



all party parliamentary group on
apprenticeships

2018 - 2019 REPORT

FOREWORD

We are delighted to present the annual report of the All-Party Parliamentary Group on Apprenticeships for 2018-2019.

Apprenticeships continue to offer a crucial opportunity for employers of all sizes to play a role in developing the talent and skills of the UK's workforce, and thereby improve productivity levels.

The APPG has heard from a diverse range of speakers, exploring a variety of issues affecting apprenticeships policy, and potential solutions to current challenges.

Our meetings have been well-attended throughout the year and have provided constructive and insightful observations which have helped to influence this report.

The Group has developed a series of policy recommendations which we believe would increase the uptake and delivery of apprenticeships.

Apprenticeships will also be significant in shaping the future world of work and we look forward to exploring this further as the Group progresses.

If you would like more information on the APPG, please contact the secretariat on ApprenticeshipsAPPG@connectpa.co.uk and follow us on Twitter [@ApprenticeAPPG](https://twitter.com/ApprenticeAPPG)



Catherine McKinnell MP
Co-Chair
APPG on Apprenticeships



Gillian Keegan MP
Co-Chair
APPG on Apprenticeships

The All-Party Parliamentary Group (APPG) on Apprenticeships is a cross-party group that constructively examines the role of apprenticeships, bringing together Members of Parliament, Peers and interested stakeholders to consider how we can deliver high quality apprenticeships whilst promoting best practice. The Group is committed to ensuring that apprenticeships, and the policies behind them, are continuously improved by everyone involved.

The Group has explored a variety of issues for this year's programme of work and has engaged with apprentices, industry and policy-makers in identifying challenges and opportunities within the UK's apprenticeship system. Our report examines the contributions put forward over the past year and proposes a series of recommendations which we believe would enhance the apprenticeship offer and increase the number and take-up of apprenticeships in the UK. We want to ensure that every apprenticeship is designed and implemented to the highest quality and will create life skills for apprentices whilst strengthening the UK's future workforce.

You can read our recommendations here:

Recommendations

- 1** There should be a greater focus on the quality of apprenticeships provided and the standards underpinning this. The Institute for Apprenticeships should ensure that the standards being developed are efficient, flexible and robust, matching the needs of different businesses and sectors. This includes End Point Assessments, which should be fit-for-purpose, relevant and not simply represent a tick-box exercise.
- 2** The Department for Education must ensure that schools are strongly incentivised and teachers/careers leaders are properly supported to promote apprenticeships and provide guidance through the application process, to encourage genuine parity of esteem with university pathways.
- 3** Businesses need to have a joined-up approach locally with schools and parents to create a greater understanding of the range of apprenticeship opportunities in their local area. Stronger relationships between educators, students and businesses should be encouraged and regular apprenticeship fairs should be promoted with their value and impact being measured and benchmarked.
- 4** Part-time apprenticeships should be made more widely available and encouraged in the workplace to ensure greater accessibility. Government, policymakers, providers and industry need to work together to ensure the relevant structures are in place to successfully implement part-time apprenticeships on a large-scale.
- 5** The apprenticeship minimum wage should be increased to achieve parity with the minimum wage, not only to encourage more people into on-the-job training but to increase the perceived value of apprenticeships.
- 6** There needs to be clarity around the role of a Local Enterprise Partnership in conjunction with Combined Regional Authorities to ensure a clear strategy is in place which complements the delivery of apprenticeships locally and avoids duplication.
- 7** Apprenticeships need to move from preparing a person for a particular role, to being part of the wider workforce in order to adjust to the fourth industrial revolution (4IR).
- 8** Government should consider innovative solutions to enable unspent Apprenticeship Levy funds to be used, including, for example, by approving pilots for different sectors, such as aerospace, health and finance, to pool their unspent levy pot. This could be managed by a representative body to support small businesses in the sector, by allowing employers greater flexibility in transferring their funds.
- 9** The particular challenges faced by NHS organisations in delivering apprenticeships must be addressed by both the Department for Education and the Department of Health & Social Care, if NHS employers are to make effective use of their substantial Apprenticeship Levy funds.
- 10** Apprentice travel cards and discounts should be made widely available to reflect and match the discounts and subsidies which are on offer to university students.

BAE SYSTEMS AND APPRENTICESHIPS



BAE Systems is committed to apprenticeships. They play a key role in meeting our future UK skills needs.

We will recruit approximately 720 apprentices in 2019 and have over 2,000 apprentices in training. The majority of these people are studying at Level 3, but a quarter of our 2018 apprentice intake are undertaking higher and degree apprenticeships. This reflects our requirement to recruit skills such as Nuclear Engineering and Project Management, where we have previously struggled to recruit the volume and quality of graduates we needed from university. We are also committed to providing a vocational pathway to university level skills for young people.

BAE Systems has been active in supporting the development of new Apprenticeship Standards, leading both the Aerospace & Airworthiness and Maritime Defence Trailblazer Groups and has been involved in the development of over 20 new standards.

Apprenticeships also provide a more diverse pipeline of talent, 26% of our 2018 intake were female and 29% of our 2017 English apprentice intake came from disadvantaged wards in the country.

The company has a strong reputation for the quality of our apprenticeship programmes. We maintain an Ofsted Grade 1 rating and won the 2018 Macro Apprentice Employer of the Year Award.

APPRENTICESHIPS AND THE FOURTH INDUSTRIAL REVOLUTION

The Group explored the potential of apprenticeships within the context of the Fourth Industrial Revolution (4IR). 4IR refers to the emergence of technologies building on the digital revolution, including driverless cars, big data, robotics and artificial intelligence. These technologies have the potential to fundamentally alter the workplace and the jobs we do, which means that our skills will need to adapt accordingly.

With 4IR emerging throughout the UK, data driven technologies have transformed how businesses work, and have changed the demand from employers for certain skills. John Cope, Head of Education and Skills Policy at the Confederation of British Industry (CBI), said that after surveying 28,000 businesses for the CBI Education and Skills annual report, 79% of businesses expect to increase the number of higher-skilled roles over the coming years. However, two-thirds were anxious that there will be a lack of sufficiently skilled people to fill these jobs.

Andy Haldane, Chief Economist at the Bank of England has called for a skills revolution as he fears that many people will become “technologically unemployed”, with artificial intelligence leading to some jobs no longer existing. A key means of ensuring that the new and existing workforce attain these new skills is through apprenticeships.

The Group explored the impact of 4IR in both an education and employment context.

Education and 4IR

Education has traditionally focused on a combination of knowledge and skills, with core skills like maths and English and the rigid examination process around this is one of the key markers in analysing an individual’s ability. The Group discussed how our educational framework and standards need to be adjusted to align with the needs of the future workforce.

David Phoenix, Vice Chancellor of London South Bank University explained that arbitrary requirements for apprenticeships, such as GCSE maths and English, are creating barriers to otherwise skilled workers and wider consideration should be given to how these are ranked. It was proposed **there should be a stronger emphasis around a person’s competencies, and this should be considered in addition to academic qualifications.** It is clear that educators and employers need to work together to support individuals by not only looking at their academic capability but taking other factors beyond this into account.

Not only is there a need to review traditional structures, **there should also be a stronger emphasis on, and recognition of, STEM subjects by government, with digital skills underpinning this.** With the UK’s tech sector growing at more than 2.5x the rate of the wider economy, promotion of digital skills should be encouraged throughout the education system. This should not only apply to students, but teachers should also have the necessary skills required to confidently deliver these courses.

Research by Microsoft demonstrated that 58% of teachers believe the current education system is failing to prepare students for a digital future.¹

Education is not the sole solution to closing the digital skills gap but schools and colleges will play an essential role in preparing the future workforce, if given the right support and incentives. However, there needs to be an inclusive approach from all parties involved and employers have a significant part to play in upskilling their employees.

¹ <https://news.microsoft.com/en-gb/2019/01/23/young-students-risk-leaving-school-unprepared-for-workplace-microsoft-research-reveals/>

CASE STUDY MICROSOFT

Central to Microsoft's approach to apprenticeships is its unique supply chain model. This is a complementary partnership between Microsoft, its learning partners and employers across the country. Microsoft ensures quality training content, credibility and recognition, while learning partners help deliver the training and skills for apprentices out in the real world. As Microsoft looks to the future of the programme, there are a number of areas where it must evolve. Apprentices increasingly need their curriculum to have the flexibility to meet the fast pace of change in digital technologies. This is something we urge government to take into account as apprenticeships evolve. Apprentices have told us this directly too, identifying better communication between the training provider, employer and Microsoft as critical to avoid discrepancies between the training received and the apprentice's job.

AI is a good example. AI skills are needed now – which is why Microsoft has recently launched its AI School to train 500,000 people in AI skills – this may not be available for apprentices but apprentices cannot wait for another three-year review cycle to come around in order to update the standard. This timeline simply does not match the country's skills needs. How content is delivered also needs specific consideration. One of the reasons for the success of Microsoft apprenticeship programmes has been the relevance of curriculum, the way teaching maps closely onto real-world needs and the speed at which Microsoft's learning partners have been able to adapt to technological change. This clearly demonstrates the pivotal role of these providers in the continued success and growth of vital digital skills in the UK.



Microsoft staff and two apprentices from an employer within their ecosystem, with the Secretary of State for Education, Rt Hon Damien Hinds MP

Employers and 4IR

Promoting apprenticeships in the current workforce can be a key link in bridging the UK's current and future skills gap.

The Group heard from companies such as UBS, who are creating opportunities for existing employees to participate in apprenticeships with various routes such as digital, leadership and management courses. Sarah Roche, Head of Scholar at UBS highlighted how the retraining of staff particularly within management and leadership roles set a strong precedent to ensure that leaders in the workforce were effectively managing their teams. A clear theme emerging from the discussion demonstrated that ensuring a strong digital competency amongst the workforce through apprenticeships was key in preparing for 4IR.

Currently, one in five firms are still unable to find employees with basic digital skills – such as writing documents using a 'word processor' or using spreadsheets effectively.²

Tom Morrison-Bell, UK Public Affairs Manager at Microsoft explained that skills shortages resulted in increased costs and limited growth and development for many businesses. He discussed how Microsoft's apprenticeships provided a key route to growing skills within the business, particularly through Microsoft's 25,000 strong partner network. The network equips apprentices to acquire future technology skills and has been unique in improving the skillset within the tech sector.

Apprenticeships need to move from preparing a person for a particular role, to being part of the wider workforce in order to adjust to 4IR. This was a key focus of Anna Round, Senior Research Fellow at IPPR North who explained that **employers should place a greater emphasis on soft skills in addition to an understanding of how technology works**. In addition, career pathways should focus on a person's skillset and work readiness rather than solely academic credentials.

Employers need to proactively work with their employees to remove any stigma associated with training and apprenticeships. Employers need to be more proactive in mitigating employees' concerns around using an apprenticeship to develop new skills.

Further to this, the aftermath of Brexit is unlikely to fall neatly across industry or sector lines and a flexible approach towards maximising our skills will be crucial. A cultural shift is needed in order to adapt to changing workforce demands and Brexit could provide a platform for moving towards lifelong learning to improve an individual's skillset rather than focusing on a sole career.

In conclusion, 4IR will require changes at both an educational and employer level. Apprenticeships will play a pivotal role in ensuring that students and the workforce are equipped for the future world of work.

² <https://www.cbi.org.uk/articles/delivering-skills-for-the-new-economy/>

CASE STUDY

MARISIA ANDERSON, 19

CIVIL ENGINEER AT

BATTERSEA POWER STATION

Lambeth resident Marisia Anderson is one of the current apprentices on the iconic Battersea Power Station Development. She is an Apprentice Civil Engineer with Mace working on the delivery of the Power Station.

Battersea Power Station has over 3,000 staff and apprentices working on the regeneration of the 42-acre site. By the end of the project there will be 20,000 jobs as a result of the development, in both construction and end-use jobs. The Battersea Academy for Skills & Employment (BASE) trains and helps local people access the many jobs created at the Power Station in a variety of roles including; retail, hospitality, finance and estate management.



“Before becoming an apprentice Civil Engineer at Battersea Power Station, I was studying engineering and core maths at Southbank Engineering UTC. I loved the design and technology elements of the course, so engineering seems like the right path to take.

I am lucky to be working on the Battersea Power Station project – there is so much going on and I have so much exposure to so many different areas in construction. I have the opportunity to go to site whenever I want where I carry out an inspection, or watch the project evolve – anything which helps me learn more.

Apprenticeships are completely different experiences to being at university or doing some work experience. I am constantly learning how to problem solve and approach different people and issues. I also have a buddy who I can go to with any issues and my team is supportive and friendly.”

PARENTS, TEACHERS AND FRIENDS: RAISING THE ESTEEM OF APPRENTICESHIPS

Since apprenticeships policy was reformed, there has been a strong focus on educating parents, students and teachers on the benefits of apprenticeships as a credible alternative to more traditional educational and career pathways. Apprenticeships offer a diverse mixture of skills and learning opportunities, but the Group has repeatedly heard how this is not being relayed in schools.

The session focused on raising the esteem of apprenticeships, both in terms of individuals as well as a wider cultural shift with educators and families. On this topic, the Group heard from Toby Perkins MP, former Shadow Minister for Business, Innovation and Skills, Chris Dack, Digital Marketing Apprenticeships Tutor at QA and Emma Hardy MP, former teacher and Education Select Committee Member.

A key challenge in promoting apprenticeships is around improving the apprenticeships brand. Evidence suggests that previous reforms had led to this becoming devalued. Apprenticeships have evolved from their historical roots and whilst this has been acknowledged as a success, it has led to confusion around what an apprenticeship now entails. What has become clear, is that the opportunities and successes of apprenticeships are not as widely promoted or endorsed in school environments as they could be.

There continues to be a need for a cultural shift in schools' approach to apprenticeships, currently the university application process is still given priority, in terms of resources and time. This affects not only students, but also their teachers and parents. Part of the solution could be for the government to go further in its amendments to Ofsted's framework to ensure teachers are fully incentivised and supported to promote apprenticeships, and the government should consider how unspent Apprenticeship Levy funds could be used to address this, rather than being clawed back by the Treasury. The lack of understanding of apprenticeships is also inherent as most teachers undertake a degree and therefore are likely to speak more confidently about this particular educational path.

The Baker Clause was implemented in 2018 and means that all local authority-maintained schools and academies must give education and training providers the opportunity to talk to pupils in years 8 to 13 about approved technical qualifications and apprenticeships.

Through working together, schools can create stronger links between employers and their students and businesses can begin to understand the needs of their potential employees. Sue Parr, Director of Apprenticeships at Warwick Manufacturing Group, part of the University of Warwick highlighted how Warwick's strong relationship with businesses and schools allowed them to engage with a wider audience from different backgrounds. This engagement is a vital tool in helping to bring people with different academic backgrounds into certain sectors, particularly Science, Technology, Engineering and Mathematics (STEM) subjects.

The Baker Clause and business engagement with schools is making some progress in educating students about alternative options available to them but this is a slow process. The Clause does not appear to be properly enforced which has resulted in an education vacuum and businesses need to ensure they are regularly engaging with educators to understand their future workforce.

The number of poor-quality apprenticeships which are advertised in the marketplace are also a cause for concern. Apprenticeships in areas such as car washing were raised as an example to the Group. The promotion of poor-quality apprenticeships has reduced the positive impact that most apprenticeships have. For apprenticeships to offer parity of esteem, there needs to be parity of outcomes. **This could be achieved by raising the apprenticeship minimum wage, but also ensuring that travel cards and discounts are made widely available and are on a similar scale to university student discounts to fully support apprentices.**



Administrative difficulties of recent apprenticeship reforms have also meant that many smaller companies no longer feel there is commercial viability in apprenticeships. **The government should be working to support small businesses in managing the new apprenticeships programme and promoting their involvement in schools.**

A combination of these factors means that students, parent and teachers are missing out on the core benefits that apprenticeships offer. Whilst the government's recent *Fire It Up* campaign has been effective; more work needs to be done in this area. Changes around incentivising schools to promote the Baker Clause and a joined-up approach by local businesses working with schools and parents to discuss apprenticeships is needed. **Holding regular apprenticeship fairs, with their value and impact being measured and benchmarked, could be key in helping to raise the esteem of apprenticeships.**



Rob joined Centrica in 2003 as a British Gas Central Heating Installation Engineer Apprentice. Since then, he's gone on to mentor apprentices before embarking on a second apprenticeship himself.

He explains why apprenticeships have played such a key role in his career.

When I was at school, I had never really considered doing an apprenticeship but when I realised I wasn't going to get the A-level results I'd hoped for, I had a rethink.

British Gas was running an apprenticeship recruitment campaign at the time and it appealed to me as I knew I still wanted to get a formal qualification but I also wanted to work somewhere where it was more about a career than just a job. I was supported by a dedicated mentor throughout which was invaluable.

After several years as an engineer I became a mentor myself. Seeing my apprentices learn and progress was what I enjoyed the most and it was this that made me realise I was passionate about developing people.

I currently work as a Programme Specialist within Talent, Learning & Resourcing. My responsibilities align very closely to those of a project manager, so as soon as I heard that Centrica was offering a Project Management Apprenticeship for existing employees, I jumped at the chance to apply. I'm now nearly five months into this apprenticeship and I'm thoroughly enjoying it. I'm already seeing the benefits to my performance.

I really like the way my apprenticeship provides me with the opportunity to fully embed my learning and put this learning into practice during my day to day role. It gives you that real push to progress and I would encourage anyone to consider it, whether you're at the start of your career or ready for a change in direction.

THE APPRENTICESHIP LEVY

The Apprenticeship Levy was implemented in April 2017 for employers with an annual pay bill over £3 million, and its impact has been a consistent and important theme in every group discussion this year.

The levy has the potential to significantly boost apprenticeships and ensure the UK has the well-equipped future workforce it needs. Employers do support the intentions behind the Apprenticeship Levy however it has encountered teething problems and its design has resulted in the theory behind the policy becoming difficult to implement in full.

Many businesses are still learning how best to utilise the levy which has prevented them from maximising its potential. This has resulted in some organisations feeling it has become a stealth tax, with only a small number of employers fully benefiting from its introduction. There has also been confusion around how businesses can use the levy and a fear that the burden of bureaucracy is deterring employers from creating apprenticeships in their respective workplaces. In March 2019, the National Audit Office reported that in 2017-2018 “*levy-paying employers used 9% of the funds available to them to support new apprenticeships, equating to £170 million of almost £2.2 billion available.*”³ There is a risk that the early problems encountered with the levy could lead to businesses feeling disincentivised in expanding their apprenticeship schemes.

The Group heard from Richard Hamer, Education and Skills Director, BAE Systems, Euan Blair, co-founder and CEO, WhiteHat, Mark Heholt, Head of Policy, ScreenSkills and Simon Thompson, Chief Executive of the Chartered Banker Institute.

Apprenticeship Levy Transfers

The Group discussed how larger businesses feel that one of the challenges with the levy has arisen around its inflexibility when needing to transfer funds to their supply chains in order to support smaller businesses.

³ <https://www.nao.org.uk/wp-content/uploads/2019/03/The-apprenticeships-programme.pdf>

As it currently stands, employers who pay the Apprenticeship Levy and have unused apprenticeship funds can transfer part of their funds to employers within their supply chain. This was originally capped at 10% and increased to 25% in April 2019, but employers continue to call for greater flexibility in this area.

Richard Hamer, Education and Skills Director at BAE Systems explained that a solution to improving the use of the levy would be to **allow greater flexibility in the allocation of unspent funding, to use this either in the development of skills specific to the sector or in supporting small businesses.** An idea highlighted by BAE was that within the aerospace sector, funding could be pooled by a representative body, but current government policy does not allow. **The government should approve a small number of sector-based pilots to examine this proposal further, as part of a more innovative approach to utilising unspent Apprenticeship Levy funds.**

Pre-Apprenticeship Training

There is also an opportunity for the levy to contribute to supporting an individual before they take on an apprenticeship. This could be done by covering employability and skills training costs. Some initiatives in training young unemployed people could be covered via the levy which would aim to encourage a stronger recruitment uptake. Greater flexibility would allow for the levy to be used towards core competencies such as GCSE maths and English lessons.

Unspent Apprenticeship Levy Funds

The amount of funds entering employers’ digital apprenticeship service accounts in May 2017 was £135 million, of which £11 million in unspent funds expired in May 2019.⁴

⁴ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2019-06-21/267750/>

Apprenticeship Levy Statistics

- 9.1%** 9.1% increase in people starting Apprenticeships compared to May 2018⁵
- 480** From 30 April 2019, there were 480 commitments of the transfer of levy-funds
- 38.2%** 38.2% of Apprenticeship starts have been with their employer for more than twelve months compared to 34.2% in 2013/2014
- 49%** In 2017/18, 49% of apprenticeship starts were by women and 51% by men.

Standards vs. The Apprenticeship Levy

Currently employers contributing towards the levy have a two-year deadline to spend their levy money otherwise this is clawed back by the Treasury on a month-by-month basis. Simon Thompson, Chief Executive of the Chartered Banker Institute discussed when the Chartered Banking Programme was first launched, it took nine months for the standards to be approved which resulted in students studying the wrong course for nearly a year. Following discussion with the Group, it was clear that this was not an anomaly, in the case of planning and social work apprenticeships, the standards were approved four weeks before the deadline of the Treasury collecting the levy money.

Not only is the pace of standards something that needs to be addressed but the quality of standards should be improved. During the discussion, the Group agreed that there was a default around compliance with basic standards as opposed to delivering high quality apprenticeships and that completing a standard does not necessarily equate to a quality apprenticeship. **The development of standards needs to be more resilient and efficient in order to adapt to industry requirements.**

Creative Industries and The Levy

Mark Heholt, Head of Policy at ScreenSkills explained how the Apprenticeship Levy needs to adapt for the creative industries as its rigidity does not reflect the often short-term nature of employment in the sector. It was suggested that levy-paying employers could transfer at least 50% of unspent levy funds to a single apprenticeship training agency which would employ apprentices and manage the process to support small production companies whilst providing apprentices with on-the-job training. It was also suggested that apprenticeships could become more flexible and enable apprentices to build credits towards their apprenticeship, similar to the Open University approach to degrees.

Despite its teething problems, the Apprenticeship Levy has provided a platform to promote skills in the workforce. Euan Blair, CEO and Co-Founder of WhiteHat, a tech start-up, explained how the levy has metabolised apprenticeships for UK employers and provided a solid footing for entry-level talent in the workforce. Employers are not looking for drastic alterations with the policy as many companies are still adjusting to the reforms. Small changes to the levy, along with a clearer understanding of how employers, providers and educators can best utilise this, could help unlock the full potential of the government's policy.

⁵ <https://www.gov.uk/government/statistics/apprenticeship-and-levy-statistics-may-2019>

CASE STUDY CLIMBING THE CAREER LADDER AT HEATHROW AIRPORT



Whilst studying at college, Ivan decided that an apprenticeship would be the next step for him. Ivan wanted to continue to learn practically whilst still building his academic portfolio. Having achieved qualifications in Mechanical Engineering, Electrical Engineering and Multi-Skills in Construction; Ivan was set on developing a career in construction or engineering.

When seeking opportunities online, Ivan came across a Project Management role as part of the Heathrow Employment and Skills Academy Construction Shared Apprenticeship Scheme (SAS), which is the first scheme of its kind to be launched and funded by an airport, supported by some of Heathrow's leading contractors. This opportunity seemed perfect for Ivan; as he knew Heathrow had an extensive range of opportunities available.

After becoming successful in achieving the role, Ivan began to struggle with balancing his time with assignments and work. However, with his determination and the strong support around him; he found himself progressing. Since joining the scheme, Ivan has gained a significant amount of skills in management and taking on new responsibilities, but most importantly, he enjoys working.

Looking back on his journey, Ivan is proud of how far he has come and his determination to build a career for himself. The opportunity provided by the SAS has given Ivan a platform and head start towards a successful future. Heathrow's SAS will offer those same opportunities to a multitude of apprentices, helping to drive social mobility, and support SMEs in delivering growth and skills in the local community.

DIVERSITY AND DISABILITY: ENSURING APPRENTICESHIPS ARE ACCESSIBLE FOR ALL

Apprenticeships create the ability to offer skills and training with a paying job, which makes them ideal vehicles for social mobility and inclusion. However, the system is not perfect and there are many aspects that can be changed to ensure that apprenticeships are reaching their potential in terms of inclusion.

On this topic the Group heard from Karima Khandker, Head of Employment and Skills at Heathrow Airport, Rabia Lemahieu, Disability and Skills Manager for Disability Rights UK, Mark Gale, Policy and Campaigns Manager for the Young Women's Trust and Annette Warrick from the Department of Work and Pensions (DWP).

Business leadership can help ensure apprenticeships are addressing the diversity and inclusion agenda. **Industry leaders should provide funding for independent diversity and inclusion networks in the workplace and ensure these are owned and operated by staff.** In addition, businesses should feel comfortable in pressuring their supply chain to make more of an effort to support diversity and accessibility in the workplace.

In terms of the recruitment process, organisations can encourage blind CVs in an effort to remove conscious and unconscious bias from the process. Another key factor discussed focused on remuneration. Both Heathrow and the Young Women's Trust raised the **importance of paying apprentices the non-apprentice minimum wage, rather than the apprenticeship minimum.**

One large barrier to encouraging diversity in apprenticeships is the lack of part-time apprenticeships available. **Government, policymakers, providers and industry need to work together to address this and ensure the relevant structures are in place to successfully implement part-time apprenticeships on a large-scale.**

Awareness of funding, support and guidance to promote diversity need to be explored in greater detail. As part of the funding reforms introduced in April 2017, there are a number of new incentives to encourage employers to support people with disabilities to access apprenticeships including the Access to Work grant and the government's Disability Confident initiative. The DWP explained that some businesses do not understand how best to recruit people with disabilities into the workforce and may have systemic unconscious biases that needs to be addressed. Further action should be taken in raising awareness with employers on how to use available funding in strategically supporting people with disabilities, especially those who are undertaking an apprenticeship.

Employers have a legal duty to make reasonable adjustments to ensure people with disabilities can carry out their duties. The vast majority of people with disabilities in work can be supported by these reasonable adjustments, which are often at low or no cost – 95 per cent are low cost and most are under £200.⁶

A fixed end date for apprenticeships also means it is harder for apprentices to speak up if they are faced with discrimination. **A robust complaints procedure should be implemented within any company that hires an apprentice in order to ensure apprentices feel safe in making a complaint against fellow employees or management.**

There is still a long way to go in promoting accessibility and diversity in apprenticeships and a greater awareness and understanding from employers, backed up by further support from government, will be crucial to this.

⁶ https://www.tuc.org.uk/sites/default/files/Accessible_Apprenticeships.pdf

CASE STUDY

KPMG

By breaking down traditional barriers to entering professional service, apprenticeships have helped us to build a more diverse skills base that can benefit both KPMG and our wider society. Our programme has been developed to ensure that our apprentices reach parity with their graduate peers and both pathways are viewed equally from a career development perspective.

Following the initial success of our accounting focused apprentice programme, we have introduced new programmes within Business Services and Digital and Technology. We are committed to lifelong learning and are analysing how we can re-skill and up-skill current colleagues, particularly within digital related apprenticeships. We are also actively exploring how T-levels can feed into our apprenticeships and create an entry level route into the profession through vocational training.

It is ultimately our apprentices that make our programme exceptional and their passion helps us to showcase the benefits of investing in apprenticeships. Three of our apprentices fed into a House of Lords inquiry into the economics of post-16 education and two spoke at events at Labour and Conservative Party conferences. Within the Department for Transport, our apprentices are engaging with department apprentices on a peer-mentoring programme. One of our apprentices was also recently interviewed by ITN for a film about apprenticeships where she spoke in-depth about her advice to students unsure about their career pathways and decisions, as well as to teachers and parents about the benefits of apprenticeships.



WE Day at Wembley Arena, Gabriele sharing her apprenticeship journey to 12,000 people

DEVOLUTION AND APPRENTICESHIPS IN ENGLAND

There have been longstanding calls from devolved authorities for greater control over skills policy and budgets. In March 2019, the Department for Education devolved control of the adult education budget to six Mayoral Combined Authorities and the Greater London Authority for the 2019/2020 academic year. This aims to ensure that learners aged 19 and over in their area have access to appropriate education and training and are provided with the skills they need for the local labour market.

The Group heard from Dr Chiara Cavaglia, Research Officer at the Centre for Vocational Education Research, London School of Economics, Harinder Matharu, Devolution Policy and Implementation Director, Association of Employment and Learning Providers and Anthony Impey, founder and CEO of Optimity, representing the London Chamber of Commerce and Industry.

From the discussion, it was clear that there was a need for greater devolution of skills policy. Research commissioned by the Local Government Association reveals that the skills gap is worsening and that the result of a centralised skills system fails to have a meaningful impact on addressing the different social and economic challenges which are present across the UK.⁷

The Group discussed how the devolution of skills and apprenticeships policy should provide a platform for greater flexibility in shaping and meeting local employment needs. Skills devolution, especially in terms of funding, can allow authorities to properly assess and address their specific challenges in the labour market.

Authorities also must be careful not to create a system that is overly fragmented and difficult to navigate. A national infrastructure should exist that allows for the local economic needs to be met without undermining any national economic strategy, especially for companies who work across the UK and internationally.

There needs to be clarity around the role of Local Enterprise Partnerships in conjunction with Combined Regional Authorities to ensure a clear strategy is in place which complements the delivery of apprenticeships locally and avoids duplication.

Devolution and training providers

There should be a strong awareness of the possible impact of devolution on independent training providers. **Skills devolution should seek to encourage a level playing field for all apprenticeship providers through establishing a fair, open and competitive tendering process.** Some providers may face difficulty in seeking funding for staff and training if deemed to be from an 'out of area' location, this could lead to providers having to turn down both learners and employers.

Devolution initiatives

The devolution of skills policy has led to some creative initiatives being carried out by Mayoral Combined Authorities, including West Midlands Combined Authority (WMCA) and the Greater Manchester Combined Authority (GMCA). GMCA is planning to use almost £4 million of funding available to create apprenticeships in the region and help develop a UCAS-style application system for employment choices, whilst WMCA has agreed a unique Skills Deal with the Government to enable them to work with businesses and transfer levy funds towards training costs for SMEs.

The recent reforms to the Mayoral Combined Authorities and the GLA are a step in the right direction but this does not go far enough. Local areas will always face problems specific to them and there needs to be a focus on ensuring apprenticeships policy is delivered strategically. **We need a stronger focus on local initiatives that get to the heart of local issues and address them.** Local organisations have an important role to play in the delivery of apprenticeships policy. A stronger, united approach between businesses, LEPs, Mayoral Combined Authorities, Local Authorities and the GLA is needed in order to maximise the opportunities of devolution.

⁷ <https://www.local.gov.uk/parliament/briefings-and-responses/westminster-hall-debate-skills-devolution-england-house-commons>

CASE STUDY LONDON SOUTH BANK UNIVERSITY

Since its establishment 125 years ago, London South Bank University has worked with employers to provide high-quality vocational and professional opportunities to all those who can benefit from them.

Building on our track record as a leader in employer-sponsored degrees, we are now one of the largest higher education providers of higher and degree apprenticeships in the UK and have committed to delivering 2000 apprenticeships by 2020.

In November 2018, with the financial support of the London Borough of Southwark, the University opened the Passmore Centre - the UK's first dedicated University Centre for Higher and Degree Apprenticeships and technical and vocational education.

The Centre provides a base for our apprentices, specialist teaching facilities for core skills and a place for members of the wider community to learn more about the opportunities for employer sponsored education.

It also acts as a one-stop-shop for our employer partners – including the Edge Foundation, Mace, Unilever, Transport for London, the Environment Agency, the Foreign Office, and Lidl. Providing a gateway into the University, local employers and others can find out about vocational education from Levels 2-7 for existing employees, while also providing a platform for new recruiting apprentices.



APPRENTICESHIPS AND THE HEALTH SECTOR

Apprenticeships provide routes into a variety of careers in the NHS and are an excellent opportunity to earn, whilst gaining frontline work experience and achieving nationally recognised qualifications at the same time. The Group examined the benefits and challenges of apprenticeships within the public sector and heard recommendations from the panel going forward.

On this topic, the Group heard from Phil Kenmore, Head of Health and Social Care, Business Development Unit, Open University, Helga Pile, Deputy Head of Health, UNISON, Ben Mason, Founder and CEO, Global Bridge and Sarah Green, Associate Director of Education, University Hospital Bristol, NHS.

A key challenge with delivering NHS apprenticeships is the restrictions in the Apprenticeship Levy which limit the ability to pool unused funds across employers in the health service. The pressure on NHS budgets and number of unfilled vacancies means that this should be an easy solution in helping to plug the employment gap. Helga Pile from UNISON explained that there has been a limited take-up of apprenticeships in the health sector which means nobody has been able to properly test whether apprenticeships are working in the system.

13,800 In 2017/2018 there were 13,800 apprenticeship starts in nursing.

40,000 There are currently 40,000 nurse vacancies.⁸

Off-the-job training

The funding available to the NHS is already particularly stretched meaning it can be very challenging for departments to fund an apprentice. Degree apprenticeships is an alternative route to registration however NHS Trusts are requesting money to backfill to prove the minimum 20% off the job training requirement. It has been highlighted that Nursing Degree Apprenticeships actually involved 65% of their time in off-the-job training which is much higher than the average 20%.

End point assessments

Nursing apprenticeship standards are not joined up with the other operators in this sector. The NHS has a variety of frameworks in place which are at odds and not in synergy to apprenticeship standards. An example of this can be seen with End Point Assessments (EPA). EPA is the name given to a series of tests an apprentice must take to prove their ability to carry out the job they have been training for. These tests take place at the end of an apprenticeship.

Phil Kenmore from the Open University explained that in the future, there may be a situation where some students undertake their apprenticeship, gain the qualifications required to be a nurse and register with the Nursing and Midwifery Council before completing an EPA. This means there could be instances where students have qualified as a nurse without undertaking an EPA. Because of this, universities would not receive remuneration as technically the student has not fully completed their apprenticeship.

Health and technology

The Group heard how vital the health sector could become in engaging young people with technology. Ben Mason, Founder and CEO of Global Bridge, a connection between young people, educators and businesses explained that not many people are aware of the NHS's role in upskilling the future workforce. Technology plays a vital role within the NHS however there is a lack of understanding amongst the general public that this could be a way into the sector.

A key solution in addressing these challenges is recognising that **the NHS needs a tailored approach towards designing a system that increases apprenticeships. Upfront investment from the Government is required to support employers so apprenticeships in the health sector can be upscaled.** Currently NHS costings are high as employers are spending on agency staff and overseas recruitment and apprenticeships in the health sector are a key opportunity for plugging the employment gap. Stronger collaboration with the Department of Health and Department for Education can find a solution to make apprenticeships in the NHS work at a larger scale and more effectively.

⁸ <https://www.gov.uk/government/statistics/public-sector-apprenticeships-in-england-2017-to-2018>

CASE STUDY

WMG, UNIVERSITY OF WARWICK

The key to successful Degree apprenticeships is a really close working relationship between the organisation and apprenticeship provider – a genuine partnership ensures that all elements – knowledge, skills and behaviours are completely integrated. To ensure that this is designed in and is maintained we have created a new role for the university – that of Apprenticeship Tutor. The role combines some client relationship management; work-based learning tutoring; personal and professional development support as well as the completion of the mandatory reviews and records.

Apprenticeship Tutors work, with their client relationship colleagues, with employers from the early stage discussions ensuring that they understand the role in which the apprentices will be employed, the broader organisational context, and the staff development processes and “languages” that are current within the business. Most apprenticeships are “commissioned” by HR directors or teams, but apprentices spend most of their time in departments or business units with line managers who may have less knowledge or experience of current apprenticeship standards. Working with line managers and providing them with support is also a vital part of establishing a good base for the apprenticeships. Contact between the Apprenticeship Tutors, managers and apprentices is normally more regular than the mandated tripartite reviews.



APPRENTICESHIPS AND BREXIT FLEXIBILITY TO ADDRESS INSTABILITY

Nearly every aspect of public policy has been affected by Brexit this year, and apprenticeships were no exception to this. In October, the APPG assessed what leaving the European Union could mean for apprenticeships and skills policy.

The Group heard from Professor Andrew Westwood, Vice Dean for Social Responsibility from the University of Manchester and Mark Essex, Director of Public Policy at KPMG. The Group examined how likely it would be for Brexit to redefine the way in which the Government, businesses and training providers approach apprenticeships.

Brexit challenges and opportunities

Many of the issues surrounding apprenticeships in the UK were present before Brexit. However, an opportunity has arisen for both government and businesses to reassess their approach to these issues. The current apprenticeship system was designed prior to the UK's decision to leave the European Union and will need to adapt to future changes once the UK leaves.

Brexit should be used to create a stronger approach around the goals of the government's industrial strategy, which aims to work in collaboration with businesses to improve productivity and invest in skills, industries and infrastructure. This could lead to a further focus on areas that are currently not as aligned as they could be. For example, the regional disparities in the delivery of apprenticeships and skills should be examined in greater detail, as well as deisolating apprenticeships policy from further and higher education.

Brexit risks exacerbating the skills gap and the UK will no longer be able to rely on a steady stream of motivated and skilled workers from outside of the country. Apprenticeships can offer an in-built mechanism for providing the skills that companies and the economy need. Uncertainty as a result of Brexit results in a poor business grounding in which to deliver more apprenticeships.

By using Brexit as an opportunity to improve the existing challenges around apprenticeships and the skills sector, this would result in easing uncertainty for business and help to promote a vibrant workforce throughout the UK.



Apprenticeships cannot possibly resolve the myriad of abstract challenges Brexit poses for our economy - and they may well suffer in the face of it - but, if Britain is to have any chance of competing globally in a post-Brexit world, it will be absolutely essential for Government, working hand in hand with employers and apprentices themselves, to get apprenticeships right."

Co-Chair, Catherine McKinnell MP

The APPG on Apprenticeships is sponsored by:

BAE SYSTEMS

centrica



Heathrow
Building for the future





appg

all party parliamentary group on
apprenticeships

For more information about the APPG on Apprenticeships, please contact the secretariat
Connect:

Email ApprenticeshipsAPPG@connectpa.co.uk • Tel 020 7592 9490

Follow the Group on Twitter [@ApprenticeAPPG](https://twitter.com/ApprenticeAPPG)