



Education Committee

Oral evidence: [Apprenticeships and traineeships for 16–19 year olds](#), HC 597

Wednesday 5 November 2014

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Written evidence from witnesses:

- [Professor Paul Croll and Professor Gaynor Attwood](#) (AAT0038)
- [National Foundation for Educational Research](#) (AAT0007)
- [UK Commission on Employment and Skills](#) (AAT0071)
- [City and Guilds](#) (AAT0020)
- [CBI](#) (AAT0078)
- [London College of Beauty Therapy](#) (AAT0042)
- [Edge Foundation](#) (AAT0006)

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Members present: Mr Graham Stuart (Chair), Neil Carmichael, Alex Cunningham, Bill Esterson, Mr Dominic Raab, Mr David Ward, Craig Whittaker

Questions 1-143

Witnesses: **Professor Paul Croll**, Bulmershe Professor of Education, Institute of Education, University of Reading, **Professor Alison Fuller**, Pro-Director, Research and Development, and Professor of Vocational Education and Work, Institute of Education, University of London, **David Sims**, Research Director, National Foundation for Educational Research, and **David Massey**, Senior Manager, UKCES, gave evidence.

Q1 Chair: Good morning and welcome to the Education Committee as we begin taking oral evidence on apprenticeships and traineeships for 16 to 19-year-olds. Just to be absolutely clear, we as a Committee cover young people up to the age of 19 and not beyond, so if we can make sure our focus is on that age group, that would be very helpful. I am pleased to have such a distinguished first panel, one able to give us panoramic and detailed

insight into apprenticeships and traineeships. Perhaps I could start by asking: what is an apprenticeship? Does anyone have a nice, short succinct answer to that?

David Sims: An apprenticeship is a job that offers training at at least a reasonable level of quality, and it should offer some progression as well.

Chair: Thank you. “At least a reasonable level of quality”; that may take us to the heart of the debate already.

Professor Croll: It is accredited learning, of course.

Professor Fuller: It is an institutional vehicle for developing and accrediting skills and so on, but more generically it is a model of learning to acquire occupational expertise, and we sometimes lose sight of that. We get hung up on the mechanisms for accrediting and the structures and so on, and forget that at the heart of this is the need for a vehicle for helping young people to develop expertise in specific occupational areas.

David Massey: I would just add that it is also employer and industry recognised, so employers and industry recognise it as the key route into their industry.

Q2 Chair: What should an apprenticeship deliver to be worthy of the name in terms of outcomes, life chances, hopes and dreams for the young person?

David Sims: It should offer a qualification that is recognised and respected, and will enable them to move on in terms of career choices, and perhaps move within an industry, but also will be used by them to get jobs in other sectors. It has some kind of exchange value.

Q3 Chair: It has got an exchange value. Going back to the point you made about quality, how do we ensure that we have the metrics and framework of incentives to ensure that only those apprenticeship frameworks that deliver what you have said, David, are allowed to continue? One of my fears would be that people think they have got an apprenticeship, and there are very different apprenticeships. Some are income transformative; others are not, so we want to drill into the heart of the thing—what it delivers for the young person—before we then talk about the employer.

David Sims: With the reform of apprenticeships, we have the trailblazers that are led by groups of employers. The aim there is to ensure that apprenticeships meet industry standards to a high quality. That is what the young person, in theory at least, is getting: a qualification and training to a high industry standard.

Q4 Chair: When you get an apprenticeship at Costa Coffee, does that deliver the income transformation and the transferable skills that everyone would expect if their child gets this lauded apprenticeship?

Professor Croll: For what you are focusing on, the 16-to-19 age range, there is much better assurance of that than in apprenticeships more generally. The expansion of apprenticeships has largely happened among older people moving into apprenticeships, and your reservations about it are absolutely right. It is very important that you are looking at the traditional age range of 16 to 19, because that is the key issue for apprenticeships.

As Alison has said, it is a model of learning, but it is also a key transition arrangement for young people moving into employment. On the whole, that traditional model does offer pretty good quality.

You asked what it offered young people. At the sort of age when I was wondering if I was going to be an apprentice, it offered you a career for life. It set you up, gave you qualifications, and that was what you were going to do for the rest of your life. Clearly that is not true anymore. It has got to offer something that David was suggesting: progression—a generic kind of skill training that can be used in a variety of occupations. I do not think most apprenticeships have totally taken that on that board. They are relatively good at getting you into the skills for that particular job.

Q5 Chair: There may be some disagreement as to what exactly they should deliver, but broadly people are going to be on the same page as to what they aspire to. I am interested in what we have got by way of assurance that it delivers that, and how do we make sure it is not delivering a load of those things that still do not add up to someone earning more? It is a job, so therefore it is about employment in the marketplace, and the fundamental is you defer gratification by participating in it, and the quid pro quo of that is you should have an enhanced market value in the marketplace. Therefore, is there any merit in having a tougher regime that says, “If it doesn’t have that income transformative effect on those who participate, it should not be allowed to be an apprenticeship”? People might still want to do it—it might have worth in other ways—but it should not be in an apprenticeship. Is that a decent insight or not?

David Massey: Certainly, yes. Going back to the Costa Coffee example, I cannot speak to that one specifically, but if it leads to a career in the hospitality industry that is well paid and puts you on a high income stream for life, then that is fine and that is the outcome we should measure. We are increasingly getting the data. BIS are joining up the data with HMRC and others to find out what the earnings outcomes are, so we should be able to do that in the future.

Through the trailblazer process that we have at the moment, the UK Commission were working with BIS on how these new standards are developed, and there is a kind of gateway process for when a group of employers puts forward ideas for a new standard. It looks at exactly those kinds of things. We are asking them, “What is this job? Are there lots of people working in this job? What are the earnings outcomes likely to be?” That is part of the process for looking at that in the future.

Q6 Chair: We have had examples in the past in the press about shelf stacking in supermarkets being called an apprenticeship. That might be fine with the right programme if it leads to income transformation and genuine progression, but if it does not, the deferred gratification is being used to sell a young person or an older person a pup. They are basically being told, “Defer your gratification because you are doing this apprenticeship that has this value and status,” and then at the end it turns out they are no better off, or very little better off. At that point they have been conned, haven’t they? That goes to the heart of it: if we want apprenticeships to have the higher status for people who work, parity of esteem with

university and the rest of it, the fundamental of an employment-based qualification or certification is that it has got to lead to enhanced income, hasn't it?

Professor Fuller: Just to pick up on those last points and the point Paul made about the 16-to-19 schemes on the whole being more productive and better quality than some of the adult apprenticeships—where it is a conversion arrangement for existing employees and a mechanism that helps to accredit existing skills, which we are leaving on one side for today—there are issues about 16 to 19. About 70% of those youngsters who start an apprenticeship, in that age band, go on to a Level 2 apprenticeship, so those are the existing arrangements. The minimum criteria for the Level 2 should be one year's duration and allow you to attain some Level 2 awards. Is that really a secure platform for progression for future earnings and secure trajectories into higher paid and higher skilled jobs? I am not sure that it is.

In comparator countries that would not count as an apprenticeship; there would be a much more integrated, normally three-year programme of occupational development combined with some general education as well that would lead to a recognised standard in industry that leads you into being able to access a protected job essentially—a licence to practise. We have no such measures in place for our 16-to-19s.

Chair: We will come back to that as we go on.

Q7 Mr Ward: I sat on the BIS Committee a few years ago when it had a look at apprenticeships, and it was still early days obviously for the new Government. We came up with, "What is an apprenticeship?" and so on. Do we just need a different word? Can we define in terms of what would be acceptable internationally an "apprenticeship", or do we just need to use a different word for these other things? We seem to be trying to bend it all the time to make it a value term rather than just having that value term.

Professor Fuller: David has hit on a really important point. This is difficult. All countries struggle with what should count as apprenticeship, and how you deal with those young people who are not ready for an intensive programme of occupational development. Other countries tend to have school-based programmes and work-based apprenticeships, and the way those work together can be very interesting. Everybody struggles with it. A country like Germany has a very highly regulated statutory system that links to the characteristics of their labour market.

Q8 Chair: David wants to know whether we should do that too. Should we be excluding things currently that are allowed to be called apprenticeships? Should we change it so that quite a lot of them are not? They might still be useful things, but they are not apprenticeships. Yes or no, or any further little details?

David Sims: The question there is who would be the arbiter? Who would make that judgment? In the current reform of apprenticeships it would have to be employers. They would have to be at least central to making that judgment: does the apprenticeship that is being offered meet the needs of industry and the needs of the young person in terms of gaining the skills within that industry to practise effectively?

Q9 Chair: I should not pick on Costa Coffee, but if it takes someone who was struggling to get a job at all, and the discipline and work experience gained from a very low-paid apprenticeship there helps them access a job in that industry for the future, that works for the employer—cheap labour—and works for the employee, because previously they could not get a job at all. The question is, which is at the heart of what David was saying, it does not seem to me that that should be an apprenticeship. It may not be a terrible abuse of the young people, as some people might make out. It might be a very valuable thing to help them, but it is not an apprenticeship. Or am I wrong?

Professor Croll: No, that is a good point, but it also relates to the way that many school-age young people are very confused about the nature of careers, of the labour market, the qualification system, and what they need to do. They all want good jobs. If you talk to young people, a good job is the central thing they want for their futures, but they do not know how they get it or what it looks like. This is not true of them all. Some of them are absolute human cannonballs: they know exactly what they are going to do. But typically they do not. They are confused, and labels like “apprenticeships” are helpful to them. They need to know more about it.

Q10 Chair: We take that, but David’s question was: should some things that are currently allowed to be apprenticeships, like the example I just gave, be excluded from the apprenticeship brand?

Professor Croll: Yes, they should, because young people need to know what the apprenticeship is.

Chair: Is that your view, David? Are there some that should not be apprenticeships that are currently?

David Sims: Yes, that is the case.

Professor Fuller: I think that is the case as well.

David Massey: I think so. Everyone agrees that they should be Level 3 and above, but I still come back to the outcomes point. If it is a Level 2 and is delivering good outcomes in terms of earnings later on, and that is what employers say they need, that could still be high quality. Ideally they would move on to a Level 3, and that should still be the case.

Q11 Chair: The question is whether it should be an apprenticeship. There are very short courses that are brilliant and seem to lift people up and allow them to earn more. No one wants to stop them, but because of the length issue as well as the quality issue combined, they should not be an apprenticeship.

David Massey: I agree with that.

Q12 Bill Esterson: Sticking with the Government definition for now, we have seen record increases and numbers in the last few years. Going back to your definitions of what an apprenticeship should achieve, how well are the apprenticeships doing in terms of people getting jobs and seeing their pay increase?

Professor Fuller: 16 to 19 has not increased. The increase has been for the older age groups, so this is a hardy perennial for us. The rather stubborn figure that remains is about 6% of 16-to-19s will at some point start a Government supported apprenticeship. It is important to have that context; it is very small and it has not gone up. It remains a challenge to increase it.

David Massey: Earnings overall have gone up in all the BIS evaluation evidence. On average, earnings do increase, especially for younger apprentices. But I suspect that if we had the data at a granular level so that we could look at individual frameworks, we would find somewhere that earnings increases are fairly marginal if not at all. Then we would be looking again and saying, “Does this achieve the outcomes we want it to achieve?” but until we have got those data, we cannot make that judgment.

Q13 Bill Esterson: Is it that it takes longer? You could not measure it within 16 to 19 anyway because they have not been in vocational training for long enough.

David Massey: Yes. Ideally we would measure what has happened over the last five years, so what happened to apprentices who finished their apprenticeship in 2006, for example. When we have got those data, we can make that judgment, but we would have to keep an eye on it.

Professor Croll: There is relatively good data on how happy people are in their apprenticeships, and they are typically very satisfied indeed. The response to being an apprentice is very positive. What happens afterwards we have just got less good information about.

Bill Esterson: There have been a lot of changes since 2011 in apprenticeships. What has been the impact on the numbers of 16 to 19-year-olds starting apprenticeships in the last three years?

Q14 Chair: Has the nature of it changed? You said it is broadly stable in numbers, but with the lengthened minimum of a year has there been in fact an increase in quality? It might look like apprenticeships generally have been successful, but in 16 to 19 they have not because the numbers have not gone up. Does it disguise an improvement in quality beneath or not?

Professor Croll: I do not think there is any evidence for that. I could not absolutely rule out change, but I have not seen any evidence for change.

Q15 Chair: They must be longer on average, because if you bar ones that last less than a year, they must now be longer.

Professor Fuller: It depends what happens in the year. The evidence is an issue, but you could complete your requirements in six months if they are sufficiently minimal, but have to wait a year to have your accreditation. You need to look inside the black box of what happens in the process of gaining an apprenticeship rather than just the outcome.

Professor Croll: The move to a year is absolutely right. It should not possibly be less than that. I have also heard German education officials say, “Does it really take four years to learn to be a waiter?”

Professor Fuller: It does not take four years, though, in Germany.

Q16 Mr Ward: Alison, you said you could do it in six months. Wasn’t the idea of extending it to 12 months that it could not be done in less than 12 months?

Professor Fuller: Yes, but there is no evidence. The requirements did not change within the previous regime. They are changing now, but they have not changed in the last few years.

Q17 Bill Esterson: What has happened? You said there was an increase in the number of 16 to 19-year-olds going into apprenticeships. It is still lower than it was four years ago but it is coming back up again. What has changed there?

Professor Fuller: There are the grants.

David Massey: I am not sure what has happened. I know there has been a recent spike in the figures, but we have not looked in detail at what it might be.

Professor Fuller: Just reading the figures, there were 95,200 16-to-18 starts in 2013-14, August to April. These are provisional, publicly available statistics. In the full year 2012-13, it was 114,500, so it looks like it may go above, but it is not yet clear. As a proportion of all apprenticeship starts, it has increased. It is 30% at the moment of the most recent year’s figures compared with 22% the year before. But because of funding changes, the 25-plus is coming down, so proportionately it is looking more healthy, but there is not yet evidence of a sea change in the numbers.

Q18 Bill Esterson: Is there any evidence of differences across sectors?

Professor Fuller: No. For under-19s, business administration comes top, which is about 70% female; then hairdressing, which is over 90% female; then children’s care, learning and development, which is 95% female; then construction skills, which is only 1% female still—no change there.

Chair: 1%?

Professor Fuller: 1%.

Chair: Wow.

Professor Fuller: Then customer service. I have got the top 10; I can give you those, but that top 10 for 16-to-18s is pretty much the same as for last year. The top 10 for 16 to 18 is very different from those for 25-plus, interestingly. Things like construction skills do not really come into the top 10 for the 25-plus.

Q19 Bill Esterson: When 16 to 19-year-olds are competing with their older counterparts, how well do they do? Does that vary across sectors? Your last comment suggests it might.

Professor Fuller: Yes, they do well comparatively in hairdressing, engineering and construction skills, but less well in things like health and social care, for obvious reasons.

Q20 Bill Esterson: It sounds like the employers and colleges are looking at 16 to 19-year-olds in preference to older trainees, certainly in some sectors.

David Massey: In some frameworks, but in all our evidence, and we did huge surveys of employers, they overwhelmingly prefer older candidates. If they have got the choice of a 19-year-old apprentice or a 23-year-old apprentice, they are going to go for the 23-year-old because experience is the number one thing they are looking for.

Q21 Bill Esterson: That is still the case even with funding changes, which you touched on.

David Massey: Yes, even though with older apprentices the employer is meant to contribute more, but from the evidence we know that in terms of the actual contributions it does not vary that much across the age groups. Very few employers pay a cash fee for the training, which is not what the policy suggests they should do. If some employers can essentially get free training for their staff, and it is a choice between a 19-year-old and a 23-year-old, they are going to go with the 23-year-old.

Q22 Bill Esterson: What would help to change it in favour of 16 to 19-year-olds?

David Massey: The funding policy is meant to provide greater financial support for 16 to 19-year-olds, but from our evidence we know that not every employer knows that that is the case. Even amongst employers who had apprenticeships in 2012, our survey of evidence showed that about 30% of them did not know that you got 16 to 18-year-olds fully funded, which is what the policy was at the time. The level of awareness is quite tricky. If you could get a really clear consistent understanding across employers over the long term of what the funding arrangements are, and what the benefits and costs of an apprenticeship are, then you might start to see that happen.

Chair: Stability might help with that, I suppose.

Q23 Craig Whittaker: Evidence shows some regions have a much higher level of starts with apprenticeships than others. The Chairman was saying earlier on that his constituency is the highest in the country apparently.

Chair: Over the last five years.

Craig Whittaker: Can I just ask whether that pattern would be the same for 16 to 19-year-olds, if you know?

Professor Fuller: It does not vary particularly. The starts vary across regions, but within that the age starts do not vary particularly; it is within 1% or 2%.

Craig Whittaker: Right. It is fairly consistent with other age groups as well.

Professor Fuller: It is fairly consistent, yes.

Q24 Craig Whittaker: Do some areas provide more opportunities for young people than others?

David Massey: I am not so familiar with the geographical picture, but I would say employer uptake depends on sectors and the employers present in those areas. In areas where there is a strong manufacturing base, strong construction base or whatever sectors are quite strong for apprenticeships, they are going to do better. That is the case in the North West, which tends to do better in terms of number of starts.

Craig Whittaker: Yorkshire.

David Massey: Yorkshire, yes.

Professor Fuller: And the North East.

David Massey: London has the lowest numbers, but it has fewer of those jobs. Also, London is the top region for attracting graduates as well, so employers can attract graduates into business.

Q25 Bill Esterson: What are the North West and Yorkshire doing differently to attract more apprenticeships?

David Massey: They have got more employers in the sectors that traditionally have apprenticeships.

Professor Fuller: There is a tradition of young people in the workplace doing technical jobs and things.

Q26 Craig Whittaker: That perception has not changed then over the years. 20% of people in the Calder Valley, for example, work in manufacturing. You would expect people to traditionally go for apprenticeships there, but it would appear on that basis that other sectors are not offering the same opportunities down the apprenticeship route as the traditional ones. Is that what you are saying?

Professor Fuller: There is not the same tradition of apprenticeship in some of the service sectors. They are developing that capacity and awareness of what an apprenticeship might look like, whereas in the traditional craft and technical occupations, like hairdressing, engineering and construction, there is a long history of apprenticeship as a vehicle for supporting young people's entry into the workplace and development of occupational expertise. Some of the service sectors are catching up.

Q27 Mr Raab: Is there any evidence on the completion rate for apprenticeships for the 16 to 19-year-olds, and what is it?

Professor Fuller: There is evidence. I have not looked that up for this particular meeting, but it is publicly available in the apprentice statistics that are published on a quarterly basis. There are achievements by age as well as by gender and level and so on. Overall, completion statistics have been very positive.

Q28 Mr Raab: What are we talking as a ballpark figure?

Professor Fuller: It is 70-plus, isn't it?

David Sims: Yes, it is between 70% and 80%.

Q29 Mr Raab: Has that changed over time in the last five to 10 years?

David Sims: Yes, it has. The success rates have gone up a lot, because they were around 50% about five or 10 years ago.

Q30 Mr Raab: What has driven that improvement?

Professor Fuller: It is tighter management of the providers and reporting. A few years ago there was a lot of controversy about low completion, going back to when there was the Learning and Skills Council and Local Learning and Skills Councils. There were real concerns about the quality of providers, and lots of mechanisms were put in place to quality assure who could receive and draw down Government funding. There has been a big push on quality to raise the completion rates to compare to or be better than educational completion rates in schools and colleges.

Q31 Mr Raab: What do the 16 to 19-year-old apprentices themselves tend to get out of it in terms of specifically the short term and the long term in relation to job, pay and promotion? Is there any evidence on that?

Professor Croll: There is evidence on jobs. They typically move into jobs. There is not much evidence on longer term pay and promotion. There is anecdotal evidence.

Q32 Mr Raab: In terms of jobs, and you may need to write to us or point us in the direction of the quantitative data, what are we talking about?

Professor Croll: The people who complete successfully virtually invariably move into jobs.

Mr Raab: 95% plus.

Professor Croll: 90%-plus, certainly.

Q33 Mr Raab: If you then looked at that in two years' time, would they still be in jobs?

Professor Fuller: That is where the evidence is. We would have to go back to the cohort. The Next Steps cohort would help with that.

Mr Raab: That would be quite useful to know.

Professor Croll: But those data will not be available until next year.

Q34 Mr Raab: Does anyone else have a view on that side of things?

David Massey: From the BIS evaluation, 92% of 16 to 19-year-old apprentices reported better skills, better knowledge and that it raises their career. 90% report that the apprenticeship improved their career prospects, which is greater than the three-quarters for 25-year-olds. Going back to what I was saying before, the impacts on your career, skills and knowledge for that career do tend to be greater for the younger apprentices.

Q35 Mr Raab: How long after the apprenticeship is completed is that measured?

David Massey: Through the evaluation they do something immediately after the apprenticeship is completed. Then they have got some other data—I think it is about 18 months or two years after—but, going back to the point before, it is not disaggregated across all the different frameworks. There is likely to be a huge amount of variation within that.

Mr Raab: Is there any quantitative or qualitative evidence about how employers benefit?

Q36 Chair: Sorry to interrupt, Dom. Just before you move to that, you said it is not disaggregated. If we are going back to using the data as possibly a metric to drive out certain things, such as taking them out of the apprenticeships if they do not deliver, do we not need that to be disaggregated? Is that an important step—providing the visibility you need in order to continually prove apprenticeships so that they can fulfil the promise that they offer to people?

David Massey: Yes, definitely. We are getting there. BIS, DfE and HMRC have been working together on this, joining up the data for years, and there are more data coming out later this year. Certainly on the evaluation, it just takes a cohort of something like 4,000 or 5,000 apprentices as a representative sample, and asks what goes on with them.

Chair: What we do is we conduct specific inquiries into issues. We then take all this evidence and we write a report; we make recommendations to Government. The business end of what we do is recommendations to Government. Generally, the Government is going in the right direction; well, that is very nice. But if you have got anything specific we would like to know what it is so we can put it in our final report. If it needs that disaggregation, it needs to be done sooner rather than later, and if it needs any data protection or other things resolved more quickly than has happened, because they have been doing it for years, then please tell us. That is where we can make a difference—where we can push the Government into providing the visibility required, which, when we have that data, might lead to the design of suitable quality thresholds and things that lead to the pruning out of inadequate frameworks.

Q37 Mr Raab: There is no academic research on the impact of apprenticeships for this age group on job, pay or promotion.

Professor Fuller: There is evidence on returns to qualifications.

Mr Raab: What does “returns” mean?

Professor Fuller: Returns in terms of wage benefits, outcomes to qualifications. They are specifically looked at in comparison with the equivalent academic level qualification, so the qualifications that are available through the apprenticeship can be compared to the equivalent academic level. Overall, the returns do not tend to be as strong as for academic qualifications. However, there are some differences within that. If it is a recognised, good quality vocational Level 3 qualification, then you do see positive returns on wages, but at Level 2 the data is much more equivocal about whether that does provide wage benefits in the future.

Of course, the qualification is not the whole story. For somebody who has been on an apprenticeship and in the workplace for a substantial period of time, they have gained other qualifications without a capital Q. They are recognised; they have got achievements to show on their CV about what they have attained; they have been able to hold down a job, relate to people and so on. The disaggregation is quite difficult as to what it is that might be having an effect on somebody’s future earnings.

Mr Raab: Professor Croll, you look like you want to say something.

Professor Croll: Not more than Alison said.

Q38 Mr Raab: What about the benefits for employers of this kind of apprenticeship for this group? Are there any measurable data or evidence on the benefits that they yield in terms of the investment that they are putting in?

David Massey: As part of the BIS evaluation, which does cover this age group as well, they have asked employers about the benefits to them in terms of turnover and productivity and their general satisfaction with their staff, and generally it is very positive. In our own surveys we have asked employers who recruited apprentices quite simply, “Is this a cost-effective way to train new staff?” and overwhelmingly they say yes. Amongst the current employer cohort there is a lot of satisfaction.

BIS used to do a study called the Net Benefit Study, which was aimed at apprentices and employers in general, not specifically the 16-to-19 group. They tried to work out how much they are investing exactly in terms of wages and training and all the rest of it, and overwhelmingly there are good net returns for employers overall.

Chair: Thank you. We have got limited time; we will keep cracking on. We are doing very well as it is.

Q39 Mr Ward: Can we just look at the macro level? We have been looking at the micro level of the individuals, the apprentices and the businesses. Do you have a sense of a national system meeting the strategic needs of the country in terms of the labour market and

what we require for the future, with this being an integral part? Do you get a sense of that at all?

Chair: David, are we meeting the nation's needs through this?

David Massey: Partly, yes. The commission would think that apprenticeships are very important and they help meet skills gaps and needs, but they are not the only work-based routes. Increasingly the graduate route works for many employers. There are also things that are happening in between called school leaver programmes, which look and feel like an apprenticeship but are around a degree, and for some sectors that might be the best thing for them.

Q40 Mr Ward: You mentioned skills gaps, so have you identified as part of fulfilling our strategic skills needs as a nation for the next five, 10, 15 or 20 years that there is a plan in place using apprenticeships?

David Massey: I am not sure about a national plan, but certainly at sector level. If you talk to manufacturing and construction employers, especially engineering employers, the reason why they invest in apprenticeships is because they cannot get the talent any other way. If they are thinking that a huge share of their work force is over 50 and approaching retirement, they have to have apprentices in order for that industry to keep going. At industry level, I would say yes.

Q41 Mr Ward: We have got information from the Food and Drink Federation saying they will need 170,000 individuals between 2010 and 2020, and it shows that it is failing to provide the number of people that it would require to be an effective and internationally successful industry.

David Sims: Part of that issue, as Paul said earlier, is about the lack of information provided on apprenticeships to young people in schools. The evidence is quite clear. Various surveys have been done.

Chair: We produced a report very critical of the current situation.

David Sims: Yes. 80% of teachers say they do not know enough about vocational education, and specifically about apprenticeships. Parents also feel ill-informed about apprenticeships, so that is where it starts. That kind of careers information and advice is not very good in schools, and we know that from the Ofsted report that was published last year. I think they said only 20% of schools offered effective careers education and guidance and, within that, vocational education is really the neglected child. I know you gave a specific example of a particular industry, but it is a more general issue about providing better information for parents and teachers to be able to help young people make those decisions about some of the benefits of apprenticeships.

Q42 Mr Ward: I remember when NVQs were the answer. This was the thing riding over the ridge, and it was going to be the saviour in terms of our national strategic needs. NVQs are still there. What is the advantage of NVQs over apprenticeships, and how do they sit alongside each other?

Professor Fuller: Just on that specific point, NVQs have been an integral part of the Government-supported apprenticeship programme for many years. That has changed slightly with the advent of the QCF, which did not require a full NVQ to be part of an apprenticeship programme, but still required a competence-based component. They are still seen as part of the range of qualifications that provide both evidence of somebody being able to perform in the workplace alongside qualifications that provide some evidence of more theoretical vocational knowledge, for example. The NVQ is still there, but its future does not seem very clear. In terms of policy there has not been any work on that. We need to wait and see.

In terms of your point about the bigger picture, the focus really needs to be on the quality of vocational education, and apprenticeship being seen within that family, under that umbrella, and the quality of an apprenticeship being part of that. At the moment, if you can look at how the trajectories of proportions of the cohorts pan out, we have only got this very tiny stream going into apprenticeship, but a much bigger group who are in a vocational programme. Then we have got people who are following more academic A-level routes. It is how you see the flex and interaction between apprenticeship and vocational education more generally, and where that is leading.

Q43 Mr Ward: What worries me is when you start talking about umbrellas and families. It just must be completely confusing to many young people and to their parents.

Professor Fuller: I absolutely agree. We do not have a clear view in this country of what things lead to. An apprenticeship is great because it does lead to much more highly defined outcomes and so on, but it is tiny. What happens to the rest of the cohort if we are thinking about the country's future, the skill needs and gaps competitiveness and so on? We do need to see how those things are interacting and how we can create programmes of vocational education that have proper work placements as part of them that can generate those kinds of skills. We do not have that at the moment.

Q44 Mr Ward: We have often talked about Germany. I get tired of talking about it, but it always comes up. Would an average 13, 14 or 15-year-old German and his or her parents be confused?

Professor Fuller: No.

David Sims: No. The qualifications and the progression routes are much clearer in Austria, Switzerland, Germany and to some extent the Netherlands—

Professor Fuller: Denmark.

David Sims —yes, and Australia as well.

Q45 Mr Ward: Why can't we get it right?

Professor Croll: It is not always the case that it is right, because the German system, although it has this very good progression into work, means that your routes into work and the sorts of work you will do are determined when you are about 13 years old.

Q46 Chair: I am going to close this off. We may or may not have time to get to international comparisons. Our apprenticeships are composed of different qualifications; they kind of float together and get in. They are not a coherent qualification in themselves. Should they be? The current structure is that this particular apprenticeship and these various other things, coupled with a bit of work experience and the fact you have got a job, apparently make it an apprenticeship. Is that coherent enough? Does that deliver quality?

David Massey: That is one of the things Doug Richard looked at in his review. Again, going back to David's point, it depends what is necessary for that industry. In some cases there might not be a qualification in there at all. The Energy and Efficiency Industrial Partnership have got such a lot of infrastructure in the energy industry that they do not need an awarding body. They have got trade tests and all this infrastructure. They do not need it. But overall, you will get something that says, "You meet the industry standard for this occupation," and that is the most important thing.

In other industries it is a collection of qualifications, but what it should be overall is that you have met the industry standard for the occupation. It just depends what is necessary for that industry. Overall you should have a fairly simple bit of paper that says you have met the industry standard, and that is transferable.

Q47 Chair: Do we? It is the idea of the card—my deferred gratification. You do it for ages, you do not get paid that much during it, but at the end you have got a card and you show that to an employer and he pays you decent money. That is the deal, isn't it? Have we got that right now, and if not what do we do to make sure that that exists? "You have got that: it is a valuable ticket to a decent job with decent money."

David Massey: That is certainly the aim of the trailblazers. Long term, if we let these things play out, that should be what we have at the end of it.

Chair: But we do not.

David Massey: Not at the moment.

Professor Fuller: Not yet.

Q48 Bill Esterson: One of Doug Richard's recommendations is that employers should play a greater role and should be at the centre of designing apprenticeship standards. What is going to be the impact on the quality of apprenticeships for 16 to 19-year-olds of employers being at the heart of standards?

David Massey: The rationale for having employers at the heart is that it raises quality, so the only training or development that goes on within an apprenticeship is relevant to the employees within that industry. It should boost quality, and that is the rationale for it.

Bill Esterson: Whatever the age range?

David Massey: Yes.

Q49 Bill Esterson: One of the concerns raised, including by the Association of Accounting Technicians, is the impact on SMEs and their willingness to employ younger apprentices if the new standards are dominated by larger firms. Do you think they are right to be concerned about this?

David Massey: It is part of the business criteria for having the new standard setup that SMEs need to be represented. Again, that will vary from sector to sector. Where there are more SMEs in a sector, there should be more SME representation, but definitely the aim of the policy is to have SMEs represented.

Q50 Chair: The question is whether it works. It is all very well saying we have got SMEs, but they are too small; they do not do it. The big companies dominate the discussion, and you have got one guy from a tiny company who struggles to have the time and space to understand the context within which the decision is being made. How on earth do you get that balance?

Professor Fuller: Sorry to mention a foreign country again, but in Switzerland the Government have a really tough stance on this. It says there will be one apprenticeship per occupation, and it is up to employers to get together to define and decide what that occupation is and what the training process and inputs should be in order to reach that. They have to come to an agreement about it, otherwise it does not count as a Government-recognised, federally awarded scheme.

Q51 Chair: Is that a recommendation for us?

Professor Fuller: That is one way of dealing with that particular issue.

Chair: I am just asking whether that is what you are suggesting or not.

Professor Fuller: Potentially it is a good way forward. If we are saying it is employer-led, employer-designed and so on, then it is not helpful if you have a line of attack that says, “Well, it does not work for this whole great range of employers.”

Chair: Forced co-operation.

Q52 Bill Esterson: Do we have the structure within industry for employers to work together to an extent to achieve that in this country? That is one of the features of Germany and Switzerland—that they have those sorts of sector organisations.

Professor Fuller: You have to start somewhere, don’t you? The trailblazers are putting in place a mechanism that is allowing that to start to develop. Where we struggle is in terms of giving time for some of these things to develop. We put artificial timelines on and say, “We must have a result by X,” which means that people behave in ways that are going to deliver that result rather than keeping their eye on what the key purpose is.

Q53 Chair: We are also more believers in carrot than stick. Does a bit of stick need to be put about, Paul, with employers to get them to input?

Professor Croll: Employers are absolutely crucial because the relationship between the supply and demand of apprenticeships is the opposite of a market. There is no reason for employers to respond to demand. But if there is supply, the demand will be there. Supply will create the demand. Young people will do it if it is there, so employers have to be persuaded that it is in their interest. Committees like yours have to take a long view. Today's 16 to 19-year-olds will still be working in 50 years' time, and none of us have the faintest idea what they will be doing, do we? They need to get into this notion of learning as a continuous process that carries on into work. If employers need directing to do that, then that is a Government role.

Q54 Chair: David, quick thoughts on that? Does there need to be a little more stick on employers?

David Massey: It is hard to say. It is a hard argument to win. I would say that amongst employers there is a huge appetite to do more. About 15% of all employers offer an apprenticeship right now, but about a third overall plan to do so in the future. We should focus on trying to make that a reality.

Q55 Chair: They have probably always said that, but many of them have not actually participated. The question is do we stick with the carrot and have consistency in a solid reliable framework for time and encourage them, or should we go in with a stick? Yes or no? I am looking for recommendations for this report.

David Massey: Stick with the carrot for now.

David Sims: I would say the same, otherwise it becomes perfunctory, doesn't it?

Chair: Yes, that is the danger. Compelled co-operation is not normally much in the way of co-operation.

Q56 Neil Carmichael: Can we just probe this business about the SMEs a bit further? One of the big problems obviously is that if you are a really small firm you need an apprentice, but it is going to be hard for you to justify having one. What measures do you think we can introduce, or at least think about, to help that to happen?

Professor Fuller: Group training associations have quite a long and respectable history in this country, but it has been relatively small. They came into being precisely to try to deal with this problem, providing a mediating, brokering and training-provider role to help small employers come together to share and pool resources and expertise. We have a network of group training associations nationally and across different sectors, and it is growing.

One of the potential flaws or pitfalls of a continual focus on employer-led and employer-owned is potentially disincentivising partnerships. What small and large employers tell us is that they do need help with this. Group training associations are a really important part of the solution for particularly the smaller employers in terms of helping to defray costs and so on, share the risks and those kinds of things. For the apprentice it is providing opportunities for them to engage with other apprentices from other similar companies, and

share training, rather than being isolated, because that is also not a hallmark of a best quality apprenticeship either.

Q57 Neil Carmichael: One of those risks for SMEs in particular is that they train somebody who then goes off somewhere else. That is certainly a concern that is often expressed to me when I talk to SMEs in my own patch. I know it is a general problem. Certainly the FSB and organisations like that would talk about this in those terms. What do you think about that particular problem? How can we counter it?

Professor Croll: I know we are not supposed to talk about other countries, but other countries just ignore that. They just do not take the free-rider notion as a view—that we train them and they go off. They say, “We are all in the same market for people. As they go off to someone else, we pick up somebody else’s.” But you are right; there is a culture of: “Why should we do it when they may not stick with us?”

Q58 Neil Carmichael: What about the change in funding that has recently taken place? That must be a bit of a disincentive to SMEs, or do you think that the answers you have already given me, particularly to the question about the group work and so on, represent an alternative way forward?

Professor Fuller: Employers and providers are very worried about the funding changes. There is no evidence that employers are keen to take responsibility for the funding in the way that is being expected. There has been a very helpful role provided by organisations such as group training associations in managing that and being the interface. There is a concern that that will be off-putting.

Q59 Bill Esterson: Won’t it have a particular impact on 16 to 19-year-olds who are fully funded at the moment, but will not be?

Professor Fuller: It might do, because if the funding is going to be going straight to employers, and therefore there is going to be far more onus on them to be commissioning the training and so on, then they may decide that it is not worth it. There is a big concern about it.

David Massey: On the other hand, if funding is routed via employers, it means the employers get the right amount of funding allocated for that apprentice. If they should be getting greater funding for a 16 to 19-year-old, that is that they get. As I was saying before, that is not what happens right now. We have not got the 100% funding for 16-to-18, and 50% for 19-to-25-plus, which is the policy. We have got a kind of generic, occasional cash contribution, so if employer-routed funding is done correctly, and we are not saying it is an easy thing to do at all, then they should give the right amount of money to the employer.

I will accept that there is no consensus on it, but I have talked to many employers who think that employer-routed funding could potentially be a very powerful lever.

Q60 Neil Carmichael: Yes, because a lot of them do. If you take the shortage of HGV drivers, which is apparently something like 50,000, requiring drivers to come from eastern Europe to fill the gap, it is still causing difficulties in the industry. I had a discussion with the RHA yesterday, and one of the points they made was, “Yes, we would like the funding to come direct to us,” and all the rest of it, and they are going to make a further application. But the central problem, as I see it, in that sector is that young people do not even know that that is a job that they should be going to. We need to find ways in which we can funnel people to the right places, and certainly where there are vacancies. How do you think we can capture that if we are talking about SMEs? Incidentally, a lot of haulage companies are SMEs, but I am not talking just about haulage.

Chair: Without repeating what you already said about careers advice and guidance, any specific thoughts on that?

Professor Fuller: I am not sure if learning to be a HGV driver is an apprenticeship.

Neil Carmichael: It is not really an apprenticeship, but it is a traineeship.

Chair: Thank you. That deals with that very well.

Neil Carmichael: It does not.

Q61 Chair: Sorry. Just quickly on the funding issue, I remember hearing at one point somebody suggesting a sort of hybrid. If the Government are right, as you suggested, David, greater employer control may turn out to be a really positive thing in the long term, and it may turn out that it is not as administratively overwhelming as some SMEs fear. But the fear is in the short term that a lot drop out. Should there be a hybrid where that is the direction of travel, but people are allowed to keep using third parties to do it in the meantime until we see whether it works?

David Massey: That is definitely a possibility. It would need to be piloted and sorted out first. The other thing is that this is not something for the short term. We would need to make sure the system was absolutely right before we put it in place. While at the commission we are big advocates for employer-routed funding, that is on the caveat that it is simple and it works for all the employers involved.

Q62 Neil Carmichael: Do you think that LEPs have a role to play in this process? So far I do not think we have discussed them, and yet obviously they have got some knowledge of the labour market and a clear, obvious and defined interest in encouraging training. Would it be appropriate for LEPs to take a more strategic role in helping SMEs through this area?

Professor Croll: Sorry, I do not know enough about it.

Q63 Chair: If I can press you on this, from this introduction, with the data we have got, some people say there could be a huge drop back of SMEs in apprenticeships. If that were to be true, it could potentially be devastating, certainly in the short term, for young people entering them. David, you said things we could do were being piloted. Are there any other comments on this? How do we get the right balance so that we accept the idea that

employers should have a greater role to play but not risk turning off SMEs from moving away from it because it looks like too much of a burden? Any thoughts on that, Paul?

Professor Croll: Again, sorry, no.

David Sims: Trailblazers are populated mainly by larger companies in reforming the apprenticeships, so there is a role here for reviewing that process, and perhaps trying out what they have produced with SMEs to get their input to that process, so that SMEs are perfectly comfortable and confident with the new style apprenticeships, and to make sure that they meet their needs.

Q64 Alex Cunningham: We have talked about the employers a lot. One of the biggest employers in our communities is local authorities and the public sector. What role do you see for them in determining where funding should go to create apprenticeships? Are they the co-ordinator for the SMEs? Could they be fulfilling that role—a role they played did 20 years ago?

Professor Fuller: It touches on the LEP point as well, about the role of the local/regional in helping to co-ordinate this. We do have quite a number of potential organisations that could be involved in that. It is not clear at the moment who is in charge of that and whether it is being co-ordinated, so you are right. I was in Southampton for a long time, and the local authority had good capacity on this and was playing a strategic role in partnership with others in the city. Then the LEP came along and it was, “What is going to happen now?” and things like that. Locally, it may be different city to city, but definitely an argument could be made for a stronger local hub co-ordination function.

Q65 Chair: But in answer to the question, LEP or local authority, if there was to be that?

David Massey: If it comes back to employer-routed funding, then it is down to the local employers to decide. If the employers want to get together in a local area and work with the GTA, or set one up, then what works for them should be the driver.

Q66 Chair: Will they be allowed to do so under the current proposals?

David Massey: I am not sure; I can come back to you.

Q67 Neil Carmichael: It’s all a bit casual though, isn’t it? Professor Croll made the point before about Germany, and you all talked about various examples. They just simply have a structure: the chambers are structured in Germany, and all businesses have to be a member of them. Those chambers feed back information about data, labour market movements and so on. The whole process is pretty much geared to make sure the person who is needed gets to the place he or she should be.

Chair: There is a question, I am sure.

Neil Carmichael: Now, so far what we have not had is a description of how something similar might be constructed here. Has anybody got any thoughts?

David Massey: There are the burgeoning industrial partnerships, which were set up as part of the employer ownership funds, and we have got eight of those up and running now. Again, with the trailblazers, those groups of employers that are set up around those apprenticeships might become something long term, but if there is one thing I want everyone to take away from this it is the commitment to stability over the long term. We are not going to get to a system that is like Germany or achieves that kind of success in the next Parliament, or even the next two Parliaments. It is something for the next 15 or 20 years, and what we need for that is a stable and long-term vision.

Q68 Mr Raab: Some employers say, and they have done for a long time, that young people are just not ready for the workplace and, therefore, are not ready for apprenticeships. How big and serious is that as a problem?

David Massey: Our overwhelming evidence is that it is about work experience and access to the workplace before you start your apprenticeship. Of our survey of 90,000 employers, which we do every two years, employers that recruit young people, whether it is from school, college or university, tend to be quite happy with them. But where they are not, it is down to lack of experience in the workplace.

Q69 Mr Raab: But what is the scale of the problem? How serious is this problem quantitatively and qualitatively in those surveys you have done? How many employers are saying that in relation to apprenticeships for this age group they are not ready for it?

David Massey: There are very few that are saying they are not ready for work. For example, of all the employers that have taken on a 16-year-old straight from school, about a third of them are saying that they are poorly prepared. When you ask them why, it is down to work experience. It is about a third of employers that are taking on that youngest age group. That is a smaller group as you get older, to the point where they are mostly satisfied.

Q70 Mr Raab: Has this got worse? It has been a sort of longstanding bugbear of employers. Is it getting worse?

David Massey: One of the things that is getting worse is it is more and more difficult to get access to the workplace. The main reason is what we call the death of the Saturday job. Lots of young people used to gain experience of the workplace through having a part time job, and that has been on a long-term decline for about the last 15 or 20 years.

Q71 Mr Raab: Why is that?

David Massey: Good question. It is partly to do with the fact that it is more difficult to combine work with studies because the studies themselves are more demanding, and the sort of advice that young people get is also down to the fact that there are fewer jobs that are readily able to combine with work.

Q72 Mr Raab: I did a Saturday job when I was doing my A-levels, and in fact during the last year of GCSEs as well. That was a Saturday job—maybe six or eight hours or whatever. Is it because of homework or coursework?

David Massey: Yes, because of homework, but also because the sorts of jobs with that number of hours are declining. The structure of our labour market is changing.

David Sims: Also work experience for the 14 to 16-year-olds has been largely discontinued, so there is a gap there that was not there before.

Q73 Chair: Should that be reversed?

David Sims: It should be, yes.

David Massey: Work experience as part of education is really important as long as it happens at some point. If it is not happening between 14 and 16—if everybody is staying on to 18—it has got to happen post-16, but I am not sure that everyone thought work experience was perfect before, when we had that entitlement. It is about the quality.

Professor Fuller: A hallmark of the highest quality vocational education programmes is mandatory work placements that are structured as part of the curriculum. We do not have a strong tradition of having that, so our vocational programmes do not have work placements as a mandatory element. There are limited opportunities for young people to have experience of the workplace if it is not available in terms of Saturday jobs or as part of a programme.

Q74 Chair: The 14-to-16 thing was removed. Was that a good or a bad thing, yes or no? Work experience at the appropriate time of the right quality we would all like, true. Everyone in the world agrees on that. The question is what you do about it.

Professor Croll: The opportunity should be maximised. The greater flexibility of having it 14 to 16 is positive. The ratings of work experience are all very positive.

Q75 Mr Raab: What about young apprenticeships for 14 to 16-year-olds? They were started in 2004 and phased out with the end of the Government. When you look at all the evaluations, they were phenomenal, and they deal specifically with this problem. At least having it there is a choice. They are quite expensive, so there is a fiscal aspect, but would the panel, again in the hunt for recommendations, think that that is something that ought to at least be there as an option?

Professor Fuller: We were talking about this before we came in, and were all agreed that we were disappointed that they had been phased out, and we were not clear that there was a strong evidence base for phasing them out. The strong feature of them was that it was not a case of closing down options for those 14 to 16-year-olds who were on that programme because they had to do seven GCSEs as well. It was an enhanced 14-to-16 programme, and the evidence is that the graduates from that programme were going in all sorts of different directions: some into pure A levels; some into Level 3 vocational full time; and some into apprenticeships. It did not seem to be closing doors, and it did seem to be providing a vehicle for developing very good employer/school relationships.

Q76 Mr Raab: Do the others agree?

David Sims: Yes, I agree with that. NFER did a national evaluation, and we found all of those positives. It is worth pointing out there was extensive work experience for those young apprentices.

Q77 Mr Raab: There was two days a week in the workplace.

David Sims: Yes, so it was integral to the programme.

David Massey: Anything that provides extensive work experience for young people is a really important thing.

Q78 Mr Raab: Sorry to repeat the point, but it is also about choice for the youngsters. The truancy rate spikes between 14 and 16, and one of the reasons is that some just do not enjoy academic learning as much as others, or need a balance. Is that not part of it as well, from the youngsters' point of view?

Professor Croll: Absolutely, yes.

Q79 Mr Raab: During the first three quarters of 2013-14, 5,400 16-to-18-year-olds joined a traineeship, which was the replacement for Access to Apprenticeships. Should we be concerned about the low numbers?

Professor Croll: Talking outside, we agreed that we did not know much about traineeships. You may need more expert views than we can give on traineeships, I am sorry.

David Massey: We all agreed it is early days. Again, I have not got the figure to hand, but I can give you a figure of what share of employers say they are aware of traineeships and not offering them. But it is early days. At the commission we think the principle of combining English and maths with work experience and job preparation is a good principle for a programme to lead to work, but it is still early days.

Q80 Alex Cunningham: Just to follow on that theme before I move to something else, I think it was the previous Tory Government that introduced education business partnerships. They proactively went to employers; they encouraged them to give young people work experience. They had a wide range of work experience opportunities. That has dried up largely. Schools tell me that employers are not providing those opportunities. David, you said you surveyed 90,000 employers on various things. How many of them are providing or proactively providing work experience to young people?

David Massey: Just under a third offer it now.

Q81 Alex Cunningham: If we take that across that country, only a third of employers are engaging in a programme to provide opportunities to young people, which they say they need and everybody agrees is extremely valuable. Why is that? Why are employers not doing their bit more comprehensively?

David Massey: Again, in our surveys we ask them why that is. The first major reason is they say they do not have suitable roles. Unpacking that slightly, it is the fact that lots of people work in offices and they do not think it is going to be an interesting place to have a young person along. Also, it is the recent change in the policy. Lots of employers still think of work experience as being two weeks that happens between the ages of 14 and 16. They do not realise that policy has shifted on, and that for some work experience might be for an older cohort, and having a 17 or 18-year-old in the workplace is a very different proposition for employers. It might be more preferable.

The other reasons they give are time and resources, and that is particularly the case in smaller businesses. It is a challenge. As an organisation, we try to practise what we preach and deliver work experience, but it is a challenge. The final major reason is that they have not been asked. Many employers simply have not been asked; they have not been approached by a school or college to do so.

Chair: How do we do that? That seems to be the point. I do not know how much we do. Alex has an apprentice in his office, and congratulations to him; the rest of us, I do not know. I do work experience, but it is not on an organised basis. I suppose if I had been asked and there was a programme, I would sign up to it and offer more. If that was true of other employers across the country, we would suddenly have a transformation in the amount of opportunities there were. What should we do to make that happen?

Q82 Alex Cunningham: That is exactly my question. What should we recommend happens, whether it is a Government action topic for employers or advising schools to engage better with employers? Maybe we should encourage employers to be more proactive. What should we be doing?

David Massey: All of those things. Going back to your example about the education business partnership, some of them are still going and thriving. I was talking to the rest of the panel before we came in; I had a conversation with someone from Lincolnshire & Rutland Education Business Partnership, and they seem to be doing exceptionally well. They work across 60 schools, providing 4,000 work experience places a year in Lincolnshire, and have links with about 15,000 employers.

Q83 Alex Cunningham: Should our recommendation to the Government be we should bring back the education business partnership model? It was a good idea by the last Tory Government.

David Massey: It depends which model works in that particular area. In some areas it is the chamber that is doing those sorts of things. I have spoken to the British Chambers of Commerce, and in St Helens and places like that it is the chamber that is taking the lead. As long as there is someone taking the lead in the local area, that is the most important thing.

Q84 Chair: Should there be a gigantic sign in the middle of our city giving the percentage of employers who are offering work experience? Should it be like one of those fundraising things that goes up as we increase the per cent? Do we need to make visibility on it? If someone asks you and they tell you, “Please do it, and you need to do this to get a tick and to have the certificate in your window,” more people would do it. But if we do not ask, we do not get, do we?

David Massey: The local area can be really important. There was a campaign a few years ago in local areas where they tried to do 100 apprentices in 100 days, and they were locally led campaigns. Something local could be done around work experience as well.

Chair: We have pretty much exhausted our time, but you can have one last go, Alex.

Q85 Alex Cunningham: I wanted to talk about young people applying for apprenticeships—why they do so and why they do not do so. When I had my last apprentice, we had 16 applicants. Eight of them fit the criteria; we shortlisted every single one of them. Two of them turned up and one was appointed. Why are young people turned off or not keen on apprenticeships?

Professor Fuller: Demand outstrips supply for young people. There is an appetite from young people for apprenticeships, where they know about them and where the information is available. The blue-ribbon apprenticeships are absolutely massively oversubscribed, and it is harder than getting into Oxbridge, to coin a phrase. There is an appetite amongst young people for getting in. It is more of a demand issue.

Alex Cunningham: It is not demand; it is a supply issue.

Professor Fuller: The supply of young people is there that would like them; it is the availability of apprenticeships from employers, because they have to be employed. That is key.

Q86 Alex Cunningham: What do we do to get our industries to step up to the mark? I worked in the gas industry in PR for many years. We had huge numbers of apprentices going through, and then we found out that they had sufficient. All the schools closed and they now rely on outside agencies to train the people coming through. There is an ageing workforce. A lot of the people who trained as apprentices 40 or 50 years ago are in their 60s now. There is nobody coming in behind them, yet the employers are not responding to that.

David Sims: The different sectoral industry bodies need to promote apprenticeships more, don't they, to promote the benefits to employers. We talked about some of those benefits earlier, but there is a major promotional challenge there to convey those key messages.

Chair: Perhaps we have time for one more question.

Q87 Mr Ward: On the question of wider participation, we are all aware in HE of the Aimhigher programme and everything else and we know of the shortcomings in careers advice for all young people. However, do we need an equivalent operation to ensure there is a

greater diversity in terms of those who are taking up the apprenticeships? The record does not seem to be good in terms of ethnic minority groups and those from poorer backgrounds.

Professor Croll: The problem at school level is that often apprenticeships are stereotyped as being for low attainers and people from poorer backgrounds. Those are the people who say they are going to go into apprenticeships. At the level of entering apprenticeships, that is not the case. It is not typically low attainers and it is not mostly people from the poorest backgrounds. There is an issue of seeing apprenticeships as an appropriate aspiration for people who want good careers. At the moment, at school level it is not seen enough like that.

Q88 Mr Ward: Do we need an equivalent programme? Universities have now been forced to ensure they have wider participation and greater diversity. Do we need an equivalent programme for encouraging people from diverse backgrounds into apprenticeships?

Professor Fuller: There is a huge challenge and opportunity to strengthen the sub-bachelor higher vocational provision and share this. There is evidence that the higher apprenticeship idea—whether the label is right and so on is a bit controversial—is having some effect in reinvigorating interest in Level 3, 4 and 5 vocational training.

For young people from a range of backgrounds—lower socioeconomic and ethnicity and so on—that is an important carrot, for them to see there is a route into good jobs that can be scaffolded through that higher vocational training. That is a really positive development that I am picking up from my research: people really concentrating on we can create really good quality programmes that lead to this kind of level and which do provide an alternative work-based route than university. There is some evidence that that will appeal to diverse groups.

Chair: Thank you very much. I need to bring this session to a close. Thank you very much indeed. There are a couple of issues we did not get to touch on, so we may be in touch, if that is alright. If you have any further thoughts, please write to us—particularly around recommendations; that is, things that should be protected that may be cast away in the spirit of reform at some point, as well as things that need to change.

Mr Raab: We would be grateful if we could have written answers on the stuff on international evidence that we did not get to.

Chair: Yes, particularly on the international evidence as well we may ask for any additional thoughts that are not in your submissions. Thank you very much. We are going to switch as quickly as possible to the next panel.

Examination of Witnesses

Witnesses: **Kirstie Donnelly MBE**, UK Managing Director, City and Guilds, **Rob Wall**, Head of Employment and Education Policy, CBI, **Eileen Cavalier OBE**, CEO, London College of Beauty Therapy, and **David Harbourne**, Director of Policy and Research, The Edge Foundation, gave evidence.

Q89 Chair: Welcome. Thank you for joining us. I think you have heard the evidence in the first session. There were a few gaps there, where we struggled to get evidence on certain things. Is there anything you picked up that you would like to comment on, having sat and listened to that? Is there anything you would like to fill in or are there any differences of opinion from what you heard on the first panel?

David Harbourne: Almost everything, Chair.

Chair: That is excellent. I will pass it over to you, David. We love a controversialist.

David Harbourne: If we go backwards, on work experience and small firms, the last year in which data were collected was 2008-09, when it was more or less universal in Key Stage 4. About 500,000 young people had work experience placements in that year, with 404,000 employers, of whom 60,000 had not provided placements the year before. There is no shortage of volunteers amongst small firms. The difference was that in those days an education business partnership would ring up an employer and ask, and if the employer could say yes, they would. Losing that network was a big mistake. It was a big mistake to withdraw work experience from that age group.

What we tend to do in this country is to look at something and say, “This bit is not working, so either we will get rid of the whole thing or we will start again,” and that is a mistake. It is a similar mistake that we are risking making with apprenticeships for 16 to 19-year-olds. One of your very first questions was: what has changed since 2010 in apprenticeships for that age group? Right now, the answer is almost nothing. The number of apprenticeships of less than 12 months for that age group was always tiny. Right now, the apprenticeships for 16 to 19-year-olds are remarkably similar to the ones the current Government inherited. We are at risk of throwing good practice away because we think there are problems elsewhere in the apprenticeship system.

I have plenty more I could say, but for brevity I will stop there.

Chair: No, that was an excellent start.

Q90 Alex Cunningham: It is good to start with a double recommendation at the front of what you said there, David. Work experience should be reintroduced into Key Stage 4—that is a clear recommendation from you—and it should be compulsory. Secondly, you think an education business partnership or similar organisation would add value to what we are doing.

David Harbourne: Yes.

Kirstie Donnelly: I would go one step further. Absolutely, we should bring work experience back. We would back everything that David said. Other research we have done with employers around making education count clearly says that is fundamentally what

two-thirds of them are saying. I slightly disagree with the colleague earlier who said that a lot of employers are satisfied. One of the big issues is they are not satisfied with the level of knowledge and appetite for work that young people have. They may have technical know-how, but they do not necessarily have the ready-to-work skills.

The other thing is it does come back to IAG. We are going to see IAG coming out in pretty much all of the recommendations. How do we bring that back as part of the prevention, rather than trying to adopt it as the cure? The other fundamental thing is about, until we integrate vocational 16-to-18 apprenticeship and traineeship-type programmes and we measure league tables in the same way as we do for other school league tables, we will never have the true parity we could have, which would really raise the esteem, the attainment and the aspiration for young people going into apprenticeships.

Q91 Chair: What does that like that, then? What should that look like?

Kirstie Donnelly: What I am suggesting is, as a recommendation, we would clearly say that 16-to-18 vocational education needs to be recognised alongside further education; it needs to be bedded in and integrated, so somebody doing a one or two-year vocational programme at 16 to 18 can do it inside further education.

For example, if you take a traineeship, it could be done with an employer as a one-year full-time programme. Equally, however, those all-important pre-vocational work-ready skills could be recognised and, alongside that, if schools were also judged on the number of apprentices they put forward, just as they are on the number of people who go on to HE, for example, we might see some difference in parity coming back to the measurements. The school league tables are always geared towards people being taken in one direction.

Q92 Chair: We start these inquiries as lay people and sadly we end them as lay people and not experts. Be very clear with us about specific recommendations, rather than assuming that we will understand what you mean.

Kirstie Donnelly: The specific recommendation is, just as we have school league tables now measuring the performance of young people leaving full-time education, we should put other measures in there such as young people leaving into work-based programmes such as apprenticeships. If we did that, we would raise the profile of the schools.

Q93 Neil Carmichael: Can I ask where university technical colleges fit into that description and the set of recommendations you have given us?

Kirstie Donnelly: I am sure David will want to say something on this. Clearly university technical colleges have made a mark in STEM, in the science, technical and manufacturing areas. They have not become fully embedded across the broader range of curricula that I would be talking about. This recommendation would impact across a broader range of vocational areas. There is still an issue about people's perception, and then we go back to the IAG.

Those choices have to be correctly positioned, as they are in Switzerland and some of the countries you might have been touching on earlier when you mentioned international

practice. At 14, there is a much clearer choice; there is a much clearer IAG process that allows young people to understand what that broader choice is. We are lacking that at the moment, which is why UTCs are a bit narrow.

Neil Carmichael: But they start at 14 as well, don't they?

Kirstie Donnelly: Yes.

Q94 Mr Raab: We had unanimous evidence from the previous panel that that the removal of young apprenticeships for 14 to 16-year-olds was a mistake. As the more employer side of things, do you agree with the evidence we taken this morning—that it should be there as an option?

David Harbourne: Scotland is introducing exactly that right now. They are calling it the foundation apprenticeship. That will combine two days of apprenticeship learning with learning in the classroom. They are doing it at what we would call years 11 and 12. It is a subtle difference from the young apprenticeship programme, but it seems to me a perfectly good option and one that is the closest we are going to get to the Swiss model.

Q95 Chair: In the predecessor Committee—I am the only survivor of that particular time—we mournfully accepted the shutting down of the Young Apprenticeship scheme by the previous Government on the grounds of cost. My colleague Dominic has been bringing up regularly with me since that it was a mistake. Does anyone have any insight, seeing this is a specific recommendation from two panels now at the beginning of our inquiry? I do not know if you have any expertise on the way they ran, why they were so expensive and what could be done to make a Committee like this not have to accept mournfully their demise in the future.

David Harbourne: Yes, Chairman. The current Government phased them out because of cost.

Chair: The previous Government phased them out.

David Harbourne: No, no. The current Government phased them out; the previous Government capped the numbers to 9,000 per cohort. That meant that if you had a school in which you had four young apprentices, there was a net additional cost. There were no offsetting savings to the school whatsoever. I think I am quoting accurately from the Conservative Party manifesto for 2010, which said that the numbers should rapidly be expanded to around 30,000 and potentially beyond. If you had increased the number of Young Apprenticeship places, you would have achieved the economies of scale that were never achieved when the numbers were capped at 9,000 per year.

Chair: It sounds like this is excellent timing for everybody's manifesto. It could be embedded in all of them.

Eileen Cavalier: We are in a very specific industry, the beauty industry, which is divided into two main areas. One is beauty treatment and one is beauty retail. For beauty treatment, it is virtually impossible to deliver the qualification as an apprentice; for beauty retail, it is. You have two completely different types of employer. In the beauty treatment

sector, the beauty therapy side, they are 87% micro or small businesses, whereas in beauty retail you are talking about large and macro companies. There are two different markets entirely.

Q96 Chair: Why is it impossible to deliver an apprenticeship in beauty therapy?

Eileen Cavalier: One, it is that they are micro and small employers, so they do not have the resources to be able to supervise that young person within the workplace. However, the other side of it is predominantly because of the level of skills. It is also highly regulated. In London, it is considered a special treatment under the London Local Authorities Act 1991, and effectively what that means is that a person of whatever age has to be qualified first in order to be able to carry out a treatment on a member of the public.

In fact, there are very solid reasons behind that. There is no supporting role for an apprentice in the beauty-treatment sector. I am talking about it from an employer perspective. The analogy I can draw is if you have an apprentice chef, a chef goes in and they start by learning how to cut vegetables and then doing sauces, and then they will gradually move on. If that apprentice makes a mistake cutting up the vegetables into the wrong size or whatever, it is not going to make any difference to the client, the diner. It is not going to make any difference to the business. If a trainee was to do a treatment on a member of the public and did it incorrectly, it could be a danger to the member of the public and can be a real risk to the business itself. There are very solid reasons why that is in place. Whilst the legislation only applies to London, in fact it is industry practice throughout.

What it boils down to is that apprentice is unable to be effective within the workplace and support the employer in the workplace. That is a very solid reason.

Chair: Sweeping up the hair is not great training, apart from punctuality.

Eileen Cavalier: It has nothing to do with hair. Beauty is a completely different sector from hairdressing.

Chair: My apologies.

Eileen Cavalier: It is connected to hairdressing, but it is completely separate.

Chair: Whoops.

Eileen Cavalier: I have no idea why it is the Hairdressing & Beauty Industry Authority that covers it. Beauty treatment sits within Habia, which is hair and beauty, and beauty retail sits within retail, which is People 1st. It is separate.

Chair: On behalf of my size 11s, I apologise.

Eileen Cavalier: No, it is all right.

Q97 Chair: Do you have any reflections on first panel?

Eileen Cavalier: It is absolutely right. I completely agree about Key Stage 4—that they should have work experience. We have 20 years’ experience working in schools and running all sorts of programmes. We led on the Diploma in Hair and Beauty Studies, in fact, which we built into something very successful and which disappeared overnight. In fact, at the moment we do not have any schools programmes running or coming in, because of a lack of funding to support it. Schools cannot support it.

Rob Wall: I am not an expert on hair, as you can imagine, but in terms of reflections on what has been said, I would like to add our weight to the call for the restoration of work-related learning at Key Stage 4. The CBI has been calling for this for some time. Yes, there is a challenge to employers to step up and provide quality work experience, but we also want to be ambitious in our definition of what work experience is to encompass that.

Q98 Chair: What is your definition? We have the week. My eldest daughter still claims that the week of work experience I organised through a friend was the worst week of her entire life, and they really put a lot of effort in and made a tremendous effort to make it interesting. She just did not find it that way.

Rob Wall: It should be broader to encompass all those different types of employer interactions—so, the inspiring speaker, the work-based project, the visit to the factory floor as well as the traditional placement within industry; and the more, the better. We know from research done by others that the more interactions young people have with the workplace, the better their employability prospects.

Q99 Chair: Should it be that discrete week or two weeks, or should it be a day a week for a number of weeks and somehow fitted into things? How would that work?

Rob Wall: It should be flexible. It should be flexible around the school needs and the needs of the local economy. We talk about Key Stage 4, but I know our Director General and you, Graham, went into a primary school. It should be down that pipeline as well. There is something fundamental there about how we view business within the education system. We would like to see a much deeper, smarter engagement to provide that inspiration piece.

I know the previous panel spoke about diversity within apprenticeships. We heard the fact that only 1% of young construction apprentices are women. The way to challenge that is through schools—to get that inspiration early on. You cannot tackle it at 16; it is too late.

Q100 Bill Esterson: Is this about a fundamental shift in the way we that treat vocational learning in this country? How do we change that?

Rob Wall: It is also about a fundamental shift in how we view the role of education. Whether you want to pursue an academic or vocational stream, you need exposure to the workplace, because what we hear from employers, not just when they are recruiting at school-leaver age but when they are recruiting graduates, is that that work-readiness is not there.

Kirstie Donnelly: Can I come in on that? Whether we bring back apprenticeships at 14 is a really important point. In a way, I do not know whether that is the right question. What we are asking is: do we bring back recognised vocational work-ready programmes that combine all of those skills, so you can develop your technical know-how as well as your work-ready skills in a way that does not close you off from still having the option to go into HE? The answer is yes. That does not necessarily have to be apprenticeships, but it could ladder into an apprenticeship or, indeed, a higher level apprenticeship.

Q101 Chair: There was this specific young apprenticeship programme, however.

Kirstie Donnelly: There was, yes.

Chair: It had a structure; it had something that you could get your head round as to what it was.

Kirstie Donnelly: But you were talking about expense before. What I am proposing does not necessarily mean that it would not have the same expense, because what you are saying is that you are rethinking the curriculum and you are putting vocational work-ready programmes back into the curriculum. You do not have to call them apprenticeships, but they ladder ultimately into an apprenticeship and you do not have the same cost bearing. That is what I was trying to comment on.

Q102 Chair: That is your comment on that. Rob, I want to get the CBI on this point. Should Young Apprenticeships scale up? If they were scaled up, the cost would come tumbling down and they would start to create—

Rob Wall: I am not sure we have come out with a strong view on that specific programme. However, we like the diversity we see within the education landscape. There are lots of different routes and pathways that can provide options to higher skills for different needs.

Chair: You like that.

Rob Wall: Yes.

Q103 Chair: Isn't one of the big fundamental issues around vocational education that it is so un-navigable? People sit there agonising over the courses their children will do at university and which university they go to as if that is complicated. Try being in the majority of the population who are not going to university and then try to work out where you go.

Rob Wall: There is something about information. This takes us back to that careers piece. We have called for a vocational UCAS-style system. In one place, young people can go to get a feel for better information around the range of vocational options and apprenticeships available. This will raise that parity of esteem. I know the Deputy Prime Minister announced a pilot; we have seen nothing since. There are things we can do to tackle some of those issues.

Chair: I will resist making any comment on that.

Q104 Bill Esterson: Will bringing back work experience, building on UTCs and Young Apprenticeships, change the culture so that vocational learning is valued as it needs to be or is there something else missing here?

Eileen Cavalier: What is really missing at the moment is the careers advice. That is absolutely fundamental to the whole thing. We get massive support from employers in terms of all sorts of work experience and coming in and so on, but it really needs to start in schools themselves. Also, they have such a limited view of what their potential is. That is one of the issues.

It needs to be careers advice, employers going into schools, which I know the CBI supports heavily, to give them a very broad understanding of where their qualifications can lead them—what type of careers they can go into. Their view is very limited, and that can very much be their own sort of environment.

Q105 Chair: I am not cutting you off because I do not think it is interesting, but we have done an inquiry into that. You are preaching to the choir here. Are there any specific recommendations that would link to apprenticeships?

David Harbourne: If I may, I will pick up briefly on the university technical college question as well, because, as you know, Edge is a supporter of that movement. One of the principal reasons for establishing the university technical colleges is to break from this vocational/academic divide that says that, if you are capable of doing A-levels and university, that is what you will do, and it is only if you are not capable of those things that you will do the so-called vocational.

That was always a false dichotomy. Indeed, apprenticeships for 16 to 18-year-olds already demonstrate that you can achieve success through the apprenticeship route instead of A-levels. By combining the hands-on learning, the links with employers and the academic curriculum, the university technical colleges are showing that right across the ability spectrum there are pathways for you to follow that will lead to success and can help to answer what someone recently said to me was the most dangerous question in education: why am I learning this?

If you understand why you are learning this bit of maths—you are applying that equation in a particular situation—then you will see an improvement in motivation and achievement. In that way—I am now going to paint a deliberately black-and-white picture—you will start to see middle-class and well-educated parents appreciate that what we currently call vocational pathways can be a route to success for their children and not just, in Alison Wolf’s words, “other people’s children”.

Q106 Bill Esterson: Is getting the middle classes interested in vocational learning the key?

David Harbourne: That is where we will get the shift in our perception of vocational education. It is not the only thing we need to do, but it is certainly a big part of it.

Q107 Bill Esterson: You mentioned UTCs. What about the majority who do not go to UTCs? How do you cross the divide there?

David Harbourne: There, the issue is back to some of the things this panel has already been touching on, which is what happens before the age of 16.

Bill Esterson: It is that mix.

David Harbourne: Yes.

Q108 Bill Esterson: In the last panel, we heard a lot about the difficulty in getting employers involved in apprenticeships. How do we get more employers to take on young apprentices in particular, 16 to 19?

Rob Wall: From our perspective, what has been really positive about the reform programme is the enthusiasm that has been shown by employers. So far, over 1,000 employers have been engaged in the trailblazer process of piloting the new standards. The feedback we have had from CBI members on the new process has been really positive. For many years, employers have been calling for a system that delivers training that is relevant to the workplace and a process that is simpler, and that is what the designs are there to achieve. If you want more employers to engage, then drive through the reforms we are seeing, and then, as the other panel said, provide a period of stability so that employers have the confidence to invest in those programmes going forward.

Kirstie Donnelly: Clearly there are still issues, although I agree with everything Rob says. We are very heavily involved in a number of the trailblazers and there clearly are some very successful models. The digital trailblazer is a very good successful model, where they have taken large employers and the value chain of small employers, which is really where the success needs to be.

To your point before, how do you really engage and get SMEs engaged in apprenticeships? I wonder whether we need to look at the routes such as licence to practise, which is technically what is operating in industries like hair and beauty. In many respects, we already have a successful apprenticeship system operating through a licence to practise register. It is about how we could take that further and embed that so that we get more and more SMEs involved, because until we get SMEs involved we cannot really say the reforms are going to be successful.

Eileen Cavalier: Talking about our own model, it has always been the same issue, this licence to work issue. All of our 16 to 19-year-old learners are in classroom-based learning, but we are a centre of educational excellence, so we are at the heart of the industry. We are totally immersed in employers. We set out to give the young person a very broad experience of all types of employers, because it is a very diverse sector. Therefore, they have a very clear understanding of all the different types of opportunities and career opportunities—which are vast within the beauty industry—that they can go into.

Employers are involved; they are in the college every single day. There will be two or three employer talks going on; there are visits to all of the sorts of things you are talking about. That happens as a matter of course. We do things like provide the comfort zone at the

Ideal Home Show. All of the students are down there on continual work experience all the time. It is a vast, different array of different types of work experience. When that young person is qualified and going out, they fully understand the industry they are going into and they fully appreciate where they can find a long-term career path, which is what happens. We have 90% job outcomes, because we have our own in-house jobcentre. It has been going for 12 years.

David Harbourne: There are two separate issues. There is business involvement in the creation of standards and there is business involvement in providing apprenticeships. Very briefly, I am not a fan of the Richard review. It seems to ignore the fact that employers were involved before. I got involved 25 years ago helping the master bakers create the first national vocational qualifications, then the first modern apprenticeships, then the first national traineeships, which, incidentally, is what they were called before they became intermediate-level apprenticeships.

Employers have been involved throughout those processes, but we have come back to the classic position that, because some employers did not like what their Sector Skills Councils were doing in their name, we are saying, “What was in the past was clearly all awful and we have to start again.” I do not agree with that, not least because 1,000 employers being involved in the trailblazers sounds like a large number until you find out how many businesses there are in this country. The majority of businesses do not want more involvement than they have now. The Government’s own research demonstrates that only 16% of businesses wish they had more influence over the design, content and delivery of apprenticeships.

However, when you come to the question of how you get more businesses to provide apprenticeships, and particularly the 16 to 18-year-olds that are the focus of this inquiry, I would draw your attention to one of the biggest success stories in this field of this Government’s period in office, which is the apprenticeship grant for employers. It provides a cash payment to small businesses that recruit apprenticeships.

When it was launched in February 2012, they started to count the number of grants awarded. Up to April 2014, 83,500 grant payments were made, of which 53,600 were for apprentices aged 16 to 18, and an independent evaluation of the programme has shown that the majority of employers receiving grants are small—80% employ fewer than 25 staff—and around 85% of grant recipients had never previously had an apprentice. That is a carrot that has worked very well.

Q109 Mr Ward: How many stayed on after the apprenticeship ended?

David Harbourne: That we do not know. That raises another issue. In this country, we have a terrible tendency not to do longitudinal studies. In fact, I had a conversation with Kirstie separately a while ago about how we believe that we should be commissioning more longitudinal studies to find out what happens to people who start a vocational programme in a variety of settings over a period of years. We have it for graduates through a programme called Futuretrack, which followed people through university and beyond, and it is a very rich set of data, but we do not have it for people who follow vocational programmes.

Chair: That is a recommendation.

David Harbourne: Yes.

Chair: If you want to flesh that out any more, if you have not done so already to us, then please send it to us. We like recommendations.

Q110 Alex Cunningham: I wanted to ask you about the quality of these places. You said you do not know what happened afterwards. I am interested in the quality. How much of it is a case of another pair of hands in the workplace who can do the photocopying and do the run-around stuff rather than a proper apprenticeship? How do we know the quality that is being delivered for the young person for whom the grant has been paid has, in fact, been of a high standard?

David Harbourne: Very quickly, I would say first of all that, because the mix of apprenticeships for 16 to 18-year-olds has not shifted substantially and as a result of the monitoring of the public funding by the Skills Funding Agency and Ofsted, we have a fair idea of the quality of the apprenticeships being provided. Of course, whatever one thinks of the current apprenticeship standards and how they are created, they have to be approved at a national level by an employer-led organisation. Whilst it is inevitable that people will ask questions about 16-year-olds doing the photocopying, first of all you have to start somewhere—and it is where you end up that matters.

Chair: You said you would be brief, David.

David Harbourne: Secondly, a great many of the apprenticeships have been shown to achieve very good results.

Chair: We have limited time left and we have so far managed to cover the first question. Bill, can we have short, sharp questions and answers from here on?

Q111 Bill Esterson: Yes. I was talking to a 17-year-old apprentice the other day who started in September, and he was telling me he spends two days a week doing great stuff in college, but so far has no work placement. How common is that situation? Does it suggest there is a problem about apprenticeships meeting the needs of employers and, for that matter, the needs of the young people?

Kirstie Donnelly: He thinks he is on an apprenticeship.

Bill Esterson: He has been told he is getting an apprenticeship.

Kirstie Donnelly: He is signed up and doing it, but he technically is not on an apprenticeship. He has been mis-sold in that context. You cannot be on an apprenticeship unless you are clearly assigned to an employer. However, in a way, going back to that earlier point this morning, which was about the supply and demand issue. How do you get colleges, local industries and employers to work harder together so that you do not have that disengagement? It is exactly that kind of disengagement that then gives apprenticeships a bad name, because he is not on an apprenticeship.

Q112 Bill Esterson: The point about the example is this: are apprenticeships meeting the needs of employers and the needs of young people?

Kirstie Donnelly: In a number of areas they are, as David says. In the current reforms there is a lot being done to make sure the end assessment and the work that is done on the framework ensures that happens. It goes back to what I was trying to say earlier: we need to get better at redefining what we mean by “apprenticeships” and stop using it as a broad-brush term. What we mean by “apprenticeship”? That it lasts for a minimum of so many years—two years?—and it is at Level 3?

Q113 Chair: Is that your bid?

Kirstie Donnelly: My recommendation is there has to be a minimum level of time.

Chair: There is: 12 months.

Kirstie Donnelly: I am saying we should raise it. We should have progression from Level 2 to Level 3, and that is how we should recognise an apprenticeship.

Q114 Chair: I like specific recommendations. There we are: we have got to raise it above 12 months. Are there any comments from the rest of the panel?

Bill Esterson: Does anybody think differently from that?

Rob Wall: I am not sure we would agree, because if you are genuine about having employers in the driving seat it needs to meet the industry need. You could have a great 12-month programme; you could have a poor 24-month programme.

Q115 Chair: The point about an apprenticeship is it has this badge with an imprimatur from Government at some level. You might get a fabulous 12-week course that is really brilliant, but it should not be an apprenticeship, should it? It is not just about it being a useful, fit course to have gone on linked to an employer, which is alright. It has other elements, hasn't it?

Rob Wall: The key element for us is that it is a means to an end. It is not an end in itself. Sometimes this arms race around numbers is damaging, because there is only a finite number of apprentices at any one time in the economy if they are to lead to a job. Yes, apprenticeships are a job with substantial training.

Q116 Chair: You would like to cut the 12 months.

Rob Wall: No, it has to have a degree of weight to it.

Chair: It does, does it? Kirstie is simply saying she would like it to be longer, and you have accepted that it should have a length.

Rob Wall: Yes, 12 months.

Q117 Chair: The Government have magically picked on exactly the right period in the CBI's view. How very fortuitous that is.

Eileen Cavalier: I do not agree with that, because you cannot compare apples and pears. What is right for engineering, for example, which is three years, and what is right for retail are two completely different things. It should be an industry-led decision.

Q118 Chair: You would abolish the 12 months.

Eileen Cavalier: Yes, I would. Until 2011, we used to deliver 1,000 apprenticeships for beauty retail, and today we do not deliver any. It is because the imposition of the one year, the SASE—240 hours off the job. There is no retailer in the world that is going to agree to that. We used to deliver it in seven months. We did it in a very specific way, agreed with the employers, because it fitted in with the retail trading pattern.

Kirstie Donnelly: I do not want to go into a history lesson, but if we remember what apprenticeships were really about, they were about starting as an apprentice, going on a journey and becoming the master—having mastery. All we are trying to say is, in redefining apprenticeships, we need to define what we mean by an apprenticeship.

I am hearing evidence around apprenticeships and it is interesting. Even in the construction industry and even in your sector, they are all saying, “You do not get to journey and progress until you have at least served one year.” Often in construction it is two or three years. All I am trying to say is that if we redefine what we mean by apprenticeships, we should put in minimum standards on length and quality of learning. Inside that, you can have licences to practice and other recognised qualifications in areas that allow you to deliver what you need to do, but we should not confuse apprenticeships with everything.

Q119 Chair: Isn't Kirstie right, Eileen? They were good courses and it may have been convenient to call them apprenticeships up until now.

Eileen Cavalier: I agree with that.

Q120 Chair: Maybe they should not be apprenticeships, because they are not genuinely delivering mastery, and mastery might be the core thing to bear in mind when you are designing it.

Eileen Cavalier: I am talking about Level 2 apprenticeships. It was a stepping stone. There was a Level 2 apprenticeship and that was how we delivered it. If they were going to go on to the Level 3, which would be a supervisory/management level within the sphere I am talking about, it should then be a while. I do not have an issue with that.

Q121 Bill Esterson: Should Level 2 be an apprenticeship?

Eileen Cavalier: It is this generic term that we have come up with. This is what we call it. We call it an apprenticeship. It does frighten employers. We deal with huge numbers of

employers and it frightens them, because it seems to be very complicated and they are reluctant to go into it, because it is so heavy.

David Harbourne: On the “time served versus competence” issue, we moved away from time-served apprenticeships when we introduced modern apprenticeships on the basis that people develop their skills and competence at different rates. I do not see a problem with that personally.

Q122 Chair: Could there be three-month mastery?

David Harbourne: That would be an extreme case, wouldn't it? I cannot imagine a 16 to 19-year-old mastering a craft or a skill in three months. However, it would be equivalent to saying you cannot take your driving test until you have had one year's minimum of practice on the roads. Perhaps that is a good thing, but demonstrating competence is an important part of what an apprenticeship is.

As to what they are called, I am ambivalent, because, as I say, what we currently call a Level 2 apprenticeship was introduced—following Ron Dearing's report in 1996—as a national traineeship. The name was changed because employers said, allegedly, that it was confusing to have two names in the marketplace, national traineeship and modern apprenticeship, and that it would be better if we had one name to cover them all. I do not really mind what they are called; what I do believe is that we do need Level 2 forms of provision for that age group.

Eileen Cavalier: Yes, definitely.

Q123 Bill Esterson: How easy is it for SMEs to employ 16 to 19-year-old apprentices? What effects are the changes in funding going to have?

Eileen Cavalier: They are just massive; they are not supporting it. It is as simple as that. It goes back to this issue of employers, whether they are small or large, not seeing a 16-year-old coming out of school having any kind of understanding of what working practice is. An SME in particular, whether it is my industry or any industry, really just does not have the confidence in young people.

Bill Esterson: Is there an infrastructure we could put in to make that possible?

Eileen Cavalier: It would be very difficult. Whatever the funding system, you get this and you get that and it comes back; it is going to make it much more complicated when funding is going to go directly to the employer as from next year. It is seen as incredibly bureaucratic. You need to make it as simple as possible for that SME to be able to take on an apprentice.

Chair: You would like us to—

David Harbourne: Kirstie was going to say yes.

Q124 Chair: I was just going to get to that. Would you like us to recommend in our report that the Government thinks again, and the imposition of direct funding to the employer, whether they like it or not, regardless of industry circumstances is a mistake, and you need some kind of more sophisticated approach?

Eileen Cavalier: Yes.

Q125 Chair: David?

David Harbourne: It is an emphatic yes.

Kirstie Donnelly: Mine is another emphatic yes. Just on that, there is the philosophical point you were making before about how we get interaction between schools and industry, even SMEs, in local communities, with your ticker tape of how many people are coming in to schools to talk about work experience. That is a philosophical CSR, or whatever tag you want to put on it, that we need to try to drive.

However, on your specific point about whether there is a system, through funding, performance league tables and the management of destinations—if we get schools to recognise the value of managing those destinations to an SME—we would see that go up. Whilst it is all focussed on A-levels, GCSE results and university, that will not change.

Rob Wall: We would disagree with that recommendation.

Q126 Chair: That is because you represent great big companies, and they are very comfortable.

Rob Wall: No, we represent businesses of all sizes and all sectors from across the UK, but we see giving employers real purchasing power as integral to the whole reform programme. Yes, the test will be how it works for SMEs. It has to work for SMEs.

Q127 Chair: What about if it were a hybrid system? Why not say, “This is the direction of travel”? I cannot remember which trade organisation it was, but I spoke at some conference once and they were saying they would like a hybrid system. Do not force it on some sectors where they have micro SMEs who are so scared of it they will all drop out and we will lose a bunch.

Rob Wall: Yes, we need a system that works for all sizes. We have yet to see what the funding mechanism will be. It has to be piloted and phased out carefully to explore some of these issues, but there is also a side issue here, which is around industry leadership. In terms of supporting SMEs, there are businesses in the supply chains that are doing that already. Rolls-Royce, for example, will take on more apprentices than they need to support the supply chain. I have been to see Toyota, who will provide apprenticeship training to their tier 1 suppliers. There is industry leadership within the provision of apprentices, as well as ensuring that Government systems are more effective.

Q128 Mr Ward: To be an apprentice means you cannot yet do, and it has got to cover what you can do when you get there. I will condense it, because we have covered many areas. There is an issue with low-engagement sectors and what can be done. There are some that are more involved than others. What can be done to broaden it and encourage more sectors?

Chair: That will do; that was a good, clear question.

Mr Ward: You mentioned being frightened, and I wonder whether that is justifiable fear—or do they just not know and fear things that are not true?

Eileen Cavalier: Generally speaking, it is seen as being very bureaucratic. As a provider, you work under the agency. We have the agency rules, Ofsted rules and the awarding-body rules. Delivering any qualification is a very complex thing. The funding is constantly changing. There is constant change of funding; there is constant change of focus. As a training organisation, we have to cope with that; we have to deal with that. For an employer-led apprentice, I am talking about them delivering it themselves. They have to cope with that themselves. Any conversation I have had with employers—and that includes very large ones, because obviously we work with them—they find it so complex that it is a big turn-off for them.

Chair: In areas or sectors where there is low take-up of apprenticeships among employers, what can we do specifically?

Eileen Cavalier: It is very easy to say “reduce the bureaucracy”, but it is fundamental.

Chair: Reduce the bureaucracy.

David Harbourne: We undervalue the role existing training providers and colleges play in helping to hide the wiring.

Eileen Cavalier: Yes, very much so.

David Harbourne: Most small businesses do not need to know about the detail. The training provider will do it for them

Kirstie Donnelly: It is about the relationship between the training provider and the employer and introducing the licence to practise more widely. To be very clear on the point we were making before about the employer and the funding system, it is right that employers should have more ownership. All we are asking for is a review to make sure that it works across the broad brush of employers including SMEs. That is what is broken. We just need to be clear on that. It is not counterintuitive to what you are saying. It is just that there needs to be more de-complexity when it comes to the SMEs.

Eileen Cavalier: There also needs to be more flexibility in the ability to be able to use the funding provided for best purposes to achieve for the learners and the employers. At the moment, however, it is very static; it is very prescribed. We have to work within the rules that have been prescribed. That does not always work.

Chair: We have covered quite a lot of sectors. I suggest we move on to Question 35, Alex.

Alex Cunningham: I think we have got 31 and 32 first.

Chair: I thought we could skip past that.

Q129 Alex Cunningham: I wanted to ask specifically about the exclusive way that things are funded in the future. The CBI has welcomed the approach to employer involvement in apprenticeships as standard. The Edge Foundation says that smaller firms want to rely on their professional bodies. With the money going to employers, is this not making it rather exclusive for bigger employers at the expense of the people who provide most of the jobs in our economy?

David Harbourne: Yes.

Chair: “Yes”, says David. That is good.

Rob Wall: I would say no, but that comes back to that challenge. We cannot have a system that just works for some; it has to work for all.

Chair: It is the small employer’s voice.

Eileen Cavalier: Large employers have always been able to access direct funding. It has always been on the table.

Kirstie Donnelly: If you look at the digital trailblazer and how that is set up, it is working as a good example of where you are getting the best of both worlds: large employers and SMEs.

Q130 Alex Cunningham: Should we be worried about the new funding systems or not?

David Harbourne: Yes, definitely.

Eileen Cavalier: Yes, definitely.

Kirstie Donnelly: How they are implemented is what we should be worried about.

Q131 Alex Cunningham: Can I ask you about improving the image of apprenticeships? We touched on this in the previous panel and you have touched on it yourselves, but how can we encourage young people to say, “That is the real way for me to go,” and for parents to perhaps advise them or help them to make that decision?

Chair: Obviously you do not have to add anything if you think you have already said it.

Kirstie Donnelly: It is IAG.

David Harbourne: It is also about opportunities to go and see work for themselves at an early age.

Kirstie Donnelly: There should also be more choice in the vocational curriculum at 14.

Rob Wall: It is role models as well—young people seeing their peers who have taken a different path succeeding. There are lots of programmes that now showcase ambassadors.

Chair: As we are broadcasting—we all slip into these—“IAG” is information, advice and guidance.

Q132 Alex Cunningham: You mentioned guidance. Your final question is around careers advice and the quality of that in schools and the role of employers. I do not know how many employers are getting involved. It seems to be getting dumped on schools or dumped on employers to pick that up. How adequate is it?

Kirstie Donnelly: It is not at all adequate. There is a lot of research. We can all, I am sure, submit bits of research after, if it was not already included in all of our entries, but there is huge research now. We have just done some recent research where only 28% of the 3,000 young people we spoke to had had any form of careers advice and guidance. Parents are being left to make those decisions. They do not feel competent to be able to make those decisions. It is not fair to put that on a teacher anyway.

That is not to say the old system was right either. It was not perfect. Whatever we bring back has to be modern, relevant and different. Nonetheless, not having it in the system, not having mandatory work experience and not having industry people on school governing bodies are all hampering that problem.

Q133 Alex Cunningham: Perhaps we need some professional people who know what they are talking about.

Kirstie Donnelly: Yes, exactly.

Chair: Bill, do you want to move on to question 40 or somewhere around there? We have limited time, but we have already covered so much. It has been fantastic. What a panel.

Q134 Bill Esterson: I asked about Level 2 before. Are all Level 2 apprenticeship frameworks of equal value?

David Harbourne: They are certainly of great value.

Chair: That is a politician’s answer.

David Harbourne: I can bring in an additional figure to bear, in that case. Two-thirds of the people who start an advanced-level apprenticeship previously did an intermediate-level apprenticeship.

Bill Esterson: Is that where the greatest value in them lies—or a great value?

David Harbourne: It is twofold. Because we are talking about 16 to 18-year-olds, there is a risk on both sides. There is a risk that the 16-year-old has made a mistake in thinking they want a career in a particular area. This gives them the opportunity to try a job and, if they realise it is really not for them, they can move on.

However, that risk is also felt by the employer. Taking someone unknown on at that age is a risk. Starting them at Level 2 gives them the opportunity to assess their potential and, if they have the potential, help them move on to Level 3 later. Because there are Level 2 jobs and there are people who want to do them, they have great value.

Q135 Bill Esterson: What can young people do if apprenticeships are not meeting their needs?

Kirstie Donnelly: Do you mean what their recourse is? That is back to the point we were making about the still important role of the provider, the college or the middle body.

Q136 Bill Esterson: Is that strong enough?

Kirstie Donnelly: It needs to be stronger, but the point is it certainly should not disappear in the reforms. We certainly should not undermine what should be a very effective tripartite relationship between the provider college, employer and the young person doing the apprenticeship. We should strengthen that, whether through LEPs or GTAs.

Q137 Bill Esterson: Your recommendation is there needs to be what?

Kirstie Donnelly: There needs to be a strengthening of that independence.

Bill Esterson: There needs to be someone there who the apprentice can turn to to back them up.

Kirstie Donnelly: Yes, absolutely.

Q138 Mr Ward: Just for the record—I do not know if we were going to go back to it—you mentioned in passing licence to practise. If an apprentice is somebody who cannot yet do, presumably somebody with a licence to practise can now do.

Kirstie Donnelly: It certainly progressing to the next stage or continuing.

Mr Ward: Could you tell us a bit more for the record what that will entail and how you see that as being a good way forward?

Kirstie Donnelly: It was UKCES who did some research on this quite recently. What I am suggesting is, if you look at occupations that already have coverage of a licence-to-practise type training programme, it is already something like 30% of occupations. There are quite young people working in them on a licence to practise—i.e. they are registered and they have to demonstrate their competency in some way. They cannot get on a building site, for example, without having their card to say they are competent to a particular degree. It is the same with some land-based sectors, where you cannot operate a chainsaw unless you are at a particular level.

All of those things are still competencies that could be inside a broader apprenticeship, but, equally, they could be outside of a full apprenticeship and part of a licence to practise

that is still stamping and demonstrating someone's competency and ability. That is essentially what I recommend.

Q139 Chair: What do you think about the thing we started the first panel with, talking about the income-transformative impact of an apprenticeship? If it is not that, it is not an apprenticeship. If the data could be gathered for that, would you have sympathy with the idea that something like that could lead to something being de-designated as an apprenticeship? It might still be a useful thing to do, but it would not be an apprenticeship unless it led to income transformation. I am concerned about people deferring their gratification, to use the phrase I used, and being paid a bit less for a period, but at the end of it they are not really earning a great deal more.

David Harbourne: I wrote the deferred gratification point down. I agree. If you are going to defer gratification, there needs to be gratification. However, I would say that it should not be solely measured on immediate earnings benefits, because the fact of being in employment for longer at that early stage of your adult life is enormously beneficial. We know that the opposite also applies: a length of time out of work leads to enormous disbenefits.

Q140 Chair: You get people who have little or no experience of vocational education in their own lives. They talk and think about apprenticeships as being for kids who do badly at school, as you talked about, and they are not. Statistically, that is not why people do it and it is not what it is about. It is about mastery of something that is valuable in the workplace. There is a real challenge to get people in the lowest deciles of academic performance and, indeed, of disadvantage up to the level where they can access this wonderful route to mastery and a great income. The point would be that the processes that lift people up so that they can get on to this pathway to mastery are not apprenticeships. The danger is that we say, "It is a really valuable thing," but calling it an apprenticeship is to dilute its value to people. They should know that, if you get an apprenticeship, you are getting mastery and you earn good money, and is that not a fair point to make?

David Harbourne: "A pathway to mastery" I absolutely totally agree with. However, it is exactly the same issue as whether studying history at university guarantees you a graduate premium. No, it does not. However, if it is absolutely what you want to do, why prevent anyone from doing it?

Q141 Chair: It is not the same. That is the whole point. The whole point of the apprenticeship is it is linked to the workplace, and studying philosophy and history at university is learning for its own sake. The point about an apprenticeship is that it is not; it is designed very much to make you more valuable in the workplace.

David Harbourne: Let me choose the specific example of hairdressing—and I am deliberately not bracketing it with beauty. Someone starting a hairdressing apprenticeship at Level 2 needs to know the average earnings of a fully qualified hairdresser are below the national average. However, if that is what they want to do, they should have the opportunity to do it.

Kirstie Donnelly: Obviously, I have already shared some of my thoughts about this whole notion of redefining what we call apprenticeships, which is what you are trying to suggest, Chair. I definitely have some sympathy with locking it down to progression in pay, but also progression on that journey to mastery. There is an expectation. There are jump-off routes as well; you are not constrained. However, we need to redefine it with some measurements.

Q142 Chair: I just worry about people being conned. Maybe people do get on a pathway to employment and they get to sustained employment. That is great. However, it should earn them money and it should afford something in the way of progression. Again, you would not do it in one year, but over time you should be able to do a time series that shows whether this gets you up to something a little above the minimum wage. Otherwise, we will sound like people preaching, “You should do apprenticeships for your children,” whereas we never do it for our own, unless it is linked to income.

Kirstie Donnelly: There needs to be social mobility in some way, and that is income.

Chair: The worst thing is you sell somebody a pup. They get something they think is adding value, and it does not.

Q143 Neil Carmichael: Do we need a bit of policy stability in this field or should we continue to tackle the remaining issues? You were nodding until I asked the second half of the question.

Kirstie Donnelly: We have just published a report called *Sense & Instability*. We are having a big review. We look at the skills system over the last 30 years, the 61 Secretaries of State we have had in the vocational skills arena and all of the change we have had compared with mainstream education. It tells a very interesting story to that point.

The point about instability and stability is that we absolutely have to do some more changes before we get stability. Some things we are talking about here are going to take a couple of terms of office, whoever is in, in order to get to that level of stability, because we still are going to have to make some fundamental changes to address the past 30 years of treating vocations as a political football.

Rob Wall: Yes, we want to see the apprenticeship reforms delivered and then a period of policy stability to let them bed in.

Eileen Cavalier: I absolutely 100% agree.

David Harbourne: I am all in favour of stability.

Chair: You would say it is better to forgo nominal improvements that might come from reform and have a period of sustained stability in preference.

David Harbourne: I quoted Doug Richard in my submission to this Committee, who said, “We are venturing into the unknown.” I am a bit scared of the unknown, Chair. I would much prefer to say, “We know what works. Why don’t we do a bit more of it?”

Chair: What an excellent note on which to end. Thank you very much indeed. If you have any further thoughts to share with us, particularly around recommendations, please do be in touch.