the Minister.

Q98 Mr. Heppell: What is the Bill actually going to do? There has always been a demand for apprenticeships from young people. People have always wanted to go into them, and there has never been a time when they have not been a popular choice—they certainly were when I was a young lad, and I suspect that they are now. The real problem at the moment is that there is clearly not enough demand from employers. When I was young, as I have said before, it was very much the public sector and the nationalised industries—big companies—that offered the apprenticeships. The effects of that flowed into the rest of the country, and the smaller firms picked up the skilled people from those companies. What in the Bill will induce employers to take on more apprentices?

Lord Young: It would not just be a Bill that did that. We have a number of strategies, including champions and apprenticeship ambassadors. We have the national apprenticeship vacancy matching service, the idea being that we will simplify the process of taking on apprentices for employers. I do not think that legislation of itself will do that, but we nevertheless see it as fundamental in enshrining rights and requirements. You said that apprenticeships are popular, but we have two problems in terms of hearts and minds. One is convincing employers that apprenticeships are worth their while and that they do add value. The apprenticeship image needs to be enhanced for young people as well. When I asked my 18-year-old son why he did not choose the vocational route rather than university, he answered, “Oh, you are sort of second class. That is for the guys who can’t hack it.” That is a totally wrong perspective. We have a job to do with young people’s perception of apprenticeships and with employers’ understanding of why it is important to the success of their business.

Jim Knight: The demand side is weak in some parts of the country. There is not an apprenticeship culture in London and the south-east, for example. We need to build on that and get it up to the strength of demand and the culture around apprenticeships that we might have in the north-west. More work

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needs to be done. Measures in the Bill help to achieve that, such as clause 23 on information, advice and guidance to young people. Clause 22 covers the national apprenticeship vacancy matching service, which will work on both supply and demand, while clause 21, which is crucial, is on securing sufficient apprenticeship places to meet the guarantee. You are right that the big focus needs to be on supply, particularly as we go into more difficult economic times. We need to do more, especially in the public sector. It needs to increase by half as much again to match the levels of private sector apprenticeships. We have an event on the 27th of this month when ministerial champions from each Department responsible for developing apprenticeships within the sectors for which they are accountable will come together with others to work through how to deliver significant growth in public sector apprenticeships. Clause 21 is important in that respect, as are the opportunities for sector skills councils and employers to bring forward frameworks in an easier, more coherent way under clauses 7 to 10. Stimulating strong supply and demand are necessary, and that is why we want to legislate.

Q99 Mr. Heppell: Lord Young said, “We will not validate something as an apprenticeship if, in the end, they are not in employment.” That worried me a bit, because it almost suggested that people could go through a lot of training and then get a job a week or so before it was time for their pension. I want to be reassured. The beauty of apprenticeship for me was that people got both the theory and the practice, but it was understanding how they meshed them together that was important. For my apprenticeship, I did a year’s block release at college and went to work in the holidays. To be honest, the theory was great but it was never relevant until I was actually on the job and could do as much as I liked on the hydraulics. We opened up an Anderson Boyes coal cutter, looked inside it and the pipes did not mean a thing. We had to know how to match the theoretical work with the practical work. People need to be in work when they are in an apprenticeship. I want reassurance that it will not be a case of people attending a training school before getting a job.

Lord Young: There has to be proper workplace experience, too. There will be a contract with an employer. I was trying to distinguish it from programme-led apprenticeships where there is not necessarily a contract with an employer. It is not just a last-minute connection.

Jim Knight: Clause 16 through to clause 20 of the Bill defines the apprenticeship agreement as a contract between the learner and the employer.

Q100 Mr. Pelling: I want to follow up John’s question and Lord Young’s earlier comment. As for producing quality of apprenticeship, surely the kudos will really come when people feel confident that their earning power will be significantly improved by the apprenticeship. What will the

Government be able to tell people about the prospects for improved earning power if you secure the step change in the quality of apprenticeships?

Lord Young: There is an easy answer to that. If people receive little or no training, their potential earning power is severely reduced. With an apprenticeship, they will get a guaranteed accredited qualification. They will get a quality experience both in what they learn while getting their technical qualification and in their work-based training, which John rightly emphasised. It has to enhance their potential earning power and their career fulfilment. People can unfortunately be described as a mere shelf-stacker, implying that they have no skills whatsoever. That has been limited to a tiny, narrow, experience and we are trying to lift people out of that description. That is why apprenticeships are important, not just across the areas that John described and the heavy engineering end that our Chairman described, but right throughout industry.

Jim Knight: It is fundamental to each one of the 180 apprenticeship frameworks that they can each tell a story. If you complete the apprenticeship successfully, and apprenticeship completions are up significantly over the past few years, that will improve your life chances, earning potential and so on. The Training and Development Agency is an example that will be of interest to this Committee. It has developed and renewed the apprenticeship framework for teaching assistants. I am keen to see an expansion of apprentice teaching assistants in our schools. We need to be able to tell the story of how that will in turn deliver work that is satisfying in every sense, including payment. We are setting up the support staff negotiating body. That will be part of telling that story. Obviously you have the opportunities, once you are trained and employed as a teaching assistant, to progress as a higher-level teaching assistant. We are developing those support staff roles on and on. That is a story that we can tell as we try to encourage people into that apprenticeship.

Q101 Chairman: A teaching assistant can become a teacher, eventually.

Jim Knight: Yes. I am sure that many of us know examples in our constituencies of individuals who have perhaps started by volunteering in schools, become a teaching assistant, continued training, done an OU course, got the degree and then gone into the graduate teacher training programme and become a teacher.

Chairman: That is proper progression.

Q102 Mr. Slaughter: Can I carry on a little bit about the employer side of the matter? I do not know about my colleagues, but I am not sure that I am persuaded by your answers so far. You rightly said that the Government’s record is very good so far—since the Labour Government came into office, the numbers of starts and finishes of apprenticeship schemes have tripled—but is it not getting more difficult now to ensure that employer places are there? I cannot see much in the Bill that

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will do that. The Bill seems almost—John used the phrase—symbolic. It is almost as though the Government are drawing attention to what they have done so far and saying that they wish they could do more, and that they put the resources in and tried to make it attractive to young people. But if there is not a commitment by a substantial number of large and medium-sized employers to do this, will it not fail?

Jim Knight: I urge you to read clause 21, which is a long clause—it goes on for a couple of pages. It is principally about the duties of the LSC. To deliver on the guarantee set out in clause 3(e), the LSC will have to work extremely hard on engaging employers. To be able to do this it is, for example, expanding its current field force of 230 people to 400 staff, going out and working with skills brokers who have that day-to-day contact with employers to encourage them to take on apprenticeships. We have some specific work going on at the moment with ConstructionSkills, the sector skills council for construction. Obviously with the decline in house building at the moment there is a particular issue there. We have managed to grow to over 20,000 apprenticeship starts in construction and we have aspirations to go much further, but we have to be able to work quite closely with them as the economy changes, to ensure that we can continue to fulfil those. Public sector construction will play quite an important part in that. For example, this autumn we are acting to specify the provision of apprenticeship places as part of constructors' obligations in getting involved in Building Schools for the Future; and on 27 October, the use of procurement will form part of our discussions with our ministerial colleagues on how the public sector can do its bit in apprenticeships. In essence, the LSC will have to deepen the use of existing apprenticeship agreements. It will have to look at other sectors and parts of the country where there is not a strong tradition of apprenticeships and then forge strong relationships with employers and employer groups, to get them to see the value of getting entrants into their industries, particularly when times are tough economically. We can successfully ride out the economic circumstances only on the basis of skills. We share with the CBI and other employer organisations the strong message that now is the wrong time to stop investing in training and skills for the work force. Obviously, we also saw the announcements that John Denham and others made yesterday about trying to help small and medium-sized businesses by using some of the Train to Gain money to achieve that.

Lord Young: You are right to emphasise the size of the task. For a start, there is a battle for hearts and minds with small and medium-sized enterprises. I have been going out and meeting groups from SMEs that are signing up to the skills pledge, and we have had the 100,000th company sign up to Train to Gain, so interest is increasing, but it will be a difficult time. What do we seek to do? Well, we seek to remove obstacles. Is engaging apprentices now complex and difficult? Yes, it is

difficult for an employer, so we want to remove the obstacles. The national apprenticeship service will provide a single point of advice and guidance for employers interested in apprenticeships. We will soon be rolling out the first trials of the vacancy matching service, so that employers can register their vacancies and those seeking apprenticeships can find them. It is also important to ensure that employers feel that those apprenticeships are relevant to their industry or occupation. The programme has to be demand-led, so we are working with the sector skills councils so that they can help to design the frameworks. They cannot just design any old framework, however; it has to meet the criteria defined in the blueprint. To sum up, one part of this is about removing obstacles to make it easier for employers to engage apprentices. The other part is winning the battle for hearts and minds in the way the Minister just described. Employers have to believe that having better skilled staff will prepare them to survive the challenges they are going through and to come out of this situation with a stronger company.

Q103 Mr. Slaughter: Is not the problem that you are relying extensively on persuasion and on trying to convince people that something is in their interests? I am interested in what you said about procurement as a route, but are you not trying to push water uphill, in the sense that the whole organisation of the employment sector and the economic circumstances are going the other way? A generation or two ago there were large organisations, in both the public and the private sector, that were almost hardwired to provide apprenticeships. That was the case in central and local government, nationalised industries and big firms, but we no longer have that. We are also possibly in an economic downturn in which there will be opportunities to come. My experience of local government, going back 20 years, was that we would take over something that had been privatised and where all the apprenticeships had gone, renationalise it and bring the apprenticeships back, and now it has been privatised again and they have all gone again. You can try to hold the waters back, but the general trend is towards cutting costs, whether by Gershon in central Government or elsewhere, but is not the net effect that apprenticeships are some of the first things that go, and all of the good will expressed here will not change that?

Chairman: We do not have time for both Ministers to answer each question.

Jim Knight: I cannot pretend that it is going to get easier, because of the economic circumstances. I discussed that yesterday with the LSC's chair and chief executive and others. I have asked them to do a piece of work about it—crystal ball gazing really, because it is very difficult to predict exactly what is going to happen in the future. More difficult economic circumstances will, in some ways, create a driver for young people to want to acquire more skills. It is not going to be as straightforward for them to go and get other work with lower levels of

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skills, so the demand may increase, but it is going to make supply more difficult. That is why it is really important that the public sector steps up to the plate. John Denham has an apprentice working in his private office.

Lord Young: So have I.

Jim Knight: So has Tony. Even at that simple level, there is more that we can do. If I could get an apprentice teaching assistant in every school—a slightly ambitious aspiration—that would be 23,000 apprenticeships. There is a lot more that we can do across the public sector. At the moment, we are talking a lot about what the public sector is doing, as we take over a few of the things that the private sector gets up to. It is important that we drive this forward. We have set up a structure at permanent secretary level—led by Ian Watmore, the Permanent Secretary at DIUS—with ministerial champions in every Department to drive it forward. The Ministry of Defence has a very strong tradition in this area, and we need to learn from those that are doing well. Obviously, we must work with the private sector as well, and we have some employers that are hugely committed to this—organisations such as BT and Rolls Royce—but we need to deepen and widen it into other sectors, perhaps with the public sector taking a lead. We also need to listen to voices such as the CBI, which is very strong on this.

Q104 Mr. Slaughter: Do you see part of the problem as being work force mobility? Again, when you go back a generation, an employer who was prepared to put the investment into an apprentice, might expect—although obviously the apprentice would not be indentured for life—that that investment would be repaid. That is no longer the case, for a number of reasons. Is there anything in the Bill that can deal with that issue?

Jim Knight: There is nothing in the Bill that deals with that specifically, beyond what is in the clauses around the apprenticeship frameworks, which are really designed to make it easier for sector skills councils. It is important that it be done sector-by-sector. There are employers who are working discretely themselves, and they have the confidence to be able to do it and to take the risks around mobility. As we have also seen with Investors in People, if you can get a group of employers locally—we have training associations that are also looking to set up together at the smaller end of the employer range—they are not taking a risk on their own. They are sharing the risk. If they are training people who then go and work for one of their competitors, but they have confidence that their competitors are also training people whom they can then employ, they are sharing the risk and there can be a positive outcome at the end. We have seen that with IIP and, equally, we can see it with apprenticeships.

Q105 Fiona Mactaggart: I am glad that the effort is being put in, but it seems to me that the reality on the ground is different. I got an e-mail from the mum of a 17-year-old lad in my constituency,

except he is not in my constituency anymore. The previous e-mail that I received from her told me that he had already written 99 letters to employers, that he had done all the college bit of his apprenticeship and that he could not find an employment placement. He has found one now—in Leeds. She quite reasonably feels that her 17-year-old son being based in Leeds to do his plumbing apprenticeship is a bit much, although she is very glad that he has got the place. I am wondering whether we have sorted out the tension between the need for the young person to get broad and balanced training across a sector, so that they have the base that can give them the flexibility that they will need in future, and a world in which companies have become more specialised and cannot offer that flexibility. I do not see the Bill as providing any intelligent way of resolving the tension that exists in the modern world.

Jim Knight: The guarantee in clause 21(2), in proposed new section 3E(2) of the Learning and Skills Act 2000, specifies a test of reasonableness in paragraph (2)(c), with the phrase “within the person’s reasonable travel area.” Say you want to be an apprentice plumber and you live in Slough. I do not think that any court would judge that Leeds was within a reasonable travel area of Slough. The Learning and Skills Council—the Skills Funding Agency, as it will become—and the NAS (National Apprenticeship Service) within that will have to work very hard in places such as the south-east to ensure that they have the engagement of employers wanting to take on apprentices within the reasonable travel area of every young person in this country, even those in Slough. I was pleased to see, when looking at the statistics yesterday for 16-to-18 apprenticeships, that there was some growth. Although the big growth that we are seeing is in adult apprenticeships, there is some in apprenticeships for 16 to 18-year-olds. The really spectacular growth is in the London area. So, we are starting to see some signs of change, but we have a lot further to go. That is why we have placed quite a robust duty on the LSC in that important clause, by stating “within the person’s reasonable travel area”, to try and tackle exactly the problem that you are talking about.

Q106 Fiona Mactaggart: There is no mechanism that I can see for the LSC to deliver, because there is no duty on the employer. There is no bribe for the employer—no special arrangements. Employers are under greater tension now. I have had a really positive response from employers in Slough—one of the most productive areas in the country—to our demand for more skills training and so on. They all say, “Fine,” but they really keep not turning up stuff—they say nice stuff, but they cannot do it, because they are so focused on their bottom line at the moment. I do not see how giving a duty to the LSC is going to make employers do what they need to do.

Chairman: Lord Young, how are you going to do it?

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Lord Young: You used the word “bribe”. I do not know whether you can bribe employers, but I think that, first of all, we have to remove the obstacles, because there are still obstacles. We have to make it easier for them to do it. Secondly, we are paying for the training. We are not paying wages, but we are paying for the training costs of apprenticeships. That is a significant cost. What will make employers do it? I think that we are down to convincing people that, if they want to improve the performance of their company, a better skilled or better trained work force will do that for them. So, there will be a multiplier effect, if you like. Obviously, the more that we can persuade to do that, the better. I do not think that we are arguing that we do not have a job to do or that there are no difficult circumstances, but it depends whether you see the glass as half full or half empty. We certainly do not see it as half empty. We do not have a situation where there are no apprenticeships. Our task is to drive up the numbers and to persuade and demonstrate to employers that there really are tangible advantages. Now, contained in the Bill, as the Minister has already said—

Jim Knight: Please call me Jim.

Lord Young: As Jim said, there are a number of things that we believe will do that. The one-stop shop is a place for employers to go to—the vacancy matching service. The proof of the pudding will be in the eating. We are not in any way underestimating the size of the task. I think that our focus, not just on large companies, but on small and medium-sized enterprises, is also important.

Jim Knight: I think putting a duty on employers, tempting though it might be, would be the wrong thing to do. Employers have got to want to do this, if they are going to give apprentices the experience that we want them to receive. If they are reluctantly bringing in these young people to give them some training because the law says that they have got to, those young people will not get the experience that they need. We have to engage employers and we are doing that through skills brokers. Train to Gain is starting to have an impact in being able to work with employers, understand their skills needs and offer subsidised or free training. It is easier to engage larger employers than smaller ones. We can work with sectors by looking at the supply chain of larger businesses. Having gone through their procurement, we can look at how they can encourage employers to offer apprenticeships. There are things that we can do. My take is that imposing a duty on all employers would be unwieldy and would probably not give the outcome that we want.

Q107 Fiona Mactaggart: I absolutely agree. I was not arguing for imposing a duty, because I do not think that that would work. I was shocked at a meeting I had with three cutting-edge biotechnology companies in Slough—

Lord Young: What size were they?

Fiona Mactaggart: They were reasonably large. They were medium-sized to large companies such as UCB Celltech and Lonza. I was talking to them

about training because I wanted them to engage in this issue. They were talking about having difficulties with technician-level skills. Because the development of biopharmaceuticals is relatively new, there is no traditional route. I spoke to them about apprenticeships and suggested that instead of handing the problem to the Government, they should converse with each other and work together to develop an apprenticeship scheme. I was shocked that they had no ideas at all about apprentices. Their first response was that they cannot carry the cost of people who are not performing for a long time. That is an obvious point about apprenticeships. We give tax breaks for research and development. Apprenticeships are like R and D. You are investing in your future in the same way that you do with R and D. However, we do not provide tax breaks for employers in the same way if they invest in apprentices. I am not saying we should mandate that they must be provided, but if we structure the financing using tax breaks for a group of companies like those in biopharmaceuticals, they could be up for it and put their management energy into making it happen. The brokers have not been anywhere near them and do not know what they are like. All of the goodwill at the moment is just not landing.

Chairman: I ask colleagues to keep their questions a little shorter and the Ministers to make their answers a little shorter, as we are still on section 1 of four sections of questions.

Jim Knight: Tony and I both have brief things that we want to say.

Chairman: Lord Young?

Lord Young: This is a point I had forgotten. Next year we will be starting a trial of wage subsidies for small and medium-sized enterprises.

Q108 Chairman: You mean providing wage subsidies?

Lord Young: Yes, that will be trialled. We are also talking about meeting over-training costs of some large employers to get them to train beyond their needs to support supply chains. Those are the two approaches being tried.

Jim Knight: From the scenario you set out, there are clearly areas and sectors that we have not got into. In addressing the geographical disparities, we will go to areas that have different sorts of industries from the rest of the country. The relationship between apprenticeships and other qualifications is also important. One of the most enthusiastic backers of the phase 4 science diploma is the pharmaceutical industry. We are seeking to engage the biotech industries in that. For example, you could do a Level 2 diploma at 14 to 16-years-old and go on to do a Level 3 apprenticeship to develop the skills of a laboratory technician. The pharmaceutical industry is crying out for those sorts of skills. That underpins why companies such as AstraZeneca are on the diploma development partnership for science. They see a clear gap in the qualifications set-up for delivering those skills.

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Chairman: Everyone wants to come in on this section so we will quickly hear from Sharon and Paul before we move on.

Q109 Mrs. Hodgson: You answered questions about employee mobility and the fact that employers might train up apprentices who will then take their skills elsewhere. I am interested in the employer commitment to offer real jobs to these apprentices at the end of their training, especially in light of the fact that we may be going into an economic downturn. I am wondering what safeguards or guarantees there will be for the young people, to stop what happened in the 1980s with the youth training scheme, where young people were trained up over a period but there was never a real job at the end of it. Employers used the YTS (Youth Training Scheme) as a source of cheap labour, so I am wondering if there are any guarantees in this scheme that that will not happen.

Jim Knight: In terms of the Bill, this would be contained in the apprenticeship agreement, where we are making sure that this is defined as an agreement between the employer and the learner. In that respect, the agreement would be similar to an employment contract. In terms of guarantees, it is difficult to say that it would be more of a guarantee than an employment contract, but it would be difficult to say that it is less than the guarantee that you would get in an employment contract. I think that the apprenticeship agreement is significantly more robust than the YTS in that regard. We have taken some care to define the agreement in clauses 16 to 20 of the Bill, to provide some clarity and some robustness in that regard.

Lord Young: The only thing that I could add to that is that we are talking about a much better product than the YTS for a start. What has the young person got? Unfortunately, regardless of apprenticeships, you cannot guarantee any job within a company necessarily; the company might collapse. What has the individual got? Well, they have got a clear set of both transferable skills and genuine craft skills.

What is the recipe for survival in a downturn? Is the recipe having no skills or having a range of skills? I would say that the recipe has got to be having a range of skills. There is no absolute guarantee, but we are saying that we will not have a situation where there is not a genuine contract between an employer and an apprentice in order to qualify for the term "apprentice".

Q110 Paul Holmes: To return to the financial issue that Fiona was talking about, the British Chambers of Commerce, in the evidence that it submitted to the Committee, said that businesses, especially small and medium-sized enterprises, will require financial incentives and support for apprenticeships. Nick Edwards from Lewisham College told the Committee that, as long as colleges are well paid for delivering training for apprenticeships, employers should also be paid for the training part of it. Jim talked about Train to Gain, but the fear is that witnesses have said that

employers will use Train to Gain because it is free up to Level 2 and they will not use apprenticeships because there is no money for them.

Jim Knight: As Tony has just said, we are trialling the wage subsidy for SMEs, because we need to build some evidence to see whether that is an issue. I think that there is varying feedback on whether wage subsidy will be the answer. Some people argue—that is why we are trialling it—that it is the tipping point that pushes employers into deciding that they want to do it. However, most people agree that people are involved in apprenticeships not because of the wage subsidy, but because they value these young people or adults who are working in their workplace and doing a good job for them. In the end, that is where we want to get everyone to. We do not want them to be motivated to do it because of wage subsidy, but if wage subsidy creates the tipping point, it is worth pursuing. That is why we are trialling it.

Q111 Paul Holmes: But look at Denmark, for example. A few years ago, the old Education Committee looked at further education and adult skills training in Denmark. Denmark has a system where there was the employer levy on everybody and everybody took part in providing apprenticeships. We were told that they felt that they had already paid for that through the levy, so they might as well make use of it. As I said before, the fear here is that you get Train to Gain, all the evidence for which so far says that most of it is deadweight money, with employers using that money for things that they were providing themselves initially. Now, however, they let the state pay for it, and that will just work against everything that you are trying to do.

Jim Knight: I am not sure, particularly at this point in the economic cycle, that imposing a levy on all employers is the wisest thing to do.

Q112 Paul Holmes: I was not suggesting that it was, although a year or two ago the skills White Paper was saying on every page that this is the last chance saloon for employers and that if they do not put the money up and start training, perhaps we would have to do something about it. That is what you said in the skills White Paper, but is Train to Gain going to undermine what you are trying to do with apprenticeships?

Jim Knight: No.

Lord Young: No, I do not believe that it is. I honestly think that we have to persuade employers that there is a real advantage to their survival in training their current employees and in bringing fresh blood into the company through apprenticeships. There is no side-stepping that, which is why we have the apprenticeship ambassadors, the other 400 people going out there working. There are no short cuts to this. I would not like to engage in what has become almost an ideological argument about whether to have a training levy or not. We are not in that situation at the moment.

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Q113 Chairman: But Tony, people say that there is a lot of unspent money from Train to Gain. Can that be switched across to help apprenticeships or not?

Lord Young: We are trying to use some of that Train to Gain money to offer SMEs training to improve their business techniques, management training and so on. I do not know whether it will be pushed into the apprenticeship area.

Q114 Chairman: Could it be? It would be terrible if it went back to the Treasury unspent.

Lord Young: I do not think that it will be under-spent in the current circumstances.

Jim Knight: John committed £350 million of the £1 billion yesterday to the various packages for SMEs, in terms of relaxing some of the rules, breaking some things into bite-size chunks as regards qualifications, and allowing groups of SMEs on business parks in order to do things together. We must leave something for Train to Gain, having taken £350 million out. I am sure that Tony and his colleagues in the Department for Innovation, Universities and Skills will be making sure that they use it.

Lord Young: The other issue is that Train to Gain is being used for apprenticeships, I am advised.

Q115 Chairman: Is it?

Lord Young: So I am advised by my officials.

Chairman: Edward, you will lead us through 16-to-19 apprenticeships and we are going to step up the pace.

Q116 Mr. Timpson: I shall be as brief as I can. We have spoken at some length about the careers opportunities for young people through the Bill, but also about career fulfilment. On that second point, one of the provisions in the Bill is that people seeking an apprenticeship need to have two sectors. First, what is the rationale behind that? Is there not a danger that you will have young people who have a desire in a particular profession or career path, for which they have also shown aptitude, but that because they have had to put forward two sectors they end up in the default sector, where they do not have the desire or potential career fulfilment that you are looking for?

Jim Knight: I think that two is the right balance. I understand your point—that if we limited it to one it would be the one thing that a young person might want to do—but a lot of people are not absolutely clear about one thing. There might be a couple of things that they would be interested in doing, and if you can offer the guarantee, it gives young people more rather than less. If we went beyond two, the guarantee would become very weak. The chances are that we would not be far off being able to deliver a choice of three as it is, so we need something that is a strong driver to the system, but I think that restricting it to one would deny some opportunities to young people and we do not want to do that.

Lord Young: That is right.

Q117 Mr. Timpson: Perhaps we can attack it from a slightly different angle and consider a situation where a young person has a particular career path that they want to follow, but there is no demand within that sector for the apprenticeship that they are looking for. What happens then? Does the Learning and Skills Council or its successor step in and ensure that there is an apprenticeship for them, or are they left to wait until it arrives, which may be too late?

Jim Knight: If a young person has said that they want to do—

Q118 Mr. Timpson: Suppose they say that they want to go into rail engineering and the response is, “I’m sorry, there are no opportunities for apprenticeship in that sector, however, would you like to go into retail?”

Jim Knight: They would specify their two sectors, so one of them would be rail engineering and the other would be something else. The duty in the draft Bill would be on the LSC to guarantee a place within a reasonable travel distance for them in one or other or both of those sectors. If they are in Falmouth and they want to do rail engineering, it may be reasonable to offer that at some distance away where rail engineering is taking place, perhaps in the wonderful town of Crewe. That is where the test of reasonableness will come in. There are some niche occupations where there will not be that many geographical locations where it is reasonable to offer that apprenticeship. That is why the vacancy matching service is very important. We can put all those vacancies up nationally and people can see, even if they want to get into a fairly niche apprenticeship framework, where they are available and where they can go to do them. If they want to become a plumber in Falmouth and everybody needs plumbers—

Mr. Pelling: Especially Joe.

Jim Knight: Joe is a plumber; he does not need one at all; he is his own plumber.

Q119 Mr. Timpson: What we need to establish is whether this will be an employer-led apprenticeship scheme or one where the young people who are looking for apprenticeships are given a helping hand by the duty placed on the LSC. Can you clarify whether a young person who is looking for a particular sector for an apprenticeship and it is not available to them can come to you for help?

Lord Young: Obviously you want to try to satisfy young people’s requirements, but we cannot guarantee that there will be apprenticeship places in all occupations in all locations. It might be nirvana but I do not think that we are going to get there, are we? Life is full of difficult choices. When young people are making career choices now they are tending to think a bit more about what is likely to be available when they have gone through whatever it is that they are going to do, whether that is an apprenticeship or academic qualifications. They may want to do rail

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engineering, but they might find that it is not on offer locally and they might consider doing some similar form of engineering. We will obviously try to ensure that the maximum choice is available, but it would be wrong to imply that it will always be there. It will not in current circumstances. I do not think that is different from any time in the past when there were thousands and thousands more apprenticeships available. They were not always available in every place in the country. You had to look at the labour market. Our job is to drive up the number of quality apprenticeships that are available and to give people a reasonable choice, which we are trying to do with the two-sector definition. That will be quite a challenge in itself.

Q120 Mr. Timpson: The next point is about reasonable travel areas. Who will define them and will they be different for different age groups? For instance, a 16-year-old would have a different reasonable travel area from a 19-year-old. How will it be defined and who will be responsible for doing that?

Jim Knight: In the end it is defined in law. The concept of reasonableness is pretty familiar to us as lawmakers. The Bill sets out that the guaranteed work is at an appropriate level and within a reasonable travel area. How the courts would interpret reasonableness in this case depends upon the nature of the occupation. If you wanted to do space science there would only be a few places where it was reasonable to study that. If you want to do marine engineering then it is probably reasonable that you will not get that in Birmingham, but you might get it in Dorset. If you want to be an electrician or a plumber, then it is reasonable to expect that you can do that in your backyard. That familiar concept of reasonableness will be interpreted by the NAS service in delivering the guarantee as to what they think is reasonable, but ultimately the judgment would be made in the court.

Chairman: A reasonable answer?

Q121 Mr. Timpson: I was going to go one step further and ask how much of a factor funding will be in deciding whether it is reasonable.

Jim Knight: Funding is not covered in clause 21(2). The apprenticeship place is there in respect of two available sectors at the appropriate level. Obviously, guidance will be issued about “the person’s reasonable travel area”. Inevitably, funding will be in the background of judgments of reasonableness when it ends up in the courts as well, but how the guarantee works is set out pretty clearly. The Bill as drafted does not refer to funding.

Q122 Annette Brooke: I want to ask about diversity. You have touched slightly on that. The Government acknowledge that there is a problem, and the YWCA has exposed the gender pay gap in apprenticeships enormously, because of the nature of apprenticeships into which girls are likely to go. How significant is the problem?

Lord Young: There is a problem. It is important that young women are engaged in apprenticeships. It is important, too, that we tackle minority ethnic groups and deal with disability. Eventually, apprentices are employees and the employment relationship is governed by employment and equalities legislation. The Bill does not tackle that, but that is not to say we see it as something that we do not need to focus on. It is not just a question of driving up apprenticeship numbers, but of ensuring that we engage as wide a range of young people as possible. But if you are talking about wage discrimination, the Bill is not the vehicle to deal with it.

Q123 Annette Brooke: I am not talking about wage discrimination. It is a fact that a plumber is likely to earn more than a hairdresser. I am talking about the actual entry.

Jim Knight: We talked about some of the disparities in London. Some ethnic groups are less attracted culturally to apprenticeships and they value them less than others. We need to work with those groups to build the demand for apprenticeships. We are looking explicitly at the gender pay gap as one of the reasons behind the minimum apprenticeship wage. We are aware that it would have more of an impact in the hairdressing sector and the care sector than in others. As Tony rightly said, that is in aspects of the work of the NAS and the two Departments. It will not be in the Bill because it will be underpinned by other legislation, such as the single equalities Bill and so on.

Q124 Annette Brooke: I wanted to know a little more and I accept that, other than the careers advice point under the Bill, it is not the right place to tackle the issue, but there is clearly a lot more that needs to be done. I attended the Dorset skills festival a fortnight ago. The girls were around the health and beauty, and the boys were around the bricklaying. What is the Government’s overall agenda actually to support what is going on in schools? We have had lots of initiatives, but from what I witnessed at the skills festival, they have not made much difference. Incidentally, one of the grammar schools did not participate.

Jim Knight: I shall not get too distracted by grammar schools now. The wider point about how we tackle some of the gender stereotyping is important. It is as much a challenge for GCSE and A-level choices and diplomas as it is for apprenticeships. It is something that we must address throughout schooling. When I went to school, boys did woodwork and girls did home economics. We have moved on from that position, but we could do much better. It is still the case that not enough girls are doing physics. It will still be the case that when the hair and beauty diploma starts next year, we are more likely to see girls than boys choosing to do it. That is something that we need to address through Key Stage 3 with a new, more flexible curriculum and, as a result of that flexibility, some of the project-based work that schools will develop to get people of both genders

to try different things. I am happy to say that, as I go around, I see more cooking in schools. A lot of boys are really enjoying cooking, and there are some positive role models. Gordon Ramsay may not be the most positive in certain respects, but Jamie Oliver and Rick Stein, as well as Delia Smith, are great television cooks. They are highly professional, earn a lot of money, and are good role models for guys. Perhaps boys could learn from some of the highly paid hairdressers as well. They could get into and be very successful at those professions.

Q125 Annette Brooke: It is Josephine the plumber I am looking for.

Jim Knight: And Josephine the plumber. We made sure in one of our documents—I cannot remember which one. I was looking at *World-class Apprenticeships*, but it was not that one, so it must have been one that the DCSF published on its own when Alan Johnson was Secretary of State. It may have been the one about raising the leaving age, which had a picture of a girl rather than a guy in overalls working on a motor car. We are looking at some of our images and the marketing that we do. We are spending £8 million a year on marketing apprenticeships over the next three years, and we will ensure that there are positive images that address some of those gender stereotypes.

Q126 Chairman: Could the images be supplemented with information about earnings?

Lord Young: Absolutely.

Q127 Chairman: What do you earn in hairdressing compared with plumbing? What do you earn as a nursery nurse compared with being a painter and decorator? It seems to me that many young people going into a profession are not told straight out how much they will earn, or how much their lifetime earnings will be. I am absolutely in favour of Jim having lots of pictures of girls in overalls, but I would like young people to know very clearly, when they make their choice, what their lifetime earnings will be. That information must get to them. I am keen on earnings, as is everybody else, but those poor benighted people do not seem to be able to get the information that they need.

Lord Young: I just thought that I should share with you a useful bit of information about an atypical mentoring pilot starting next year to support non-traditional, non-stereotypical apprentices. The NAS will be working with the TUC and others to provide targeted mentoring of such groups. That is one thing. The only other thing that I would say to you, Annette, if you do not mind my being familiar—

Chairman: Through the Chair, please.

Lord Young: Through you, Chairman. The only other thing I would say is that you now see more young women recognising the earning potential of being a plumber, a bricklayer or a surveyor. The numbers are nowhere near enough, but the message is beginning to get through, and they are thinking,

“I can do this.” I have always said to my wife that she is a damned sight better engineer than I am. She is much better at many craft skills jobs.

Chairman: I think you mean better at everything, Tony.

Lord Young: That goes without saying, but certainly she is when it comes to craft skills. Attitudes are changing, but too slowly, I think. The point that you make, Chairman, about earnings potential is perhaps one that schools ought to explore.

Jim Knight: I would just add that the guidance on careers education that we are putting out will stress the importance of challenging gender stereotyping. We are also doing some work with sector skills councils in the same area. It is work that we are taking seriously and trying to develop and deepen.

Q128 Annette Brooke: May I ask—very briefly, because of the time—why the Bill makes no mention of young apprentices? Would not a programme for 14 to 16-year-olds with a combined college or school approach be a useful add-on to what you are doing?

Jim Knight: I asked the same question, and received an excellent answer. It roughly went along the lines that young apprenticeships are not apprenticeships in that they do not have to conform to the standard that we are setting out, and they do not have the apprenticeship frameworks. They are a different beast. However, we are looking to expand and develop them. There are just over 9,000 young apprenticeships this year. We are looking at 11,000 next year, 2,000 of which will be piloting the development of young apprenticeships from within diplomas. We see them as a real success story in dealing with young people of middle and higher ability who see what occupation they want to get into and are engaged by that form of learning. They are going extremely well and we are keen to develop them, but we do not need to legislate in order to develop and deepen them. They are not apprenticeships. They are using the brand because they are similar, but they are not the same in a number of different aspects, and that is why they do not appear in the Bill.

Lord Young: Essentially, we do not include them because they do not have the employment-based connection. The young people might do a bit of work experience, but there is not the same contract with an employer. It would confuse the situation more. We cannot deny that there is a bit of confusion anyway because of the shared brand name, but in a young apprenticeship there is no contract of the sort that exists between the employer and the young person in an actual apprenticeship. They might do a bit of work experience, and the young apprenticeships are certainly a good pre-entry means for young people to embark on actual apprenticeships.

Q129 Chairman: We hear that the resistance to 14 to 16-year-olds spending time on employers' premises very often arises from concerns about health and safety. Could you not use a clause in the

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Bill to give comfort to employers who would like to take 14 to 16-year-olds into their workplace but feel nervous about it? Although I understand the difference between young apprenticeships and apprenticeships, there is that continuing problem of nervousness on the part of employers about having young people on their premises. Should there not be something in the Bill to give them comfort in that regard?

Lord Young: As I am told by my officials when we discuss this, we are in the pre-legislative scrutiny stage. It is a draft Bill and the honest answer is that we ought to examine that. I do not want to go any further than that, but I understand your point.

Jim Knight: We can look at it. We would have to look at what added value we would get by putting a clause into legislation, what it would effect in law and whether we can address the problem.

Q130 Chairman: Do you recognise the problem?

Jim Knight: Yes, we recognise it and need to address it consistently and in the same way that we are trying to address similar fears about learning outside the classroom. We might be able to do that just as effectively by non-legislative means as through legislation.

Q131 Mr. Chaytor: Can I pursue the point about minimum entry requirements? The Bill is very specific in requiring a Level 1 qualification for a Level 2 apprenticeship, but do you feel that in certain industrial sectors that might exclude some young people who could benefit from an apprenticeship? Clause 21 defines the Level 1 qualification as five GCSEs. If a youngster had four GCSEs, should they be disqualified from applying for a Level 2 apprenticeship?

Jim Knight: I think that it is right that we should set that floor that people have to achieve. Someone might have four GCSEs and needs to retake a fifth and is close to getting it; there could be some flexibility about them starting some of the learning that they would do as part of their apprenticeship while they do that retake, but they will not be able to complete it until they have got their Level 1, and I think that that is right. We need to be very clear about the basic standard we need.

Q132 Mr. Chaytor: Why does the Bill only define the level of qualification in terms of GCSEs and not in terms of acquisition of the diploma, given that the diploma will provide the basic structure of qualifications post-14? Why are the levels defined purely in terms of GCSEs and why is there no reference to a diploma?

Jim Knight: That reminds me of some of the discussions we have had when I have taken other Bills through Parliament. It is just a case of finding a qualification with which everyone is familiar and which you can use for equivalence purposes. The fact that we specify GCSEs does not mean that the equivalent qualifications are any better or worse; it just means that people are pretty familiar with the grading of GCSEs, so the established qualification seems the clearest way of doing that.

Q133 Mr. Chaytor: But you agree that there ought to be some flexibility over the rigid application of Level 1 five GCSEs?

Jim Knight: It is absolutely the case that one of the great benefits of diplomas as the bridge between academic and vocational learning is that they are an extremely useful way of discovering a path from academic learning into vocational learning, quite possibly and probably through diploma-type learning.

Q134 Chairman: Minister, have you had a word with NG Bailey? The chief executive of that company gave evidence to the Skills Commission, which I co-chair, yesterday. It is one of the largest construction engineering companies in Britain, with one of the largest apprenticeship programmes in the country. That firm is worried. It takes three A to Cs, interviews everyone that applies and balances motivation and the determination to succeed in an apprenticeship, because that is an important part of the qualification. It would be worried that a requirement to have five A to Cs, if that were too prescriptive, would hamper its apprenticeship recruitment process.

Jim Knight: Certainly, it would be important for him to understand that the five A* to C relates to the entitlement; it does not regulate who can be taken on by an employer. In terms of the delivery of the entitlement, which is what clause 21 refers to, you get the entitlement once you have your five A* to Cs. But if you have three and an employer like NG Bailey wants to take you on, there is nothing in the Bill to prevent that.

Chairman: Okay. We are now going to romp through the relationship between apprenticeships and diplomas. Graham is going to lead us.

Q135 Mr. Stuart: Jim, what impact do you think the introduction of diplomas will have on your hopes for apprenticeships?

Jim Knight: I think they will help to deliver the expansion of apprenticeships that we want to see over the next few years. We have the ambition, as you know, to drive up completions. If we are going to deliver one in five by 2020, we have to be able to get to 250,000 annual starts overall. To do that, you need to get clearer, stronger pathways into apprenticeship, given what we have been discussing about trying to sustain the quality of the brand. That means that you want good prior attainment going in. There will be people who, as they go into Key Stage 4, are clear in their minds that they are going to be more engaged with a style of learning that has practical elements and is sector-based, but do not yet know what occupation they want to do. So they can then go on and do Level 1 or Level 2 diploma in a sector, without having to pin their colours to an occupational mast—if that is not stretching things too much—and find a style of teaching and learning that mixes the academic and vocational in an engaging way. They then enjoy their learning and prosper. I do not know if you have visited any places offering diploma learning, since it started in September—

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Mr. Stuart: Not since you asked me yesterday and I told you I had not.

Jim Knight: That's right; I had forgotten that conversation. I visited Macclesfield College in Northwich last week and saw some creative and media diploma students. They were extremely excited by their learning. Such students are motivated. At the end of Level 1 and Level 2, they may say, "Actually, I now know, having studied the engineering diploma, that I want to be a car mechanic, a civil engineer or a railway engineer, so I will go on and do an apprenticeship in that area." Even going on to do a Level 3 diploma, they may then realise that, having achieved their Level 3 diploma in whatever sector, although there are only four levels, those in turn may be routes into apprenticeships.

Q136 Mr. Stuart: That sounds great, so why does the Bill block transfer between diplomas and apprenticeships at certain levels?

Jim Knight: In what way does it block it?

Q137 Mr. Stuart: Andy Powell of the Edge foundation told us last week that moving from a Level 2 diploma to a Level 2 apprenticeship was blocked by the Bill. Does that accord with what you know? British Chambers of Commerce in its evidence referred to the need to get interoperability between the two, and there are difficulties with that.

Jim Knight: Andy is a fine man, and Edge does a wonderful job, but just occasionally I need to go back and educate them. I think I had better brief them, but as far as I am concerned, and as far as I am advised, there is no block in the Bill.

Q138 Mr. Stuart: Nick Edwards said, "Somebody who has done a Level 2 construction diploma" for instance "could not transfer to a Level 3 construction apprenticeship—they would need to go back and do a Level 2 construction apprenticeship." Does he also not know what he is talking about?

Jim Knight: Perhaps we need more messaging about that, and to improve our communications. We shall be spending quite a lot on communications about apprenticeships over the next few years.

Chairman: Some people behind you are finding this interesting.

Mr. Stuart: And scribbling very fast.

Lord Young: Your first point was about general blocking, and we dealt with that. It was not true. The point you are now making is a little more refined, and we need to get the answer right.

Jim Knight: If we need to drop you a line on this, I will be happy to do so to set the matter out more clearly, but I would be extremely concerned if anything in the draft legislation prevented people from moving between diplomas and

apprenticeships. If they are right, we must address the matter; if they are not, we will advise the Committee.²

Q139 Mr. Stuart: Do you think you have done enough thinking about the relationship between the two, and understand how they will work as they go forward?

Jim Knight: Yes. We set out in the qualifications strategy that we published earlier this year the broad, three-pronged approach to qualifications underpinned by the foundation learning tier—the three prongs that I previously set out at length for the Committee of the traditional academic line of GCSEs and A-levels and the traditional vocational line of apprenticeships, and then the one that bridges the divide between the two in the form of diplomas. We are looking through the JACQA (Joint Advisory Committee of Qualifications and Approvals) process for ways to fund qualifications and to be more consistent in those three options so that employers, parents and learners understand them. We are absolutely clear, and always have been, that if someone decides at 14 that they want to pursue a diploma, they are allowed to change their mind. Trapping people from 14 to 19 into a decision that they made at 14 would be wrong.

Q140 Mr. Stuart: We come again and again to the concern about the guarantee obligation on the LSC and the difficulty of being able to deliver that without the co-operation of employers. The other problem with centrally driven targets and guarantees is that they tend to lead to distortion. They may have an impact, whether on health service clinical priorities or elsewhere, and have a diluting quality. How confident are you that we will not see a big increase in virtual apprenticeships as a result of the LSC's need to deliver the guarantee, and to be seen to do so? If it fails, as you say, the LSC could end up in court, so it will try desperately to tick the box. Is there not a danger that quality could go out of the window?

Jim Knight: That is why we have been clear in the way in which we framed the legislation to ensure that you cannot complete an apprenticeship unless you have an apprenticeship agreement, which is an agreement between an employer and a learner.

Q141 Mr. Stuart: Yes, but again the law of unforeseen consequences suggests that they will go any lengths to get some form of contract so that they can tick the box, and it might not be a true apprenticeship as understood. Is that not the danger of the guarantee? It is laudable to want to ensure that everyone can have this, but if you do not provide the resources or the powers for the LSC to deliver, it will try to deliver anyway because you told it that it must.

Jim Knight: You can never rule out the law of unintended consequences, but you can try to anticipate consequences. We are trying to

² See Ev 44

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anticipate that possible unintended consequence by making it clear in law that you must be employed to be an apprentice.

Q142 Mr. Stuart: Do you think that that is enough? Are you convinced?

Jim Knight: Yes. There will be a place for what we have been calling programme-led apprenticeships, and there will be places for college learning, which is not a bad thing, but to complete an apprenticeship and to be able to say that you have been an apprentice, and for us to be able to deliver on our target of one in five by 2020, all the statistics about starts and completions must be about apprentices who have an apprentice agreement between the employer and the learner.

Lord Young: The reason for being so emphatic about that is the point you made. It is not up to the employer to say, "We'll throw this in. This will count as an apprenticeship." No, it will not. It has to be a proper agreement. They have to ensure that they fit within the frameworks that are negotiated with the sector skills councils. I think we have put the necessary safeguard in place. It is right to have a target. If we want to reach the objectives on skills as defined in the Leitch report, and if we believe in the value of apprenticeships, then we have to have an overall target. However, we also need to ensure that people do not meet it by subterfuge or merely pay lip service to it. There is a quality that is clearly defined.

Q143 Mr. Stuart: How useful do you think programme-led apprenticeships are? Do you think that there will be a big increase in them as a result of the Bill?

Chairman: Are they diluting the currency?

Jim Knight: I think that the problem is when you add the word apprenticeship at the end of their title. Right at the beginning of this evidence, when asked to describe the perfect apprenticeship, I set out the four elements that you would want to see. One is the theoretical knowledge that you need to go with your practical skills. Some of that theoretical knowledge and some practical skill, as you know from visiting colleges, can be learnt quite effectively in colleges, but they have to end up being put into a context in the workplace. If, while looking for a work placement, you can do in college some learning and some qualification modules that would make up your apprenticeship, that is not a bad thing. Just because we are concerned about the way that they have been labelled apprenticeships, we should not write them off as being a bad thing.

Q144 Mr. Stuart: But is not the great fear that they give a false promise? In terms of the brand and not diluting the currency, the Chairman is absolutely right. When people get switched on to another course because there is not an employer to be found, does it not end up diluting the currency?

Jim Knight: If it is called an apprenticeship then it does.

Q145 Mr. Stuart: So you would not call them programme-led apprenticeships? The Government say: "Programme-led Apprenticeships are a helpful way of catering to the demands of prospective Apprentices where there is not the immediate offer of a job available." It seems that the Government are as guilty as anyone else here.

Jim Knight: We can get wrapped up in what language we should use.

Q146 Mr. Stuart: It is important, is it not?

Jim Knight: It is important how we brand things, but in terms of giving evidence to you, we need to ensure that you understand what we are talking about. It is in the common parlance that these things are called programme-led apprenticeships. We referred to them in the evidence so that you would understand what we are talking about. In terms of how we move forward, we are extremely clear that what we might all call programme-led apprenticeships are not real apprenticeships. They are not what we will measure when we talk about completions and starts and our 2020 aspiration. If we can end up starting to talk about them without using the A-word it might be a good thing.

Lord Young: We need to be careful that we do not give them a false promise. We cannot guarantee employment. It is not a false promise in that we are enhancing their skills and their job potential. That is a good thing, but we have to be careful that they are aware that there is no absolute guarantee of employment.

Q147 Mr. Stuart: Okay, so you drop the A-word and you have this programme-led course. It is applied learning, but mostly learning. It sounds remarkably like what the diploma is supposed to be. Are you sure that there is room for both programme-led non-apprenticeships and diplomas? Should not this be thought through a bit better?

Jim Knight: Obviously we would not want you to fall into the trap, which some people easily do, of thinking that diplomas are vocational learning. They are a mix of academic and vocational. They are a particular style of teaching and learning. It is also important to understand that an apprenticeship is effectively a wrapper around a range of modular qualifications and learning, so aspects of that, which you might otherwise call an applied A-level, could be part of that framework. It is a framework. There will be other things that are in there and I would imagine that people are not going to be enrolling in something called the programme-led something or other; they will enrol on some of those other qualifications. They can then use those as credits when they go on to their apprenticeship.

Q148 Paul Holmes: Graham has covered most of it, but I shall expand on what he has been saying. Is there not huge confusion? There are diplomas that are not vocational but academic; programme-led apprenticeships that are not apprenticeships; and apprenticeships. If you are confused and we are confused, what will the kids out there be?

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Jim Knight: I would never say we are confused. Are we Tony?

Lord Young: We are not confused, but I have to agree that there is a level of complexity that we need to think carefully about.

Q149 Chairman: Are you sure you have only been a Minister for three weeks?

Lord Young: I think that is being damned with faint praise. Sorry, I did not mean to put it that way, but I share your concern. At this stage, given it is a draft Bill, we ought to think carefully about the way the terminology is used and drafted.

Q150 Paul Holmes: That is refreshing to hear. Again, earlier in the conversation, you made the point that diplomas are academic and not vocational.

Jim Knight: I am not saying that they are either academic or vocational; they are a rich mix of the two.

Q151 Paul Holmes: But you were also making the point that there should not be a block in going from a Level 2 diploma to Level 3 construction, whereas we were told by the colleges that you would have to redo Level 2 as an apprenticeship, in order to be vocational. Again, there is huge confusion about where we are going with these things.

Jim Knight: I guess what Nick from Lewisham might have been driving at is that, particularly in terms of practical skills, there might be aspects where you need to be able to acquire those skills at a Level 2 before you can develop them further at Level 3. In some sense, that goes back to our initial conversation about how much time it would take to do an apprenticeship. It might be that you have got all the elements through your Level 2 diploma, instead of some of the practical skills that you need to acquire. You can fairly rapidly acquire those practical skills and then be accredited with a Level 2 apprenticeship as a result of that, and having done most of the learning during your Level 2 diploma, you can then move on to Level 3. That might be what he is driving at, but it is quite a coherent pathway for the bulk of your Level 2 apprenticeship to be acquired through your Level 2 diploma.

Q152 Paul Holmes: Does not a lot of this confusion stem back? Tomlinson said that there should be an overarching diploma that you arrived at through different academic and vocational routes but that led to the same qualification. The Government ducked that because the 2005 election was coming up and all these problems stemmed from that. A year or more ago, we were taking evidence from the early developers of the diplomas. Ken Boston of the Qualifications and Curriculum Authority sat in that seat and said that diplomas must be high-level academic thinking. We had people from colleges and employers sitting in those seats saying, "No, no, no, they must be very

vocational." We are still not really sure what they are. It all stems back to ducking what Tomlinson recommended three years ago.

Jim Knight: With all respect, if we had ended up going with a single wrapper around apprenticeships as well as A-levels, for example, all that would have happened in terms of all the conversations that we have had about how to engage employers is that they would not be saying, "This learner has got this level of attainment in their diploma." They would be saying, "What's in the diploma? I need to know what they have actually learned in terms of their practical skills for an apprenticeship." It is quite helpful to employers to have clarity around what the style of teaching and learning is. Is it an academic style, is it a mix, is it vocational, and what level have they achieved? That is at the heart of the qualification strategy.

Chairman: We have got some spare time at the end to cover careers education. Andrew Pelling is going to lead.

Q153 Mr. Pelling: Obviously, the Minister has a real enthusiasm for pursuing this step change for apprenticeships, so I do not want to appear cavilling in asking a question about the part of the Bill on careers education. He is obviously driven by a concern as to whether or not schools will give impartial advice on careers education. That was what our two witnesses said at last week's meeting. In terms of requiring schools to advise in their pupils' best interests, is it really necessary—to ask in a sceptical fashion—to put that burden on schools? What sanction will there be if they do not comply? Also, to pose a question in another direction and bearing in mind that there are questions about schools' impartiality, do you agree with our witnesses from last week that the clause does not go far enough?

Jim Knight: The first part of the question refers, pretty much, to clause 68 of the Education and Skills Bill, which is going through Parliament at the moment. That will be underpinned by statutory guidance. We do think that it is necessary. We think that there is sufficient evidence that some schools are advising pupils to carry on in that institution not because it is necessarily the right thing for that pupil but because it is the right thing for the institution. We needed to be able to address that. Parliament willing, once that becomes legislation, if schools break section 68 of what will be the Education and Skills Act, they will be breaking the law, and the consequences will follow in terms of being vulnerable to legal challenge. As we have discussed in the context of other things, schools will not want to break the law. They will change their behaviour as a result of our putting that in law. The second part of your question was whether the measure goes far enough. We wanted to move things on from clause 68 in the draft legislation and to consider how to reflect that in any subsequent legislation that we bring forward in the next Session. We wanted to be really clear in moving it on that every young person needs to be advised about their suitability for an

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apprenticeship, particularly for those parts of the country and those ethnic groups or in addressing gender stereotypes. If we are going to be able to address all of that and build demand evenly across the country and across different groups of people, we need to ensure that they are given appropriate advice that includes apprenticeships. In saying that, we are not saying that they will be right for everybody, but they need to be included in the conversation.

Q154 Mr. Pelling: Would it have been right to go on to the principle of requiring all or some careers advisers to be entirely impartial, and requiring somebody independent from schools to be provided?

Jim Knight: We are doing more work on the development of information, advice and guidance. Although with the movement in the Bill from Connexions to local authorities, and with the application of the new quality standard in IAG, we are changing things and improving quality, the relationship in turn to careers education, schools' statutory duty to provide it and, now, their statutory duty for it to be impartial is something that we have more work to do on. We will have to make more announcements in the fullness of time. As ever, any advice that we get from the Select Committee will be listened to carefully. In the end, I think that saying to schools universally, "You're not doing a good enough job, and we're therefore going to fund this enormous organisation to come in and deliver careers education for every young person," is probably going a little bit too far.

Q155 Mr. Pelling: The usual parochial refrain—

Jim Knight: I would be disappointed if there was not one.

Mr. Pelling: Absolutely. When you come from Croydon, you have to be parochial. What resources will there be to ensure that careers staff can give good-quality advice about options and apprenticeships for young people? Will that flow?

Jim Knight: Yes. At the moment, a lot of careers education is delivered through personal, social and health education. That is something that we are looking at very closely, to see how we can improve the standard, quality and consistency of PSHE (Personal, social and health education) learning. Ofsted tells us that that is improving, but there is more that we can and should do. We set up the subject associations for PSHE, which has again improved things, but in the context of careers education, financial literacy, managing money, sex and relationship education and the drugs and alcohol work that we have been doing, it all comes back to PSHE. Therefore, there is a lot of reason for us to want to invest further in improving skills in that area.

Q156 Mr. Chaytor: There is a huge difference in detail and length between clause 21, which specifies the entry requirements and the obligation to

provide places for apprenticeships, and clause 23, which is essentially four-and-a-half lines about careers education. The wording in clause 23 does not do what the Government have said that it ought to do. It does not require advice about apprenticeships to be given to the young person. It simply requires the teacher, who is acting as the careers adviser, to consider whether advice should be given. In reality, it is meaningless, futile and completely unenforceable.

Jim Knight: In this area, we are interested in what the scrutiny of the draft legislation tells us. Clause 68 in the current Bill allows us to issue statutory guidance to schools, which they will have to act in accordance with. The statutory guidance gives us the opportunity to address things in some detail. We may not need to add anything in the fourth Session Bill, or we may need to. If the Committee and others want to feed back their thinking on the best way of doing that so that it works, we are all ears. Obviously, a lot more detail can be included. The Bill refers to an amendment to section 43 of the Education Act 1997. I am not sufficiently agile in my recall of the 1997 Act to know how much detail there is in that. As I said to Andrew, the substantive point is that we want to ensure that apprenticeships are part of the conversation that young people have in their careers education.

Q157 Mr. Chaytor: But you accept that clause 23 does not require that? It simply moves us in the direction of considering whether it should be part of the conversation.

Jim Knight: It moves us in that direction, and if we need to go further, we will.

Q158 Mr. Chaytor: Do you not accept that the basic structural problem is that the financial incentives are all at the level of the individual school maximising the number of young people it should retain post-16. However, the curriculum that is emerging is far wider and more varied. Until the Government can reconcile that contradiction, we will have this debate about impartiality year after year. Do you see a way of reconciling that and somehow adjusting the financial incentives so that the budget works to provide impartial advice?

Jim Knight: There are all sorts of levers to bring to bear on this. We have used the blunt instrument of legislation in terms of impartial advice. We are currently in a consultation on the school funding system for the next spending period. One of the things that we floated there is whether we go to a 14-to-19 system of funding. In part, that would acknowledge the need for all 14-to-19 providers to be in a consortium to deliver the diploma entitlement. We are also working on our vision for the 21st-century school, which will undoubtedly be one that is clustering and working in partnership. It will still be important for our accountability structures, which are another key part of the

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leverage that we have on the system, to hold individual institutions to account as well as the partnerships that they are in.

Q159 Mr. Chaytor: Finally, in view of the raising of the participation age to 17 by 2013 and to 18 by 2015, where does that leave the Connexions service if careers and education advice is still rooted at the level of the institution? What will Connexions do when it does not have large numbers of young people free floating after the age of 16? Young people will be attached to one institution or another.

Jim Knight: Connexions will still perform a critical role.

Q160 Mr. Chaytor: What will that role be?

Jim Knight: A fundamental role in raising the participation age. Its service has a universal aspect. For example, Connexions Direct is a national helpline and website for people to access to see what is available and to gain information.

Q161 Mr. Chaytor: Is that not the role of the individual school?

Jim Knight: Certainly some of our further work will be through the relationship between careers education advice that people receive in schools that are delivering their statutory duty and what Connexions will do, but a substantial bulk of the detailed work of Connexions will be more targeted on young people who need personalised support because of particular circumstances. They will be at particular risk, so we would need to deliver a discrete service to them through Connexions, which, in turn, would form the commissioning decisions of the local authority.

Chairman: A very quick bite from Paul, and then we shall wind up.

Jim Knight: A bite?

Chairman: A bite of the action. He is not savage.

Q162 Paul Holmes: When I was head of the sixth form, I did careers advice post-16, and two careers teachers did careers advice pre-16, but both pre-and post-16 teaching brought in excellent, independent careers experts from the LEA each week who saw each year 10, 11, 12 and 13 pupil and gave them outside, impartial advice. After Connexions, the general picture throughout the country is that that service has been massively diluted. The careers experts became general advisers on drugs, health, housing and the rest of it, and the general advisers were supposed to become careers experts. It has not really worked. What will you do about that so that we can have impartial, outside expertise?

Jim Knight: Fundamentally, we are passing the responsibility for Connexions back to local authorities. It seemed the only logical thing to do. If we are giving, as we are, local authorities a duty to ensure that they are making proper provision for every young person in their area until the age of

18, it is logical that they should have the responsibility for Connexions so that they can offer information, advice and guidance.

Q163 Paul Holmes: So why take it away in the first place, when they were doing pretty well in my experience?

Jim Knight: That is back in pre-history.

Q164 Chairman: It may be back in pre-history, Minister, but why are local authorities no longer asked to put careers services out to contract? They were in the past. Some hired private sector companies or not-for-profit companies, or they did it themselves. Why is that no longer the rule?

Jim Knight: I think that, unless I am advised otherwise, as we move forward, it will be up to local authorities to make those decisions for themselves. If they want to contract out their Connexions service, they can do so, or they can provide it in house.

Q165 Chairman: Would it not be healthier if there were a contracting process? Let us be honest. Some of us do not share Paul Holmes's view of how good the careers service was under local government in deepest, darkest history. What is wrong with the contracting-out process?

Jim Knight: There is nothing wrong with the contracting-out process.

Q166 Chairman: Most of them are not going to do it now, are they?

Jim Knight: In the end, they are accountable at the ballot box for how well their service is working, and they will decide how they will drive up quality. We regard contracting in certain circumstances as a useful way in which to move forward. For example, we believe in school competitions as a way of testing whether we have the right answers.

Q167 Chairman: Two very quick things to finish the sitting. First, I hope that you will look at the recent report on information, advice and guidance of the Skills Commission that I co-chair with Ruth Silver. It is important to revert to one of my opening questions in the last section. I was concerned about who decides whether a young person will do an apprenticeship. We found that 65% of decisions are still made on the advice of family and friends. Yes, careers advice comes in, but tails behind even the advice that people gain increasingly about careers on the internet. Lastly, there is a highly complex bit in the Bill that I could not fathom about giving the public sector the right to provide apprenticeships. To me and to anyone who has read it, that is a dense part of the Bill. Does it mean that there will be real opportunities and a real movement for public sector hospitals, local government, universities and this place to run apprenticeships?

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Jim Knight: There is a whole section on this place—on Crown staff and Parliament. We are absolutely committed to expansion in the public sector. If, when drafting clauses and the explanatory notes, we need to make things clearer if they are too dense, we shall obviously look at it and, as ever, follow your advice.

Chairman: As you know, if the Governor of the Bank of England is right and we are indeed entering a recession, a big investment in training might be the best thing that we can do in this country, but we need it now.

Jim Knight: Thank you very much.

Chairman: Thank you.

Memorandum submitted by the British Chambers of Commerce

ABOUT THE BRITISH CHAMBERS OF COMMERCE

1.1 The British Chambers of Commerce is the national body for a powerful and influential Network of Accredited Chambers of Commerce across the UK; a Network that directly serves not only its member businesses but the wider business community.

1.2 Representing over 100,000 businesses and five million employees, the British Chambers of Commerce is The Ultimate Business Network. Every Chamber sits at the very heart of its local business community working with businesses to grow and develop individuals, businesses, communities—and ultimately, the nation's economy—by sharing opportunities, knowledge and know-how.

1.3 No other business organisation makes such a difference to business as the British Chambers of Commerce.

SUMMARY

- The British Chambers of Commerce is supportive of any planned increase in the number of apprenticeships undertaken. We believe that providing a statutory basis for apprenticeships is a positive step forward, and will help to make them a mainstream option in 14–19 education.
- Apprenticeships must be employer led and focused on business needs, while also containing an element of accredited training that will allow progression for the apprentice. Elements of apprenticeships must tie in with other qualifications to make the system cohesive and understandable.
- Clear and impartial information, advice and guidance is also needed in schools and college to help young people make appropriate decisions about their futures.
- The National Apprenticeship Service must be regionally rooted, within existing organisations and be as light-touch as possible, otherwise it will just serve as a disincentive for employers. Equally quality assurance must also be un-bureaucratic.
- Apprenticeships should be firmly rooted within the qualifications frameworks, and have clear routes of progression into higher qualifications as well as within employment.

INTRODUCTION

2.1 The British Chambers of Commerce supports the proposal that apprenticeships should be a mainstream educational option for young people. Likewise, we support the premise that a greater number of apprenticeships places should be created. While the Diplomas will introduce a much needed element of work skills into the classroom, many young people will benefit from the offer of apprenticeships as a wholly vocational pathway based with an employer rather than in a programme.

A STATUTORY BASIS FOR APPRENTICESHIPS

3.1 The BCC recognises that providing a statutory framework for apprenticeships will mean that they are more likely to become a mainstream option in the way that A-Levels, GCSEs and Diplomas are today. However, there is also concern over a number of issues regarding the nature of a statutory framework.

3.2 The statutory basis for apprenticeships must not result in increased bureaucracy. Too much paperwork has been cited as a reason why many employers have been apprehensive about taking on apprentices. If this issue is not addressed, it will derail the government's plans, as businesses will be unwilling to engage with the system. The Secretary of State for Universities, Innovation and Skills has promised that he would look into the reduction of the bureaucracy associated apprenticeships. We look forward to seeing action in this area.

3.3 Employers must have freedom in deciding what apprentices they need and the types of skills that their apprentices should develop beyond the functional and generic learning of apprenticeship programmes. Taking on apprentices will, and should ultimately always be a business decision dictated by the individual needs of that business.

3.4 The BCC supports the introduction of certification for apprenticeships. Certification will help to give apprenticeships a similar status to other mainstream qualifications, and also facilitate progression routes of apprentices once their study is completed.

BLUEPRINTS—EMPLOYER LED VERSUS PROGRAMME LED COURSES OF STUDY

4.1 The broad outline for apprenticeship blueprints outlined in the draft Bill is the correct one, but should be as light-touch and bureaucracy free as possible otherwise business will not want to take on apprentices.

4.2 Businesses believe that all apprenticeships should be essentially employer led, with programme based training elements that occupy no more than one to two days per week of the apprentices time depending on the apprenticeship and stage of study. The BCC does not believe that programme led vocational courses can be considered to be apprenticeships. Such courses often feature training grouped together in a single block and no direct relationship with an employer sourced from the outset. Such programmes only serve to weaken the apprenticeship brand and give young people a less practical learning experience compared to employer led apprenticeships. Being attached to an employer is essential for the apprentice's interpersonal skills, personal management skills and wider functional skills to develop, as well as to help them put theory into practice.

APPRENTICESHIPS AND THE WIDER QUALIFICATIONS STRUCTURE

5.1 We believe that apprenticeships should be placed within the wider qualifications structure from the outset. This is important because it will give them a better status when placed alongside other qualifications than they currently have. This will also aid in progression to further and higher education, as well as within employment. The planned introduction of a National Qualifications Framework will be of great benefit to employers and will help to strengthen apprenticeships. The core elements of apprenticeships, Diplomas and the functional skills that are to be part of the general route (GCSEs and A-Levels) should be related and interchangeable, as this will add coherence and cohesion to the system.

5.2 The relationship between apprenticeships and Diplomas is clearly an important one. Diplomas are designed as a bridge between academic and vocational learning, and we conceive that many students who undertake the Diploma will progress onto apprenticeships. Relevant parts of the Diploma should be coordinated with the programme elements of apprenticeships to ensure that the relationship between the two qualifications is as complementary as possible.

5.3 Mutual weight to credit within elements of each qualification should be ensured also, as this would mean that students would find it easier to transfer between the two streams if they found one unsuitable. This would help counter the problem of young people between 18 and 19 years of age who are not in education, employment or training (NEET). Many people in this age group who find themselves NEET do so because they have dropped out a course they have found unsuitable, but have been unable to start another course or programme immediately. If the qualifications marry up effectively, it would reduce this group by aiding transferability.

5.4 There must also be clear progression routes for certain apprenticeships up through the qualifications ladder. For example, certain engineering apprentices will wish to gain Level 4 qualifications (Bachelor degrees). This will help to increase the image of apprenticeships and will encourage more young people to undertake them.

5.5 In apprenticeship frameworks, it is likely that NVQs will make up the part of the programme element. The quality of NVQs must also be analysed and be addressed where it is found wanting. NVQs must also be placed into smaller units so that employers can create programme elements that are most suited to their businesses needs.

INFORMATION, ADVICE AND GUIDANCE

6.1 For apprenticeships to become a mainstream option, young people need to be given effective and impartial information, advice and guidance. Schools and colleges must be able to promote apprenticeships to young people and their parents as a realistic and valuable option for certain learners. Without this support from the educational establishment, the government will be unable to increase the number of young people undertaking apprenticeships.

6.2 The government should ensure that it uses its existing organisations, such as Connexions to distribute information on apprenticeships. Experience of organisations such as Connexions greatly varies across the country and efforts should be made to ensure that quality is more uniform.

6.3 Any money distributed to schools should be ring-fenced or administered externally through existing agencies. We also do not believe that information, advice and guidance is effective when administered internally in schools and colleges as teachers have a tendency to encourage young people to stay on academic routes rather than equally valuable vocational ones. British society currently has a natural prejudice against vocational routes, which encourages teachers to only push the less academically inclined down vocational routes when in reality some apprenticeships, such as those in high-tech engineering firms are equally as challenging as applied academic routes, and require highly able young people.

6.4 Evidence suggests that this problem is exacerbated in with school sixth forms. As schools and colleges get money per student, year 12+ students are a very valuable commodity and schools do not want to run the risk of losing good students to courses they do not run. Vocational courses are only promoted to those who are not wanted back in 6th form hence the social image of these courses is very low. This must be addressed.

6.5 More information should be provided to schools at an earlier stage. Schools should be encouraged to identify champions for apprenticeships among the staff and pupils, and bring back pupils who have been successful as apprentices to speak to youngsters and show that apprenticeships are a viable alternative.

NATIONAL APPRENTICESHIP SERVICE

7.1 The BCC believed that the reforms outlined by *Raising Expectations* were an unnecessary part of a long history of organisational change in Further Education by the Labour government. Despite its faults, a slimmed down and less bureaucratic LSC would have been the natural home for national co-ordination of apprenticeships.

7.2 While we appreciate that knowledge about apprenticeships opportunities would be increased with a national service, businesses are also worried about yet another bureaucratic agency, which instead of making it easier for businesses to find an apprentice actually complicates matters. Steps must be taken to ensure that the service is as light touch as possible, and that it is integrated into an existing agency to avoid costly creation and set up costs.

7.3 The design of the NAS must recognise the needs of regional businesses, and must be firmly rooted locally.

7.4 The creation of a National Apprenticeship Service must also take into account the existing strong relationships between businesses and training providers. There is serious potential for existing productive relationships to be irreparably damaged.

QUALITY ASSURANCE

8.1 Ensuring that the quality of apprenticeships is maintained is important to businesses. If quality is not maintained, the government's attempts to increase the number of young people undertaking apprenticeships will be unsuccessful in the medium to long term, as firms will not get the skills they want from apprenticeships, and young people will not want to undertake courses which have little prospect of progression.

8.2 It is important that the external programme element of apprenticeships is examined, as this will give the apprentice clearer progression routes into promotion, further employment, or higher qualifications. The basis of this should be the NVQ system.

8.3 SMEs would find an over burdensome inspection regime a disincentive to take on apprentices, although would want the quality of training providers that they use to be of assured high quality. Ensuring the quality of apprenticeships in what is essentially a target driven culture is a challenge. There needs to be an independent assessment on the quality of apprenticeships preferably by industry experts. Any quality assurance and inspection of the work-based elements of apprenticeships needs to come from an impartial source which is in touch with the needs of the industry.

8.4 Part of ensuring quality is through the provision of support for companies who take on apprenticeships. While large companies have the resource to manage a complex apprenticeship programme, smaller firms below 50, usually without HR or training specialists will require further help to run high quality apprenticeships. Any help given should focus on support rather than inspection and appraisal.

ENCOURAGING MORE EMPLOYERS TO TAKE ON APPRENTICES

9.1 It is clear that for the government to meet its target to increase the number of young people undertaking apprenticeships, more employers must be encouraged to take apprentices on. Government needs to increase awareness of the advantages of apprenticeships among SMEs, while business has to be convinced that the apprenticeship programme is robust and flexible enough to meet its requirements. Business will be encouraged if they believe that apprenticeship schemes are employer led and industry focused, and meet the needs of businesses, industry and the young people involved.

9.2 Businesses, especially SMEs, will require financial incentives and support for taking on apprenticeships. When creating an apprenticeship programme, employers are making an investment in a young person from whom they will not see a return on until year two or three of a programme. In light of this, additional financial support in the first year of training could encourage businesses to take on more apprentices. This is especially the case for SMEs, for whom taking on apprenticeships is a large resource investment in terms of both time and money.

October 2008

**Memorandum submitted by the Rt Hon Jim Knight MP, Minister of State for Schools and Learners,
Department for Children, Schools and Families**

I would like to thank you for the opportunity offered by the Committee for Lord Young and me to give evidence on the Apprenticeships Draft Bill on Wednesday 22 October.

You will recall that I undertook to provide a note on the possible barriers in being accepted on an Apprenticeship at Level 3 with a 14–19 Diploma at Level 2. I can confirm that there is nothing in the Bill that would prevent such progression.

In *World-Class Apprenticeships*, we set out the threshold for the Apprenticeship Entitlement at Level 2 and Level 3, and these requirements are included Clause 22 (2) 3I. A Diploma at Level 2 meets the requirement for a specified Level 2 qualification. Outwith the requirements specific to Apprenticeship Entitlement, the Bill does not interfere with an employer’s right to employ whoever they want and at whatever level.

Each Apprenticeship Framework is designed to meet employers’ needs and each framework is specific to that occupation. Any entry criteria is set by the relevant Sector Skills Council and designed to ensure that individuals can complete the Framework.

The Learning and Skills Council is currently working on the revised blueprint (described in the draft Bill as the “specification of apprenticeship standards”), which will require every framework to show clear progression routes both to the other 14–19 progression routes and higher education. We have also asked the employer-led Diploma Development Partnerships, which are supported by the Sector Skills Councils, to look at the pathways from Diplomas to Apprenticeships. We want to ensure that young people know whether they need to take particular qualifications within the Additional and Specialist Learning (ASL) component of the Diploma so that they have the knowledge and skills needed to progress from, say, the Construction and Built Environment Diploma at Level 2 to a Level 3 Construction Apprenticeship.

I remain determined that there should be as easy movement from Diplomas to Apprenticeships as there is from Diplomas to A levels and higher education. Apprenticeships require strong practical skills, and it therefore follows that learners wanting to move into Level 3 Apprenticeships will have used ASL to acquire these relevant skills.

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