

SUBMISSION ON THE QUALITY OF APPRENTICESHIP & SKILLS TRAINING

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*In January 2016, NIACE and the Centre for Economic and Social Inclusion
merged to form Learning and Work Institute*

Learning and Work Institute

Patron: HRH The Princess Royal | Chief Executive: Stephen Evans
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ABOUT LEARNING AND WORK INSTITUTE

Learning and Work Institute (L&W) is an independent policy and research organisation dedicated to promoting lifelong learning, full employment and inclusion. We research what works, develop new ways of thinking and implement new approaches. L&W brings together more than 90 years history and heritage from the National Institute of Adult Continuing Education (NIACE) and the Centre for Economic and Social Inclusion (Inclusion).

THE CHALLENGE: SKILLS FOR PROSPERITY & FAIRNESS

The UK has a skills crisis: tackling this is central to future prosperity and social justice

The UK's skills profile has [long lagged](#) that of other comparator countries, with particular weaknesses in basic skills (like literacy and numeracy) and intermediate skills.¹ Out of 34 OECD countries, the UK is 19th for low skills (GCSE equivalent), 24th for intermediate skills (A Level equivalent), and 11th for degree-level skills. Some 9 million adults lack functional literacy and / or numeracy.

As well as overall weaknesses in its skills base, the UK also has a [stronger link](#) than many countries between the educational attainment of parents and their children.² Put simply, your chances of achieving in education are highly correlated with how your parents did.

Learning and Work Institute, among many other organisations, have highlighted the profound consequences of this for:

- **Economic prosperity.** There is a clear link between skills and productivity, the ultimate driver of economic growth. The UK's productivity is lower than many other

¹ Skills and poverty: building an anti-poverty learning and skills system, L&W, 2016.

² Making learning and work count: impact report 2016-17, L&W, 2017.

countries and has flatlined over the last decade, in part held back by a poor skills base;

- **Social justice.** In this country your life chances are more closely linked to your family background than in other countries. Educational inequalities are a key part of this; and
- **Engaged citizens, health and wellbeing.** People engaged in learning are more likely to be active citizens (for example, they are more likely to vote), and participation in learning is associated with increased health, wellbeing and financial capability.³

Tackling the skills challenge is central to so many other challenges. This makes the fall by more than [one million](#) in the number of adults participating in publicly-funded Further Education all the more worrying, and leaves us lagging even further behind other countries.⁴ It also highlights the importance of the quality of training and ensuring fair access to it.

The good news is that there are a range of ambitious reforms underway, including expansion of Apprenticeships, introduction of T-Levels, and devolution of the Adult Education Budget in some areas of England. However, there are concerns over quality and access, and Learning and Work Institute believes more needs to be done. The rest of this submission sets out areas of concern in both quality and access and priorities for change.

ENSURING QUALITY

What do we mean by quality?

The quality of skills provision can mean different things to different people. However, the ultimate purpose of Apprenticeship and skills provision is to boost employers' productivity and people's pay and job prospects (as opposed to wider learning, which as set out above has a wide array of benefits and which people take up for many reasons and none – Apprenticeships and training can of course bring these benefits too).

³ Making learning and work count: impact report 2016-17, L&W, 2017.

⁴ Going down: the continuing falls in adult participation in learning, Evans, L&W, 2017.

Data on these outcomes is not widely available in Further Education, in contrast to Higher Education (though noting a range of challenges with both the data and its interpretation). Yet it now exists thanks to the linking of Individual Learner Record data (showing the learning people have done) and HMRC data (on their employment and earnings data).

In Washington State, a data dashboard shows earnings and employment by course and institution, against a control group to show the added value.⁵ This is used by employers and individuals to help inform their decisions about what to learn and where, and by commissioners to prioritise investment and intervene to improve programmes where necessary. There is no reason why England could not replicate this approach, and add in wider social metrics such as the impact of learning on confidence and engagement.

Learning and Work Institute recommends an open data approach or Skills Data Lab (modelled on the Justice Data Lab). This could be trialled in a devolved city-region or Combined Authority.

Beyond this, we think the quality of Apprenticeship provision needs to also be about whether it prepares people for future careers and change, as well as for their current job. For example, in March 2017 we called for the Institute for Apprenticeships (IfA) to benchmark Apprenticeship standards against the best in the world before approving them.⁶

We think this two tick process (have employers approved it? does it match the worlds best?) would make an important difference. Similarly, the views of apprentices and learners themselves should be more central to every part of the process from commissioning to delivery. For example, we have argued that an Apprentice should be a Board member of the IfA.

Provision

Overall, quality of training provision is underpinned by Ofsted and most training is of good quality – dedicated staff and providers work hard every day. Others will comment in more detail about how this process works in practice. However, it is worth noting the Chief

⁵ Delivery models for skills in London: identifying international comparable models, L&W, unpublished, 2016.

⁶ Three million apprenticeships: building ladders of opportunity, L&W, 2017.

Inspectors report which found that of the 189 apprenticeship providers inspected in 2016/17, 40% required improvement and 11% were inadequate.⁷ This would not be tolerated if it were schools or universities, so why is Apprenticeship provision any different?

Recent procurements for the Adult Education Budget and Apprenticeship provider register, as well as ongoing European Social Fund commissioning (where contracts often run for two years or less), have had a significant negative impact, creating a high level of uncertainty at a time when the focus needed to be on delivery of the Governments significant reform programme.

In large part this stems from a lack of vision from government for the supply side. Does it want new providers, or is it broadly happy with current provision? Does it want a smaller number of larger providers, or a more diverse market? How does this vary by sector and geography?

The current approach is akin to driving a car and deciding which way to turn without knowing where you want to get to – you’ll definitely end up somewhere, but it might not be the best place.

We have [previously called](#) for the Government to set out an overall skills strategy, and vision for the market it wants to deliver that.⁸ The design for the new Shared Prosperity Fund (which will replace ESF when the UK leaves the European Union) provides an early opportunity to put this into practice.

Ultimately market stewardship is a different skillset to direct delivery or procurement, so there should be an assessment of whether training support is needed for civil servants in this new role. This applies in the context of devolution too.

To use a driving analogy again, you wouldn’t drive a car without learning how to do so and passing your test.

⁷ The annual report of Her Majesty’s Chief Inspector of education, children’s services and skills 2016/17, Ofsted, 2017.

⁸ <https://feweeek.co.uk/2017/09/25/what-government-can-learn-from-learndirect/>

Subcontracting

Subcontracting can play a valuable role in enabling partnership delivery and bringing in specialist in expertise. However, the risk is of an unjustified management fee that leads to poor quality provision.

DWP faced a similar risk when commissioning the Work Programme, intended to help long-term unemployed people find and sustain work. They introduced the Merlin Standard, which set principles for good supply chain management – our [research](#) showed that sub-contractors felt this improved conditions.⁹

Learning and Work Institute argues for the development of a standard for sub-contracting. This should build on the DWP's Merlin Standard, but include caps for management fees, risk transfer and other factors. This should be developed in partnership with the sector, and its impact effectively evaluated. There should also be clear mechanisms for enforcing these standards.

Funding models

In respect of quality, funding models play two roles: ensuring the costs of provision can be funded, and incentivising providers and employers. The current process for determining what the funding bands are for different types of provision is opaque at best. This means it's not clear how the government is balancing the two objectives of funding levels, or how it has calculated its figures.

A more open, collaborative process is difficult when there are always ongoing and imminent procurements. If the government set out a market strategy based on longer-term funding and greater collaboration, this sort of approach might be more possible. It could lead to savings which could be reinvested in helping more people into learning and training.

ACCESS: OPPORTUNITY FOR ALL

Learning and Work Institute's long running learning participation survey has shown that groups that did least well at school are least likely to participate in learning as adults.

⁹ Review of the Merlin Standard, CESI, 2015.

Our [research](#) also shows significant participation penalties in Apprenticeships for:¹⁰

- **Women.** Women make up 52% of apprenticeships, but with significant gender segregation. For example, women are just 6% of apprentices in engineering, the result of under-representation of women at the application stage, but also women who do apply making fewer applications per person than men. This gender segregation in learning then helps to feed through into labour market inequalities, with women more likely to undertake apprenticeships in low paid sectors;
- **People from ethnic minorities.** People from BAME backgrounds are fairly represented (compared to their population share) at application, but their application is half as likely to succeed as their white counterparts. In part this relates to sector and geography (for example, London has a higher BAME population than other parts of the country, but low numbers of apprenticeships). However, role models, careers advice and discrimination are also likely to play a part; and
- **Those with caring responsibilities.** If you can do a job flexibly and a degree part-time, then why not an apprenticeship? Until recently, funding rules held this back. Now our research suggests that culture, expectations, and delivery models are more of the challenge.¹¹ The result is that those with caring responsibilities, including young carers as well as parents, too often lack the opportunity that fits with their lives to combine learning and earning. There are some examples, such as a pilot run by [Camden Council](#), which show what can be done.¹²

These are complex challenges which vary by group and type of provision – there is no ‘one size fits all’ solution. However, there are some common themes. These include the importance of careers advice, role models, effective support, and engagement and outreach.

¹⁰ Three million apprenticeships: building ladders of opportunity, L&W, 2017.

¹¹ Forthcoming.

¹² Interim evaluation of an adult apprenticeship programme: Camden Council, NEF, 2015.

Making fair access a priority

Around £750m per year is spent on widening access to Higher Education, in stark contrast to the relatively low level of attention this issue gets from policy makers in Further Education and Apprenticeships.

Learning and Work Institute have argued for an annual access audit, either commissioned by the Government or the Institute for Apprenticeships, to shine a light on these burning injustices and track progress in tackling them across all types of learning and skills provision.¹³ The Government should also set out clear action plans for how it will tackle these inequalities, building on but not limited to the recent focus on action areas.

Funding systems

Funding systems (as with its impacts on quality) have two roles in supporting access: incentivizing providers to focus on under-represented groups; and supporting any additional costs of doing so.

The current funding systems do have some funding built in to support under-represented groups. Forthcoming Learning and Work Institute research shows that apprenticeship providers use this in a wide range of ways, for example for different coloured paper for people with dyslexia.¹⁴ However, the same research also shows confusion over the number of different funding streams to support these extra costs and eligibility rules.

So this is partly about levels of funding – making sure sufficient funding is available to cover additional costs of recruiting under-represented groups onto programmes and supporting them while there. But it is also about how funding is used to make a difference – there is a need to build support and incentives for employers and providers to focus their efforts where they are most needed. For example, in a number of DWP programmes, additional payments were given to providers for supporting groups least likely to otherwise find work into jobs. This reflected both additional costs of engagement and support, and an incentive not to focus on the ‘easiest to help’.

¹³ Three million apprenticeships: building ladders of opportunity, L&W, 2017.

¹⁴ Exploring the funding and support for apprentices with additional support needs, L&W, forthcoming.

Learning and Work Institute have argued for a simplified system of funding, rolling a number of existing funding streams into an Apprentice Premium (mirroring the Pupil Premium in schools).

Similar lessons apply across other forms of learning and skills provision. For example, Learning and Work Institute research has shown that employers want to engage in and support technical education reforms, including through provision of work placements. However, they want clearer guidance on what 'good' looks like and additional funding will be needed for people with additional support needs.

Beyond this, there have been significant reductions of around 30% in funding for Further Education since 2010. This has reduced the number of learning opportunities available. At Learning and Work Institute, we think there should be targeted increases in public investment. For example, we have argued for a £200m per year rise in adult literacy and numeracy funding.¹⁵ This would be to achieve a new national ambition for all adults to be able to achieve the functional literacy and numeracy skills needed for life and work.

Part of the reduction in public funding has been the introduction of university-style Advanced Learner Loans for some in Further Education. These have been associated with a one third reduction in learning in areas which they cover. Anecdotal evidence suggests the term 'loan' is off-putting particularly for those groups least likely to engage in education as adults, and that the focus on full qualifications (as opposed to modules) limits their appeal (including to people who may have been disengaged from learning for some time). Some learners have also been left out of pocket when their provider goes out of business and the ESFA searches for an alternative provider for them to continue their studies. It is difficult to see how this would be seen as acceptable in any other walk of life.

Learning and Work Institute calls for a review of the Advanced Learner Loan system, its impacts on quality and access, and reforms needed.

Wider financial support

It is not just the costs of a course that affect whether people can / will participate in learning. Other costs, such as childcare, transport, and course materials, as well as the

¹⁵ Skills and poverty: building an anti-poverty learning and skills system, L&W, 2016.

opportunity cost of learning (in terms of lost earnings if taking time out of work, or undertaking other activities) can significantly outweigh course fees.

People undertaking higher education are entitled to maintenance loans to help with these costs. Those undertaking Further Education courses, including at higher level, are not. However, those taking higher level courses at new Institutes of Technology will be able to access maintenance loans and a bursary is available on a discretionary basis from colleges for other learners.

Further research is needed into the impact of financial barriers on participation in learning and potential solutions.

There is also a need to ensure all apprentices are paid at least their legally mandated minimum wage. The Government's Apprentice Pay Survey suggested one in five apprentice are paid less than this. Learning and Work Institute [research](#) has shown that around one in five current or recent employers of apprentices are uncertain about the rules surrounding the minimum wage – this lack of information needs to be tackled.¹⁶ The perception that some apprenticeships are paid less than an already low minimum risks putting off those from lower income backgrounds, as well as damaging the overall reputation of apprenticeships.

Testing new approaches

There is some evidence on what works in tackling inequalities in access to learning. This includes the long experience of Learning and Work Institute and the partners we have worked with. However, a stronger evidence base is needed and there is a clear case for trialling, with robust evaluation so we can tell what works, new approaches.

This could include considering how to integrate public services locally and work with trusted intermediaries such as Housing Associations. It could include learning from the best examples from other countries, or testing new approaches such as Personal Learning Accounts which Learning and Work Institute have long advocated.

One way to do this could be, building on the Government's Career Learning pilots in which Learning and Work Institute is playing a part, to establish a Challenge Fund to encourage

¹⁶ Apprentice pay: sticking to the rules, L&W, 2017.

new ideas. This could take a similar approach to that which the EEF uses for schools, ensuring robust evaluation is built in up front. Some of the new Shared Prosperity Fund could be ring-fenced for this. Metro Mayors and other Local Authorities could also take a lead, for example using the Adult Education Budget where this is devolved, in sparking local innovation and integration.

FURTHER DETAILS

For further details please contact Stephen Evans, Chief Executive:

Stephen.evans@learningandwork.org.uk