



Association of
Employment and Learning
Providers

AELP Submission: #51

The Importance of Level 2 Skills Provision

15 June 2018



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AELP Submission

Executive Summary

Level 2 (L2) skills attainment is vital for UK workforce productivity, social mobility and our response to the labour market challenges posed by Brexit.

However, there are policymakers and opinion-formers who question its true value even though it often forms the core skills requirement of many sectors and the first rung on the ladder of progression for the thousands of young people who leave school with few or no qualifications. Some of them believe that a L2 apprenticeship, even under the new employer-designed government-approved standards, is not a proper apprenticeship. However, the knowledge, skills and behaviours defined at L2 are some of the most transformational in the apprenticeship suite of standards.

The Association of Employment and Learning Providers (AELP) believes that this policy paper is necessary to restate the importance of L2 provision at a time when post-16 non-academic learning routes are subject to huge reform and many sectors are facing the prospect of significant skills shortages at L2 with Brexit less than a year away. We point out:

- over 42% of the school population at 16 has not achieved a full L2. For a large proportion, a single leap to L3 is impossible and recognition of achievement at L2 is vital for motivation and progression
- the huge reliance that key sectors have on workers qualified at L2 and the very concerning implications of this if migratory controls are introduced after Brexit
- L2 qualifications are pivotal for the government to achieve its social mobility agenda and should be treated with the same esteem as higher level qualifications
- the equal importance of L2 for non-levy paying SMEs as well as larger levy paying employers
- L2 apprenticeships are seen by employers as a way of boosting productivity
- where the productivity gain is not so obvious, the L2 attainment is normally balanced with significant gain to the individual as their first step into sustainable employment
- the large decline in L2 apprenticeship provision since the levy was introduced
- lower level learning does not equate to low quality but does require adequate funding – often for the hardest learners to support including those with multiple needs
- L2 qualifications are more likely to be taken up by disadvantaged young people as a means of increasing their job prospects when UK youth unemployment remains stubbornly above half a million

- L2 apprenticeships will be part of the Ministry of Justice's Prisoner Apprenticeship Pathway – an important starting point given the multiple learning challenges among the prison population
- the maligning of L2 apprenticeships as not 'proper apprenticeships' is completely unjustified, especially since the introduction of the new standards, and it beggars belief that anyone after reading the lists of skills, knowledge and behaviours required under a standard would maintain that a person completing such a programme could not call themselves an apprentice (see Appendix).

The AELP recommendations include:

1. greater explicit acknowledgement among policymakers for the need to support L2 provision in the interests of the economy and social mobility
2. a rebalancing of the apprenticeship levy reforms to reverse the sharp fall in L2 apprenticeships since May 2017. For 16-24 year olds at L2 and L3, there should be no employer contribution for non-levy payers or for those that exceed their levy
3. an urgent review and correction of L2 apprenticeship framework funding rates which have been reduced without an equivalent replacement standard approved and in place for delivering apprenticeships
4. a guaranteed annual apprenticeship budget for non-levy paying SMEs who offer more L2 and L3 apprenticeships
5. equal funding for the learning of Functional Skills for English and maths at the workplace
6. a meaningful set of L2 pathways, along with robust standalone qualifications, for apprenticeships and as part of the introduction of T Levels and classroom-based vocational education reforms
7. ESF's successor fund, the UK Shared Prosperity Fund (UKSPF), to prioritise education and skills provision given the predicted skills gaps the UK is expected to face post-Brexit.

1. Introduction

Qualifications at L2 have an important role to play in the development of the UK's education and skills provision and are vital for the UK economy. Since 2004/05, there has been a marked increase in the proportion of learners studying at L2 & L3. BIS (2015)¹ research shows 24% of FE 16-19 learners studying at L2, whilst 49% of adult skills funding learners were studying at L2. Furthermore, in 2015/16, over half (57%) of all apprenticeship starts were at L2. These figures broadly highlight the relevance of L2 across a variety of learner cohorts in various forms of education provision.

However, recent reforms such as the introduction of the apprenticeship levy have led to a notable decline in L2 apprenticeship provision for reasons which will be explored further below. There has been a marked shift in focus to higher levels of apprenticeships with a halving of the number of L2 starts since the introduction of the apprenticeship levy, primarily affecting those aged 16-18. This is despite 23% of all developed apprenticeship standards being at L2, while within the last 4 months (Dec 2017-March 2018), 62% of all standards approved for delivery have been at L2 & L3. The focus on higher level qualifications has been mainly driven by the introduction of the levy as many employers, which are utilising their levy pot, are doing so by upskilling their existing staff.

The reforms have been accompanied by claims that despite the introduction of new standards with their greater focus on training rather than assessment, a L2 apprenticeship does not merit being called an apprenticeship. This paper seeks to robustly expose such claims as misguided and erroneous.

Furthermore, the introduction of T Levels with an L3 entry point has caused concern as a significant proportion of school leavers are not ready to study at L3. As a result, this has led to some confusion as to who they are aimed at and what they are ultimately trying to achieve. It was, therefore, encouraging that the Government announced on 27 May 2018 that it was reviewing available L2 pathways as part of the T Level reforms. The amount of reform taking place has masked the importance of lower level qualifications which must not be discounted; therefore this paper illustrates the importance of L2 qualifications with regard to the challenges of social mobility, Brexit and productivity.

2. Social mobility

Improving social mobility is as an important priority for the current Secretary of State for Education as it was for his predecessor. The Federation of Awarding Bodies' Technical Education Summary² emphasises the impact that L2 technical qualifications have on social mobility is underestimated as it is not measured the same way as, for example, economic returns due to the very focus of Further Education on helping the most disadvantaged. It is argued that L2 qualifications cannot be viewed simply as an economic measure with regard to returns on income.

¹ Department for Business Innovation & Skills. (2015). *The contribution of Further Education and Skills to Social Mobility*.

² Urwin, P. (2017). *Technical Education in England: Investigating Seven Key Assumptions*.

42.3% of students left school in the 2015-2016 academic year without 5 GCSEs including English and Maths³. This is a failure of the education system for which the Government must share responsibility and therefore it must share the cost of putting this right.

There also needs to be a greater understanding of the role of L2 in providing opportunities to the most disadvantaged gaining access to the labour market, which they would otherwise be excluded from. The Policy Commission's 'SpotlightOn' series⁴ on apprenticeships and social mobility highlight the strong views held by their membership whereby L2 is an essential stepping stone particularly for young people which provides them with a much-needed engagement. As a result, they may be motivated to continue pursuing studies beyond L2 in future. There are some sectors such as Hair & Beauty where a learner must start on L2, and whilst this could be combined into a L3 qualification, the course duration would be longer and there would be the loss of the stepping stone qualification and the motivational impact.

While these vital qualifications have the potential to advance the social mobility of disadvantaged learners, low-level qualifications tend to be inadequately funded despite being taken up by the some of the most challenging individuals who need the most support. For example, a learner's development of English and maths can be adversely impacted by poor funding for these essential elements of apprenticeships. This is the case for Functional Skills whose current funding rate (£471) is significantly lower than the standalone rate (£725). The Government has announced that English and maths for T Levels will be separately funded at the standalone rate and therefore there is an urgency for an alignment of funding rates to ensure that the teaching of Functional Skills remains viable within the apprenticeship programme.

With regard to T Levels, L2 is an important general entry point for those who have been let down at school and have not attained it at the end of their compulsory education period; more specifically, many occupations require entry at L2 no matter what prior learning has been attained. In precluding L2 from inclusion in T Levels, there is, therefore, a risk of losing one of the lower rungs of general social mobility. As stated above, it is right that the Government has now decided to review the L2 pathways that are available.

Key Facts

- EUROSTATS (2012) illustrates the percentage of 18 year-olds participating in education in Germany (86.1%) and France (76.9%) is much higher than that of the UK (63.3%).
- The unemployment rate among economically active 16-24 year-olds currently stands at 12.3% (Nov 17-Jan18)⁵ with the rate of 16-24 year-olds not in full-time education at 11.1% (Oct-Dec 17)⁶.

³Department for Education. (2018). *Revised GCSE and equivalent results in England, 2016 to 2017*.

⁴Skills Commission. (2018). *Spotlight on... Apprenticeships and Social Mobility*.

⁵Office for National Statistics. (2018). *Statistical bulletin: UK labour market: March 2018. Estimates of employment, unemployment, economic inactivity and other employment-related statistics for the UK*.

⁶Department for Education. (2018). *NEET Statistics Quarterly Brief October to December 2017, England*.

- Entry into the labour force at L2 is incredibly valuable to young people, particularly those who are disadvantaged, which was evidenced by Rathbone Training which identifies 77% of 16-18 year-olds they work with start on L2 programmes.
- There are just 56 apprenticeship standards approved for delivery at L2 compared to 130 frameworks.
- Q1 of 2017-18 shows starts in higher and degree apprenticeships increased 27% and while this may enhance the social mobility of Higher Education, the finite budget under the apprenticeship levy means that this growth is limiting the social mobility impact on society as a whole, particularly where university is a distant aspiration.

In addition to the facts above, there has been little growth in the number of starts for under-19's since 2010 and for 19-24 year-olds since 2011. More recent data from the Department for Education⁷ highlights apprenticeship starts in the first two quarters of the 2017/18 academic year for learners under 19 had declined by 15.7% compared to the same period in 2016/17.

The Social Mobility and Child Poverty Commission⁸ highlights the growth in apprenticeships for under-25's being outpaced by starts for over-25's. Levy paying employers are also prioritising higher and degree level apprenticeships over intermediate levels which are vital starting points for the young, the inexperienced and the disadvantaged. Lower level opportunities need government intervention and funding as the market alone will not incentivise these opportunities.

In a push to drive up quality, technical education at L2 and below should not be sidelined due to erroneous claims that lower level qualifications equal low quality and poor value for learners. In fact, low level does not mean low quality and some of the biggest transformations happen moving from L1 to L2. Therefore, for those seeking to improve their social mobility, L2 qualifications provide that important foundation.

Given that youth unemployment figures are higher than the average unemployment rate (currently 4.3%- Oct-Dec 17), it is important that provision at L2, for example, be accessible to enable young people to prepare to enter the labour market.

The Indices of Multiple Deprivation 2015/16 examines the volumes of Adult (19+) participation in further education and skills participation and it is evident that the uptake of qualifications below full L2 is much greater in the most deprived quintile. For example, 32.3% (274,000) of L2 participation was in the most deprived quintile compared to 10.7% (90,400) in the least deprived quintile – that is three times as many learners in the most deprived areas compared to least deprived areas participating below Full L2.

In addition, the FAB Technical Education Report (Table 1 – see below) examines data comparing the socio-economic makeup of learners in English Further Education according to

⁷ Department for Education. (2018). *Further Education and Skills: March 2018*.

⁸ Social Mobility and Child Poverty Commission. (2016). *Apprenticeships, young people, and social mobility: The Social Mobility and Child Poverty Commission's submission to the Apprenticeships Inquiry by the subcommittee on Education, Skills and the Economy*.

the ILR highest learning aims. The data illustrates learners that participate at L2 have the lowest deprivation score - that being 24.13 for 16-18 year-olds and 23.83 for 19-24 year-olds are more likely to enter Further Education at L2. Therefore, apprenticeships at L2 for both 16-18 year-olds and 19-24 year-olds play an important role in social mobility as these cohorts tend to be more socially deprived than the average for England entirely. Additionally, young people from socially disadvantaged backgrounds constitute a higher proportion of young people that fail to achieve good grades at GCSE. Therefore programmes such as apprenticeships, for example, at L2 are an important stepping stone to securing employment.

Table 1: Comparing the socio-economic makeup of learners in English FE according to ILR highest learning aims

Achievement	IMD Low (Least deprived 1/3)	IMD Middle 1/3	IMD High (Most deprived 1/3)	Mean IMD for FE learning	Mean IMD for England
16-18 years old					
Below Level 2	17.70%	27.29%	55.01%	29.99	21.63
Level 2	24.89%	30.86%	44.25%	25.89	21.63
Full Level 2 (not incl. apprenticeship)	24.07%	30.29%	45.65%	26.29	21.63
L2 Apprenticeship	29.22%	31.45%	39.32%	24.13	21.63
Level 3	30.53%	31.81%	37.66%	23.20	21.63
Full Level 3 (not incl. apprenticeship)	34.57%	32.16%	33.27%	21.57	21.63
L3 Apprenticeship	36.44%	34.64%	28.92%	20.15	21.63
Level 4+	34.90%	32.93%	32.17%	21.37	21.63
19-24 years old					
Below Level 2	20.18%	28.07%	51.75%	28.75	21.63
Level 2	25.46%	31.67%	42.87%	25.39	21.63
Full Level 2 (not incl. apprenticeship)	23.29%	29.49%	47.22%	26.89	21.63
L2 Apprenticeship	29.91%	31.78%	38.31%	23.83	21.63
Level 3	28.89%	32.09%	39.02%	23.75	21.63
Full Level 3 (not incl. apprenticeship)	27.31%	31.89%	40.81%	24.35	21.63
L3 Apprenticeship	33.88%	32.77%	33.35%	21.61	21.63
Level 4+	32.47%	33.36%	34.17%	22.03	21.63

Source: FAB Technical Education in England

L2 qualifications studied by those considered most disadvantaged are more likely to be taken up to increase employment prospects compared to those in affluent areas. Therefore, it is vital to consider the importance of L2 qualifications for those who are most disadvantaged and understanding the mobility opportunities L2 provision provides for this cohort.

AELP proposes:

- **The apprenticeship levy’s introduction has led to an imbalance of provision with a greater focus on higher and degree levels programmes, driven mostly by large employers. Within a finite budget, provision for lower levels of apprenticeships needs better protection while SME demand for it remains strong.**

- For 16-24 year olds at L2 and L3, there should be no employer contribution for non-levy payers or for those that exceed their levy. This will help to alleviate the decimation of starts among young people since May 2017.
- The young person's (aged 16-18) incentive should be a percentage of apprenticeship funding bands while maintaining £1,000 as a minimum. This is to ensure providers can continue to provide a high-quality programme and for employers to have a more heavily weighted financial incentive to support the recruitment young people into an apprenticeship role.
- The acquiring of Functional Skills should attract the same level of funding in the workplace as it receives for classroom learning.

3. Brexit and Labour Market Implications for Key Sectors

As the media reports almost daily, Britain's decision to exit the European Union is already impacting on certain sectors of the economy in terms of labour and skills needs, for example, in the NHS, car manufacturing, agriculture, hospitality and social care.

However, it can be argued that Brexit has provided an opportunity with regard to L2 qualifications as they will be important now more than ever before. Four sector examples below illustrate why.

Social Care

- As at 2015/16, 90,000 (7%) of local authority and independent sector jobs were held by EU Nationals. In London, this figure rises to 13% of the workforce.
- Historically, the social care sector is known to have a high turnover rate, currently at 27.8%.
- The Nuffield Trust⁹ estimates a shortfall of 70,000 social care workers by 2025-26- a figure that should be of concern, given the increasing numbers of the UK's population that require some degree of care.
- To fill this shortfall, qualifications at L2- the minimum required to work in the care sector will be important in this process.
- Since the referendum result, the Nursing & Midwifery Council¹⁰ have reported the number of nurses and midwives from Europe leaving the Nursing and Midwifery Council's register between Oct16-Sep17 increased by 67% compared to the 12months before, while the number joining it fell by 89%.

⁹Nuffield Trust. (2017). *General Election 2017: Getting a Brexit deal that works for the NHS*.

¹⁰ Nursing & Midwifery Council. (2017). Increasing number of nurses and midwives leaving profession 'highlights major challenges faced by health and care sectors'.

With the growing demand for care across the UK, L2 qualifications as the minimum qualification required to work in the profession will be a vital starting point for those entering the sector. This is particularly important if there will be a reliance on UK workers to fill a large number of vacancies in a very short time period.

Construction

- IPPR's 'Building Britain's Future?' report¹¹ highlighted 1 in 10 workers in the construction sector were born in the EU. The proportion of migrants working in construction has increased five-fold between 2003-2016.
- CITB's Migration & Construction Report (2017)¹² highlights that half of London's construction workers are classified as non-UK, originating from EU Accession countries such as Poland, Romania, and Lithuania.
- The Home Builders Federation Workforce Census (2017)¹³ references the percentage of non-UK workers in London by trade with 60% working in general labour, 70% in carpentry and 65% in demolition.
- Furthermore, the report emphasised Brexit risks turning existing skills challenges into workforce crises particularly as the construction sector has few occupations on the shortage of occupations list with those on the list being limited to highly-skilled engineering construction occupations.
- Given that the sector has been so reliant on EU labour over the past 15 years and there are no occupation shortages listed at L2 and L3, these will be important entry routes for UK workers to work in the construction sector.
- IPPR identified in the construction sector that 55% of employers recruited EU workers over British workers due to there being a lack of skilled UK applicants.
- Following the referendum, the CPA's Construction Trade Survey¹⁴ has reported in Q4 2017, 67% of contractors stated they had difficulty recruiting bricklayers and 50% had problems recruiting carpenters and joiners.

In the short term at least, Brexit is likely to worsen the construction sector's skills shortages and so L2 qualifications such as Carpentry and Joinery as well as Bricklayer apprenticeships are pivotal to ensuring employers have a sufficiently skilled workforce.

Hospitality and Tourism

- The hospitality sector is the fourth largest employment sector in the UK, accounting for 4.5m workers with 700,000 (15%) from the EU.

¹¹IPPR (2017). *Building Britain's Future? The construction workforce after Brexit.*

¹²CITB. (2017). *MIGRATION AND CONSTRUCTION: The view from employers, recruiters and non-UK workers Full Report – June 2017.*

¹³Home Builders Federation. (2017). *Home Building Workforce Census.*

¹⁴Construction Products Association. (2017). *Construction Trade Survey.*

- The British Hospitality Association¹⁵ estimates that EU workers in London account for 35-40% of the workforce and in some businesses, this figure stands closer to 65%.
- Between 2011-2015, the number of migrant workers in hospitality and tourism increased by 22% with the majority of this increase coming from EU countries.
- According to the Migration Observatory at Oxford University¹⁶, estimates suggest 96% of EU workers in this sector would be ineligible for a work permit issued under the existing rules for non-EU nationals.
- Most notably, research conducted by KPMG¹⁷ highlights that 43% of lower level occupations in the hospitality sector are filled by EU nationals.
- The HBAA (the events and hospitality association) survey¹⁸ of its members showed that 20% of hotels have seen an effect on their access to recruitment and the efficiency of recruitment activities, since the referendum result.

L2 qualifications are incredibly important to the hospitality and tourism sector as they are entry routes into sustainable employment. Given the figures above show a reliance on EU nationals for lower level occupations, L2 apprenticeships have a vital role in the skilling of British workers to fill this void. The situation is worsened by there being currently no apprenticeship standards at L2 for the sector with employers having to rely on apprenticeship frameworks whose funding makes them no longer viable.

Retail

- The British Retail Consortium (2017)¹⁹ estimate 170,000 EU nationals are working across the retail industry with 26% of retail employees working in distribution in the Midlands originating from the EU. This figure rises to 34% in London.
- With regards to skill level and qualifications required to work in this sector, 44% of skilled work is filled with EU workers in retail which requires a qualification.
- Most notable is that EU workers fill 83% of unskilled retail positions across the UK.

It is evident in these sectors that staff shortages could get worse if Brexit is accompanied by migratory controls on EU nationals. If the UK's domestic workforce is to be encouraged to work in them, it is important that L2 qualifications are available as these will be important stepping stones for those either entering the labour market or reskilling. Additionally, in some

¹⁵British Hospitality Association. (2016). *British Hospitality & Tourism Industry Brexit Strategic Response*.

¹⁶The Migration Observatory. (2016). *Potential Implications of Admission Criteria for EU Nationals Coming to the UK (Pre-referendum)*.

¹⁷KPMG. (2017). *Labour migration in the hospitality sector*.

¹⁸HBAA. (2017). *More than half of hotels and conference venues have seen a noticeable impact from Brexit, say HBAA members*. Available [here](#). Accessed: 5 May 2018.

¹⁹British Retail Consortium. (2016). *A FAIR BREXIT FOR CONSUMERS The People Roadmap*.

sectors, a L2 qualification is the only requirement to fulfil that role thus acting as a recognition of skills which enables an individual to get a sustainable job. For example, business and administration apprenticeships at L2, which some perceive to be generic actually equip the learner with valuable skills that are in demand from employers from both the public and private sector alike. This is often the first step for many learners into sustainable employment with the option of advancing their careers should they wish to do so.

It is discouraging that generic programmes such as Management at a higher level are celebrated, yet when it comes to the equivalent at L2 such as business administration, they are often dismissed as low value, an attitude that needs to change. Furthermore, there is an urgency that the development of apprenticeship standards at L2 demonstrates clear pathways into higher level programmes, which can be apprenticeships or classroom-based learning, thus providing a clear route for learners to know what progression opportunities are available to them.

The current challenges are made greater by the fact that from May 2017 the funding for apprenticeship frameworks in some key sectors was cut even though there were no equivalent standards ready to replace them and this is an issue which persists over a year on. For example, the rate for a 16 to 18 year old accounting assistant at L2 was slashed by a quarter and yet the replacement standard is still in development. Similar examples exist in business administration, digital industries and plumbing where there are not even standards in development to replace the frameworks. It may be that employers on some apprenticeship trailblazers have decided that a L2 standard is not required for their sector but this may also be due to many trailblazers being dominated by the large employers when demand for L2 standard exists among SMEs. So if an apprenticeship is not available, then other forms of L2 provision are needed to support those sectors, especially where they act as a gateway for people to secure employment. In the light of the government's decision to delay switching off many frameworks until 2020, AELP believes that the funding of frameworks at L2 should be reviewed and, if necessary, corrected to make them viable again.

AELP proposes:

- **an urgent review and correction of L2 apprenticeship framework funding rates which have been reduced without an equivalent replacement standard approved for delivering apprenticeships.**

4. The Replacing of ESF

AELP supports the need to address the future of the European Social Fund (ESF) post-Brexit, funding totalling £8.7bn (for the period 2014-20) which assists in the provision of technical education to a variety of learner cohorts, from young disadvantaged to prisoners.

Case studies from our membership highlight the importance of ESF; for example Preston College leads on an ESF-funded programme titled 'Lancashire Moving on Project' which supports 14-19 year-olds and young people up to age 24 if they have an Education, Health

and Care Plan (EHCP), to bridge the gap between a young person being disengaged or at risk of becoming disengaged and getting them into paid employment, education, apprenticeships or traineeships. The outcomes so far include an 80% success rate with the majority of young people going on to do an apprenticeship or participate in education.

Similarly, CT Skills run an ESF-funded programme across Derbyshire and Nottinghamshire LEP aimed at 16-24 year-olds who are NEET, inactive or unemployed with the aim of getting this cohort into employment, boost self-esteem and gain employability skills. This project is delivered through elements of funding for accredited qualifications (at L2) with four destination targets; traineeships, apprenticeships, employment or education.

Both case studies illustrate the importance of additional support for disadvantaged young people who are most likely to enter their education at L2. With the future of ESF in doubt, vital services that assist young people to enter the labour market may cease to exist; therefore it is crucial that the government funds these programmes to ensure continuity and support a cohort that would otherwise be left behind.

Now more than ever before, there has been a strong focus on ensuring learners in the prison estate are gaining skills and qualifications to help fill skill shortages that might be exacerbated by Brexit. However, research by the Prison Reform Trust²⁰ highlights the number of qualifications achieved by offenders at L1/L2 has fallen by 38% (English) and 35% (Maths) respectively between the 2011/12 and 2015/16 academic years.

This does not bode well for any policy intent on improving successful rehabilitation rates with prisoners released and equipped to work with the right skills. Currently, 3 in 10 people within the prison estate struggle with one or a combination of challenges such as mental health and learning difficulties, making qualifications at L2 and below extremely important for this cohort. If prisoners are to be expected to contribute to sectors of the workforce that struggle with skill shortages, it is important they have the right levels of qualifications available to them. Being a cohort furthest away from the labour market, L2 programmes has the potential to bridge the gap for prisoners upon release by giving them prospects of meaningful employment. This is especially so given Ministry of Justice's recent publication of the Education and Employment Strategy whereby employers will be encouraged to train and recruit prisoners to help fill Britain's skills shortages. Programmes such as the Prisoner Apprenticeship Pathway which will focus on sectors such as construction, hospitality and catering have job roles that require starting on a L2 apprenticeship before progression to L3 can take place; therefore the importance of L2s should not be underestimated.

As ESF funding is due to conclude in 2020, the successor UK Shared Prosperity Fund must ensure that education and skills remains a priority for future funding. Given the proportion of low-level programmes ESF currently funds, it is vital that they are protected and continue to serve learners in areas of disadvantage who may otherwise have no alternative opportunities to acquire skills needed for employment.

²⁰Prison Reform Trust. (2017). *Prison: the facts Bromley Briefings Summer*.

AELP proposes:

- A stronger understanding and acceptance that L2 apprenticeships are vital for productivity gains and social mobility, particularly post-Brexit, and a fundamental component of the apprenticeship family.
- An alternative to ESF to ensure continuity in the current provision of programmes in place that supports the most disadvantaged.

5. Productivity and why a Level 2 Standard merits being called an Apprenticeship

On the UK's productivity woes, a frequently asked question is, 'Why does it take Britain 5 days to complete something the French and Germans complete in 4 days?' In comparison to G7 countries, only Canada and Japan fare worse than the UK which has seen productivity levels stagnate following the 2008 financial crisis. In a bid to overcome the country's productivity challenges, the Government launched the ambitious Industrial Strategy²¹ at the end of 2017 which recognises that people and the skills they have are a key driver of productivity. The Strategy identifies 5 foundations of productivity including:

- 1) People - good jobs and greater earning power for all
- 2) Places - prosperous communities across the UK.

To achieve this, key policies include:

- Establish a technical education system that rivals the best in the world to stand alongside our world-class higher education system,
- Invest additional £406m in maths, digital and technical education, helping to address STEM skills shortage,
- National Retraining Scheme that supports people to reskill, starting with a £64m investment for digital and construction training.

While much-needed investment in further education is welcomed, it is important that sufficient investment is channelled towards lower level qualifications such as intermediate apprenticeships. If parts of our workforce will be required to retrain as we embark upon an age of automation, opportunities must be available at L2 as a minimum to assist learners through this transitional period. Furthermore, workers should be encouraged to progress beyond L2, thus freeing up entry roles for those wishing to enter the labour market. Failure to do so will only exacerbate existing productivity challenges.

Employer Impact example 1:

Mike Thompson, head of apprenticeships at Barclays, said the banking giant's own research showed that the biggest gains in productivity at the company came from one of the level 2 apprenticeships it offered, and the greatest net productivity gain from one of the level 2 apprenticeship schemes had the potential to boost output by £1.8 million. Across the business, each apprentice boosted productivity by £18,000 over a four year period.

Source: TES, 8 May 2018

²¹HM Government (2017) *Industrial Strategy: Building a Britain fit for the future.*

Most importantly, if the UK is to have a technical education system that is fit for purpose, the ill-informed elitist rhetoric that a L2 apprenticeship under the new standards is not a proper apprenticeship should end. The stigma of technical education being ‘for other people’s children’ must also be quashed and good quality providers should be encouraged to offer qualifications regardless of their level if they meet local employer needs. As ministers say, skills providers are now responding to employers in the driving seat.

The appendix to this paper sets out the competencies that a successful apprentice needs to demonstrate to complete a new standard at L2 for four apprenticeships that are crucial to the economy. It beggars belief that anyone after reading the lists of skills, knowledge and behaviours required would maintain that a person completing such a programme could not call themselves an apprentice.

Employer Impact example 2:

“The benefit to Courtlands School of supporting the Level 2 apprenticeship scheme has been enormous. We have been able to build a true career path for staff and new entrants to the profession which is tailored to our needs. The level of candidate provided by Skills Group has always been extremely high and the commitment the apprentices have shown to their own development has been excellent. Getting people at the very start of their careers in education has enabled us to grow our own staff within the workplace, providing them with bespoke training and mentoring.

Our apprentices rapidly become valued members of our workforce, and to date, every apprentice we have had has either remained with us to complete their level 3 or moved on to full employment either with us or with other school colleagues locally. We are very proud to support the next generation of the children’s workforce, and the level 2 scheme does capture people who may not have been academically brilliant at school, but have real skills with children and the capacity to complete their level 3 English and Maths at a later date.”

Lee Earnshaw, Headteacher, Courtlands School

Employer Impact example 3:

“By offering level 2 apprenticeships with the support of HIT Training, we are able to equip our new starters and less senior staff with the necessary skills required for success in the competitive environment in which we operate. This also supports being an employer of choice and helps to ensure that our people are fully engaged and motivated to consistently deliver an exceptional experience to our customers. The level 2 apprenticeships allow us to give people a great opportunity to develop their career with us, progress and learn a skill or trade that will accompany them throughout their career and life.”

Paul Biddle, Director HR, Harrison’s Catering

It would be manifestly unfair to deny thousands of young people, often not suited to classroom learning and from disadvantaged backgrounds, the opportunity of referring to themselves as apprentices when demonstrating their undoubted talents. Proud parents should also not be denied referring to their children on these programmes as an apprentice.

AELP shares the view that progression from L2 to higher levels should be encouraged but as we have pointed out in other representations to policymakers, the co-investment requirement for non-levy paying employers is acting as a significant barrier against this, i.e. SMEs do not want to have to pay twice.

The Industrial Strategy includes a commitment to develop digital skills needed for jobs of the future, including a focus on priority skills such as digital, committing £30m in investment to test artificial intelligence (AI) and innovative education technology in online digital skills courses. Furthermore, the Strategy promotes digital skills entitlement to support basic training as the economy changes thus requiring people to reskill and upskill. However, we are concerned that digital skills at L2 have been removed as a requirement for all apprenticeships which is detrimental to the long-term needs of the apprentice and, we would argue, the economy. This is counter-intuitive to the aspirations of the Industrial Strategy and AELP would encourage a rethink over L2 digital skills to be considered on par with English and maths requirements.

The benefits of apprenticeships and their return on productivity have been highlighted by AAT (2018).²² Their recent survey on the importance of apprenticeships among small businesses throughout England, mentions that 90% of respondents agree to take on apprentices have contributed to boosting productivity. With regard to apprenticeships, SMEs are the largest employers of apprentices, particularly among those under 25 which the levy reforms have so far decimated. Given that SMEs account for 99% of private sector businesses in the UK and are responsible for 60% of recruitment, there must be greater government commitment to boosting the UK's productivity and supporting SMEs through the apprenticeship reforms. Therefore, it is imperative that SMEs are given a guaranteed budget of £1bn per annum to boost the recruitment of young apprentices. It is also important that L2 qualifications are protected for those under 25 who are likely to be enrolled at this level as they are entering the job market, or they've left school without the necessary prerequisites (5 GCSEs at A*-C or 9-4) and therefore must start at L2.

AELP proposes:

- **AELP strongly believes that qualifications at L2 are a vital ingredient in improving workforce productivity, and should be very clearly a significant part of the apprenticeship offer and be a pathway to T Levels.**
- **Guaranteed funding of at least £1bn a year for non-levy paying SMEs for their apprenticeship needs.**

About AELP

Members of the Association of Employment and Learning Providers (AELP) support employers in the delivery of 3 out of every 4 apprenticeships in England and they deliver other publicly funded skills and employment programmes. The majority of AELP's 880+ members are independent private, not-for-profit and voluntary sector training and

²²Aat.org.uk. (2018) *Majority of smaller businesses realise the value of apprenticeships* | AAT. [online] Available at: <https://www.aat.org.uk/news/article/majority-smaller-businesses-realise-value-apprenticeships>

employment services organisations with employers, universities, FE colleges, schools and end-point assessment organisations joining AELP in increasing numbers.

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Appendix

Content of Level 2 Standards for Four Sectors Critical to a Post-Brexit Economy

Level 2 Adult Care Worker (Health & Social Care)

Communication skills, care and compassion, health & safety, regulation and legislation, substance control and handling, safe working practices, risk assessment, cognitive impairments, sensory impairments and physical impairments.

- Reduce the spread of infection
- Identify, respond to and escalate changes to physical, social, and emotional needs of individuals
- Access, follow and be compliant with regulations and organisational policies and procedures
- Contribute towards the development and creation of a care plan underpinned by the individuals' preferences in regard to the way they want to be supported
- Supporting with social activities, monitoring health, assisting with eating, mobility and personal care
- Recognise unsafe practices in the workplace
- Support individuals with cognitive, physical or sensory impairments
- Support people in ways that may challenge their personal/cultural beliefs
- Recognise potential signs of different forms of abuse
- Carry out fire safety procedures when required
- Use risk assessments to support individuals safely
- Recognise symptoms of cognitive impairment, e.g. Dementia, learning disabilities and mental health
- Monitor and report changes in health and wellbeing for individuals they support

Level 2 Commis Chief (Hospitality)

Food safety, food preparation, food storage, teamwork, technical culinary skills, equipment usage, wastage, stock control, stock rotation and risks and hazards in the workplace.

- Know how to undertake set up, preparation and cleaning tasks to standard whilst working in a challenging, time-bound environment
- Identify the principles of basic food preparation and cooking; taste; allergens; diet and nutrition
- Demonstrate a range of craft preparation and basic cooking skills and techniques to prepare, produce and present dishes and menu items in line with business requirements
- Use correct knives and knife skills when preparing food and use the correct equipment when preparing, cooking and presenting food
- Apply correct preparation and selection methods when using meat, poultry, fish and vegetables in dishes
- Complete preparation and cooking tasks to a high standard, delivered on time and presented as described within the recipe specification
- Store, prepare and cook ingredients correctly to deliver a quality product that is safe for the consumer

- Follow safe working practices when storing, preparing and cooking ingredients to maintain their quality and safety
- Understand the principles of supply chain and waste management
- Recognise potential risks in the working environment, how to address them and the potential consequences of those risks

Level 2 Customer Services Practitioner (Service Sector)

Customer interaction and experience, legislation and regulation, product and services knowledge, communication, influencing, interpersonal skills, teamwork and systems and processes.

- Understand the different needs and priorities of your customers and the best way to manage their expectations, recognising and knowing how to adapt style to be highly effective.
- Know the internal policies and procedures, including any complaints processes and digital media policies that are relevant to you and your organisation.
- Know the appropriate legislation and regulatory requirements that affect your business
- Understand types of measurement and evaluation tools available to monitor customer service levels.
- Use a range of questioning skills, including listening and responding in a way that builds rapport, determines customer needs and expectations and achieves positive engagement and delivery.
- Understand the products or services that are available from your organisation and keep up-to-date.
- Provide clear explanations and offer options in order to help customers make choices that are mutually beneficial to both the customer and your organisation.
- Use appropriate sign-posting or resolution to meet your customers' needs and manage expectations.
- Treat customers as individuals to provide a personalised customer service experience.

Level 2 Retailer (Retail)

Stock control, merchandising, legal, environmental impact, branding, product knowledge, marketing, sales & promotion, communication skills, financial skills and customer interaction.

- Positively interact with customers, using business-relevant methods for example face to face or online, to support and increase sales by providing useful information and service
- Understand the principles of operating commercially and supporting the overall financial performance of the business for example by aiming to exceed targeted sales and reduce wastage and returns
- Know how the business positions itself in order to increase its market share and compete against its main competitors, for example, its unique selling points, its straplines, promotions and advertising campaigns

- Know how to identify and determine individuals' situation and needs and how to respond in the most appropriate way in line with the business culture (for example the difference in how a branded goods retailer would communicate to their customers would be very different from an individual that retails a funeral service, or someone that needs to convey highly technical product information)
- Use a variety of sales techniques when providing customers with information that are appropriate to the business and actively sell the benefits of seasonal offers for example, through in-store or online promotions
- Respond to situations that threaten brand and business reputation in line with company policy and alert the relevant person if a threat is identified
- Actively use techniques to optimise sales through effective product placement, ensuring product displays remain attractive, appealing and safe to customers
- Comply with legal requirements to minimise risk and inspire customer confidence; minimising disruption to the business and maintaining the safety and security of people at all times



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