



## Education Committee

### Oral evidence: [The impact of Covid-19 on education and children's services, HC 254](#)

Wednesday 24 June 2020

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Members present: Robert Halfon (Chair); Apsana Begum; Jonathan Gullis; Tom Hunt; Kim Johnson; David Johnston; Ian Mearns; David Simmonds; Christian Wakeford.

Questions 628 – 690

#### Witnesses

**I:** David Hughes, Chief Executive, Association of Colleges; Kirstie Donnelly MBE, Chief Executive Officer, City and Guilds Group; Jane Gratton, Head of People, British Chambers of Commerce.

**II:** Mark Dawe, Chief Executive, Association of Employment and Learning Providers; Olly Newton, Executive Director, The Edge Foundation; David Marsh, Chair, The St Martin's Group; Dr Fiona Aldridge, Director for Policy and Research, Learning and Work Institute.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]



## Examination of witnesses

Witnesses: David Hughes, Kirstie Donnelly and Jane Gratton.

Q628 **Chair:** Good morning, everybody. Thank you for coming today. For the benefit of the tape, could the witnesses please set out their positions and give us their names?

**Kirstie Donnelly:** I am Kirstie Donnelly, group CEO of City and Guilds.

**Jane Gratton:** I am Jane Gratton, head of people policy at the British Chambers of Commerce.

**David Hughes:** David Hughes from the Association of Colleges, good morning.

Q629 **Chair:** How do you see the way Government support has gone for skills and FE, particularly colleges, during the coronavirus? What has been happening with pupils' attendance of online learning? Could you set that out for us, please?

**David Hughes:** We think the Government have been doing a fantastic job, but it is still not enough because there are massive issues facing the sector. I have a lot of sympathy for Ministers and officials because the coronavirus has just been such a cataclysmic shock to everybody. There is more work to be done and we need to work together in partnership on this. Colleges have really stepped up to the plate. I am incredibly proud of the sector that I represent and work in, because colleges have moved rapidly to get students on to online learning and have done that very successfully. It is not perfect and there are some issues, but they have moved rapidly and successfully. They have moved teaching and learning online. They have not just gone into putting resources online, they have moved into thinking carefully about the pedagogy of online learning and a proper approach to getting young people and adults to stay engaged.

Overall, we think every college has moved the majority of students successfully on to an online offer. There are some really big challenges, particularly around some of the more practical and vocational courses that colleges deliver. It is very difficult to deliver bricklaying or massage therapy online. There are some things that, by their very nature, are very difficult to do.

Q630 **Chair:** We know academic studies suggest that 2.3 million pupils have had hardly any contact with their school or have been doing online homework. What is the situation with colleges? Concisely, because I have to bring in the other witnesses. What percentage of students have been online, and what have you been doing for disadvantaged students?

**David Hughes:** There are about 700,000 young people studying in colleges, 16s to 19s, and about 85% of them have successfully been online and 65% have been online consistently. There is some real worry about some of the young people who have struggled with access. That



might be because of equipment, and colleges have been lending devices left, right and centre, but it might also be to do with the home environment and access to internet and broadband being really difficult. Then there are some real successes as well. For lots of learners with special needs, the engagement has been really strong, and lots of disengaged learners seem to prefer some kind of online presence. It is a real mixed picture and—

Q631 **Chair:** Are you saying percentage-wise it is much less of a problem than it has been with school pupils?

**David Hughes:** I am pretty sure it is. All the survey evidence shows that.

**Kirstie Donnelly:** I support a lot of what David said there, that the skills system has broadly started to work together, but we are one single skills system and we have not always worked like that. I think it has been a game of two halves in terms of how much the Government have been able to support and how the skills system has responded to that support.

Training providers have probably had a much tougher deal because of how the funding flows through the system. I know you are talking about apprenticeships in the next section but, given that apprenticeships impact colleges too, we should not underestimate the fact that many young apprentices have found themselves in a much more difficult situation, either being furloughed or even losing their apprenticeships—the statistics show that to be around 32% of young apprentices, compared with 15% of people on an apprenticeship aged over 35.

I think it is a bit more of a mixed picture than what David said. We have over half a million City and Guilds learners alone who will have been impacted in some shape or form. We have been supporting those colleges to get online. We have seen a significant impact, with something like 80,000 users of our online smart screen system. There is no doubt that colleges have taken up the opportunity to move to a more online solution, but it is about how we sustain that for the longer term. It is not just about how we cope with the Covid crisis, but we have had the digital tipping point and it is now about how we start to maximise on that.

We cannot ignore the fact that there are people who now will be lost in the system in some shape or form, and we know that the whole new format of the regulatory framework for how people are being assessed—we have something like—

**Chair:** Okay. Can we have really concise answers? We have lots to get through and very limited broadcast time. Thank you.

**Jane Gratton:** We very much welcome the efforts that the providers have made to help our learners stay in programmes and stay engaged. Regarding schools, employers are very concerned about attainment levels across the country, which are important for the levelling-up agenda. Employers' focus is very much on making sure that young people attain.



Similarly with schools, we have concerns around making sure young people get back, not just for those levels of attainment but also so that parents can get back to work quickly.

**Q632 Chair:** Do you foresee that colleges will be opening their doors? I know they have already been open, in many cases, and have been doing remarkable work, but do you see them being able to fully open their doors in September, as the Prime Minister suggested yesterday?

**David Hughes:** It is going to be very difficult to open fully, and we are expecting most students to have a blended offer. That might mean one or two days in college and one or two days of working at home. We have to invest in the technology and the online materials that are available for that. That is a big investment that the DfE could make quite urgently that could make a profound impact on the success for those learners. Social distancing is still going to be an issue, public transport is going to be difficult and lots of students post-16 travel a long way to get to college.

**Q633 Chair:** Just to be clear, from what you are saying, the position of the AOC is to try and encourage as many FE students as possible to come back in September?

**David Hughes:** Colleges are doing a fantastic job. Last week they started opening up to more students. They are prioritising the students they are working with. For some of the students who do not have devices and access at home, they are opening up their facilities. They are looking at those who need a practical assessment to achieve their qualification, which cannot be done virtually. Going forward, I think they have fantastic plans in place to really maximise the learning experience.

**Kirstie Donnelly:** I absolutely agree with what David is saying. There is more that we could do to provide different forms of access and different forms of devices. That is where the Government could also intervene so that we target those 1 million people who are further away from the market to access some online learning. We need to do more there.

**Q634 Chair:** Finally, to all three of you, obviously the Government came up with a £1 billion catch-up programme for schools, but it does not apply to post-16s. What are your feelings on that? £1 billion is possibly a better pot to be shared among the schools. What do you believe needs to be done to help FE students and apprentices to catch up? How much money would you be asking for from the Government in order to do so?

**Jane Gratton:** I would think our training providers probably have a better handle on the actual figures that are required for that, but the priority from the business sector is that the providers are able to respond to business needs, that they can respond flexibly and in an agile way. The work we have done with our workplace training and development commission has shown that not only are apprenticeships and formal qualifications important to business but there is also a very clear need among employers and employees for bite-sized bits of learning, accredited bits of learning, that they can build into qualifications and that



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enable them to upskill very quickly to take advantage of job opportunities and new opportunities for employers so that employers can begin to rebuild and pivot while quickly bringing the workforce with them.

**Kirstie Donnelly:** Similar to what Jane said: we know that we have the £3 billion national skills money. That could be utilised very differently to provide short, sharp training interventions. Things like the Singapore-style skills credits already exist to provide that really short, sharp licence to practice. Rethinking the use of the apprenticeship levy so it can be targeted at specific groups where we know there is a need either to reskill or to move people from one sector into another, such as airline or retail over into the health and care sector. It is about reimagining what is already there and being creative about how we work together as a skills eco-system to use that money. More investment into digital resources and access to digital—

Q635 **Chair:** Is that £3 billion skills fund enough, or are you asking for a specific fund?

**Kirstie Donnelly:** It could be done across the levy, the skills fund and the adult education budget. I would also say that we must not ignore adults in all of this. We are focusing on young people because we think they will take the brunt of it, but a huge number of adults will be impacted.

**Chair:** We are doing a separate inquiry into that, as you know.

**Kirstie Donnelly:** Yes.

**Chair:** Thank you, it is an important point.

**David Hughes:** We are particularly worried about Year 11s, because Year 11s are not the priority for lots of schools, and particularly the Year 11s who are going to go on to college. The numbers who do not get a good grade in English and maths struggle in the best of times, and we are not in the best of times. They will have had six months without any support, so they absolutely need extra support in the autumn, otherwise they are going to be a long way behind. They will not be able to achieve the qualifications they are going on.

It is indefensible that that group has not been supported yet. Despite everything, I am still mildly optimistic that the Government will do something for that group. We have asked for £200 million, which will be a pupil premium-type upgrade to funding for those students who need it most. Disadvantaged students would get extra support in the autumn to catch up on probably six months of some neglect. Very simple. I think DfE wants to do it; we just have to persuade the Treasury.

Q636 **Chair:** Finally, before I pass over to my colleagues, can you, as concisely as possible, say how you would make an apprentice guarantee a reality, as said by the Prime Minister?



**Jane Gratton:** We know that the pandemic has had a massive impact on employers' ability to employ people and invest in training. We are expecting training investment to plummet for the rest of this year. In order to make an apprenticeship guarantee, we need incentives for employers to take people on and create those jobs. That will inevitably have to involve: some sort of wage subsidy, because that is the biggest cost when taking on an apprentice; ideally some frontloading of the classroom based off-the-job training, where that is possible with the particular programme; and for Government to meet those training costs, because businesses are suffering now and will continue to suffer severe cash flow problems.

Where there is an opportunity to have ATAs, where employers can share apprentices—smaller employers in particular—that would help, as would, again, some flexibility around the use of the levy.

**David Hughes:** Three things. First is to get together the employers in the sectors that are going to be growing fast, so construction, NHS and social care, and digital, and start to do a package with them that incentivises them to behave differently and to recruit young people into apprenticeships.

Secondly, as Jane said, we absolutely need an incentive for them to take on young people. We have said £3,000 would be a perfect incentive, and we have costed it for 330,000 apprentices at £1 billion.

Thirdly, we know there will not be enough apprenticeship places, despite all that activity. The labour market is going to be so tough. You need to provide opportunities for young people in particular to be able to go to college with something purposeful, meaningful, modular and flexible so that, if they get an apprenticeship after three, six or nine months, they can move into that apprenticeship with a bank of learning behind them so they are kind of advanced. Three really simple actions.

**Kirstie Donnelly:** I agree with a lot of what has been said, but I would target some wage subsidy from the levy and create some skills credit tax breaks. I think we need greater partnership between those industries and sectors and to focus on job creation around them. We need to create, outside of the apprenticeship itself, shorter and sharper courses that lead directly into good jobs. We must not forget that the apprenticeship is about the job; it is not just about the training. It is the job and training together. Any support for apprenticeship programmes going forward cannot just be from a programme-led perspective; it has to be from the job perspective, otherwise it really does not help the apprentice.

Q637 **Christian Wakeford:** What do the panel think are the greatest challenges posed by the outbreak of Covid-19, not only to the further education sector but to the skills training sector?

**Kirstie Donnelly:** From my point of view, as David and I touched on in the opening questions, there is potentially a fragmentation in the skills



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sector. Colleges operate and are funded in one particular way; training providers in a different way. Yet between those two, and with the awarding sector underpinning that, we have an opportunity to create a single coherent skills system. At the moment, I think there is a concern that we could become more fragmented. We need to look at ways to address that.

We now need to use the positives from Covid in terms of the fact that we have tipped more digitally. Some research we have done just this week has demonstrated that people are leaning much more to that for the future, notwithstanding the access point. As long as we can make access to the digital, broadband and online learning more available, I think we need to get the FE skill system sector far more innovative in how it delivers a more modular approach to lifelong learning, not just the FE skills part of it.

**David Hughes:** The biggest challenge for all of us is the uncertainty and volatility. We just do not know what young people and adults will do. We do not know how apprentices will be made redundant. We do not know how many people will need support and training. The one thing we keep urging the Government to do is to provide some flexibility to colleges to be able to react and some certainty about capacity.

Just on apprenticeships, we know that the capacity to deliver apprenticeships will be cut in half in many colleges because they cannot keep people on without any business. That is the worst thing we can possibly do when we know that construction demand for apprenticeships will rise as infrastructure spending goes up. It always does in a recession. We need the Government to step in and provide some gap funding to make sure colleges have the capacity to respond to whatever happens in the autumn when furlough finishes. Furlough finishing will be another shock to the system. We need colleges ready with capacity to deliver the skills, intensive skills, high-level skills, skills for the growth economy. At the moment, colleges do not have the money to be able to do that.

Q638 **Christian Wakeford:** I think it was Kirstie who touched very briefly on the need for flexibility in the levy. Do you have a view as to what that flexibility may look like and whether greater flexibility in the levy transfer would be more prudent, especially for larger groups like Lloyds Banking Group in Greater Manchester who contribute a large portion to a centralised levy hub for small business to dip into?

What flexibility would you want to see, and what could be the benefit coming out of the pandemic?

**Kirstie Donnelly:** Absolutely. Even before the pandemic, there was some talk about the need for potentially more flexibility in the levy because we know that employers have to be flexible, especially with young apprentices. We saw the fall in young apprentices coming through because it is a lot of effort for employers to provide that mentoring, that support. Even more so than ever, we probably need some of the levy to



be used for a wage subsidy but also to help support coaching and mentoring.

Jane mentioned ATAs and other such groups, which plays to your point about pooling resources so there is more opportunity for that flexibility so industries and occupations within industry can come together to help create a talent pipeline between the different sectors in any one local regional area. We need some regional targeting, and the levy could be flexible so it targets particular industries, particular age groups and can be used in ways that help support particularly the younger apprentices who we know require different levels of support than perhaps a more mature, older apprentice in the workplace.

Q639 **Christian Wakeford:** I would be extremely interested in speaking with you a lot more about that particular issue, probably outside the Committee.

**Kirstie Donnelly:** I am happy to work with you, Christian, offline if you like.

Q640 **Christian Wakeford:** It would be greatly appreciated.

My final question—thank you for indulging me, Chair—is to what extent do you think the lack of grants to some private training providers will be a long-lasting issue, essentially driving some providers to the wall, to the point where the opportunities to find training are much more limited than they are now? That would prevent people from going into the opportunities out there because the providers are not there.

**Chair:** Can you just give very concise answers, please?

**David Hughes:** We surveyed 17 colleges that provide apprenticeships. They are predicting a 50% drop in starts next year. That is a £30 million loss just to 17 colleges. This is across the whole of the apprenticeship system. The capacity is going to be lost unless the Government step in. What we are saying is let's absolutely secure that capacity in the sectors that are the highest priority. Engineering, manufacturing, construction, NHS, social care, and digital are five or six really important sectors to start with. Let's secure the capacity, work with employers and make sure that the apprenticeship system goes ahead successfully.

**Kirstie Donnelly:** Let's be clear as well—you made this point, Christian—that some providers have already gone to the wall and others will go bankrupt. That is a real shame when, at this moment in time, what we need is good quality provision across the whole college and private training provider sector. We know that private training providers as well as colleges are really important, especially for those short, sharp training interventions. So, to David's point, there does need to be a very close look at that. As I said earlier, they are funded in a slightly different way so it does make it more complex.

Q641 **Tom Hunt:** To be honest, this is a question but it is also just to share



with you, and to make it clear to the Committee and everyone listening, the starkness of the challenge. This morning, ahead of this Committee, I spoke to Suffolk New College, which is the main FE college in Ipswich. They have 450 apprentices, but 350 of them are currently on furlough, so there is great uncertainty around that high proportion of apprentices and then, of course, the new apprentices for next year. I would support that call for a fund, but I really wanted to share that information. It was kind of a question, but it also underlines quite how important this is and how much of a challenge it is to the finances of the FE sector.

**David Hughes:** Just a quick stat on that: we think there is about £2 billion of college income at risk for the next academic year out of £7 billion, so that is an enormous impact. This is a sector that has faced a decade of austerity and neglect. It is a very vulnerable sector. It is not just the independent training providers but colleges all over the country. They are well run and well led, with fantastic relationships with employers. There is one college with 40% of its income being commercial because it is working so effectively with businesses. All of that income is at risk, and the Government must do something to support those colleges at risk.

**Kirstie Donnelly:** I agree.

Q642 **Jonathan Gullis:** With regard to all the comments on apprenticeships, I add my full support. Colleges and apprenticeships are going to have a huge say in how we bounce back from Covid. Let's not forget that colleges are also a superb supporter of part-time education, which is not discussed anymore and is not fashionable.

In *FE Week*, there is an online article about some steps and how-tos to help apprenticeships. Before I come to Kirstie with a question around the actual qualifications, do the panel think that if the Government removed the 10% top up to the levy funds, which is worth close to £200 million per year, and repurposed the funds to widen the provider and employer 16-to-18 financial incentive to 16 to 24, that would have a beneficial impact on the programme?

**Kirstie Donnelly:** To a certain extent that is partly linked to what Christian was asking, and it is certainly one of the measures we would potentially recommend as creating flexibility. I think it could have a very significant impact on the programme, especially if around it we do what we were talking about before, which is really target at industries that are looking to do training and talent recruitment, because they know they are going to survive and come out the other side of Covid. We need to be very targeted in the particular sectors and industries at a regional level as well.

**David Hughes:** There have to be some incentives to employers to recruit, and there has to be some work with providers, colleges and independent training providers to secure the capacity. There will be a gap between now, when demand has fallen off a cliff edge, and when demand



kicks back in. If the Chancellor invests in infrastructure, there will be massive demand for engineering and construction apprentices but there might not be the capacity to deliver them. It is a short-term issue that the Government need to address. The construction industry wants to work with the Government and colleges on that, so let's work together in partnership between employers, the Government, colleges and providers to get it right for the country.

**Kirstie Donnelly:** I agree.

Q643 **Jonathan Gullis:** I love the sound of all that. Kirstie, if I just come to you quickly, I would like to know if your members believe that arrangements for awarding vocational and technical qualifications are sufficiently robust to give confidence in the skills of young people entering the workforce after an extended absence from in-person training.

**Kirstie Donnelly:** It is very difficult, and obviously the emergency regulatory framework came in for a reason. We have come to a place of compromise. It is never ideal. It has created a lot of work for awarding bodies but also for colleges and providers. There has been a lot of collaboration to get it right. We have something like 290,000 City and Guilds learners who will be having their exams calculated, and then another 180,000 who will be doing it through a different form of assessment. Through it we have learned a lot about the use of remote and online invigilation and, if anything, this is yet another opportunity for us to think beyond Covid and continue to push hard with the regulator, with the Institute for Apprenticeships and Technical Education, to think a little bit differently about how assessment can be done in the future. That has to be seen as an opportunity. It is not ideal, and we may even see some learners defer.

There is going to be an impact, and we must not underestimate that there is going to be an impact, but we have got to a place where we can at least sustain the situation we had right at the beginning of Covid, and we at least have an organised system to take us through into the autumn.

Q644 **Kim Johnson:** Good morning, panel. My question is directed to David and Kirstie. Colleges face a massive shortfall, and David has just mentioned £2 billion in this coming financial year. What do you believe needs to be done to ensure that disadvantaged young people are getting enough support to gain access to and complete their courses? Are colleges that do higher numbers of apprenticeships better protected or worse affected than those that don't?

**Chair:** David, you mentioned the pupil premium earlier, but in answer to Kim's question can you also set out, in a nutshell, how that would work in practice?

**David Hughes:** Yes. The pupil premium finishes at 16. What we are proposing is, in a sense, a pupil premium for 16 to 18. We have argued it



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for years and it makes enormous sense. The funding per student drops by about 20% for 16 to 18 anyway, and the pupil premium disappears. What we are saying is, put in £375 for every student who does not have a grade 4 in English and maths, and that will give the college the resources to do extra support and tuition.

To the wider question, the colleges that have gone out there and really got to grips with apprenticeships and commercial income, and that have diversified their income, are at greatest risk, there is no doubt about it. It is kind of ironic, isn't it, that the Government have been urging them to do that for years, they do it and the crisis hits and they are the most exposed. We absolutely need the Government to do something for them.

There are a number of things they can do. They can help with cash flow, they can bring forward some of the payments. It is not about more money; it is just about when the money comes. They can absolutely do something with employers around apprenticeship capacity in key priority sectors. They can support colleges where solvency is now an issue, because if you take out 40% of your income it is very difficult to stay solvent and there might need to be some restructuring. They can definitely give colleges more certainty about the flexibilities they will need.

What we know is that lots of young people will be persuaded by schools to stay in school and then, after a little while, they will get a bit disillusioned and come back to college. The college needs to have the certainty that they will have the funding to be able to support those learners, and at the moment they do not have that. They have no certainty on that 40% of their income.

There are lots of rules. Short courses are really important for adults who need retraining to move from hospitality into care. Colleges can do it, but they don't have the funding available. It does not cost a lot. It would save hundreds of thousands of pounds in every college for those people not to go on to Universal Credit but get intensive training. You need the intensive training money, and you need the conditionality on Universal Credit to be postponed while the college gives them the advice and the reorientation into sectors like care where there are jobs. We have been asking for a range of things that are not big headlines but that give colleges that certainty and a bit of stability.

**Kirstie Donnelly:** The only thing I would add, because David has given a very comprehensive answer, is that we have to get much better at matching that to where the local and regional opportunities are. It is not just colleges, although they are incredibly important. It is about the colleges and the providers working together, about that short course provision, and making funding available for that to take place.

Q645 **Chair:** David, could you just explain that Universal Credit point again?

**David Hughes:** When an adult gets made redundant and loses their job, most of them will need to go on to Universal Credit to get any kind of income. The Universal Credit conditionality rules say they have to be



available for work and actively seeking jobs. That is an intensive amount of work. They need to be applying for jobs every day. They need to be reporting on their availability. What we are saying is for just two, three or four weeks possibly, on an agreed programme, to take away that conditionality to allow them to do the training that puts them in place for a job that is available. It might be some health and safety training, it might be a bit of induction-type training to help them understand what the job might be in a different sector. It might be some advice and guidance.

The problem is that the rules DWP sets do not fit with that kind of arrangement for colleges, and the funding DfE provides does not allow for that short course offer to be made. But it is the right thing to do.

**Chair:** Jane, did you want to say something?

**Jane Gratton:** No, I was just nodding along with what David had to say about the need for funding and flexibility of delivery.

Q646 **Kim Johnson:** This follows from the previous question. There will be a disproportionate impact on disabled and black young people. What do you believe to be the impact of three months without education on these disadvantaged young people? What should be done to ensure that disadvantaged young people can thrive in the recovery from Covid-19? Should the Department for Education and the DWP work together more closely to protect apprenticeships and ensure that people who lose their jobs or apprenticeships are able to access education and training?

**Kirstie Donnelly:** What you said about getting the Department for Education and DWP working closer together is absolutely critical. We know already, for example, when it comes to apprenticeships it is woeful that 87% of all apprentices are white and only 13% are BAME. We have to do more to incentivise and have more programmes targeted at those groups. We have to have more equity. It is not now about equality, it is about putting more equity into giving those groups more access. That probably means looking at pupil premium for things like access to digital. It is putting on special programmes and courses that particularly target those groups and doing it with a very positive recruitment campaign around it. That is exactly what we have to focus on, because it is time to address those issues.

**David Hughes:** The labour market is tough at any time. and there is lots of prejudice in the labour market. People with disabilities and BAME people tend to suffer, as do those with low levels of qualifications. What we know is that the labour market will be even tougher this autumn than ever before, so those groups will suffer disproportionately. They also tend to be people who work in the sectors that will be hit most—hospitality, retail, leisure, tourism and so on—so we are worried about the equality issues and the unequal impact. We have to intervene.

This is where the Government need to get strategic. They need to say to



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employers, “We will incentivise you to do the right thing to address those inequalities” and they can do that if they act quickly. I think employers will step up because they want to do the right thing.

Q647 **Kim Johnson:** Actions speak louder than words. What do you feel about the Government providing £1 billion for catch-up but not including post-16s? That is a bit remiss of the Government. What is your opinion of that?

**Kirstie Donnelly:** We would agree. From the outset of Covid it felt like, yet again, schools, in the context of education, were getting all of the attention at the cost of not putting focus on the 16-plus agenda. That has started to swing a little recently because we realise we have been talking about the Covid crisis and we are now into an economic tsunami crisis like we have never seen before.

**Jane Gratton:** From the employer perspective, we have to have the right funding for providers so that they can respond flexibly to employers’ needs. From the FE system, employers need stability, a focus on quality and flexibility of delivery so that they can respond quickly and enable employers to adapt and pivot to new opportunities. That is it in a nutshell.

**Chair:** Perfect. One of my favourite phrases when I do this Committee is “in a nutshell”.

**David Hughes:** The decision to take colleges and 16 to 18-year-olds out of that £1 billion package was just indefensible. It was also bemusing and nobody knows why it happened. I still have some confidence that the FE sector is absolutely clear that that group of 16 to 18-year-old learners need support. We are going to keep fighting for it, and I am keen that we put pressure on the Treasury to provide the funds.

**Chair:** I can assure you that this Committee does not neglect FE and skills, and lots of the members are very interested and passionate about it.

Q648 **Ian Mearns:** I was going to ask whether your members are confident that DfE has done enough to safeguard the future of FE vocational technical education across the board but, from the answers you have already given, it sounds like there is a great lack of certainty or confidence. Training providers are potentially facing going out of business, there is a £2 billion potential drop in funding for FE and no certainty over protection of capacity in FE and training. There is also no certainty that employers have the correct incentives to protect current apprentices, to recruit new apprentices or to retrain existing employees. Am I being too pessimistic?

**Kirstie Donnelly:** You have summed it up brilliantly.

**David Hughes:** That is right. There is a lack of urgency in all of this and a lack of understanding of the sheer scale of what is going to hit us in the autumn. We need institutions to have the flexibility to be able to respond



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quickly, not to have to wait for another programme to be invented or to ask for permission to do things.

We have put forward lots of very proactive proposals on flexibility. How do you provide the support to an apprentice made redundant before they end up with their apprenticeship? How do you transfer them on to a course that gives them a qualification outcome that gives them some currency in the labour market? How do you respond to a 16-year-old who wants an apprenticeship but there are not any? You give them the flexible training over the first quarter, or maybe the first two terms, to get them ready for when there are apprenticeships. All of that needs real change, it needs some funding and it needs confidence that colleges will have that capacity. At the moment we are not seeing that. We have lots of warm words but no real action.

**Q649 Ian Mearns:** I am particularly concerned about the group of youngsters that is currently on apprenticeships and whose current apprenticeships go by the board because employers no longer have the capacity or no longer exist or whatever. We also need some real thinking about how we would do something to recover those young people and give them another chance.

**Chair:** I ask Kirstie to answer that first because she has direct experience.

**Kirstie Donnelly:** Basically, we absolutely need to protect that. That is why we need to have something in the form of a skills levy credit or some kind of skills credit that allows us to look at how we can take those apprentices and move them on to apprenticeships where there are opportunities. Hence the regional groups that Christian mentioned before.

We have to think differently, which is why I said we should use the existing funding that is available and rethink how we use it. If we wait for new funding and argue about new programmes, we will still be having this discussion in six to 12 months' time and then we will have a whole new problem to deal with.

If you take the budgets that are already available and reimagine how we can use those quickly, and we can do that, we can stem that problem very quickly.

**David Hughes:** Kirstie is right, it is about that flexibility to do things differently. We know that apprentices will have done lots of off-the-job training and will have lots of skills, so why not do some accreditation of that learning—City and Guilds and other awarding bodies can help us with that—and then top up the training so they get a qualification and will be in a better place?

What they also need is some maintenance support. They have been in an apprenticeship, they will have had some income, probably limited, but that income will be important to the household. It will be difficult for the household to lose that income. Again, let's provide a bit of gap funding



for them to have some income to do the training, to put them in a better place in the labour market. It is quite simple. Colleges, with the awarding bodies like City and Guilds, will be able to do that in partnership with employers, but we just need the support of Government.

**Jane Gratten:** In terms of apprentices, I echo what I said earlier. If we have a wage subsidy, it will help employers to create those apprenticeship jobs. And if we can frontload some of the classroom training, it gives them more time to recover. Employers remain committed to apprenticeships, it is just at the moment they have neither the staff to mentor nor the cash flow to employ. They lack certainty about the economy going forward.

**Chair:** Can you make it very quick, Tom, because we are in a rush?

Q650 **Tom Hunt:** This is a quick question about some of the technical students going back on 15 June. Concerns have been raised with me that some colleges do not feel they were given enough time to get all the facilities ready for 15 June because some of the awarding bodies were quite late in announcing that day, particularly compared with arrangements for GCSE and A-level students. What are your thoughts?

**Chair:** David, can you give a one-sentence or two-sentence reply?

**David Hughes:** We have worked closely with the awarding bodies such as City and Guilds, Pearson, NCFE and others, and we have got to a good place on it. It has not been easy. Lots of people have had to work hard. About 2% of the 600,000 vocational and technical qualification students need delayed assessment because it cannot be done virtually. About 14% of that 600,000 need an adapted assessment because you cannot do it fully online. We are working closely with them.

It is tough for colleges, but it is tough for awarding bodies as well. We are working through it. Some young people and adults will suffer because the scale of this is immense, but we are doing everything we possibly can to make sure learners and students get through this as successfully as possible.

Q651 **David Johnston:** I want to ask a couple of questions specifically about T-levels; the first one probably to David and Kirstie, and the second one to Jane.

What is your degree of confidence that T-levels can be delivered to be high quality? Could you comment specifically on the 315-hour mandatory work placement as part of your answer?

**David Hughes:** I am reasonably confident, 60% to 70% confident, that all those T-level students will get a good experience. The big issue is that workplace and industry placement because it will be more difficult in some places and in some sectors. Colleges and providers are working hard, with Government support, to make sure they can happen. As lockdown starts to ease and as sectors start to get back into business, it



will start to get easier. There is flexibility to put those work placements back a little bit, because it is a two-year programme.

Students, parents and advisers should be confident that it will work. A few colleges have said, "We are not confident" and have delayed, which is sensible, but the ones we are working with will get it right.

Q652 **David Johnston:** Those colleges that have said that to you, what are they not confident about compared with other colleges?

**David Hughes:** It is a judgment call about not just the T-levels and how ready they will be to deliver them but about all the other things they will be doing as well. It is going to be a chaotic term next term, and it will be volatile. We do not know what to expect. These are unprecedented times.

Some of them have said, "Why don't we just put it off?" because that is the prudent thing to do. Other people already have the placements in place, they already have their plans in place and they are confident of getting through.

**Kirstie Donnelly:** The intent is there. You have every reason to be concerned, and I would probably be slightly more concerned. Focus will still be on delivering a good technical experience that leads to a good technical assessment, but the reality is the actual industry aspect of it, the placement. I do not think we can overestimate the chaos that is already out there for employers. If you lose that element of the T-level, you have potentially lost quite a lot of the significance of the meaning of a T-level. There are reasons to be concerned around the 25 proposed pathways. Are they going to be the right 25 proposed pathways, even in three or four years' time, when we know the economy is going to have shifted? We should not underestimate the need to keep that under watch and review.

Q653 **David Johnston:** Jane, are your members satisfied they can engage with T-levels? Do they think it is going to provide the skills they need?

**Jane Gratton:** At BCC and the chamber network level, we remain very supportive of the T-level programme. It is a quality alternative to the A-level, giving those technical skills that employers are crying out for. There are still, according to our research, very low levels of awareness of T-levels among employers. In 2019 our workforce survey showed only 3% had any real understanding of what they were and around 20% in total had some understanding.

We need to do much more collectively to raise awareness and help employers understand what they are and how they can engage.

Q654 **Chair:** There has been a lot of talk that there is a real problem, and this applies to all of you, with the work experience element of the T-levels, that it is not easy to get companies to agree to this. Is that the case? If so, what should be done about it?



**Jane Gratton:** In this Covid environment there are the usual concerns around health and safety of having young people in the workplace but, more generally, 45 days can be quite a large commitment for smaller employers. Any flexibility that we can have in sharing that work placement across two or more employers would be helpful, alongside some financial incentives to help employers with the mentoring requirement of that work placement. But we remain optimistic.

**Kirstie Donnelly:** The placement is a critical part of a T-level, and without it the T-level falls down a little. I hear a lot of employers who say it is going to be almost impossible for them to deliver because of the other problems they are going to face. Even if you take the care sector, that was already a problem for them but, with the problems they now have, it is going to be very difficult for that employer placement to be—

Q655 **Chair:** Is there any way to change that with a financial incentive?

**Kirstie Donnelly:** That would help a lot. It goes back to what I was saying about younger apprentices needing support, and it is same with T-levels. If there is a financial incentive to provide guidance, mentoring and coaching in the workplace, that would encourage employers a lot.

**David Hughes:** Some financial incentive to employers would be good, as would some flexibility in when the placement needs to happen. I just say again that it is a two-year programme. You can back-end some of that experience, and that will help as well.

**David Johnston:** If the panel have any ideas about the flexibility around this that we could suggest to people in Government, they could write to us.

**Chair:** If they could. I am a big supporter of T-levels. My big concern is how you persuade the businesses to do the 45 days of work experience. Unless there is a financial incentive, it is a big commitment for them to do for the most part. Contact us with any ideas you have, as David Johnston is suggesting.

Q656 **Jonathan Gullis:** This is to everyone on the panel. The Government's manifesto promised a £3 billion National Skills Fund, and the Secretary of State recently announced his intention to publish a White Paper on further education. What changes would you like to see in the sector, given those commitments?

**Kirstie Donnelly:** I referred to that fund earlier as being one of the main funds we could utilise right now to stem the problems we have. It could be used to provide a skills credit. It could be used to target very specific industries where we know there has been a decline—for example, retail, travel and all the ones we have talked about—and then to assess someone's transferable skills, give them some proper training and then create incentives for those employers where there are potential job creation opportunities in infrastructure or sectors where we know there is going to be a need, such as health and digital. Let's start to put together the labour market insight intelligence with the short course training, and



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then let's connect the young people and adults to that using the £3 billion fund.

It is an exciting opportunity to rethink how the whole skills sector works together with employers to target that.

**Jane Gratton:** Employers are expressing concerns about people with very low-level qualifications, how we help those people advance in the workplace and help the employer and the business to become more productive. For employers it is understanding how we are going to help people of all ages improve their skill levels, how joined up it is all going to be to reduce the complexity and be better joined up at local level so that employers can engage, help shape this agenda and make it all fit together so that it works for employers and people.

**David Hughes:** On the National Skills Fund, there are lots of skills vacancies, hard-to-fill vacancies, because of skills difficulties before Covid. It will be even worse after Covid because the EU nationals are not coming and lots of those businesses, particularly the ones Kirstie mentioned—digital, construction, health and social care—are at levels 3, 4 and 5. We must not lose those intermediate and advanced level skills areas. The National Skills Fund needs to fill that gap. There needs to be urgency. They are still talking about consulting on it and then doing something maybe next year. We need to bring that forward.

On the White Paper, we have seen in Covid just how vital colleges are to their communities and to their businesses. What we need is a White Paper that secures longer-term stability in the sector, with much more system thinking around how they can partner with businesses locally and provide a long-term offer to students.

Q657 **Chair:** Are you able to give us a one-sentence response, or a maximum of two sentences, on how you would rocket boost degree apprenticeships? It is something I am going to ask the next panel, but I will give you notice. Jane, can you do a nutshell answer?

**Jane Gratton:** It is about raising aspirations to make young people and employers aware of that. There is also a bit around the communication side of things, flexible funding in the levy and funding for SMEs.

**David Hughes:** What I would do is address the inequalities in degree apprenticeships. The Social Mobility Commission report today shows degree apprenticeships are just delivered to people who are already fairly privileged. I would incentivise employers to take on young people from disadvantaged backgrounds, from BAME backgrounds, and I would make that the priority. I would push colleges to support that fully.

**Kirstie Donnelly:** I would do what David said, but I would include colleges and providers in providing a much more targeted, industry-focused and industry-led degree apprenticeship system. I would focus it on where we know there are jobs for the future.



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**Chair:** I thank you all for being very concise, as we are very tight for time because of broadcasting reasons.

I also pay tribute not just to all the apprentices and the members of the British Chambers of Commerce but—and this is something we do not do a lot—to all the FE professionals, the teachers, the staff, the lecturers, everyone who has been coming in during the coronavirus, everyone who has been working with disadvantaged children. I know the colleges have been doing a lot, having had regular meetings with you and my own college over the past few weeks. That is the experience of every other member. As a Committee, we want to pay tribute to the FE sector for the incredible work you have done for students and pupils over this difficult time in our country. Thank you very much.

**David Hughes:** That is nice, and it will go down well with colleges and college staff because they are working extremely hard, so thank you.

**Chair:** This session has ended. We are going to have a two-minute recess, and then we will be back for our next session. Thank you.

### Examination of witnesses

Witnesses: Mark Dawe, Olly Newton, David Marsh and Dr Fiona Aldridge.

Q658 **Chair:** Welcome, everybody. Thank you for coming to our second panel. Please give your titles and explain what your organisation does for the benefit of those watching on Parliament TV and for the tape.

**David Marsh:** My name is David Marsh. I am chief executive of Babington, a training provider, and I chair the St Martin's Group, which is a membership organisation set up last year that is uniquely composed of employers, providers and end-point assessment organisations that are determined to support a world-class apprenticeship system.

**Dr Aldridge:** I am Fiona Aldridge, director of policy and research at the Learning and Work Institute. We are a research and policy organisation working across lifelong learning and skills, employment and social inclusion.

**Chair:** Would you like to be addressed as doctor or Fiona?

**Dr Aldridge:** Fiona is fine.

**Mark Dawe:** I am Mark Dawe of the Association of Employment and Learning Providers, which represents independent training providers who deliver about seven in 10 apprenticeships. We also have colleges, universities, employers and end-point assessment organisations within our membership, which is about 900 members.

**Olly Newton:** I am Olly Newton. I am executive director at the Edge Foundation. We are an independent foundation supporting the education



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system to become more relevant. I was formerly head of apprenticeship strategy at the DfE.

**Chair:** Are you happy with first names as well?

**Olly Newton:** By all means, thank you for checking.

Q659 **Chair:** Could you set the scene of how you view what has been happening in terms of apprenticeships and skills during the coronavirus. Obviously there are four of you on this panel. We are again tight for time because of broadcasting restrictions, so it would be appreciated if you can be as concise all the way through.

**Mark Dawe:** I will pick the headlines. Obviously we have had the apprenticeship guarantee. Rob, thank you very much for starting that debate, and that was from the—

**Chair:** We will come on to that in a minute.

**Mark Dawe:** —Prime Minister and Chancellor. We have a system at the moment where levy apprenticeships are two-thirds of all apprenticeships, with no support whatsoever for providers throughout this whole period, and going forward, despite the Cabinet Office guidance and despite everyone's view that it should be in place—apart from the DfE, it would seem.

Lots of apprentices are furloughed but are carrying on learning. We know that is coming to an end, and we are likely to see redundancies through that. Starts are through the floor, with an 80% drop in SMEs, an 87% drop in young people and an 82% drop in level 2s—those are some areas that have been really hit. We know mass unemployment is coming and the challenges that we need to face there. It is a challenging period at the moment and a very challenging period going forward.

**Dr Aldridge:** To add to what Mark is saying, obviously there has been a massive decline in apprenticeship numbers, which is particularly bad for young people. The decline is around 16 to 18-year-olds and the level 2s that young people often start on, and a significant drop in sectors that are most likely to take on young people. The long-term impact will depend on how we respond and how the economy recovers.

We are very conscious that apprenticeships for young people are not a new challenge. Last year young people represented only a quarter of apprenticeship starts and, while there has been a growth at level 4, we know there is only a small proportion of young people on those level 4 apprenticeships.

We need to address the current issue, but we need to think about how we address the existing issues in the long term, too.

**Olly Newton:** We have just published some new research this morning, and the key point that comes out is that young people are the hardest hit



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in this recession and outbreak, and that is likely to continue based on previous recessions.

I want to pick up the point about existing apprentices. Sutton Trust research shows that a third of them have been furloughed, with one in 10 made redundant, so we need to keep an eye on the existing apprentices as well as new ones.

Finally, just to pick up what Fiona is saying, Covid has exacerbated and shown up some of the cracks that existed already. The challenge of not enough apprenticeships for young people specifically, the challenge of social mobility, which was outlined so well in the Social Mobility Commission's report, and the challenge with apprenticeships being too narrow in this country compared with our competitors.

**David Marsh:** The positive is that there has been real collaboration across the sector to make things work, and employers and providers have worked closely together to work their way through. But, as the others have said, there has been a significant impact in what is still a maturing market sector. At the end of the day, apprenticeships are a job with training. The job is the critical part, and that is the bit we need to focus on. There has been a mass reduction in new apprenticeships, as Mark talked about, but there was also a 4,000% increase in the number of apprentices who went on a break in their learning in April alone. As we have heard, the likelihood of them returning is quite small in lots of cases.

There has been significant impact. Assessment organisations, as we heard before, have been working very hard, but there is still a long way to go to get the right flexibilities. There was a 48% decrease in the number of completions in April compared with the previous year.

We have a challenge around starts and a challenge around completion, which fundamentally means the learners are being impacted by this.

Q660 **Chair:** How would you guarantee an apprenticeship guarantee, which I have raised and the Prime Minister raised himself in the press conference a couple of weeks ago?

**David Marsh:** At St Martin's Group we totally support what you said around the apprenticeship guarantee and it is absolutely critical. The key is new jobs for young people, so focusing on wage incentives. That is the only way to stimulate organisations to take on new people and to take that risk. As Olly said, it is also about sustaining jobs through existing apprentices. We cannot forget them. There are lots of apprentices who are potentially three-quarters of the way through their programme who, if made redundant, will lose a lot of the value and end up with no qualification. There is a real risk there. That is already starting to happen. People have been on 3 or 4-year programmes.

**Olly Newton:** First, we must not be tempted to go back to the training scheme from the 1980s or the programme-led apprenticeships from the



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early 2000s. Anything that is an apprenticeship has to be an apprenticeship.

Three key measures: refocus the levy on 16 to 24-year-olds, something we were encouraging before this challenge hit; a significant wage subsidy for smaller businesses, which should be at the forefront of the apprenticeship programme; and a growth of support through structures like apprenticeship trainee agencies, which would allow small businesses in areas that are growing, like the green economy and science parks, to take on apprentices with lower risk.

Q661 **Chair:** This is what happens in Australia, as I understand it.

**Olly Newton:** That is where it started, and there are some good examples from the UK as well.

Q662 **Chair:** Is there good data from Australia and the examples from the UK that this has worked well with employees?

**Olly Newton:** There is, but it is very small at the moment. There are significant opportunities for it to grow in areas like science parks or technology parks where some exciting opportunities exist for young people, but we just need to de-risk it for the small businesses.

Q663 **Chair:** Are you saying that the apprenticeship training agencies would cover all the regulations and the bureaucracy? Would they run the whole thing and provide the apprentice to the company?

**Olly Newton:** Exactly right, they would be an interim solution. They would take on the bureaucracy, they would employ the apprentice to minimise risk and then they would place them out into those exciting industries. No individuals or businesses would have to take the risk of employing a whole apprentice.

**Mark Dawe:** There are three things. First, on the wage subsidy, the £3,000 that David Hughes talked about is not enough. We have said it needs to be at least 50%, and we are talking about 16 to 24-year-olds, level 2 and level 3, primarily. It has to be 50% of the wage, and it needs to be for those in apprenticeships as well as for new apprenticeships, otherwise they are going to be made unemployed and we are in the same position with those individuals.

Secondly, you have to have the infrastructure to deliver. The way things are going, this summer we will lose a lot of our infrastructure and will not be able to pick that up again for probably a couple of years. Four years have been spent building this, and now we are losing it in months because the Government will not support the levy-paying apprenticeship providers.

Finally, on SME funding, the last time we were sitting in front of this Committee we talked about the £1.5 billion needed for SMEs. I accept there may be a little bit of spare cash at the moment because of the drop, but that is going to run out very quickly and we need a guarantee



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of SME funding. At the moment, the Government have a cap of three for every SME in terms of starting apprenticeships.

Q664 **Chair:** You have asked for an extra £8 billion for apprenticeships and skills?

**Mark Dawe:** £3.6 billion. We worked out for the 500,000 16 to 24-year-olds you would need £3.6 billion for the wage subsidy, £1.5 billion for the SMEs. We think all 16 to 18-year-olds should be funded out of the 16-to-18 budget, whether levy apprenticeships, study programmes or whatever—that is 450,000. Finally, on the adult education budget, whether it is funding traineeships or bringing in the National Skills Fund, we think it needs to be £3 billion more. It needs to be trebled. It was already halved and causing problems, and the issues we are now going to have to deal with will be so much more. Remember that adults start at 19; it is not 25.

**Dr Aldridge:** I support lots of the things already mentioned, particularly around wage subsidies, focusing on 16 to 18-year-olds and making sure they are fully funded. Extra things that we can do more broadly across Government is that, as we invest in wider infrastructure projects, we need to make sure that we have some job-rich schemes that we can tie to apprenticeships, particularly for young people. There is obviously a role in public sector leadership, both as employers themselves and through procurement activity. There is a real role for local areas in this.

You might have seen the work from Tees Valley a few days ago where they have introduced employer grants for apprenticeships. Thinking about SMEs in priority sectors, they are giving wage subsidies for 16 to 22-year-olds, which is 100% of salary costs for the first six months and then down to 50% on the condition that those employers pay the national minimum wage. Those sorts of local deals will be important.

We have called for a broader employment and education guarantee for young people, not just an apprentice guarantee. Apprenticeships have an important part to play, but they are just one option. That needs to be accompanied by job creation schemes, support for young people into employment and a good education offer for 16 to 18-year-olds to stay within education. I know David talked about that earlier.

Q665 **Ian Mearns:** Anne Longfield, the Children's Commissioner, has published research that shows that Covid-19 has caused a unique set of difficulties for young apprentices, with at least one in five having been made redundant, placed on a break from learning or left their programmes. Young people are more likely to be in sectors that are struggling during the pandemic, with over 55% of young workers aged 16 to 19 working in hospitality or retail. This morning I heard yourselves say that mass unemployment is coming, young people are being hardest hit, existing cracks are being exposed and there is evidence of real challenges across the board. What do you see as being the greatest challenges to the apprenticeships and skills sector, in putting policy into practice, if we are



to prevent a lost generation?

**Mark Dawe:** It is a lot of what we said already in terms of supporting young people to get apprenticeships. That requires the provider base and, as an apprenticeship is a job, it requires a job. That has to be the fundamental thing. In some sectors we will see a drop in employees, in hospitality and retail. Again, I do not agree with David that we should be just targeting separate sectors, because in different parts of the country there will be different demands for different jobs. In certain parts there may be retail opportunities.

We need those jobs. We need the wage subsidy. We need stepping through. Remember, we have 40% of young people coming out of school without a level 2 at a time where IfATE and others are ripping out business admin level 2, all the first-step apprenticeships, which is a disaster for the NHS, the local authorities and many employers. We need those programmes that help them transition into apprenticeships. The big one we have been talking about is traineeships, which have had a bumpy start. There is a conversation in Government about some of the changes they could make, and traineeships could be that great first step towards getting basic skills, essential skills and work skills.

**Chair:** I have it. Can we try to be concise?

**Dr Aldridge:** I share your thoughts, Ian. Our analysis shows that young people are likely to be hardest hit, which will set them up for future scarring in terms of their earnings and employment. As Mark said, apprenticeship is about a job, so we need to invest in job creation and to support young people to get into those jobs, thinking about what sort of education provision and what employment support enables them to get there. We then need to think about the incentive. One of the challenges within the levy is that, of course, employers spend it on their existing workforce. If we want it to be spent on young people and supporting labour market entry, we have to change some of those incentives and make it worthwhile for employers to employ new young labour market entrants, and that has to be wage subsidies.

Q666 **Ian Mearns:** What would you concentrate on as a matter of urgency to prevent the current situation from getting worse?

**Olly Newton:** The point was made by the other panellists that emergency measures such as job subsidies are important. We have to take a step back and think about the things that have changed and the things that this crisis has shown us. If we only focus on the emergency measures, we are setting ourselves up for a medium-term challenge. What we need to do is to take a step back and think about how people's views have changed. Some recent polling showed that parents and teachers are much more in favour of a skills focus in education, developing those kinds of skills for young people.

We need to think about changing the way that school works, to increase the breadth of the curriculum. We need to think, as Mark said, about



traineeships. We need to think about young apprenticeships, we need to think about supporting the next generation to come through and we need to fix some of the structural challenges, as well as taking the emergency measures, such as wage subsidies, that are needed in this crisis over the next couple of years.

**David Marsh:** We should not forget that this is a critical part of the education system as a whole, and apprenticeships are probably the part of the system that is going to be affected the most by this thing because it is back to jobs. Our employer members are talking about a reduction of somewhere between 50% and 100% of apprentices over the next 12 months, which is somewhere between 100,000 and 250,000 16 to 24-year-olds without opportunities.

As Olly said, the biggest challenge is still to come because there is going to be a financial strain on providers, which will not have the capacity and capability to deliver them. Most importantly, the job opportunities are not going to be there. Stimulating those job opportunities is the critical challenge, and it is about wage subsidy.

**Dr Aldridge:** One of the challenges is that, once people are outside of education and employment, it is much harder to get them back in. We need to think about how to keep people in their jobs, and we need to think about keeping people in education and what we do with them while they are there.

We know, for example, that there are lots of people of all ages on the furlough scheme, and that is about to unwind. We need to think about the offer to those people, so that we can support them to stay in the labour market. We spent a lot of money paying people's wages. We now need to think about how we need to invest to keep those jobs in existence and to retrain people to move to different jobs as their jobs fall and new ones become apparent. Keeping people in the system is important.

Q667 **Christian Wakeford:** Olly and Fiona, do you think enough has been done to ensure that all apprentices can successfully complete their course? If not, what more support is needed both for the apprentice themselves and for the training provider?

**Dr Aldridge:** Even before this crisis, completion and achievement rates, particularly for young people, were far too low. I do not think we would accept that in other types of provision, and we need to do much more. When we have done work with apprentices to look at their experience, one of the key factors is the support they get on their job, the support they get from their mentor or line manager, to enable them to succeed. That is key because we not only have to respond to the challenge around this crisis, in which people will be losing their jobs; there is already a much bigger challenge that we have to sort.



**Olly Newton:** Fiona is absolutely right. This is another great example of a longer-term challenge that has just been highlighted. Some of the best examples we have seen internationally exist where mass mentoring has taken place, where colleges are provided with funding to provide that mentoring, and that has a massively positive impact on success rates, which have been too low for too long. During this crisis, as some of the other panellists have mentioned, keeping a job open is going to be the most important protective factor. If that goes, no amount of pastoral support can help. Alongside that, colleges and training providers need more funding and more help to provide that pastoral support, given the challenges in the wider world at the moment.

**Mark Dawe:** We know that apprentices, even the ones who have been working during furlough, will have delays and there is no extra funding for the extra months they will need to catch up. We are in danger of losing a lot of them before they are able to complete because there is no funding left. The end-point assessment flexibilities have taken a lot of time to get in place. We need those to stay for quite a while so that we can get them through the end-point assessment sufficiently.

The broader point, which again existed pre-Covid, is that the stats change. Employers have a lot more control and are making decisions whether to continue apprenticeships. It is the retention figure that is the real problem. Once they get to end-point assessment, the achievement is high. It goes back a bit to good mentoring and support, which good providers do. Obviously the more money, the more support that is put in place, the better.

Q668 **Apsana Begum:** Given the fact that the highest number of excess deaths related to Covid have affected BAME communities, do you think more needs to be done to ensure apprentices from BAME backgrounds can complete their courses and that the retention rate for those groups needs to be looked at further?

**Chair:** Fiona, what work have you been doing on this in the Learning and Work Institute?

**Dr Aldridge:** We have been doing quite a lot, mainly, I suppose, more on apprenticeship starts. We are about to start some work looking at the apprentice experience and completion.

There is a real set of challenges around the availability of opportunities in particular areas. What we are finding, particularly around ethnicity, is that ethnic minorities are often applying for apprenticeships that are highly competitive in areas where there are fewer opportunities and, as a consequence, are not getting the opportunities. We need to think as much about investing in employment opportunities in particular sectors and particular geographical locations where ethnic minorities are applying for apprenticeships, as well as encouraging them to do so. When thinking about promoting the benefits of apprenticeships, around being able to earn and learn at the same time but also some of the outcomes, we need



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to do much more about saying, “This is where an apprenticeship will take you” so that it becomes a high-status opportunity.

**Olly Newton:** Again, this goes back to before the apprenticeship starts, as Fiona touched on. We need to do more work in schools to broaden the curriculum and broaden the range of adults and role models with whom young people come into contact, so that people from all communities, including BAME young people, can see others who are succeeding through that route, who are choosing that route, and have the ability through the breadth of subjects they have taken to go and get an apprenticeship. We must not forget that apprenticeships are jobs. Those young people at 16 or 17 are having to compete for jobs, and they need to be given the support, the wherewithal and the connections to help get them.

Q669 **Chair:** Mark, in reference to Apsana’s question and Christian’s, would you agree with flexing the levy so that those employing apprentices from disadvantaged backgrounds could use more of your levy?

**Mark Dawe:** For BAME, there is a recent report showing that 20% of applicants are BAME but only 12% start, so there is something going on there. There is something not right in the employment of these individuals, so we need to look into where the drop-off is as well as the achievements. Get the stats and understand them, because part of this relates to employment practices.

The wider thing around disadvantage is that the Maynard report, to be honest, was implemented and has been pretty pathetic. There are meant to be flexibilities on English and maths. There was meant to be the ability to do a cognitive review, and we can get that done cheaply now—£30 to £50. We know it has a big impact on success if there is support put in place. There is additional learning support, but we need those sorts of reviews and the support to be put in place around it to actually deliver.

This is the wider issue of levelling up, the forgotten 50% and FE in general. It is just not—

Q670 **Chair:** This is a very, very important issue, particularly BAME, the disadvantaged and more apprentices with disabilities. Would you send us some further ideas on what you think should be done?

**David Marsh:** I don’t think anything that is particularly different. I would say that gap and that challenge has probably got even more significant during Covid, particularly for the disadvantaged, the vulnerable and those with caring responsibilities. All those kinds of things have probably had even more challenge. Access to technology and the right environments, as we heard about in the last session, has also made that even more challenging for the disadvantaged, so even more needs to be done.

Q671 **Christian Wakeford:** I come back primarily to the support side of things that Fiona raised Through the polling and the studies that have been done so far, is there a particular element of support that is lacking,



whether that is an increase in financial support or mentoring? I think back to when my twin brother was an apprentice. Basically, his role was, "You can sweep this and clean that," as opposed to actually learning on the job, which was what he was there to do. If there are examples of poor employers, what are we doing to mitigate that issue so that either they are not getting more apprentices, so there are fewer people having bad experiences, or to highlight the particular issue to make sure that we are getting a good experience? Our former apprentices can then be role models and ambassadors for what can be achieved, essentially highlighting the benefit of going down a more technical and vocational route.

**Mark Dawe:** Ofsted put all the responsibility on the provider, so Ofsted criticises the provider if there is a poor employer. We had a case where a Government Department was not releasing people for off-the-job training and the provider was blamed for the Government's poor behaviour. That was the most extreme.

In terms of investment, there used to be more money going into the 16 to 24-year-old age group because they need more support—they are often on their first job—but that was taken away. It is a flat funding rate. We need more incentives to support that age group. For the employers and the providers, it is more challenging.

**David Marsh:** Yes, I would agree with Mark. The employers are absolutely critical to it. Coming back to the point, it is a job and the training is supporting that job. As Mark said, it is about getting the focus back on to the employer to give that right level of support. We talk about 20% off the job. That leaves 80% on the job, and that time is absolutely critical: the right training, mentoring and so on.

To Mark's point, we need more flexibility in the levy and the ability for employers to take that drive and to own it much more, rather than having to be dictated to. Flexibility around the support that employers can give through the levy and other things is critical, and those employers need the education to coach and mentor as well.

Q672 **Tom Hunt:** Olly raised a point earlier about the medium and long term. I am particularly interested in the polling of parents, saying that there seems to be a trend where more parents are seeing a more skills-based education as being more and more important. Frankly, Covid aside, that would be a case for increased funding of the sector. Covid massively increases the need for even more investment. It is clearly obvious that there is a 100% public benefit to supporting the FE sector, perhaps more so than the HE sector, and the way it has approached its "no strings attached" demands.

What are your thoughts on the HE sector and this potentially being an opportunity to try to get certain universities to go down a more technical route, with more degree apprenticeships, closer working with the FE sector, et cetera?



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**Olly Newton:** That is a great point. Employers have been saying for years that they want more of these skills: team working, problem solving. Our research shows this has really tipped parents and teachers into thinking that way. Yesterday's youth census from Youth Employment UK showed that young people think the same, so everyone is pushing together.

In terms of the HE question, absolutely. There are some great examples out there already, even from before degree apprenticeships. At our Edge Hotel School down in Essex, for instance, young people are running it as a four-star hotel within the university campus and emerging with great jobs at the end. At the National Software Academy over in Cardiff University, which we have been evaluating, students are placed every term into small businesses to deliver a service, and they emerge with the skills they need.

This is a real turning point for HE. I know it is really tough. It is tough for all businesses, and HE institutions are big businesses in their own right, but I think there is a chance to take this by the collar and start to shift provision through degree apprenticeships and courses that have the elements of those work placements, work support, to help a new generation of graduates emerge with a much wider group of skills and to tackle the issue we have seen for a number of years of graduate underemployment.

**Chair:** I should declare an interest. I have been to the Essex Edge Hotel School. It is a collaboration with Essex University and it is an incredible place. If, by chance, you are in our lovely county and you want a cream tea, it is the perfect place to go. It is run brilliantly by the apprentices and those learning. It is a great example of what can be done, a great example.

**Ian Mearns:** That was sponsored by the Essex visitor board.

**Chair:** Exactly, yes.

**Christian Wakeford:** Are you paying for the cream tea, Chair?

**Chair:** Deal. I will invite you all, how about that? It is well worth going. It is on the campus of Essex University.

Q673 **Jonathan Gullis:** Thank you very much, Chair. I would rather have a Staffordshire oatcake over a cream tea any day of the week, just to plug my bit.

How has the outbreak and the lockdown affected disadvantaged young people? I am glad that we are talking about the term "disadvantaged". Rightly so, Apsana has made some superb points around BAME, but I know Robert is also a huge champion of working-class, white disadvantage in both boys and girls. We know that a white, working-class boy from a disadvantaged background is 40% less likely to access higher education than a black disadvantaged boy.

I would love to know how we can tackle disadvantage as a group,



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particularly in terms of their ability to access and complete apprenticeships. Like all the panellists and all the members of the Committee, I am a huge advocate of apprenticeships. In Stoke-on-Trent, less than 40% of my young people get a grade 9 to 4 in English and maths. Large swathes of my community, sadly, will have no formal qualifications in the adult sector, so apprenticeships are the way forward to drive the Stoke economy, and they will be the biggest factor in recovering the UK economy from Covid.

**Mark Dawe:** We have had the Social Mobility Commission report today, which lays this out very starkly. This is an FE, apprenticeship and skills issue. We are the sector that deals with levelling up the forgotten 50%. We are still only getting half the funding for functional skills and apprenticeships, so all those young people who come in without their English and maths are getting a half-price deal from the Government, which is just appalling.

We talked about no catch-up funding going into FE, no levy support. We have providers that want to open their centres, want to get going with adults, but are being told they cannot, although we are having restaurants opened with a one-metre rule. These providers are desperate to get going, a bit opposite to the schools in many ways, and they are being told they can't. The Maynard recommendations were all about the disadvantaged and those with LLDD. The Government have done very little about them. All the things that could be put in place are being ignored at the moment, so they have forgotten the 50%.

**David Marsh:** From that Social Mobility Commission report, we can see there is a larger gap for the disadvantaged, but what is really important that comes out of that is the fact that it is still a really positive route. It increases their wage and earning potential and everything. What that demonstrates is that we can do more, and there is more to be done to put things in place, as we have talked about already on the panel, that will encourage, incentivise and, I suppose, advertise the opportunities that apprenticeships give and, therefore, work with employers in your area, Jonathan, and across the country to make sure they see the value in them. They are the right route for so many people, and we need to work hard in collaboration with employers and providers to drive that.

**Dr Aldridge:** Mark is right, it is an education and skills issue, but I want to bring us back to the fact that it is an employment issue, too, because apprenticeships are jobs. Our analysis suggests that it is young people, the lowest qualified and those in the most deprived areas who will be affected. Although we have a narrative around levelling up, there is a real danger that we are going to move apart. There is a set of things we can do about employment and skills, but we need to think about economic recovery as well and integrate those two things together to ensure the disadvantaged do not lose out even more than they already were as a result of the crisis.



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**Olly Newton:** As Fiona says, the evidence base is clear. IFS research suggests disadvantaged families were seven times as likely to be hit by furlough as more affluent ones. The challenge here really goes to the heart of the tension between schools policy and skills policy. We have a schools policy at the moment that is about rote learning for exams in academic subjects, so what on earth is a teenager in Stoke going to show a potential employer? What they need is a much broader, skills-based education in school that sets them up to have great examples for that job interview and to clinch that apprenticeship.

Q674 **Jonathan Gullis:** As well as getting text messages from my mother saying I need to sit up more when I am in the House of Commons Chamber, she also tells me that no idea is a bad idea, so I thought I would try my luck.

One of the things that Robert mentioned during the first panel was about degree apprenticeships. As you say, the majority of students and young people do not go to university. My idea for a way into helping degree apprenticeships is offering students who complete them the equivalent of a student loan as, in effect, a start-up business loan, which they would then pay back at a low interest rate equivalent to students. Do you think that is a method of encouraging people down that route and helping drive the creation of new SMEs?

**Chair:** Can we have one-sentence answers, please?

**Mark Dawe:** I think any incentive that helps the disadvantaged into degree apprenticeships—I am sure Rob will ask us again about degree apprenticeships—is a good incentive, whether it is that one or anything else. That is what we need to focus on.

**David Marsh:** I think it is a great idea. I think the incentive, in some respects, is already there in that you do not have the debt and you are already earning a wage, so you are potentially £50,000 better off by the time you get your degree. That is not so much the challenge; it is getting the employers back on board.

There is also a piece around the Government being really clear about the importance of degree apprenticeships and championing that, because I think the message is quite confused. When we hear about high-level apprenticeships and funding being cut, that it is not where the Government want to spend money, it is not always clear for people to understand whether it is a sustainable and stable market and sector to support and get involved with. Particularly for our employer membership, it is a concern. Do they buy into degree apprenticeships knowing it is going to be there for five, 10, 15 years, or is someone going to pull the funding next year and, therefore, they cannot use their levy and they suddenly have to go back to a different route? Sustainability and stability in the market and sector is the key.

**Chair:** My only worry about a loan option is that one of the big incentives for doing a degree apprenticeship is that there is no loan, that you earn



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while you learn and you get a job at the end of it, but it is something important to discuss.

Q675 **Kim Johnson:** Good morning, panel. My questions are focused on Olly and Fiona. The number of young people starting apprenticeships was in decline prior to the pandemic. It is now down to 60%. Do you believe the Government measures to safeguard the apprenticeship provider market have done enough to prevent apprenticeship providers from going under?

My other question is about what we need to do to incentivise more young people, particularly black and disabled young people, to take advantage of opportunities. Mark has just mentioned the issue with black people. Would you say that unconscious bias and deeply entrenched racism has a part to play in that?

**Chair:** Fiona, I will go to you again because I know you do an enormous amount of work on these issues.

**Dr Aldridge:** Yes. Just to step back a little bit, there is a tension between setting up an employer-led system, letting employers make decisions about who they want to recruit on to apprenticeships, and then saying there are not enough young people, not enough of X, Y and Z. We need to make a decision about what the Government want from apprenticeships. Do they want employers to have choice, or are there particular agendas around certain groups of people, around progression or around certain levels of apprenticeship? If they do, they really need to think about incentives. Without incentives in those particular directions, employers will invest where they think is best for their business, which is existing staff and higher levels. If we want to change it, we have to change some of the incentives in the funding system.

**Olly Newton:** The apprenticeship provider market is a market, and it is really important to focus on areas where there might be challenges, perhaps rural areas or areas where there is little provision, and think about propping up the market in those places where young people might lose out.

Your point about BAME young people is really important. One thing that has to happen is more of a blind application process so that unconscious bias is moved out of the system. That is for employment as a broader picture, rather than just apprenticeships, but that is really important.

The key thing I would prioritise is looking earlier up the stream and trying to make sure that BAME young people have those role models and that broader support so they have the ingredients and the confidence needed to apply for the roles that they should be getting.

Q676 **Kim Johnson:** What is being done to safeguard the apprenticeship provider market? In my own constituency there are lots of providers that are struggling at the moment.

**Chair:** Mark, can you answer that in a concise manner?



**Mark Dawe:** I will try again, Chair. Obviously, a bit of support was given to non-levy providers, with nothing given to levy providers. Most providers do both, so they could not go for non-levy because so much of their business was levy. We are losing providers. We have providers that have furloughed staff, and we will now see mass redundancies in the provider sector. That is capacity that we desperately need in the autumn for apprenticeships and traineeships. To be honest, it is the only Government-funded sector that I can see that did not get support, and I just do not understand why, when they are so keen and it is a flagship policy, they are not supporting the provider base.

Q677 **Kim Johnson:** David, what do your members believe needs to be done to help all parts of the apprenticeship sector, including learners, providers and employers, thrive in the aftermath of this outbreak?

**David Marsh:** It is a great question. The key is going to be job creation because jobs, as we know, are the key part of the apprenticeship programme. Without that, there will not be opportunities for learners to come in and learn. Without those opportunities, there will also not be the provider base that Mark has just talked about.

There has been significant financial strain on the provider base, which is, as we speak, reducing capacity. Over the next three to six months, that is only going to get more and more challenging because, as we have already talked about, learners are running out of funding and either will not be supported or will have to be supported by providers for free. Alternatively, we have this massive 50% to 100% reduction in apprenticeships, which is what our members are saying. Our members are large employers who employ significant numbers of apprentices, and they are talking about massive reductions, which is going to affect that opportunity. We have to stimulate, and we fully support the Chair's idea of an apprenticeship guarantee because that is one of the only ways that we will do so.

Q678 **Chair:** We are going to come on to the apprentice guarantee again with Ian, but can I quote you a tweet from the editor of *FE Week*? He says, "50% of the wage (suggestion from @AELPUK boss) won't make for a guarantee. Disappointing nobody on panel being honest and telling @halfon4harlowMP and @CommonsEd that a 'guarantee' isn't realistic." How would you respond to that? Mark, how would you respond to Nick Linford's tweet saying that the witnesses are not being honest and that a guarantee is not realistic?

**Mark Dawe:** Nick always likes a poke, doesn't he? That is what I was saying, that £3,000 is not enough. We believe that 50% will make a difference to an employer in deciding whether to make an apprentice redundant, whether to keep them or whether to take on someone new. They will not have as many skills, along with everything else. We have said at least 50%. Obviously, 100% would be wonderful; we just do not think that is realistic. We think it is a minimum of 50%.



**David Marsh:** We would probably go further and say it needs to be much nearer 100%, but probably for a smaller number of apprentices. There needs to be some stage-gates to understand whether it is required. Would the job opportunity be there anyway? We know BAE Systems has said it is still going to take on 800 apprentices, so they do not need that encouragement, but for jobs that will not be created otherwise, it has to be 100% in order to stimulate because that is the only way a guarantee can happen.

Q679 **Chair:** In essence, what he is saying is that a guarantee is not realistic, that it is impossible to do. I am much more enthusiastic about a guarantee, as you know, but I would like to know your comments, given what the editor of *FE Week* has just said.

**Olly Newton:** Under normal circumstances, a guarantee would be impossible, but we have just been through a few months where the Government have put an unprecedented amount of money into the furlough scheme. We are talking billions of pounds of investment that never would have happened under normal circumstances, so I think we are out of Oz. We are in a completely different situation and if, as the other witnesses have said, the Government were to step up and offer a massive wage subsidy to small businesses that de-risks this, that is a route through which this could be delivered.

**Dr Aldridge:** Your call for an apprentice guarantee has rightly put attention on what we could do with apprenticeships and what is needed. We have talked about lots of those things, but I don't think an apprentice guarantee for every young person would be achievable because we need those jobs, but I also think it is too narrow. I think we need an education and employment guarantee for young people. Apprenticeships won't be the right route for everyone, so we need guidance and careers advice for young people to help them choose. For some people, it will be about staying in college or with a training provider. For other people, it will be getting a different sort of job with training. We need to think more broadly but, of course, apprenticeships do have a part to play in that.

Q680 **Ian Mearns:** I would suggest to everybody that, before you go to Essex for your cream tea, you come to Gateshead for a ham and pease pudding stottie cake sandwich. I hope you enjoy that when you get here.

Regarding Jonathan's suggestion, by the way, I do not think that is too outlandish. One of the things about degree apprenticeships is you end up with no debt and you are earning while learning and qualifying. If they want to start up their own business, we cannot rely on the banks to invest in their ideas and harness their enthusiasm, so it might have some merit for further investigation. I am in accord with you on that.

With the Government's promised £3 billion National Skills Fund, and with a further education White Paper on the way, what would you like to see done to ensure that apprenticeships help young people to thrive following the outbreak? How could an apprenticeship guarantee for young people



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aged 16 to 25 work? We have talked around it, but how are we going to make it work?

**Mark Dawe:** They have been playing around with the National Skills Fund under different names. It needs to be made part of the adult education budget, that we can support those out of work and in work aged 19-plus. As we said, it needs to be £3 billion extra a year, so £4.5 billion in total.

In terms of your point around the apprenticeship guarantee and apprenticeships, we have heard all the things about there needing to be a job. I believe we can stimulate those jobs, and particularly help people who may be coming out of one sector and moving into another sector. We have providers that have very strong relationships with employers. That is our providers' business, that relationship with employers. They can work with those employers on those schemes before the apprenticeship, getting them ready for going into work and taking those places. It might take 12 months. We are going to go through some real disruption, but we have ways of training beforehand and afterwards. It is that relationship with the employers that is so essential.

**Olly Newton:** In terms of the business start-up loan, I think there is real merit in that. Young people have amazing ideas, particularly in growth areas like the green economy. Obviously, apprentices have to be employed so they do not work for start-ups, so something in that space is well worth investigating.

To add to those important points about apprenticeships in the medium term, one area where we could change apprenticeships to make them better quality for young people while being more resilient in the future is to broaden them. When we look at some of the standards that are created now, my favourite couple of examples are mineral weighbridge operator and dual fuel smart meter installer. Those are occupations that have a limited shelf life. When those occupations do not exist, those young people—or those adults by then—are going to struggle. What we need is a broad base of training in the early parts of apprenticeships, like we have in the continental systems, that then allows people to have broader skills that they can fall back on in times of recession.

**Dr Aldridge:** One of the things we have talked about throughout this session is where we would like to focus to see more apprenticeships, so for young people and people from BAME backgrounds. Of course, you cannot make everything and everybody an apprenticeship. If you really want to invest, you have to decide what you are going to leave in and what you have to leave out. I would ask that the National Skills Fund not be included within this but gives us some options for other forms of education, training and skills development so that everything does not have to become an apprenticeship. We could focus on young people. That might mean we can offer smaller modules or smaller qualifications for adults looking to retrain outside an apprenticeship. Let's be really clear what an apprenticeship is for and who it is for and set it up in that way.



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Q681 **Ian Mearns:** Yes, but we have to make sure that the training opportunities and the qualifications they provide have real currency in the labour market.

**Dr Aldridge:** Yes, definitely.

**David Marsh:** My members, especially employers, feel there is a real place for developing existing staff and upskilling them for jobs because it drives productivity it upskills, and apprenticeships are a really important part of that. Funnily, Olly, I was the chair of the trailblazer for the dual fuel smart metering engineer and set that up. For the organisation I worked for at the time and others, it was critical because we had apprentices over 60 coming in who were reskilling and developing themselves.

There is a real opportunity. Coming out of this crisis, yes, young people are potentially going to be the most disadvantaged, but let's not ignore the fact that there will be a lot of people who have held jobs for a long time, which may be in hospitality or retail, who suddenly need support and development for long periods of time to get into new markets and sectors. They are not necessarily going to do that with short programmes. The importance of that is absolutely critical for me and my members.

Q682 **David Simmonds:** Do you think central Government should be better, when it plans these kinds of investments, at identifying the skills that we already know we need in the public sector? Just giving a quick example, I am on the Fire Safety Bill Committee. There is a chronic national shortage of people with expertise in installing fire safety measures in property. We are desperately trying to find people who can do that work to keep buildings safe. I am not aware that that knowledge, which we already have in Government, is feeding into planning what we hope providers will train young people to do through these kinds of programmes.

**Mark Dawe:** It is an employer-led system. The whole thing was set up as an employer-led system, and you hear a vast number of employers complaining about what is coming out because they are not all involved. It is right that the employers should be saying, "This is what we need," but we have clearly not got it right in terms of the range and the types of things to be done. Absolutely, if there are job opportunities that we can see on the horizon, that should start to be worked on.

The other point was made that sometimes this is not apprenticeship, it is a short course on fire safety or whatever; it depends on the length. These are some of the arguments we have had around business admin level 2. The Government say, "It can be done in a week, they do not need a whole apprenticeship," but these young people are generally very disadvantaged, very behind. They need a year. They need lots of training. They need lots of support. We have this schizophrenic system where employers are saying, "We must have this, we must have this" and the



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Government are saying, "We are not going to listen to you this time because we do not agree with you."

**Olly Newton:** The UK Commission for Employment and Skills was a huge loss in this area. It was not about taking that responsibility away from employers; it was about having one place that collates all the data and information that is coming out about the labour market both as it is and in the future. Edge has tried to step into that role as much as we can. We publish regular bulletins in that space, but we are a charity with 12 employees, not a Government-funded organisation. Government need to fund that work if we to be able to predict and support young people to move into the industries that are going to be growing.

**Dr Aldridge:** I think we have to be really careful at a national level in picking winners and leaving other bits of the economy aside. We certainly need to look, as Olly said, at labour market data and be able to anticipate where there is going to be growth. There is a real role to do that locally to match local providers, local economies and local businesses to generate some of those opportunities. I think local data are really important.

**David Marsh:** It is the same point that lots of other people have made, but it does need to be employer led. Employers understand where those opportunities are, but it needs to be de-risked over this next period of time. The challenge is there is so much uncertainty and a lack of visibility of what is going to happen. Creating those jobs needs to be supported with Government help, without necessarily telling employers what they need to do or who they need to employ. It is the support to get on and do that, which will stimulate the overall economy.

Q683 **Chair:** I have two questions. The first is about degree apprenticeships. What would you do in terms of giving them a huge boost and ensuring that a lot more students go to university with the option of a degree apprenticeship? I know we have touched on this with Jonathan Gullis a bit earlier.

**David Marsh:** For me, from an employer point of view, it is that point around sustainability and stability of degree apprenticeships. They are still relatively new. Employers need to take them on. It takes time for them to understand and see the value, so we have to make sure that does not keep changing or appearing to change. Raising awareness of them and of the great opportunities that employers can give in degree apprenticeships is going to be the key thing. A much more joined-up approach in schools around what a degree apprenticeship does and how that career progression supports all the way through is probably key.

**Dr Aldridge:** Our research with employers before the crisis showed that employers were thinking of expanding their degree apprenticeships anyway, so one of the things that we need to ensure is that they are good opportunities for those who might otherwise be disadvantaged in not going to university to be able to get an education at that level. We



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need to think about progression pathways, but we also need to think about incentives for employers to be able to offer degree apprenticeships to those who are disadvantaged and to work on the social mobility issues that we have talked about in the paper from the Social Mobility Commission this morning.

**Olly Newton:** Some universities are already leading the way here: Sheffield Hallam in my own city, as well as Middlesex, which we work with at Edge. I think other universities need to step up and follow suit. Degree apprenticeships and the allied models such as the hotel school that we talked about are the way forward. I know it is challenging to change, and I know it is challenging to change in the current circumstances, but now is the time to make that big transition.

**Mark Dawe:** As a Plymouth Argyle fan, I am still trying to get my head around an Essex cream tea. My granny will be rolling in her grave.

Employers love it, students love it, lecturers love it, in terms of degree apprenticeships. Some 41% of full-time students coming out of university do not get a full-time job, whereas with the degree apprenticeships you are in a job. This year we are going to see a mass loss of overseas students. The university experience for full-time students is disappearing with Covid, and many are saying they are going to delay. I do not think you need to do much to persuade a vice-chancellor that their only route is degree apprenticeships. Our big concern is that there is not enough money to support it and the—

Q684 **Chair:** What would you do to persuade a vice-chancellor, in a nutshell?

**Mark Dawe:** If you want more student numbers and you are worried about your recruitment this year, degree apprenticeships are the absolute answer. I think many of them get it. My big concern is the disadvantaged. I think what we are going to see is the sharp-elbowed middle classes saying, "This is free and gives me a job. I will have no university experience anyway, so I might as well do a degree apprenticeship" and those who might have had the opportunity, who would not have normally gone to university, will be pushed even further away.

Q685 **Chair:** Presumably, you change that by incentivising employers?

**Mark Dawe:** Absolutely, and the universities. Again, it is all about incentives on who they take.

Q686 **Chair:** Finally, the public sector target in every public sector organisation is just over 2% in terms of employing apprentices. Should that be raised and, if so, by how much?

**Olly Newton:** I think the challenge is that, in the latest Government data that has been published, most public sector bodies are not reaching that already. There would need to be a much stronger plan to make sure that happens. I think the target could be higher. It relates only to starts, so it



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would only matter in numbers terms if the public sector were expanding. I think what is equally, perhaps more, important is the point Fiona made earlier on making sure that we get apprenticeships into Government contracts, particularly around infrastructure.

**David Marsh:** I was going to allude to the point that Mark made earlier and that Olly has just said. It should not just be about starts; it is about achievement and the completion of those programmes. One of the real challenges with the public sector has been that they have started people on apprenticeships that they do not complete. You have to be committed as an employer. An arbitrary target, as Olly said, is not necessarily the answer. It has to be full commitment to delivering great opportunities and job opportunities.

Q687 **Chair:** Should the 2% target be raised?

**David Marsh:** Absolutely. It would be a great thing to raise it, but it has to come with some focus on the employer to do the right thing by those learners, not just—

Q688 **Chair:** Fiona, should it be raised and how much by?

**Dr Aldridge:** I don't know that raising it is the issue, essentially. We want to encourage public sector bodies to recruit more apprentices, but there is so much more they can do through contracts, through their procurement, through their investments. We need to see a much more expansive view of that, rather than just whether they can—

Q689 **Chair:** But why not do both things, raise the number and do all the procurement things as well?

**Dr Aldridge:** You could raise the number, but I don't think it is sufficient.

**Mark Dawe:** During this time raising the number is great, but Government Departments are not hitting the number. Where someone does not hit the number, they should explain every post they have taken on and why it is not an apprenticeship. If they hit the number, leave them alone; if they don't, explain every piece of recruitment they are doing and why it is not an apprenticeship.

Q690 **Chair:** Would you say that the vast majority of new recruits should be, if possible, an apprentice?

**Mark Dawe:** I don't see why not. The benefits are enormous. There will clearly be some situations where not, but it should be the first thing that is looked at: could this be an apprenticeship? We have 30 staff, and we have had three apprentices in the staff. We look each time we employ someone.

**Chair:** Thank you all very much indeed for that evidence. It is invaluable. I think we could probably talk to you all day about this. It is really important. I thank the St Martin's Group and all your members, but I give a special thank you to Mark because I think this will be the last time he



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appears before our Committee in his capacity as head of the AELP. He knows that I call him the Len McCluskey of training providers because his voice has been quite significant. Whenever he walks the corridors of Whitehall, people try to run away because they are so worried about what he is going to say. We will miss his suits and jackets as well. Thank you, Mark.

I also give a special thank you to all the private training providers, the non-FE ones, that both of you represent for all the work they have done in unbelievably difficult times and for the struggle they are facing while continuing to be committed to training apprentices. I would be very grateful if you could pass that message from the Committee to both your relative groups of members.

**Mark Dawe:** Thank you very much, Rob. I am not leaving the sector, so I might still prowling around a bit.

**Chair:** Thank you very much.