



*Championing better
work and working lives*

Quality of apprenticeships and skills training inquiry

Submission to the House of Commons Education Select Committee

Chartered Institute of Personnel and Development (CIPD)

January 2018

Background

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has over 145,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Our membership base is wide, with 60% of our members working in private sector services and manufacturing, 33% working in the public sector and 7% in the not-for-profit sector. In addition, 76% of the FTSE 100 companies have CIPD members at director level.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers, to improve best practice in the workplace, to promote high standards of work and to represent the interests of our members at the highest level.

Introductory comments

This response relates to questions 1 and 5 of the inquiry. We draw on previous CIPD research and that of others which we reference, as well as a new survey of employers on their attitudes and intentions on the Apprenticeship Levy. This survey is due to be published on Thursday 11 January 2018 and we will ensure a copy is sent through for consideration by the committee.

Our response

Question 1: The quality of current provision, how this varies by sector, level and region, and the impact of this on learner outcomes

The CIPD is very supportive of the Government's ambition to drive up the quality of apprenticeships and ultimately achieve a parity of esteem between higher and technical education pathways. However, at the moment over half of apprenticeship starts are at Level 2, with a much smaller proportion at higher level, which means that despite recent

improvements we still lag considerably behind the best systems of Europe – such as those in Germany, Switzerland and Austria – where nearly all apprenticeships are at advanced or higher level. We have also welcomed recent changes to the minimum duration of apprenticeships in England (now 12 months) but, again, while this is a positive development it still leaves us languishing considerably behind the ‘best’ international comparators. For instance, in most other countries the minimum legal duration is at least two years.¹

While we recognise that the level of training does not necessarily indicate quality – with a spectrum of quality likely present at all levels – there is clear evidence that apprenticeships in certain sectors and occupations and, in particular, at higher levels achieve much better learner outcomes in terms of future employment prospects and earnings.² The Institute for Apprenticeships and Technical Education should, therefore, be tasked with benchmarking our performance against the best international systems and develop a plan to, over time, improve England’s apprenticeship system to match world class provision.

Our previous research has raised concerns that the introduction of the Apprenticeship Levy could incentivise employers to introduce more Level 2 apprenticeships at the expense of Level 3 as they seek to reclaim their funds. Indeed our initial survey of over 1,000 employers – conducted in 2016 – found that those who had calculated the cost of the Levy were twice as likely to increase the quantity of Level 2 apprenticeships they provide and reduce the proportion of Level 3 apprenticeships than vice versa.³ We conducted this employer survey again in the summer of 2017 with more positive results, with equal proportions likely to increase the quantity of Level 2 apprenticeships and decrease the quantity of Level 3 and vice versa (17% and 18% respectively) and a third reporting that there would be no change. However, this does suggest that the levy and recent funding reforms will only have a very limited impact on driving up the number of organisations offering higher level apprenticeships.

The CIPD is supportive of the reforms to make the system more responsive to employer demand with the establishment of employer-led Trailblazers to design the content of apprenticeships standards. However, a number of organisations have highlighted that a large number of these new standards are narrow and overlapping, which restricts the

¹ UNWIN, L. (2017) *The role of qualifications and end point assessment in apprenticeships: an international comparison*. Watford: SEMTA. Available at: <http://semta.org.uk/images/pdf/Role-of--Qualifications-and-End-Point-Assessment-in-Apprenticeships-March2017.pdf> [Accessed 20 November 2017].

² NATIONAL AUDIT OFFICE. (2016) *Delivering value through the apprenticeships programme*. London: NAO.

³ CIPD. (2016) *Employer views on the apprenticeship levy*. Policy report. London: Chartered Institute of Personnel and Development. Available at: www.cipd.co.uk/Images/employer-views-on-the-apprenticeship-levy_2016_tcm18-14304.pdf [Accessed 23 November 2017].

extent to which apprentices are able to gain transferable skills.⁴ Alongside this it has been reported that over a third of new apprenticeship standards approved for delivery involve no funded qualifications other than final assessment.⁵ The removal of the requirement for apprenticeships to include specified vocational qualifications may weaken the ability of apprentices to signal their learning to other employers.

To address these weaknesses we are recommending that the Institute for Apprenticeships and Technical Education (IfATE) urgently reviews all standards to ensure they deliver quality. Any narrow and overlapping standards should be removed, and where level 2 standards have been produced, there should be clear and justifiable rationale for their introduction relative to a Level 3 qualification. Serious consideration should also be given to the reinstatement of the requirement to include a qualification, membership of a professional body, or a licence to practice, so that apprentices are clearly able to signal their skills to future employers. This would have the additional benefits of giving apprenticeships a clear identity and increasing their attractiveness as a route into the workplace to young people and parents.

We have also raised concerns regarding the introduction of non-sector-specific apprenticeships in generic skill areas such as management and leadership training. These are a new introduction, with few, if any, international equivalents, and while they may support filling an important skill gap they will need to be closely monitored to ensure that they are more than just professional training. Our recent survey suggests take up by levy paying employers of training in these areas is likely to be quite considerable, with over a third (36%) of respondents reporting that their organisations are using or planning to use the Apprenticeship Levy to fund management and/or leadership training.

Issues around quality in England are made worse by the lack of an institutional framework and industry-led institutions that can support collective commitment to skills and apprenticeships.⁶ Without a strong institutional framework, employer demand is often weakly articulated and driven by the needs of individual employers rather than addressing sector-wide challenges; in sectors without strong occupational identities and collective commitment to train this is intensified. There is, therefore, a need for a permanent and sustainable vehicle for articulating employer need. The Government should consider, as a

⁴ See: POLICY EXCHANGE. (2016) *The skills we need and why we don't have them: how apprenticeships should be reformed to make the UK compete on the global stage*. London: Policy Exchange; NATIONAL AUDIT OFFICE. (2016) *Delivering value through the apprenticeships programme*. London: NAO.

⁵ <https://feweeek.co.uk/2017/03/18/no-funded-qualifications-for-over-a-third-of-approved-standards/> [Accessed 23 November 2017].

⁶ CIPD. (2016) *Where next for apprenticeships?* London: Chartered Institute of Personnel and Development. Available at: www.cipd.co.uk/knowledge/fundamentals/people/routes-work/where-next-for-apprenticeshipsreport [Accessed 23 November 2017].

first step, putting a smaller number of Trailblazers onto a sustainable footing and tasking them with setting qualification, training and assessment standards for their sectors. These should be aligned to technical education reforms, with one Trailblazer group for each of the 15 occupational routes, with expanded membership including trade union and apprentice representation.

Question 5: The quality of training received by the socially disadvantaged, and the barriers to them undertaking this training

Young people are disadvantaged in the labour, experiencing much higher rates of unemployment and economic inactivity. In other countries apprenticeships are primarily a route into the labour market for young people, while in England they are open to all ages with the majority going to those age 19 and over and to existing employees. Therefore, there are concerns that the system as it stands is not providing a strong enough route into the jobs market for young people.

The Institute for Fiscal Studies (IFS) has voiced concerns that the shifts in incentives in the new funding regime will further exacerbate this situation; previously 100% of training costs were subsidised for 16–18-year-old apprentices, while for older apprentices the subsidies were around 40–50%; under the new system, 90–100% of training is subsidised for all apprentices.⁷ Our recent survey supports these concerns and suggests that the funding reforms, coupled with the Apprenticeship Levy, are likely to shift the pattern of provision even more towards existing employees and older apprentices. In our employer survey we asked organisations whether the changes would affect who they offered apprenticeships to and found that a higher proportion of organisations agreed that the changes will mean it is more likely they offer apprenticeships to existing employees (35%) compared with those who state they will more likely offer to new recruits (25%), while a slightly higher proportion of organisations would be more likely to offer apprenticeships to 19–24-year-olds (19%), compared with 16–18-year-olds (15%).

For certain groups of young people access to apprenticeships is even more of a challenge, with underrepresentation of young people from disadvantaged background and those from black, Asian and minority ethnic (BAME) backgrounds. For instance, in some areas young people eligible for free school meals (FSM), when compared with non-FSM, are half as

⁷ AMIN-SMITH, N., CRIBB, J. and SIBIETA, L. (2017) *Reforms to apprenticeship funding in England*. London: Institute for Fiscal Studies. Available at: <https://www.ifs.org.uk/publications/8863> [Accessed 5 January 2018].

likely to undertake an apprenticeship at Level 3.⁸ Those from BAME groups are also underrepresented – our own research which in 2014 analysed the National Apprenticeship Service (NAS) Apprenticeship vacancies system and showed that Bangladeshi applicants, for instance, submitted twice as many applications as those identifying as White British White British, White Irish or White (Other).⁹ There are also issues with occupational and sectoral gender disparities, where female apprentices are much more likely to be concentrated in low-wage sectors with limited progression opportunities.

To support access to quality apprenticeships for underrepresented and disadvantaged groups the Government should introduce an ‘Apprenticeship Access Fund’ along the lines of the Higher Education Access Fund to target and support disadvantaged young people, and those who are workless and/or have health problems/disabilities (including older groups), into apprenticeships or traineeships (if they lack key qualifications and experience). Alongside this the IfATE should publish regular data on access to apprenticeships for different groups.

Finally, the CIPD supports the Government’s announcements in the recent Careers Strategy, particularly the legal requirement for schools to give providers of technical education and apprenticeships the opportunity to talk to pupils about their courses and the jobs they offer, and the focus on promoting STEM careers to young people. However, there is a need alongside this for a broader approach to addressing equality of access to apprenticeships for different groups in school and college career strategies – such as diversity of role models, and engagement with parents and the wider community, as well as the development of new forms of marketing and communication to tackle all forms of underrepresentation.

Recommendations

- The IfATE should be tasked with benchmarking our performance against the best international systems and develop a plan to, over time, shift England’s apprenticeship system to match world class provision.
- The IfATE should urgently review all standards to ensure they deliver quality. Any narrow and overlapping standards should be removed, and where Level 2 standards have been produced, there should be clear and justifiable rationale for their introduction relative to a Level 3 qualification

⁸ LEARNING AND WORK INSTITUTE. (2017) *Three million apprenticeships: building ladders of opportunity*. Leicester: Learning and Work Institute. Available at: www.learningandwork.org.uk/resource/three-million-apprenticeships-building-ladders-of-opportunity/ [Accessed 23 November 2017].

⁹ CIPD (2014) *The match factor: good practice in apprenticeship recruitment*, London: Chartered Institute of Personnel and Development. Available at: <https://www.cipd.co.uk/knowledge/fundamentals/people/routes-work/apprenticeship-report> [Accessed 5 January 2018].

- Serious consideration should also be given to the reinstatement of the requirement to include a qualification, membership of a professional body, or a licence to practice, so that apprentices are clearly able to signal their skills to future employers.
- The IfATE should closely monitor non-sector-specific apprenticeships in generic skill areas such as management and leadership training to ensure that they are more than just professional training.
- Government should consider putting a number of Trailblazers onto a sustainable footing and tasking them with setting qualification, training and assessment standards for their sectors. These should be aligned to technical education reforms, with one Trailblazer group for each of the 15 occupational routes, with expanded membership including trade unions and apprentice representation.
- To support access to quality apprenticeships for underrepresented and disadvantaged groups the Government should introduce an 'Apprenticeship Access Fund' along the lines of the Higher Education Access Fund.
- The IfATE should publish regular data on access to apprenticeships for different groups.
- School and college career strategies should include measures to ensure equality of access to apprenticeship for underrepresented and disadvantaged groups – such as diversity of role models and engagement with parents and the wider community, as well as the development of new forms of marketing and communication to tackle all forms of underrepresentation.

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