

Education Select Committee - Quality of Apprenticeships and Skills Training

Background

This session is the sixth in the inquiry which is examining whether employers, learners and tax payers are getting value for the time and money invested in training and whether more needs to be done to detect poor quality provision. In this session members of the Committee were asked about what is being done to remove barriers to apprenticeships to promote social justice as well as questions about the apprenticeship levy, sub-contracting and ensuring quality of apprenticeships.

The witnesses for this session included:

- Sir Gerry Berragan, Chief Executive, Institute for Apprenticeships
- Paul Joyce, Deputy Director for Further Education & Skills, Ofsted
- Keith Smith, Director of Apprenticeships, Education and Skills Funding Agency
- Rt Hon Anne Milton MP, Minister for Apprenticeships and Skills
- Rory Kennedy, Director of Apprenticeships, Department for Education

Ofsted, IfA and ESFA Questioned

Highlights of the discussion are:

1. **The factors in ensuring quality of apprenticeships for:**
 - a. Ofsted: their focus is monitoring apprenticeship providers and their ability to do this with the available resources; an issue they are in discussion with the DfE about.
 - b. IfA: it is about building quality upfront by developing the right standards with employers, ensuring employers are in the driving seat in standards development and at the other end the delivery of independent and quality assured end-point assessments.
 - c. ESFA: it is making certain the system is employer-led and owned, there is confidence in the apprenticeship programme, and in turn businesses invest in skills development.
2. **The Committee sought clarity on who has overall accountability of quality** – The witnesses specified that they have clear responsibility for specific components of the system and there is clear distinction of their roles. Overall responsibility for the policy sits with DfE and the IfA lead the Quality Alliance Group. The Committee were still uncertain on who had total accountability for training provision quality.
3. **Degree apprenticeships** - The Committee expressed that universities were experiencing difficulties in developing the standards as they felt the process and timeline is unclear, time consuming, bureaucratic and burdensome; for instance the inclusion of qualifications in the standard. Sir Gerry Berragan (IfA) outlined that the lengthy delays in standards approval were primarily a result of the IfA introducing a process which better met the requirements of the policy focus of the time and Trailblazer Groups adjusting to these requests. The inclusion of qualifications into degree apprenticeships is a requirement for all apprenticeships where needed and not just degree apprenticeships. He outlined that the IfA is not being particularly hard on universities and further stated that it should be employers taking the lead in designing degree level standards.

4. **Reaction to the levy** – The Committee outlined that the levy fails to incentivise training of non-employees as less than a tenth of levy funds are being used and there is low take-up among 16-18 year olds. The ESFA representative outlined that the levy is a complete game changer and the investment in apprenticeships is going to double in the next five years. The lack of training of 16-18 year olds has been impacted by the overhaul of the whole system, which is employer led and not just a result of the levy.
5. **20% off-the-job training issues**
- Ofsted outlined that they have always reviewed on and off the job training and made the point that the introduction of the 20% off-the-job training will not change their approach, but resources will be required to manage the additional apprenticeship providers. Also, they made it clear that Ofsted's focus is on quality of provision and not quantity, thus they do not and will not police the 20% off-the-job requirement.
 - Concerns have been voiced by employers that the 20% requirement is too high for certain occupations and suggest that rather than a blanket approach, employers should be able to dictate in the standard the appropriate amount of training. Keith Smith (ESFA) reinforced that the 20% was a key element of the reformed apprenticeships and is based on practice from abroad and therefore there is unlikely to be any policy refinement on this in the short term. He went on to outline that 20% does not necessary need to be 1 day a week block release and there is flexibility in how the 20% is made up.
 - The Committee asked Keith Smith (ESFA) to consider the impact of 20% off-the-job training policy on those based in rural areas.
6. **Subcontracting and procurement**
- The Committee outlined, from feedback from employers and evidence submitted, some of the issues with procurement and subcontracting:
- Management fees charged by providers is excessive and not value for money
 - Some sub-contractors have yet to receive payment for services delivered
 - Smaller providers are having difficulty entering the provider market and need more support.
- Keith Smith (ESFA) responded by saying that they recognise smaller providers are different and they are developing a model that accounts for this; they are looking at making changes next year. In addition, he outlined that they are already reviewing the management fees issue.
7. **Recent decline in Standards approval** – Sir Gerry Berragan (IfA) outlined that over the last 6 months (and 3 months into the introduction of the 'Fast and Better' programme) they have approved 80 standards which is more than any six month period. Also, by 2020 over 500 standards are predicted to be approved, and it could be more depending on employer needs. The Committee Chair asked the IfA to also consider looking at the strategic aims of the country and what it needs in terms of the skills deficit as well as employer requirements. This is a policy recommendation we have been making consistently since the introduction of the levy.

Rt Hon Anne Milton MP, Minister for Apprenticeships and Skills & DfE

The points raised in the second part of the evidence session with the Rt Hon Anne Milton MP, Minister for Apprenticeships and Skills, were:

- The Committee wanted to know if **the manifesto commitment to offer apprentices' significant discount on travel costs was going to be met**. The Minister outlined that this is very much still on the agenda and that she was having discussions with the Department of Transport on how this might work. She committed to present a timeline for this work at the next meeting.

2. Also, the Committee asked whether the **UCAS style portal for technical and vocational courses** is still likely to happen; the Minister stated it was something the team are looking into, but it is not an easy ask, as it requires a range of stakeholders to work together and thus careful theoretical thinking on its workability is needed.
3. **Disadvantaged, hard-to-reach and disabled learners**
 - a. She outlined her concern here is with those on zero hour contracts, contract workers and those in low paid jobs, outlining that the 5 cities project is looking at these, and diversity, and the recommendations from the project will inform policy going forward.
 - b. The Committee asked if some of the levy funds should be ring-fenced for the socially disadvantaged. The Minister dismissed this, but outlined that there are other pots in the department that could be utilised for this.
 - c. Access to apprenticeship programmes for disabled learners was raised by the Committee and the fact that reasonable adjustments were not being made. The Minister agreed to look into the matter.
 - d. The loss of benefits as a result of enrolling onto an apprenticeship was a barrier for some 16-18 learners from disadvantaged backgrounds. The Committee asked the Minister to look at how the welfare system, and in particular the benefits rules, can act as a disincentive to starting apprenticeships. The Minister agreed to this.
4. **The Committee asked whether the levy had been successful** – the Minister confidently said yes; stating this country’s employers have a long history of low investment in training and the levy has given employers focus. It is a shift and it is now receiving the buy-in needed to make it a success.
5. **Procurement and subcontracting**
 - a. The issue presented by the Committee was that the non-levy procurement exercise had favoured larger employers and consequently encouraged SMEs to go for subcontracting arrangements. The Minister responded by outlining that the process is restricted by strict procurement rules and regulations, stating that non levy payers will, hopefully by next April, move onto the same system as levy paying employers, where employers make the decision on which provider to contract with to deliver their apprenticeship training.
 - b. The high and unacceptable management fees charged by main providers was brought up again. The Minister felt that once the data on these charges is published they can assess how much gaming is occurring and what are genuine management costs. She outlined she can take action, but at this point it is too early to do so.
 - c. The Minister stated that in some circumstances targeted support for the sector is needed.
6. The Committee asked whether the **minimum wage** had been set at the right level. The DfE representative outlined that they have asked the Low Pay Commission to review if the wage is at the right level.
7. **The role of mentors** was discussed, in particular with apprentices from disadvantaged backgrounds. It was considered as one of the success factors in whether apprentices completed their apprenticeship and was a practice adopted and needed in both large and small businesses. But possibly more could be done to incentivise SMEs to do this.
8. **Areas that the Minister outlined she is also looking into are IAG requirements for schools and ways to increase Level 4 and 5 apprenticeship take-up.**
9. Finally, the Minister admitted that the **accountability system for quality training provision is confusing and stated that further clarity is needed.**