

# ENGLAND'S APPRENTICESHIPS

Assessing the new system

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The government is in the process of introducing a new apprenticeship system for England, which will be phased in over the coming years. The new system is intended to be more 'employer-led', and takes its inspiration from the medieval notion that employers should set the standards for trainees entering their profession.

We support the desire to create a strong apprenticeship system. Over the last 30 years there has been a decline in the youth labour market, which has made it harder for young people to transition from full-time education into work. Many English firms have also failed to invest in the skills of their workforce or raise productivity. An expansion of high-quality apprenticeships could help to address all of these problems, and open up more 'earning and learning' routes for young people.

However, current apprenticeship policies are in danger of failing to achieve the government's desired aims.

The government is handing more responsibility to employers for funding, designing, buying and delivering apprenticeships, while at the same time removing the requirement that they include a nationally recognised qualification. In addition to introducing this new apprenticeship system, the government is trying to oversee a rapid expansion of the programme in order to meet its self-imposed target of delivering 3 million apprenticeship starts by the end of the parliament.

We are concerned that these changes will provide insufficient oversight of the content and delivery of these new apprenticeships. While the new system might work well in sectors where there are large employers with a commitment to training the 'next generation' of their workforce, they will not help to improve the skills base in many other parts of the jobs market that are characterised by smaller employers, low-skilled jobs, or less traditional sectors which don't have a shared sense of 'occupational identity' (such as retail). Given that these characteristics apply to a growing share of the jobs market, this is a big cause for concern. England is in danger of introducing an apprenticeship system that would work well in the economy of the 1960s, but is not fit for a 21st-century workforce.

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## KEY FINDINGS

We have identified four areas that are of particular concern.

- **Small and medium-sized employers may not offer enough apprenticeships.** The new system will place an increased burden on small and medium-sized employers in terms of administering apprenticeships, while continuing to require many of them to make a financial contribution to the cost. There is therefore a risk that the majority of employers will not engage in the programme.
- **A market that delivers the cheapest possible apprenticeship for the largest group of people could develop in some sectors.** This is because training providers may compete on the basis of price, not quality, to offer apprenticeships to employers who are keen to recoup their apprenticeship levy, but do not have a desire to improve their skills base. This would result in poor-quality and job-specific training being provided, rather than the high-quality training that helps young people enter a wider profession or occupation.
- **There will be little additional training introduced as a result of the system.** Some employers (especially those operating a 'low pay, low skill' business model) could re-badge existing staff training as apprenticeships, in order to secure government money or 'recoup' their apprenticeship levy. This means there will be little additional training and skills development being delivered as a result of the new system, and it could devalue the apprenticeship 'brand' more widely.

- **The government's target to create 3 million apprenticeships will encourage as many starts as possible, which could see apprentices being placed on inappropriate levels.** The new standards may not create a clear pathway for apprentices to progress into higher-level study. This is a particular problem for young people who complete level 2 courses between the ages of 16 and 19, but who are not properly prepared to move on to a level 3 apprenticeship.

## RECOMMENDATIONS

The concerns outlined above raise a series of policy implications.

- **The government should consider extending the levy to cover smaller employers, and should investigate ways to reduce the administrative burden on employers.**
- **The government should restrict apprenticeships to those sectors in which apprenticeships can add real value. In line with the Sainsbury Review (ITEC 2016),**

we agree that there should be 15 technical routes, restricted to skilled occupations in which there is a substantial requirement for technical knowledge and practical skills. The government should also consider (re) introducing a more formal qualification element to apprenticeships.

- **The government should tighten up the regulation of the new apprenticeship standards, in line with a strengthened Institute of Apprenticeships, and a single common framework of technical standards, as proposed by the Sainsbury Review (ibid).**
- **The government should encourage the growth of apprenticeships at level 3 and above, with the ultimate aim of all apprenticeships being delivered at these levels. In order for this to be successful, it must also create a more clearly defined 'pre-apprenticeship' route at level 2, to ensure that young people can progress into an apprenticeship.**

### Apprenticeship participation by age group, 2010/11–2014/15

	2010/11	2011/12	2012/13	2013/14	2014/15
Under 19	203,100	189,600	181,300	185,800	194,100
19–24	251,900	272,100	294,500	308,900	315,000
25+	210,900	344,800	392,900	356,900	362,600
<b>Total</b>	<b>665,900</b>	<b>806,500</b>	<b>868,700</b>	<b>851,500</b>	<b>871,800</b>
<i>of which 19+</i>	<i>462,800</i>	<i>616,900</i>	<i>687,400</i>	<i>665,700</i>	<i>677,700</i>

Source: BIS and SFA 'Statistical First Release: Learner Participation Outcomes and Level of Highest Qualification Held' (BIS and SFA 2016b)

For the full report, including all references, data sources and notes on methodology, see: <http://www.ippr.org/publications/englands-apprenticeships-assessing-the-new-system>

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