

## MINUTES

### APPG on Apprenticeships

### Future of Apprenticeships

16 May 2023

Room O, Portcullis House

**Chair: Charlotte Nichols MP**

#### **Parliamentarians in Attendance or Represented:**

- **Baroness Garden of Frognal**
- **Lord Aberdare**
- **Seema Malhotra MP**
- **Charlotte Nichols MP (Chair)**
- **James Davies MP**
- **Duncan Baker MP**

#### **Speakers:**

- **Doniya Soni-Clark, Policy and Public Affairs Lead, Multiverse**
- **Dr Benjamin Silverstone, Associate Professor, WMG, University of Warwick**
- **Chris Pook, Government Policy Director, Nuclear AMRC**

Charlotte Nichols MP introduced the speakers and those in the room, and asked Doniya Soni-Clark to kick off as the first speaker.

Doniya introduced the work of Multiverse, an ed-tech company on a mission to create a diverse group of future leaders by building an outstanding alternative to university, through apprenticeships. They have 10,000 apprentices either on their programs or in their alumni. They are built on three principles:

- Equitable access, so preexisting wealth is no barrier, and they are not assessed on previous academic qualifications.
- Applied learning so learning is based on a robust curriculum tested through immediate application in the workplace.
- Enabled by a community, so building a network as this is one of them most important benefits of a Multiverse apprenticeship.

Doniya said the positive results of her approach is that they have one application every 11 minutes and 69% of apprenticeships on their programme have increased job responsibilities following their apprenticeships, and 93% of their apprentices stayed with their employer after their apprentice.

Charlotte mentioned that all her digital teaching at school was to not put information online and to use trustworthy sources but that her parents haven't been taught the same kind of skills. So what do we need to do in our education institutions to ready people to have that critical awareness around AI?

Doniya said work is changing faster than anyone of us can predict and that making predictions is hard, for the Government, for business, for everyone. Doniya said the education system should focus on training throughout people's careers when it is relevant for people and their career. She also said the

training should be flexible to employers as the labour market goes up and down so employers can find ways to upskill their employees. Finally, Doniya said it has to be inclusive. Doniya said we need to find ways to get more people from more diverse walks of life into apprenticeships, including people from free school meals for example.

Charlotte thanked Doniya, noted we would take questions at the end, asked two MPs to introduce themselves, and then introduced Dr Benjamin Silverstone as the next speaker.

Benjamin said he would like to run through Warwick's recent experience and the issues around future skills. Benjamin said they were excited about new standards, such as Engineering, and apprenticeships are becoming of increasing relevance to employers. But Benjamin said providers are finding it hard to keep up with and deliver what employers need, with FE Colleges who are trying to have automotive apprenticeships, and bolting on qualifications such as electric vehicles on the side – unfunded, which causes significant issues.

Benjamin said employee engagement was the real blocker, and the speed with which we can turn things around is increasingly important. Benjamin spoke around the 'Battery Trailblazer' and, for the first time, has created a standard for an industry we want to exist, rather than waiting until we have a need for something, which is the usual process.

Benjamin said this standard is now working its way through approval and businesses if they wanted to invest, could see we they can get the skilled staff they need. Benjamin said it had also thrown up some systemic problems. One was that providers need skilled staff to deliver these apprenticeships that are coming over the hill and, while we're throwing money and effort at the skills industry needs, we're forgetting that education needs it first to carry it forward. So, Benjamin said WMG are looking at how providers can upskill staff so the skills environment can exist and so investment is realistic.

A second problem Benjamin mentioned is that school level education is not conducive to bringing young people into high technology, manufacturing businesses of the future. Benjamin said he had sat in on a teacher's preparation for a lesson which was one lesson on alternative energy and one on hydrogen in the whole curriculum of Year 9. Benjamin said we need to deal with the standing base in education to enable high level technology apprenticeships to work, develop school level education aspects and what we're asking young people.

Benjamin said there are some solutions but some are bigger, existential problems the country has, and we need to look at how we invest in provisions, and invest in the education that comes before apprenticeships to bring them through to be ready to take on those opportunities.

Charlotte thanked Benjamin and said that the progress that was been made was a huge way forward from where we had started and getting such apprenticeships in place to deliver this technology was crucial. Charlotte then introduced Chris Pook, as the final speaker.

Chris introduced the Nuclear MRC, part of the University of Sheffield, and explained that they were fortunate to be able to connect some of the issues between Government, industry, and providers. Chris opened with a case study about being approached by Rolls Royce, bringing together University of Derby, Derby City Council and local providers and establish the Nuclear Skills Academy in Derby. When they opened in September 2022, they had 1200 applications for 200 places. The demand for places is clearly there but there was a reduction in applications going into other apprenticeships, and Chris said we need to increase the supply overall.

The Advanced Manufacturing and Research Centre established a training centre, bringing together funders, providers and industry to establish an Engineering Apprenticeship Centre and recently offered

up a Nuclear Engineering apprenticeship. Again, the message is that they were able to play the role of aggregator, interpreter, connector, and think about the future skills industry needs rather than what's available here and now.

Chris said he thinks the interest in the nuclear sector is partly from the drive for net-zero and the role nuclear plays in that, as well as increased emphasis on security, resilience, and defence. So, when looking at nuclear careers, the confidence of business and young people to go into the sector for careers, you have to look across the whole sector, and solutions that are provided shouldn't just rest on one part of the industry such as reactors or submarine propulsion, there are opportunities in decommissioning and fusion, too. Chris said one of the real points to note is how do you find a way to bring together the needs of a sector as diverse as nuclear, help employers understand what are the future skills that are needed, and help them work with the training providers to identify the kind of courses and qualifications needed.

Chris said, coordination and integration are really important, finding a mechanism to enable employers to have that discussion is important, and how to build an industrial cluster that isn't just reliable on the big anchor companies like Rolls Royce to attract people in but how you can involve SMEs and companies down the supply chain. That then gets you into those questions of administrative flexibility such as support for SMEs to manage apprentices, the complexity of the system, how do companies work across devolved administrations, and how do you create sufficient momentum in a particular location or place as a lot of technical careers are focussed on particular areas.

Charlotte thanked Chris and opened the Q&A with her own question on what role trade unions have to play in making a more open and equitable access to apprenticeships. Charlotte said she was also interested in speakers' thoughts on minimum wage for apprenticeships and whether the low rate would be putting off people from lower-income backgrounds from pursuing an apprenticeship.

Doniya said she agrees that the minimum wage is too low for apprenticeships and the Multiverse apprentices start at a minimum of £21,000. Doniya said that because they deal with tech apprenticeships, they're aware the wages might be higher but they're confident they can get employers to meet higher wages for apprentices. Doniya said that elements of the apprenticeships levy can cause barriers and trade unions could have a stronger voice on these – such as the requirement to have functional skills to complete an apprenticeship, with evidence of Level 2 or above English and Maths. This can create a barrier for school-leavers who didn't achieve this level but who want to study an apprenticeship and have to complete the apprenticeship, their first job, and the functional skills course. Doniya said trade unions could work together with members and employers around some of these barriers so there is greater awareness of other things stopping people from progressing in apprenticeships.

Benjamin said they also witness the Level 2 barrier, even with very high calibre apprentices, and it would be good to have greater flexibility on this. Chris added that we need to find ways to reduce barriers for people going into the sector, especially for STEM-type degrees, not just nuclear. Chris said they also want to examine how to help people go into apprenticeships at a later stage in their careers, as some of the higher-level apprenticeships are really valuable. Chris said it's important for people to be rewarded appropriately in a very competitive skills environment.

Benjamin said that employment for manufacturing will not all come to schools so we need "conversion apprenticeships" where employers can put employees on training so they can learn on the job, while doing a job.

Doniya agreed that reskilling is a huge part of what they do, from banks to call centres. The individuals range from aged 25-70 and Doniya said that Level 2 remains a barrier to these people where they might have done Level 4,5,6 but 40 years ago and have to resit English and Maths. The biggest indicator of withdrawal at Multiverse is whether an apprentice has to redo English and Maths. Doniya said the Minister for Skills cares about retention and these little unnecessary regulatory barriers have a much wider impact when it comes to careers for individuals.

Duncan Baker, MP for North Norfolk, said he had pushed hard for apprentices in his constituency and he had also worked in a business prior to entering parliament. Duncan said he was surprised that so many employers didn't know what having an apprentice was and was keen to quantify how many businesses don't go out there and look to try and use the levy (effectively a tax break) and go out and employ people. Duncan added that pay was too low and in his business he supplemented the apprenticeship pay as people can't live on it. Duncan asked how we can better sell to businesses what an apprenticeship is – should it be mandatory? – and that there is a real shortage of trainers out there for apprenticeships like plumbing and bricklaying, with people waiting up to a year to start their course.

Lord Aberdare asked what needs to happen at schools to increase the flow and enthusiasm of young people for going into jobs. Lord Aberdare also said he's the member of the Lords Committee on Education for 11-16 Year Olds and he would like them to contribute specifically on this issue and the balance of skills vs knowledge.

Baroness Garden of Frognal said she sits on the same Committee. She asked what recommendations speakers had for schools, to alter the way they behave. She said schools needed to be as enthusiastic about apprenticeships as they are about universities. Baroness Garden added that schools need to diversify as young people don't hear about apprenticeships from their schools but from their friends.

Benjamin said part of it is about the equal footing we place apprenticeships on. It shouldn't matter if a young person goes on an apprenticeship or gets a job or goes to university, as all are positive, but Benjamin wasn't sure that for schools it is seen as "positive" when a young person goes on an apprenticeship as opposed to taking A Levels. Benjamin also asked why examples in school aren't based on real-world examples and where they have seen real success is engaging FE colleges who then engage with schools and show what those pathways look like.

Benjamin said it's time for a wholesale look at secondary education and it's the same curriculum we had 20-30 years ago. Charlotte asked about whether we needed a UCAS style method for apprenticeships, so people can benchmark different ones and to help shift schools' perception.

Benjamin said that there's real challenges around which providers work with which universities but if someone comes out of their A Levels and does a degree apprenticeship, it should be celebrated.

Chris gave a case study of some schools starting to state how many apprenticeships they have secured also, even if the focus is on bigger employers like Goldman Sachs, alongside how many university places they have secured.

Chris said there are two routes – the traditional, with university, which is perfectly valid – and the second route through an apprenticeship should be equally valid, especially if we want to broaden participation overall.

Chris said on SMEs there's an interesting question about how we use major procurement exercises and contacts to drive SME engagement. Crossrail, for example, would write into their contracts a requirement for suppliers to take on a certain number of apprenticeships, and we could generally be more muscular on this.

Doniya said in terms of raising awareness of apprenticeships at school, the recent Schools Bill did say there needed to be 6 points of contact on non-university routes to training, which is positive. Doniya said what they have found is beneficial is taking former and current apprentices back to their schools to speak to current students. Doniya also said social media – TikTok and Instagram – are particularly useful for organic marketing with apprentices showing their daily life and experiences to reach other young people. Doniya emphasised that young people generally know what university is like but don't know what an apprenticeship might be like.

One of the problems Doniya highlighted is not that they don't have enough young people wanting to do an apprenticeship, it's the lack of availability of apprenticeships across the board. Doniya said some organisations favour grad-schemes over school-leaver schemes and Doniya said we don't want to encourage demand to a point where supply can't meet it.

Doniya also touched on the SME point. She said their surveys showed that many SMEs are positive around apprenticeships but find the system too complex or aren't sure how they would go about getting an apprentice, so we need to reduce the unnecessary friction for SMEs to get an apprentice.

Charlotte gave the example of there being no apprenticeship for textile manufacturing, so if an SME did want to take on an apprenticeship, there may not be an apprenticeship the young person can actually take.

One attendee said young people needed to "see it to be it". The attendee gave an example of her own children's school trip and said schools should take more opportunities to make trips and career engagement useful at an earlier age.

Benjamin agreed and said career engagement in schools should involve industry more. Benjamin said we're too focussed on the past – schools might visit a mining museum, for example but would they ever visit an advanced manufacturing facility? No, because it isn't on the curriculum. Benjamin said he understands the pressure schools are under and that they have to meet certain standards on the curriculum but career awareness should be at a much earlier age.

Chris responded to two attendees' contributions noting the importance of the role of training providers, including both universities and companies like Multiverse. Chris said that some employers struggle to define future skills e.g. it's not just mechanical engineering, it's mechanical engineering plus data science. Chris said universities can play that role really well because they can connect across disciplines but there's a disproportionate regulatory risk there.

Chris said SMEs really struggle on their own and need a lot of time understanding how the system works. He noted the Nuclear Graduate Scheme (not an apprenticeship) which enabled one employer but where graduates moved around different hosts and learned different roles, and is a very successful model.

Doniya added that apprenticeships have been really successful in reskilling as they can get transferable skills, not company-specific skills. Doniya mentioned that the Levy should be made more flexible but there's also a risk that the Levy allows for different types of training that isn't regulated in a way that would be beneficial to the economy in a wider way. Some companies only provide training that is specific or helpful to their business; having a reformed apprenticeship or a short course that contributes to an apprenticeship gives individuals more autonomy to have portable qualifications and more negotiating power in the labour market. Doniya said Levy reform would need to be managed carefully to ensure apprenticeships are protected.

Benjamin said 80-85% of future roles are going to be in the FE bracket in terms of training provision, and we don't have the providers and the right skills in place at the right time. Benjamin said our biggest risk right now is that we're not funding FE enough to retain the staff they need.

One attendee mentioned the unspent Levy amount that had been made public and asked what more do we need to do to say to Government that this money has been taken by the tax man and should be given back. Baroness Garden said they have a constant concern that the unspent money goes to the Treasury rather than back into apprenticeships. Lord Aberdare said the answer they always get is that it funds apprenticeships not funded by the Levy.

Doniya said last year 99.6% of the apprenticeship levy money was spent by DfE to fund apprenticeship incentivisation during Covid and SMEs. Usually it is 77%, Doniya noted, and last year it was 99.6% so it will be interesting to see what it's like at the end of 2023 and if apprenticeships continue to grow in popularity, the money may run out.

Charlotte brought the meeting to a close, thanked all the speakers, and made everyone aware of the APPG's social media handles.