



## **House of Commons Education Committee Report: The apprenticeships ladder of opportunity: quality not quantity 8<sup>th</sup> October 2018**

The following document provides a summary of the recommendations from the House of Commons Education Committee Report: *The apprenticeship ladder of opportunity: quality not quantity*, published on the 8<sup>th</sup> August 2018.

The recommendations in the Education Committee's report, expertly steered by their chair Robert Halfon, are to be warmly welcomed and the government should waste no time in implementing all of them. Ofsted's chief inspector has said that 80% of current apprentices are receiving good or outstanding training. That said, every apprentice should be on at least a good programme and the Committee has hit the nail on the head when it identifies as a major issue the government's letting into the apprenticeship market a mass of untested providers and assessors with few controls and limited monitoring.

AELP especially agrees that the current quality control over end point assessment is diabolical and that Ofqual should be given sole responsibility for quality assurance. The reputation of good providers and assessment organisations is suffering because of a confused approach and a lack of control which means that all providers and assessment organisations are in danger of being tarred with the same brush.

We are pleased that the MPs have addressed the key priorities which need rectifying in the levy reforms to ensure that SMEs can start offering again more apprenticeship opportunities to young people including disadvantaged and LLDD learners. Ministers should act immediately on the Committee's funding recommendations to restore previous programme start numbers, particularly at levels 2 and 3 so that the 'ladder of opportunity' doesn't become the pit of despair.

AELP is also greatly encouraged that many of its own recommendations have been incorporated into this report. These include:

- a more flexible approach to off-the-job training requirements, using a standard by standard approach
- better management of the transition from the old frameworks to the new standards
- the abolition of the apprentice minimum wage and a review of how the benefits system is acting as a barrier to more people doing an apprenticeship
- getting tough on compliance with the Baker Clause to improve careers advice in schools.

AELP agrees with much of the Committee's observations on subcontracting although there must always be room to allow specialist delivery by subcontractors if it meets the employer's

requirements. The AELP/Collab Group/Holex best practice guidance says that a 20% management fee for subcontracting should essentially be a maximum and that in most cases the fees should be less, and we believe this should be written into the ESFA's funding rules.

AELP CEO Mark Dawe said:

*'The Education Committee has obviously considered very carefully what employers and providers have said about where the levy reforms have been going wrong and the MPs have come up with the right solutions which ministers should implement without delay.'*

*'We are particularly heartened by the Committee's observation that value for money is becoming a synonym for cheaper. As the MPs say, high quality provision costs and setting funding bands so low as to reduce the quality of training or dissuade employers from recruiting apprentices is a false economy. AELP totally agrees and the government and its agencies need to heed this message as it moves forward with further reform.'*

*'Good quality is vital but equally the social mobility agenda can only be served if we have a funding system that puts right the disastrous fall in apprenticeship opportunities which smaller business offer our young people, especially now that the government is now committed to migratory controls after Brexit.'*

### **Education Committee conclusions and recommendations: *Quality***

1. We recommend that the Government continues to carefully monitor whether bodies responsible for apprenticeship quality have enough resources to fulfil their roles and acts quickly to remedy any emerging capacity issues.
2. We recommend that new providers judged by Ofsted to be making insufficient progress should be removed from the register of apprenticeship training providers.
3. We recommend that the Government places a cap on the amount of training new providers can offer. This cap should remain in place until they have been found to be making sufficient progress by Ofsted.
4. We recommend that all new apprenticeship training providers should receive at least a monitoring visit from Ofsted within a year of being approved to deliver training by the ESFA.
5. We recommend that Ofqual should be given responsibility for the external quality assurance of all end-point assessments.
6. We recommend that the Institute for Apprenticeships makes the growth of degree apprenticeships a strategic priority.
7. We recommend that the role of the Institute's apprentice panel be formalised: its recommendations to the Institute's board and the board's responses should be published.

8. We recommend that the Government establishes and promotes an improved complaints procedure for apprentices.
9. While we recognise there should be a minimum amount of off-the-job training, we recommend that the Government conducts pilots with apprentices and businesses to explore the effect of introducing greater flexibility in the amount required by each apprenticeship standard. If results are positive, it should introduce greater flexibility across the system.
10. The transition from apprenticeship frameworks to standards has been mismanaged by successive Governments. Employers have been let down.
11. We recommend that the Institute mandates the inclusion of clear paths to progression within apprenticeship standards. These paths should be linked to a system of progression maps created and promoted by the Institute.
12. We recommend that the Government increases the top funding band to better match the full cost of delivery for some apprenticeships. It should also double the time employers have to spend their funds to 48 months and allow them to transfer more of these funds to firms in their supply chain.
13. We recommend that Ofsted conducts a review of subcontracted provision across the country and produces a survey report setting out its findings, drastically increases the number of monitoring visits of subcontracted provision it undertakes and inspects the largest subcontractors separately so that they receive a rating based on all the training they offer, regardless of lead provider.
14. We recommend that the Government caps the management fee a lead provider can charge a subcontractor. It should consult on the level at which the cap should be set. Lead providers should have to justify to the ESFA the management fees they charge.
15. We recommend that the Government tightens the requirements on providers who subcontract their provision. Lead providers should have to deliver a significant amount of their apprentices' training.

#### **Education Committee conclusions and recommendations: *Social Justice***

16. We recommend that the Government increases incentive funding for small and medium-sized businesses and social enterprises who recruit young and disadvantaged apprentices, and explores other potential incentives to encourage recruitment of young and disadvantaged people.
17. We recommend that the Government extends the existing co-investment waiver for smaller employers to cover all 16–18 year-olds, and more disadvantaged 19–24-year-olds, employed by non-levy-paying employers.

18. We recommend that the Government introduces bursaries for other disadvantaged groups modelled on the care leavers' bursary.
19. We recommend that the Government creates a social justice fund, using money from the apprentice levy, to support organisations that help disadvantaged people become apprentices.
20. We recommend that the Government continues to raise the apprentice minimum wage at a rate significantly above inflation. In the long term, it should move towards its abolition.
21. We recommend that the Government redoubles efforts to identify and sanction employers who evade the apprentice minimum wage. This means more and effective enforcement, larger fines and many more prosecutions.
22. We recommend that the Government should strongly support existing measures to establish a kite mark for good apprentice employers. This should form part of a drive to ensure all such apprentice employers are aware of their responsibilities.
23. We recommend that the Social Mobility Commission conducts an immediate study into how the benefits system helps or hinders apprentices. The Government should act on its findings. No apprentice should suffer any financial disadvantage as a result of taking up an apprenticeship.
24. The Government must stop dragging its feet over apprentice transport costs. It must set out how it plans to reduce apprentice travel costs, in a way which works for all regions and areas, in its response to our report, if not sooner.
25. We recommend that the Equality and Human Rights Commission conducts a monitoring review of apprenticeship participation by gender, ethnicity and by people with learning difficulties and/or disabilities every three years. Each review should recommend changes to improve Government policy and employer practice.
26. We recommend that the Government introduces a proper UCAS-style portal for technical education to simplify the application process and encourage progression to further training at higher levels.
27. Too many students are still not receiving independent and impartial careers advice and guidance about the routes open to them, including apprenticeships. We recommend that the Government, with Ofsted's support, properly enforces the Baker clause. In its response to this report it should set out how it plans to do this, and what penalties will be imposed on schools that flout their obligations.

A full version of the Education Select Committee report can be accessed here:  
<https://www.parliament.uk/education-committee>

**AELP's submission – 7 key recommendations for the Education Committee:**

1. While the policy is driving for quality improvements in apprenticeships and greater training and development should achieve this, apprentices, employers and inspectors have satisfaction rates of over 80%. We should not be complacent, but we should also be careful not to undermine a well-respected training and development system.
2. Funding has absolute direct correlation to quality of provision. How can any provider deliver a quality apprenticeship, with 20% off-the-job, over a minimum 12-month programme when the maximum amount of funding on some standards and frameworks is up to £1,500 per apprentice? Adequate funding is required to ensure the programmes can be delivered in both a compliant way and produce good or outstanding results for all levels in all sectors.
3. Quality of delivery is not determined by duration and quantity of off-the-job training delivered. Ofsted would agree with this and we need a more flexible approach standard by standard to determine the appropriate forms of delivery to gain the knowledge, skills and behaviour required. It is key to enable greater flexibility on the delivery of off-the-job at a standard by standard level, whilst mandating the requirement for provider and assessment organisation involvement and expertise advising every trailblazer group.
4. Many aspects of the current policy are having the unintended consequences of simply working against social justice. For example:
  - Removal of nationally recognised qualifications from standards further reduces the mobility of the apprentice. Qualifications are portable and recognised by employers.
  - The drive for higher levels and larger companies leaving the most disadvantaged apprentices isolated in an apprenticeship desert with no local delivery in their local businesses and no ability to step on to the progression pathway.
  - The compulsory employer contribution is a disincentive to hire an apprentice especially when additional work is required to support the most disadvantaged apprentices or younger apprentices with less initial work and life experience. AELP is calling for the government to fully fund apprenticeships for all 16-24 years old at non-levy paying employers.

5. Don't undermine the role which subcontracting plays in the system until the clunky current funding system is replaced in April 2019. The results of the ITT issued in December 2017 resulted in a decline of nearly 200 incumbent providers, a catastrophic 30% cut. So the problem remains that around 1 in every 3 providers on the register still can't deliver apprenticeship training to non-levy paying employers. It is critical to consider the impact on specialist provision, the need for appropriate coverage with regard to geography, programme level and sector. Over the next 18 months there is more flexibility needed in the rules to allow new sub-contracting delivery models to develop rather than expecting providers to shift to the new rules immediately from January 2018. From April 2019 there will be more flexibility with all providers on the ESFA's apprenticeship register being able to contract directly but rules should not be stifling valuable consortium approaches.
6. Give Ofsted sole overarching responsibility for determining quality, particularly for on-the-job training within all apprenticeships whatever level, whilst ensuring there is adequate resource to do this, and that the Common Inspection Framework (CIF) is valid and current.
7. Give Ofqual the responsibility as the single overarching responsibility body for external quality assurance (EQA) - they have the required expertise and the apprenticeship system requires consistency and robustness.

A full version of AELP's submission to the Committee in March 2018 can be accessed here: <https://www.aelp.org.uk/media/2017/submission-48-education-committee-inquiry-into-the-quality-of-apprenticeships-and-skills-training.pdf>

Association of Employment and Learning Providers  
October 2018