HOUSE OF LORDS

Industry and Regulators Committee

Corrected oral evidence: Skills for the future: apprenticeships and training

Tuesday 21 May 2024

11.35 am

Watch the meeting

Members present: Baroness Taylor of Bolton (The Chair); Lord Agnew of Oulton; Lord Altrincham; Baroness Armstrong of Hill Top; Lord Best; Viscount Chandos; Lord Clement-Jones; Lord Cromwell; Baroness O'Grady of Upper Holloway; Viscount Thurso.

Evidence Session No. 6 Heard in Public Questions 52 - 62

Witnesses

I: Alexia Williams, Apprentice Panel Member, Institute for Apprenticeships and Technical Education; James Stephenson, Apprentice Panel Member, Institute for Apprenticeships and Technical Education; Sian Elliot, Senior Policy Officer for Public Services and Skills, Trades Union Congress.

Examination of witnesses

Alexia Williams, James Stephenson and Sian Elliott.

Q52 **The Chair:** Good morning. This is the Industry and Regulators Committee in the House of Lords. We are holding an inquiry into skills. Our second session this morning looks to be an interesting one. We are going to hear from Alexia Williams, who is an apprentice panel member at the Institute for Apprenticeships and Technical Education. Also from there, we have James Stephenson. Our third contributor is Sian Elliott, who is a senior policy officer for public services and skills at the TUC. Welcome, all of you. Perhaps I can start by asking our two apprenticeship representatives how they first got involved in apprenticeships, how they heard about them and what made them go in this direction.

Alexia Williams: I first heard about apprenticeships when I was in year 9. I went to the Bath & West Country fair. There was a huge STEM imagineering tent. I went with my parents. I ended up talking to someone from GKN who was an apprentice. He was just coming to the end of his scheme. He was telling me all about apprenticeships and the fact that he had managed to get a degree for free and get work experience at work. He had managed to do loads of different placements and get experience.

I then got speaking to a graduate who was also there. It turned out that the apprentice had managed to complete his degree three years earlier and go into a role straightaway on a much higher salary than the graduate. I was listening to them thinking, "This definitely seems like the right option for me". It was almost a no-brainer.

From then, I went into sixth form. I ended up being the first person from my sixth form to go and do a degree apprenticeship. My sixth form was a private sixth form. They were very much about sending people to Oxbridge and all the top universities. When I told them, "No, I do not want to do that. I want to do an apprenticeship", they were shocked and tried to turn me away from it. When I told them I got into Rolls-Royce, they were like, "What? You got Rolls-Royce? Even the people who go to the top universities do not manage to get in there". They then started to realise, "This might be a way for us to get people into the top employers a lot easier". It is probably not quite so easy now, as it is a bit more competitive to go into apprenticeships. For me, it seemed the best option; I have not looked back.

The Chair: James, how did you find it?

James Stephenson: In a similar fashion to Alexia, I was introduced to apprenticeships by the network engineering manager in my high school. He was also an apprentice at the time. I am quite a kinaesthetic learner; I learn by doing things. His task was to help me do more things involved in IT infrastructure and getting used to that side, which I was not really taught. From there, I was like, "This is absolutely what I want to do. This feels correct. I'm learning while doing something".

I then looked into the Government's "find an apprenticeship" service. I thought, "Okay, so I get the qualifications alongside this. This is absolutely what I want to be doing. I want to be doing things that are practical, impacting people every day with the things that I am learning and gaining those foundational skills". That is how I came to find my apprenticeship and how I learned about it—by talking to apprentices and discovering it that way.

The Chair: You are both members of the apprenticeship panel at the Institute for Apprenticeships and Technical Education. Can you tell us a bit about that? Is it a purposeful role? Are you listened to? Are your concerns acted upon?

James Stephenson: Yes. I would say that it is really impactful for the work we do. As apprentices, we are often consulted by IfATE, but we are also consulted by other bodies such as DfE and Ofqual in some of the work they are doing. For example, one of the public pieces that we did was the apprentice panel survey in 2022. That helped introduce more rigorous training plans between training providers and employers so that people are more aware of what they are learning and where the skills liability falls with people.

Alongside that, the DfE launched the employer quality road map, which helped set the standards for quality apprenticeships and set out a gold standard of what they should be. That was in consultation with a lot of the work that we have done as apprentice panel members.

Alexia Williams: We also get brought into a lot of other industries to give our advice. We are almost a consultancy for them to get an opinion from apprentices. We have apprentices from 15 different sectors. We have roughly between one and three apprentices from those, from level 2 all the way up to level 7. For example, three of our apprentices—myself and two other apprentices on the panel—support UCAS with some of the work it is doing around promoting apprenticeships and making it easier for people to apply. We also bring views and opinions from our employers.

Quite a lot of apprentices get invited to go and speak on apprentice panels at conferences, giving their view to help employers make it a better experience for all the apprentices they take on—especially employers that have never taken on apprentices before. It helps them get an understanding of what an apprentice wants and needs during the whole of their scheme.

The Chair: When you say, "the whole of their scheme", are you envisaging that a lot of people will follow your path and go right through to a degree apprenticeship? We have heard some concern about a lack of attention on, say, up to level 3.

Alexia Williams: Far more apprentices are at levels 2 and 3. They come in straight from GCSEs and do an equivalent to the GCSEs or A-levels that they would normally get. In terms of apprentices going all the way

up through to degree level, there is an opportunity for people to do that, depending on the role they are going for. If they are going for a role that does not require a degree, there is probably no reason for them to go and follow on down the degree apprenticeship route.

Others can come in on a level 4. For example, at Rolls-Royce, if people who come in on a level 3 or a level 4 choose to go up through the company and become engineers, they have the opportunity then to continue their education through an apprenticeship. For example, I started on a level 6 doing an aerospace bachelor's engineering degree. I finished that after four years and went into my full-time role; I have now started a level 7 master's apprenticeship. I am doing that alongside my role as a full-time employee to help upskill me and make sure that I am really suitable and have the knowledge to do that role properly.

Q53 **Viscount Chandos:** Sian, can you explain the role that trade unions play in the skills system and how they engage with employers?

Sian Elliott: Absolutely. Unions play a critical role in supporting training and development, not only for millions of their members in workplaces but across the wider workplace too. They do that in several ways. First and foremost, they negotiate for quality training, bargaining on behalf of their members with employers. Crucially, they promote lifelong learning through our network of Unionlearn reps, who champion continuous learning in workplaces. Unions also provide direct training and upskilling opportunities to members.

We also help to shape training programmes, much like we have been hearing from Alexia and James. Ensuring that the voice of workers is heard when an employer is thinking about what training they should be offering is absolutely crucial. An employer might have a bird's-eye view of something but, often, the workers themselves know where some of the issues and training gaps are. Making sure that that voice is in the room when employers are thinking about their training offer is really important.

Unions also add value by working in social partnership, whether that is designing skills strategies at a local, regional or national level. Again, it is about making sure that we do not have a system that is overly employer-centric. What can happen inadvertently with that is you create offers of training and development that are very narrow and that are focused on specific job outcomes and on what that employer specifically needs. Unions, by coming in and working in social partnership, think about the wider labour market, the wider skills needs and making sure that workers have transferrable skills, so that they can take those skills to other employers too. Overall, that raises the skilled workforce that we have.

I wonder whether you would be interested in a specific case study. I spoke to one of our unions, GMB, and asked, "Can you give me a practical example of how a Unionlearn rep has made a difference in a workplace?" They told me about Dave, a Unionlearn rep at Sheffield City Council. It was undergoing huge digital transformation and Dave, because he was a worker as well as a rep, could see that lots of problems

were occurring for himself and his colleagues. They were not able to use the digital technology that they were being asked to use. They had not been given adequate training.

He spoke to his union, who put him in touch with a TUC project skills officer for the region. They approached Barnsley College and, together, they designed an essential digital skills package. Barnsley College came into Sheffield City Council and offered that training. Dave negotiated for nine of his colleagues to have paid release to attend that training. All 10 colleagues successfully completed that training and have reported higher confidence and far more productivity in using those systems because they are more confident and able to do so. Now, they are in talks about offering it to a wider range of colleagues. There have been huge benefits for the workers. They are confident. They are feeling more motivated and happy, and are able to use the digital technology, but the employer has seen benefits too. We have many more examples of where unions offer that on-the-ground support and make a difference.

Viscount Chandos: That is very interesting. From your perspective, do you feel you are pushing on an open door with employers, in terms of any sort of training generally as well as training that is portable in the way you have described and that the unions are pushing to achieve? What should the Government's role be in trying to ensure that transportability?

Sian Elliott: In terms of our unions pushing on an open door, it is a mixed picture. We know that there is a huge employer deficit in investment in training in this country. UK employers spend around half the EU average on training. It has definitely been difficult for unions at times. We are not recognised in all workplaces. In workplaces where we are recognised, unions and employers are working together.

I was talking to USDAW before I came in. You will know that, in the retail and manufacturing sector, there is a huge digital transformation going on. USDAW surveyed around 3,000 of its members. Half of these members said that they had not received adequate training. A quarter were not confident that they had the skills needed to use the digital technology they were being asked to use. USDAW took that survey to the employers they have recognition with and have subsequently begun implementing and agreeing new technology recognitions, to make sure that employers and employees are getting what they need out of the technology.

We have some really good examples like that where we bring employers the evidence. We show them a gap and they respond. Unfortunately, there are cases where employers are either not willing to enter into recognition agreements with unions—therefore, our ability to bargain collectively in those spaces is more difficult—or are actively hostile to unions in terms of either recognition or offering more in terms of training and development.

That is where it is really key that there is a role for government. We need to be creating spaces nationally where we have the social partnership and dialogue that I mentioned earlier. TUC has long called for a national skills task force. We are quite unique internationally in not having a space where unions, employers and providers of education can come together and talk about the skills system and what our country needs in terms of a skills strategy, let alone in devolving that down. There is definitely a role there for government to bring that task force together, as well as increasing unions' access into the workplace so that we can support colleagues and collectively bargain for improved investment in training.

Just to finish, Alexia and James made a really important point earlier. Both of them, if I am correct, found out about their apprenticeships via their peers. That model is what unions bring to this space. Colleagues are much more likely to trust a fellow colleague and say, "I'm struggling with this. I don't understand this", and identify and speak about a training need than they are to open up to a manager or an employer. That peer-to-peer support is crucial. What we should be doing is encouraging that and ensuring that unions have a space both in the workplace and nationally.

Q54 **Lord Altrincham:** Does the UK have a clear system for training both existing employees and young people entering the labour market? Is it easy for individuals to understand what training and apprenticeship options there are? Is the Government's "find an apprenticeship" website well known?

Alexia Williams: On your main point about finding apprenticeships and whether the Government's website is well known, the answer is yes but there needs to be a lot of improvement. Mainly, where the improvement comes from is in schools, with younger people looking to go into it, and getting schools to be more proactive with showing students, "This is where you can find apprenticeships. This is where employers will put them on".

There is a way in which degree apprenticeships especially will have massive benefit. UCAS is currently integrating apprenticeship applications on to the UCAS portal. When students go to look for a degree, they are given the degree options and all the universities that offer them; they are then given the employers that offer that degree via an apprenticeship as well. It also then shows them options. If it says you need three As at A-level and you do not have that, it will show you, "Actually, you can go into a level 4 apprenticeship at this employer with the GCSEs you have. There's the option then to work up and get a degree following on from that level 4". I hope that that will improve the number of people seeing apprenticeships and applying to apprenticeships through the UCAS portal.

There is also something they are working on currently. When you apply for apprenticeships, you have to go to an employer's website or go through the Government's, but each one has a completely individual application process. Each one has different questions. Some require you to do online tests, followed by interviews and assessment centres. UCAS

is trying to make it about that personal statement still, so that the initial part of the application is unified across all of the university applications and all apprenticeships. It is then the employer's choice whether they choose to do more assessment following on from that personal statement, like some of the top universities doing an interview. I hope that that will then make it much easier for students, and even people who have already finished school, to apply to universities and apprenticeships. It can show them the full, broad spectrum of what is available to them.

Lord Altrincham: James, is the system clear?

James Stephenson: The systems have slowly become more clear over time. When I was in high school, a lot of the original apprenticeships and routes shown were mainly in engineering and construction. Since then, that advice has improved, alongside the Government's Skills for Life campaign that has been launched. It has started to become clearer both for new people entering the labour market and for people looking to retrain and change their careers.

Some of the work that this panel has done has been on the IfATE occupational standards map. Dealing with that allows people to go out and, if they are not sure what they are interested in, to go and see the wide range of apprenticeships that exist across the UK. There are hundreds of them. Splitting those out by sectors and giving people the opportunity to see what apprenticeships there are and what they would be learning—alongside where they have been developed so that you know which employers have been involved in creating them—has been really helpful. Although there is more work to be done to distribute how people find apprenticeships—UCAS is a really important step in that, as is the "find an apprenticeship" service—it is slowly improving. It will get better.

Sian Elliott: I agree with Alexia and James. I would add a point about raising awareness. Alexia addressed some of the snobbery, for want of a better word, that often applies to more technical education in schools. This is not to put the blame school leaders or teachers but, because of the way in which our system is structured and because we have traditionally prized academic routes, there is at times an inbuilt deterrent that means that there is no awareness of these opportunities. We can see, through Alexia's stories and James' stories, the power of having people come into spaces and talk about the different opportunities that apprenticeships offer. For the website to be useful and accessible, people have to know about apprenticeships in the first place. A website on its own does not do that; it simply attracts people who have already come to it.

If we look at figures over the last few years, from 2015-16, and compare them to apprenticeships starts in 2021-22, the number of under-19s starting an apprenticeship fell by 53,700. That is equivalent to a fall of around 37% in under-19s starting apprenticeships. We saw a similar fall

in those aged over 25. There is definitely an awareness issue going on here but, beyond that, there is a quality issue with apprenticeships.

You will have heard from other speakers, I am sure, about the issue we are having with people starting apprenticeships then dropping off. The figure is more than 50%. That will also filter out. Even where you do have awareness, a good-quality apprenticeship and the difference it can make is impactful. Equally, if you do not have good-quality apprenticeships and other people hear about that, they will be much less likely to want to do one. We need to address awareness but we really need to address quality.

My last point is about opportunity. For those who leave school without the equivalent of level 2 qualifications, their opportunities have been significantly reduced in the last decade or so. We need to ensure that those adults who stand to gain the most from apprenticeships are hearing about them and can access a level 2 or level 3 course to begin that journey. At the moment, we have lots of factors conspiring against it.

Q55 **Lord Cromwell:** We clearly have some highly impressive and highly motivated people talking to us today. Thank you for coming in. We have heard from some people that the requirements for GCSE English and maths are quite off-putting—particularly at the lower level, if you want to call it that, of apprenticeships. Is that a barrier or is it a guarantee that you get quality, to the last point we heard? How is that viewed by people who are thinking about apprenticeships or thinking, "No, it is not for me"?

Alexia Williams: From meetings we have had as an apprentice panel, there have been discussions and quite a lot of issues raised around the functional skills of the maths and English qualifications. Employers have also fed back in other meetings I have been at. They have said that they have got to the end of their apprenticeship and they have someone who is absolutely fantastic at the role they are doing—someone who would be amazing in the workforce—but they have still not been able to achieve that maths and English. They have worked with colleges throughout and sat the exams multiple times to try to pass, but they still have not been able to achieve their functional skills to pass the apprenticeship.

Therefore, employers are in a sticky situation, because they have people who would be absolutely excellent in their company and are already doing an amazing job but they cannot sign them off the apprenticeship because they have not achieved those functional skills. Maybe it is something we can work around. Maybe it is something where apprenticeships have two options. If the role does not require them to have maths and English and they have had so many attempts already, maybe it could be passed over—that is, if they have done everything they need for the actual job role, they are doing an amazing job and the employer is happy to keep them employed, we need to have an end point to the apprenticeship. The statistics that IfATE and the Government are getting for the number of people not completing an apprenticeship are probably much lower than they actually are because they have not been able to achieve those functional skills.

James Stephenson: I agree with what Alexia said. The functional skills issue is a problem for potential apprentices who may not think that they can get on it as a result of not being able to obtain those functional skills. There is probably something that could be used as a workaround, whether it is an employer sign-off or some form of workaround, which could be assessed, saying that the individual has the capability to do their job and the foundational knowledge they need. This issue is being looked at; it can impact apprenticeship completion rates if they just cannot obtain them.

Lord Cromwell: What is the TUC's overview? Is it a barrier you come up against all the time when you are promoting apprenticeships?

Sian Elliott: There is absolutely a barrier around functional skills. It has worsened in recent years, though we have never quite grappled with it effectively. As I said earlier, those workers who often stand to benefit the most from training and upskilling are often the furthest away from accessing those opportunities. That is something the Unionlearn fund did particularly well: taking workers who perhaps had a very difficult educational experience and did not come out with qualifications and, in the workplace, helping them access those functional skills training opportunities. It was shown to be an incredibly impactful model.

This morning, I was talking to a colleague who has been working in one of the learning centres set up by the Unionlearn fund. It is a collaboration between the union CWU and Royal Mail. The opportunities that workers have then to go and take part in ESOL, numeracy and literacy are absolutely fantastic. The whole shape of the learning centre, which is attached to Royal Mail and specifically for Royal Mail employees, is all about a time and a place to suit learners. It is open at all times of the day. My colleague, Julia, was telling me on the way here that, at TUC, where we have Unionlearn reps, we have organised a numeracy course for our cleaning staff. It runs at 7 am to accommodate their shift patterns; that is early for some but it is exactly the right time for them.

The Chair: It is early learning.

Sian Elliott: It is about who is trusted. Who do those workers, particularly the most marginalised, trust to support them and help them get on with the functional skills they need? For us, some of the barriers to that include revealing it to your employer but also these questions: "When can I learn? At what time can I learn? Is there a financial penalty to me learning? Will I have to take leave? Will I have to pay for a course?" We know that there has been a huge loss of free entitlements to level 2 courses over recent years. That functional skills piece is incredibly integral to getting this right.

Q56 **Baroness O'Grady of Upper Holloway:** You were asked about the Government's "find an apprenticeship" website, which currently does not appear to require employers to say how much you will get paid as an apprentice or what wages your apprenticeship could lead to over time. There seems to be evidence that knowing the pay is important—certainly

if you come from an ordinary background—but also that a lack of information can entrench inequalities, for example between young men and young women, in terms of choices you make if you do not know how much you will earn. Should the Government website require employers to say how much you will get paid and how much you could earn?

Alexia Williams: In my view, yes. They should put it on there—especially the starting salary and what the progression during the apprenticeship will look like. For people who are doing an apprenticeship locally, especially young people who are able to stay at home, the salary is probably not quite so crucial for them because they are able still to live with their parents.

For people who are choosing to go to a company that is further away from home, they are going to need to stay in accommodation that is now extortionately expensive—especially in Bristol—even in a house share. Knowing what your salary will be, especially at the start, is a crucial difference between you knowing whether you can afford to go and do that apprenticeship in that location or whether you need to look at going to a smaller employer; that employer may not be your ideal choice but it may be the only way you can afford to do an apprenticeship.

It is also a massively crucial thing for people who are choosing to go into an apprenticeship later on in their career. They are more likely to have been doing a job that has a high salary or a salary that they are able to live off. If they are now having to choose whether to do an apprenticeship where the salary is almost halved or even less, knowing they still have bills to pay, a mortgage and children, they may not be able to afford to go and upskill themselves because they cannot live off the salary of the apprenticeship. Knowing what it is when signing up and going through the application is massively crucial.

Q57 **Lord Best:** I did go on the government website. It was pretty feeble but, below it, there was a more commercial website, which does have details of how far away the apprenticeship is from your postcode and the salary. I notice that, for a level 3 apprenticeship, you get £11,700 a year in my part of the world, Yorkshire. That means you are living at home, yet level 3 is quite serious stuff. It is A-levels, is it not? It must be quite a big barrier to apprenticeships. You just are not going to get enough money to live on.

Alexia Williams: Employers see it as, "We are providing them with a free education", but it is a huge barrier. They will not be able to afford to live, move and go to do that apprenticeship. It is something that Rolls-Royce has now combated but, when I started, apprentices in the first year who were not able to live at home were underneath the cost of living barrier. They were technically in poverty because they were in the first year of an apprenticeship and because of the amount it cost to live in Bristol. People were skipping breakfast because they could not afford to eat, basically. Apprenticeship salary is a massive barrier for a lot of people.

Q58 **The Chair:** Have we any idea about the proportion of apprentices who move away in the way that you did? We are seeing with university students that more are staying at home and not going away to university because of the financial implications. You have just outlined some for apprenticeships. Is there any information around about the proportion of apprentices who are away from home?

Alexia Williams: I do not have any statistics but I know that, in my intake at Rolls-Royce, pretty much all of the people underneath degree level were still living at home because of that whole salary restriction. On the degree side of it, because the salary was that bit extra as it was the equivalent of going to uni, a lot of them moved away from home. Even then, still half of our group—me included—were living at home and able to save up. The other half had to move to Bristol and find house shares. Those are the people who struggled massively on the salary.

Sian Elliott: Some 80% of the workforce that we will have in 2030 are already in the labour market. Young people are very much in need of specific focus but that point about pay is so crucial. More than 160,000 apprenticeship starters in 2021 and 2022 were aged 25 or over. These are not necessarily young people who are able to stay at home. Exactly as Alexia said, these are people who have maybe already been in the labour market. The national minimum wage is over £11. The national minimum wage for apprentices is £6.40. It is a huge drop in salary. If you have caring responsibilities or rent to pay—we know what is happening with the cost of living at the moment—this is not a choice you are able to make. The numbers simply will not stack up.

The point about pay is really vital because we know that apprenticeships are key not just for young people but for people across the labour market. We are dealing with such a dynamic time, with AI, the green transition and a whole new raft of digital skills needed. Apprenticeships can be really key but they are utterly not an option for so many older workers; I appreciate that 25 and over is not "older" but this is not an option at that level of pay. That urgently needs addressing.

Q59 **Lord Clement-Jones:** I have two sets of questions. The first overlaps a bit with what we have heard. You, Sian, have talked in particular about the confidence-building aspects of apprenticeships.

Alexia and James, you have talked about your personal experience of apprenticeships. Perhaps you could generalise and tell us what benefits you think apprenticeships and training bring to employees and young people entering the labour market. Are these benefits obvious to people deciding whether to pursue them? How can these benefits be better communicated to potential learners and apprentices? Can you broaden it out from your experience?

James Stephenson: It is about understanding the benefits of apprenticeships as a general point, first of all. You are gaining the practical experience and skills that you need to do your job at work, alongside gaining some of the core foundational and transferrable knowledge that you gain from your training provider, which provides the

foundation that your employer builds on. Apprentices looking at it can understand that and benefit from it but it is also helpful for existing employees looking at doing apprenticeships. In my employer, BT, we offer quite a lot of apprenticeships across digital reskilling for our employees where they need it or may want to upskill themselves and obtain new qualifications that they did not have before. Understanding that is really important.

Alongside that, since 2019, a lot of the apprenticeships that we have undertaken give employers the benefit. Up to 79% of our apprentices have stayed on at BT since completion. It allows employers to build into their training programmes for their workforce but also to invite new people who are more likely—at least statistically, in my case—to stay with your company afterwards to enter the labour market. It is really important that that is looked at.

Alexia Williams: James touched on the retention rate within employers. Apprentices who start with an employer tend to feel not a loyalty, exactly, but that they have gained all the skills they need to be able to do the role in this industry to the best of their ability, and that they can still progress and learn. We have found that graduates—people who have gone to university and then come into the industry—have ended up leaving a lot sooner and not staying with the company anywhere near as long because they do not feel that loyalty. They do not feel like they have been trained up properly to do the role that is required of them.

In terms of employers and why they want to take on apprentices, it is almost that moulding piece. A lot of apprenticeships take more than two or three years and apprentices get to move around the business, experience different areas and have a full understanding of what role they can do or what their role involves. By doing that, employers find that apprentices are more knowledgeable about the business and are more likely to stay on because they have a better understanding of what their role involves and what the wider business does.

Lord Clement-Jones: Sian, how obvious are those benefits to employers?

Sian Elliott: Employers are becoming increasingly aware of the benefits, particularly in terms of that point about retention. The Royal College of Midwives looked at the impact of apprenticeships in midwifery. These are often undertaken by women who are already maternity support workers, who then go on to do an in-work degree apprenticeship to become midwives. The Royal College of Midwives found that they offer incredible benefits in terms of retention.

For those qualifying from a traditional degree at a university and then entering midwifery, the attrition rate is around 13%. It was 0% for the first few years after for those who had graduated via the degree apprenticeship route. Can you imagine how beneficial that kind of impact on retention could be, with the NHS workforce crisis that we have right now, if we could ripple that out across the NHS?

That is because of the reasons that Alexia and James say. You are getting exposure to the job. You are learning as you go. You are not coming out of university, entering the workplace and thinking, "This is not quite what I thought I was signing up for". You are earning while you learn but you are getting exposure. You understand the different challenges with the job, but also the opportunities. Apprenticeships have a huge benefit in terms of retention; increasing that knowledge is really necessary. Unions are doing our bit to bring that and raise awareness. I hope that there are other bodies doing the same.

Lord Clement-Jones: That brings me on to the next part of the question. Who takes the lead in encouraging young people to undertake training and apprenticeships? Is this being pushed by employers or education and training providers—or both? Where does the responsibility lie? In your experience, how well do employers and education and training providers work together?

Sian Elliott: There are two parts to that question: employers and educators, then the first bit about who should take responsibility. It is everyone's responsibility, is it not? This is our economy. This is our impact. The Government have an absolutely vital role to play. They have a role to play in terms of the education system and making sure that the information flows through the education system, to make sure that we recognise and value tertiary education in the same way that we do academic education. The Government also have a responsibility for establishing a national skills strategy so that everybody—employers, educators and unions—is clear on what it is that we are collectively working towards at a national level. That should then filter down to a regional and local level. At the moment, we are lacking that national skills strategy.

Recently, we have seen the 38 local skills improvement plans, but they are pulling in all different directions. This means that, while you may be addressing a local problem, we are not feeding into a wider national strategy. The Government have to take some responsibility for that. Employers absolutely have a role to play, as do educators, in raising the awareness we talked about earlier and making sure that they are offering quality apprenticeships, so that people talk to each other and word spreads.

Then, in terms of how well employers and educators work together, it goes back to one of the points I made early on about the UK being quite unique. We do not have a social partnership model in England. We do have a model now in Wales. There are many of them internationally, for instance in Denmark and Sweden, where employers, educators, unions and the Government are brought together in a tripartite way to talk about what we need from our skills system. Without that central coherence that can then feed out to the more local levels, we are really not working together in a way that is efficient or able to deliver for workers, businesses or the wider economy.

Lord Clement-Jones: What is your perspective as chair of the IfATE

apprentice panel, Alexia?

Alexia Williams: I agree with Sian. It is everyone's responsibility to get more people into apprenticeships. Starting off with younger students—people at school—schools need to be rewarded and given recognition for the number of students they are getting into apprenticeships. At the moment, schools have massive things where they can say, "We have got so many people into Oxbridge. We have got so many people into this". They should also be wanting to say, "We have got so many students into apprenticeships", and be getting rewarded for it. It should be their responsibility so that they want to advertise and want to get more students in from a young age. That will massively help people coming in.

In terms of employers and other support networks that go out and try to encourage apprenticeships, there is, for example, the Apprenticeship Ambassador Network. It works all across the UK. It has regional networks and goes into schools to talk about apprenticeships. It also does career fairs and events. It tries to encourage and get the news out to as many students and people as possible about apprenticeships as a route.

Those career fairs are actually a massive thing. Employers, especially large ones, come along to say, "These are all the apprenticeship options we can offer you", whether it is level 2 or all the way up to levels 6 and 7. They are getting that message out there to people that apprenticeships are an option and a way for people to get into a career that they might not have originally thought they would be able to get into because they do not have the qualifications required.

James Stephenson: I would also add that, alongside the collective responsibility for everyone to play a role in providing support to apprenticeships and the great role that the AAN plays in providing that in schools and colleges, employers and training providers also work really well together when it comes to supporting apprentices in their off-the-job training to develop their professional skills.

For example, in my case, we use the Association of Apprentices, an organisation that has over 15,000 apprentices signed up and is funded by employers. It supports them in developing their professional communication skills and emotional well-being, providing that welfare support that they need as well as social connection in person. If you are an apprentice at a small employer, you may be the only one there. You could be one out of two or one out of three. There would not be a great opportunity to network with other employers where, in BT, there are hundreds of apprentices on the programme. We can find them, connect and communicate. When they communicate and provide these options, such as with the association, it goes well for everyone who is providing that welfare support, from SMEs through to corporations.

Q60 **Baroness Armstrong of Hill Top:** Do you think that employers are sufficiently committed to training, given all the needs that we are talking about in terms of future employment and jobs?

Alexia Williams: Speaking from a Rolls-Royce perspective, it is massively committed to improving the employment of people in the industry, especially in the nuclear sector. Rolls-Royce has set up, with the University of Derby, the Nuclear Skills Academy. It is planning to take on 200 apprentices every year for the next 10 years. Its aim is to bring 2,000 more people into its workforce and into the nuclear environment, where there is currently a skills shortage. It hopes to improve that across the next 10 years. Those people might start at the Nuclear Skills Academy at Rolls-Royce but they may then move to different industries and different companies. It is still work in that nuclear sector to try to improve the massive skills gap that we have currently.

It is not just nuclear. Other employers, especially in Bristol around engineering, are also increasing the number of apprentices they are taking on. The only issue they have is the number of people applying, which has seen a decline. They are struggling to find the right people for those positions and to get the number of apprentices that they want to take on to the scheme, just because of the number of people applying for them.

James Stephenson: From a digital skills perspective, in BT, we are really committed to bringing younger people into the digital skills economy because there is an ever-changing gap in everything from automation and AI to network engineering. Those roles need to be filled. Bringing young people into that is really important, alongside the role of reskilling employees where technology may be becoming older and slightly less used in this economy. Bringing them into new roles, such as cybersecurity—we have programmes such as Restart that are training people into these new roles internally—is really supporting the digital skills economy and helping foster new youth engagement into it. It is also keeping employees and keeping retention high because they are always continuing professional development.

Baroness Armstrong of Hill Top: I suspect that you have a different perspective, Sian, because we have been hearing elsewhere that employers' investment in education and training has significantly reduced in the last 10 or 15 years.

Sian Elliott: It has. As I mentioned earlier, it is around half that of the EU average. The apprenticeship levy was designed in order to try to incentivise and to make employers committed to investing in training—

Baroness Armstrong of Hill Top: That is large employers.

Sian Elliott: Yes, absolutely. We had a discussion at the TUC executive committee last week about this. Helpfully, CIPD then published some analysis yesterday, which some of you may have seen. One of the things that unions have continued to raise is that many of the apprenticeships they are now seeing employers deliver do not meet the definition of an apprenticeship. Training that previously could have been undertaken in a matter of weeks is now taking a year or more. They are for entry-level roles that do not require sustained training, which is the definition of

apprenticeships. Unions are saying that this then needlessly holds people back—and on a lower wage—for things that would have previously taken nine weeks on an introduction course to get them the skills needed to undertake a role.

CIPD and the Youth Futures Foundation published a report yesterday, which you may have seen. It backed up what unions were saying and found that more than one in two organisations surveyed—54%—admitted that, while they were paying the levy, in order to ensure that they got the funds back, they had been converting existing training activity and badging it as an apprenticeship. This absolutely accords with what we have been hearing from unions on the ground: that many of these apprenticeships being offered are subpar. This is why you are seeing high dropout rates and low participation rates.

The other thing to mention is the huge change we have seen, since the apprenticeship levy was introduced, in the levels at which apprenticeships are undertaken. In 2015-16, 60% of starts in apprenticeships were at an intermediate level. That fell to less than a quarter—22%—in 2021-22. That is a huge drop at the intermediate level, whereas we are seeing employers investing in their workforce who already have high levels of qualifications. Now, you are seeing more than a third of apprenticeship starts in 2021-22 at a higher level, and nearly half of those are at an advanced level. Again, it is that point we were making earlier about those who could stand to benefit the most being the least likely to receive these routes into upskilling and developing their skills through training.

Q61 **Lord Cromwell:** Leading on from your last comment, the word "apprenticeship" feels like something for young people, yet it is often being used to train longer-standing employees. Is that right? Is that how it should be used?

James Stephenson: I would say that the word "apprenticeship" is more about continuing education and building skills in both the role they need and the foundational knowledge they can take to other organisations if they want to. Although it has become a buzzword, for lack of a better word, aimed more towards young people as a branding point, it is for everyone. An apprenticeship is continuing professional development in whichever way, sector or role they wish. It is pretty much for everyone.

Alexia Williams: I agree. Apprenticeships should be for anyone, whether they are already in role, coming out of school or looking to completely change their career and retrain. If employers—especially smaller employers that may not be able to afford to send their employees to do additional training and get additional qualifications that they feel they need for the role—did not have apprenticeships as an option, you would have a lot of people who probably would not be upskilling and making sure they were staying up to date with the latest developments, especially in the digital and IT side of things.

For example, in the master's apprenticeship I am on currently, I am the youngest person on my course by about 12 years. The majority of the

people doing the master's apprenticeship are already, through life, managers within their industries. Their employer feels that, by doing this master's qualification via an apprenticeship, they can keep up to date and bring in new information and skills to improve them as a company. The majority of people on my apprenticeship are already managers; they are already in their 40s and 50s.

Lord Cromwell: They are really old.

Alexia Williams: They are in their 40s and 50s. Having that later generation of people coming through and still wanting to upskill and make sure that they stay relevant is crucial. If we then limit it to young people only, you are going to have a massive gap in the workforce of people who are just becoming out of date. They are almost going to start getting taken over by younger people because there is new information, new knowledge and new ways to do things, which they have not had an opportunity to learn about because there has been no funding option for them.

Lord Cromwell: Just before I come to Sian, you make a very strong case and I see entirely what you are saying. However, is there a risk that companies say, "Right. We've got this money to spend. We'll spend it on our existing staff", and that the younger contingent, who are trying to get their first step on the ladder into the workplace, get less of an opportunity? As an employer, I would have had my training budget; I will now use the levy for that. Young people get left too small a crumb on the table. Therefore, my final question to you two is this: do you think that there should be ring-fencing of some proportion—if so, what proportion—of the funding for starters, rather than ongoing training?

Alexia Williams: To make sure that they still spend it on new people coming into the company, employers could perhaps put something in to make sure that 50% or 60% is spent on new starts. Also, employers are never going to write off young people fully because there are always roles and positions in a company at that lower level, enabling someone to come in on, say, a level 2, level 3 or level 4 apprenticeship. It gives employers the option to bring in people who may not have the qualifications to start with. They can train them up then continue their learning throughout their employment with that employer, such as coming in on a level 2 all the way up to doing a degree and, maybe, a master's later on in their career. If we completely shut that off, people might be put off wanting to go into a completely new industry or sector because they know they will be held at level 2 or 3. They will not have that opportunity to progress.

James Stephenson: I would agree and say, similar to Alexia, that part of it may be worth ring-fencing to support entry for young people into apprenticeships. Employers will never entirely shut down or remove the majority of it because they need new people to come into their business. They need both to retain their existing workforce through professional development and to bring new people into it through, as Alexia said, going through levels 2, 3 and 4.

By doing that, you are also keeping people up to date with modern technologies—at least, that is the case in my profession, where it is digital skills-based and that is really required. Also, you know that the people who are built into your workforce know what they need and what they have. The new people will likely stay there, from my statistics, but they also want to learn. They get a good diversity and inclusion statement saying that they are hiring young people, which is a big thing for companies. It is really important that they bring the new generation into this workforce, so I do not think that it is not entirely going to go off the table.

Lord Cromwell: Sian, is there a rebadging problem?

Sian Elliott: Not to have a chorus of consensus, but I agree that apprenticeships are for everybody. It speaks to a wider point I have been trying to make throughout this: we need to embed a lifelong learning culture in our workplaces. That is utterly what our economy demands in the way in which it is changing. At the moment, we are missing that.

We do not have a national strategy. The lack of that national strategy means we are quite directionless. We have lost career services in many places; those have been utterly hollowed out. Adult education funding has been cut by 27% since 2011. We have witnessed a real decimation in further education and adult education. We need a national strategy to reinvigorate the culture of lifelong learning and ensure that doing an apprenticeship or putting your hand up and saying, "I need to do some extra learning"—or, "I want to do some extra learning"—is seen not as something negative or identifying a weakness but as a really positive thing that we reward. At the moment, despite some of the rhetoric that comes out about us wanting a high-skill economy, all of the action suggests something very different. Therefore, we are deterring that lifelong learning approach, which will be absolutely vital if we want the economic growth that our country desperately needs.

I just want to address the point about whether there is a difficulty if you ring-fence. It is not a zero-sum game. Everybody should be encouraged to undertake apprenticeships, but it slightly points to the issue I raised earlier. We have an employer-led skills system. This means that we do not have the necessary checks and balances in place to ensure that employers do not just totally ignore young starters and invest in their already highly qualified workforce. An important check and balance in the workplace is having union recognition, making sure that unions are at the table and representing the voice of all workers. There is significant international evidence that shows that, in unionised workplaces, there is a far more equal distribution of training opportunities throughout the entire workforce than in non-unionised workplaces. Making that point about checks and balances, union recognition and union access is really important.

Lord Cromwell: It is a good pitch. Thank you.

Q62 **Lord Best:** What about shorter courses? Would it devalue the use of the

levy funding if it were paying for short, focused, less rigorous courses? We heard in an earlier session that somebody could learn to move from stacking shelves for Amazon to driving a forklift truck if they had a week's training on forklift truck driving. Should we not be worrying so much about the long term and the fully fledged apprenticeship but thinking more about having specific short courses that would get people up the ladder faster?

Alexia Williams: There should be a mix. In terms of shorter courses, if we decide to make those an apprenticeship, it is about making sure that they are still quality apprenticeships and that you still have that endpoint assessment. You still have the knowledge, skills and behaviours to demonstrate that you have learned during the qualification. A week-long one probably would not be suitable but one that was a couple of months long—rather than the minimum, which is currently a year—could be. Having that couple of months gives them the opportunity to show the learning that they can now apply in their new role. Then, at the end, they can show that they now have the qualification and have built up off-the-job knowledge, skills and behaviour during that short apprenticeship—that is, to show, "Now I am ready to use this properly in my full-time role".

For example, something that I did recently just as an additional thing was a project management qualification. It required 60 hours of online learning and a week-long in-person course, followed by a three-hour exam. If we are looking at short courses, one of that sort of length could potentially be an apprenticeship as long as we keep the quality there and we keep it so that you still have that knowledge and those skills and behaviours, and you still have that endpoint assessment showing, "This is what I have learned in the online training. This is how I have applied it to my role". The exam at the end would be part of that endpoint assessment, saying, "I've now shown that I can pass the exam and apply this to my full-time role".

James Stephenson: I agree. You need to make sure that you have a mix. The key, if you have shorter apprenticeships—probably not a week but over a couple of months—would be ensuring that they maintain quality. Also, it is about ensuring that they are used by employers, so make sure that they continue to be designed in a fashion that is similar to apprenticeships as they are. You need to make sure that they have the quality and are built by employers so that employers use them to ensure that they are upskilling their workforce or bringing in new talent where it is relevant, and make sure that it is assessed thoroughly. They must meet the occupational standards but also the foundational knowledge and the transferrable skills that you would get from a shorter course.

Sian Elliott: At the TUC, we certainly welcome far more flexible approaches to learning. That issue around quality control is really key for us. We know that, for learners, particularly the most marginalised, if you have had a particularly negative experience at school, a short introduction—something that feels manageable—can often be the

springboard to taking part in more training and development opportunities. Anything that breaks down barriers is really important.

I was speaking to UCU in advance of this yesterday. I know you heard from David Hughes earlier on; I am sure you have heard much about the workforce crisis that we have in further education. With the introduction of short, modular courses, one of the considerations that would need to be made is that, in further education, a quarter of the workforce is currently employed on precarious contracts—that is, short fixed-term contracts or zero-hours contracts. Those are worsening the recruitment and retention crisis. If we want to deliver short, modular courses, we need to have the providers there to do it. At the moment, the retention rate in colleges is far worse than we are seeing in schools because of low rates of pay and the precarious nature of the work.

If we were to introduce more modular learning, there would need to be something alongside that to provide colleges with long-term sustainable funding so that they were not having to employ lecturers and college education providers on short-term contracts. All that is going to happen is that we are going to lose more of those providers and we simply will not be able to deliver those courses. It is a yes to short, modular learning, but let us also think about the adverse impacts that that might create and how we might mitigate against them.

Lord Best: Could we have a final word on encouraging businesses to increase the number of apprenticeships that they are engaged with? How can we get employers to do more?

James Stephenson: I would encourage employers to take up BT's example and use apprenticeships as a way to develop your new talent pipeline and bring new talent into your workforce but also to retrain existing staff in professions where your business may be expanding or developing. In SMEs, you may need people to get trained up in accountancy or project management, et cetera. Those are really good examples of where businesses and SMEs—all employers—could go out and say, "These are some skills we're going to need for this point in the future. How do we use the levy and apprenticeships to achieve that for our business goals?"

Alexia Williams: I completely back James. It is about going and getting employers to understand where they want their business to go, especially over the next five to 10 years. They need to ask, "Where do we have gaps in skills? Where do we need people to be able to do X, Y and Z to get our business to where it needs to be?" That might mean taking on young people from schools to do those lower-level roles or bringing people in to continue up through the business.

It is the same as what James said about the upskilling of employees in businesses to fill the gaps that they currently have, especially within SMEs. Maybe they are having to downsize their team or decrease things to make sure that they can still deliver with the cost of living increases, but they have people who are able to do multiple roles or cover different

positions. Doing an apprenticeship to upskill, especially if short courses come in, would be of massive benefit for employers and drastically decrease the skills gap in this country.

Sian Elliott: We need to see reform of the apprenticeship levy because, at the moment, it is not working. It is not working for employers and it is not working for workers either, thus it is not working for the economy. We would want to see a national skills strategy, overseen by a national skills task force that has the social dialogue that we think is absolutely critical to getting this right and ensuring that everybody plays their part.

A final thing to note is that we have seen a huge drop-off in employer investment in training and upskilling opportunities for the workforce, exactly alongside the cuts to adult education and further education. This is all about creating a culture at the national level that says, "We want to be somewhere where we value skills and promote lifelong learning"; that is the role of government. That would be my final point.

The Chair: Thank you very much. You have been very patient and given us a little more of your time than you were expecting to. Thank you for your evidence. We will bear it in mind as we progress our report.