

Public Accounts Committee

Oral evidence: [The apprenticeships programme: progress review](#), HC 1749

Monday 25 March 2019

Ordered by the House of Commons to be published on 25 March 2019.

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Members present: Meg Hillier (Chair); Douglas Chapman; Sir Geoffrey Clifton-Brown; Nigel Mills; Layla Moran; Anne Marie Morris; Bridget Phillipson; and Lee Rowley.

Sir Amyas Morse, Comptroller and Auditor General; Adrian Jenner, Director of Parliamentary Relations, National Audit Office; Laura Brackwell, Director of Education, National Audit Office; and Marius Gallaher, Alternate Treasury Officer of Accounts, were in attendance.

Questions 1-154

Witnesses

[I](#): April Hayhurst, Deputy Principal and Head of Apprenticeships, Derby College; Paddy Patterson, Business Development Adviser, ACE Training; Jane Thompson, Director of Apprenticeships, Sunderland College; and Daniel West, Resourcing Business Partner at Utility Warehouse.

[II](#): Sir Gerry Berragan, Chief Executive, Institute for Apprenticeships and Technical Education; Eileen Milner, Chief Executive, Education and Skills Funding Agency; Jonathan Slater, Permanent Secretary, Department for Education; and Keith Smith, Director, Apprenticeship Programme, Education and Skills Funding Agency.



Report by the Comptroller and Auditor General:

The Apprenticeships Programme

(HC 1987)

Examination of witnesses

Witnesses: April Hayhurst, Paddy Patterson, Jane Thompson and Daniel West.

Q1 **Chair:** Welcome to the Public Accounts Committee on Monday 25 March 2019. We are here today to look at an update on the apprenticeships programme. This Committee has had quite a bit of interest in this issue, and our sister Committee, the Education Select Committee, also has a strong interest in this area.

Of course, this follows on from the introduction of the apprenticeship levy, whereby all employers with a turnover over £3 million have to put money into the apprenticeships programme and therefore have an interest in making sure it works. So we are really pleased to have as our first panel, before we have the Department in front of us, experts from out there, on the ground, who are delivering either training or work and are involved in the apprenticeships programme.

From my left to right, we have April Hayhurst, deputy principal and head of apprenticeships at Derby College—a very warm welcome to you, Ms Hayhurst; Paddy Patterson, business development adviser at ACE Training in west Oxford, in Layla Moran's constituency, I understand; Jane Thompson, director of apprenticeships at Sunderland College—welcome to you; and Daniel West, resourcing business partner at Utility Warehouse, who is our employer representative today, I guess. A very warm welcome to you.

We have 40 to 45 minutes for this part of the session, so we will try to be quick in our questions and hopefully you can be quick in your answers. You do not have to repeat what someone has said if you agree with it. If there is anything that you feel you have not been able to do justice to in the hearing, we would always welcome a note from you afterwards to add to what you had a chance to say. Similarly, if you cannot answer a question because you do not have the figures in front of you, please feel free to write to us, and we will make it clear if we need that to happen.

It would be helpful to get a flavour of where you are all at, so I will ask each of you in turn to spend a minute or so telling us about your organisation and your connection with the apprenticeships scheme. Could I start with you, Ms Hayhurst?

April Hayhurst: We have an allocation of around £5.2 million for our apprenticeship provision; 31% of that is in relation to levy employers and the rest is our smaller employers. Around 90% of our business is the small employer, and the rest is made up of levy employers. We work across 15 sectors and we work nationally.



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Q2 **Chair:** What is the national work that you do?

April Hayhurst: Am I allowed to mention companies?

Chair: Yes, that's fine.

April Hayhurst: We work with Nexperia, Plastic Omnium, Caterpillar, Rolls-Royce, Uniper and our own hospital in Derby, the Derby and Burton universities hospital. They are our main levy employers. We deliver a range of qualifications, from performing manufacturing operations—

Q3 **Chair:** You say you work nationally. Do they come for their time out of the workplace to Derby, or do you go to them and run training courses in other parts of the country?

April Hayhurst: We have created academies within the workplace and we have a “co-create, co-design, co-deliver” model whereby the employers help us create and design the apprenticeship standard or framework and do some of the delivery as well.

Paddy Patterson: ACE Training are an independent training provider based in Kidlington, just outside Oxford. We train exclusively in the construction sector and we have about 120 apprentices currently in training, so we are quite small in that sense. The majority of our employers are small businesses. We have a contract to deliver to both levy and non-levy employers, but as I said, it tends to be small traditional companies that we work with.

Jane Thompson: Sunderland College have an apprenticeships budget of around £2.1 million for this academic year, but we have just merged—on Friday—with Northumberland College, which will take our budget to £4 million-plus. We work across similar sectors to Derby's, but I would say our mix is more levy than non-levy. We struggle to get the employers to pay in the north-east.

Chair: Well, we'll come back to that.

Daniel West: We are a utilities company based in the private sector. We have about 15 apprentices on staff at the moment. We are looking to on-board six more and, later in the year, possibly eight. We are mainly focused on IT and telecoms frameworks apprenticeships. We also have two people on testing standards apprenticeships and five or six on CompTIA.

Q4 **Chair:** Who is your training provider for those?

Daniel West: GK Apprenticeships.

Q5 **Chair:** So you have one training provider for all the apprenticeships?

Daniel West: We are currently working with a second training provider—Just IT—but our agreement comes to an end with them in July, I think.

Q6 **Layla Moran:** Starting with Mr West, what benefits do the apprentices give your organisation?



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Daniel West: As I say, we mainly focus on IT and telecoms. We run a small technical contact centre, among other things, out of our head office. The apprentices come on board and are really enthusiastic. They are very keen to get into the sector. Obviously, IT and telecoms is a big industry these days.

Q7 **Layla Moran:** What level are they?

Daniel West: Level 3. We are building a level 4 for next year.

Q8 **Layla Moran:** Lovely. Will the other providers tell us about the apprentices you work with? What levels do you tend to work at? Tell us a bit about the general background.

Jane Thompson: From levels 2 to 5, generally, at the college. I would say that we have had, in line with national statistics, fewer level 2s because of some of the new reforms that have come in.

Paddy Patterson: The majority would be level 2, with a reasonable number progressing on to level 3. We also deliver study programmes, so we have a flow-through from level 1 entry programmes the whole way through the apprenticeship scheme.

Q9 **Layla Moran:** The level 2 students are coming to you from where initially?

Paddy Patterson: Schools, in the main. We get a lot of referrals from other providers that won't accept those learners, and we actively go out and find them ourselves in the community.

April Hayhurst: Levels 2 to 5. It is about an equal split between levels 2 and 3. We have a lot of progression from level 2 to level 3, particularly through the apprenticeship academies. We have a significant number of study programme students, who are at employer academies and progress into apprenticeships.

Q10 **Layla Moran:** How do they find you, or do you find them?

April Hayhurst: We have a recruitment company that does cross-matching. We will do reverse matching, and we will match for the employer. It works both ways. At the end of the apprentice's journey, we have a "managing positive destinations" policy, where we enable the apprentices either to stay in employment or progress.

Q11 **Chair:** Mr Patterson, you said you find some young people in the community. Can you tell us a bit more about how you do that?

Paddy Patterson: Our organisation is a not-for-profit agency. We are an independent company. We don't have any shareholders and we don't report to any other organisations. We hold responsibility for our own provision. We see our role as benefiting the community, which is why we are based exclusively where we are. We don't intend to franchise, and we don't want to replicate the model elsewhere. We are there to serve the community.

We have a model whereby we don't have a rigid entry requirement, in terms of qualifications. As I said previously, people are often referred to us from places that are not prepared to accept someone without a prior level of qualifications. We see our role as getting people to that level of qualification. We work with Jobcentre Plus, the youth offending service, and a range of charities and community organisations that help people who are in rehabilitation for various things back into the workplace.

We are very much a community organisation. We don't judge someone on where they have been; it is about where they will go. We don't look at what funding we have available. If we can give someone a bit of a start, we will do that, and hopefully get them on to a pathway where we can progress them onwards.

Q12 Layla Moran: Does that work out financially?

Paddy Patterson: Not always, but, again, we are not driven by that. We are an independent company, so we can make our own decisions. It doesn't cost us an awful lot to have extra learners in the building if we have the resources for it. If we take someone we can't fund initially and get to them a stage where they can go on to a funded programme, that is success for us.

Q13 Layla Moran: Ms Hayhurst, you were nodding while Mr Patterson was talking. Is that a similar picture to what you do?

April Hayhurst: When you were talking about the social corporate responsibility element and trying to enable people from disadvantaged groups to get into apprenticeships, we also do that, but obviously we do a whole raft of recruitment. The type and calibre of apprentice we can recruit will depend on the employer's requirements.

Q14 Layla Moran: Ms Thompson, I just want to come back to something. You said that you are developing more level 2s. What has been the barrier to developing more level 2s until now?

Jane Thompson: A lot of the standards aren't available at level 2, so that is a problem for us.

Q15 Layla Moran: That's very helpful to hear. Thank you very much. One of the issues that is raised is that some apprentices don't receive the 20% of time that is meant to be allocated to them. Mr West, how does that work out for you, as a business? How do you release them for 20% and still make it work for you?

Daniel West: The majority of them are based in a contact centre environment, so it is fairly straightforward for us to build something into the schedule. We will do an hour or two hours a day, to give them time to study. If they are still on site, we give them all the technology they need and it is paid.

Q16 Layla Moran: Is distance learning 20%—is that how it works?

Daniel West: The provider comes to the site once a week as well. Basically, we just schedule the sessions. It is fairly straightforward for us, to be honest.

Q17 **Layla Moran:** Fair enough. Is that the same for you, Ms Thompson? How do you do it?

Jane Thompson: We do a variety off the job. It can be for engineering students, who come in full time for the first year—that is their off the job. It can be day release, or similar to Derby where we go on employers' premises and deliver in an academy model. One of the challenges is the fact that English and maths are not included in that, and sometimes that can be a barrier.

Layla Moran: They come to you without the right English and maths, but the 20% cannot include that, so they have to do it separately, which takes more time.

Q18 **Chair:** Does that mean you have to think about the hours that you provide the training, if you have to do English and maths on top of your job and your 20% training?

Jane Thompson: We do it as a matter of course because it is something we have always done, but the employers struggle with that, sometimes with the release time. In my experience sometimes they overestimate the level of English and maths either of their existing staff or the people they recruit.

April Hayhurst: It can be sector dependent. Some sectors will really struggle with the 20% off the job: construction, hospitality, health and social care. Where it is more remote, everything is recorded on any portfolio. Where they do not go into an academy and have a prescriptive curriculum, they will have a journal that they complete, but it can be difficult, depending on the sector. It can be that the larger companies find it easier than the smaller ones.

Q19 **Layla Moran:** Assuming you want to grow—perhaps you don't—what would you see as some of the barriers to growth in this sector at the moment?

April Hayhurst: The non-levy allocation is very restrictive. We will have used the 2019-20 allocation before we get to the end of this year. It depends on the market and the fluidity of staffing in some of the sectors.

At the moment, the manufacturing sector is really buoyant; people are recruiting staff and they see the apprenticeship as a much better way of getting better skills into their workforce. If business were to drop, that could have quite a profound effect on the volume of apprenticeships going forward. The SME market tends to be more stable, but a large proportion of our work is with levy employers. Their turnover and success can determine our growth as well.

Paddy Patterson: There are probably two things for us: the first is talent attraction—it remains an issue for us in the construction industry. Raising



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the profile of the opportunities in the industry at school level, intrinsically linked to the careers programme, remains a challenge. Secondly, I am concerned by the employer ownership concept in terms of how many of our employers feel that they want to own the process. I would say it would be very few. As we look to getting some of our employers on to digital accounts, I see that being a massive challenge. We can work with the finance side and can support them on that, but their having true ownership of the programme is an issue, and I see it in other sectors similarly.

Jane Thompson: It is the non-levy allocation, similar to Derby, where there is a risk that we could not grow. Also, we are similar to ACE with the talent recruitment in the right areas, instead of demand for the apprentices who are out there. It sometimes does not match up.

Q20 **Layla Moran:** What more can be done to help businesses engage with that process?

Jane Thompson: I think taking away some of the bureaucracy would be really helpful. The DAS is very difficult. The levy payers have staff who have the time to manage that, but even they struggle. It is not very clear how it works, what the right thing is to do and getting the right answer from people. I struggle to give them the right advice. For non-levy payers, it is the sheer amount of paperwork since the reforms—I must have at least 80 more bits of paper.

Q21 **Layla Moran:** If you needed to get that information for them, where would you go? Who is the person who knows everything about apprenticeships who can give the definitive answer?

Jane Thompson: I think that is really difficult to find. You tend to use all your networks. Obviously, we have links with the ESFA and there are helpdesks, but a lot of the problems you encounter for the first time. Because of the reforms, everything is quite new.

Layla Moran: The newness of the reforms has been one of the issues.

Q22 **Sir Geoffrey Clifton-Brown:** The Government have a target of 3 million apprenticeships by 2020. Given that last year there were about 300-and-something starts, is that a realistic target? Should we step up by quite a significant amount, or should we grow this thing organically in each of your businesses?

April Hayhurst: First of all, we would need to understand how the 3 million starts are calculated to be able to answer that comprehensively. We have seen a 10% growth over the last two years, which I think is unusual, but I think that is because we were able to change our model to meet the levy requirement prior to the levy reforms actually starting. I can see and understand why others may not have grown, because it is very bureaucratic.

There are also lots of hidden costs. With the levy, employers expect that the colleges and providers should give an end-to-end service, which includes marketing, social media, recruitment, and managing positive



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destinations along with everything else. We have actually employed a levy consultant. All those costs are hidden, other than the delivery of the standard or the framework. The other costs are delivered. There has been a significant reduction in some of the frameworks before the standards have been released, so it is becoming more and more difficult to align the supply and demand.

Q23 **Chair:** Do you think that part of the reason for the number of slow starts—I wonder if anyone else has anything to say about that—is the changing over between standards and frameworks? Is that slowing it down?

April Hayhurst: It is not solely down to the change of the standards and the frameworks. I think there is a plethora of issues around the reforms that have contributed to the slowing down, but it is not just the standards or framework.

Q24 **Sir Geoffrey Clifton-Brown:** Do any of you have a view on whether we should be massively ramping this up to meet the 3 million target, or whether it should grow organically, in terms of your own businesses?

Paddy Patterson: I think the target of 3 million only encourages a race to the bottom; the reality is that it is an arbitrary figure. I don't know what it is based on. It is not realistic. The more we push people towards it, the more we are going to cut corners. It is as simple as that for me.

Q25 **Chair:** Does everyone agree with Mr Patterson?

Q26 **Sir Geoffrey Clifton-Brown:** Two of you mentioned the problem of non-levy paying apprenticeships. Presumably those would be at the smaller businesses. Is there anything more that the Government should be doing to help small businesses actually come forward with more apprenticeship places?

Jane Thompson: One thing is to fund them. We are all running out of non-levy allocation at the minute. Colleges are not able to fund the provision that they would like to.

Q27 **Chair:** Mr Patterson, you said that you work with very small employers.

Paddy Patterson: For me, the game-changer would be if you opened up the possibilities of levy transfers to pay for things other than training and assessment. We have got to the stage where a large employer with a surplus levy pot could fully fund an apprenticeship, including salary and other costs, with a small business, a local charity or community group. Then you would create opportunities.

The current levy transfer system does not seem to benefit anyone other than the Government, because the real saving to the employers is very minimal, so they still have to fund the salary cost. That tends to be the most prohibitive thing, in my experience. That is not just in construction, but most other sectors that I work in with other projects. If, for example, a large council or university could suddenly fully sponsor an apprenticeship placement in the community, that would change things, because those



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businesses have opportunities, a need and skills requirement, which an apprenticeship could address, but they simply cannot fund it.

It seems wholly wrong to me that a large organisation can have a very Zen-like approach and say, "Well, we will just write it off. We will let the levy money float off down the road." That will achieve no local benefit or local impact. The problem then is how to broker that, manage it and make it fit. For me it is about local control.

Q28 **Chair:** Mr West, has it been challenging for you to find the salaries for your apprentices?

Daniel West: No, not necessarily. In actual fact, we pay well above the minimum that you should be paying an apprentice. We put them on a fairly decent salary. We also give them increments at six-monthly milestones, to make it up into what we call a "fully-skilled technical adviser" over the course of their apprenticeship.

Q29 **Chair:** Others were talking about the paper work being complicated. Have you found that challenging?

Daniel West: I'll be honest: I get someone else to do it.

Q30 **Sir Geoffrey Clifton-Brown:** Do they find it challenging?

Daniel West: I think so, yes.

Q31 **Layla Moran:** Do you have someone whose only job is to manage all of your apprentices? How much of someone else's time does it take to manage your apprenticeships?

Daniel West: Probably 30% to 40%. It is a large department of about 100 people, made up of—including apprentices that have graduated, so to speak—about 20. We have done quite well with it. We used to take people on in batches of threes and fours, but now that it is going well and we have something built around what we are doing, we are taking on eight this year, and potentially looking to take on 16 next year. There are other businesses as part of our group that are looking to utilise it to train engineers as well.

Q32 **Chair:** You talked about apprentices who have graduated. How many of the apprentices who you have had have actually started working for you as a company?

Daniel West: We have two now, and five more due to graduate in June.

Q33 **Chair:** And they all have jobs guaranteed.

Daniel West: Yes.

Chair: Do they automatically get the jobs, or do they have to compete for them once they have gone through?

Daniel West: They will automatically get the job if they have passed the apprenticeship and gone through all the quality standards and everything else that we have. Then they will get the job.



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- Q34 **Sir Geoffrey Clifton-Brown:** Given that almost a third of apprentices never actually qualify, could each of you say what percentage of your apprentices who start actually qualify, and whether you think that trend is improving or not?

Daniel West: As I say, we have 16 at the moment—sorry, we have 15 at the moment; I will get it right in a minute. Two have passed out. They are 18-month apprenticeships and we started doing it only 24 months ago. We have had a drop-out rate. We have had approximately eight people drop out of the apprenticeship over the 18 months that they have been doing it.

- Q35 **Chair:** What were the reasons?

Daniel West: Disparate reasons. Some people are still quite young and their families have relocated to another town. Some people have come on board and decided it is not for them. Some people have proved to be unreliable. It is disparate reasons, really.

- Q36 **Sir Geoffrey Clifton-Brown:** Is that eight out of 30 or eight out of 15?

Daniel West: Sorry—we have about 15 on the go at the moment and we have had eight people drop out over the last 18 months to two years that we have been doing it.

Layla Moran: So 23 started and eight have dropped out.

Daniel West: Well, they started at different stages.

Jane Thompson: Our timely achievement rate, which is the number of people who achieve in the time, was 74% last year. That is a trend that is getting better over the years, but there are some challenges with the levy. We should be maintaining that this year. Then we have 96% of our apprentices who, if they complete, will be offered a positive destination—either a job where they are or a job in the same sector.

Paddy Patterson: I will get you an exact figure for the record, but 70-something per cent. is where we are. We are higher than the national average for our sector.

- Q37 **Chair:** From what I am hearing, your cohort is perhaps more challenging, potentially.

Paddy Patterson: Again, it is progression. In some cases, progression for some of our learners is the fact that they can leave us being able to go out and work and earn a wage. They may not have achieved a qualification, but they can go out and make a living. For us, that is a progression, but unfortunately, it is not counted as such. That is just it.

Chair: The money is meant to go to apprenticeships that deliver, so I hear what you are saying.

April Hayhurst: It is very similar to Sunderland College. It is in the mid-70% for those who start and achieve, and similar for the progressions and positive destinations. It is sectoral, however, so some sectors are higher than others, and stay on and achieve. We have seen an increase in the



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number of apprentices whose contracts are terminated by employers. Again, I think the demand from employers, in terms of job readiness and the lack of tolerance, is more apparent, because they feel the pain of paying for the programme.

- Q38 **Layla Moran:** Work readiness sounds like it is one of the things that needs to be actively worked on. Is that the only thing? Before they get to you, what else could help to keep them on apprenticeships? What else is feeding into them dropping out? Ms Hayhurst to start, but then we can go back to the other training providers perhaps.

April Hayhurst: Work readiness is essential, but the standards will also help with behaviours. As they are being co-designed and co-delivered with the employer, you can embed the employer's ethos, values and expectations. It is just a different way of delivering that curriculum element of the apprenticeship, but to do that, you need to be very much embedded within that organisation. That is easier for larger companies than it is for smaller companies.

Also, if the employers are offering a lower salary, you are potentially going to get a candidate with a lesser calibre of attributes for the employer, so it is more challenging. But the employers are certainly less tolerant of some of the behaviours that younger people, particularly in the 16-18 bracket, can display.

- Q39 **Layla Moran:** Do you have to work with businesses to understand better how that works? Is that part of it?

April Hayhurst: Yes. Part of the offer is supporting the workforce who are receiving the apprentices into their place of work.

Paddy Patterson: One of the things that we have started to do is to increase our work with schools. We now take on students from year 10 or 11. Sometimes it is funded; sometimes the school pays, and sometimes it does not.

- Q40 **Layla Moran:** So the school will pay you?

Paddy Patterson: Sometimes. If it cannot pay, but it has a student who we think could become one of our pre-apprentices or even an apprentice at 16 when they leave school, we will work with them. That way, we can get them used to what it is like in training and instil some of those employability values that we know employers want.

- Q41 **Chair:** What basic things would you start doing with a year 10 pupil to get them ready for an apprenticeship or work?

Paddy Patterson: A pupil would work alongside students who were there on pre-apprenticeship courses. It is more about getting them used to the rules: turning up on time, learning how to work with others, and all the things that we hear is often lacking at 16 or 17. We feel that if we can get those values in place earlier, it stands them and us in good stead. It also gives them something to work towards. That is not to say that we are a place where you send students who are a bit difficult—that is not what we



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want to be, and it is not our role. However, if there is a student who has the potential, we work with them and we can give them something to work towards, which might help them to attend school better and get a slightly better grade at GCSE, particularly when they know that they will need English and Maths; we will tell them every day. It is a bit of direct action, and the schools are very receptive. For us, it is about starting that throughflow again.

Jane Thompson: It is similar in our school, especially during Apprenticeship Week. We talk about exactly what an employer is looking for in an apprentice. We have a college mantra of "right student, right course." It is about explaining to the potential apprentice just exactly what is involved. A lot of that is around the same sort of thing as colleagues have mentioned, such as being there on time. Some of the employers are more tolerant of young people than others.

Q42 **Chair:** Mr West, have you had to let anyone go because they cannot turn up on time?

Daniel West: Not personally, but we have as an organisation. Again, when we have had to, it has been a case of lateness or frequent absence.

Q43 **Bridget Phillipson:** What do you think needs to happen to raise the standing and status of apprenticeships, so that they are viewed as an option that is comparable to other alternatives, particularly when it comes to young people?

Jane Thompson: I find that the awareness is increasing. Sometimes young people aspire to have an apprenticeship when they do not yet have the English and Maths skills to be there. In my experience, especially in my area, there is quite a lot of really good awareness of apprenticeships, and young people have aspirations to take them on.

Paddy Patterson: I agree. The receptiveness of young people, parents and schools to apprenticeships is higher than I can ever recall. Unfortunately, we are living in an age when confidence in the programme is slightly shaky in areas. Once we have worked through that and established a bit of a track record of constantly delivering good opportunities at various levels, the social impact is massive. Things like the Young Apprentice Ambassador scheme is vital, so that apprentices go into schools and talk about apprenticeships. I think we are on the right path.

April Hayhurst: I think one of the greatest difficulties is the synergy between secondary schools and the FE sector. How aware of apprenticeships you are will depend on whether your school has a sixth form. With all the will in the world, if the schools have apprentices in on a day-to-day basis, they are able to promote the progression within the school rather better than we can. The message is that you can still achieve the same academic attainment through the apprenticeship route.

Q44 **Douglas Chapman:** To follow on from that, I think it has been a long, hard struggle to get parity of esteem between academic qualifications,



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apprenticeships and so on. Some of the recommendations that are contained in the National Audit Office Report suggest that budgets will be under pressure in the future unless the Government decide to put in a whole barrel-load of new money to even out the playing field. What would be your concerns if that money was not forthcoming, in terms of selling the idea that apprenticeships are of real value to a young person or even somebody at my age?

April Hayhurst: Can you repeat the question, please?

Douglas Chapman: On parity of esteem, some of the recommendations in the Report suggest that budgets are under pressure. If that continues, or if the Government decide not to put additional money and support into apprenticeships, what is your view of where that argument will go? Will we just lose a generation of people who are not skilled up well enough to allow the UK to compete internationally, or even within our own internal markets? How concerned are you that that might be a possibility?

April Hayhurst: It is a concern, because I think the apprenticeship programme is well received by employers. I think they can see the distinct benefit of an individual who has been through an apprenticeship academy and entered into their world of work, with maybe five or eight weeks of intensive training, as opposed to somebody who may come in with very little experience of the application of knowledge in practice. There is definitely a place for the apprenticeship programme at all levels, and that opportunity to learn and earn and put knowledge into practice is vital in some industries and sectors.

Paddy Patterson: For me, one issue is that there are quite a lot of press reports about apprenticeships at levels 5, 6 and 7 being funded, yet simultaneously we seemingly have a race to find level 2 and 3 funding. I think that that will do more damage to the parity of esteem because apprenticeships will then be seen as another example of a programme that has traditionally been an entry level for someone to get on a pathway. But rather than the glass ceiling of apprenticeships being removed it would be reinforced.

Q45 **Sir Geoffrey Clifton-Brown:** All three last questions are going to be from me. The gender balance between apprentices roughly mirrors that of the population, at 51% to 49%, but it seems to me that women are particularly under-represented in STEM subjects such as engineering. Have you been able to make any progress in that area? The Government set a target for BAME apprenticeships of 11.9%. How does that compare with your individual situations and are you managing to improve on it? Two of your colleges are, I think, in disadvantaged areas; the Government have a target of 25% disadvantaged students, and nationally 22.5% is being achieved. Do you meet that target, or not?

April Hayhurst: There is parity with gender; it is as the national stats, but I will clarify that for you. In terms of our BME, we have hit the national—

Q46 **Sir Geoffrey Clifton-Brown:** But are you managing to make any



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progress in encouraging more women to take up STEM subjects?

April Hayhurst: It depends on the employer; we are more successful with some employers than others. With Rolls-Royce, for instance, there is more success because I think there is more opportunity to progress in different areas—it is a global company—whereas with some of the manufacturing companies with fewer progression routes, there tend to be fewer women going into those environments. Construction is similar. In advanced manufacturing and professional construction there seem to be more women entering from an academic route.

In terms of the BME, we have about 11%, so we have hit that national target and we do lots of work around that. I would have to give you some clarification on the disadvantaged groups.

Q47 **Sir Geoffrey Clifton-Brown:** But just off the top of your head, is it about 25%?

April Hayhurst: I would have to give you some clarification.

Q48 **Sir Geoffrey Clifton-Brown:** Fair enough. Thank you.

Paddy Patterson: Our training centre broadly represents construction sites up and down the country; we tend to have a majority of white males. We have tried a number of initiatives to engage females, with some success at entry levels. We have had a number of females come and do taster days, but getting them to the stage where they would want to commit themselves full time has been a challenge. As we move from working the majority of the time with small businesses and start to engage with some of the larger house builders, I can see an opportunity to do something slightly more progressive on that front, because I think they would be better set up for it.

On the BAME front, it is slightly better, but our cohort still tends to be young white males, and again, that is not for want of trying.

In terms of social mobility and some of the disadvantaged, a lot of the students who come to us would have been on free school meals at school. We have a whole raft of issues to deal with on a daily basis before we can even get them into a workshop or a classroom, including getting them there, feeding them, and making sure they are healthy and able to learn, but that is our purpose—that is why we are there, to deal with that.

Jane Thompson: I do not have the figures to hand on the splits. My concern for the disadvantaged is the removal of a lot of the level 2s from the standards and also the preoccupation with English and maths. I am finding that some of the employers are choosing people who have really high English and maths grades, and that is possibly just moving people who were perhaps going to university into apprenticeships and the people who traditionally would have got the apprenticeships not getting them.

Daniel West: I do not really have anything to say on this one.

Q49 **Layla Moran:** I have one final question. We have the permanent



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secretary of the Department for Education in the room, listening avidly. What are your top two asks that would make it easier for you to be able to deliver high-quality apprenticeships?

Daniel West: More awareness about what apprenticeships are, the fact that they are a very viable qualification and give people work experience to get out of apprenticeship work. To someone like me, who is a resourcer for a living, someone who has work experience and a qualification is great. They should definitely be more high profile—

Q50 **Layla Moran:** Among students or businesses, or both?

Daniel West: Both, to be fair. Among students, we have been out to a few schools recently and have enlightened some people as to what apprenticeships are and what we can do for them as a business, but there is a lot more to be done. There are a lot of people on the market. Whenever we advertise that we are going to be doing apprenticeships, we get loads and loads of interest coming through. So, definitely, it could do a lot more good.

Jane Thompson: Include English and maths in the 20% and increase the funding—when you do English and maths as part of an apprenticeship it is half the amount of funding we would get for an adult learner.

Also, something we have not talked about at all is the end-point assessment organisations. For a lot of the standards that we are being encouraged to deliver we do not have organisations ready there, and as a teacher, when you are starting to deliver, that is really difficult. We have some instances of where we have nearly finished an apprenticeship and the end-point assessment organisation, Pearson, has decided not to deliver that any more, despite having a contract. So someone else is picking it up and they have different windows that will not correlate with the contracts that the employers have for these apprentices. So more work around those organisations and the end-point assessments would make a difference.

Paddy Patterson: The first one for me, as I mentioned previously, would be to open up the levy, in terms of how you utilise it for local benefit. The second one would be to give more local autonomy in how that process works. Employer ownership is great, but any of us would be hard pushed to say that any employer could navigate its way through the apprenticeship programme based solely on what is online. Employer ownership is fine, but you need someone local—that, for me, is the way forward.

Q51 **Chair:** When you say local, is that the council, the LEP, the FE college—?

Paddy Patterson: It could be a LEP; it could be a combined authority. It is up to each area to make recommendations. With writing skills strategies, they will obviously have a board of people in place. If they are doing local industrial strategies, as some areas are at the moment—a few of the ones I am involved with are—apprenticeships should be at the heart

of the strategy, but it certainly seems incongruous if the power for it sits somewhere remote.

Q52 **Chair:** Okay. Fair point.

April Hayhurst: I agree with what Jane said, but also recognition for the wraparound services—the recruitment and managing positive destinations—because they are two really vital parts of the apprenticeship programme.

Chair: Thank you very much indeed for your time. It is really helpful to hear it from the horse's mouth, so to speak. It is good that the Permanent Secretary and Ms Milner are here to listen to what you have had to say. You are very welcome to stay for the main panel, if you wish. Thank you for travelling to join us today. The transcript of this element of the hearing will be up on the website in the next couple of days, as will the next bit. If you do not wish to wait, thank you very much indeed and if you do, then please find a seat behind you—in fact, I think Mr Slater has been keeping one warm for one of you.

Examination of witnesses

Witnesses: Sir Gerry Berragan, Eileen Milner, Jonathan Slater and Keith Smith.

Chair: Welcome to the Public Accounts Committee on Monday 25 March 2019. We are here to look at the National Audit Office's Report on the apprenticeship programme—an area of interest to the Committee. This is the second or third time that we have looked at it in this parliamentary Session.

We are pleased to have our second panel in front of us: the people who are responsible for the apprenticeship programme. A warm welcome to Sir Gerry Berragan, the head of the Institute for Apprenticeships and Technical Education; Jonathan Slater, the permanent secretary at the Department for Education; Eileen Milner, who is the chief executive of the Education and Skills Funding Agency; and Keith Smith, who is the director of the apprenticeship programme at the Education and Skills Funding Agency.

There are four of you, but you don't all have to say everything; if you agree with each other, you can always tell us that, and we will be very happy to take those short answers. The quicker you can be in your answers, the quicker you can get off to do the important things in your Departments and organisations. Given the level of responsibilities that you have on your desk, Mr Slater, I am sure you will be glad to get off and deal with them.

First, I am going to ask Sir Geoffrey to pick up on an issue that we have raised with you before. This is not related directly to today's session, but picks up on some issues that we raised, I think, the last time that you were in front of us, or a few months ago.

Q53 **Sir Geoffrey Clifton-Brown:** Good afternoon, Mr Slater. You may



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remember that I raised the issue of T-levels with you in our hearing in June 2018, and the fact that you had to have a ministerial directive to speed up the process. Everything was on track then. Is it still?

Jonathan Slater: It is. Since we last met, we have awarded contracts for the first three that are due to go live in September 2020. That is a good milestone achieved. We are now managing through that process. The next big challenge that we are working through is to make sure that there are sufficient work placements in support of each of those three and, of course, we are already starting work on the next ones that follow for September 2021. At the moment, the Secretary of State looks like he is winning his bet.

Q54 **Sir Geoffrey Clifton-Brown:** There are two elements of that. One is the training part of it—the colleges, if you like. My college, Cirencester College, is, I think, one of the very few in Gloucestershire that is actually going to trial T-levels, but it tells me that it has not had any real increase in funding in the last eight or nine years and is desperately struggling. It is having to lose teachers, and so on and so forth.

The further education sector really seems to be suffering compared with the rest of the education sector. Can we have any assurance that something is going to be done about the comparative pay of teachers, and the level of funding in the further education sector?

Jonathan Slater: It definitely is the case, absolutely, that further education has not been treated as well as schools—5-16 versus 16-18. The Government prioritised 5-16 in 2010, and has continued to do so. We are making sure that the colleges—some schools, but mainly colleges—that will be delivering T-levels are properly recompensed for their efforts. There are 900 hours in a T-level, which is significantly more than in the qualifications it replaces and they will be properly funded for that work. We are equally making sure that capital is made available to support the investment in the facilities that are required to deliver these T-levels. Nevertheless, it is the case that colleges have had to cope with less resource, proportionally, than schools. What happens going forward is, of course, for the spending review later this year.

Q55 **Sir Geoffrey Clifton-Brown:** The other half of this equation is finding enough work places. It is no good doing all the training if you can't then find the work placements. Can you give us an update on that?

Jonathan Slater: We are doing a number of things. Eileen, who is lucky enough to lead on T-levels as well as apprenticeships, might want to come in on top of this. We have funded the colleges that are going to be delivering in the first instance, to engage with employers in their locality to identify the potential. They have been recruiting people whose job it is to go out and find work placements. We have been trialling it. In advance of T-levels going live, Eileen's people have been making use of existing qualifications for which you could put work placements of a more rigorous and time-consuming nature in place, so that we can see what happens in practice and adjust accordingly. A great deal of that work has been going on to date, from which we are learning and adjusting as we go.



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- Q56 **Sir Geoffrey Clifton-Brown:** From your trials, you haven't determined that there is a problem with finding the number of work places for the number of people.

Jonathan Slater: I mentioned in answer to your question that we had successfully got over the milestone of letting the first three contracts and are now on to work placements because that is a non-trivial activity—absolutely. Securing sufficient work placements for each of these first three T-levels is not straightforward. It is different for each of them; it is much more straightforward for nursery education than for digital. That is the work we are doing at the moment, to try to make sure that we are ready for 2020.

- Q57 **Chair:** You mentioned the spending review and said, rather optimistically, "later this year". Do you really believe that the spending review will happen? You are going to be tight on deadlines—we are at the end of March—for your Department to let its bodies, schools and colleges know what is going to be happening. Is there a point beyond which the spending review might have to roll over from last year?

Jonathan Slater: As you know, Chair, what the Chancellor said in the spring statement was that if we get through Brexit promptly and successfully—*[Interruption.]* This is what he said. There will a three-year spending review settlement that starts before the summer and completes in the autumn, and if there isn't, there won't be. If there isn't, we will be working through with the Treasury what a one-year settlement would look like, and clearly that would be less optimal than a three-year one.

- Q58 **Chair:** Presumably, you have been doing some work on that in the Department.

Jonathan Slater: We have indeed been looking at all eventualities.

- Q59 **Chair:** What is the last date on which you would hope to get information to schools, colleges and other parts of your Department, to make sure they knew what they had to spend from the autumn term?

Jonathan Slater: I do not have that date off the top of my head.

- Q60 **Chair:** We have discussed this lots of times, and we know how difficult it is when colleges get information very late in the day. They cannot plan.

Jonathan Slater: The issue will not be so much giving the information too late; it will be whether it is one-year information or three-year information. Clearly, we—

- Q61 **Chair:** There is still an issue about getting it late, isn't there? If they don't know very soon, they will find it very hard to plan, and there will be issues around holding on to staff or letting them go, the sort of issues that might be quite fundamental, depending on what the settlement is.

Jonathan Slater: That is true. What I am saying is that if the Government is not in a position to pursue a three-year spending review settlement on a timely basis, what we will agree with the Treasury is a



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settlement for FE for one year that is sufficiently prompt for them to plan for one year, but only one year.

- Q62 **Chair:** So you might have bits of spending. You might go for FE separately from schools and other parts of your Department.

Jonathan Slater: I do not think it is helpful for me to predict what will happen—

- Q63 **Chair:** I am just thinking in practical terms—

Jonathan Slater: You are right, Chair, that we are considering the possibility of spending decisions made on either a one-year or a three-year basis, either for the Department as a whole or for individual sectors. All those options are still possible.

Chair: That is helpful to know.

- Q64 **Sir Geoffrey Clifton-Brown:** On this very subject, Mr Slater, you probably are not aware, but I raised this on the Floor of the House. I understand the Chancellor's difficulty with the spending review. Obviously, the economy may perform differently if we have a Brexit arrangement and if we do not, but it is odd, is it not, that we have a 10-year health plan and a three-year local government plan, but poor old schools have to budget on a one-year plan? Trying to run any business budgeting on a one-year plan is quite difficult, is it not?

Jonathan Slater: I hope that Government and Parliament are able to give a successful outcome to Brexit promptly, and that we can get on with the three-year spending review as soon as possible.

Sir Geoffrey Clifton-Brown: I do not think we can go much further than that, Chair.

Chair: It is certainly an area that Sir Geoffrey will continue to explore. We are going to move on to the main session on apprenticeships now.

- Q65 **Sir Geoffrey Clifton-Brown:** First, a general introductory question, Mr Slater. Everybody, I think, agrees that apprenticeships are a good thing, but how can we be sure that for our current £2 billion, rising to £3 billion, we are getting added value? How can we be sure that it is really contributing to the goal that it was set: improving the training ability in this country and improving productivity?

Jonathan Slater: There are a number of component parts to our efforts to assess the contribution to productivity that, as you say, everybody is after. At the heart of it, which the NAO identified in its Report, we bring together three questions: the number of people who do an apprenticeship, then we factor in the extent to which they get a job afterwards, and thirdly, how well paid that job is. Those are the three key components of what we call our skills index. The National Audit Office quite rightly identifies that it would be helpful if we could put the detail of that into the public domain, which we will do next month. It will all be out there.



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The NAO, in looking at it, did not identify any particular improvements they suggested that we should make in the index. They said we should publish it, and the detail behind it, and we will absolutely do that, but it seems to me in principle that a formula that measures those three things, and you track it over time—is it going up, or is it going down? It went up by 3% between 2015-16 and 2017-18. That is a decent, quantitative way to assess the health of the programme.

Q66 Sir Geoffrey Clifton-Brown: Are you prepared to give us any preview as to what that might say?

Jonathan Slater: I would expect that, in line with the significant reduction in the number of starts as employers have got used to the new system, precisely because the index factors three things—how many people do them, what happens to them afterwards, and how much they get paid—you would see a dip, and then you would see it rise and continue to rise above where it has been in the past. That is what I would expect to happen over time, but we will have to see.

Q67 Layla Moran: Just on that, one of the things that we have heard anecdotally, but also from the pre-panel, is that there are large numbers of people starting at higher levels of apprenticeship. Can I ask whether that pay is the absolute pay that they get, or is it the pay differential? If they are on higher-paying jobs to start with, then obviously if they are taking an apprenticeship at level 4 or 5, that is going to be a higher level of pay. Is that really a good measure of productivity?

Jonathan Slater: That is exactly why the NAO is right to say that we need to set out the detail of the skills index next month, which we will absolutely do. The third variable—I was summarising to try to keep it short—was the added value that the apprenticeship brings. We seek to assess that; we try to work on the added value, so we have data that tells us that for an average level 2 apprenticeship in the past, £1 of public spending gets you £11, and £16 for a level 3. We factor those things in, and we adjust because of the new programme's differences from the previous one.¹

Q68 Layla Moran: We also heard from the pre-panel about some of the added benefits that apprenticeships have, more than those three factors, and in particular for school leavers who might otherwise end up in NEET programmes and that sort of thing. Are you measuring those two things against each other as well—how many NEETs are getting into apprenticeships and that kind of thing?

Jonathan Slater: We do indeed track the changes in numbers of NEETs by age—

Chair: Sorry, just to clarify that “NEET” stands for not in education—

¹ Note by witness: ‘I should have said that for an average Level 2 apprenticeship in the past, achievement would increase an individual's learnings by 11% per year 3 to 5 years after completion – and 16% for a Level 3.’

Jonathan Slater: It is a horrible word, isn't it? People not in education, employment or training. We absolutely track those numbers over time, and where those numbers have fallen and what destinations they have gone into.

Q69 **Layla Moran:** Is there a positive correlation between the number of those young people and them going into apprenticeships specifically? Is that going up or down? What is going on with those numbers?

Jonathan Slater: Overall, of course, the pattern in the last year and a half is that the total number of apprentices went down and is now up again, at the macro level, for levy payers. They went down by 25% in the first year and went up by 10% against that 25% so far this year. We are still about 15% below where we were at the end of 2016-17, but we are catching up.

In fact, levy payers are now caught up—levy payer starts are back where they were two years ago. That is the position, and we are rising and rising, which is why the NAO identifies the potential for an overspend in its Report.

Keith Smith: I was going to say that the other point is that this is very closely correlated to the employment rate for young people. Obviously, the apprenticeship is a job, so it is very much about buoyancy of the labour market for young people. We have certainly seen the following two trends: the size of the population of young people, which goes up and down, and we are interested in the buoyancy of the labour market and the rate of youth unemployment.

In the Department, we have certainly tried to bring together the strategy and policy for NEET alongside apprenticeships. I cover both of those, so I am very interested to understand the health of the labour market and how we can try to get information to schools—we will no doubt come to that in a moment. We are very interested in understanding what the full cohort picture is, because obviously we want every young person to participate in some form of education or training.

Q70 **Chair:** It was interesting that in our pre-evidence session we heard very clearly from Mr Patterson and others that some of those pre-work skills are quite necessary. Are you doing anything to match the gap between somebody who is not in education, employment or training, and the skills that they would need just to hold down an apprenticeship?

Keith Smith: We have a programme called traineeships. The idea behind it is that it is a six-month programme for which we try to encourage providers to use it to see what the softer and rounder skills of the young person are. We see that it provides a lot of benefit for employers and providers, who are able to see that and do some intensive work to get those young people work-ready.

The challenge for us is always to try to understand how to maximise the scope of that traineeship programme and to get it in a place where it can operate. I do not want to use the word "pre-apprenticeship", but the



programme serves as an opportunity to help people progress to apprenticeship when they are ready, but it can of course move them into other forms of education and training as well.

- Q71 Layla Moran:** Are businesses always the right place to deliver that kind of training?

Keith Smith: The traineeship is delivered more through the college or the training provider. What we are trying to say there is that a component of the traineeship could be a work placement or an industrial placement, a bit like what we are doing with some of the T-levels. We are giving colleges and providers the capability to put together a bespoke programme that actually tests and delivers the skills that they think are appropriate for that particular young person.

Obviously, we are trying to deal with lots of different barriers and issues. Lots of young people have similar issues, but the mixture and blend of that for an individual can be different, so we are trying to give as much as flexibility as possible for providers to put together local programmes that work.

- Q72 Layla Moran:** What is the uptake of that? Is that improving compared with apprenticeships generally? How well known are traineeships?

Keith Smith: Traineeships have been around for a few years, so I think that they are pretty well known. We are still always trying to understand how to strengthen the link between the traineeship programme and the apprenticeship, but we see progression rates of around half overall—half go into different forms of education and training. It is certainly having an impact.

Layla Moran: In bridging that gap, do you think that there is a problem with the fact that standards are not being rolled out to level 2? Does that not worry you?

Keith Smith: Sorry—how do you mean?

- Q73 Layla Moran:** Level 2 apprenticeship standards were one of the concerns raised by the pre-panel. If the idea is to try and get those young people to progress along the line, can you tell me about what you are doing to make sure that level 2 is maintained at a high quality?

Keith Smith: The important thing is that the work we are doing around standards is to make sure that there is a standard meeting the occupation of the job. There is a really close correlation between the work that we give to employers to be able to describe where there is an apprenticeship and their work with Gerry and the IFA to understand how a particular standard meets a particular job occupation. If there is a match there, there will be an apprenticeship standard. We then try to make sure that the right person is going to the right standard and the right time.

We take a view that it is about trying to match apprenticeships with the labour market, the economy and the occupations in the labour market. That is the match we are trying to get right and therefore ensure that we



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have a system that promotes and engages young people at the appropriate time, to get them on the right route or pathway. What is really interesting for us—looking to T-levels in the future—is how T-levels can also be a pathway out of a level 3 and into perhaps a level 4 or 5 apprenticeship, where they are looking to work in an occupation at a higher level.

Q74 Layla Moran: We have got that 3 million apprenticeship start target. When are we going to get there? Are we going to get there?

Eileen Milner: I am sure that we will get there—I am absolutely confident of that.

Q75 Layla Moran: It is in legislation.

Eileen Milner: It is, so we are required to be working as hard as I know everybody here is, and some of the providers that you heard from as well, in order to get high-quality apprenticeship provision in place. As I think the Minister for skills for very clear about, we must prioritise the quality over the quantity. We want as many opportunities open as possible. As the permanent secretary said, the number of levy payers that have been created is now on a par with what it was before the introduction of the reforms.

We want to ensure that we do not compromise that quality. If we go back to the problem that the reforms were put in place to deal with, it was that apprenticeships had become degraded as a term and as an approach to developing people. Some 30% of people on apprenticeships did not know they were apprentices. When asked, 20% of people had no off-the-job training.

Q76 Chair: We know the figures.

Eileen Milner: You know it all. What are we trying to do? Sir Gerry can talk about the work that the Institute has done. We have 4,000 employers who have committed time to developing standards, because they believe that those standards will make a difference to their workplace.

Q77 Layla Moran: Are there any sectors that you are worried about, in terms of they have not got there yet with the standards, that is a key area that we need standards on?

Eileen Milner: Sir Gerry can talk to the standards specifically. We have areas that are catching up very quickly—for example, policing is a sector that has been talking for some time about will it get standards in place. The standard is now just about there, and they are anticipating things taking off very quickly. It is the same with midwifery and nursing, where we now have real acceleration. It took a while for one or two of those standards to come into place. We have a challenge on teaching, but I think we now have a route through that. I am talking about areas where we know that we want to have well-motivated and really well-skilled people, and where apprenticeships can make a difference.

Q78 Layla Moran: How many apprentices do you think you will have by



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March 2020? What is the projection?

Jonathan Slater: I do not think there is anything that we can usefully add to the way that the NAO set out in their Report.

Q79 **Chair:** So you agree with it?

Jonathan Slater: Yes. We would have said so if we did not. To get to 3 million by March 2020, employers would need to be taking people on at double the rate they are. That is the way the maths works. How many apprentices employers take on is a matter for them—it is real jobs. It depends on all sorts of variables, as you were discussing with the previous panel, but it looks ambitious.

Q80 **Chair:** Given that it is in legislation, what is the consequence?

Jonathan Slater: What is in the legislation is a requirement for us to report, on a quarterly basis, on how well we are getting on, and not to do anything that makes that harder. That is what is in the legislation, and that is what we do. We try very hard not to do anything that drives for a number at the expense of the point. There is nothing in legislation that stops us.

Chair: We would tend to agree with that.

Q81 **Layla Moran:** You mention the change being one factor. What are the other factors that your Department has identified as being why the starts dropped in the way they did?

Jonathan Slater: There are a number of reasons. First, levy payers are now in charge of deciding who their apprentices are going to be, and at what level. Previously, the money went—as you know—directly to the college, and they would sell their services to employers. The whole point of this regime was to put the employers in charge and for them to decide what they wanted, which was going to take time. As you say, change takes time. The way we think of it is that in the boardroom of the levy payers, there is now a proper conversation going on about the training of their staff, which was not happening so frequently—obviously it was for Rolls-Royce and Siemens, but not for many.

Q82 **Layla Moran:** Do you have any projections for the next couple of years, apart from the shortfall and growth? You said that that was what you were expecting—it sounded like you had a model.

Jonathan Slater: We do not forecast a specific number, because there are too many variables, but we have to make some sort of financial assessment with the Treasury. A financial assessment does not turn into a number, because you could hit that financial number depending on level 3, 4, 5 and so on, but the National Audit Office Report quite rightly identified that for 2019-20 we will be there or thereabouts—that is our best forecast at the moment by way of the use of the levy. In 2020-21, we could be significantly overspent if we continue on the basis of current trends, so that will be an important consideration for the forthcoming spending review.



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Q83 Layla Moran: Moving on to BAME in particular and disability apprenticeships, why was the proportion lower than the average of school leavers? Why did you decide to set a target that was so low?

Jonathan Slater: When David Cameron was Prime Minister, he gave a speech on the importance of public services better meeting the needs of black and minority ethnic people. He identified six groups of people for whom things should get 20% better by 2020; one of them was the proportion of BAME apprentices, and another was the proportion of BAME undergraduate students.

Q84 Layla Moran: Why, then, do you not have a target by gender, by sector?

Chair: You remember the conversation we had before about this.

Jonathan Slater: I suppose because I have not been set one. I could be set one, obviously—

Q85 Layla Moran: Why don't you set one?

Jonathan Slater: I do not get to set these targets—in all seriousness, they are set by Ministers. You could have one, or you could not.

Q86 Chair: We could go through the whole discussion that we had with Ms Flint when she was asking the same questions last time, but you know the conversation you had. I am sure you remember it vividly, but if not, let me just recap—

Jonathan Slater: I do remember.

Q87 Chair: Ms Moran's question is still a valid one: whoever sets the policy, you advise on it, and if there is a disparity on gender in different sectors, that is something that you should be concerned about.

Jonathan Slater: We have drawn Ministers' attention to the discussion we had last time with this Committee, and its recommendations are visible to them. I suppose I would say two things—I hope I am not repeating what I said before.

First, whether or not there is a target, it is hopeless that only 8% of STEM apprenticeships are going to women, isn't it? It should be a lot more, and we are working hard to make it so, whether there is a target or not. The fact of the matter is that we managed to secure more than a 25% increase in the number of women doing STEM subjects at A-level and into degree level, so we should be able to achieve the same with apprenticeships.

In fact, as a direct consequence of the fact that there are at least 25% more girls doing STEM subjects at school, we should be able to drive a really significant increase in the proportion of women doing STEM apprenticeships. In exactly the same way that we achieve that objective in schools—by drawing the fantastic work of Rolls-Royce, Siemens, Nottingham City Homes and others who have really achieved benefits to the attention of employers who have not seen the potential—we think we can achieve the same in other areas, and we will do so whether there is a target or not.



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As for whether there should be a target, there is a choice to be made about how much you want the centre to determine what employers do. There is a difference in kind between setting a target for the programme as a whole—BAME, learning disabilities, disadvantage—and setting a numerical target for a particular sector, which takes you down a further stage of micromanagement from Whitehall. There are pros and cons, and you can do it or not, but we are going to try to get the numbers anyway.

Q88 Chair: The key thing is: are you watching it? You have just cited the 8% figure, so you do notice it.

Jonathan Slater: We are watching it. It went up by one percentage point in the last year, from 8% to 9%, and we are going to push it as far as we can.

Eileen Milner: We have a very significant apprenticeships campaign at the moment: the Fire It Up campaign. We have been very deliberate in the use of images, language and settings to ensure that they are portraying women in STEM subjects very positively. Our young apprentice ambassadors network in particular is doing fantastic work. What they say is that until you can see somebody who looks like you doing something that you think that you could do, you are not going to be inspired. So the work that happened in National Apprenticeship Week, where people who were doing cyber-security or working for GSK delivering drugs were going out into schools and colleges and talking about what it meant to be, in particular, a young woman who had taken up an apprenticeship in one of those sectors and settings, was fantastic. It is all about more role models.

Jonathan has talked about the uplift in undergrads. More than 50% of the postgraduate STEM subjects are now taken by women. We are going to see more women in these industries and that is going to be a good and positive thing by way of having role models that people can see themselves in.

Q89 Chair: That is all long-term goals. We hear from Mr Slater that you are concerned about this and we will no doubt return to whether there should be targets or not. You are both saying that it is in your sights.

Jonathan Slater: Definitely.

Eileen Milner: Definitely.

Q90 Chair: When do you think we will see a difference? You are talking about more women coming into science subjects, and more girls doing A-level STEM subjects. When do you think that will come through the system into apprenticeships, roughly? We are not setting a trap here. Five years? A decade?

Eileen Milner: We definitely see employers galvanising around this. If you think about GSK, it set itself what you might say is a modest target. It said that it wanted 25% of the apprentices it took to be female. Because it seems to be very serious about it, it has now reached 47%. We have heard about Rolls-Royce and the work that it is doing and the engagement. It too is serious about it. I hear more and more from



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employers—remember that this is an employer-driven endeavour in the first instance—who say they are passionate about getting more girls into these areas. Employers are also taking it incredibly seriously.

Q91 Layla Moran: On the proportion of apprentices from disadvantaged backgrounds, why has that gone down?

Eileen Milner: In part, it has drifted down a little to do with the fact that we have more apprentices undertaking level 3 and above programmes. Historically, a great bulk of level 2 came from the more disadvantaged areas. As we have seen a fall away from that, what we have seen is a decline, but a modest one, from disadvantaged areas. We need to understand more about that. You have probably seen today that the ONS has published a report on what is going to happen to the world of work as a result of automation. One and a half million jobs are going to go in low-skilled areas, and it is going to impact young people disproportionately. What we do not want in disadvantaged areas is for people to fall behind because of that.

Employers say they want more level 3 and beyond. They want them to be allied to occupational competency. We are running a project at the moment called “Opportunities through Apprenticeships”, which is focusing on four geographies—Portsmouth, Nottingham, South Tyneside and Torbay—specifically to understand what more we can do in areas where we want greater social mobility to get employers and people who are eligible for apprenticeships to steer in towards higher level apprenticeships, because it is incredibly important that we do that.

Q92 Layla Moran: How much of an emphasis are you putting on this? I am seeing a gap that is beginning to emerge—a need from communities for level 2 but employers not wanting to provide level 2. Can I direct that to Mr Slater?

Jonathan Slater: We are concerned, as we monitor the objectives that we set out in that benefits realisation strategy that, as the NAO points out, the number of starts from the most disadvantaged has gone down from 25% to 22.6%. As Eileen says, you can see why that would be the case as a consequence of a very significant drop-off in level 2 apprenticeships. In some ways that is evidence of what were not really apprenticeships before, but clearly we need to meet the needs of disadvantaged young people when it comes to apprenticeships, so that will be a key factor for the review we carry out later this year.

Q93 Layla Moran: How quickly is the review happening? I am concerned. The kids do not stop ageing. They are 16 now, or 14 or 15 or whatever they may be. How can we make sure we catch them before they fall through a gap?

Jonathan Slater: That is precisely why, as Eileen said, we are working intensively in four areas of the country to make sure that we really understand what would make the difference.

Q94 Layla Moran: How quickly will we know the results of that?



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Eileen Milner: That work is just a few months in. What we are trying to do is to gather data and understand employer behaviour, to be able to factor that in more nationally. We probably need another 12 months to understand what meaningful interventions we may be able to make.

Jonathan Slater: Equally, as you heard from the pre-panel, there is work that can be done effectively at local level to identify where there is the potential to go further. I was in Coventry on Friday. They are working with the West Midlands combined authority. One of your pre-panel members talked about the potential of that.

Similarly, in London, locally elected politicians can identify where there are people who are not benefiting, where there is unspent levy, and where there are employers who are not making use of it. We will learn whatever lessons we can as quickly as possible and spread them out widely, but that should not stop people locally doing the right thing.

Q95 **Layla Moran:** Can local councillors know how much levy money is left from big employers? Is that publicly available information?

Keith Smith: No.

Q96 **Layla Moran:** How will local councillors know that there is money to be spent?

Jonathan Slater: That is why I mentioned working with individual combined authorities and with the Mayor to explore what the potential is locally.

Keith Smith: Obviously, we work very closely, as the permanent secretary said, with combined authorities and LEPs. Although that information is not publicly available, we are trying to agree steps for how we can get local intelligence to them about what is happening, what the representation of apprenticeships are in those local areas, and how they can equalise that. The combined authorities particularly are very keen to understand how to set local targets to get much more parity across age, gender and ethnicity.

Jonathan Slater: What we also do, just as in respect of gender in STEM, is share great practice. Lloyds Bank is making sure that 39% of the young apprentices that it takes on are from disadvantaged communities, and PwC is taking a high percentage of kids on free school meals on to apprenticeships. If it is good enough for them, it is good enough for other employers. We are spreading that practice.

Q97 **Chair:** A point was raised by a number of people, among whom was Karin Smyth, a Bristol MP, about what happens to the spare money. Is there any chance that it could be reallocated locally? Does it go back to the Department or the Treasury?

Jonathan Slater: What happens is that an individual employer has two years to spend it. After two years, they lose it.

Q98 **Chair:** You say they lose it. Where does it go?



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Jonathan Slater: Other employers can seek to draw it down, and of course we have been using some of the levy to fund non-levy procurement as well. However, as this is a departmental budget, in the normal course of events if money is unspent it returns to the Treasury.

Q99 **Chair:** It seems a bit like cutting off your nose to spite your face. You have local employers, as Ms Smyth and others have raised with us in evidence, who could spend the money but perhaps do not know it is available and have not geared up to doing it. There are local colleges ready and geared up to spend it in an area where there is a need for skills. How are you matching what we talked about at the beginning—the skills and productivity with the money that is available in an area where they might need that input?

Jonathan Slater: The incentives on the Department for Education and the Treasury are not always identical. In the forthcoming spending review you can expect us to identify money that has not been spent and to suggest that allocating that to further apprenticeship training would be a jolly good thing.

Q100 **Chair:** How is that broken down locally? If a local large employer is unable to spend all that money and it could be better spent or usefully spent by SMEs in that area, or the FE college might have an understanding of where the need is and they have good contacts with employers, who is matching that up? I am looking perhaps at the ESFA here. Is it you that does that, Mr Smith? Is that your team?

Keith Smith: Yes, absolutely. There are a couple of really important points. If you are a levy employer, there are not necessarily any stops or caps on what you can recruit, so you can spend up to your levy. As the permanent secretary said, you have two years to do that. If you want to recruit more than that, that is fine; we just ask for them to make a small financial contribution, which is now 5%. There is no cap on levy employers.

On the small levy—the SME market—we are in a world at the moment where we continue to fund that through provider contracts. We are always looking at the performance of those contracts, trying to put mechanisms in place to make sure that the money is where it is needed. That is quite challenging, because when you have contracts, you do not always know where the demand is going to come from. We recognise that that process and system need to evolve into a similar system to that which we have with levy employers. We want a system that is much more responsive to where the demand from small businesses is. That is something that we are working on at the moment, regarding our next change in the system.

Q101 **Chair:** But how do you channel that? You have small employers who might not know—as we have heard from various witnesses—about where to go to get advice about how apprenticeships work. They might not have a clue that this is a possibility. You do need some body. You are right to say that the combined authorities may have a Mayor—



Jonathan Slater: The way the system works at the moment for small and medium-sized bodies is exactly the same as it worked in the past. Keith's team procures training for apprentices in non-levy payers in exactly the same way as in the past. They laid a 15-month contract in January 2018, following which they topped it up. They topped it up a second time for colleges such as Derby and others, to provide additional apprentices to other parts of the country where people are not making full use of it. That is the same model that we have had in the past. The aim is to get to a situation that puts the non-levy payers in exactly the same position as levy payers: they can just draw down as much as they want. Clearly the challenge for us in the forthcoming spending review is that all the money will be spent in the year ahead. In the year beyond that, even more will be spent if we carry on as we are. Choices will have to be made about how to cope with the imbalance between supply and demand.

Chair: We will come back to this.

- Q102 **Sir Geoffrey Clifton-Brown:** I wonder whether there is any thought about pooling this unspent levy, particularly to provide strategic aims in certain areas—for example, there will be great need for retraining in Swindon when Honda closes. Could you redirect the unspent levy, via the LEP or the local college, to achieve a specific local aim?

Jonathan Slater: That is exactly the sort of thing that we are starting to do with combined authorities, but we are not predicting any underspend in 2019-20. There is potential for doing that and for making it easier for non-levy payers, which is the point of the levy payers being able to transfer into the supply chain. We absolutely recognise the need for this sort of thing.

Keith Smith: On that, we have increased the amount that the levy employer can transfer up to 25%. We are also doing some pilots on pooling and are really interested in testing different versions of pooling, including virtual pooling, real pooling and aggregated demand. Those are all really important elements that we want to test through the system. We have some live pilots on that going on at the moment so that we can understand how that should feed into the conversation we need to have about the future programme.

Chair: We'll talk about the future in a moment.

- Q103 **Sir Geoffrey Clifton-Brown:** On the two-year absolute cut-off date, given that some of the standards are being very slow to come through and have caused employers difficulty with which apprenticeship scheme they might want to run, could there not be a little more flexibility on the 24-month absolute cut-off?

Jonathan Slater: We sought to respond to the request for employers to have more flexibility by increasing that from 18 months to 24. As I say, we are trying to incentivise people to get on with it, and levy payers are now back up to the same level of starts that they were at two years ago. It obviously would be possible, but in balancing those different interests, we have ended up where we have ended up.



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Eileen Milner: It is important to reinforce that when we talk about losing money, you are losing on a monthly basis—your account does not go to zero. You will lose the proportion that you put in in May 2017.

Q104 **Douglas Chapman:** To go back to basics in terms of productivity, which is what you are trying to do—you are trying either to enhance skills in the nation or to boost productivity across the piece—I wonder if there is any work going on behind the scenes with employers and different interested parties that would help us to realise whether this is money well spent. That lies at the heart of what we are trying to achieve.

Jonathan Slater: The reforms that we put in place from April 2017 are all designed with that objective in mind. The requirement for at least 20% off-the-job training is in line with best practice internationally. The requirement that the apprenticeship should be associated with an actual job, which the previous regime did not include, is designed to support productivity. The focus is on a standard that is determined by the employers, rather than on a framework that is not. All those things are designed to invest more in the skills needs of the economy than what was there before.

Q105 **Douglas Chapman:** Do you feel that there is enough joined-up thinking between the industrial strategy, employers and what you are trying to achieve through schools? You talked about some of the inputs, but it is really the outputs that we need to look at to see the end result. Do you think that enough work is going on between the Departments?

Jonathan Slater: As you can imagine, my colleagues in the Department for Business, Energy and Industrial Strategy draw my attention regularly to the importance of meeting the needs of the industrial strategy—we had a meeting with them just last month. The sort of thing we do is increase the value of STEM apprenticeships, precisely to incentivise employers to train more people in STEM skills in support of the industrial strategy. That is one example of how we try to do precisely what you say.

Q106 **Douglas Chapman:** I notice from the Report that some of the targets are clearly not being met, but there are also quite a lot of people who do not complete their apprenticeships. What are your thoughts on how that might be overcome? What are the reasons for it, from your point of view? Are we not throwing good money after bad if we are not seeing the full benefit of people going into training and making sure that they can complete the task that they have been set? Does that not have a negative impact?

Jonathan Slater: We clearly want as many people as possible to complete the apprenticeship that they have started. You discussed with the pre-panel the various reasons why people do not: sometimes because of personal circumstances like moving away, sometimes—exactly as the pre-panel said—because they try it for a while but it is not for them, and sometimes because they are not of the right standard. Equally, the ESFA intervenes with training providers whose completion rate falls below a threshold, because, precisely as you say, we want to make sure that as many people as possible complete their apprenticeships.



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What is quite striking is that when you compare us internationally, a figure of 70% or so is not that unusual. The figure is higher in some countries, such as Germany—surprise, surprise—and lower in others, such as Ireland. What we are trying to do is get it as high as we can through the sort of intervention that the ESFA makes if it finds that a training provider is not doing a good job.

Q107 Douglas Chapman: I have one final snippet of a question. I struggle to get my head around this, because we run a completely different system in Scotland. One of the things that is happening in Scotland just now is that people can start their apprenticeships in third year—14 or 15-year-olds. Mr Smith, you were talking about preparing young people to go into apprenticeships. Is that something that happens in England as well or that you are moving towards?

Keith Smith: We do not particularly do anything like that in the schools phase, but indirectly, we have a programme called ASK targeted specifically at raising the knowledge of teachers in schools. We talk a lot about advice and guidance, but it is really important that we go a bit further and try to create a connection. Nationally, we have over 400 apprenticeship ambassadors, which are employers that act as the business representation. We are really keen to put businesses into more schools, to be able to have that conversation on the ground. We are trying to target those efforts in the most meaningful and credible way possible.

Q108 Chair: We have touched on how level 2s are going down, while there is an increase in MBAs and very high-level apprenticeships. Eileen Milner, is that something that worries you? Are we seeing a skewing of the data as a result? There is some evidence of that in the Report.

Eileen Milner: I do not think that we are seeing skewing of data yet. While the take-up on level 7 is new and growing, it is still a very small proportion of the total. We are certainly seeing that employers are steering towards level 3 and above. With MBAs, the test for us and for the providers is whether they are delivering genuinely new knowledge, skills and behaviours that equip somebody to an occupational standard. We will increasingly be testing that: when people start these apprenticeships and we audit them, we will check carefully that they deploy tests in advance and meet the test that it is new and additive. At the moment, as I say, these are nascent programmes. In due course, I hope to come back to you to report on the success of programmes about which employers say, "We do want those higher-level skills. They are providing something additive."

Q109 Chair: You say that they are additive, but, first, are they new MBAs? Secondly, aren't they things that employers would have done anyway? Is it a good use of taxpayers' money to fund something that an employer may well have already introduced for very high-level employees?

Eileen Milner: It is typically levy-paying employers that are utilising level 7. They are not all MBAs at level 7, I hasten to add. Would employers have done it already? That question has come up a number of times at a number of levels. An exceptional employer, across the number of people we see going through, will have made the time commitment to off-the-job



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and the investment in the amount of time that they will give to occupational readiness. I think the balance is that employers are making the judgment that they are doing more than they have ever done before, and we should be supportive of that.

Q110 **Chair:** But would you be worried if you saw more level 7s, and that was taking away from level 2s and potentially level 3s?

Eileen Milner: We are monitoring the situation very carefully. At the moment, we do not see level 7s outstripping level 2s. What we see is a strong growth around levels 3, 4 and 5. In terms of productivity, which we have spoken about a good deal, and the return for the person who goes through the apprenticeship and the employer, that is very significant.

Q111 **Layla Moran:** Let me give a specific example. I met someone the other day who was earning a six-figure salary working for a bank. He has a PhD, and they are using the levy money to pay for his MBA. Is that acceptable? Is that what we are hoping to come out of this programme?

Jonathan Slater: Can I build on what Eileen said? In answer to your previous question, the point of this thing is to maximise the productivity of the country. Is one of the reasons why England is a less productive country than some the quality of the leadership and management of some of its organisations? Yes. Could one improve the productivity of the country by improving the leadership and management quality of organisations here? Yes.

In principle, there is nothing wrong with an employer improving the quality of his leadership and management through an apprenticeship programme, particularly if that involves someone taking at least 20% off the time and being properly assessed. So long as they do it properly, as Eileen was saying, and there is enough money to go round for everything—there has been to date—there is no particular reason for the Government to get involved in that decision.

As the NAO Report identifies, we are shortly going to be constrained for the first time. There shortly isn't going to be enough to go round for everything, and something's going to have to give. One of the choices for Government as resources get constrained would be to prioritise some sort of apprenticeships over others. The problem with doing that, of course, is that we are putting ourselves in employers' shoes, but that sort of choice will have to be made one way or the other, won't it?

Chair: I'm sure you will be thinking of added value and productivity as part of that.

Q112 **Layla Moran:** And you have just given me my next campaign, so thank you very much. Sir Gerry, the industrial strategy says it has apprenticeships at its heart, but is the industrial strategy at the centre of yours?

Sir Gerry Berragan: It absolutely is. We were brought into existence just under two years ago to get employers engaged. There was definitely a feeling that, under the previous system, employers were not engaged. As



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a result, they weren't training and utilising apprenticeships to the best effect, and that was having an impact on their productivity and their ability to grow. The institute's introduction was primarily to enable and support employers to develop the apprenticeships they need to meet their skills needs, and in doing so to ensure that the new standards met a common quality criteria and that the assessments were conducted to a common criteria. We are absolutely part of that aligning of apprenticeships to skills.

Q113 Layla Moran: Forgive me for cutting over you. Have you prioritised the priority sectors in the work that you are doing? How are you doing that?

Sir Gerry Berragan: The employers themselves prioritise which standards they need, because they know best what their skills needs are. All of those 15 routes that we currently group the apprenticeships under, which came out of the Sainsbury report, have apprenticeship standards in place.

Some have got a small number, but there are only a small number of standards, such as with hair and beauty. Others have vast numbers, such as engineering manufacturing, with well over 90, and construction, with almost 100. That reflects the need of that particular sector. They have come forward with those proposals on the basis of what is the most compelling skills need in that sector, and they are best placed to decide that.

Q114 Layla Moran: How big is the backlog?

Sir Gerry Berragan: It depends what you mean by the backlog. When we came into existence just under two years ago, there were 186 standards approved after three and a half years. We realised that that was not quick enough and was not meeting the demand. By the end of that year we had put in place a series of reforms to increase the rate at which we could approve apprenticeships.

In the 2017 calendar year, there were 63 apprenticeships approved. In the 2018 calendar year, there were 177, so we more than doubled the rate; we almost tripled the rate of approval. That rate has continued moving forward. As a result, today there are 413 standards approved—not 360, as was the case when the NAO did the Report. Indeed, we have another 250 or so that are either at proposal stage or working their way through approvals.

Q115 Layla Moran: You say "working their way through." When do you expect to meet your target of 80% of standards being approved within eight months?

Sir Gerry Berragan: Let me first say that we do not recognise a figure of 600. I don't think there is a right figure. The right figure will find itself, because there is no ability to say there are 600 standards. The internal target we set ourselves, to force ourselves to streamline, was a target of 80% of proposals approved within eight months. That really applied only to those standards where we had started our new processes, not legacy



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standards that had been in the system for some time, because we clearly couldn't affect that. That has definitely had that desired effect.

Q116 **Layla Moran:** So, 100% of the ones you started?

Sir Gerry Berragan: No, it was an internal performance target we set ourselves, to force ourselves to look at the processes we were using and see what we could streamline or telescope. That has had an impact. Some of them have been approved in six months. I will give you an example: in the rail sector, the rail operatives standard took 14 or 15 months under the previous system. The train driver came through, and was from proposal to approval in six months. That shows what can be done.

Q117 **Layla Moran:** It's a target, so let's explore it. How many have taken longer than eight months? What percentage?

Sir Gerry Berragan: About 40-something per cent. have taken—

Q118 **Layla Moran:** So you are roughly 20 or more per cent. out from your 80% target.

Sir Gerry Berragan: Yes, we are—something like that.

Q119 **Layla Moran:** Do you expect to meet that target?

Sir Gerry Berragan: It was always a stretch target. It was always designed to be something that really forced us to look at our processes, and it has had that effect.

Q120 **Layla Moran:** Has there been improvement over time towards that target?

Sir Gerry Berragan: Yes, I think so. We are learning all the time. We are not stopping. We did "Faster and Better" last year. We are doing "Faster and Better" next steps at the moment. We are looking at how we can improve.

Layla Moran: Is it worth writing to the Committee with some of those numbers, perhaps? Have we got those numbers? Yes.

Q121 **Sir Geoffrey Clifton-Brown:** Ms Milner, can I take you to paragraphs 3.24 and 3.25 on page 37 of the Report? In 3.24, it says: "Ofsted rated apprenticeship training as inadequate in 12% of providers." In 3.25, it says: "The remaining third of apprentices were with providers rated as inadequate or requires improvement." To my mind, that is saying that 45% of the establishments inspected were either inadequate or require improvement. That is a pretty poor state of affairs, isn't it?

Eileen Milner: It is, but it does not quite reflect the true position, which Ofsted put in their own annual report. Ofsted in their annual report say that two thirds of all apprentices are in good or outstanding providers. They take a risk-based approach to the way that they carry out monitoring visits and inspections, so it is not surprising that in any one year you are going to find those that are slightly more at the end of the spectrum—"requires improvement" or "inadequate" judgments—appearing or popping

up. That is the way that is explained. Two thirds are “good” or “outstanding”.

Working closely with Ofsted on this, we hold a register of apprenticeship training providers. In December we strengthened and enhanced the teeth of that register considerably, in terms of the criteria to get on to it and what we are able to do as a result of an Ofsted judgment of “inadequate”, for example. It means that we can take a provider off with no questions or softer things. If you are judged inadequate by Ofsted, you cannot provide apprenticeship training.

Ofsted works very closely with us. It does quality adjudication and gives a rating, but it does that against a proportionate risk rate of who they will look at. We share intelligence and information all the time, so we are looking at providers in real time, at achievements rates, and at financial strength or otherwise, and we will make a judgment around areas that we would like Ofsted to look at, and it will advise us of things that it has seen that it would like us to look at. At the end of the day, we want and need a register of providers of good quality that are financially stable and recognise that the register that they sit on is a right to enter and remain in what is a well-regulated market.

Q122 Sir Geoffrey Clifton-Brown: I hear the gloss that you put on it, but figure 12 on page 36 shows that of 737 providers in 2016-17, only five had their contracts terminated. Given the figures of around 45% that I have just cited, that does seem an extraordinarily low number that have had their contracts terminated because they are inadequate.

Eileen Milner: Let me rewind. December 2018 was when we acquired the right, if an adequate rating was given, to automatically take people out.² That does not mean that action was not taken against people who had issues with Ofsted, with achievement rates or with financial stability or probity. Action was taken; it might not have completely taken them out of the market, but it might have taken away their right to take on new apprentices, for example, or have put contingency around the subcontracting that people were able to undertake.

Those numbers do not show the totality of the activity that goes on around intervention. I would like to get the point across that we have taken on board the fact that we want a register to have a real seal of quality—particularly from an employer point of view—when selecting a provider. As I said, we are working very closely with Ofsted, and it is appropriate that when it judges something to be inadequate, we are able to act quickly to take that provider out of the market.

We have moved to do that on the basis of the figure in the Report. We were not sitting back and doing nothing, but there was more that we wanted to do. As I said, all providers have to re-register for the register. We will be using Ofsted ratings, but we also use other things, such as

² Note by witness: ‘I should have said that we acquired the right in January 2018, if an inadequate rating was given, to automatically take people out.’

achievement rates and financial stability. We will not allow people on the register if we do not believe them to be fit to deliver. I hope that you will see that as a positive development.

Q123 Sir Geoffrey Clifton-Brown: Mr Slater, I think I heard Ms Milner say that two thirds of Ofsted ratings are good or outstanding. Is that the figure?

Jonathan Slater: The distinction that she was drawing is made in paragraph 3.24. To quote the NAO Report, "Around two-thirds of the apprentices recorded at the time of inspection were being trained in good or outstanding providers." It is true that 58% of the providers were good or outstanding, but two thirds of the apprentices—

Sir Geoffrey Clifton-Brown: Okay.

Jonathan Slater: That is the distinction that she is making. Figure 12 is looking backwards. Now that we have the reforms from '17-18 in place—this particular one has only been in place since December—if a training provider fails its inspection, it will be taken off the register and will not be able to train anybody anymore.³ That's it. That was not true or possible before.

Similarly, before Ofsted comes in for the inspection, we have paid it to go in and carry out a monitoring visit in advance of the inspection. If that monitoring report identifies that the provider needs to improve, and it does not or makes insufficient progress, then it will not be able to take on any new starts. It is going to be a really rigorous system now.

Q124 Sir Geoffrey Clifton-Brown: Given that Ministers in your Department make a great play of 86% of schools being rated good or outstanding by Ofsted, are you satisfied with the two thirds figure for apprenticeship providers?

Jonathan Slater: No, which is precisely why we are going to knock people off the register if they fail their inspection.

Q125 Sir Geoffrey Clifton-Brown: Very good. Moving on, Ms Milner, what are you doing to ensure there will be enough assessment organisations to meet demand?

Eileen Milner: That was referenced in the pre-hearing. We have a responsibility and a duty to make sure that everybody who completes an apprenticeship has access to somebody who can make an independent assessment. They are occupationally competent and therefore complete the apprenticeship. We have 220 approved end-point assessment organisations in this space. Over the next 12 months we will have about 140,000 apprentices due to go through an end-point assessment. We have 99.96% coverage. So, for those apprentices, we have got 99.96% coverage of that apprentice with an end-point assessment organisation. We know where we do not have coverage, and where we do not, we are

³ Note by witness: 'I should have said that the reform has been in place since January 2018.'



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looking seriously at whether we can encourage people to come in and provide that end-point assessment.

Q126 **Chair:** Is this geographical coverage?

Eileen Milner: It is often to do with the very specific nature of the apprenticeship standard that somebody is going to be assessed against.

Q127 **Chair:** So it is more sectoral than it is geographical.

Eileen Milner: Yes. We have some sectors where there are a plethora of end-point assessment organisations. Of the 220 who we have approved, 130 of them only assess against one particular sector or setting. I want to assure you that we have a very high level of match between end-point assessment organisation and the apprentice and the employer. But where we don't, we know where they are and we are working very hard to be able to have complete assurance that we can discharge that duty. I feel very personally that everybody can complete their apprenticeship and have an end-point assessment in place.

Q128 **Sir Geoffrey Clifton-Brown:** If it doesn't happen in a particular area, do you have any contingency plans?

Eileen Milner: That is what I'm putting in place. I'm saying I will not let it happen.

Q129 **Sir Geoffrey Clifton-Brown:** Are you absolutely sure of that?

Eileen Milner: We will not let it happen.

Q130 **Sir Geoffrey Clifton-Brown:** Brilliant. Mr Slater, there is a rumour going round that the Department, ESFA, DFE and Ofqual are in advanced discussions about streamlining and consolidating good-quality assurance regulation into a single regulator. Can you tell us anything about that?

Jonathan Slater: No, it hasn't reached me.

Keith Smith: I'll expand on that.

Sir Geoffrey Clifton-Brown: It's about to reach you, Mr Slater.

Keith Smith: For the benefit of the Committee, we have talked a lot about end-point assessments, but we are keen to put a quality regime around the whole end-point assessment process so that, as Eileen said, we can be really clear about the rigour and that these end-point assessments are robust and meet a certain quality bar. The quality oversight regime will go around that. There is no lack of clarity that this is a statutory responsibility that the IFA have. Sir Gerry is responsible. In that sense, he is clearly where we look to, in terms of providing the strategic oversight for the system. We are working with the IFA on how to streamline and simplify the delivery arrangements for how that quality assurance arrangement works. We are talking closely with Ofqual and the Office for Students, if it is level 6, level 7 and above, to understand how we can simplify the arrangements.



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Jonathan Slater: There is no merger of any bodies being consulted on. I thought you were talking about merging bodies with each other. We are working on the most efficient way of doing the quality assurance of end-point assessments. Absolutely. And we will report on that in due course. No decision has been made, but it will not involve merging bodies.

- Q131 **Sir Geoffrey Clifton-Brown:** Okay. Sir Gerry, since your institute has just been cited, can I take you to paragraph 2.20 on page 27? It states: "Our 2016 report noted that it was taking, on average, nearly a year to develop an approved standard...In...2018, the Institute began a project that aims, among other things, for 80% of standards to be approved within eight months." It goes on to say, "only 6% of those completed between January and October 2018 were approved within the target timeframe." That is causing some employers some trouble. They do not know what standards their employees will be trained to. What is your institute doing to address that problem?

Sir Gerry Berragan: To pick up on that point, as I answered one of the other Committee members earlier, that 6% refers to all standards. Some of them started in 2014 or 2015, so 6% of all of them have met the 80% within eight months. Clearly, as I explained then, we can only influence standards that have come to us as proposals since we introduced that new regime. We cannot really do anything about those that have been in the system for some time, and they are in the system for a variety of reasons.

There are all sorts of reasons why some standards take longer than others, not least that this is quite a difficult ask of trailblazer groups. These are 10 different employers, which have never done this before. Often they are competitors and they have to come together to agree, first, on the occupation and to describe the knowledge, skills and behaviours of that occupation. They then have to produce the standard for it and, ultimately, to agree an appropriate assessment plan. This is something that some are better attuned to than others and, in some cases, not everyone agrees initially what the occupation is, or what the knowledge, skills and behaviours are. There is a fair degree of variety in terms of the level of concurrence and so on in the trailblazer group.

Then there is what we can do, which is how we process them and how we make those systems as streamlined as possible. That is the work that we have really been concentrating on: helping trailblazers to get to a decision early; and then making sure that when they do we can process that as quickly as possible.

- Q132 **Chair:** So you are saying that you have rapidly improved it since you have been in post.

Jonathan Slater: To be fair to Gerry and the institute, the reason for that 6% is that they inherited lots that had taken a lot longer earlier. The majority of the ones that the institute has been doing have been done within the eight months, and he will write to you with more detail.

- Q133 **Sir Geoffrey Clifton-Brown:** Fair enough. May I move on to Ms Milner to ask about the amount of levy-payer money being used? The Report



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tells us: "In 2017-18, levy-paying employers accessed £191 million (9%) of almost £2.2 billion of levy funds". Why is so little of that money being accessed?

Eileen Milner: If we look at the original modelling—as the NAO points out—against the reform programme, where there were lots of knowns and many unknowns about how employers were going to behave around take-up of levy in the first instance, that had come in at a figure of 13%. The reality turned out to be 9%.

That does not take account of other things that were happening. While employers were being introduced to the concept of a levy and to the fact that standards were being developed—but not all that they might like to draw upon had been developed—and they were being asked to think about planning for their workforce and to have apprenticeships as a core pillar within that, it is probably not surprising that it took slightly longer to get going, in terms of why we achieved 9% rather than 13%. But that is not to say that that is the totality of the moneys that were spent, as is reflected.

Over £1 billion was being spent on apprenticeships that were already in train. We spent £268 million, I think, on non-levy, and put extra money—£77 million—into supporting 16 to 18-year-olds who were on apprenticeships.⁴ We were continuing to put money into extra maths and English. So while 9% sounds like quite a low figure, actually in terms of what we expected at start-up, it is not a million miles away from where we thought we would be, and a great deal of other money was being spent on apprenticeship activity at the same time.

Q134 **Sir Geoffrey Clifton-Brown:** That is helpful. So, if it is not a million miles away from where you thought you would be, what proportion of the funds do you expect to be used by employers in '18-19 and '19-20?

Eileen Milner: If we go to the £191 million, it was spent in May '17 to March '18, an 11-month period, but we can see that in the April-to-January period of this financial year, £465 million was spent. So you can see that it is accelerating. The permanent secretary referred to the fact that levy employers are now back to the level of recruitment of apprenticeships pre-reform. So we see them accelerate into the programme, which is very pleasing.

Q135 **Sir Geoffrey Clifton-Brown:** That is not a huge increase, April to January.

Jonathan Slater: Again, figure 3 on page 17 is helpful. You will see from the big brown bar marked 1087, at the bottom, most of the money was going to be spent on the full-year effects of previous apprenticeships. Obviously, a significant amount of that applies in 2018-19 too. So you

⁴ Note by witness: 'I should have said that we spent £268 million on levy, and put extra money – £77 million – into supporting levy learners e.g. on co-investing for those levy employers that have used up their levy funds and on additional payments such as those to support 16 to 18-year-olds who were on apprenticeships.'



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haven't £2 billion to spend on new apprenticeships. You haven't even £1 billion to spend on new apprenticeships.

What happened in 2017-18 is that overall we spent about £400 million less than was budgeted. We expected to spend less than was budgeted. We expected to spend another £70 million or so than we did. We expected an underspend of £330 million and we got an underspend of £400 million.

In 2018-2019, when you take into account the flow through of previous starts and the new ones, the £465 million, and so on—similarly, as the NAO Report identifies— we expect overall an overall underspend of about £400-500 million. We expect all that gap to be closed in 2019-20. As you see, a 25% reduction in starts, then the 10%, so for 2019-20 we expect to be in balance on aggregate when you combine all those different factors.

Q136 Sir Geoffrey Clifton-Brown: For any of the years we have been talking about, have you any figures for how much money levy payers are losing through unclaimed funds?

Keith Smith: There are two points to that. At the moment, the balance in employers' accounts is about £2.5 billion to £3 billion in total. We were talking about sunsetting before the two years. Our estimates suggest that in May this year, which will be the first month that we get to the two years, we are looking at a potential loss of about £12 million or 9% of what they paid in May 2017. It is a fairly small amount.

To come back to your other question about the total benefit we think that levy employers will take, we think over this period probably about 60% of the overall budget will be to the benefit of levy employers with about 40% for non-levy employers.

Q137 Sir Geoffrey Clifton-Brown: From an employer's point of view, it would be better if they used 100% in an ideal world. What actions are you taking to encourage more employers or even existing employers to use more of the levy that they pay?

Jonathan Slater: To be clear, the model assumes that levy payers will not spend more than about 50% to 60% of the levy, leaving the rest to be spent on SMEs. That is the tricky balancing act. What was actually happening is that levy payers are spending increasing proportions of it, up from 50% to 60%, leaving less money than previously for non-levy payers. Hence, your previous questioner asked, "Why aren't we giving them more money for non-levy payers?" Answer: because it is being spent by levy payers. That is the tricky balancing act and why in 2021, for 2021, we will have to make some choices.

Q138 Sir Geoffrey Clifton-Brown: I can see the tricky balancing act you've got. In answer to my last question, you are not actually going out there and encouraging levy payers to spend more, because they are spending it anyway.

Jonathan Slater: We do not need in aggregate to be driving up levy payers' use of the levy. It is much more targeted in respect of previous questions about different sectors, gender, race, and so on. The spending



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review will need to ask the question about the balance between different sorts of apprenticeships and the total amount of money that is spent. You can see it is going to be an interesting discussion.

Q139 Sir Geoffrey Clifton-Brown: That brings me nicely to my next question. In practice, how will it be possible for you to control spending on the programme, given the trend that you are talking about?

Jonathan Slater: We have this amazing new digital apprenticeship service which the NAO was kind enough to report and which won a national award for the quality of its implementation, which you do not always hear from government IT projects, which I why I have drawn it to your attention—*[Interruption.]* I knew you were about to say that, Chair, but I got in there first. One of the benefits of the system is that it precisely enables the ESFA to put controls in place. At the moment, levy payer X goes to training provider Y to fund course Z, in an unlimited way. If one were to want to put in place controls, you can see how you could use additional systems like that so to do. The control that we have at the moment is in respect of non-levy payers, through the procurement that we have in place.

Q140 Sir Geoffrey Clifton-Brown: I am fully prepared to congratulate when somebody has got it right. Your Department did get it right on this. The reason they got it right, which is why I congratulate you, is that you started with a relatively simple IT system and then built on that. That is an exemplar for other Departments to follow, if I may say so.

Chair: There you go. You've got not only a bit of PR—you have a patent there.

Jonathan Slater: There is going to be a but, isn't there?

Sir Geoffrey Clifton-Brown: Not so much of a but. Since spending is demand-led, why is it classified as departmental expenditure limit, rather than AME?

Jonathan Slater: That is an interesting question that the National Audit Office raised. There is an inevitable tension here between the interests of a Department and the interests of the Treasury. We might as well be straightforward.

Chair: I can ask the Treasury Officer of Accounts to come in—I am just warning him.

Jonathan Slater: There are lots of things that I do that are demand led—high-needs funding, children's social care. You discussed one last time and will discuss the other next time. A lot of things are demand led. From the Treasury's point of view, they have got to hit an overall fiscal strategy in which a certain proportion of debt-to-GDP ratio is achieved year on year. So the incentives on me are to ask for AME, and the incentive on them is to say DEL. Those decisions are then taken, typically, not by me. That is the balancing act that always exists. It would be great for me if I could



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spend whatever I wanted, but from the Treasury's point of view, they have got to make the overall numbers add up.

Chair: But you have that £3 million target—I will go to the Treasury in a minute. That is, surely, something that is predictable, even if you don't then spend up to it.

Marius Gallaher: We have the NAO's recommendation about whether we should consider moving the budget from DEL to AME, and we will do that. We will reconsider.

Chair: That is clear from the Treasury.

Sir Geoffrey Clifton-Brown: Mr Slater, I have delivered your windfall.

Chair: Just to be clear, you are not saying now that you are going to move it from DEL to AME, but you are going to consider it.

Marius Gallaher: We are going to consider the pros and cons.

Chair: Mr Slater nearly had a heart attack. There you go. That is it from the Treasury.

Q141 **Sir Geoffrey Clifton-Brown:** In my five years on the Public Accounts Committee, I have never known the Treasury Officer make a commitment!

Mr Slater, clearly, if you are going to have to make difficult decisions, Mr Slater, it is better, rather than coming up against an absolute cap, to make those decisions before you get there. If you have to be running up against the cap, can you give us an idea of what you might prioritise?

Jonathan Slater: There really are a whole range of choices available to the Government in the spending review. There isn't a requirement to collect the amount of money that we currently collect. One could change the levy. On the basis of the productivity gains, one could fund some of this stuff from general taxation. Or one could prioritise within. All of those options are available to us. It will be self-evident to the Committee that if the amount of money were to be constrained at its current level, that would require choices to be made on the balance between level 2 and level 6, and the balance between one sector and another.

Q142 **Chair:** Can I ask what the lead-in time is for any changes that would need to be taken into account? If you suddenly change the balance—more level 2s for your MBAs, or you change the balance within a sector—there would be schemes up and running in place, and it could be an unfair situation for learners out there. What lead-in time do you need for apprentice providers and employers to be able to work to?

Eileen Milner: We would want for providers and employers to get as much certainty as possible at as early a stage as possible. As the



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permanent secretary has said, we are looking forward to a spending review where we can have good and lively discussions about this.

Sorry, I am doing a permanent secretary now, telling you what you know already. We are engaging with Ministers already because we are mindful of the responsibility that we have to employers and providers. Those are live conversations that I would hope you would be expecting us to have. We would always want to give as much notice as possible, but could I be concrete about how much? No.

Q143 Chair: But surely you have had a conversation with different sectors about the different types of apprenticeships and what lead-in time you would ideally need for those.

Keith Smith: Every year, we publish funding rules, which set out the state of the nation, and where we expect the programme to go. We do that annually and try and provide as much certainty as possible about that. That happens at the beginning of every calendar year. Generally, depending on the size, scale and nature of the changes, we want to get communications out at the end of the calendar year or early in the next for changes that are going to come in later in the following year. That is generally what we try to do. With the spending review, it is very much about the size, scale and nature of those changes and, no doubt, how we sequence those in.

Jonathan Slater: We are playing to the spending review. You can be confident of the importance of any financial projections for 2020-21, which will be the first year of the three-year spending review, being phased in in a way that is deliverable. That is what we would be saying. On the basis of current trends, there is enough money in 2020-21 for some new starts already. The later the decision-making, the less room for manoeuvre in 2021.

Q144 Chair: We are just very concerned. We know that the spending review is in challenge. You are one of many permanent secretaries who has admitted that.

Jonathan Slater: We draw attention as part of that discussion to the unspent money in the past two years.

Sir Geoffrey Clifton-Brown: On the issue of choices, if you have to make them, anecdotally we are hearing that some of the higher end apprenticeships—4 and above—are going to the likes of accountants and lawyers who would otherwise be doing the training, but they are taking advantage of the apprenticeship levy, quite naturally. We heard, anecdotally, of a bank manager who is on a six-figure salary starting with a 2 and actually getting an apprenticeship to do a HND when he has already got a degree.

Chair: An MBA.



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Sir Geoffrey Clifton-Brown: Thank you for that correction. When you make these choices, how are you going to decide between the higher-level apprenticeships and the basic grade 2 apprenticeships?

Jonathan Slater: The digital service we have got enables us to have access to much more detailed information than ever before about how many people, which level, which sectors and all the rest of it. Layla Moran was suggesting that I had given her the opportunity for a campaign against higher level apprenticeships. If I were in front of the Education Committee, its Chair would be demanding that I push harder for degree and postgraduate degree-level apprenticeships. These are genuine choices. It is our task to expose those different choices and enable politicians—

Q145 **Chair:** Can I check how you are evaluating whether there is really added value? We touched on this earlier. Ms Milner gave us some answers on it. How are you really evaluating whether an employer would be doing this anyway and whether they are adding value to somebody who would not have had that opportunity without apprenticeships?

Jonathan Slater: It is incredibly hard to be certain what would happen if the levy were not in place. The Department for Business, Innovation and Skills, as it was back in 2012-13, did an evaluation of what proportion of the previous apprenticeship programme was dead weight, and they reckoned about 30% back in 2013. Bear in mind that all of this money being spent is money that employers have put into a pot—it is public money, sure, because it is DEL, but they put it in. The question about the extent to which we decide what they spend their money on is an interesting political choice, from, “Let them do whatever they want,” through to, “No, you cannot have an MBA, no matter what.” There isn’t a right answer there.

Q146 **Chair:** Surely you can assess: if a company were never getting people on to MBAs before and it is now, that is slightly different to a company that is already doing that sort of high-level training and it just takes it out of the apprenticeship levy. There is no net gain on productivity or skill base to the country. Are you doing any of that analysis? I look at the ESFA. Is anyone doing that analysis about where the added value is coming in?

Keith Smith: I come back to something we talked about earlier about our skills index. We are tracking real wages. We are trying to understand the real rate of return and the effect the apprenticeships have. It is fair to say that a lot of that data is based on the old programme—the old apprenticeship frameworks. It is still a bit early to track that for the new apprenticeship standards, but it will very much be about judgments about what we think about the relative value in terms of those rates of returns between young people and old people—they stay in the labour market longer, so they provide more value. That is one question.

You have talked about people with certain levels already. We can certainly make judgments about that, but we will have to be careful about how we would use the evidence for what we are deciding. It is very much, as the



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permanent secretary said, this question about whether Government know best—on the basis that, whenever we have made choices, that often hasn't been as good as what employers would actually want. Of course, this is really important from the programme's point of view. We think about the social mobility aspects as well. It would be about bringing all those things together, and very much for Ministers to take choices and options based on the evidence that we have got.

Jonathan Slater: The other thing that is tricky is that you don't want to penalise employers that have invested in the skills of their staff. It is a tricky balancing act. We will certainly put on the table whatever intelligence we can about which of these are new and didn't exist before, to invite decisions to be made in the round.

Q147 **Sir Geoffrey Clifton-Brown:** Mr Slater, you told us that you would be putting on the record, in a month or so, an evaluation into all these aspects.

Jonathan Slater: We have the skills index, which we have been using year on year. We have published the results. What we haven't done—

Chair: We covered this earlier.

Q148 **Sir Geoffrey Clifton-Brown:** When you do that, will you tell us about the retention rates, which have been falling? There are two things: the skills index and the retention rates.

Jonathan Slater: One of the factors in the skills index is the retention rates.

Q149 **Sir Geoffrey Clifton-Brown:** Final question: with the cost of training being so much higher than expected, to what extent are providers profiting from the programme?

Jonathan Slater: The largest reason for the increase in cost over our initial predictions—about half of it—was simply more higher-level courses than before. The rest of it is the extent to which there is more training going on than before. There was a 25% reduction in the number of apprenticeship starts in 2017-18 and a 25% increase in the expected hours of training per apprentice. If the measure had been—I know it wasn't, but if it had been—the total number of hours of training, which might actually have been a more relevant consideration than the total number of people, given that it all depends what they are doing, there would have been no reduction on the basis of the plans for 2017-18 and the increase in 2018-19. That is why this stuff is costing a lot more than it used to.

Q150 **Chair:** Can I ask Sir Gerry—or it might be Eileen Milner—about the 20% off work training? We are hearing about quite a wide variation, from evidence we have had, including from our pre-panel. How are the ESFA going to measure this? How are you making sure that it is of a really high enough quality, and that anything that is taking you off to be mentored, in a job, is being done effectively?

Eileen Milner: In the old system, there was an assumption that this was happening. What we are doing now is holding providers to account for the fact that it actually is. I think that that is a really important change.

Q151 **Chair:** How are you doing it?

Eileen Milner: We have two processes. One is called a control visit, which is for newer providers, and then we carry out risk-based audit and a random sampling audit of providers, where we go out and look at what is happening. We do that in parallel with what Ofsted does as well. What Ofsted is looking at is what it calls the distance travelled for the learner; they are looking at what happens in the learning setting, whether it is mentoring, or is classroom-based or online, to see whether the learner is progressing in the way that you would expect to see.

We combine those things to get a view about whether off-the-job training is happening in the quantum and the quality that one would expect to see. That is how we form what I would call the rounded judgment and why I talked about the register with such passion, because the register draws from those data points, to say, "Is this provider delivering something that is of suitably high quality in the level of minimum quantity?" Remember that 20% is the minimum that one would expect to see.

Q152 **Chair:** What about maths and English? We had a clear message that many apprentices do not have good enough maths and English, including people who are already employees, and that is not included in the 20%. Is that something you are willing to look at?

Keith Smith: That is a really good question. We have had this conversation a lot over the last couple of years. When we design the standard, we are designing on the basis that people have a certain level of English and maths in order to be able to do the standard. We are trying to protect the rights of the apprentice by saying, "You can still access the apprenticeship and not be penalised because you do not have the level of English and maths."

Equally, we do not want to devalue or water down the training experience they are entitled to for the standard because they have further to go with English and maths. That is why we put it over and above the 20%—so we are protecting the interests of the apprentice—and it is why we fund it separately. In addition to the funding we pay for the apprenticeships standard, Government pay additional funding for English and maths.

Q153 **Chair:** So if someone is an apprentice and has a weakness in English and maths, you are saying there is extra funding available to that apprentice, separate from any other funding through FE.

Keith Smith: Yes. There is always a debate about whether it goes far enough. We try to provide additional funding for learners with learning difficulties and disabilities. There is additional support funding even on top of that, but the reason for not putting that in the 20% is that we are trying to protect the interests of the apprentice. There is a fine balance to make sure we get right.



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Q154 **Chair:** We are quite interested in that, so we might come back to you if we have any questions. I thank you very much for your time. The uncorrected transcript will be up on the website in the next couple of days. Our report will be out at some point after Easter, possibly—who can tell what will happen in the next week? No, work will still go on in the Public Accounts Committee, and we are still looking like wide-eyed hawks at your spending and stewardship of taxpayers' money, Mr Slater. Are you putting on a high-vis vest to go down to Dover to manage the queues, or is that for the junior civil servants?

Jonathan Slater: I have not been asked to put on a vest yet.

Chair: I am glad you are still stewarding the country's education system. Thank you very much.