



all party parliamentary group on
apprenticeships

Minutes

Apprenticeships and the Future: What should apprenticeships look like after the General Election?

Tuesday 16 January | 15:00 – 16:00
Room S, Portcullis House, and via Zoom

Chair: Baroness Garden of Frognall

Parliamentarians in attendance or represented:

- Charlotte Nichols MP (Co-Chair)
- Lord Baker
- Steve Tuckwell MP
- Lord Aberdare
- Philip Virgo (Office of Lord Lucas)
- Joe Eve (Office of Jonathan Gullis MP)

Speakers:

- Liz Gorb MBE, Director of Apprenticeships, Manchester Metropolitan University
- Doniya Soni-Clark, Head of Policy and Public Affairs, Multiverse
- Lord Shipley OBE, Liberal Democrat Member of the House of Lords

Baroness Garden kindly agreed to chair the meeting at short notice as Jonathan Gullis MP had an urgent parliamentary commitment in the Chamber. She opened the meeting, introduced the theme of the meeting – the future of apprenticeships – and passed over to Liz Gorb, Director of Apprenticeships at Manchester Metropolitan University.

Liz opened by setting out the work being carried out Manchester Metropolitan University as an early adopter of apprenticeships. They currently have more than 2,700 apprentices enrolled on courses at the University. She noted that MMU has a multi-faceted focus on global corporates, public sector organisations and SMEs. Her initial message was that apprenticeships can drive growth and social mobility, but more needs to be done to enhance the ‘brand’ for school leavers considering this educational pathway.

With regard to the Apprenticeships Levy, she – in her view, controversially – thought that it has been “somewhat a success”, with MMU in a better place than seven years ago as a result; however, she noted the strange anomalies in the funding formulas. She argued that the Government needs to ensure that the Levy benefits those areas most in need and called for broader standards for providers that can be updated more rapidly.

She said that, presently, MMU has a huge range of pathways with 759 standards or proposals in development. However, in contrast, she stated that some routes have become unnecessary and there needs to be a focus on those that will deliver economic growth and social mobility.

Liz said that degree apprenticeships respond effectively to demands in the labour market – and they create a “ladder of opportunity”. She called for more Level 2 apprentices. Companies have greater incentives (funding) for Level 3 apprentices, not Level 2 where industry demand lies. She called for an end to the rhetoric around one level being the enemy of another.

Her key recommendation urged government to facilitate greater uptake of apprenticeships in SMEs and amongst those who experienced digital and rural/coastal poverty, particularly during the pandemic.

Her final point related to the updating of apprenticeships standards given the rapid change in our post-pandemic society, especially around digital, data and AI/automation.

Baroness Garden thanked Liz and passed across to Doniya Soni-Clark, Head of Policy and Public Affairs at Multiverse.

Doniya opened by introducing Multiverse’s work on apprenticeships, with 12,000 apprenticeships in a variety of technology/data roles at organisations including Jaguar Land Rover and the NHS. Crucially, Multiverse has degree-awarding powers. She felt that the overall quality of apprenticeships has been increasing – technology as a sector has been growing and this is important as there is currently a skills gap. Access to apprenticeships is improving due to consistent Ofsted regulation.

As for post-election reforms, she felt that regulation has prevented providers from offering apprenticeships: data returns and reporting to Ofsted, Ofqual, the ESFA and the Office for Students.

She said there needs to be greater flexibility in the Apprenticeships Levy: the opportunity for more flexible courses is not inherently bad but regulation needs to be applied appropriately to short courses to ensure that quality is maintained. There is also the risk of organisations delivering short courses which do not meet the required standard – she wants to see this addressed by the next government.

Finally, Doniya set out the problem in sequencing apprenticeships – a key burden for providers which the Government should address. She notes that Level 2/GCSE English and maths are barriers to entry for people considering an apprenticeship. Her proposal is that alternative English and maths tests are considered, which better apply to prospective technical students’ interests.

Baroness Garden posited that the current alternative pathways are not far removed from GCSEs, so they are not encouraging young people into the apprenticeships route. She thanked Doniya and passed across to Lord Shipley, a Liberal Democrat Member of the House of Lords.

Lord Shipley opened his remarks by offering apologies on behalf of Munira Wilson MP, the Liberal Democrat education spokesperson. Following an earlier meeting with Homes England, he stated that (1) the average cost of building a secondary school has risen from £18 million to £30 million over the last five years and (2) the average age of electricians and bricklayers in the UK is 47. The age profile of the UK technical workforce is a huge problem due to the decline in the number of people starting apprenticeships – this needs to change.

He quotes a 2019 National Audit Office report which outlines how a number of employers are supplanting their workplace training with apprenticeships.

He argued that the whole apprenticeship route is seen as secondary to the academic (university) route due to the way that schools are assessed by Ofsted. Not enough support is given to those who do not attend university, hence a £500 million gap in the further education sector.

He said that apprenticeships should be encouraged from 16-24 to ensure lifelong skills and employment – so further incentives are required to ensure take up. He listed a number of recommendations from the NAO report, including a levy cap for SMEs. He referenced the Skills Wallet announced by the Liberal Democrats at the last general election and called for a renaming of the Apprenticeships Levy to a 'Skills and Training Levy, with 25 per cent of the levy funds raised being ringfenced for a social mobility fund to support geographical areas with skills shortages. His key question was: “how do you give extra support to those affected by the pandemic?”

He said that apprenticeship pay should mirror the national living wage – the drop-out rate is extremely high – and the threshold for the levy should be lowered to encourage more SMEs to host apprentices. He also reiterated Liz's view that not enough money is given to Level 2 and Level 3 apprenticeships.

Finally, he raised the tax system, calling for training tax credits for employers providing training,

Lord Baker stated that people in their 40s and 50s should not be called apprentices as it affects their social status. He said that 75 per cent of the Levy should be given to young people for training; small companies (<50 employees) should be given £1000 more to train apprentices; and apprentices' salaries should be covered for the provider. That is a better use of funds than teaching management skills to a 50-year-old.

Liz Gorb interjected to note that whilst there is huge demand for the technical skills delivered by the apprenticeship pathway, apprenticeships that require space and infrastructure, for example in manufacturing businesses, have been shut down or there is no appetite because of the costs involved.

Baroness Garden thanked Lord Shipley and moved on to the Q&A portion of the meeting.

Hayley Pells of the Institute for the Motor Industry commented that her organisation struggled with funding bands, particularly with heavy vehicle technicians which has since been corrected. In her view, the key reason for poor retention of FE lecturers is that they return to industry for better pay. She proposed a military reservist approach, which has been pioneered in conjunction with Warwick Manufacturing Group and offered to circulate their paper to meeting attendees.

Charlotte Nichols commented that there has not been much discussion about how will deliver teaching if there is a sudden uptake in apprenticeships. She also raised an issue with branding apprenticeships as only for 16-24 if the Government is to address the skills shortage, especially in nuclear and engineering sectors.

Rhianwen Roberts from the University and College Union picked up on the FE point and the shortage of resources available. One of her member's colleges received a poor Ofsted report and this was because they could not recruit or retain adequate staff. FE tutors are recruited on a salary of £30,000 which she deemed too low, referencing a number of tutors who have taken second and third jobs to make ends meet.

Brett Amphlett from the Builders Merchants Federation (250,000 employees, 900 companies) asked what attendees most wanted from the Government in advance of the Budget; what message should he be taking back to his members?

In response, Lord Baker stated that HM Treasury will want to claw back as much money as possible from the Levy. He also thought that rising youth employment is highly likely in the coming years, so it is disappointing that HMT are unlikely to change their approach.

Lord Aberdare said that there are not enough apprenticeships in SMEs: money is an obvious barrier, but they need support dealing with bureaucracy.

Baroness Garden said that colleges do try to help SMEs, but it can be a postcode lottery as to the level of support offered.

Jonathan Lawson from Manchester Metropolitan University said that 30 per cent of their employers were SMEs. He added that the funding rules for apprenticeships total 300 pages, which SMEs do not have the capacity to process without support from FE colleagues.

Richard Hamer from BAE Systems said that large employers can train and support the supply chain. His suggestion was that 1st year apprentices could work with large employers such as BAE to alleviate bureaucracy and, once they have the necessary skills, move to SMEs for their second.

Jamie Hall from CMS Strategic noted that the issue facing SMEs is access to the levy fund: some companies have only been able to use 4 per cent of funds. One company is involved in training RAF pilots so is a critical part of national defence. What can be done to widen the scope of the Apprenticeship Levy?

Lynne Bowers asked a question (via Zoom text) on whether there is scope to widen the residency requirements for health and care apprenticeships.

Baroness Garden adds that there is a similar debate to be had on salary thresholds. She referenced her work at City & Guilds and how it was difficult to counter the academic=good/vocational=bad narrative, particularly with parents.

Brett Amphlett called for an end to parental prejudice against apprenticeships and a fixation on university admission to ensure more school leavers choose a technical education. What more can be done to persuade parents?

Lord Baker said that the curriculum needs to change from a grammar school (8+ academic subjects) style approach to something that encourages and set up children to become technicians. Schools are judged too heavily in these subjects and degree apprenticeships are the way forward.

Baroness Garden called for attendees to rise to Brett Amphlett's challenge.

An unknown attendee called for remote degree apprenticeships

Liz Gorb said that parents are beginning to understand the value of apprenticeships.

Doniya Clark made final remarks calling for a consistent improvement in the quality and delivery of apprenticeships. More parents will promote apprenticeships as they begin to see the long-term benefits. Putting apprenticeships on UCAS would ensure greater take up.

Hayley Pells said the 'There's More to Motor' campaign researched the issue of perception within the motor industry and concluded that the industry needs to change, rather than the perception and highlight what is already happening. She thinks that Level 2 apprenticeships need to be taken more seriously.

Lord Shipley suggested that it is process, but it needs to be done more quickly. Schools and FE providers need to publicise students' successes with apprenticeships more widely.

Baroness Garden closed by thanking all the speakers in the session and those who joined in person and remotely.

