

UK landscape monthly update

November 2015

The policy environment within which City & Guilds works is constantly evolving and we need to keep up-to-date with it. Our external partners may appreciate a short summary of recent developments. Each month we will survey recent news relevant to our work, and focus on one area for a slightly broader perspective. This month's news focus is What Ofsted said about apprenticeships. We have included web links for those who want a more detailed account.

This month's focus: what Ofsted said about apprenticeships

An upcoming Ofsted review of apprenticeships is likely to lay bare "quite a lot of bad practice," Skills Minister Nick Boles said, seeing new Trailblazer standards as the answer to problems. He has also confirmed that employers will have to spend apprenticeship levy money with a registered training provider who is on the SfA register and Ofsted will have a continuing role in inspecting those registered training providers.

<http://feweek.co.uk/2015/10/09/boles-addresses-apprenticeship-standard-quality-concerns/>
<http://feweek.co.uk/2015/10/09/minister-says-ofsted-apprenticeships-review-likely-to-highlight-quite-a-lot-of-bad-practice/>

Ofsted says only 5% of 16-year-olds go into an apprenticeship, which is "little short of a disaster": recruitment into apprenticeships from the youngest age group has been static for more than a decade. Too many employers are "wasting public funds" on poor quality provision and "abusing the trust" placed in them by the government and apprentices. Too many apprenticeships are in the service sectors rather than the ones the economy needs - engineering and construction. Too many older apprentices were already employed in jobs that were converted to apprenticeships. The apprenticeship brand has been devalued, with low level skills such as coffee-making and pre-existing skills accredited, and some learners not even aware they are on an apprenticeship. It is sometimes a way to underpay workers for generally basic work. Very few apprenticeships are delivering professional-level skills in the sectors that need them most: a third of the 45 providers visited "did not provide sufficient, high-quality training that stretched the apprentices and improved their capabilities". Too few employers are offering apprenticeships, with fear of bureaucracy the main barrier. Ofsted calls on better careers advice, and for all providers of apprenticeship programmes to be held to account to ensure they add value to apprentices' careers. AELP said the examples of inappropriate apprenticeships quoted do not exist and distracted from the real problems. It points out that achievement rates are now around 69%, satisfaction rates for employers are high and the benefit of level 2 programmes for apprentices is a significant earnings premium of £48,000 to £74,000 more over a lifetime, and said the Ofsted report had not recognised this data.

<https://www.tes.com/news/further-education/breaking-news/ofsted-low-number-young-apprentices-little-short-disaster>

<http://feweek.co.uk/2015/10/18/ofsted-to-criticise-apprenticeships-for-accrediting-existing-low-level-skills-like-making-coffee-and-cleaning-floors/>

<http://www.bbc.co.uk/news/education-34549989>

<http://feweek.co.uk/2015/10/20/aelp-chief-executive-dismisses-ofsted-criticism-of-floor-mopping-and-coffee-making-apprenticeships/>

Other news

The Treasury National Infrastructure Plan for Skills analyses the skills landscape and its challenges:

- a demand for over 250,000 construction and over 150,000 engineering construction workers by 2020
- a need to retrain and up-skill around 250,000 of the existing workforce over the next decade
- fragmented knowledge of demand and supply – particularly within regions – and fragmented approaches to skills planning limit labour market mobility, so that skilled workers can't move easily between sectors and projects, exacerbating key skills shortages for key projects and programmes.

<https://www.gov.uk/government/publications/national-infrastructure-plan-for-skills>

Functional skills are to be revised with new qualifications from 2018 based on a new set of national literacy and numeracy standards and a new core curriculum.

<http://www.et-foundation.co.uk/news/foundation-welcomes-plans-to-reform-english-and-maths-functional-skills/>

<https://www.tes.com/news/further-education/breaking-news/functional-skills-overhaul-english-and-maths-qualifications>

FE Week revisited correspondents to its pre-election survey and found that their views were

- reforms appeared to be based on little or no evidence: if impact assessments had been carried out, they hadn't been communicated to the people interviewed
- funding (the biggest issue facing the sector in April's survey) is now worse after additional cuts, and described as "not only a car crash, but a multiple pile up"
- the teaching of maths, English and Functional Skills is at the sharp end of this, with budgets grossly inadequate for the policy and lack of trained (schools can offer better pay and conditions than FE) resulting in stress on staff and on the administration of it
- apprenticeships and traineeships bring serious concerns about
 - lack of clarity over standards
 - a lack of information for employers
 - worries that government's 3m target apprenticeships was undermining quality
 - some Trailblazers offered virtually no training
 - far too few employers leading to providers cutting corners or breaking the law — such as creating jobs in college admin departments for business studies-related apprenticeships
 - some private training providers taking on apprentices without an employer.
- the recent cuts to adult learning and skills were destroying colleges' ability to plan and affecting most the learners who are most deprived and least likely to have access to other resources or loans. Return-to-learn programmes have been among those hit. Provision to school leavers who — through no fault of their own — fail and need the help of FE will almost certainly deteriorate
- area reviews were unanimously seen as flawed because they do not include all education and providers, not just colleges. There is a fear that existing small specialist colleges will be swallowed up in the area reviews which were "skewed to mergers" based on misinformation about the effectiveness of such reforms.

<http://feweek.co.uk/2015/09/28/not-only-a-car-crash-but-a-multiple-pile-up-the-view-from-the-sector-six-months-on/>

A review commissioned by BIS into the contribution of FE and Skills to social mobility concludes amongst other things that

- learners in the most deprived areas are less likely to study at Level 3
- there are greater earnings returns associated with the completion of VQs when undertaken through the workplace route as opposed to the classroom route
- there are significant lifetime benefits from the apprenticeships at Level 2 and 3
- VQs such as BTECs, which provide learners with general transferable skills and not occupational skills, have the highest rates of learner progression, particularly to HE

- apprentices in the areas of Engineering, Accountancy, and Health and Social Care have some of the highest rates of progression between qualification levels.

<https://www.gov.uk/government/publications/social-mobility-contribution-of-further-education-and-skills>

BIS's latest statistical first release shows that:

- a record 872,000 people were employed on government-funded apprenticeships during the 2014-15 academic year
- the overall number of apprenticeship starts in 2014-15 was 492,700 – up by more than 50,000 from the year before
- just 124,400 – a quarter of the total starts – were 16-18s, a slightly lower proportion than in 2013-14, whilst 25-plus p starts increased by 52,400, up from 36% to 42%.
- just 4% cent of apprenticeship starts were for higher level in 2014-15
- for the second successive year, the overall number of learners taking all types of qualifications dropped significantly (11% in a year)
- the number of traineeships starts almost doubled in 2014-15 to 19,200, but 57% completed the programme, while just 32% progressed to a job, apprenticeship or FE.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/468259/SFR_commentary_October_2015_ofqual_update.pdf

A British Chambers of Commerce (BCC) survey shows 82% of business bosses and 73% of education leaders believe pupils under 16 should be offered work experience. 12% of large firms offer no work experience placements at all, compared with 29% of small firms.

<http://www.cityam.com/226472/business-body-wants-a-return-to-compulsory-work-experience-for-under-16s>

All trailblazer assessment plans are going to be put out to public consultation from the end of October, with employer, provider and assessment organisations encouraged to provide feedback. AoC and AELP, who have together set up Provider Readiness Groups to do the work, say the two-week consultation period would not be long enough.

<http://feweek.co.uk/2015/10/16/public-consultations-planned-for-all-new-trailblazer-assessment-plans/>

CBI has told the government that the Apprenticeship levy, if set at a rate of 0.5% of a company's payroll (as called for by AoC), would be far too high. It calls for all funds raised to be ring-fenced for training, with the levy rate set at a fair level by a new politically independent Levy Board. The Federation of Small Businesses calls for large employers to be able to hand out apprenticeship funding through the levy system to smaller firms in their supply chain. CBI has also supported this, whilst AELP proposed that cash generated by the levy should be combined with government funding in a central pot available to all employers. AoC, NUS and UCU warn that government must not use the levy to reduce public funding – particularly for smaller employers.

<http://feweek.co.uk/2015/10/09/let-larger-firms-share-levy-funding-with-small-employers-says-fsb/>

<http://news.cbi.org.uk/news/apprenticeship-levy-should-be-set-by-independent-board-and-funding-ring-fenced/apprenticeship-levy-consultation-response/>

<http://feweek.co.uk/2015/10/02/cbi-calls-for-low-pay-commissions-type-body-for-levy-rate/>

Shadow Skills Minister Gordon Marsden warned against a “Soviet-style five-year plan simply churning out numbers at the expense of quality and progression”, especially concerned that success rates for apprentices aged 19 and above fell from 74.3% in 2011/12 to 68.4% in 2013/14. He is also concerned that SfA will not publish achievement rates for the new apprenticeship standards in the national success rate tables.

<http://feweek.co.uk/2015/10/05/soviet-style-apprenticeship-quality-question/>

BIS refused to confirm that apprenticeship frameworks will cease in 2017/18, the declared deadline. Trailblazer uptake has been slow and standards approval very slow.
<http://feweek.co.uk/2015/10/02/uncertainty-over-deadline-for-switch-from-old-apprenticeship-frameworks-to-trailblazer-standards/>

The government is yet to make a start on designing an IT system to track large employer payments into the proposed levy to start in 18 months. The levy is planned to be tied closely to the planned new digital apprenticeship voucher.
<http://feweek.co.uk/2015/10/09/could-matthew-hancock-be-facing-his-biggest-test-yet-with-it-system-role-in-large-employers-apprenticeship-levy/>

A House of Lords debate looks at the importance of apprenticeships to the UK labour market amidst concerns that the government was in danger of sacrificing quality for quantity. Lady (Sue) Garden of Frognal, former manager at City & Guilds, will speak.
<http://feweek.co.uk/2015/10/13/apprenticeships-quality-to-come-under-the-house-of-lords-spotlight/>

Two official apprenticeship vacancy websites are still running five months after the old National Apprenticeship Service vacancy matching website should have closed, creating concerns that there could be confusion over whether both were official.
<http://feweek.co.uk/2015/10/12/two-apprenticeship-vacancy-websites-still-running/>

Research by the Sutton Trust shows that Level 5 apprentices earn £50k more over a working life than graduates from non-Russell group universities, but Level 2 apprenticeships offer little boost to earnings. It also shows that apprenticeships are seen as 'second-best' with 80% of young people surveyed more likely to go to university than start an apprenticeship.
<http://www.suttontrust.com/researcharchive/levels-of-success/>

CBI said businesses had been increasingly concerned about rumoured end-point assessment costs for new apprenticeships, after AELP cautioned members, saying they "should be aware of the cost of assessment before they take on any new starts". The Level 3 electrician standard includes an AM2 test which "will be approximately £700", whilst network engineer and software developer Trailblazer assessment plan estimated assessment costs at 10-15% of the total cost of the apprenticeship, with three days of assessor per apprentice. Providers are expected to include costs when claiming funding from the SFA.
<http://feweek.co.uk/2015/10/16/apprenticeship-exam-costs-concern-at-cbi-as-aelp-issues-dont-start-trailblazers-without-fees-info-warning/>

The Business Secretary has said setting a target for higher apprenticeships may lead to the wrong kind of behaviour and be too much of a blunt instrument, despite figures which show that they constitute just under 4% per cent of the total number of apprenticeships.
<http://feweek.co.uk/2015/10/19/sajid-javid-rules-out-degree-apprenticeships-target-as-too-complex/>

Concerns the FE sector is heading for "financial meltdown" are to be investigated by the Public Accounts Committee: around 70 colleges will be in difficulties by the end of 2015/16.
<http://feweek.co.uk/2015/10/12/public-accounts-committee-to-look-at-fe-financial-meltdown/>

Right-wing think tank Policy Exchange calls for more than £500m to be taken from UK universities and given to FE to improve vocational training. It says university funding has increased by 26% since the introduction of tuition fees in 2009-10 whilst FE's Adult Skills Budget has fallen by 24%.

http://www.policyexchange.org.uk/publications/item/higher-further-faster-more-improving-higher-level-professional-and-technical-education?category_id=24
<http://www.independent.co.uk/news/education/education-news/university-cash-should-be-given-to-further-education-colleges-says-report-a6699016.html>

Question of the month: *will we recognise FE after the post 16 reviews?*

Shadows Schools Minister, and former Scunthorpe college principal, Nic Dakin, has warned that Post 16 area reviews are at risk with membership of their “unwieldy” steering groups potentially swelling to around 45, including college governors’ board chairs, chief executives or principals; officials from local authorities; members of LEPs; the FE Commissioner; the Sixth Form College Commissioner and Regional Schools Commissioners; and officials from the DfE and BIS. There has already been fierce criticism of the exclusion of school sixth forms, UTCs, free schools, PTPs and others, and no additional money to implement any changes. FE commissioner David Collins warned Sheffield’s principals that cuts amounting to 25-40% of the BIS budget mean around 200 colleges facing financial difficulty by the end of the academic year and thus increased class sizes and staff teaching hours. He stressed the need for any proposals resulting from the area reviews to focus on “government priorities such as apprenticeships and high-quality technical routes”. Meanwhile a Manchester school has suspended sixth form enrolment, and three colleges subject to post-16 education area reviews may take over, raising again the “absurdity” of not including schools and academies in the area review process. In London, Mayor Boris Johnson is to lead the post-16 education area review until the election in May. Meanwhile FE Commissioner Dr David Collins has said his role is “encouraging marriages, federations and divorces between colleges to try and set up a sustainable further education sector”. He has said that he is concerned that FE Principals who have come from a curriculum route may be weak on the finance side.

<http://feweek.co.uk/2015/10/19/fe-commissioner-reveals-early-post-16-area-review-findings/>
<http://feweek.co.uk/2015/10/02/college-area-review-shambles-shadow-minister-nic-dakin-hits-out-over-unwieldy-key-meetings/>
<https://www.tes.com/news/further-education/breaking-news/exclusive-more-cuts-will-leave-200-colleges-facing-financial>
<http://feweek.co.uk/2015/10/09/under-threat-area-review-colleges-step-in-as-local-school-shuts-sixth-form/>
<http://feweek.co.uk/2015/10/16/london-mayor-boris-leading-london-area-fe-review/>

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