

Education Committee

Oral evidence: [The quality of apprenticeships and skills training](#), HC 344

Tuesday 13 March 2018

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[Watch the meeting](#)

Members present: Robert Halfon (Chair); James Frith; Emma Hardy; Trudy Harrison; Ian Mearns; Lucy Powell; Thelma Walker; Mr William Wragg.

Questions 100 - 180

Witnesses

I: Stephen Evans, Chief Executive, Learning and Work Institute; Graham Hasting-Evans, Managing Director, NOCN; Neil Heslop OBE, Chief Executive, Leonard Cheshire Disability; and Nick Linford, Editor, FE Week.

II: Dr Alison Birkinshaw OBE, President, Association of Colleges; Angela Middleton, Chief Executive, MiddletonMurray; and Simon Hawthorn, Leadership Team, National Society of Apprentices.

Written evidence from witnesses:

- [Learning and Work Institute](#)
- [NOCN](#)
- [Leonard Cheshire Disability](#)
- [Association of Colleges](#)
- [MiddletonMurray](#)
- [National Union of Students](#)

Examination of Witnesses

Witnesses: Stephen Evans, Graham Hasting-Evans, Neil Heslop and Nick Linford.

Q100 **Chair:** Good morning. Thank you for coming today. Just for the benefit of the tape, could you introduce yourselves—your names and organisations? If you do not mind me calling you all by your first name, could I start with you, Neil, please?

Neil Heslop: Good morning. I am Neil Heslop, Chief Executive of Leonard Cheshire Disability, a national and international charity. We support 30,000 disabled individuals each year, and most relevantly for the Committee, about 6,000 to 7,000 younger disabled people in the UK.

Graham Hasting-Evans: I am Graham Hasting-Evans. I am the Group Managing Director of NOCN. We are an awarding organisation and we are also an endpoint assessment organisation. We are currently the largest in terms of approval for standards in the UK.

Stephen Evans: I am Stephen Evans. I am the Chief Executive of the Learning and Work Institute. We are a national charity doing lots of research, policy and development relating to learning, skills and employment.

Nick Linford: Hello, good morning. My name is Nick Linford. I am Editor of *FE Week*, a sector newspaper for the further education sector and apprenticeships, but also the former director of a very large college, there looking after performance and funding. I also write books about funding, particularly around apprenticeships, and run training courses on compliance and funding as well for apprenticeships.

Q101 **Chair:** Before I pass over to James, who is going to lead the first part of the questioning, can I just ask each of you very briefly how many apprentices your organisations directly employ? Neil.

Neil Heslop: Small numbers at the moment, between 50 and 70. We have a plan to scale to about 350 over the next 12 to 18 months.¹

Graham Hasting-Evans: We employ 70 people. We currently have four apprentices and we are due to recruit another.

Stephen Evans: We employ about 50 people in total. Our apprentice has just become a permanent employee. We have also supported several members of staff in the last year to gain accredited qualifications relating to their job and we give every staff member a £200 a year training allowance. We will move on to the next apprentice soon, hopefully.

¹ Leonard Cheshire Disability later clarified that they currently have 120 apprentices and aim to get between 300-350 in the next 12-18 months.



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Nick Linford: We have 25 employees, roughly, and we have two apprentices currently.

Chair: Thank you.

Q102 **James Frith:** I refer members to my entry in the register of interests. Good morning, everybody. Thank you for coming in. We are going to begin with quality. I ask the simple question: what makes an apprenticeship a high-quality offer?

Graham Hasting-Evans: We have included in our evidence a view on what we think is quality. We agree with the Government that it is the ability of somebody to be able to deliver the standard and do the job, but what we think is missing from the policy definition that is widely used are three particular areas.

One is productivity—so that the person can do the job in a productive manner using all the new digital skills and new methods. The second one is about accessibility. Anybody who is capable of getting the knowledge, skills and experience should have access to the apprenticeship. The final one, in our view, is that the apprentice gets the skills to be able to develop themselves up a career ladder, a ladder of opportunity, afterwards. We would like to see that broad view of quality.

What concerns us is not that the view of quality currently within the programme is limited, though that is a concern, but how quality gets itself down to the operational level. I have in front of me four piles of paper. One is Ofqual's regulations on quality. The biggest pile is the ESFA rules on levy funding. Then there is a smaller document on the ESFA's rules to control us as endpoint assessments and a five-page document on apprenticeships and its quality statement. Our concern is that the rules do not embed social justice and what we call FREDI, which is fairness, respect, equality, diversity and inclusion. Rules determine behaviours on the ground. If it is not embedded, it does not happen. That is a concern.

James Frith: Thank you very much. Nick.

Nick Linford: It is a question that comes up a lot. As editor of *FE Week* we see some of the best quality—I will come on to what I see as the definition of that—through things like our awards for providers. There is really high quality there. But of course being a newspaper, we also have to investigate and we hear from apprentices, parents, employers, other providers and reports like Ofsted about some really poor quality.

A good place to start on quality is the Institute for Apprenticeships. It spent a lot of time consulting on a quality statement and it has published that quality statement. It is quite long, but what it shows is that, in its own words, "Not all training is an apprenticeship". The starting point for me on quality is in some ways around compliance. What is the definition of an apprenticeship, whereby in statute—it is now in law—you are allowed to call something an "apprenticeship"?



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A starter for 10 is that there is a significant amount of off the job training. In fact, the Government has stipulated a minimum of 20% of contract time—which for an average employee is probably around 300 to 350 hours a week, the equivalent of a day a week over a full year—in training off the job or certainly if they are in the job they are not acting productively. They might be being mentored or working on assessments and assignments. There is a significant amount of training while they are in the job.

Another very important part around quality of apprenticeships is that it is a proper job: there is a contract; they are paid, hopefully, more than the minimum wage, but certainly the minimum wage; and it is at least a year, which seems to be problematic in some cases and certainly would not fit any definition around apprenticeship quality. It is these things, along with, as I say, not just a significant amount of time doing the training but ultimately working up to, as per statute, the new endpoint assessment, which should be an independent assessment of the apprentice's skills and the knowledge that they have.

One of the things that comes out most in some of the Ofsted reports when it comes to poor-quality training and what is missing around apprenticeships is where, even if there is training, it is not for new skills. Some of the highest-quality programmes are the ones where the employer, the training provider and the apprentice, right at the beginning of the apprenticeship programme, through assessing their prior knowledge and the skill levels they currently have, find the gaps and identify, based on the gaps in their skills and what they do not have, which is the right apprenticeship programme for them at which level and then are able to train and develop that apprentice through the programme of at least a year, in some cases up to six or seven.

Q103 James Frith: That is a matching service, is it not, that reconciles the new skill point you raise or what is appropriate for the young person to be pursuing?

Nick Linford: Absolutely. That is why the colleges and the training providers are there. They are professionals at working with the employer and the individual, whether they be a new employee or an existing one, to identify the gaps in their knowledge, skills and competencies.

James Frith: Thanks, Nick.

Q104 Thelma Walker: Can I just come in on that? Is there an official baselining then?

Nick Linford: Absolutely. That is something that Ofsted expect of the colleges and training providers. In fact, they use the word "baseline". They expect at the beginning of the programme that a baseline of knowledge and skills has been determined and then a programme much like a timetable throughout the life of the apprenticeship is worked up.



Everyone is clear what their responsibilities are. Then at points within the course—maybe every month at least, for example—you would be able to identify progress. It is an absolutely key word from Ofsted’s perspective when they are looking at high-quality apprenticeship programmes. Often they are looking at them in the middle. They have no achievement of anything yet. They cannot see the qualification and whether that has been achieved or not. They want to see evidence of progress, accumulation of knowledge, skills and competencies from that baseline.

Q105 Thelma Walker: Is that baseline consistent across the country? Is that something that is agreed?

Nick Linford: In the case of both frameworks and standards, they have a core set of skills, knowledge and competencies within them that are described at the relevant level. In the case of standards they have an assessment plan. The expectation is that the training provider and college would measure their current skill level against the knowledge and competencies within—

Q106 Thelma Walker: Are you confident that is happening?

Nick Linford: It is not happening in all cases—no, absolutely not. We know this because Ofsted will often report on this as part of their inspection regime in the reports that are published. It is very clear from their perspective—it is in what is called their Common Assessment Framework—that it is the role of the college or training provider to work with the employer and obviously the relevant individual at the beginning to determine what their needs are and where their gaps are.

We had a report published just this morning from Ofsted, a very unfortunate grade 4 for a training provider, and one of the biggest criticisms is that there were no additional skills or learning, accumulation of knowledge that the apprentices were receiving that they did not already have. It was essentially signing off knowledge that they already had.

Q107 James Frith: Maintaining the view of quality, but perhaps asking a bit more about the stakeholders in the system, I would like to hear a view on the demand side, ie from a student’s perspective. Neil and Stephen, do you think that all stakeholders have a similar view as to what “quality” in apprenticeship provision needs to be or looks like?

Neil Heslop: For the younger disabled people we work with, what characterises a good experience is, first, one that leads ultimately to employment: their dropout rate is more than double their able-bodied peers. For those who achieve ongoing employment, the point that Graham made about the opportunities for progression are key. In support of that, there are three or four really important elements that characterise the individual’s experience of that process. First, the employer’s willingness, understanding and ability to make reasonable adjustments. Second, the speed with which schemes such as Access to



Work deliver such that the individual can compete on equal terms with their colleagues.

Q108 **James Frith:** The rate of dropout for disabled learners being higher suggests that that is not the case and it is not working effectively enough.

Neil Heslop: That is absolutely right—that is what the stats suggest. I suspect the problem is understated because you have the whole issue of disclosure, in that many individuals will embark on such schemes without disclosing because they are fearful of the employer's response. Certainly the research we have conducted among younger disabled adults shows they are right to be concerned in that, as employers have shared with us, more than a fifth of employers are concerned about proceeding when they know about a disability.

Q109 **James Frith:** Is your point that those who are successful either endure it or drop out?

Neil Heslop: Correct. Clearly where it works well there are successes. I would not want people to go away with the thought that this is a picture of unmitigated failure. It is not, but there are some important systemic challenges.

Q110 **James Frith:** Stephen, from a stakeholder point of view there is a real disconnect, is there not, between the expectations of a student population and what is available to them? I know you have led some work around the gender mismatch, particularly in engineering. With National Apprenticeships Week last week, I cited it at any speaking engagement I made. Talk to me a bit about that mismatch from your organisation's perspective.

Stephen Evans: I am struggling to think of a policy area where there are more acronyms involved, and those acronyms change on such a regular basis. I do not think that necessarily helps because each of those acronym organisations is going to have a slightly different view of each of these things.

The research you were talking about is stuff we do with apprentices and people out there interested in engaging in learning. What comes across quite clearly, to go back to what Nick said, is that ultimately an apprenticeship is a job with substantial training and therefore what apprentices we speak to want is a good-quality job. You can go back to perhaps some of the Taylor Review definitions about quality of work. They want high-quality training that is genuinely improving their skills and is preparing them for a career, not just their current job, and then they want that to lead on to a job and career at the end. Those measures or outcomes are really important too.

The specific bit that you are referring to there is work we have done around access to apprenticeships where we analysed the Skills Funding Agency's data, the Skills Funding Agency, as was. Of 16,500 engineering



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apprentices in 2014/15, only 600 were women. There is massive inequality in access there. What we found was that not only were women less likely to apply to apprenticeships in that sector, but women on average put in one application to a job in that sector whereas men were putting in two or three applications in that sector. There is a whole set of inequalities going back through a chain, but there is something about how we link on to opportunities.

The same applies to ethnicity. We found that people from BAME backgrounds are just as likely to apply for an apprenticeship, but their application is half as likely to succeed. Something is happening through that application process. Similarly, Neil has talked about disability. We could talk about other groups as well. I would say quality of work, quality of training, preparation for career and then fair access for everybody.

Q111 James Frith: That is great. On responsibility for quality, I have received quite a bit of casework on the issues that some providers or attempted providers have had with the ESFA. A simple question in terms of their responsibilities: do you think that the ESFA are unnecessarily risk-averse?

Stephen Evans: I would probably say that the bigger challenge is about clarity of responsibilities in the system for all those acronyms that I talked about and also being clear about what outcome we are seeking to achieve. I cannot see anybody, any of those acronyms, coming up with a set of outcome measures saying, "How likely are apprentices to have a job at the end and to get a pay increase at the end?" I know some of that hopefully will come out of things like the quality standard that Nick talked about, but the bigger challenge is that we are measuring the wrong thing at the moment.

Q112 James Frith: It is too transactional at the moment and not enough about where the young person is headed, where they will end up as a destination or what sustainable beginning of a career is likely to come of it. Are those fair summations of what you are saying?

Stephen Evans: If the key headline focus is, "3 million apprenticeship starts by 2020" and that is to the exclusion of other things I talked about around quality, the focus if you are a civil servant or a provider is, "How do you get 3 million starts?"

Neil Heslop: The focus is on outputs and not outcomes.

Stephen Evans: You do need to think about how many people are flowing through the system. It is quite helpful sometimes to have that, but I would probably target the number of people finishing an apprenticeship rather than the number of people starting.

Q113 James Frith: Absolutely. In fact, I came to Parliament in June last year wanting to tell the news of how many people do not complete their apprenticeships. In reality, in that same period of time the same is also true for not enough starting. You have four organisations, four different



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piles of paper. Appropriately, the ESFA is the largest pile of protocols and papers on your desk. That says it all, does it not?

Graham Hasting-Evans: It does. It tells you what the priority is. If you were to look at how many staff were employed in these various piles you would see the same thing.

Q114 **James Frith:** What would you say the priority is?

Graham Hasting-Evans: Reducing funding and controlling the cost. Operationally that is the message that is given to employers and training providers. That is the message they receive. I do not know whether it is the message that is meant, but it is certainly the message that is received.

Q115 **James Frith:** Is that perhaps also why, Nick, it is a really difficult task for an innovative smaller charity or possibly former trade experts to set up and get into this existing provision, this existing system? Further to my point earlier about the ESFA being risk-averse, if we were to talk about outcomes I can think of constituency businesses who have been unsuccessful in recent ESFA rounds, whose success is demonstrated by the value of the employment they now provide former apprentices, as well as the fact that you see their former apprentices in other fulltime jobs in and around the constituency. There is not enough done about that side of completion, is there?

Nick Linford: I do not think the ESFA are risk-averse at all. Quite the opposite, and not necessarily in a bad way. That has been demonstrated by the new apprenticeship reform programme. They have introduced a new way in which an organisation can become an apprenticeship provider, including employers. We have seen a tripling of the number of organisations, many of whom—this does concern me—have no track record of delivering apprenticeships at all. *FE Week* reported on one organisation with one director who managed to get three new companies on to the register and approved to deliver apprenticeships. On the other hand, how do you get a track record of delivery if you are not given the opportunity?

From my perspective, the ESFA's role is partly in terms of financial assurance. It is public money, after all. It is an employer ownership-led system, no doubt, but once it has gone to the Treasury in the form of that levy—or tax, essentially—it has then become public money. It is absolutely important that the ESFA take very seriously that responsibility as the financial assurer for that money.

It is also more money. I hear the concerns from Graham about cuts, but for apprenticeships it is £1 billion more in the last 10 years. We will be up to about £2.5 billion, but let us not forget that this is a saving for the Treasury of £1.5 billion. Before the levy came along, the Treasury was spending £1.5 billion on apprenticeships. They have now saved £1.5 billion because that money is coming from the 40,000 or so large



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employers paying the levy. It is vitally important that we do not lose the public benefit of that expenditure, that public money, as it is going up.

Apprenticeships are now more expensive. They cost a lot more as standards. That was by design. The idea is that the apprenticeship standard will be of much higher quality with more training and more independent assessment, which is expensive. In many cases what would appear to be a similar apprenticeship at face value will need double the amount of funding.

It is incredibly important from the ESFA's perspective that they manage those risks, and when we are talking about young people in particular, we make sure that where there is employer ownership we are also mindful that they are considering new entrants to the employment market and not just their existing employees with that money. From my perspective, there is more money for apprenticeships and the ESFA's role around financial assurance is very important.

James Frith: But fewer employers in the system.

Chair: Last one.

Q116 **James Frith:** Do you put that down to the lag that has been the explanation to date or do you think there is a lack of engagement with employers on that?

Nick Linford: I do not think there is going to be a problem with demand for apprenticeships. Quite clearly, as we have reported in *FE Week*, there had been a drop-off relative to the previous year before the reform programme came in, but what we are seeing on the ground is a huge planning exercise going on, particularly in the public service. There are very large tendering rounds to get a list of preferred suppliers. As the Minister has said herself, she expects big uptake by September. I suspect it is going to come a bit earlier, probably by April, the new financial year, for many of the public sector organisations.

Let us not forget that more than half of all the new standards are not available for delivery yet. Thousands of employers have been working with the Institute for Apprenticeships to develop new programmes that they cannot run yet. Many of them are at levels 4, 5 and 6. Pretty much all the universities bar one or two are now on board. Yes, it is a slow start, but it was a rushed programme to get it up and going, which has its own challenges. I do not see a problem, like many.

Chair: This is a large panel. It would be good if we can try to be concise with both the questions and the answers.

Q117 **Emma Hardy:** A quick one, further to the point that James was making about local smaller organisations providing apprenticeships and training being very successful. In my constituency, the Motor Trades Association has a problem because it cannot access funding directly from the Education and Skills Funding Agency. It has to be subcontracted. Do you



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think it would be a good idea for those funding decisions to be devolved to local regions? Can I start with Neil?

Chair: Just a brief answer if you can.

Neil Heslop: Moving power and decision-making closer to the people closer to the ground generally has to be a good thing, so yes.

Graham Hasting-Evans: We must maintain national standards so that somebody working in one part of the country can do the same job as somebody in another part of it, but in terms of operational delivery the closer we can get it down to where it is happening the better.

Stephen Evans: Some things need to be national, like standards, for example, and where you have large organisations that operate across different bits of the country you need to have some national approaches, but there is a bigger role for local authorities and local government in making the system work on that local level.

Nick Linford: Absolutely there is a role at a local level to stimulate demand and so forth, but it is a national programme and so far as compliance and funding are concerned, which are very important—we have seen a number of programmes fail quite spectacularly where fraud and misuse of public money has happened and so on—for a national programme like this, it is very important that the finances and the compliance are at a national level.

Q118 **Emma Hardy:** That does mean though that the boundary is going to be so much higher. They said to me that smaller companies cannot bid for delivering these apprenticeships or delivering the training because they cannot get to that threshold. It was changed in—I cannot remember when—the previous Government.

Nick Linford: I do not recognise the description you provide. As far as being an approved deliverer of apprenticeship training is concerned, getting on the register, you can be—as many are—even a sole trader. You can be an individual director of a small company that has not been around for more than six months.

If you are referring to accessing funding for a small employer, that is currently a challenge. That is a systems-based challenge that should resolve itself, the Agency say, by April of 2019. That is definitely a problem. The tendering around that went on for the “non-levy”, as it was referred to, for small employers, was a farce. It was a fiasco. We were very critical of it at *FE Week* and many in the sector have been burnt by that.

Q119 **Chair:** We obviously know that Ofsted have said that 40% of apprenticeship providers required improvement and 11% were inadequate in 2016/17. We had a submission from a provider called HIT. They say the initial premise on which this inquiry is founded, that Ofsted last year reported that 37% of apprenticeship providers were less than



good, fails to recognise the volume of learners in the system and only looks at the volume of providers inspected, whatever their size. "Its conclusion is a conflation of numbers of inspections with the volume of learners and is therefore inherently faulty." Can I ask what your view is on that? What is your view in terms of the level of quality apprentice providers, whether it be private or FE? Nick.

Nick Linford: It is an interesting point about weighting as far as volume of apprentices by provider, but it is something that Ofsted are alert to. Last year, which was being referred to there, 189 providers were inspected, but Ofsted make the point themselves that there were 37,000 apprentices within the 11% that were deemed to be inadequate. They are mindful of the volumes. Yes, it is important to look at that, but the largest apprenticeship provider out there with the most apprentices, learndirect, received the grade 4 and they are only one out of 189 providers. It absolutely goes both ways.

Chair: Any other views on the panel?

Graham Hasting-Evans: The challenge that we see now we are working with training providers that have started to move from the old SASE frameworks to the new standards is that not all the training providers understand the difference and the step change in terms of the way they learn and the support in apprenticeship. There are some real challenges there in terms of that migration.

Stephen Evans: To coin a phrase, I agree with Nick. The thing I would quickly add, to go back to the point about outcomes, is that we need to measure outcomes and we know that about 60% to 65% of apprentices are existing employees. It would be great if they were all doing new jobs with the same employer or getting extra training but I am not sure that they are.

We can argue about what proportion of providers or what proportion of learners are in providers that need improvement, but it is certainly too high. There is a whole broader thing about how the system operates to deliver quality where it is falling down at the moment.

Q120 **Chair:** What effect do you think the extent of subcontracting has on the quality of apprenticeships, including the huge management fees that are creamed off by some providers who do a lot of subcontracting? Why do we have so much subcontracting in business administration, for example, and what does that do to quality? Would anyone like to comment on that? Graham, do you want to kick off? Neil?

Graham Hasting-Evans: You are going to need a degree of subcontracting because demand will go up and down and you need some flexibility in the system. The scale of the subcontracting was driven by the rules about how big you were that were introduced a while ago. They do not now apply to the trailblazers, but they do apply to the old process. I do not think personally that the high degree of subcontracting we have



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lived with makes sense. I would like to see that reduced progressively by this process.

Neil Heslop: There is a relationship between these two forces. On the point we talked about earlier, devolving decision-making to a local level, one of the things we see most, given we are working against a backdrop of systemic challenges, is that we are seeking and seeing a lot more success generally with much smaller innovative pilots. They tend, because of scale, to be operating at that lower end of subcontracting. For us, while I get that from the point of view of the wider economy a downward pressure on subcontracting feels appropriate, I would be a little concerned if the consequence of that was to stifle innovation.

Stephen Evans: You will always need some subcontracting for a whole set of reasons, but it has been too high. Some of the behaviour has been outrageous and unjustifiable, really. The sector coming together in the last few days to try to set more of a voluntary cap on themselves and share some examples of best practice is a start, but it is just that, a start. It is not just about the level of fees, it is also about what you get for it and what levels of subcontracting we think are appropriate for apprenticeship delivery. I think it is too high and too much.

Q121 **Chair:** Just before Nick answers, surely if the taxpayer is paying the provider to do something then the provider should do that job, not just get a management fee for passing that job on to something else, unless it is a genuine niche area that may be to do with special needs, with certain mathematical or scientific training or whatever it may be.

The extent of it seems to me extraordinary and the learndirect example that has been highlighted by our colleagues in the Public Accounts Committee shows just how much of a money-maker it has become and the fact that they face much less regulation than other providers. Ofsted, as you know, have just announced that they will do a limited form of inspection of subcontractors, but it is very early days yet. Nick.

Nick Linford: Every week we have been following the subcontracting growth over the last seven or eight years and we have been publishing various stories about management fees or poor quality. One of the first issues is the lack of transparency. We talked about the ESFA and their role with regard to financial assurance. If they wanted to, they could publish the performance of subcontractors. They choose not to. There is no way you can look at the achievement rate of particular subcontractors.

Subcontractors know that they are not going to get a visit in their own right from Ofsted. Even with the limited pilots they are doing, they are not visited in their own right and that subcontractor will not receive a grade. Without a grade, which is the main reason, they will not be booted off the register of apprenticeship training providers. It offers, as a subcontractor, a great deal of protection from the regulatory regime and in the context of quality, protecting high quality, the experience for the individuals and the public purse, that concerns me a great deal.



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There is good subcontracting out there, I have no doubt of that, and I agree with the Chair that it should be focused particularly in niche areas that the typically larger college or training provider that is subcontracting is not offering, but the reality on the ground, where we do have some information, is still very much that it is a money-maker. There are some large colleges out there—I will not name any names here, but some of this stuff is in the public domain—talking £17 million of subcontracting and £4 million of management fees.

I would love you to have the principal in here explaining how they are spending that £4 million because I can bet you bottom dollar it is not £4 million worth of management work for that contracting. We have just recently reported that it is very clear from the tax office that that is meant to be charged VAT on top. That is another £800,000, in that example, going back to the Exchequer. A huge waste.

You can read in the subcontracting policy documents all sorts of good things about specialist provision, collaboration and working together, but even with this particular college their own board minutes say—this is public domain stuff—“We are doing some more subcontracting that is going to increase our surplus”. That worries me a great deal. The subcontractor seems to be a way in which to support what is in truth, and certainly for colleges, quite a fragile market.

On the one hand, there is not enough funding outside of apprenticeships and potentially one way of trying to supplement those Government cuts in other forms of funding is through subcontracting. That is a great concern. I do think that the ESFA need to do a lot more around transparency, a lot more. They have a lot of data and it feels like subcontracting is a bit of a hidden market that no one really wants to talk about, and it is huge.

Q122 James Frith: Do you not recognise that that exists and has prevalence within the private sector training provision market? You aim your very well-informed comments at the colleges in question, but there is evidence, is there not, that this is rife across the private training provider sector? It is just as we have seen with Carillion, where this puffed-up vehicle is a Government preference to the creation of jobs and it outsources all the risk to subcontractors, many of whom are still picking up the pieces, while the reward is taken by the shareholders who speculate based on a Whitehall portfolio: a bit of justice, a bit of education and a bit of apprenticeship provision. Why do you not extend the comments—perhaps you will—to private providers?

Nick Linford: Yes, there is certainly subcontracting by the private sector, no doubt of that, but the most recent analysis we have been able to look at would suggest that about two-thirds of apprentices at colleges were being subcontracted out. Those are much larger volumes. Interestingly, it goes both ways as well. Some colleges subcontract to other colleges, which I find an odd thing to be doing, but that happens as well.



What I would like to add though, if I may, is that there have been rule changes on subcontracting. The Government and the Department over the years have been making changes. They have restricted subcontracting. It is important we are clear on this. They have restricted subcontracting for apprenticeships from May, for new apprenticeships for the levy employers, and they have extended that to the non-levy employers from January of this year. Now it is a requirement that the main provider, the prime, delivers some training to every employer that they are subcontracting to.

Q123 Chair: What percentage?

Nick Linford: It is an interesting question. According to the funding rules there is a paragraph that says that it should not be a “token” amount. That is the word. There has been quite a lot of discussion about how much of a grey area that potentially creates. Some people would see that as a negative. Others would see that as flexibility and a positive to create some degree of sensibleness rather than having a fixed percentage. I think that is a positive step. It is very important that the primes have a relationship with employers.

The challenge—the last thing to say on this—is of course that we hear that many employers, or some employers at least, do not want to work directly with multiple training providers, specialist ones. They welcome the opportunity to work with one of the larger providers to support the network.

Chair: We are going to pass on to Will. I just think my colleague James makes a good point, given that learndirect was an obscene example of a huge amount of subcontracting and ripping off the taxpayer and they were of course a huge private provider. William.

Q124 Mr William Wragg: Good morning, gentlemen. I am conscious of time. Perhaps we can rattle through this one. Are there sufficient safeguards in place to root out poor-quality apprenticeships? Could we start with Neil, please?

Neil Heslop: Are there sufficient safeguards? We see a very mixed picture. The protections around quality in terms of the younger disabled people that we work with are generally pretty sound. We have come across examples that give us real cause for concern.

Graham Hasting-Evans: I would like to come back on a question about consistency so I will wrap that into this. I do not believe we have adequate controls over quality.

Q125 Mr William Wragg: Why is that?

Graham Hasting-Evans: Because we have not yet fully implemented the reforms and the changes. I will draw an example. I have two pieces of paper. This is Ofqual’s book of rules for quality for qualifications, and at the moment all we have on apprenticeships is this. We have no



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equivalent to that for apprenticeships. The quality control process is not really in place.

Q126 Mr William Wragg: Do bigger rulebooks mean that those rules are followed?

Graham Hasting-Evans: Not always. If you take on what was said in the Richard Review, in other reviews and by employers, this—which has a thicker rulebook—does not work perfectly. I would agree with you, but if you have no rulebook then you do not have a great chance of controlling quality. That is an area where we must make urgent progress over the next few weeks.

Mr William Wragg: Thank you, Graham. Steven?

Stephen Evans: The short answer is no. On standards, you have groups of employers signing off standards to say that they are in line with what they need, but we have argued for a second stage of approval to make sure that they are matching the best in the world and that they are broad standards, to go back to the point at the start about preparing people for careers, not just their current jobs. On provision, there is a real risk with the proliferation of providers that Nick talked about. Are we going to match up to the scale of the challenge there?

The last point goes back to the measures point and the outcomes point, because what we do not have is anybody, any of those acronyms within the system, taking responsibility to say, “What we really care about is how many people who do apprenticeships get jobs at the end and get pay rises at the end. We are going to publish some data on it and have a look at it”. Nobody is doing that. Is that not surely one of the core measures, along with the apprentice experience?

Q127 Mr William Wragg: Would you maybe say that is a symptom of a system that has grown rapidly in a fairly short space of time? Perhaps there is that lag period as to what definitive systems we put in place.

Stephen Evans: I probably would not, in the sense that apprenticeships in one form or another have been around for quite a long time.

Mr William Wragg: Indeed.

Stephen Evans: Clearly there have been a whole set of changes in recent times as well, but—I speak as a former civil servant—there is always a risk when you have a numerical target for the number of starts and you do not have the outcome measures and the impact measures at the same time, that what drives the behaviour is the target. The target might be a good thing to have because it increases focus, but not if you do not have the other things alongside. You have to do both at the same time and we have not.

Neil Heslop: Could I add to what I said before? I think what we are seeing in the practical reality is that those employers who do embark down the path of taking on young disabled people in apprenticeships tend



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to be at the higher-quality end. The kinds of organisations who are exhibiting poor quality would not even go there, so we never get to see it.

Mr William Wragg: I see. Nick, thank you.

Nick Linford: On safeguards, no, I do not think so. To some extent the Government and the Funding Agency in particular are being far too trusting. They are not looking at the history of new programmes and in many ways new IT systems that pay out public money.

There is a very large IT system for the new apprenticeship programme called the Apprenticeship system. It is going to be paying out the £2 billion-odd in funding and we have 3,000 providers who have access to draw down that money. That is more than triple the number that were drawing down public money before, many of whom have no track record. I am concerned that we have heard little from the Agency or Ofsted yet about how they are scaling up to manage those safeguards. The National Audit Office about two years ago were very mindful of that fact.

If I may just give one example where I think little thought to safeguarding has been given—

Chair: One, yes.

Nick Linford: —any one of those 3,000-odd providers on the register at the moment, those organisations can access public money, the levy funding, with an employer to an unlimited degree. There has been no financial cap, whether it be £10 million or £100 million, no cap at all.

Mr William Wragg: If I may, Nick, we are going to come on to the question of the financial model shortly. I will bear that in mind.

Nick Linford: Okay, but absolutely there should be a safeguard there. If you are a new entrant to the market then you need to be capped and brought in over time to demonstrate that you are actually offering a quality programme because you do not have that track record.

Mr William Wragg: Thank you. Chair, should I move on to the next question in terms of the financial aspect or does anybody want to come in? Emma?

Q128 **Emma Hardy:** Yes, I just wanted to jump in on something related. One of the previous people giving evidence talked about the need for enforcement and regulation from the apprentices' point of view and the fact that so many of the apprentices are getting paid lower than the actual apprenticeship, minimum wage. They were talking about how there should be more enforcement and regulation of that. Do you think that is something that, for example, Ofsted should look at if they are going to look at training providers or they are going to look at where these people are working? Should they look at things like those individual rights of the apprentices, "Are they getting paid properly?" and so on? We will start with Neil.



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Neil Heslop: I do not think one needs to think about enforcement just in terms of pay, while being absolutely critical. Certainly for the people that we work with it is about enforcement of rights around their reasonable adjustments and access to work. Of the young people we work with, 49% report that they do not get an outcome for their Access to Work for more than three months, just from a practical point of view. The rights issues go right back to 51% of people telling us that the expectations set at the end of secondary school were way too low.

Chair: Do you want to ask a quick one, William? Then we are going to move on to another area.

Q129 **Mr William Wragg:** If you would, gentlemen, a one-sentence answer as to whether you agree or disagree with this statement and then maybe give the reason why. Does the current funding model incentivise those high-quality apprenticeships that we are talking about? Nick.

Neil Heslop: Yes, it absolutely does.

Stephen Evans: I think it does not as much as it should. If it is a more expensive apprenticeship to deliver the rate will be higher, but there is no incentive in the system to get fair access to those apprenticeships, to go back to what I said before.

Graham Hasting-Evans: Yes, it does incentivise, but the system disincentivises at the lower levels and creates the issue that Steve has been just mentioning about how you get that career ladder up from the level 2 to the level 4 and 5s.

Neil Heslop: There are some important and valuable incentives. I think the bigger problem we see, particularly for the people we work with, is that people do not know about them.

Q130 **Chair:** That is a huge problem. We are going to move on to equality for all and social justice. Could I just ask you, in terms of the £60 million that goes to providers to incentivise them to have more apprentices from disadvantaged backgrounds, is that a good way of spending £60 million or would there be a better way?

Nick Linford: If I could come in there, let's just be clear: this is not additional money, this is money that was referred to as a disadvantaged uplift. It was an extra amount dependent on where the apprentice lived and in a higher index of multiple deprivation there was a bit more money. This is something that was planned to be removed in the reform programme and when, as Minister, the Chair ensured that it stayed. It sounds like it is going to stay. It is not an exact science. It certainly does not incentivise colleges and training providers to seek out those that are in disadvantaged areas, which is what it is based on.

The thing I wanted to flag in this area around social mobility and so on is that for me one of the biggest changes from May, shifting from the Treasury investing £1.5 billion to a levy funding approach, which I think if



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it funds well and is spent in the right places—and this is my concern. Pre-levy, around £700 million was ring-fenced just for 16 to 18-year-olds, which would typically not just be supporting the young, as per the Conservatives' own manifesto commitment, let's not forget, but also naturally as they are young, it would support in particular job creation. Introduction to the levy employer ownership, employers do not have to spend any of it on job creation, let alone on young people.

That is a big concern for me. The Government have chosen to remove a very important lever that they had to ensure that the money was spent on those job creations and in particular those young people. As the programme beds in, as we do get the growth—I think we will in apprenticeships and the big uptake—it will be really important that the Government and the Institute for Apprenticeships and yourselves are looking very carefully at what we call the mix and the balance, whereby what we do not want to see is huge uptake in management degree apprenticeships for existing employees at the expense, because it is a limited pot, of young people.

Q131 Chair: Isn't the answer to this to tune the levy, so you use a proportion of your levy if you hire a 16 to 18-year-old or someone from a disadvantaged background? Would that not then counter some of the problems that you suggest?

Nick Linford: The first thing you should certainly do is question why we are asking employers to pay for 16 to 18-year-old apprentices. Along with the removal of that ring-fence, the levy means the employer is now paying for a 16 to 18-year-old. If I was an employer looking at that, I would be much more incentivised to take a young person, knowing all the responsibilities that come with it, if I was getting Government support to do that, which was how it was before the introduction of the levy in May. I have never understood why the Government decided to begin charging employers to take on young people.

Stephen Evans: The way you put the employer leadership and the social justice together is that the Government's role is to set the framework and then employers choose within that framework. At the moment I do not think the framework incentivises social justice in the way that we have all talked about. It might be reforms to the levy such that you talked about; it might be other funding changes. We have talked about an apprentice premium to try to get extra resources behind groups that too often miss out.

The other point I would make is there is about four or five other particular smaller funding streams that providers can draw on to help particular groups in particular areas. What we have picked up from providers is awareness of those is quite low. The rules are quite complex and they are quite wary of drawing them down because they worry the ESFA will come and claw it back later. Putting some of those funding streams together and being much clearer and simpler about the rules



around them I think would help immensely as well, alongside the £60 million.

Graham Hasting-Evans: We think that the levy needs to be made more flexible and adjusted. You are right to say there is a lots of different funding pots to get to. They are difficult for people to work out and I think we could use the adult education budget together with LEPs at the local level to perhaps start to help people through what is quite a difficult set of funding programmes to try to handle.

Neil Heslop: Just to echo a couple of things that Steve said. A bit like a broken record, I go back to Access to Work. Some 60% of employers think that taking on a younger disabled person is going to have unacceptable and incremental costs. Yes, there is Access to Work, but 60% of employers have never heard of it.

Q132 **Chair:** Just before I pass on to Emma, on the progress on implementing the Maynard reforms—if I could just direct this primarily at Neil—how do you think the Government is doing in terms of getting more disabled apprentices?

Neil Heslop: It is a snapshot of a much bigger and wider problem. In the latest statistics, more disabled people left the workforce than joined it. Now we have the commitment through Improving Lives to move to 1 million more people in employment over 10 years, but the progress is woefully slow.

Q133 **Chair:** There has been a suggestion sent to us that apprentices with disabilities only get the extra help if they are either subject to the education health and care plan or learning disability assessment, but that often does not apply for adult apprentices over the age of 24. Would it help if there was a rule that the same applied to disabled apprentices post-24, even if they had not had those assessments, the LDA or the education health and care plan?

Neil Heslop: We do not see a big drop-off beyond that in the schemes that we operate. Frankly, the challenges of this group are so entrenched and unemployment has not moved for 30 years in any meaningful sense.

Q134 **Chair:** Of your 30 apprentices, how many of them have disabilities?

Neil Heslop: About 40%.²

Q135 **Chair:** About 40%. When are the 300 coming? You said you were going to have another 300.

Neil Heslop: Over the next couple of years. We employ 6,500 people and our rate of representation among our workforce is unacceptably low, so we have made the commitment that we will move to treble it over the next five years. But that is from a very low base.³

² Leonard Cheshire Disability later stated that they want 40% of disabled people take up apprenticeships.

³ Leonard Cheshire Disability later clarified that their ambition overall is to employ the same percentage of disabled people as in the working age population.



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Q136 Emma Hardy: On Friday I met an incredible young apprentice who was being supported by Hull Training and Adult Education. He has been employed by Hull Training and Adult Education as an apprentice caretaker. He had been homeless for six years, sofa surfing, so he is completely self-reliant. Hull Training are providing him with a bus pass, they are providing him with a hot meal every day, they are even washing his clothes for him every week because he does not have enough money to pay for his own washing machine.

This man is incredibly committed to the point where he could not find his bus pass one day and he walked for three hours from his house to get to Hull Training because he loves his job. He says he now has a reason to get up in the morning and he is no longer lonely. Do you think that employers should be given more than just money for training, that they should be given better funding, better support for giving that pastoral care, that holistic support, to enable people like this young man to gain some training?

Graham Hasting-Evans: I think you do. I was Head of Employment Skills on the London Olympics, had a lot of experience of trying to get people in London into work in similar circumstances. You had to help people with bus fares, you had to realise that you could not give them two buses routes otherwise they would not get there. When I talk about some flexibility for the levy and perhaps for the adult education budget at LEP level, those are some of the things that I would like to see happen. I do think there is a challenge and in that sense I disagree with one thing that Nick said earlier on.

He said that there is a lot more money for standards and in overall terms that is true, but in the last week the construction employers have been told that the ESFA is going to cut the bricklayer funding by 58%. They are quite clearly saying, "There is no way we are going to do social justice, there is no way we going to be able to do that. In fact, there is probably no way we are going to have a bricklayer apprenticeship". If we are taking actions they need to be in the round. We need to see that we do not just do one thing in that direction and another thing in the other direction, we consider it in a strategic way.

We do not have a skills strategy in England; they do in some of the devolved Administrations, but we do not. We need to be able to see how the various changes we make on funding impact the whole system. We are not in that place, I do not believe.

Nick Linford: I think travel is a really important issue and cost of travel. I was pleased to see—and it came out of the blue; I do not know what role the Chair had—in the Conservative manifesto that there was going to be financial support for apprentices and their travel, but the Government have been silent so far on this manifesto commitment.

I would absolutely think that the apprentices, whether it be by giving money to the employer that then pays for various elements of pastoral



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support, wherever the finances come from, if that is not available and therefore a barrier, then that needs to be taken very seriously and looked at. I would much rather than the levy money being spent on management degrees and MBAs for existing employees was spent on supporting those with disadvantage, frankly.

Neil Heslop: Two observations. To get at the intractable problems around disability, yes, this is about a mainstream system, but it is also about a portfolio of targeted inventions to complement it. In the way your question was driving at, I think there are multiple examples of things that we believe work. The point that Graham made, understandably Government and the civil service work in silos. Individuals do not. They have a lifecycle, leaving education, moving through all of these particular transitions and viewing through a silo allows one to make incremental progress, but you will only make strategic progress if collectively across Departments those transition points are working together.

Q137 **Thelma Walker:** We have touched on barriers to accessing quality apprenticeships. Could I ask each of you: if you could change or improve access and be inclusive in terms of quality apprenticeships, what would be your top priority or top change you would want to see? We have had lots of suggestions about we would like to see fair access, but which one would you pick, if you have one?

Graham Hasting-Evans: I would pick facilitating people to get the pastoral care, the bus fares and all of those sorts of issues that we have talked about previously. That would be my top priority because that would help people at the bottom. If you help people at the bottom you can get them up to the next level and then they can progress on to the next level up the ladder of opportunity. That would be my top priority.

Neil Heslop: For me, for responsible employers trying to do the right thing, I would try to create a one-stop shop with all of these resources and make them aware of the support that already exists that they just do not know about.

Q138 **Thelma Walker:** I think your charity, Leonard Cheshire Disability, have highlighted some of this, haven't they?

Neil Heslop: Yes.

Stephen Evans: I mentioned funding changes in the last answer. Beyond that I think this is where there could be a good role for local and combined authorities to do some of that joining up. There are some combined authorities giving travel discounts to apprentices now. Some of that joining up would come there. Also they could work with employers.

We mentioned the apprentice minimum wage before and the shocking levels of underpayment of that. We did some research with employers that showed that about one in five current and recent employers of apprentices did not understand the rules. They get very complicated very quickly. How could a combined authority and training providers have a



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greater responsibility for making sure that employers know those rules and some actions to simplify them too? I think that is where local leadership could make a difference.

Nick Linford: Your question was if you could pick one thing. I think money talks, mindful that there is a limited amount of it. It still bemuses me with all of the reforms and so on that there is no account of where an apprentice is an existing employee or a new employee. It is the same amount of money; it is the same regime; the same incentives are there. For me the biggest barrier under an employer ownership regime is the employer spending their money is going to want the most oven-ready, the most qualified, the easiest employee that will be able to contribute the earliest the most.

Thelma Walker: This comes back to the pastoral role.

Nick Linford: Absolutely. We need to say, "Well, if someone needs more support, then the employer needs help, do not charge the employer". The biggest barrier is charging employers for those that need support.

Q139 **Trudy Harrison:** My question is again on barriers. I should declare my role as co-chair on the Apprenticeship Delivery Board.

The Social Mobility Commission reported that young people from rural and coastal areas are suffering most disadvantage, not achieving their full potential. Given the barriers to transport we have already discussed, I would like to hear from all of you what we should do about that. You mentioned, Graham, about bus passes. That is all well and good probably to get to the training provider, but it is highly unlikely to be able to get to the employer, particularly on the shift that you are needing to work. I know you have a particular interest in nuclear, as do I, being the MP that is covering Sellafield. I would like to hear from you all with that particular reference to coastal and rural communities, what can we do to help potential apprentices be able to access them?

Graham Hasting-Evans: My experience in the past is that you have to establish local brokerage so that you can broker between the young person, potentially the training organisation and potentially the employer. I have seen areas where you have a good brokerage service—and that is a role for a local authority or a LEP—and you can make inroads into that. Because you are right: there are genuine barriers and you will never get a genuine barrier tackled by a pile of paper like this in Whitehall. You need local intervention, so it is encouraging and supporting the local LEP, the local authorities to provide that brokerage and to help join up the dots for people. That is probably the best thing to try to do.

Q140 **Trudy Harrison:** You feel that the Local Enterprise Partnerships could be really key in this?

Graham Hasting-Evans: I think they could be in that respect, yes. I found that personally on the London Olympics, working with the five boroughs and their brokerage scheme. We found that at Hinkley, as you



mentioned, obviously the LEP and the Hinkley Point Training Partnership arrangements, again tackling those sorts of things in rural areas and coastal areas. That is the model that we have seen working in some of our major infrastructure projects and it is a model we could start to use elsewhere.

Q141 Lucy Powell: We are coming towards the end here. My question is a follow on. It is about barriers, but coming at it from a different angle. It is about the pipeline into—and possibly out of, but particularly into—apprenticeships around the qualifications that young people might need to access those. There are a couple of questions there.

What do you think could be done in terms of reform of that? Because 16 to 19 apprenticeships often require a pass in English and maths GCSE, which is a very high bar these days. Obviously degree-level apprenticeships—we have met many degree-level apprentices—require A levels, often very high A levels to get to some those. Perhaps the old idea of what an apprenticeship was, which was a route for those young people who struggled with the academic side of things, is that being lost? What more do you think we need to do to ensure this is an enabling system that allows young people who need that second chance and perhaps need to develop functional skills rather than necessarily GCSEs?

Neil Heslop: There are a couple of things I would say in response to that. There is the whole situation about careers counselling and careers at all levels with the right kind of conversations at the right point in time. Secondly, for younger disabled individuals who are outside of formal education, so that sweet spot of 16 to 19-year-olds, we see volunteering programmes in the community as a huge way to build skills and confidence and to acquire City and Guild qualifications in particular areas as a stepping stone into the more formal system.

Your point about the barriers around particularly those individuals with learning difficulties, the recent relaxation around maths and English for certain individuals is absolutely the kind of creative thinking that recognises people's diversity, such that they can move functionally into an apprentice situation where some of the criteria might previously have excluded them. We have to think very much more deeply about those assessment processes and diversity and flexibility within them.

Graham Hasting-Evans: One of the challenges is that although a piece of work has started, and I welcome that, it has only recently started on career pathways. We need to have a very clear understanding of how we take somebody that may be not even level 1 up through the system. What qualifications they need, what training support, what kind of pastoral support: we need a complete understanding around that. That will then help pass people on and help them with their transitions. We do not yet have that.

Q142 Lucy Powell: Going back to the point Nick was making earlier, with a very much employer levy led system, whose responsibility is that? That is



the state's responsibility, surely?

Graham Hasting-Evans: I think it is the state's responsibility to put in the skills strategy and to understand how those pathways work and to facilitate those where they are the facilitator. At the moment, because we are doing things in silos—that word has been used—we do not have those transitions properly worked out. Too much emphasis has been put on A levels, T levels at level 3.

Q143 **Lucy Powell:** I am going to ask about T levels in a minute. I am just conscious of time. Nick, you wanted to come in.

Nick Linford: Yes, at *FE Week* we have been tracking these sorts of barriers around English and maths for some time. I was involved in a radio show with Doug Richard, the original architect, to some extent, about this specific issue. Coming back to my points about being, in that sense, oven-ready, employers increasingly are saying, "Don't even apply for this level 2—the lowest level—apprenticeship unless you have your English and maths at level 2 or equivalent. Don't even apply". Increasingly we are moving to a position where the mindset is not one of where the apprenticeship is a training programme for knowledge skills and, if necessary, English and maths, to a position from an employer's perspective where they want young people or existing employees to be nearly there.

It is a training programme with English and maths and we must not forget that for level 2 apprenticeship you need the English and maths at level 1 equivalent to pass that programme at the end, not as an entry requirement. Even at level 3 it is not an entry requirement to have level 2, it is that you have passed it by the end. Coming back to my point about incentives—

Q144 **Lucy Powell:** I do not know if you have tracked it, but the maths and English GCSEs are a great deal harder as well. There is a lot of A level content in them.

Nick Linford: Yes, functional skills is a well-respected qualification within the sector. I do not know how we make it well-respected within the employer environment without calling it an adult GCSE or finding a way of giving it that brand.

Q145 **Chair:** Should functional skills be included in the 20 hours? At the moment it is additional and that puts quite a lot of burden on employers. What is your view about that?

Nick Linford: That is an interesting one. The 20% off the job minimum requirement, I describe that as an entitlement to training in that apprenticeship and therefore I can see why, from the Government's perspective, anything else, including English and maths, should be additional.



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From the starting base that we are at, where lots of programmes did not have much training, I would frankly be comfortable with English and maths being within the 20%. It makes it a lot harder. Certainly it is a great disincentive to do English and maths, meaning it is even more time away from the work doing training from the employer perspective. I do not like disincentives for things that should be encouraged.

Stephen Evans: There is a very good rationale for the rule as it is, but I think given where we are, as part of an agreement with employers to engage them, we probably need to think about how that operates. The literacy and numeracy matters for young people, but it matters for adults as well. We have 9 million adults lacking literacy and numeracy, yet the number of adults improving those skills has fallen by a quarter in the last five years. We do need to have a bigger and better ambition as a country about that, both within apprenticeships and before.

Two swift points. One is that we have not mentioned traineeships, which are the Government's intended route to get up to that apprenticeship level. If you were going to design a pre-apprenticeship programme, it would probably look like a traineeship, but clearly something is not working as well as the Government would hope there. Looking at that is important.

The final point is around Jobcentre Plus. If you think about young people or adults who could benefit from an apprenticeship, a lot of them might currently be out of work and with Jobcentre Plus. How many people are getting apprenticeships through Jobcentre Plus? I am not aware of any data existing and that tells me the level of priority that is going on it. I do think a bit of a push to make sure that those out of work can get into apprenticeships as a route into work would be a good thing.

Q146 **Lucy Powell:** That is good. Final question on that, it just follows on, is about the introduction of T levels. Obviously we are not at the granular detail point of those yet, but do you see the introduction of T levels as being an opportunity as pathways into quality apprenticeships or do you see this as being another barrier, another challenge, or is that partly depending on how they are rolled out?

Graham Hasting-Evans: T levels present us with an operational challenge, because at the moment we do not have a proper regulatory quality control system in place for apprenticeships and we have been on this for five years. T levels is due to start in 12 weeks' time. I have a real concern about whether we will be able to cope with T levels while trying to improve quality apprenticeships. That is one point I would like to make.

The other is that T levels are aimed at level 4, level 5, level 6 in terms of apprenticeships and my concern is that a large number of people will never get to that level and do not need to. There are lots of jobs in the economy at level 2 that are really good jobs. One of the ones at Hinkley Point, if you can get a level 2, you can earn £40,000 a year. That is a lot



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more than a graduate. There are some very, very good worthwhile jobs that we can get people to that were level 1, long-term unemployed that have done a fantastic job. We are too focused on level 3 and above and we are missing what is happening at the lower levels. We cannot forget those people within our society.

Chair: Neil, do you want to comment? We are moving to our very last question from Emma.

Neil Heslop: Just about the emphasis, about level 1 and 2 and that transition.

Q147 **Emma Hardy:** I will be super quick. The comments about Jobcentre Plus, thank you for raising that. I was told by a young apprentice that they were getting less money in their apprenticeship because of the way the benefit system is currently working. They had to take a decrease, cut in pay. Have you been made aware of that?

Stephen Evans: It links back to the T level question a little bit. T levels are a great idea, apprenticeships are a great idea, but what we miss is how all these bits of the system join up. The Jobcentre example is good one of that. We need a coherent system.

Nick Linford: If I may, on that point, it is quite a specific one that we reported quite a while ago and probably should do again soon. The Government does need to resolve this issue where, as I understand it, family allowances are taken away when the young person gets a job with money, which may be appropriate in some circumstances, certainly not for a job with training. That should be an easy one for the Government, interdepartmental, to resolve that the family does not end up earning less overall as a consequence of the individual taking the apprenticeship. It is a huge disincentive. I am really pleased you brought that up.

Q148 **Chair:** If I just briefly comment as we end, Graham, apart from making me very happy by talking about the ladder of opportunity on a number of occasions—you clearly did your research very well—you said something very important—all of you did, and we have extended the panel time because of what you have been saying: that we do not have a skills strategy as a country. That is quite an important statement. In one sentence—obviously not the content in one sentence—what do you think we should do as a Government, as a country, in terms of having a skills strategy?

Graham Hasting-Evans: I said that because that was the first thing I did when I was on the London Olympics: agree with Government the skills strategy for the Olympics so that we could get people employed. I think it has to cover everything. In its scope it needs to cover schools, colleges, universities, skills development in the work force, adult education. We need a strategy that is right the way across the piece.

Q149 **Chair:** Also to meet the needs of the Fourth Industrial Revolution and so on?



Graham Hastings-Evans: Yes. That is underpinned with new ways of working in digital and deals with some of the legacy issues, the 6.5 million people in the workforce who cannot read or write. I was an operational director many years ago, and one in four of my workforce could not read or write and a big operational decision was which teams you put together so at least one of them could read and write. That holds back their chances in life; it holds back their productivity. I would include some of the legacy problems like that.

How do we deal with functional skills? Not everybody is going to get a GCSE at level 2, so why do we keep kidding ourselves that that is what we are trying to achieve? We need to drive away at a couple of those issues in an encapsulated skills strategy.

Q150 **Chair:** Yes or no, does the rest of the panel agree with that, that we do need a proper skills strategy?

Nick Linford: We do need something to measure success against. I do not have a problem with the 3 million target. It focuses the mind; it is simple; everyone understands how it works. It is not perfect, but its simplicity is its beauty. It has driven more money and attention on to apprenticeships, which is great, but we lack proper success measures around—

Graham Hastings-Evans: Skills and monitoring.

Stephen Evans: We need a strategy. We have called for a lifelong learning commission, so it has some independence around it and lasts. It cannot be a DfE document; it needs to be about the learning benefits to health and a whole bunch of different Departments, so across Government.

Neil Heslop: For people living with disabilities, is there a requirement for a skills strategy? Absolutely. It is virtually impossible to disaggregate that from rebuilding a completely broken work capability assessment regime, never mind the fact that while we talk about long term social care funding, 50% of what is being spent is on working-age adults. Until we, as a country, face up to those two realities, the skills strategy for many people is a bit of a pipedream.

Chair: I am sure that my colleagues on the Committee will not mind me saying that we are very likely to consider these questions later on in future inquiries. Thank you so much. It has been invaluable. Thank you.



Examination of Witnesses

Witnesses: Dr Alison Birkinshaw, Angela Middleton and Simon Hawthorn.

Q151 **Chair:** Good morning. Thank you very much for coming and also for sitting in on the first session. First, for the benefit of the tape, please introduce yourselves and your organisations. Then James, please, if we could start off about quality and apprenticeships.

Angela Middleton: My name is Angela Middleton. I have a company called MiddletonMurray. We place young people into their first jobs and then deliver apprenticeships. We prepare them beforehand. Primarily we work with 16 to 18-year-olds. At any one time we have about 1,000 young people on our programmes and over about 400 employers. Nationally, we have 14 branches and there is also one branch in the USA. I have written a book, "How To Get Your First Job And Build The Career You Want" and another one about bridging the gap, which is aimed at teaching staff. I also have a weekly podcast called "iwant2ba", which is a careers podcast for young people.

Simon Hawthorn: Good morning. I am Simon Hawthorn, from the National Society of Apprentices. We are very thankful to the Chair for inviting us today because we have had a lot of lovely interactions with all of you. Thank you very much indeed.

We are an organisation set up by apprentices for apprentices. Because of the size we are, we deliver lots of sessions for apprentices; we talk to them across the country and we are in regular contact with 40,000 to 50,000 apprentices. We have communication with up to 200,000 right across all four home nations and industries. One of our advantages is that because we are independent, we are apprentices, we are able to do those things.

Dr Birkinshaw: Hello. I am Alison Birkinshaw. I am President of the Association of Colleges, which represents nearly all of the 279 colleges in the country. Through the colleges we deliver about 313,000 apprenticeships each year.

I am also Principal of York College, which is an outstanding college of further education with outstanding financial health. We work with about 1,000 employers. We have about 900 apprentices each year, which compares with our 900 A level students and our technical professional vocational students.

Chair: Thank you. We are going to aim to finish this at about 11.45 at the very latest.



Q152 **James Frith:** Can you describe what a high-quality apprenticeship should look like?

Dr Birkinshaw: You have to view it from start to finish, so it is quite a complex question. It needs to have proper advice and guidance for the apprentice and proper diagnostic work with the employer as to the appropriate role that they are looking for. Once you have moved that apprentice into the role, it has to have appropriate off the job training; it has to have high quality on the job supervision.

It may or may not include qualifications, but what we have found is that a lot of our employers like qualifications and they are a bit worried about the standards where qualifications are not included. It has to have proper progression routes to the next level. Ideally, it is seen as a proper job and not just a temporary apprenticeship.

Simon Hawthorn: First of all you have to go to looking at what quality is. What is quality? Quality is fitness for purpose. So what is the purpose of an apprenticeship? For us, it is very much a route into a career, not a job, but a career. It must involve an element of training; that 20% is absolutely vital. It must always lead to a qualification, a good-quality qualification.

It should have a supportive employer and what we like to think of as the apprenticeship triangle—the employer, the educator and the apprentice, all of those things have to be in conjunction. They all have to be able to talk to each other. They all have to be open and honest about things. That is what leads to having a quality apprenticeship: engaging all three of those elements, bringing in Government, bringing in all the charities and third sector organisations that can bring forward the right ways of doing stuff.

Angela Middleton: Leading on from what Simon just said, it has to be the right apprenticeship for all stakeholders. It has to be right for the learner with regard to their life goals and help them along the pathway to achieve what they want to achieve. It has to be right for the employer.

The employer is obviously seeking talent and succession planning in their business, so it has to give them that. Obviously the UK is seeking increased productivity, so that is what we are looking for there. It has to impart skills, both hard and soft, for the person who is carrying out the apprenticeship. Also of course it has to tick all the compliance, timeliness and completion boxes and so on.

Q153 **James Frith:** If that is the trinity of stakeholders, do you think there is a parity of support and a shared view of what that quality looks like, in your experience? Do you think an employer that is engaged will have the same view of what quality looks like for them as a student who is enjoying his or her apprenticeship?



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Angela Middleton: It very often comes down to education of that employer, particularly if you are talking about a new young entrant into the business and particularly if you are talking about a small business.

Q154 **James Frith:** Who does the education of the employer?

Angela Middleton: That comes down very much to the training provider, the college, which outlines the opportunity, but also the challenges that are anticipated and holds the hand of the employer, as well as the individual carrying out the apprenticeship.

Q155 **James Frith:** Simon, your triangle?

Simon Hawthorn: Ideally, yes, they should all be of one mind about what it is. At the moment, we do have an issue where there is a great divergence from that across industries and across the country. There are some employers who do treat apprenticeships as cheap labour. Something like 18% of the current apprentices are on schemes that do not lead to a qualification. To me that is not an apprenticeship, that is just cheap labour.

There is definitely a role to be played by the education providers. There is also a role to be played by larger organisations and by the third sector in ensuring that employers are, first, able to take on a new apprentice and maybe deal with some of those issues, especially if they have learning disabilities or have come from a care background and similarly disadvantaged backgrounds, and indeed there needs to be education for the apprentices as to what they can expect and what they need to do, both in work and in relation to achieving their qualification. There needs to be support all the way around that triangle and people need to be able to challenge each other.

Q156 **Ian Mearns:** That 18% figure that you have come up with, is that a robust statistic? Where is that 18% from?

Simon Hawthorn: I can dig it out for you. I was reading it this morning.

Ian Mearns: If you could, I would appreciate that. Thank you very much.

Q157 **James Frith:** Alison, the same question to you, but perhaps starting at the third part of the question, to complete my contribution: do you recognise the criticism about colleges over-relying on subcontracting to provide apprenticeships as was made in the last session?

Dr Birkinshaw: There is a long history to subcontracting, which goes back to the old LSC days, when colleges were encouraged to subcontract, so you do have to understand the history.

Q158 **James Frith:** The Learning and Skills Council?

Dr Birkinshaw: That is right. In some cases, the relationship can be very positive. In the case of York College, we have had very positive subcontracting relationships with organisations providing some skills that



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we did not currently offer but that were priorities in the area, for example, aeronautical engineering or rail engineering. However, we would still provide the wraparound quality assurance. We would provide the maths and English. We would provide some of the additional off the job training. It would be very much a partnership with the subcontractor.

For niche and well thought-out, well led, well governed relationships, they can be very positive. I am not saying they all can, but there can be times when they are very positive.

Q159 Chair: Do you not think it needs to be curtailed, in that it has got so big and there is so much money to be made by subcontracting in terms of the management fees and so on? I go back to a point from the previous panel. Why, if you pay someone to do something, does that person then get somebody else to do it, unless it is a niche?

Dr Birkinshaw: In some cases it is because it is a niche. In some other cases, it is because there is the expertise there. Let's not forget training providers, such as CITB, also subcontract to colleges, have very successful relationships with a range of colleges. They have been graded outstanding with Ofsted and the college relationship is very positive and that is partly because of the levies. There are some very good examples of subcontracting that work very well. I would argue that not all training providers make exorbitant profits, because they are doing it properly, but there are examples where that is not happening.

Chair: Angela, do you have any comments on subcontracting?

Angela Middleton: Very much so. I very much disagree with subcontracting where it is purely for volume and to spend a budget. I certainly I have seen that in the market and we have been on the receiving end of that, where we have had organisations offer us subcontracts at the very last minute, literally to pour some volume through, which we have not done.

However, equally, on the other side, there is a reason for it where it is very, very niche. For example, we work with a large levy employer and we were able to deliver apprenticeships for the majority of the standard they wanted, but there was one area where we could not. In that particular case, though, we decided not to do subcontracting, because we do not do it, but what we did was refer them to a specialist provider and they saw that as an added value from us, the provider, because they did just want to liaise with us, this large employer, but it meant that we would help them in an advisory capacity to select a high-quality provider for that particular niche.

Q160 Chair: In the old days when I asked some college principals if they would do subcontracting, they were often very proud to say they were not doing it, that they were all doing it themselves. Surely that is the way we need to move to?



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Dr Birkinshaw: I do think we might be cutting off our noses to spite our faces, because there are some cases where local priorities and local needs mean that a relationship between various organisations can be very positive. I would not want to see a law be put in place where we cannot subcontract. I do think it needs to be managed properly.

Q161 **Chair:** No one is saying that it should be scrapped completely, but just that it should be more the niche than the norm.

Dr Birkinshaw: I believe it needs to be carefully managed and focused on what the need is. It is usually a niche need, yes.

Q162 **Chair:** In relation to the Ofsted questions, we were also asking the previous panel about the number of providers that are not good or outstanding, the 40%. How many colleges, first of all, are good or outstanding with regard to their apprentice training?

Dr Birkinshaw: I cannot tell you that. I am sorry. We can provide that. I do not have that statistic in my head.

Q163 **Chair:** Do you have a rough figure?

Dr Birkinshaw: I do not think I have, sorry. We will provide that.

Q164 **Chair:** As you know, I am very supportive of colleges and very keen that colleges do more. We have had some submissions saying that the quality of colleges has gone down in recent times in Ofsted terms. Is that the case?

Dr Birkinshaw: I would find it difficult to answer that because in my experience, colleges work very, very hard at keeping the quality high. There are minimum standards that we have to work to and they are quite high minimum standards. Quite often, however, because of the way apprenticeship judgments are made, based on the length of an apprenticeship, you can be hit by a problem that had happened four years ago and that is currently featuring in your data. Sometimes it can be a historic problem and there can't be anything done about it.

My experience is that colleges are working extremely hard to make sure the apprenticeships are successful, in a time of huge change. We should not underestimate the amount of bureaucracy, the amount of tracking that a college has to do, the amount of handholding and work with an employer.

My college estimates that it costs between £400 and £500 to work with an employer even before they take up an apprentice. None of that is funded and they may not even take up the apprentice after you have done all that preparatory work, so it is a hugely expensive endeavour, but colleges do it because it is really important.

Q165 **James Frith:** You can hardly blame them then if they get involved with lucrative contracts that make them money.



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Dr Birkinshaw: I would want to test that, about how many colleges are really not providing that wraparound service, the maths and English and the quality and everything else, the observations, all the infrastructure that has to be in place.

Q166 **James Frith:** As president, do you see any evidence within your 98% coverage of all colleges that your briefing talks about of the contracting making supplement or provision for FE budgets that have been cut so unfairly, in my view?

Dr Birkinshaw: You will always see colleges making virements from one area to another to try to make their budgets balance, as schools do. If you look at schools, they vire from the 11 to 16 provision to support their post-16 provision, because that is underfunded. You will always see colleges trying to balance their budgets in one way or another. It is up to the individual college to make sure that what they are doing does not undermine the quality of the apprenticeships.

Q167 **James Frith:** Would it be fairer if FE colleges were the preferred space for the delivery of apprenticeships and that we moved away from this increasing emergence of private providers? You could argue that at least if the FE colleges are making money off the back of provision, it is still kept within the sector of education. You cannot argue that within private provision, can you?

Dr Birkinshaw: There is something about keeping public sector money within the public sector, but I also would say that training providers do play an important part in delivering the full spectrum of apprenticeships and I would not want to see a world where we did not have that diversity of provision, because although colleges do a significant amount, they cannot do everything, just as training providers cannot do everything either. That provision that encompasses a spectrum I think is a healthier way to go.

Q168 **Chair:** Angela and Simon, why are there are so many providers that in Ofsted terms are not good or outstanding? What is going wrong?

Angela Middleton: Ofsted has a capacity issue. Having been on the receiving end of Ofsted, they have inspected us three times and each time we have achieved a grade of good, and it has been an extremely thorough experience. They come five-handed for a business of our size—I have 136 staff—they each have their own agenda and they spend four days and absolutely rigorously look at everything. That takes time, effort and money. One of the big issues is that a number of providers are just not inspected frequently enough so many years can go by, contracts can get huge and then consequently we have a fallout.

One of the things that I think should definitely be considered is every single provider and college should be compelled to put aside some funds to pay for an inspection such as Ofsted's, in the same way that we do for Investors in People and ISO, actually pay for that inspection to take place at the end of every year. What I have experienced, although it is pretty



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hairy when they give you no notice and they turn up and they speak to everybody to triangulate everything, once they go, what you are left with is a very clear picture of areas for improvement, you feel like you have had some fantastic consultancy and it is effectively free of charge. I believe every organisation on that list ought to be compelled to pay for their own Ofsted inspection and for that to take place every year.

Chair: It is quite interesting that you say that. I spoke to a college recently that said they had had a bad rating from Ofsted in relation to apprentice training and made huge improvements, but of course they have to wait for years until Ofsted come along again and there is nothing they can do about it.

Q169 **Mr William Wragg:** A very simple question to the panel. What are the greatest challenges in delivering those high-quality apprenticeships that we are talking about?

Angela Middleton: It often depends on the age group you are working with, because we are focused very much on new young entrants into the world of work, 16 to 18-year-olds and many of them come from disadvantaged backgrounds. The first challenge you have therefore is preparing them for work and then, secondly, when you can do that. We can do that very effectively now—we do use the traineeship model, we work with lots of SMEs that are willing to give a young person an opportunity—but once they do get over the hurdle, they shine at interview, they get that job, and they start their apprenticeship, the novelty of that can often wear off and then you are struggling with a retention problem.

That is a big challenge for us, so we put lots of things in place to improve that, including something that we have branded Zero 2 Degree, whereby we set out very clear milestones, 13-week milestones, with the young person, with the employer and attached to that are salary increases. The idea of that is they actually stay with that employer for five years, during which time they go from level 2 or 3 up to degree level, and if they do achieve that whole programme, they would be on the equivalent of £31,500 by the time they are 21, which is on parity with a graduate leaver.

Chair: May I interrupt to notify people that in the public gallery we have His Excellency the Polish Ambassador and some MPs from the Polish Parliament, who have come to watch proceedings, and also speak to us privately later?

Q170 **Mr William Wragg:** Could I put that same question to Alison?

Dr Birkinshaw: There are a number of different challenges. There is a funding challenge. A number of standards are not available. We are still delivering frameworks and the frameworks have significantly less funding attached to them, particularly in construction and engineering, where we need to develop the standards. That is a problem.



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Some funding does not cover the delivery cost of some standards, for example, the care sector's funding. It is very difficult to make that meet the costs because of the intensive work that needs to happen, so funding is an issue. The work that has to happen before an apprentice is taken on is an issue.

The complexity associated with the changes is an issue. I got a note from my finance director, who tells me that now when the funding comes into the college, in order to track the funding, which is just one tiny element of it, the funding is broken down between pre and post-1 May, between frameworks and standards, between 16 to 18 and adult, between levy co-invested and non-levy, between college delivery and procured delivery and we get additional employer payments. All of that has to be worked through financially and checked. It is hugely complex.

Then of course we had the procurement exercise, the non-levy. For some colleges, 20 of them, the challenge will be that they do not have a non-levy budget, some of the best colleges in the country.

Q171 Chair: Angela will probably want to have a go and it will probably want to be part of your answer, I am guessing, but what is the impact of this procurement, everything that has gone on in the last year with the re-procurement, on both private and FE providers and the quality of apprentice training?

Angela Middleton: I want to talk particularly on the SME side of it, because if you focus on SMEs, as we do, you tend to have a very strong pipeline of opportunities for young people, you tend to be speaking to the owner/manager very often in businesses of about 20 to 30 staff, and there tend to be great opportunities for stepping stones.

When you are trying to look at a significant volume, obviously you need to know that these apprenticeships are going to be funded in the future, but the way that it works with non-levy organisations is that you are capped and so you have to re-submit a request for funding at these growth points, the dates of which do change.

What is well-known in the sector is that you never ever get what you ask for. If you submit a tender for 100% of what you do need, based on your pipeline and your projections, you know that you are only ever going to be allocated about half of that. What that does is incentivise people to tender for double what they need to consequently get what they really need.

It is a ridiculous game that takes place. That combined with the whole re-tendering meant that, as an independent provider, you had to have quite a strong nerve to carry on with your programme, just thinking that sense will prevail and you will be funded to deliver these apprenticeships, rather than stop developing the opportunities.



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Dr Birkinshaw: A similar thing takes place in the college sector. There is a lack of understanding about the planning that needs to take place. Procurement, as we know, is very complex. It happened twice, and many colleges would have put their planning in place assuming one set of figures and then they did not get it or they got less or they had to apply for extra funding. Of course that sets the whole system in turbulence and it is not surprising apprenticeship numbers have fallen because it is open to question how much governors will allow colleges to take on at risk.

Q172 **Chair:** Do you think there is disparity between big providers in that if they fail, the apprenticeships continue, perhaps because they are so big, and smaller providers, which are shut down straight away?

Angela Middleton: Yes, without a doubt. We have seen evidence of that. I can understand it, if I am really honest, because the impact of closing a small provider and reallocating a small number of learners is obviously not going to be as significant as an organisation that has literally thousands of learners.

At the end of the day, you have to continue the service both to the employer and to the apprentice if you want to maintain the reputation of apprenticeships as a quality product. You cannot stop and start when businesses are trying to operate their business and you are talking about people's lives in terms of the apprenticeships. So you can understand it, but yes, that definitely does happen.

Dr Birkinshaw: There needs to be a thought as to contingency planning. If you are going to close a training provider's or college's apprenticeship provision down, there needs to be some thought as to who takes on those apprenticeships. You cannot just walk away from that. We have had experience of where we have phoned up and said, "We will help" and we have not been able to help because the processes are not in place. That needs to be thought about.

Simon Hawthorn: If I might also come in there, that puts an incredible burden on the apprentices themselves. They are the ones who are caught in the middle of these things. Most apprentices do not understand the funding, most of them do not care about it, because it is so complex, so well-written into political language and legalese, that accessibility-wise it is impossible for the average apprentice on level 2, 3 or 4 to understand. I am an apprentice project manager and I struggle with a lot of this. What often gets forgotten here is that there is all this going on, but what about the people who are supposed to be going to work, going to these things?

Where is the ongoing pastoral care if a provider collapses or what happened, for example, with Carillion, where there was the best part of 1,000 apprentices suddenly wondering what was going on? Happily the CITB took a great lead on that and did really well with it, but there are still some issues and there are still some apprentices out of work. I completely understand—they are both eminently more qualified than I to



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comment on these things—but do not forget the apprentice in the middle of these two things. You can talk to them about funding streams, non-levy, levy and SME and they will look at you blankly.

Angela Middleton: I totally agree. There is no need to discuss funding with apprentices at all.

One of the things that has really helped in our business is that a couple of years ago we went completely paperless, e-portfolio; there is no paper in the business whatsoever. It means that all stakeholders can go into this portfolio, they can all see all the content of the work that has taken place by the apprentice, everybody can have input, they can view it and is great for quality because if auditors or Ofsted come in, it is there. It is all completely transparent.

Equally, however, this is life and business and sometimes businesses do fail, but your clients, your apprentices, all of their information is there if everybody goes paperless. I believe that is another thing that ought to be compelled with providers, a certain standard of automation in readiness for the future when everything is going to be automated.

Q173 **Chair:** We are going to move on to social justice and equality for all and I am going to pass on to Trudy. As you know, in my previous role I visited what you do at MiddletonMurray and it was incredibly impressive, what you did for people from disadvantaged backgrounds, that you had a conveyor belt, right from school to adult. Could you set out what you do and how it could be replicated, particularly in terms of providing quality apprenticeships for people from disadvantaged backgrounds and getting more disadvantaged people to do apprenticeships?

Angela Middleton: There are two distinct sides of the business. One is working very much with employers and creating opportunities, what we call the hidden job market. That is a lot of work, to work with these employers. On a separate point, I am concerned about the neglect of SMEs, because if you do not knock on their doors and tell them about apprenticeships, they do not suddenly come up with an opportunity because they do not know about it, and yet there are all these golden opportunities there for youngsters and stepping-stones to big businesses.

The other side of it, however, is to attract young people into these opportunities. It is quite difficult to start off with because, first, they do not have aspirations, they do not have the careers advice, but they do not even have the aspirations, and even if they do, they have no idea about how to go about achieving them. There needs to be a lot of outreach to them, visiting schools and talking to youngsters when they are quite early on, before they totally disengage with school, all the other referral organisations, looked-after children departments, local authorities and so on to encourage them about the opportunities—that is the reason for the podcast and so on—and bring them into our open days.



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We use tons of social media on every single social media platform, Snapchat, which is where they are, Instagram, Facebook, Twitter—sometimes you can attract their parents to refer them—but eventually we bring them into a very low-pressure situation, an open day, where we literally talk about the opportunities and the fact that there is this traineeship programme, which consists of 12 weeks. There are six weeks in the classroom—they are suited and booted in a working environment, but they are in a classroom the whole time—and then six weeks paid work experience and thereafter we close that programme down and then we start an apprenticeship programme, if it is appropriate.

During that six weeks with us though we completely transform these individuals in terms of their aspirations and their confidence. It is amazing to see. We start off with things that are not mainstream: visualisation about how their life could be; we get them to really think about the house they could live in; the partner that they are going to have; the clothes they might wear; the car they may drive; the holidays they will go on and create this mood board of what their life could be like. When you get that and you start to show individuals the steps from here to there, the lightbulbs go on. They suddenly realise, “Wow, I could achieve that. I never thought I could achieve that. Okay, I will now do my maths functional skill, I will do my English, I will do everything you tell me to do because I can see that this works”.

Then what we do at the end of that period, when they are ready to deliver their elevator pitches and we have made sense of the world of work, so they now know the type of niche that is going to suit their life goals, we bring employers in and we have a sort of “Dragons’ Den” arrangement. We chaperone the interviews. The employers come in, one at a time, groups of youngsters come up, they deliver their elevator pitches and you see employers say, “Wow, he’s good, she’s great”. We then bring them up for a second interview and then an offer of paid work experience is given more or less then and there and they start the following Monday. They then do a six-week period of paid work experience, which we facilitate and safeguard during that period. Nine times out of 10, both parties are happy with it. Eventually we close down that traineeship.

During that time as well, we have been talking to them about the different models, the types of apprenticeship and we start an apprenticeship programme. Depending on their capability, it will be level 2 or level 3. Mostly it is level 2, I have to say. Then what happens is we try to keep them retained. The idea is they are there for a five-year period, obviously with our new opt-out, but the employer then is much more engaged and willing to impart more time and effort into the learning of that individual because they can see a future. The young person feels a bit more relaxed, they are not looking for another opportunity in month 9 and month 10 because they think that they are going to have to leave at the end of the year and both parties have this different type of mindset. It is quite early on still, because we branded



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and introduced this a couple of years ago, but we are seeing a great percentage increase every single week in people retaining and moving forward.

Simon Hawthorn: I work for Transport for London, and I have what I think is a really good apprenticeship. I know that they do do outreach. We have apprentice ambassadors who go into schools. There are STEM ambassadors to try to encourage especially disadvantaged people and also more women into apprenticeships.

I have learning disabilities myself and my employer has gone out of its way to try to make things easier for me, to send me on courses to improve my handwriting and all sorts of things, which is brilliant. With the National Society, one of the things that we have been focused on is how to encourage more people from disadvantaged backgrounds, from free school meals, from a variety of other backgrounds, who may be failed by the traditional education system or who have come from one of these parts of the country that was highlighted in last year's social mobility report as really struggling. We are trying to raise the profile of apprenticeships and say that anyone can apply, but there is a great amount of work to be played by employers and educators.

I would like to refer the Committee to the recent report from the Skills Commission on social mobility, which goes into it in great detail, but there are a number of organisations such as Optimity, the Rathbone Group and so forth, which go out to places where there are homeless kids, where there are very disadvantaged kids who are completely disengaged with school because they might have dyslexia or some other learning disability, and try to encourage them to do very much as Angela has just outlined, to get them up to the point where they can go into companies. I believe the loss of the funding between the 16 to 18s, the thing there has disincentivised companies from taking on younger people who have those issues. Perhaps we need to ring-fence part of the levy to support disadvantaged young people going into apprenticeships.

Dr Birkinshaw: There are some practical things that can be done. Families that are welfare dependent tend to avoid having their sons or daughters take apprenticeships because they will lose the child benefit. That is a big issue. That is a practical thing that could be reinstated.

Transport for apprenticeships needs to be taken forward. That is a really big thing. We must not forget that the wage of an apprentice is £3.50 an hour, which is not great, and many families will be better off if the young people remain in full-time education rather than take on an apprenticeship.

Bursary support for apprentices who require that extra support or extra financial backing to take that leap into an apprenticeship: my college works with local charities and local guilds to provide that support because it is not just transport, it is not just the welfare, it is equipment and the infrastructure required to support an apprentice.



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Chair: Thank you. Trudy Harrison.

Trudy Harrison: My question around barriers has been well and truly answered, so I have no further questions.

Simon Hawthorn: Can I back up what Alison just said on the physical barriers, the cost of travel? I know an apprentice, Mary: it takes until Tuesday morning before she has earned enough to pay for her bus fares for the week.

Angela Middleton: A very quick point about looked-after children. You have 10,000 leaving every year, 2,500 in London, and we are completely open with our applicants. Anybody can join our programmes. There are no minimum levels whatsoever. We get hardly any applications from the looked-after children group, despite all the work with the local authorities. The reason is that their housing benefit gets taken away if they join an apprenticeship programme. That is something that could be so simply addressed and open up opportunities for social mobility that way.

Q174 **Chair:** To restore that and make sure it is not taken away?

Angela Middleton: Absolutely, yes.

Chair: That would be a cost benefit to the Treasury.

Q175 **Lucy Powell:** A final question, mainly to you, Alison, about a question in the previous round. Do you think some of the requirements of entry, GCSE English and maths, are getting harder? Do you think we need a broader look at the pipeline into apprenticeships and other opportunities?

Dr Birkinshaw: There is an opportunity with the introduction of the T levels to look at the whole post-16 infrastructure. Let's not forget that some of our full-time educated students will move in and out of apprenticeships as the employment situation changes. We should not be confused about entry requirements, as was explained in the previous panel. Level 2 apprentices do not have to have GCSE English and maths; they need to pass level 1 to pass their full level 1 apprenticeship.

Q176 **Lucy Powell:** What we heard was that it was increasingly becoming a requirement, even though it was not actually a requirement.

Dr Birkinshaw: Our experience is that if you are working productively with an employer and you are selecting the right individual to enter that apprenticeship, the employer will be flexible, but it is really dependent on that training provider or college and employer relationship. I do not believe it is a good idea to require GCSE maths and English to go into an apprenticeship—

Q177 **Chair:** Unless the employer demands it. With regard to engineering, it was said it was essential



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Dr Birkinshaw: Yes, but even in those circumstances, I think there are ways of demonstrating an individual—let's say they do not have their English because they are dyslexic or whatever—has the capability.

Q178 **Lucy Powell:** My question is more about other pathways to get to that level, enabling students, rather than putting barriers up. Each time you are putting off 50%—

Simon Hawthorn: With that, you need to go back a little bit to about 14 years old, because if we are looking at people who are going to be probably failing their GCSEs, not doing terribly well, that is the starting point, that is the root cause. One of the things we hear a lot in the Society at our events is about people who have applied for apprenticeships and been turned down because they do not have that GCSE bit of paper. They might well be able to write reports, e-mails and everything else, but they just struggled with that exam at GCSE.

Things like functional skills can help with that, but we need to look at fundamentally how we teach these things and whether or not they are required for every single apprenticeship. Certainly a vast number of them now say, "Minimum five GCSEs, must be A to C"—or whatever it is now, 1 to 9—"English and maths" and that means that we are now losing out on these people who have been disengaged or cannot do it.

Q179 **Lucy Powell:** Do you think there may be another pathway at age 14, that functional level 1?

Simon Hawthorn: Yes, absolutely. That would need to be supported and that would have to come from schools, from the third sector, from organisations like Angela's to try to create these. We know they exist. Most people do not know they exist—

Lucy Powell: Because they are disappearing.

Simon Hawthorn: —and we need to bring them back a bit, yes.

Angela Middleton: This is work that could be done with schools as part of the curriculum. It does not need to be an extra burden, if we can just change the way that we talk to pupils at a very early age about their long-term life goals and then fit education within that so that they can see that it is a stepping stone for them and not feel, "I just have to get this out of the way and then I can start life". It is just a different way of framing it.

Q180 **Lucy Powell:** You may or may not know this, but schools are being asked that 90% of their pupils sit the Baccalaureate suite of subjects by 2021, so 90% of the students are being asked to do seven very academic GCSEs, so that pipeline is not there, is it?

Simon Hawthorn: If that is not then leading into a worthwhile workforce, is it a good policy?

Lucy Powell: Exactly.



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Dr Birkinshaw: We did have a very good initiative in the past called the Young Apprenticeship, which was for 14 to 16-year-olds and it was one day a week—

Chair: Ken Baker has talked about that recently.

Dr Birkinshaw: —and it was absolutely brilliant. It provided that throughput and streamlined and fast-tracked students. They still did their schoolwork, but they spent a portion of their week on their Young Apprenticeship programme. It was brilliant and fast-tracked young people into that apprenticeship route. We ought to look at that.

Chair: Thank you very much. I think you, Alison, said that you have to have both, the FE and the private, and we have incredible representation on the panel, wonderful representation of apprentices, a superb private provider and a great representative of further education, so I think you have proved your point, all of you, sitting on the panel. Thank you very much indeed.