



House of Commons  
Innovation, Universities,  
Science and Skills Committee

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# Pre-legislative Scrutiny of the Draft Apprenticeships Bill

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**Seventh Report of Session 2007–08**

*Volume I*

*Report, together with formal minutes*

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## The Innovation, Universities, Science & Skills Committee

The Innovation, Universities, Science & Skills Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Innovation, Universities and Skills.

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## Summary

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The draft Apprenticeships Bill was published on 16 July 2008 and this is our pre-legislative scrutiny Report. The draft Bill is part of the Government’s “ambitious” strategy to enable a “renaissance” in apprenticeships. For the first time it places duties on the Learning and Skills Council to secure sufficient and appropriate apprenticeships to fulfil the entitlement for each suitably qualified young person under 19 years of age who wants one, though we are not clear what this “right” amounts to in practice. The Bill also provides some functions of a new National Apprenticeship Service, which the Government says “will provide new, focused leadership for the Apprenticeship Programme”.

To ensure that there are sufficient apprenticeships to meet the expected increase in demand, the draft Bill places employers “at the heart of the Apprenticeship programme”. While putting much of the current arrangements for apprenticeships onto a statutory basis, the draft Bill provides greater flexibility to allow employers to design and bring forward for approval their own apprenticeship frameworks. The extent of this flexibility was not clear to us as a key document, the specification of apprenticeship standards, which will determine the core components of frameworks was not published with the draft Bill. Nor did the Government set out in detail how the National Apprenticeship Service would be resourced or organised, or how the legislation would apply in Wales. We see these as key omissions which have impeded our scrutiny process.

Setting aside the question of detailed information, we conclude that the legislation is, on balance, justified because it has the potential to strengthen the structure for apprenticeships in England. But we have one major concern. As one witness put it: “Simply to go for volume at the expense of quality will just consign this programme to the dustbin”. The Government must ensure that the draft Bill is re-written to promote, monitor and report on the quality of apprenticeships. Without provisions underpinning quality, the legislation risks the devaluation of apprenticeships, and employers, parents and young people as well as adults will cease to see apprenticeships as a progressive route through to a future career.

# 1 Introduction

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## Draft Apprenticeships Bill

1. In January 2008 the Government published *World-class Apprenticeships: Unlocking Talent, Building Skills for All*,<sup>1</sup> its strategy for the future of apprenticeships<sup>2</sup> in England. The January 2008 report was the culmination of a process of reviewing apprenticeships<sup>3</sup> initiated by the *Leitch review of skills* in 2006.<sup>4</sup> In line with the recommendation of the Leitch Report, the Government's strategy rests on an "ambitious expansion and strengthening"<sup>5</sup> of apprenticeships with "aspirations for 400,000 Apprentices in England by 2020".<sup>6</sup> In January 2008 the Government confirmed its intention, announced in the Queen's Speech in November 2007, to legislate to implement the results of the review and that it would bring forward draft legislation.<sup>7</sup> The publication of the Draft Apprenticeships Bill in July 2008 fulfils that undertaking. The Government will not be producing an Apprenticeships Bill but instead it will include finalised provisions on apprenticeships in a wider education and skills bill scheduled for next session.<sup>8</sup>

## Our inquiry

2. The purpose of pre-legislative scrutiny is to improve legislation. The publication of a bill in draft provides the opportunity for select committees, and interested parties, to review a government's legislative proposals and to make recommendations to government before a bill is finalised. We followed what has become a well-tested approach of select committees carrying out pre-legislative scrutiny. We announced an inquiry in July 2008 and invited written evidence focused on questions to assist our deliberations on the draft Bill. The questions were:

- a) Does the draft Bill meet the Government's policy objectives to set up a system of "world class" apprenticeships in the most effective way within a reasonable time frame?
- b) Is the draft Bill workable?
- c) Will the draft Bill lead to a renaissance in apprenticeships?

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1 Department for Innovation, Universities and Skills and Department for Children, Schools and Families, *World-class Apprenticeships: Unlocking Talent, Building Skills for All. The Government's strategy for the future of Apprenticeships in England*, January 2008 (hereafter "World-class Apprenticeships")

2 In documents such as *World-class Apprenticeships* the Government has used initial capitals for "Apprenticeships" and "Advanced Apprenticeships". This Report does not follow this approach, except when quoting or drawing directly on material produced by the Government.

3 Department for Innovation, Universities and Skills, *World Class Skills: Implementing the Leitch Review of Skills in England*, Cm 7181, July 2007

4 HM Treasury, *Leitch review of skills: Prosperity for all in the global economy—world class skills, Final report*, 2006 (hereafter the "Leitch review of skills")

5 Department for Children, Schools and Families and Department for Innovation, Universities and Skills, *Draft Apprenticeships Bill*, Cm 7452, July 2008, (hereafter the "draft Bill"), p 1

6 *World-class Apprenticeships*, p 5

7 *World-class Apprenticeships*, para 1.7

8 Office of the Leader of the House of Commons, *Preparing Britain for the future: The Government's Draft Legislative Programme 2008/09*, Cm 7372, May 2008, p 15

- d) What is the cost?
- e) What impact will the draft Bill have on current institutional structures?
- f) Is there anything missing from the draft Bill?<sup>9</sup>

3. We asked those submitting written evidence to submit their memoranda by 1 October 2008. We received 19 memoranda,<sup>10</sup> all of which are published with this Report. In parallel the Departments responsible for the draft Bill—the Department for Innovation, Universities and Skills (DIUS) and the Department for Children, Schools and Families (DCSF)—carried out a consultation on the draft bill, the closing date for which was 8 October. The material they received—other than where permission to share the material was withheld—was copied to us and a summary was produced, which is on the DCSF’s website.<sup>11</sup>

4. In the time available we were able to hold two evidence sessions. We started on 6 October with a three-part session: first, with the Confederation of British Industry (CBI), the British Chambers of Commerce, the Federation of Small Businesses and the Alliance of Sector Skills Councils; second, with the Association of Learning Providers, the Association of Colleges and the TUC;<sup>12</sup> and, third, with the Learning and Skills Council. The concluding evidence session was on 27 October and we took evidence from Rt Hon Jim Knight, MP, Minister of State for Schools and Learners, DCSF, Lord Young of Norwood Green, Parliamentary Under Secretary of State for Skills and Apprenticeships, DIUS, and Mr Stephen Marston, Director General of Further Education and Skills, DIUS. Our special advisers for this inquiry were Professor Alison Fuller and Professor Lorna Unwin. We record our thanks to all those who have contributed to our inquiry.

5. The Children, Schools and Families Committee has carried out a separate inquiry and we arranged some division of labour based on the remits of the two Committees. The Children, Schools and Families Committee focused on those parts of the draft Bill concerned with people under 19 years of age and the provision of careers advice in schools, areas which we have not directly addressed. It was not, however, in the best interests of scrutiny to establish a rigid demarcation—for example, the question arose why certain provisions should apply to apprenticeships for those under 19 but not to those over 19.

## Observations on the pre-legislative scrutiny process

6. We have adopted a two-pronged approach to the scrutiny of the draft Bill. First, we have addressed the policy decisions and the key provisions, including in some cases the absence of provisions, in the draft Bill in the main body of our Report. Second, we have explored the detailed operation of provisions in a series of written questions which we put to the Government, the answers to which are set out in Appendix 1. We hope that both our

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9 “Scrutiny of the Draft Apprenticeships Bill”, Innovation, Universities, Science and Skills Committee, Press Notice No.69 (07–08), 21 July 2008, [http://www.parliament.uk/parliamentary\\_committees/ius/ius\\_220708.cfm](http://www.parliament.uk/parliamentary_committees/ius/ius_220708.cfm)

10 Excluding those from DIUS and DCSF and select committees of the House

11 COI, “A report relating to responses to the public consultation on the Draft Apprenticeships Bill”, 17 October 2008, <http://www.dcsf.gov.uk/consultations/conResults.cfm?consultationId=1571>

12 Trades Union Congress

report and the Appendix will inform debate when the finalised legislation comes before the House. While we are grateful to officials and ministers in DIUS and DCSF for the speed of the replies to our questions and the care that they took in dealing with the points that we raised, we have two criticisms of the Departments' approach to pre-legislative scrutiny. While we were aware from the beginning of the year that a draft apprenticeships bill was in the pipeline and our staff had regular informal contact with DIUS about progress, the Departments did not agree a timetable with us for pre-legislative scrutiny. In the event the Departments published the draft Apprenticeships Bill on 16 July 2008, a few days before the summer recess, with the result that the deadline for written evidence fell at the beginning of October when the House was in recess. The Departments showed no appreciation that we had a programme of work planned for October but in the event we were able to arrange an evidence session on the day the House returned, 6 October, as well as a session later in October with ministers.

7. The other criticism is that in their foreword to the draft Bill, the Secretaries of State, Rt Hon Ed Balls MP and Rt Hon John Denham MP, stated that “the Children, Schools and Families and the Innovation, Universities, Science and Skills Select Committees *will* [our emphasis] scrutinise the Draft Apprenticeships Bill”.<sup>13</sup> Neither we nor the Children, Schools and Families Committee were consulted before this statement was made. **We recommend that, when it decides that a piece of legislation will be subject to pre-legislative scrutiny, the Government consult with the select committees likely to carry out scrutiny and agree a timetable and arrangements before publication of the draft legislation, in order to allow committees to plan their work.**

## Adequacy of the consultation documents

8. The draft Bill contains 31 clauses and runs to 16 pages. It was accompanied by Explanatory Notes<sup>14</sup> (which were seven pages in length) as well as an Impact Assessment.<sup>15</sup> These supporting documents had limited use for those carrying out scrutiny. The Explanatory Notes, for example, contained only one paragraph setting out the policy background to the draft Bill<sup>16</sup> and that referred to other documents: *World-class Apprenticeships* and the *Leitch review of skills* in 2006. There was no link to either of these documents on the Departments' websites setting out the consultation arrangements on the draft Bill. In our view the documents published with the draft Bill would have assisted with fuller background, in particular a comprehensive survey of the policy. So far as it was not possible to do this within scope of the Explanatory Notes, then the White Paper publishing the draft bill should contain this information. More significantly, we were impeded in our scrutiny by the shortcomings of the *Impact Assessment*—for example, it contained no costings for the establishment and running of the National Apprenticeship Service, a key component of the Government's proposals. (This is an issue we return to at chapter 4.) **We recommend that, when publishing draft bills for pre-legislative scrutiny, the**

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13 Draft Apprenticeships Bill, p 2

14 Draft Apprenticeships Bill, Explanatory Notes, pp 23–29

15 DCSF and DIUS, *Impact Assessment of Apprenticeships Review Policies, including the creation of the National Apprenticeships Service*, 14 July 2008, <http://www.dcsf.gov.uk/publications/draftapprenticeshipsbill/> (hereafter the “Impact Assessment”)

16 Draft Apprenticeships Bill, Explanatory Notes, para 3

**Government provide comprehensive documents describing the policy behind the legislation and the detailed operation of the arrangements in the draft legislation. In addition, we recommend that it also publish a comprehensive impact assessment covering all the proposals in the legislation, including the costs of establishing and running new public sector organisations or arrangements.**

## Application of the draft Bill to Wales

9. Clause 29 of the draft Bill provides that the legislation would apply to Wales as well as England. So far as England is concerned the proposals in the draft Bill were the product of consultation culminating in *World-class Apprenticeships*, the Government’s strategy for the future of apprenticeships in England, and we received no evidence that consultation in England was inadequate. The same could not be said of Wales.

10. As the legislation would apply to Wales, we wrote to the Welsh Affairs Committee and the National Assembly for Wales to invite their views. In reply, both the Welsh Affairs Committee<sup>17</sup> and the Enterprise and Learning Committee of the Assembly<sup>18</sup> asked fundamental questions about the application of the provisions in the draft Bill to Wales. The supporting documentation with the draft Bill did not explain how the proposed provisions would be implemented in Wales—the draft Bill would, for example, impose duties on the Learning and Skills Council but it has an England only remit<sup>19</sup>—and no reference was made to apprenticeships in Wales. The Enterprise and Learning Committee was of the opinion that the UK Government’s legislative approach was “unsatisfactory and does not reflect well on the UK Government or the Welsh Assembly Government.”<sup>20</sup> The content and tone of the representations from the two committees raised concerns that consultation on the application of draft Bill in Wales was inadequate and that it required further consideration. We therefore raised the matter with Ministers when they gave oral evidence. The reply that Jim Knight gave reinforced these concerns. He stated:

you could take more time in coming up with a firm draft where you have ironed everything out with Wales and the Welsh Assembly Government, or you can publish the draft Bill and have this sort of scrutiny, while we carry on our discussions with the Welsh Assembly Government, and then once it comes into something that is then introduced into Parliament [...] we will at that point have to be clear with our friends in the Welsh Assembly Government which bits they want and which they do not.<sup>21</sup>

**We have grave concerns that the Departments have treated consultation with the Welsh Assembly Government and the National Assembly for Wales as an afterthought. The consultation on the operation of apprenticeships in Wales and on the application of the**

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17 Ev 64; subsequently the Government supplied responses to the Welsh Affairs Committee’s questions, which are at Q 122 to Q 132 of the Appendix to this Report.

18 Ev 74

19 See Appendix 1, Q 41.

20 Ev 75, para 8

21 Q 127

**draft legislation to Wales has clearly been inadequate and we recommend that the Government rectify this deficiency before the provisions in the draft Bill are finalised.**

## 2 Rationale for the legislation

### Introduction

11. The Government starts from a respectable position. It has a solid record of achievement on the number of apprenticeships. In 2005–06 the Learning and Skills Council funded approximately 257,000 apprenticeships compared with 75,000 participants in 1997; of these, 160,000 were for apprentices aged 16 to 18 and 97,000 were aged 19 and over.<sup>22</sup> Completion rates for apprenticeships have also been improving. In 2006–07, 111,800 LSC-funded learners completed apprenticeships (all ages—16 plus), an increase of nearly two-thirds on the 68,000 completions in 2004–05, and a three-fold increase since 2001–02.<sup>23</sup> The latest figures on overall success rates of apprenticeships are provided in the Table 1 below and show a steady improvement from 2004–05 to 2006–07 for both apprenticeships and advanced apprenticeships.<sup>24</sup>

**Table 1: Work-based Learning for Young People in England: overall success rates<sup>25</sup>**

	Framework or NVQ component only			Complete framework			Total leavers		
	2004-05	2005-06	2006-07	2004-05	2005-06	2006-07	2004-05	2005-06	2006-07
Advanced Apprenticeships <sup>26</sup>	48%	53%	64%	34%	44%	58%	5-1,300	63,900	55,400
Apprenticeships <sup>27</sup>	51%	58%	65%	39%	52%	61%	114,200	127,100	123,300
All Apprenticeships	<b>50%</b>	<b>56%</b>	<b>65%</b>	<b>37%</b>	<b>49%</b>	<b>60%</b>	<b>165,400</b>	<b>191,000</b>	<b>178,700</b>

12. The figures are not all pointing in the same direction. The average number of people in Level 2 apprenticeships in 2006–07 was 142,100, down from 153,800 in 2004–05 and 154,300 in 2005–06<sup>28</sup> (see Table 2 below). In addition, as Table 2 shows, the numbers of advanced (or Level 3) apprenticeships have been falling steadily since 2000–01, while the number of Level 2 has increased (except for 2006–07). This may indicate that fewer apprentices are progressing.

22 Learning and Skills Council, "Better Skills, Better Jobs, Better Lives, The Learning and Skills Council's Annual Report and Accounts for 2006–07", HC (2006–07) 840, 17 July 2007, p 3, *World-class Apprenticeships*, para 2.13

23 Learning and Skills Council, "Further Education, work-based learning and Train to Gain—LSC-funded learner outcomes in England 2006/07", Statistical First Release: ILR/SFR16, 22 May 2008

24 We have not attempted to reconcile the figures for completion rates and leavers; the numbers in Table 1 are not all "successful" completions.

25 Learning and Skills Council, "Further Education, Work Based Learning, Train To Gain and Adult & Community Learning—Learner; Numbers in England: 2006/07: Full Year Plus, Learning and Skills Council", 23 May 2008

26 Known as Advanced Modern Apprenticeships prior to May 2004; also known as a Level 3 apprenticeships which refers to a standard equivalent to two A levels or a National Vocational Qualification at Level 3.

27 Known as Foundation Modern Apprenticeships prior to May 2004; also known as a Level 2 apprenticeships which refers to a standard equivalent to five GCSEs at A\*–C or a National Vocational Qualification at Level 2.

28 Learning and Skills Council, "Further Education, Work Based Learning, Train To Gain and Adult & Community Learning—Learner Numbers in England: 2006/07", ILR/SFR14, December 2007, House of Commons Library, "Apprenticeships and Work-Based Learning for Young People", Standard Note: SN/EP/3052, 22 October 2008

**Table 2: Work-based Learning for Young People in England: participants<sup>29</sup>**

Thousands; annual averages

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Advanced Apprenticeships(a)	126.7	111.8	110.6	104.8	101.8	98.0	97.0
Apprenticeships(b)	86.6	101.6	123.1	143.1	153.8	154.3	142.1
NVQ learning	49.5	49.2	40.6	27.9	17.4	6.6	2.4
E2E(c)	7.0	8.0	13.4	30.6	26.3	24.3	21.3
<b>Total</b>	<b>268.8</b>	<b>270.7</b>	<b>287.8</b>	<b>306.5</b>	<b>299.3</b>	<b>283.2</b>	<b>263.2</b>

Notes: 2003-04 onwards uses a revised methodology.

(a) Known as Advanced Modern Apprenticeships prior to May 2004.

(b) Known as Foundation Modern Apprenticeships prior to May 2004.

(c) Known as Life Skills prior to May 2004.

13. The Government has characterised the change as a “renaissance”<sup>30</sup> and it has pointed out that the country’s leading companies—including Rolls Royce, British Telecom, Centrica and Tesco—offer sizeable apprenticeship programmes.<sup>31</sup> The 2006 *Leitch review of skills* recommended expanding and strengthening the existing apprenticeship programme. Specifically, it recommended:

- the Government should consider creating a new entitlement as resources allow so that every young person with the right qualifications should be able to take up an Apprenticeship place;<sup>32</sup>
- matched funding and employer powers to shape apprenticeships, in return for hard edged attainment targets in Sector Skills Agreements to increase employer engagement that included expanding the number of apprentices in the UK to 500,000 a year by 2020;<sup>33</sup>
- Sector Skills Councils should control the content of apprenticeships and set attainment targets by sector facilitated by skills brokers;<sup>34</sup> and

29 Learning and Skills Council, “Further Education, Work Based Learning, Train To Gain and Adult & Community Learning—Learner Numbers in England: 2006/07”, ILR/SFR14, December 2007, House of Commons Library, “Apprenticeships and Work-Based Learning for Young People”, Standard Note: SN/EP/3052, 22 October 2008

30 *World-class Apprenticeships*, p 5

31 As above

32 *Leitch review of skills*, para 66

33 *Leitch review of skills*, p 87

34 *Leitch review of skills*, para 5.66

- employers drive up attainment of intermediate and high skills, including in Apprenticeships, led by Sector Skills Councils and skills brokers.<sup>35</sup>

14. Taking its lead from Leitch, the Government reviewed apprenticeships and set out its conclusions in January 2008 in *World-class Apprenticeships*. Its main conclusions were:

- a) new National Apprenticeship Service to lead the expansion and improvement of the apprenticeship programme;
- b) action to make it easier for employers to improve the range of apprenticeships by, for example, enabling them to include their own accredited qualifications;
- c) a pilot wage subsidy programme for small businesses, to make it more attractive for them to offer high quality apprenticeship places;
- d) a new drive to increase apprenticeships in the public sector, setting targets in key areas;
- e) a task force to improve the take up of apprenticeships in London, where there is a current shortfall; and
- f) examination of how to use the public procurement process to encourage companies that benefit from significant Government-funded contracts to offer apprenticeships as a good way of meeting their responsibility to train and develop their staff.<sup>36</sup>

**15. We conclude that the Government is to be congratulated on its achievements in expanding the number of apprenticeships. But within the overall improvement there are some trends which give rise to concern, in particular, the fall in advanced apprenticeships. The *Leitch review of skills* and the strategy set out in *World-class Apprenticeships* also demonstrate that it recognises that more needs to be done.**

## Purpose of the draft Bill

16. The draft Bill is part of the Government's strategy to expand and improve apprenticeships. Its primary, though not exclusive, focus is on items a) and b) in the Leitch list above. In their foreword to the draft Bill the Secretaries of State explained:

The Bill will, for the first time, place duties on the Learning and Skills Council to secure sufficient and appropriate Apprenticeship places to fulfil the entitlement for each suitably qualified young person who wants one.

It will establish a statutory basis for the Apprenticeships programme, to set out the relationship between different parts of the Apprenticeship system and to ensure employers and apprentices can be confident that an Apprenticeship offers a high quality route to acquiring skills. In doing so, we will ensure that the system is sufficiently flexible not to place additional burdens on employers other than a requirement to enter into an apprenticeship agreement.

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35 *Leitch review of skills*, para 5.69

36 DIUS and DCSF, "Expanding Apprenticeships, developing World-Class skills", Joint news release, 28 January 2008

The Bill describes the functions of the new National Apprenticeship Service, which will provide new, focused leadership for the Apprenticeship Programme. One particularly important role of the new service will be to expand the reach of the programme into sectors, regions and groups where apprenticeship take up is presently low.

The draft Bill also includes a provision to ensure that young people in schools are fully informed about high quality vocational training opportunities.<sup>37</sup>

17. Much of the Government’s policy can, and will, be achieved through administrative means,<sup>38</sup> consideration of which largely falls outside our inquiry, and, importantly by encouraging business to invest in training and apprenticeships. As the Government explained in *World-class Apprenticeships*, “Employers will always be at the heart of the Apprenticeship programme: their willingness to offer a place is a necessary condition for any Apprenticeship to happen.”<sup>39</sup> We consider the requirements of business, and whether they have been met by the draft Bill, in chapter 3.

18. As well as business, apprentices and prospective apprentices and education and training providers are crucial to the achievement of the Government’s policy.

## Apprentices

19. We were not able in the time available to set up an e-consultation to seek the views of apprentices or those considering an apprenticeship with the result that we received no direct evidence from apprentices. The evidence that we received was indirect—from employers, the Learning and Skills Council, training providers and the TUC. From this evidence we were told that their main concerns were:

- entry requirements preventing admission to apprenticeships;<sup>40</sup>
- the importance of quality; The British Chambers of Commerce considered that the “reason why large numbers of people have now gone off for an academic route with the huge expansion of higher education is because apprenticeships have not been seen as quality alternatives.”<sup>41</sup>
- the need to acquire a range of skills beyond those that are necessary to carry out one job,<sup>42</sup> which allow apprentices to develop their careers and to move jobs;

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37 Draft Apprenticeships Bill, p 1

38 Following the 2007 Comprehensive Spending Review, DIUS and DCFS jointly announced plans to expand funding to the Learning and Skills Council for Apprenticeships over the period to 2010–11 with the aim of 400,000 learners in England (281,000 aged 16–18 and 125,000 aged over 19), compared with approximately 250,000 currently (DIUS, “Ambitious plan to help boost nation’s job prospects”, Press Release, 16 November 2007). In 2010–11 it is planned that funding for Apprenticeships for 16–18 year old will total £776 million (compared with £624 million in 2007–08) while Apprenticeships for those aged over 19 will receive £334 million in 2010–11, compared with £275 million in 2007–08 (Learning and Skills Council, “Our statement of priorities: Better skills, Better jobs, Better lives; The Learning and Skills Council’s priorities and key actions for 2008/09 to 2010/11”, November 2007, tables 2 and 10).

39 *World-class Apprenticeships*, para 2.3

40 Ev 52, para 6.7 [Edexcel]

41 Q 38

42 Q 49

- easier access to higher education;<sup>43</sup> and
- that apprentices sacrifice earnings in order to develop their skills and therefore should have some guarantee that they are able to complete their programme.<sup>44</sup>

We examine these issues further during the report.

### **Definition of apprenticeship**

20. We found it anomalous that legislation aiming to bring about an “ambitious expansion and strengthening of the Apprenticeship Programme” from a Government that wants “apprenticeships to be seen alongside university as a great option for young people who want the best jobs, the best careers and the best chance to get on in life”<sup>45</sup> did not define in legislation “apprenticeships” or, as the Edge Foundation pointed out, higher apprenticeships,<sup>46</sup> that is Level 3 “advanced apprenticeships”. An agreed definition of apprenticeships would ensure that those framing the specification of apprenticeship standards and apprenticeship frameworks started from a common understanding of the essential characteristics of apprenticeships—for example, which excluded “programme-led apprenticeships”, which we discuss below—but without imposing inflexibility. **We recommend that the finalised legislation define “apprenticeship” and “advanced apprenticeship”.** We have not taken evidence on the definitions but we note as a starting point that the Cassels Report on Modern Apprenticeships<sup>47</sup> in 2001 suggested the characteristics of all apprenticeships were:

- a) an employer agrees to train a person, using the practices, equipment and personnel of his or her enterprise in doing so;
- b) a mixture of on-and off-the-job learning is involved; and
- c) the completion of apprenticeship leads to public recognition that the apprentice has achieved proficiency in a trade, profession or occupation.<sup>48</sup>

### **Programme-led apprenticeships**

21. We received evidence on programme-led apprenticeships. These are courses (normally based in colleges and offered as full-time vocational courses) in which a young person undertakes classroom based learning that conforms to a particular apprenticeship framework.<sup>49</sup> Business was clear that for “apprenticeship schemes to work they must be employer led” and based “in the workplace to make them effective”.<sup>50</sup> Lord Young

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43 Ev 67 [Edge Foundation]

44 Ev 39 [TUC]

45 *World-class Apprenticeships*, p 1

46 Ev 68

47 Department for Education and Skills, *Modern Apprenticeships: The Way To Work, The Report of the Modern Apprenticeship Advisory Committee*, September 2001

48 Department for Education and Skills, *Modern Apprenticeships: The Way To Work, The Report of the Modern Apprenticeship Advisory Committee*, September 2001, para 3.1

49 *World-class Apprenticeships*, para 3.16

50 Qq 44–45 [Mr Frost, Ms Seaman]

explained that programme-led apprenticeships did not “come within the meaning of what we define as apprenticeships because there is not a contract of employment with the employer”.<sup>51</sup>

22. The Association of Colleges saw benefit in this form of training. It considered that the training provided by programme-led apprenticeships filled a need and put forward the proposal that “there should be an access to apprenticeships rather than calling it ‘Programme-led’, which was a bit of a misnomer, which says it prepares me to undertake an apprenticeship.”<sup>52</sup> Sara Mogel from the Association explained that programme-led apprenticeships could assist particular groups:

one is [...] young people who are not ready for work but would like to go down the apprenticeship route and this would give them a tailored programme rather than them having to do a programme which did not have them in mind; the second category [...] is the transition between the foundation learning tier and an apprenticeship which probably will need something to fill that gap in between and, again, an access to apprenticeships would be that route. I think the concept is fine, but I am not sure necessarily we have sold that concept very well.<sup>53</sup>

**23. We conclude that so called programme-led apprenticeships could provide a useful preparation for an employer-led apprenticeship but they are not apprenticeships within the meaning of the proposals in the draft Bill. We recommend that, for the sake of clarity, “programme-led apprenticeships” are renamed “pre-apprenticeship training” or an appropriate title reflecting the nature and function of the training. We further recommend that the Government review the purpose of what has been called programme led apprenticeships, to ensure that the content of the training meets the requirements of participants. We also recommend that the Government make the connection between “programme-led apprenticeships” and apprenticeships transparent. It should be clear to participants how the qualifications achieved through completing the “programme-led apprenticeship” connect with, and may count towards, the successful achievement of the qualification requirements specified in the (follow-on) apprenticeship.**

## Training providers

24. We received evidence from the Association of Learning Providers, which represents independent learning providers throughout England, and from the Association of Colleges, which represents further education colleges in England and Wales. The former was “content with most aspects of the Bill”.<sup>54</sup> The latter, while welcoming “the intention to raise the status of Apprenticeships so that they are seen as a third viable learning pathway at levels two and three alongside Diplomas and GCSE/A levels”, was concerned that there was a “danger” the proposals could impose “too many restrictions when what is required is flexibility to engage employers and meet their diverse needs. We would wish to ensure that

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51 Q 135; see also Appendix 1, Q 56.

52 Q 61; see also Ev 37, para 6 [Association of Learning Providers].

53 Q 61

54 Ev 37

there is still sufficient flexibility to allow innovative models of delivery to flourish”.<sup>55</sup> **We concur with the Association of Colleges that the system put in place by the draft Bill must ensure that there is flexibility to allow training providers—further education colleges and independent learning providers—to play a full part in the promotion and expansion of apprenticeships and that there should be scope for them to develop new roles such as brokers and the provision of support geared to the needs of small businesses.**

25. Training providers also raised:

- a) the need to be consulted about the specification of apprenticeship standards<sup>56</sup> which is linked to the need to safeguard quality, where we see the training providers having a key role—we deal with these issues in chapter 5; and
- b) the capacity of training providers to meet the training needs of every person exercising his or her right, under the proposed legislation, to an apprenticeship. Mr Dunford, Chairman of the Association of Learning Providers, told us that the capacity was not yet available and that there “needs to be some capacity building”.<sup>57</sup> **We draw to the attention of the Government the concerns of the learning providers about their capacity to provide enough training for apprenticeships. We invite the Government to explain, in responding to this Report, what plans it has to encourage greater provision of training, to meet the needs of those exercising their right to apprenticeships under the draft Bill.**

### Is the draft legislation necessary?

26. While the evidence we received showed support for the draft Bill, there is an open question whether legislation is necessary. The draft Bill would put much of the current arrangements on a statutory basis. But, as we have noted, the current arrangements have produced a substantial expansion in the number of apprenticeships without the need for legislation. Mr Dunford from the Association of Learning Providers pointed out that “I do not remember anyone saying that we needed an Apprenticeship Bill before it happened”.<sup>58</sup>

27. One theme running through the evidence was the need to improve the perception and status of apprenticeships and the draft Bill was seen as helping to serve this end.

- a) The British Chambers of Commerce believed that: “we need [...] to raise how apprenticeships are viewed not just within business but within society as a whole. If we are to do that to make them a real quality route through employment, we believe that this Bill will help”.<sup>59</sup>
- b) David Way, National Director of Apprenticeships, at the Learning and Skills Council, said that “We need the Bill because [...] we need to consolidate and put in legislation

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55 Ev 69, para 1

56 Ev 37, para 2 [Association of Colleges]

57 Q 56 [Mr Dunford]

58 Q 54 [Mr Dunford]

59 Q 2

the importance of apprenticeships for the ambitions of the country, that is a very good thing for us to do”.<sup>60</sup>

28. Use of legislation purely to show the importance the Government, or we as a country, attach to a matter is a questionable use of legislative process and of the House’s time. The draft Bill does, however, fulfil other purposes in our view. It would place a duty on the Learning and Skills Council (which will pass to the National Apprenticeship Service, when it is established) to secure sufficient apprenticeship places to fulfil the entitlement for each suitably qualified young person who wants one.<sup>61</sup> It also makes some provision for the functions of the National Apprenticeship Service.<sup>62</sup> **We conclude that the legislation is justified as it creates a new entitlement that every young person with the right qualifications should be able to take up an apprenticeship and to make provision for some of the functions of the putative National Apprenticeship Service. The contribution that the legislation will make to the expansion, improvement and status of apprenticeships will depend on its implementation.**

29. From our perspective there are four key issues on which the value of the legislation to interested parties, and how they may use it, turns: (i) the responsiveness of the system to the needs of employers; (ii) the role and operation of the National Apprenticeship Service; (iii) the quality of apprenticeships; and (iv) the rights of apprentices. Each of these issues we examine.

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60 Q 96

61 Draft Apprenticeships Bill, clause 21

62 Draft Apprenticeships Bill, clauses 21-22

### 3 Employer engagement

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30. The Government starts, as we have noted, from the position that “Employers will always be at the heart of the Apprenticeship programme: their willingness to offer a place is a necessary condition for any Apprenticeship to happen”<sup>63</sup> and employers endorse this approach.<sup>64</sup> The British Chambers of Commerce told us that the “employer must be at the heart of an apprenticeship system. It must be employer led.”<sup>65</sup> Both the CBI and the British Chambers of Commerce considered that the draft Bill was needed.<sup>66</sup> **We agree with the Government that employers have to be at the heart of the apprenticeship programme. Without their full support the renaissance in apprenticeships will not be achieved. We welcome the support that employers’ organisations have given to the policy.**

31. We considered two issues. First, does the policy put employers at the heart of the apprenticeship programme and, second, will employers meet the challenge to deliver the expansion and improvement in apprenticeships? The Learning and Skills Council pointed out that “nine in ten [employers were] not engaged in apprenticeships”<sup>67</sup> and therefore there is considerable scope to expand the number of employers taking on apprentices. From the evidence we received, we identified several changes that employers were looking for to enable them to take on more apprentices: less bureaucracy; a streamlined service from government; and more funding.

#### *A reduction of unnecessary bureaucracy*

32. In its response to *World-class Apprenticeships* the CBI said that “the removal of unnecessary red tape and greater simplification must be a key focus”.<sup>68</sup> In oral evidence to our inquiry Richard Wainer from the CBI said:

I think we do need this Bill. It introduces a number of very welcome flexibilities in the way employers will be able to run their apprenticeship programmes, in particular allowing employers themselves to design, probably with support from the new National Apprenticeship Service and the Sector Skills Councils, their own frameworks for the benefit of their businesses’ skills needs.<sup>69</sup>

By making sure that employers can have the power to design their own frameworks and make sure that the skills the apprentice is going to be learning and the

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63 *World-class Apprenticeships*, para 2.3; see also Q 141.

64 Qq 44–45

65 Q 4

66 Qq 1–2

67 Q 98; over 130,000 employers are offering apprenticeship places (HC Deb, 10 Jun 2008, Col 200W); the Department for Business, Enterprise and Regulatory Reform estimates that there are 4,766,295 enterprises in the UK of which 3,468,100 have no employees and 1,298,195 have at least one employee (see <http://stats.berr.gov.uk/ed/sme/>)

68 CBI Response to *World-class Apprenticeships*, para 4; and see also paras 19–21, 24.

69 Q 1

qualifications they are going to be working towards are relevant to that sector, that is the most important point in this Bill.<sup>70</sup>

In terms of whether [the National Apprenticeship Service] will be a success, it really has to focus on helping employers reduce the time they spend on bureaucracy, encouraging more young people of all abilities to take an apprenticeship.<sup>71</sup>

### ***Reduction in the number of agencies dealing with apprenticeships***

33. The British Chambers of Commerce said that employers were “confused and bemused by the constant, frequent changes in vocational training and are also concerned about the number of agencies literally that are knocking on their door, trying to sell them training services.”<sup>72</sup> The draft Bill does not reduce the number of central government agencies. Nor does it increase them, though arrangements will change considerably as a consequence of the Government’s proposal that all young people stay in education or training to at least 18 years of age and to transfer to local authorities the responsibility for commissioning and funding education and training for all 16–18 year-olds. The National Apprenticeship Service will assume responsibility for apprenticeships and the Learning and Skills Council will be wound-up.<sup>73</sup> We welcome the Government’s concern not to increase the complexity of arrangement and believe there should be a clear statement on the face of the Bill that the direction of travel towards simplification is one that Government wishes to continue. We examine the National Apprenticeship Service further at chapter 4 but the Government has said that it will be “customer-facing [...] with the senior leadership and resources to have end-to-end accountability for the Apprenticeship programme.”<sup>74</sup>

### ***Changes to the funding structure***

34. To deliver more apprenticeships Network Rail called for measures in the Bill to increase places and funding for apprenticeships for those aged 19 and over and in geographical areas with shortages, such as London and the South East.<sup>75</sup> Network Rail estimated that it cost £56,000 to train an apprentice over three years (i.e. salary, training costs and accommodation) in addition to any funding from the Learning and Skills Council. It also pointed out that the Council provided £14,500 of funding for all apprentices aged 16–18, but only half as much towards the cost of training for those aged 19 and over.<sup>76</sup> The Bill does not contain provisions establishing new funding arrangements and we have not taken evidence on the question of funding. But it is pertinent to note that the Government has said that funding for apprenticeships will increase by almost a quarter

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70 Q 5

71 Q 40 [Mr Wainer]

72 Q 17 [Mr Frost]

73 See Appendix 1, Q 52.

74 *World-class Apprenticeships*, p 6

75 Ev 42, para 3

76 Ev 43, paras 12–3

between 2007–08 and 2010–11—to over £1 billion and that funding will be available specifically for expanding apprenticeships for those aged 25 or over.<sup>77</sup>

**35. Taking the draft Bill as a whole, we conclude that, for those employers represented by the CBI and the British Chambers of Commerce, the draft Bill has the potential to deliver two of their key requirements: a reduction in unnecessary bureaucracy through greater flexibility and streamlining of the central government agencies supporting apprenticeships. The extent to which these goals are achieved will depend on the implementation of the framework provisions and the operation of the National Apprenticeship Service.**

### Small businesses

36. The Federation of Small Businesses took a different view. It was “at the lower end in terms of enthusiasm for this kind of Bill”.<sup>78</sup> The Federation of Small Businesses pointed out that, according to Labour Force Surveys, 69% of all apprenticeships take place in small businesses but an “inherent problem for businesses with fewer than 10 employees remains the cost to the business of training an apprentice.”<sup>79</sup> It explained that:

The main thing that we see of interest in this Bill is that, by giving a Bill, it gives importance to the idea of apprenticeships. Therein lies the problem. The Bill is missing certain things that are necessary for a small business and in particular a micro-business for taking on an apprenticeship. [...] for years we have been asking for informal, bite sized learning that is going to benefit the micro-business of one to two employees, but it is very difficult for the Secretary of State or the Sector Skills Council, whoever is going to authorise particular frameworks, to say what a small, micro-business needs. They are still churning out apprenticeship frameworks that small businesses do not need and they are not geared towards the needs of the micro-business.<sup>80</sup>

37. When we put these concerns to Ministers, Lord Young responded with two points. First, he said that the Government was “very much seized of the importance of focusing on SMEs” and pointed out that “there was a £350 million package announced recently to give assistance on SMEs in developing essential skills to help them survive in the current situation”.<sup>81</sup>

### Group Training Associations

38. Lord Young also cited the potential of Group Training Associations to assist small businesses.<sup>82</sup> In the *Impact Assessment* accompanying the draft Bill the Government explained:

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77 *World-class Apprenticeships*, para 1.8

78 Q 23

79 Ev 35

80 Q 11

81 Q 159; and see also DIUS, “Denham announces £350m to support small businesses”, News release, 21 October 2008

82 Qq 143, 149, 159; see also Appendix 1, Q 100.

The creation of group training associations is specifically intended to ease the administrative burdens on smaller businesses, because the association will take some of the administration responsibilities for employing the apprentice from its member employers, and may design and maintain each apprentice's training programme itself if the employer wishes.<sup>83</sup>

39. Some skills sectors have Group Training Associations. They are particularly developed in engineering<sup>84</sup> where they were first established by groups of local employers in the 1960s. According to SEMTA—the Sector Skills Council for engineering—there are a total of 88 Engineering Group Training Associations serving approximately 16,000 companies, which are estimated to employ over one million people. They offer a wide range of training provision and services, mainly to small and medium businesses, including NVQ assessment, advising on workforce development and analysing training needs, providing health and safety training and guidance, and management training, within a very tight financial regime.<sup>85</sup>

40. In oral evidence Matthew Jaffa from the Federation of Small Businesses said that the Federation “would support the idea of the GTAs as long as we know who the employer still is. From my understanding of it, it would appear that GTAs are kind of the employer so there might be issues regarding contracts of employment that might be a concern for our members”.<sup>86</sup> The British Chambers of Commerce added its support to Group Training Associations. It said that:

The concept of a Group Training Association will be at the heart for many small and medium sized businesses because the world of apprenticeships has changed from [...] where you had very large companies that were embedded in the regions that would often recruit 50, 70 or 100 apprentices at a time for both their own purposes and then for other business as well. Those have now gone. What we are looking at is a concept where one or two apprentices perhaps are being taken by a number of companies and we have effective delivery of training for those which brings in the Group Training Association.<sup>87</sup>

41. We found widespread support for Group Training Associations and recognition that they could assist small and micro-businesses to take on apprentices, particularly to carry the administrative burden of setting up apprenticeships, organising training and securing financial support.<sup>88</sup> As currently drafted, however, the draft Bill says nothing about Group Training Associations. This needs to be remedied. The role of Group Training Associations should be to support employers in the management of, and provision of training in, apprenticeships and Associations should not become the employers of

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83 *Impact Assessment*, para 22

84 See *The Role and Impact of Group Training Associations*, Department for Education and Skills Research Brief RB 384, December 2002, at <http://www.dcsf.gov.uk/research/data/uploadfiles/RB384.pdf>

85 SEMTA website at [http://www.semta.org.uk/training\\_providers\\_\\_awarding/group\\_training\\_associations.aspx](http://www.semta.org.uk/training_providers__awarding/group_training_associations.aspx)

86 Q 15

87 Q 17 [Mr Frost]

88 See also Appendix 1, Q 98.

apprentices. Apprentices should be employed by the business using the services of the Group Training Associations.

42. For the proposals in the draft Bill to be judged effective small businesses will have to play their part in the expansion of apprenticeships. Group Training Associations offer one route provided they can take the bureaucratic pressure off small business and not compromise the quality of apprenticeships and rights of apprentices. **We recommend that the draft Bill be revised to place a duty on the National Apprenticeship Service to facilitate the setting up of bodies such as groups Training Associations, to assist small businesses to carry the administrative burden of setting up apprenticeships, organising training and securing financial support. The duty should also require the National Apprenticeship Service to ensure that such bodies cover all sectors and put small and micro-businesses within their reach. We also recommend that in responding to this Report the Government set out the extent to which it expects the public sector—both central and local government—to carry out these functions. In addition, we recommend that, where an apprenticeship is facilitated under the auspices of such a body, the apprentice must be employed by a business, not the body providing administrative support.**

### Minimum wage

43. The Federation of Small Businesses said that small businesses were “prepared to pay for apprenticeships”<sup>89</sup> and it considered that:

the Minimum Wage increase for Apprentices from £80 to £95 at the Trades Union Congress Conference was a good first step; however, a true renaissance will only occur if an Apprentice can achieve parity with their other working counterparts. The development rate minimum wage for 16–18 year olds is still higher at £110 for a 35 hour working week. [The] Apprenticeship Bill should provide the platform for equality so that there is value in taking and completing an apprenticeship. The FSB advocates a section in the Bill for an Apprenticeship rate to be set which is on a par with the Minimum Wage Development rate.<sup>90</sup>

44. We found the points made by the Federation of Small Businesses convincing. The fact that it is prepared to put its hand in its pocket is evidence of its support of apprenticeships. **We recommend the draft Bill be amended to provide that apprentices aged 16 to 18 be paid the Minimum Wage Development rate within a specified time.**

### Economic downturn

45. We raised with the Ministers who gave evidence the impact of the current economic downturn on employer-led apprenticeships as proposed in the draft Bill. Lord Young replied:

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89 Q 32

90 Ev 35

businesses have to believe that their chances of survival will be enhanced with a better skilled workforce, and that taking on apprentices will benefit their business rather than be a burden to it. [...] We do not discount the fact that it is going to be a somewhat harder task in the current situation. However, we ought to put it in context. We have already made significant progress on driving up the number of apprenticeships, so we do not believe it is an impossible task, but neither are we underestimating the effect of current circumstances or the impact on businesses.<sup>91</sup>

[W]e do still suffer from a skill shortage, even taking into account the downturn. We have to remove all the barriers, and there have been barriers that people have complained about in the past when they wanted to take on apprenticeships, and we believe that we can do that, we can simplify the system for employers with our National Apprenticeship Service. The other thing we are looking at specifically in relation to SMEs is the question of trialling wage subsidies. We are not absolutely sure about the effects of this but we are certainly seeking to trial that.<sup>92</sup>

Jim Knight added:

demand from young people, from potential apprentices, may well increase, so that side of things may be made easier. I think it would be extremely complacent of us to believe that it is not going to make it slightly more difficult in respect of engaging employers. That is why we need to deepen what we are doing in the public sector because we have more leverage over the public sector. There is huge room for expansion of apprenticeships in the public sector, and it will also be targeted with our expanded resource that we are putting into this. It is human resources and marketing resources. This is the tip of a large iceberg in terms of the legislation, and we will bring all of that to bear on ensuring that employers are persuaded that it is good for their medium and long term future to invest in apprenticeships.<sup>93</sup>

### **Public sector apprenticeships**

46. Edexcel pointed out that there were “markedly fewer placements provided by central Government departments or local authorities compared to private and voluntary-sector employers” and pointed out that this gap was “amenable to policy intervention and offers the opportunity for public sector leadership”.<sup>94</sup>

47. From the Minister’s response it is clear that the public sector is going to play a greater role in providing apprenticeships in the face of the economic downturn.<sup>95</sup> While we accept that the draft Bill was published before the full effects of the downturn became apparent, the situation has changed in recent months and we consider it essential that, when the House comes to examine the finalised legislation, the Government set out in detail what

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91 Q 145 [Lord Young of Norwood Green]

92 Q 147 [Lord Young of Norwood Green]; also see Appendix 1, Q 112 and Q 113.

93 Q 147 [Jim Knight]; also see Appendix 1, Q 111.

94 Ev 52, para 6.6

95 See also Appendix 1, Q 88.

part it expects the public sector, both central and local government, to play in providing and organising apprenticeships.

**48. We conclude that the economic downturn throws up challenges and opportunities for the Government’s policy on apprenticeships. There are, as far as we can see, no provisions in the draft Bill that have been specifically designed to encourage the provision of apprenticeships during the downturn. We recommend that the Government set out in detail (i) how it expects the public sector, both central and local government, to provide and organise apprenticeships to meet the challenges of the downturn and (ii) what additional resources will be provided.**

### ***“Conversions”***

49. We established during the course of the inquiry that the majority of apprentices were not new recruits to a business but existing employees who are in work and who “convert” from their current jobs to apprenticeships with the same employer.<sup>96</sup> This matter has been given greater significance in light of the civil service recruiting apprentices. On 27 October 2008, the Secretary of State at DIUS announced that over 1,000 apprentices would work in central government departments and agencies this academic year.<sup>97</sup> The announcement did not state whether these apprentices were new recruits or “conversions” by existing employees. If the majority were to be conversions and if this practice were to be replicated across the public sector, it raises a question about the extent to which Government policy has created new apprenticeship opportunities. **We recommend that, in responding to this Report, the Government clarify whether it expects the majority of apprentices within the civil service and public sector to be existing employees who “convert” to apprenticeships and what steps it is taking to monitor the quality of the training provided to apprentices in the private and public sectors who “convert”.**

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96 Q 101; see also Ev 79 [Learning and Skills Council] and Appendix 1, Q 133 to Q 143.

97 DIUS, “Government doubles Apprenticeships commitment”, Press release, 27 October 2008

## 4 The National Apprenticeship Service

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### The establishment of the National Apprenticeship Service

50. The Government stated in *World-class Apprenticeships* that it would create a new National Apprenticeship Service and “assign to it the end-to-end responsibility for the Apprenticeship programme”.<sup>98</sup> The draft Bill does not, however, create a National Apprenticeship Service. Instead, it places a number of responsibilities on the Learning and Skills Council, which will manage the National Apprenticeship Service. The Government plans to dissolve the Learning and Skills Council by 2010. The National Apprenticeship Service will then become a “discrete service, led by a Director reporting to the Secretaries of State of DIUS and DCSF, and managed within the Skills Funding Agency”,<sup>99</sup> which is expected to come into being in the autumn of 2010 when the Learning and Skills Council ceases to exist.<sup>100</sup>

51. In its evidence to us parts of business was supportive of the creation of the National Apprenticeship Service<sup>101</sup> with its focus on promoting apprenticeships, but the British Chambers of Commerce believed that the change was “an unnecessary part of a long history of organisational change” in further education by the Government and that, despite “its faults, a slimmed down and less bureaucratic LSC would have been the natural home for national co-ordination of apprenticeships.”<sup>102</sup> David Way, National Director of Apprenticeships at the Learning and Skills Council pointed out to us that the Council could point to achievements such as increasing numbers of apprenticeships and increasing completion rates “comparable with the rest of Europe”.<sup>103</sup>

52. We therefore asked the Ministers why, in the face of success, change was needed. Jim Knight explained that the winding-up of the Learning and Skills Council was a consequence of the Government’s proposal that all young people will stay in education or training at least to 18 years of age and to transfer to local authorities the responsibility for commissioning and funding education and training for all 16–18 year-olds. He said that as a result “you are taking away the majority of the funding [...] from the Learning and Skills Council and you are left with something else.”<sup>104</sup> Mr Way considered that “high quality people from the Learning and Skills Council [would be] transferring to the National Apprenticeship Service because the nature of the work it involves is going to be attractive to many people in that organisation”.<sup>105</sup> The relevance of the raising of the education and

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98 *World-class Apprenticeships*, para 4.7

99 DCSF and DIUS, *Raising Expectations: enabling the system to deliver*, Cm 7348, March 2008, paras 30 and 10.8; see also Appendix 1, Q 52.

100 DCSF and DIUS, *Raising Expectations: enabling the system to deliver*, Cm 7348, March 2008, para 7.10; see also Appendix 1, Q 13 and Q 73.

101 Q 1

102 Ev 45

103 Q 95; see also table at para 11, above.

104 Q 190

105 Q 99 [David Way]

training leaving age to 18 was not examined in detail in the documentation accompanying the draft Bill. **From the perspective of support for apprentices we consider that the winding-up of the Learning and Skills Council poses particular challenges at an important time. The primary cause for the change falls outside the scope of our inquiry and is unrelated to improving and promoting apprenticeships. We took limited reassurance from the Learning and Skills Council’s evidence about continuity and are concerned that the establishment of the National Apprenticeship Service may be seen as the by-product of a wider reorganisation, which is principally concerned with the raising of the education and training leaving age to 18. We recommend that, in the documentation accompanying the finalised legislation, the Government set out in detail the organisational implications of the raising of the leaving age on the expansion and operation of apprenticeships and reaffirms the central position of the National Apprenticeship Service.**

### The responsibilities of the National Apprenticeship Service

53. The Government explained in *World-class Apprenticeships* that the National Apprenticeship Service would operate both at national and sub-regional level and would have the following functions.

- a) Overall responsibility for delivery of the Government’s policy on Apprenticeships, including achievement of the targets set by Government.
- b) Co-ordinating the funding of all Apprenticeship places. The Service will also be responsible for initiatives designed to stimulate greater employer involvement in the scheme.
- c) Assessing potential providers for quality and value-for-money; approving those that offer a high standard of delivery and monitoring performance over time using a suite of qualitative and quantitative performance indicators.
- d) A national information and marketing service.
- e) Establishing and maintaining a national matching service for employers and would-be Apprentices, to enable employers to advertise their positions and prospective applicants, anywhere in the country, to search for them and apply as appropriate.
- f) Development of a model Apprenticeship Agreement.
- g) Responsibility for administration of the Apprenticeship “credit” initiative.
- h) The specification and provision of all future management information, and its dissemination to various partners such as the Commission for Employment and Skills.
- i) Promotion of Apprenticeships.
- j) Management of a task force initiative to overcome the particular barriers to the growth of the programme in London.<sup>106</sup>

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<sup>106</sup> *World-class Apprenticeships*, para 4.8

54. The draft Bill places a number of responsibilities on the Learning and Skills Council, which will pass to the National Apprenticeship Service. These are set out at clauses 21 and 22 but are shorter than the list in *World-class Apprenticeships*. They provide:

- a) a duty to exercise its functions with a view to securing that apprenticeship places are available in sufficient number and variety for there to be suitable places for suitably qualified people who want one;<sup>107</sup>
- b) a requirement to secure the availability of arrangements relating to employment under an apprenticeship agreement and for courses of training or study for each of the qualifications required under recognised frameworks;<sup>108</sup>
- c) a requirement to encourage employers to enter into apprenticeship agreements;<sup>109</sup> and
- d) the statutory basis for the national apprenticeship vacancy matching service.<sup>110</sup>

55. In our questions to the Ministers and officials we sought to find out how the National Apprenticeship Service would operate but we were not able to form a detailed picture. For example, one essential issue is the National Apprenticeship Service’s local and regional structure. The Government’s strategy is clear: “The primary role of the NAS field force will be to work with employers locally and regionally.”<sup>111</sup> There is, however, no requirement in the draft Bill for the National Apprenticeship Service to consult with local employers and the documents published with the draft Bill provide no detailed information on the operation of the Service at a local level. While Mr Way was confident that work in the Service was “going to be locally based and directly dealing with employers”<sup>112</sup> and Mr Knight said that it would “need to be able to relate to employers at the appropriate level”,<sup>113</sup> we were not able to establish how the arrangements would work.

56. Stephen Marston, Director General of Further Education and Skills at DIUS, stated that the National Apprenticeship Service “would be a bigger, better service than we have now” and he was able to tell us that overall the number of staff would expand “from about 250 now to about 400 in future for the National Apprenticeship Service.”<sup>114</sup> No information was provided in the supporting documentation to set out what these staff would do at regional or local level, where they would be based or the costs or recruiting and establishing them. One area that we would expect to explain in detail is how the National Apprenticeship Service would interface with local authorities—for example, one key question, is what happens when someone starts an apprenticeship at 17 or 18 and does not complete it until 19 or 20, how will his or her transfer from the local authority part of “the system” to the National Apprenticeship Service be handled. **We were unable to form a conclusion on the operation of the National Apprenticeship Service—for example, its**

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107 Draft Apprenticeships Bill, clause 21, new section 3E inserted into the Learning and Skills Act 2000

108 Draft Apprenticeships Bill, clause 21, new section 3G inserted into the Learning and Skills Act 2000

109 Draft Apprenticeships Bill, clause 21(5)

110 Draft Apprenticeships Bill, clause 22

111 *World-class Apprenticeships*, para 4.11

112 Q 99 [Mr Way]; see also Appendix 1, Q 3.

113 Q 192 [Jim Knight]

114 Q 191 [Mr Marston]

relationship to the existing National Employer Service which contracts with large employers for apprenticeships—because little information about its operation was provided with the draft Bill, supporting documentation or in response to our questions. Nor were we provided with evidence to be able to judge whether the Government’s claims that the National Apprenticeship Service would provide an improved service were justified. Given the future importance of the Service this lack of information is completely unsatisfactory. We recommend that, to accompany the finalised legislation, the Government produce a detailed memorandum setting out how the National Apprenticeship Service will operate at national, regional and local level to fulfil its functions, setting out the proposed number of staff to carry out each function, along with a budget showing the costs of setting up and running the Service.

### **Targets for the National Apprenticeship Service**

57. The Government has accepted “Lord Leitch’s aspirations for 400,000 Apprentices in England by 2020”.<sup>115</sup> In its strategy set out in *World-class Apprenticeships* the Government said that the Director of the National Apprenticeship Service will report to the Prime Minister, twice-yearly, on progress against targets.<sup>116</sup> The Government explained that

we want to ensure complete clarity in our measures in the future so that we can accurately set targets and report on progress against them. We will therefore be focusing on the two most instructive metrics: the number of people starting an Apprenticeship in the year (‘starts’) and the percentage of those who complete that Apprenticeship (‘completion rate’).<sup>117</sup>

We appreciate that work on formulating targets may not yet be finalised but it would have assisted our scrutiny and it will assist the House’s consideration of the finalised legislation to have indicative targets showing their range and stringency. In our view the completion rate target may not be sufficient to provide an accurate measure of quality—for example, it would not pick-up those progressing from apprenticeships to advanced apprenticeships. **In view of the functions allocated to the National Apprenticeship Service we conclude that it is important that the targets on apprenticeships measure the starts and completion rates of apprenticeships by sector and size of business, charting milestones towards the Government’s aspiration of 400,000 apprentices in England by 2020. In addition, the targets need to provide an accurate measure of quality of training. We recommend that the Government draw up and publish with the finalised legislation an indicative set of targets for the prospective National Apprenticeship Service.**

### **Data to be collected by the National Apprenticeship Service**

58. The accurate measurement of progress against targets will depend on the data that the National Apprenticeship Service collects. There was agreement by the witnesses representing employers that, as Richard Wainer from the CBI, put it “data collection is

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115 *World-class Apprenticeships*, para p 5

116 *World-class Apprenticeships*, para 4.14

117 *World-class Apprenticeships*, para 2.6

important as long as it does not place undue burdens on the businesses”.<sup>118</sup> He considered that currently “the quality of data we have around apprenticeships is pretty poor. From a policy perspective, it is very difficult.”<sup>119</sup>

59. To monitor progress towards the objectives of the Government’s policy, data on other aspects of apprenticeships will need to be collected.

- a) During the course of inquiry—as we note in chapter 5—we discovered that the majority of new apprentices were not new recruits to a business but existing employees “who are in work and converting them to apprentices”.<sup>120</sup> The information we obtained on these “conversions” is set out in a memorandum from the Learning and Skills Council.<sup>121</sup> Although the Council said the figures they supplied may be overstating the number of conversions, the percentage of conversions rose from 73% in 2005–06 to 77% in 2006–07.<sup>122</sup> Data showing the proportions of new recruits and conversions will be essential to show whether apprenticeships are growing as a route for new entrants to the labour market.
- b) As we noted in chapter 2, the number of advanced apprenticeships as a proportion of the total number has been falling recently. A continuing fall could be an indication that progression from apprenticeships to advanced apprenticeships was stalling. Data showing the progression of apprenticeships to advanced apprenticeships and to higher education will be essential to show that the improvement in quality is being achieved.
- c) The Government stated in *World-class Apprenticeships* that “English Apprenticeships suffer from serious diversity problems, which are more marked than labour market patterns in general.”<sup>123</sup> Data will need to be collected to measure whether these problems are being addressed.

**60. We conclude that the collection of accurate and timely data on apprenticeships will be crucial not only to the measurement of progress against targets but also informing the formulation of policy. But the requirements to supply data have to be such as not to impose an undue burden on business. We recommend that the Government draw up and publish with the finalised legislation its plans for the collection of data on apprentices and apprenticeships and for the publication of data. The data required will need to differentiate between new entrants and those converting from existing employment to an apprenticeship, track the progression to apprentices and identify characteristics such as age, gender, ethnic background, disability and sector.**

### **Promotion of apprenticeships**

61. We detected that the production of the draft Bill itself was seen a proof of the importance that is attached to apprenticeships and the need to promote the skills that are

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118 Q 42 [Mr Wainer]; See also Q 41 [Mr Jaffa, Mr Frost and Ms Seaman].

119 Q 42 [Mr Wainer]

120 Q 101; see also Ev 77 [Learning and Skills Council].

121 Ev 77, para 4

122 Ev 77, para 1

123 *World-class Apprenticeships*, para 2.18

essential for many apprentices. As Tom Wilson from the TUC put it: “part of the purpose of this Bill [...] is to concentrate a lot of energy and resources on questions [about the skills apprentices require] and make sure they are given the attention they deserve.”<sup>124</sup> We applaud this sentiment. But once any legislation is enacted there need to be structures in place to sustain the promotion and improvement of apprenticeships. While we note the provision at clause 21(5) requiring the National Apprenticeship Service to encourage employers to enter into apprenticeship agreements, we question whether this duty is sufficient to achieve the ambitious target set in the *Leitch review of skills* for 400,000 apprentices in England by 2020.<sup>125</sup> The scale of the task was highlighted by the Federation of Small Businesses which told us that in a “recent survey, we found that only five per cent of the people taking on apprenticeships were aware of wage contribution on offer to small businesses” for apprentices.<sup>126</sup> In our view there is a need for a stronger duty to promote and enhance apprenticeships than is provided in the draft Bill. **We recommend the legislation impose a duty on the National Apprenticeship Service to promote and enhance apprenticeships.**

### Sector Skills Councils

62. There are currently 25 UK Sector Skills Councils licensed by the Government. They are employer-led organisations covering approximately 85% of the UK workforce from manufacturing and transport to finance and IT. As well as providing a voice for employers they have the following goals:

- a) to reduce skills gaps and shortages;
- b) improve productivity, business and public service performance;
- c) increase opportunities to boost the skills and productivity of everyone in the sector's workforce; and
- d) improve learning supply including apprenticeships, higher education and National Occupational Standards.<sup>127</sup>

63. A major part of the draft Bill is concerned with the “Apprenticeship frameworks”. A framework outlines a programme of learning against which the Government will provide apprenticeship funding.<sup>128</sup> Frameworks are currently defined by Sector Skills Councils in accordance with the basic guidelines laid down in the national apprenticeships blueprint.<sup>129</sup> The draft Bill would give many of the existing arrangements “for the very first time [...] statutory force and backing to [the apprenticeships] framework in order to position

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124 Q 69

125 See para 1, above.

126 Q 40 [Mr Jaffa]

127 Website of the UK Commission for Employment and Skills at <http://www.ukces.org.uk/default.aspx?page=2#1164>

128 *World-class Apprenticeships*, fn 5

129 *World-class Apprenticeships*, para 3.1; see also Appendix 1, Q 13-Q 14.

apprenticeships as a permanent part of the education and training landscape”.<sup>130</sup> The Government explained that:

It is our intention that [Sector Skills Councils] will approve Apprenticeship frameworks for their sectors which will be based upon updated national occupational standards. These would be included in the ready-made bank of qualifications, designed to meet the requirements of employers in each sector. In future, any organisation wishing to offer an Apprenticeship simply needs to submit to the relevant Sector Skills Council a short description of its plans, the qualifications and units it wishes to utilise, and how they meet the requirements of the strengthened Apprenticeships blueprint. [Sector Skills Councils] will provide support to employers to develop frameworks.<sup>131</sup>

64. The evidence we received from the Sector Skills Councils did not indicate that the Government’s proposals in respect of apprenticeship frameworks were flawed.<sup>132</sup> There were, however, some reservations. One area of concern was which body would issue completion certifications in the new system. The draft Bill provides for a certifying authority to issue an apprenticeship certificate to a person who applies to it who satisfies the appropriate conditions.<sup>133</sup> In responding to out written questions the Government explained that the National Apprenticeship Service would issue the apprenticeship certificates.<sup>134</sup> SEMTA<sup>135</sup> said that Sector Skills Councils should “retain the role of ‘certifying authority’ if apprenticeships are to retain their value, employer-focus, coherence, and sector-relevance.”<sup>136</sup> The Government explained that this change would ensure that there was “a nationally consistent completion certificate”<sup>137</sup> issued by the National Apprenticeship Service, although under the new arrangements the certificate would have sector skills council branding as appropriate to the apprenticeship framework completed.<sup>138</sup> Ofsted, in its response to the Departments’ consultations welcomed the “proposals to issue Apprenticeship Certificates” and saw “this as an important mechanism to raise the profile and importance of apprenticeship programmes”.<sup>139</sup> **We conclude that the Government’s proposal to replace completion certificates issued by Sector Skills Councils with a “national” certificate issued by the National Apprenticeship Service fits with the proposals in the draft Bill to achieve national recognition for apprenticeships. We also conclude that the draft Bill will not, and should not, substantially change the existing structures and roles played by the Sector Skills Councils.**

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130 Q 124 [Mr Marston]

131 Appendix 1, Q 75.

132 Ev 33 [Engineering Council UK], para 7, Ev 49 [Financial Services Skills Council], Ev 60 [Skillset, the Sector Skills Council for Creative Media]; and see also COI, “A report relating to responses to the public consultation on the Draft Apprenticeships Bill”, 17 October 2008, p 5.

133 Draft Apprenticeships Bill, clauses 1-4

134 Appendix 1, Q 4

135 Sector Skills Council for Science, Engineering and Manufacturing Technologies

136 Ev 48 [SEMTA—Sector Skills Council for science, engineering and manufacturing technologies in the UK], para 2

137 *World-class Apprenticeships*, para 4.10

138 As above

139 COI, “A report relating to responses to the public consultation on the Draft Apprenticeships Bill”, 17 October 2008, p 4

## National Apprenticeship Matching Service

65. Clause 22 provides the statutory basis for the National Apprenticeship Vacancy Matching Service. The service would enable employers to advertise their positions and prospective applicants, anywhere in the country, to search for them and to apply. The National Apprenticeship Service would be responsible for the initial commissioning and building of a technology platform, based on the successful regional trials, which are currently underway.<sup>140</sup> The National Apprenticeship Service would also be responsible for the ongoing management of the full Matching Service, including dedicated customer service staff.<sup>141</sup>

66. As with our scrutiny of other aspects of this legislation little information about the organisational and operational arrangements for the National Apprenticeship Matching Service was available. We were surprised to be told that details of the cost savings from the introduction of the National Matching Service would not be available until 2012.<sup>142</sup> The absence of information has precluded detailed scrutiny. The evidence we received was in favour of the concept of a Matching Service but a number of concerns were expressed. The Federation of Small Businesses questioned whether the Service would overlap with the work of Group Training Associations and suggested that “if it is going to make any point make it one and not two different things for a small business to understand”.<sup>143</sup> The British Chambers of Commerce, CBI and the Alliance of Sector Skills Councils said that the Matching Service would have to be based on local areas and local needs.<sup>144</sup> The Association of Colleges went further:

we are concerned that it might detract from some of the things that are working there. One of the things that actually does work now is the relationship between a provider and the employer, and that is something that has built up over time, it is not something that happens very quickly. Therefore, we might actually be able to grow apprenticeship provision because of the arrangements we already have with an employer.<sup>145</sup>

67. In the absence of detailed information we reach no conclusions about the National Apprenticeship Matching Service. But on the basis of the evidence we received we are able to make a number of recommendations, which should guide the Government’s formulation of the arrangements for the operation of the Service. **We recommend that the National Apprenticeship Matching Service be designed to complement, not replace or duplicate, existing arrangements for putting prospective apprentices in contact with employers, and that the primary focus of the Service be on meeting local needs. The results of the trials currently underway should be published before the Second Reading of the Bill. Finally, we recommend that the Government draw up and publish with the**

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140 *World-class Apprenticeships*, para 4.8, Q 142 [Lord Young of Norwood Green]; see also Appendix 1, Q 66.

141 *World-class Apprenticeships*, para 4.8

142 Appendix 1, Q 102

143 Q 43 [Mr Jaffa]

144 Q 43 [Mr Frost, Mr Wainer and Ms Seaman]

145 Q 81

**finalised legislation its estimates of the costs for the setting up and running the Matching Service.**

## 5 The quality of apprenticeships

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68. At the heart of the Government’s policy is a substantial expansion in the number of apprentices in England, which we support. But, as the British Chambers of Commerce put it: “Simply to go for volume at the expense of quality will just consign this programme to the dustbin.”<sup>146</sup> In its strategy for apprenticeships set out in *World-class Apprenticeships*, the Government showed that it was aware of the importance of quality and “listed a range of actions to improve further the quality of Apprenticeships so as to ensure that they are fit for the needs of the 21st century”.<sup>147</sup> Stephen Marston from DIUS in his oral evidence made clear that the Government was seeking “a long-term stable framework for ensuring the growth and quality of the apprenticeships programme”.<sup>148</sup>

69. We have focused on two aspects of quality: first, whether there is clear responsibility for monitoring and maintaining the quality of apprenticeships; and, second, how the draft Bill would promote and improve quality.

70. When we came to consider quality, however, we encountered problems.

- a) First, while the Secretaries of State in their foreword to the Bill refer to high quality training several times and quality is covered in *World-class Apprenticeships*,<sup>149</sup> neither the draft Bill nor the Explanatory Notes to the Bill make a reference to quality. Quality will, however, be significantly determined by the form and content of apprenticeship frameworks, the definition of which will be set by the specification of apprenticeship standards. The draft Bill makes provisions for both frameworks and the specification. While we examine both in this section, the effect on the quality of apprenticeships will not be clear until the specification has been published; it was not available when we carried out our scrutiny.
- b) Second, we detected a circularity in the Government’s approach to quality which came back to numbers—in their foreword to *World-class Apprenticeships* the Secretaries of State in listing the range of actions to improve quality stated “including measuring what matters most: the number of people who start and complete their Apprenticeship”.<sup>150</sup> While we accept that to complete an apprenticeship an apprentice will have to meet certain standards, the process for setting those standards needs to ensure that the quality of apprenticeships is maintained and improved.

### Monitoring and maintaining the quality of apprenticeships

71. We received evidence that the Government may need to give further consideration to the question of safeguarding the quality of apprenticeships. First, greater numbers of young people with no experience of training will be encouraged to enter apprenticeships.<sup>151</sup>

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146 Q 38

147 *World-class Apprenticeships*, p 4, paras 3.77, 3.11 and Ch 4; see also Appendix 1, Q 95.

148 Q 124 [Mr Marston]

149 *World-class Apprenticeships*, pp 3-6, 8, paras 2.7, 2.18, 3.11, 3.16, 3.26, 4.8, and 5.13

150 *World-class Apprenticeships*, p4

151 *World-class Apprenticeships*, p 5

Similarly, sectors and employers that until now have offered few or no apprenticeships will be encouraged to take on apprentices.<sup>152</sup> In 2007 responsibility for inspection was transferred to Ofsted.<sup>153</sup> The Government explained that the

inspection visits will be carried out by Ofsted inspectors. Where Ofsted judges an independent provider as overall inadequate, the National Apprenticeship Service will normally continue to contract with that provider—presenting it with the opportunity to improve. However, the National Apprenticeship Service will reserve the right to cease funding that provider without offering further opportunity to improve where there are concerns that the provider does not have the capacity to improve and as such it is not the interest of learners, employers or the public purse to continue to fund that provider.<sup>154</sup>

72. Network Rail told us that the Learning and Skills Council and Ofsted were “increasingly bureaucratic and their auditing of our standards excessive”<sup>155</sup> and it pointed out that it was

an employer, not a training provider [...] nonetheless, we face the same level of external inspection and assessment as a college or commercial training provider. For example, we are subject to a full Ofsted inspection which diverts a lot of time and energy which we should be concentrating on the delivery of our apprenticeship scheme.”<sup>156</sup>

It favoured a system of “self-assurance and self-governance of our standards”.<sup>157</sup>

73. Business saw the provisions in the draft Bill as introducing “a number of very welcome flexibilities in the way employers will be able to run their apprenticeship programmes.”<sup>158</sup> Richard Wainer from the CBI did not consider that “flexibility and quality are mutually exclusive”.<sup>159</sup> He explained that:

brands develop because people are confident they deliver quality and value for money. If a young person can see that an apprenticeship is preparing them well for a future career, is developing those wider employability skills, that is how the brands will develop. That is where young people and their parents will be confident that an apprenticeship is a good option for them.<sup>160</sup>

74. Not all employers shared this view. In its response to the Government’s consultation on the draft Bill, one of the Sector Skills Councils, Construction Skills, expressed a fear that bespoke framework applications would become prolific and so lead to inconsistencies

152 *World-class Apprenticeships*, paras 5.4-5.5

153 *World-class Apprenticeships*, para 2.12; see also Appendix 1, Q 84.

154 Appendix 1, Q 85

155 Ev 42, para 7

156 As above

157 Ev 42, para 10

158 Q 1

159 Q 46

160 As above

rather than uniformity at national level. They highlighted the potential difficulty in assessing frameworks where a conflict between business requirements and national consistency was evident.<sup>161</sup> In our view it is essential to maintain the quality of apprenticeships and for a single body to be responsible for safeguarding the “brand”. The obvious home for this responsibility is the National Apprenticeship Service but we were concerned to be informed by Mr Marston that the Service “will not be inspecting or reviewing quality”.<sup>162</sup> **The draft Bill makes no reference to quality of apprenticeships. We conclude that the consequences of the substantial expansion of the numbers need to be carefully monitored, to ensure that the quality of apprenticeships as a brand is safeguarded. Ofsted is not suitable to carry out this role as its focus is not on apprenticeships and its approach has been characterised as bureaucratic and mechanistic. In our view the most suitable candidate for this essential job is the National Apprenticeship Service. We recommend that the finalised legislation must contain a provision requiring the National Apprenticeship Service to test and report on the quality of apprenticeships in England.**

### Specification of apprenticeship standards

75. As we have noted, a key provision driving the quality of apprenticeships in the draft Bill is the specification of apprenticeship standards.<sup>163</sup> The Bill provides for a statutory function to be placed on the Secretary of State to approve the core elements that are to apply to every apprenticeship framework, regardless of career or level: the specification of apprenticeship standards.<sup>164</sup> The specification could contain, for example, requirements as to competence and knowledge based elements, transferable skills, employment rights and responsibilities, clear progression routes and minimum off-station learning time.<sup>165</sup>

76. The specification is not a new arrangement. It will be based on the “blueprint” in the current arrangements, which was introduced in 2005, to provide updated guidance for Sector Skills Councils on how to define their Apprenticeship frameworks.<sup>166</sup> In its consideration of quality the Government said in *World-class Apprenticeships* that the “revised blueprint and accompanying agreements will provide more clarity over what is expected of all parties involved in the Apprenticeship.”<sup>167</sup> No blueprint or specification of apprenticeship standards was provided with the documents accompanying the draft Bill, though Mr Marston pointed out that the Government had “put out in *World-class Apprenticeships* an outline of what that blueprint will cover”.<sup>168</sup> When we asked Lord

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161 COI, “A report relating to responses to the public consultation on the Draft Apprenticeships Bill”, 17 October 2008, p 6

162 Q 193 [Mr Marston]; also see Appendix 1, Q 74.

163 Draft Apprenticeships Bill, clause s 11–15

164 Draft Apprenticeships Bill, Explanatory Notes, para 4

165 Draft Apprenticeships Bill, Explanatory Notes, para 20

166 *World-class Apprenticeships*, para 2.12

167 *World-class Apprenticeships*, para 3.11

168 Q 169 [Mr Marston]; *World-class Apprenticeships*, para 3.7 proposed the following requirements in respect of the specification/blueprint:

- A knowledge-based element
- A competence-based element

Young about the specification, he indicated that the Government was going to make it “much more rigorous.”<sup>169</sup> He added that it would be ready for Second Reading.<sup>170</sup>

77. The absence of a detailed draft specification of apprenticeship standards hampered our ability to scrutinise the Government’s proposals. This deficiency has, understandably, led those submitting evidence to project their views onto the specification.

- a) The British Chambers of Commerce took the view that the “broad outline for apprenticeship blueprints outlined in the draft Bill is the correct one, but should be as light-touch and bureaucracy free as possible otherwise business will not want to take on apprentices.”<sup>171</sup>
- b) The Alliance of Sector Skills Councils said the specification had to be “robust, essentially having a national framework that all the apprenticeships adhere to so you have the common aspects of that on a national basis will ensure that there is an amount of portability. [...] We have to [...] make sure that those fit the framework and are national benchmarks”.<sup>172</sup>
- c) While accepting that literacy, numeracy and ICT skills were important, the Federation of Small Businesses stated that it was “not the responsibility for an employer to take on an apprentice, to train in literacy, numeracy and ICT skills on the first day”.<sup>173</sup> The CBI said that literacy and numeracy “should have been sorted out at school”.<sup>174</sup>
- d) The TUC considered that “it was possible to have sector specific Level 3 core elements which were about communication skills, numeracy, literacy, team-working, motivational and organisational skills, all the things which many universities say now are what they are looking for from school or college entrants.”<sup>175</sup>
- e) Edexcel highlighted two concerns. First, the specification and “the development of apprenticeship frameworks and standards needs to reflect more clearly the interests and contribution of micro, small and medium sized enterprises, in their own right. Many SMEs appear to believe that their concerns and priorities are not fully understood or communicated by Sector Skills Councils.” Second, the arrangements “need to be sufficiently flexible to accommodate successful in-house training

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- Transferable or ‘key skills’ (literacy, numeracy and personal learning and thinking skills)
  - A module on employment rights and responsibilities
  - Key characteristics of an Apprentice
  - Minimum entry requirements
  - Apprenticeship Agreements (including a mentoring requirement)
  - Clear progression routes
  - A reasonable absolute minimum for off-workstation learning time.

169 Q 168

170 Q 170

171 Ev 44

172 Q 8

173 Q 16

174 Q 48

175 Q 68

programmes of large employers whose structures may differ radically from the current Apprenticeship model. Public sector employers are particularly under-represented in providing placements, hence their concerns need to be researched, understood and addressed more effectively.”<sup>176</sup>

78. On the evidence there appears to be tension between the expectations of respondents as well as some potential for disappointment when the specification is published. To take one example, *World-class Apprenticeships* indicates that the specification should contain a “reasonable absolute minimum for off-workstation learning time”.<sup>177</sup> Perceptions of what would constitute reasonable absolute minimum could vary. It may be that the Government can square the circle but that will not be clear until a draft specification is produced. There may even be the possibility of conflict between, for example, a Sector Skills Council wishing to set national “benchmarks” and a large employer wanting to set its own apprenticeship framework with its own standards. **We conclude that a draft specification of apprenticeship standards should have been supplied with the draft Bill. Its absence has impeded our scrutiny and prevented interested parties from examining the full impact of the likely use of the provisions in the draft Bill. We recommend that a detailed draft specification be produced and published as a matter of urgency and well before Second Reading of the Bill. In our view the specification of apprenticeship standards has to ensure that the quality of apprenticeships is maintained by ensuring, for example, a minimum period of good quality off-the-job training is specified in each apprenticeship framework. In addition, the Government needs to explain how conflicts—between Sector Skills Councils and employers or between the National Apprenticeship Service and Sector Skills Councils—will be resolved.**

### ***Consultation on the specification of apprenticeship standards***

79. Whilst it welcomed the requirement in the draft Bill for the Learning and Skills Council/National Apprenticeship Service to consult during its preparation of a draft specification of the specification of apprenticeship standards,<sup>178</sup> the Association of Colleges suggested that the requirement to “consult such persons as appear to it appropriate” was “totally inadequate”.<sup>179</sup> We agree and consider that the provision should explicitly list those with a key interest in the promotion and development of apprenticeships. **We recommend that the provision in the draft Bill on consultation on the specification of apprenticeship standards should be amended to require employers and training providers to be consulted.**

### ***Progression into higher education***

80. The British Chambers of Commerce told us that the “reason why large numbers of people have now gone off for an academic route with the huge expansion of higher

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176 Ev 51, para 6.2

177 *World-class Apprenticeships*, para 3.7; see also Appendix 1, Q 46 and Q 47.

178 Draft Apprenticeships Bill, clause 11(2); see also Appendix 1, Q 30 and Q 31.

179 Ev 37, para 2

education is because apprenticeships have not been seen as quality alternatives.”<sup>180</sup> The Association of Colleges believed:

much clearer links and progression pathways need to be made between the different routes in the 14–19 Strategy, namely Apprenticeships, Diplomas and GCSE/A levels. [...W]ork needs to be done to map each route respectively to ensure each meets the requirements of the other, to facilitate progression between them. We believe that the requirements of the draft new Blueprint are appropriate and have the potential to link well to the different learning routes within the new curriculum, including the Foundation learning Tier and to [higher education].<sup>181</sup>

81. The TUC pointed out that a large number of universities “already accredit prior experiential learning which will recognise all sorts of qualifications which may not be traditional academic ones and they are the kinds of universities which are currently actively now exploring how to recognise and award UCAS<sup>182</sup> points for Level 3 apprenticeships”.<sup>183</sup> Lord Young said that the Government wished to encourage apprentices to progress into higher education<sup>184</sup> and Stephen Marston added that

to encourage that progression we are working with two of the current Sector Skills Councils, SEMTA and E-skills, on looking precisely at the UCAS tariff equivalent of what goes into their apprenticeships and then we can take that as model to show how you can build progression routes from apprenticeships into [higher education].<sup>185</sup>

82. We welcome the Government’s exploration of the possibility of awarding UCAS points for advanced apprenticeships. Such a step would enhance the quality of apprenticeships and provide the possibility of progression for apprentices into higher education. **The award of UCAS points for completion of advanced apprenticeships would enhance the quality of apprenticeships and make apprenticeships more attractive to those entering the job market or seeking to change career. We conclude that establishing that all advanced apprenticeships automatically attract UCAS points sufficient for entry into some higher education for some courses that are cognate to the apprenticeship would be a powerful demonstration of the quality, consistency and currency of the programme.**

83. The Edge Foundation pointed out that some advanced apprenticeships did not prepare young people for degree courses and that, while they were an “excellent way of developing the skills and knowledge needed for work”,<sup>186</sup> higher education called for additional skills such as essay writing and research. In Edge’s view this presented a “real barrier” because admissions tutors were reluctant to offer places to apprentices as they considered that they would “struggle in their first year”.<sup>187</sup> The solution Edge suggested was to offer access to

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180 Q 38

181 Ev 73, para 31

182 Universities and Colleges Admissions Service

183 Q 68

184 Q 175

185 Q 176 [Mr Marston]; see also Appendix 1, Q 70 and Q 71

186 Ev 68

187 As above

higher education courses to any apprentice who wanted one and enshrine this entitlement in the legislation.<sup>188</sup>

84. In our view, however, the inclusion of an access course to higher education as a way of facilitating progression could send a confusing message about the standard of advanced apprenticeships to apprentices and employers. If all advanced apprenticeships automatically attracted a viable number of UCAS points i.e. that would be accepted as sufficient for entry to higher education institutions for courses related to the focus of the apprenticeship, it would be a powerful way of injecting quality, consistency and legitimacy into the programme. An access course would be superfluous and even risks undermining the value of advanced apprenticeships. **We believe that it is essential that all advanced apprenticeships should carry sufficient UCAS points for entry to higher education and that this will provide the leverage necessary to facilitate and encourage progression to higher education.**

## 6 The rights of apprentices

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### The right to an apprenticeship

85. In the foreword to the draft Bill the Secretaries of State said that “for the first time ever, the government plans to give all suitably qualified young people the right to an apprenticeship place”.<sup>189</sup> Clause 21 of the draft Bill would insert a new section (3E) into the Learning and Skills Act 2000 to place a duty on the Learning and Skills Council to exercise its functions with a view to securing that apprenticeship places are available in sufficient number and variety for there to be suitable places available for suitably qualified people who want one. The entitlement would have to be in operation by 2013.<sup>190</sup> A place would be defined as suitable if it is within one of the two chosen apprenticeship sectors and is within the reasonable travel area of the person who wants it.<sup>191</sup> Clause 21 would also insert a new section (3F) which would put an age restriction on the entitlement. It provides that a person could use the apprenticeship scheme if he or she were above compulsory school age but had not yet reached his or her 19<sup>th</sup> birthday.<sup>192</sup>

86. We asked both Ministers and David Way, National Director of Apprenticeships at the Learning and Skills Council, about the nature of the right at clause 21 and whether it was enforceable through the courts. Jim Knight said that “the effect [...] is that technically the duty applies to the Learning and Skills Council or the successor organisations and that [...] there would be the ability of the individual to pursue through the court a failure of the Council to fulfil its duty as set out in clause 21”.<sup>193</sup> But he added that nobody was “expecting there to be a huge number of court cases as a result of this. It is just that you have to have something that is the last resort in order to change the behaviour.”<sup>194</sup> We asked Mr Way how the Learning and Skills Council would manage if demand outstripped the supply of particular apprenticeships. He replied:

I think this is a part of the legislation which needs careful framing because [...] ultimately it is the employer and the individual who come together in order to offer an apprenticeship. The Learning and Skills Council does not employ very many apprentices, the vast majority are out there. It is important that the Learning and Skills Council and the National Apprenticeship Service have a responsibility placed upon it. One could use the phrase “best endeavours”, something a bit stronger than that, but I do not think you can reasonably place on the Learning and Skills Council something which it cannot make happen.<sup>195</sup>

87. We pressed Mr Way on the operation of the provision for young people in rural areas. He said that the

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189 Draft Apprenticeships Bill, p 1

190 Draft Apprenticeships Bill, clause 30(4)

191 Draft Apprenticeships Bill, Explanatory Notes, para 30; see also Appendix 1, Q 56.

192 Draft Apprenticeships Bill, Explanatory Notes, para 31

193 Q 131

194 As above

195 Q 102

National Apprenticeship Service will be trying to give that young person an apprenticeship [...] which is their first choice and the sectors are relatively widely described so that you have got some prospect of that. There will be occasions when you will have to have a talk with young people about what is a reasonable expectation in a particular locality, whether that might mean the possibility of moving, trying to strike the right balance between reasonable expectations and what is available, but the [Service] field force on the employers' side will be responding all the time to the unmet demand from young people and saying, "Look, here we've got lots of young people working with the local authorities, working with Connexions saying 'where is the demand for this'". This is going to be a focus for the National Apprenticeship Service to focus its efforts to produce vacancies in those areas.<sup>196</sup>

88. We did not find these responses reassuring. We are unclear what the right will mean for a person meeting the eligibility criteria who wants to enter a mainstream apprenticeship which is not available within a reasonable distance. The Government appears to regard the right given at clause 21 of the draft Bill to offer suitably qualified young people apprenticeship places as "technical" and as a spur to changing behaviour, though it is not clear whose. While we support the intention underlying the right given at clause 21 of the draft Bill to all suitably qualified young people to an apprenticeship to expand the number of apprenticeships, we are concerned that (a) it will build up expectations that cannot be satisfied and (b) in attempting to meet the requirement the National Apprenticeship Service will produce offers of apprenticeships which bring the system into disrepute. **It is unclear what the right given at clause 21 of the draft Bill to all suitably qualified young people to an apprenticeship will mean in practice. We recommend that the Government make a statement setting out its intention when the Bill comes before the House.**

89. Our concerns were about the right were heightened when the Government told us in a written response after the oral session that the right might in some circumstances be suspended:

[if] in future, the National Apprenticeship Service did need to limit funding to a particular sector/region the intention is that the entitlement would still need to be met, unless the entitlement in that sector or location had been suspended by the Secretary of State. It would not be in the best interests of the young people concerned to train them in sectors where there is no reasonable prospect of permanent employment.<sup>197</sup>

**We recommend that in responding to this Report the Government explain in detail, and with examples, the circumstances in which it would suspend the right to an apprenticeship at clause 21.**

90. We noted in chapter 2 that a significant number of apprentices are 19 or older. If the purpose of the right provided in clause 21 is to change behaviour—and on the assumption that the Government clarifies the matter we raise in the preceding paragraph—we find it

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196 Q 103

197 Appendix 1, Q 24

inconsistent that the draft Bill makes no mention of this group and provides no rights or provisions to encourage them to take up apprenticeships.<sup>198</sup> As the workforce ages and given the stiff targets the Government has for the expansion of the number of apprenticeships we can see justification for providing older people with similar rights to encourage change in behaviour. **If the “right” to an apprenticeship is defined and made meaningful, the Government should provide it to those aged 19 and over.**

### Entry requirements

91. As well as the age requirement on under 19 year olds exercising their right to apprenticeships the draft Bill requires them to be suitably qualified.<sup>199</sup> The Government envisages that the threshold to be suitably qualified for a Level 2 apprenticeship would be either a Foundation Diploma or five GCSEs at A\*–G (or equivalent), plus English and Mathematics functional skills at Level 1 or above. The threshold for a Level 3/advanced apprenticeship would be either a Higher Diploma or five GCSEs at A\*–C (or equivalent), plus English and Mathematics functional skills at Level 2. In either case, an apprentice will also need to meet any supplementary criteria laid down for the relevant separate apprenticeship frameworks.<sup>200</sup>

92. We received evidence which questioned the effect of the entry qualifications. Edexcel said that potential apprentices saw these requirements as “a key barrier” and this “may not allow adequate scope for adult workers to gain credit for competences they may have demonstrated in the workplace for many years, and which could indeed be passed on to younger learners”.<sup>201</sup> In Edexcel’s view there was a case for introducing “more flexible and responsive ways of accrediting prior achievement and capability”.<sup>202</sup> The Financial Skills Sector Council shared this approach. It said in written evidence:

For those who do not hold prior qualifications, we would like the provision of a portfolio of evidence to suffice and for the key skills tests to become optional. Mastery of the requirements is demonstrated adequately through a portfolio and the insistence on a further test adds nothing. The success of the model in Wales, where the key skills test requirement was removed some years ago, illustrates that the portfolio is strong enough to stand alone.<sup>203</sup>

93. The Association of Colleges advocated the development of a flexible, new Access to Apprenticeship programme which would enable employers and further education colleges to prepare properly recruits with “employability skills, functional skills and perhaps the

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198 When asked why 19–25 year olds were not covered by this provision, the Government replied: “Clause 3F is restricted to 16–19 year olds, because the clause gives effect to the entitlement of young people to an apprenticeship place. The Impact Assessment reference is to taking forward the proposals in *World-class Apprenticeships*”; Appendix 1, Q 54.

199 Draft Apprenticeships Bill, clause 21 inserting sections 3E, 3F and 3I into the Learning and Skills Act 2000

200 *World-class Apprenticeships*, para 2.17; see also Appendix 1, Q 33.

201 Ev 52, para 6.7

202 As above

203 Ev 49

technical certificate (or elements of a Diploma/other education routes) as a funded and recognised precursor to Apprenticeship training”.<sup>204</sup>

94. We believe that the definition of “suitably qualified” in clause 21 is too rigid and may deter people for whom an apprenticeship would be suitable. **We conclude the academic qualifications required for the statutory right to apprenticeships at clause 21 are too rigid and recommend that the Government relax them. We recommend that the Government explore the option of using a portfolio of evidence, rather than formal academic qualifications alone.**

95. We are also concerned about the effect of the entry requirements on diversity. As we have noted, in *World-class Apprenticeships* the Government said that “English Apprenticeships suffer from serious diversity problems”, which were more marked than labour market patterns in general. It commented that this fed the disinclination among some learners towards Apprenticeships.<sup>205</sup> **We recommend that before finalising the entry requirements the Government review the effect of such requirements on groups which traditionally have not been well-represented among apprentices.**

## Right to an alternative placement

96. The TUC in its written evidence supported the principle

established in the *Flett v Matheson* case by the Court of Appeal that where an employer does not wish to continue to provide an Apprenticeship place there should be an obligation to try and find an alternative placement. Apprentices sacrifice earnings in order to develop their skills and therefore should have some guarantee that they are able to complete their programme. Employers shouldn’t be able to end an Apprenticeship without taking some steps to ensure that the apprentice completes their training.<sup>206</sup>

97. In reply to our written question asking whether in the event of a recession employers would be able to terminate apprenticeships, the Government replied that employers will be able to “terminate apprentices in the event of a recession. Wherever possible, we would expect the National Apprenticeship Service to find the apprentice a place with another employer.”<sup>207</sup> Lord Young explained that:

we share a common goal of trying to maximise the number of apprenticeships. If we made it into a contract of apprenticeship, [...] the legal obligations of that would undermine the primary goal, so we have tried to strike a balance here on giving an apprentice normal employment rights. Can we guarantee that if an employer in the final stages decides not to go ahead, that they will find an alternative place? I do not think we could. I hope we will be creating a climate with something like the Vacancy Matching Service, all the services of the National Apprenticeship Service, that we

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204 Ev 72, para 24

205 *World-class Apprenticeships*, para 2.18

206 Ev 38

207 Appendix 1, Q 94

could do something to deal with those problems. It is about a balance on employment rights.<sup>208</sup>

98. We take Lord Young's point that there is a question of balance here but where an apprenticeship that was provided under the provisions at clause 21 of the draft Bill is terminated because of an economic reason or insolvency it is, in our view, equitable that the right exercisable under clause 21 is reinstated, irrespective of the age of the redundant apprentice. **We conclude that a provision to enshrine an obligation to attempt to find an alternative placement on an employer, who does not wish to continue to provide an apprenticeship, could go against the grain of the Government's policy to encourage employers to offer more apprenticeships. We recommend, however, that where an apprenticeship, to which the provisions at clause 21 applied, is terminated because of redundancy as defined at section 139 of the Employment Rights Act 1996 or because of insolvency, the former apprentice's right to an apprenticeship, and concomitant duty on the National Apprenticeship Service, be reinstated even if he or she has attained the age of 19.**

### The right to challenge the quality of an apprenticeship

99. We asked in our written questions, what would happen under the proposed arrangements in a case where an apprentice considered that he or she was not receiving adequate training. The Government replied that the:

apprenticeship agreement would be subject to general employment law provisions. If the employer is in breach of contract, the apprentice would have recourse to seek remedies in the Employment Tribunal. However, we would expect the apprentice to raise the issue with the employer, training provider and the National Apprenticeship Service before needing to enforce the conditions by bringing proceedings under employment law.<sup>209</sup>

100. We raised this matter with Ministers, and Lord Young said that:

the [National Apprenticeship Service] will address initial complaints but it is not going to be on the face of the Bill. [...] I was keen to see what would a young apprentice or, indeed, any apprentice do if they felt, hang on, this is not what it said on the tin when I signed up, there ought to be a means of trying to resolve it without going to any form of law. It looks like we have got some ideas and we need to take what you said into account.<sup>210</sup>

101. We are encouraged by Lord Young's response and agree that action through the Employment Tribunal should be a last resort for an apprentice who has concerns about the quality of the training he or she is receiving. **We recommend that the Government insert a provision into the finalised legislation requiring the National Apprenticeship Service to establish a mediation service for apprentices dissatisfied with the quality of the training they are receiving.**

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208 Q 184

209 Appendix 1, Q 93

210 Q 188

## 7 Conclusions

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102. The legislation is justified because it will strengthen the structure for apprenticeships in England. But it needs additional measures, particularly those to guarantee quality of training and to allow apprentices to progress in their chosen professions. As the legislation builds on existing structures we expect that it is workable. Whether it will deliver the Government's targets and a renaissance in apprenticeships depends on the detail of the system and on whether employers, which the legislation places in the driving seat, make full use of the provisions and the other measures to promote apprenticeships. We cannot wait until 2020 to discover whether the legislation is working. The Government will need to review the legislation by 2014. If insufficient employers are establishing apprenticeships the Government will have to consider stronger measures to change behaviour.

## Conclusions and recommendations

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1. We recommend that, when it decides that a piece of legislation will be subject to pre-legislative scrutiny, the Government consult with the select committees likely to carry out scrutiny and agree a timetable and arrangements before publication of the draft legislation, in order to allow committees to plan their work. (Paragraph 7)
2. We recommend that, when publishing draft bills for pre-legislative scrutiny, the Government provide comprehensive documents describing the policy behind the legislation and the detailed operation of the arrangements in the draft legislation. In addition, we recommend that it also publish a comprehensive impact assessment covering all the proposals in the legislation, including the costs of establishing and running new public sector organisations or arrangements. (Paragraph 8)
3. We have grave concerns that the Departments have treated consultation with the Welsh Assembly Government and the National Assembly for Wales as an afterthought. The consultation on the operation of apprenticeships in Wales and on the application of the draft legislation to Wales has clearly been inadequate and we recommend that the Government rectify this deficiency before the provisions in the draft Bill are finalised. (Paragraph 10)
4. We conclude that the Government is to be congratulated on its achievements in expanding the number of apprenticeships. But within the overall improvement there are some trends which give rise to concern, in particular, the fall in advanced apprenticeships. The *Leitch review of skills* and the strategy set out in *World-class Apprenticeships* also demonstrate that it recognises that more needs to be done. (Paragraph 15)
5. We recommend that the finalised legislation define “apprenticeship” and “advanced apprenticeship”. (Paragraph 20)
6. We conclude that so called programme-led apprenticeships could provide a useful preparation for an employer-led apprenticeship but they are not apprenticeships within the meaning of the proposals in the draft Bill. We recommend that, for the sake of clarity, “programme-led apprenticeships” are renamed “pre-apprenticeship training” or an appropriate title reflecting the nature and function of the training. We further recommend that the Government review the purpose of what has been called programme led apprenticeships, to ensure that the content of the training meets the requirements of participants. We also recommend that the Government make the connection between “programme-led apprenticeships” and apprenticeships transparent. It should be clear to participants how the qualifications achieved through completing the “programme-led apprenticeship” connect with, and may count towards, the successful achievement of the qualification requirements specified in the (follow-on) apprenticeship. (Paragraph 23)
7. We concur with the Association of Colleges that the system put in place by the draft Bill must ensure that there is flexibility to allow training providers—further education colleges and independent learning providers—to play a full part in the

promotion and expansion of apprenticeships and that there should be scope for them to develop new roles such as brokers and the provision of support geared to the needs of small businesses. (Paragraph 24)

8. We draw to the attention of the Government the concerns of the learning providers about their capacity to provide enough training for apprenticeships. We invite the Government to explain, in responding to this Report, what plans it has to encourage greater provision of training, to meet the needs of those exercising their right to apprenticeships under the draft Bill. (Paragraph 25)
9. We conclude that the legislation is justified as it creates a new entitlement that every young person with the right qualifications should be able to take up an apprenticeship and to make provision for some of the functions of the putative National Apprenticeship Service. The contribution that the legislation will make to the expansion, improvement and status of apprenticeships will depend on its implementation. (Paragraph 28)
10. We agree with the Government that employers have to be at the heart of the apprenticeship programme. Without their full support the renaissance in apprenticeships will not be achieved. We welcome the support that employers' organisations have given to the policy. (Paragraph 30)
11. Taking the draft Bill as a whole, we conclude that, for those employers represented by the CBI and the British Chambers of Commerce, the draft Bill has the potential to deliver two of their key requirements: a reduction in unnecessary bureaucracy through greater flexibility and streamlining of the central government agencies supporting apprenticeships. The extent to which these goals are achieved will depend on the implementation of the framework provisions and the operation of the National Apprenticeship Service. (Paragraph 35)
12. We recommend that the draft Bill be revised to place a duty on the National Apprenticeship Service to facilitate the setting up of bodies such as groups Training Associations, to assist small businesses to carry the administrative burden of setting up apprenticeships, organising training and securing financial support. The duty should also require the National Apprenticeship Service to ensure that such bodies cover all sectors and put small and micro-businesses within their reach. We also recommend that in responding to this Report the Government set out the extent to which it expects the public sector—both central and local government—to carry out these functions. In addition, we recommend that, where an apprenticeship is facilitated under the auspices of such a body, the apprentice must be employed by a business, not the body providing administrative support. (Paragraph 42)
13. We recommend the draft Bill be amended to provide that apprentices aged 16 to 18 be paid the Minimum Wage Development rate within a specified time. (Paragraph 44)
14. We conclude that the economic downturn throws up challenges and opportunities for the Government's policy on apprenticeships. There are, as far as we can see, no provisions in the draft Bill that have been specifically designed to encourage the provision of apprenticeships during the downturn. We recommend that the

Government set out in detail (i) how it expects the public sector, both central and local government, to provide and organise apprenticeships to meet the challenges of the downturn and (ii) what additional resources will be provided. (Paragraph 48)

15. We recommend that, in responding to this Report, the Government clarify whether it expects the majority of apprentices within the civil service and public sector to be existing employees who “convert” to apprenticeships and what steps it is taking to monitor the quality of the training provided to apprentices in the private and public sectors who “convert”. (Paragraph 49)
16. From the perspective of support for apprentices we consider that the winding-up of the Learning and Skills Council poses particular challenges at an important time. The primary cause for the change falls outside the scope of our inquiry and is unrelated to improving and promoting apprenticeships. We took limited reassurance from the Learning and Skills Council’s evidence about continuity and are concerned that the establishment of the National Apprenticeship Service may be seen as the by-product of a wider reorganisation, which is principally concerned with the raising of the education and training leaving age to 18. We recommend that, in the documentation accompanying the finalised legislation, the Government set out in detail the organisational implications of the raising of the leaving age on the expansion and operation of apprenticeships and reaffirms the central position of the National Apprenticeship Service. (Paragraph 52)
17. We were unable to form a conclusion on the operation of the National Apprenticeship Service—for example, its relationship to the existing National Employer Service which contracts with large employers for apprenticeships—because little information about its operation was provided with the draft Bill, supporting documentation or in response to our questions. Nor were we provided with evidence to be able to judge whether the Government’s claims that the National Apprenticeship Service would provide an improved service were justified. Given the future importance of the Service this lack of information is completely unsatisfactory. We recommend that, to accompany the finalised legislation, the Government produce a detailed memorandum setting out how the National Apprenticeship Service will operate at national, regional and local level to fulfil its functions, setting out the proposed number of staff to carry out each function, along with a budget showing the costs of setting up and running the Service. (Paragraph 56)
18. In view of the functions allocated to the National Apprenticeship Service we conclude that it is important that the targets on apprenticeships measure the starts and completion rates of apprenticeships by sector and size of business, charting milestones towards the Government’s aspiration of 400,000 apprentices in England by 2020. In addition, the targets need to provide an accurate measure of quality of training. We recommend that the Government draw up and publish with the finalised legislation an indicative set of targets for the prospective National Apprenticeship Service. (Paragraph 57)
19. We conclude that the collection of accurate and timely data on apprenticeships will be crucial not only to the measurement of progress against targets but also informing

the formulation of policy. But the requirements to supply data have to be such as not to impose an undue burden on business. We recommend that the Government draw up and publish with the finalised legislation its plans for the collection of data on apprentices and apprenticeships and for the publication of data. The data required will need to differentiate between new entrants and those converting from existing employment to an apprenticeship, track the progression to apprentices and identify characteristics such as age, gender, ethnic background, disability and sector. (Paragraph 60)

20. We recommend the legislation impose a duty on the National Apprenticeship Service to promote and enhance apprenticeships. (Paragraph 61)
21. We conclude that the Government's proposal to replace completion certificates issued by Sector Skills Councils with a "national" certificate issued by the National Apprenticeship Service fits with the proposals in the draft Bill to achieve national recognition for apprenticeships. We also conclude that the draft Bill will not, and should not, substantially change the existing structures and roles played by the Sector Skills Councils. (Paragraph 64)
22. We recommend that the National Apprenticeship Matching Service be designed to complement, not replace or duplicate, existing arrangements for putting prospective apprentices in contact with employers, and that the primary focus of the Service be on meeting local needs. The results of the trials currently underway should be published before the Second Reading of the Bill. Finally, we recommend that the Government draw up and publish with the finalised legislation its estimates of the costs for the setting up and running the Matching Service. (Paragraph 67)
23. The draft Bill makes no reference to quality of apprenticeships. We conclude that the consequences of the substantial expansion of the numbers need to be carefully monitored, to ensure that the quality of apprenticeships as a brand is safeguarded. Ofsted is not suitable to carry out this role as its focus is not on apprenticeships and its approach has been characterised as bureaucratic and mechanistic. In our view the most suitable candidate for this essential job is the National Apprenticeship Service. We recommend that the finalised legislation must contain a provision requiring the National Apprenticeship Service to test and report on the quality of apprenticeships in England. (Paragraph 74)
24. We conclude that a draft specification of apprenticeship standards should have been supplied with the draft Bill. Its absence has impeded our scrutiny and prevented interested parties from examining the full impact of the likely use of the provisions in the draft Bill. We recommend that a detailed draft specification be produced and published as a matter of urgency and well before Second Reading of the Bill. In our view the specification of apprenticeship standards has to ensure that the quality of apprenticeships is maintained by ensuring, for example, a minimum period of good quality off-the-job training is specified in each apprenticeship framework. In addition, the Government needs to explain how conflicts—between Sector Skills Councils and employers or between the National Apprenticeship Service and Sector Skills Councils—will be resolved. (Paragraph 78)

25. We recommend that the provision in the draft Bill on consultation on the specification of apprenticeship standards should be amended to require employers and training providers to be consulted. (Paragraph 79)
26. The award of UCAS points for completion of advanced apprenticeships would enhance the quality of apprenticeships and make apprenticeships more attractive to those entering the job market or seeking to change career. We conclude that establishing that all advanced apprenticeships automatically attract UCAS points sufficient for entry into some higher education for some courses that are cognate to the apprenticeship would be a powerful demonstration of the quality, consistency and currency of the programme. (Paragraph 82)
27. We believe that it is essential that all advanced apprenticeships should carry sufficient UCAS points for entry to higher education and that this will provide the leverage necessary to facilitate and encourage progression to higher education. (Paragraph 84)
28. It is unclear what the right given at clause 21 of the draft Bill to all suitably qualified young people to an apprenticeship will mean in practice. We recommend that the Government make a statement setting out its intention when the Bill comes before the House. (Paragraph 88)
29. We recommend that in responding to this Report the Government explain in detail, and with examples, the circumstances in which it would suspend the right to an apprenticeship at clause 21. (Paragraph 89)
30. If the “right” to an apprenticeship is defined and made meaningful, the Government should provide it to those aged 19 and over. (Paragraph 90)
31. We conclude the academic qualifications required for the statutory right to apprenticeships at clause 21 are too rigid and recommend that the Government relax them. We recommend that the Government explore the option of using a portfolio of evidence, rather than formal academic qualifications alone. (Paragraph 94)
32. We recommend that before finalising the entry requirements the Government review the effect of such requirements on groups which traditionally have not been well-represented among apprentices. (Paragraph 95)
33. We conclude that a provision to enshrine an obligation to attempt to find an alternative placement on an employer, who does not wish to continue to provide an apprenticeship, could go against the grain of the Government’s policy to encourage employers to offer more apprenticeships. We recommend, however, that where an apprenticeship, to which the provisions at clause 21 applied, is terminated because of redundancy as defined at section 139 of the Employment Rights Act 1996 or because of insolvency, the former apprentice’s right to an apprenticeship, and concomitant duty on the National Apprenticeship Service, be reinstated even if he or she has attained the age of 19. (Paragraph 98)
34. We recommend that the Government insert a provision into the finalised legislation requiring the National Apprenticeship Service to establish a mediation service for

apprentices dissatisfied with the quality of the training they are receiving. (Paragraph 101)

35. The legislation is justified because it will strengthen the structure for apprenticeships in England. But it needs additional measures, particularly those to guarantee quality of training and to allow apprentices to progress in their chosen professions. As the legislation builds on existing structures we expect that it is workable. Whether it will deliver the Government's targets and a renaissance in apprenticeships depends on the detail of the system and on whether employers, which the legislation places in the driving seat, make full use of the provisions and the other measures to promote apprenticeships. We cannot wait until 2020 to discover whether the legislation is working. The Government will need to review the legislation by 2014. If insufficient employers are establishing apprenticeships the Government will have to consider stronger measures to change behaviour. (Paragraph 102)

# Appendix 1

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## Schedule of responses from the Government to the Committee's written questions

### *Questions applying to several clauses*

Q1 The draft Bill appears unclear in the wording that it uses to describe the relationship between apprenticeship agreements, certificates and the relevant frameworks. For example, clauses 1(2)(a) and 1(3)(a) of the draft Bill refer to an apprenticeship agreement “in connection with” the apprenticeship framework whereas clause 12(4) refers to the issue of certificates “in relation to” a framework. What is the intended relationship and is it intentionally described differently? If it is, what are the reasons?

The use of both “in relation to” and “in connection with” is a matter of natural drafting, rather than importing an intentionally different meaning. In clause 12, “in relation to” a framework is used because this relates back to a completed relationship. In clause 1, the apprenticeship agreement is entered into “in connection with” the framework the apprentice plans to undertake, so is forward looking.

Q2 Which powers in the draft Bill will be exercised by the Secretary of State for Innovation, Universities and Skills and which by the Secretary of State Children, Schools and Families and which jointly?

Consistent with the standard convention for drafting of legislation, the draft Bill refers to the Secretary of State at large, and not to any individual Secretary of State. The way the powers are exercised in practice will reflect the division of responsibilities set out in the written agreement between DCSF and DIUS on the policy of handling and funding of apprenticeships. The document was placed in the Commons Library on 10 July 2008. DCSF would lead on issues relating to 16–19 year olds, including on defining the Apprenticeship Entitlement and on its implementation for young people. While DIUS has overall sponsorship of the Apprenticeships programme, significant decisions affecting both adults and young people would ultimately need to be joint between the two Departments.

Q3 Will the Sector Skills Councils or the National Apprenticeship Service have the main responsibility for talking to/liasing with employers at (a) local and (b) national level?

The National Apprenticeship Service and Sector Skills Councils have distinct and complementary roles.

The National Apprenticeship Service is responsible for the promotion of the Apprenticeship Programme to employers and manages the National Apprenticeship Vacancy Matching Service. Nationally, it works with the National Employer Service in the Learning and Skills Council, which has responsibility for liaising with large employers (500+ employees).

Locally, Skills Brokers, who operate within the Business Link support service to businesses, have responsibility for making initial contact with employers and assisting

them in determining their training needs. Where, an employer expresses an interest in apprenticeships the Skills Broker will refer the employer to the National Apprenticeship Service, training provider or Group Training Association.

A Sector Skills Council will work with employers in its sector to determine the qualifications needed in a specific sector. In addition, the Sector Skills Council will work with employers to increase the number of good quality apprenticeships in its sector. Where necessary, a Sector Skills Council will work with an individual employer or group of employers to construct a framework to meet their business needs.

## Questions applying to specific clauses

### Clause 1

Q 4 Clause 1(1)(b)(i) provides that, when applying for a certificate, the apprentice needs to provide whatever evidence and information the certifying authority requires. The draft Bill gives no further details. Is it intended that guidance or directions will be issued or that certifying authorities will have autonomy on this issue?

The policy set out in *World-class Apprenticeships* is that National Apprenticeship Service will issue the apprenticeship certificates and would have discretion to determine the information required.

Q 5 Is there going to be an appeal mechanism for apprentices who have completed the course but who are refused a certificate on the grounds that the certifying authority is not satisfied? Who will deal with challenges to such conclusions?

There will be an administrative appeals mechanism within the National Apprenticeship Service.

Q 6 Why is the test for granting the certificate in clause 1(1)(a) where it appears to the authority that the conditions are satisfied rather than simply that the conditions are satisfied. Is this intended to give some leeway to the authority to prevent challenges and, if so, why does the Government consider this appropriate?

The test for granting the certificate in clause 1(1)(a) is where it appears to the authority that the conditions are satisfied is so that the certifying authority can base this decision on the evidence and information it has received. It is not intended that this wording prevent challenges to the certifying authority.

Q 7 Who will be “the certifying authority”? The *Impact Assessment* states that the National Apprenticeship Service will issue certificates.<sup>211</sup> This appears to be instead of the Sector Skills Councils who currently carry out this function.

The National Apprenticeship Service will issue the apprenticeship certificates.

Q 8 Clause 1(3)(b) states that “reference to a course of training for the principal qualification is to be read, in a case where the person has followed two or more courses of

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211 *Impact Assessment*, para 5

training for the principal qualification, as a reference to both or all of them”. Is this a reference to the NVQ? Does principal mean “mandatory”? Does this have implications for which qualifications and how many will be funded?

Principal means the main qualification(s) that needs to be obtained under the apprenticeship framework. To the extent that completion of a course of training for the principal qualification is one of the completion conditions, it is mandatory.

Q 9 In Q 8 the Committee asked about clause 1(3)(b) which states that “reference to a course of training for the principal qualification is to be read, in a case where the person has followed two or more courses of training for the principal qualification, as a reference to both or all of them”. The Committee asked: whether this was a reference to the NVQ; did principal mean “mandatory” and did this have implications for which qualifications and how many will be funded? The Committee would be grateful for detailed reply to all its questions. In the answer supplied, what is the meaning and significance of the qualification “To the extent”?

The principal qualification referred to in the draft Bill will be the NVQ which is core to the particular framework. It is intended that the principal qualification will be specified in the apprenticeship framework. As we explained in our response to Q 8, “principal” means the main course of training that needs to be undertaken, rather than mandatory. However, if a person wants to complete the apprenticeship and be issued with a certificate, they will need to complete the training for the principal qualification, and in those circumstances, completing the principal qualification is mandatory. This was what we sought to explain in the second sentence of the response to Q 8.

The Government will fund all training for 16–19 year old apprentices and in addition it provides funding for training, on a sliding scale depending upon framework, for adults. The funding is for the principal qualification and other training set out in the apprenticeship framework (for example, where there is training in relation to qualification for the technical skills separate to the NVQ; transferable skills and mentoring),

We hope that this response is sufficiently detailed, but please contact us if you have any further queries on this issue.

## Clause 2

Q 10 Will the certificate only record the apprentice’s achievement in relation to the principal qualifications? What about the other qualifications he or she will have achieved? What are the criteria by which a qualification will come to count as the “principal qualification”?

At the moment, the draft Bill does not require the qualifications obtained to be recorded on the completion certificate, however, it is intended that the completion certificate will relate to the achievement of the completed Apprenticeship, and the expectation is that it will include the relevant qualifications received. The criterion for a “principal qualification” is that it is the qualification that is central to the completion of the framework.

### Clause 5

Q 11 Clause 5 deals with fees for issuing apprenticeship certificates. Individuals are not normally expected to pay a fee to receive their certificates. Who will pay the fees? Will there be any expectation that the apprentices will? If so, what is the rationale for this expectation?

The intention is that apprentices would not be charged a fee to receive their first certificate. However, we would want to provide for certifying authorities to be able to charge for a replacement certificate. It is intended that in these circumstances the fee is to be only the cost of supplying the certificate.

### Clause 6

Q 12 Clause 6 states that the Secretary of State may make regulations about the supply of copies of apprenticeship certificates and that those regulations may authorise the certifying authority to charge a fee. This suggests that a fee cannot be charged without such a provision being made. However, it remains unclear whether these copies are anticipated as having some form of official format or status and whether, in the absence of regulations, a certifying authority is prevented from supplying copies of certificates if it wishes to do so. Why do the Departments think that it needs a separate regulation making power? Has it considered whether the order made under clause 4 which deals with fees for the initial issue of certificates could also deal with the issue of copies and the fees for them? If the intention is that copies can be issued on the request of someone other than the apprentice e.g. the employer, have the Departments considered any data protection issues in providing copies of the certificate to other people?

The intention is that the apprenticeship certificate should have official status as recognition that the apprentice has completed the statutory apprenticeship programme. The powers in relation to duplicate certificates cannot be dealt with by way of orders or directions under clause 4. We need to ensure that an apprentice will be able to obtain a duplicate certificate if the certifying authority that issued the original certificate has ceased to exist, in which case it would no longer be bound by any orders or directions under clause 4. We are considering issues about the transfer of data which will be needed in order to set up a mechanism for issuing duplicate certificates. The current intention is that certificate would be issued only on the request of the apprentice.

### Clause 7

Q 13 Why does the description of what an Apprenticeship Framework should consist appear imprecise and not specific? Will Sector Skills Councils still specify the requirements for frameworks? What relationship is there between the framework and “apprenticeship standards” as referred to at clause 11(1) and the “Blueprint” referred to in paragraph 5 of *Impact Assessment*? Why is the Learning and Skills Council in charge of the latter? Does this mean just stating mandatory NVQs at Level 2 or 3 for funding purposes as happens now?

The description of the elements of an apprenticeship framework has been designed to reflect the need for each framework to reflect the requirements for that specific sector and occupation.

It is intended that Sector Skills Councils will approve the vocational qualifications for each sector that can be drawn upon by organisations wishing to offer apprenticeships. The Sector Skills Council will work with these organisations and support the development of frameworks, which the Sector Skills Council would consider and issue.

The core elements in every apprenticeship framework must be of a type set out in the specification of apprenticeship standards. It is intended that the specification should include a knowledge-based element; a competence-based element; transferable or “key skills”; a module on employment rights and responsibilities; set out key characteristics of an apprentice; minimum entry requirements; apprenticeship agreements and progression routes and minimum off-workstation learning time.

The Learning and Skills Council has responsibility for the apprenticeship specification as it will house the National Apprenticeship Service until (subject to the 4<sup>th</sup> Session Bill) it will be housed within the Skills Funding Agency. The National Apprenticeship Service will have end to end responsibility for all aspects of the apprenticeship programme including the apprenticeship specification.

Q 14 Clause 7(1) defines a recognised apprenticeship framework as a specification of requirements at a particular level in relation to a particular skill, trade or occupation. Clause 7(2) sets out what must be stated in the framework, but refers only to the level and sector, not the skill. It therefore appears that the framework need not confirm the specific skill at all. Is this an inconsistency with the definition? Also, should the framework identify who the certifying authority is to which the apprentice will need to apply to get a certificate at the end of the course?

Clause 7(2)(b) does require that an apprenticeship framework must state the apprenticeship sector that includes the skill, trade or occupation. We would expect the framework to identify the certifying authority.

### *Clauses 8 and 9*

Q 15 Clause 8 states that frameworks can be issued by the Secretary of State. In addition, clause 9 empowers the Secretary of State to authorise another person to do so. However, clause 8(2) appears to limit the power of an authorised person to issue frameworks only in the form of a draft which has been submitted to them, not to produce their own draft. Is this construction of the provision correct?

In *World-class Apprenticeships*, we proposed that the Sector Skills Councils would be authorised to consider and issue frameworks. Therefore, it is envisaged that Sector Skills Councils will be the persons authorised to issue apprenticeship frameworks under clause 9. It is envisaged that draft frameworks would be submitted under clause 8(2) by employers, training providers and others—for example, Group Training Associations.

In a situation where there was an occupation that was not covered by a framework, the Sector Skills Council would work with the National Apprenticeship Service and others to commission the production of a framework. We agree that the effect of clause 8(2) is that an authorised person may issue a framework only in the form of a draft issued to it, and that this approach is now being reviewed in light of your question.

Q 16 If correct, this restriction appears to be inconsistent with clause 9(1) which is drafted more broadly in that this provision states that the Secretary of State may authorise another person to issue frameworks. This inconsistency appears to affect the provisions governing certificates and frameworks. Clauses governing both of these issues refer to “recognised apprenticeship frameworks”, which are defined by clause 7(3) as frameworks which have been issued under clause 8. If the authorised person therefore issues a framework which is not in the form of a draft which has been submitted to it (clause 8(2)) then any apprenticeship agreement which is entered into using that framework may not be valid. It would assist the Committee to clarify whether clause 8(2) restricts the powers of the authorised person.

As we have set out in our response to Q 15, we are intending to review clause 8(2) and 9 to ensure that an authorised body may also produce draft frameworks.

Q 17 The apparent limitation on the power could cause problems if it is contemplated that there will be an iterative process between the person who submits the draft and the issuing authority. Have the Departments considered whether it would be better to include a provisions similar to clause 13(1)(b), which allow modifications to be made to the draft submitted before it is issued. Or do they envisage that there will be repeat “submissions” of different drafts to take account of any comments that the issuing authority has on the content of the first draft?

It is intended that Sector Skills Councils would work with the bodies to develop frameworks, and that this would be a seamless process resulting in the production of a framework meeting the apprenticeship specification. In effect this should mean that we have a situation of repeat “submissions”.

Q 18 In response to Q 17 the Government stated that it was intended that Sector Skills Councils would work with the bodies to develop frameworks, and that this would be a seamless process resulting in the production of a framework meeting the apprenticeship specification. In effect this should mean that there was a situation of repeat “submissions”. Will there be a time limit for this and will National Apprenticeship Service adjudicate in instances where employers or group training associations disagree with a Sector Skills Council?

Please accept our apologies for any confusion caused by our response to the earlier Q 17.

The response should have said that it is intended that Sector Skills Councils will advise and work closely with employers and other bodies to develop frameworks, and that this would be a seamless process resulting in the production of a framework meeting the apprenticeship specification. This would be a more collaborative process and we would not envisage a situation of formal submissions. In this situation we would not see the need for time limits or for the National Apprenticeship Service to adjudicate.

Q 19 Clause 8(7) states that a framework may not be issued unless it meets the requirements set out in the specification of standards. Is this the only test required for the acceptability of a draft framework? If not, what are the other tests?

The test referred to clause 8(7) is the only one which the draft Bill requires a framework to meet. We envisage that the Sector Skills Councils might apply other tests to ensure that the framework offers a high quality–experience for the apprentice, and that we avoid a proliferation of very similar Frameworks, where the content is adequately covered by those which are already approved.

Q 20 In response to Q 19 the Government stated that the test that referred to clause 8(7) was the only one which the draft Bill required a framework to meet and it envisaged that the Sector Skills Councils might apply other tests to ensure that the framework offered a high quality–experience for the apprentice. What might these tests be, how do they relate to the apprenticeship specification? How is high quality experience being defined?

The Sector Skills Council should ensure that frameworks do meet the requirements set out in the specification of apprenticeship standards. It is intended that the Sector Skills Council will ensure that each framework supports its sector skills agreement, meets the needs of employers and apprentices in that sector, and that it provides a high-quality apprenticeship. We would define high quality as providing coherence between the various elements of the teaching programme and providing a significant increase in occupational competence and technical knowledge.

Q 21 It is unclear what the criteria are for the approval or refusal of recognition and hence for withdrawal of recognition under clause 8(6). This would be of importance in the face of challenges to refusals to recognise/withdrawals of recognition and if these were to be dealt with by way of judicial review, the courts would need to know (a) how much discretion there was meant to be (if any) on the part of the issuing authority to refuse to recognise a framework which in fact met the requirements specified by the specification of apprenticeships standards and (b) if there was intended to be such a discretion, upon what basis it is meant to be exercised. How does the guidance and directions issued by the Secretary of State under clause 9(3) fit in here? It would assist the Committee to have an indication of what the guidance or directions are meant to cover.

It is intended that the issuing authority should have discretion when issuing frameworks in order to maintain quality and relevancy, to maintain coherence in the frameworks available in the sector, to ensure that the programme did not fall into disrepute, and to ensure uniformity of standards.

This discretion would be exercised in accordance with public law principles.

It is anticipated that the guidance or directions would cover the matters that should be taken into account.

Q 22 In response to Q 21 the Government stated that it was anticipated that the guidance or directions would cover the matters that should be taken into account. Is this guidance available, even in draft; can the Committee see a copy?

The guidance referred to will form part of the apprenticeships specification. A draft of this will be available early in 2009, before the Second Reading of the Bill. We will ensure that the Committee receives a copy.

Q 23 Is there any numerical limit on the number of apprenticeships in a particular area and a particular skill? For example, would it be legitimate for an issuing authority to refuse to recognise an apprenticeship framework offering apprenticeships for electricians in south London on the grounds that there are already enough places available through other electrician firms in that area? If there is intended to be a limit on the number of apprenticeships for any particular skill in a particular area, then it would assist the Committee to know how the firms going to get them are chosen and what means there are for changing these firms if, for example, the apprentices complain that they are being exploited. Is it the Departments' intention of the legislation that all issuing authorities act in the same way and set the same standards?

The decision whether or not to issue a framework will be made by the Sector Skills Council. The Sector Skills Council will be responsible for ensuring that there is not a proliferation of very-similar apprenticeship frameworks and for ensuring coherence in the frameworks available in the sector. However, Sector Skills Councils have no responsibility for funding and the decision to issue a framework would not mean that funding is guaranteed.

The National Apprenticeship Service has responsibility for funding places. It is quite possible at some future date, if the National Apprenticeship Service is very successful at stimulating apprenticeships, that there may be limitations on the number of places it is prepared to fund in a particular sector/region if the prospects of permanent employment are not there.

The successor arrangements to the current Approvals process envisage a coherent and consistent approach to issuing frameworks which comply with the revised specification of apprenticeship standards and bringing the existing frameworks into line over time.

Q 24 In response to Q 23 the Government stated that the National Apprenticeship Service would have responsibility for funding places and that it was possible at some future date, if the National Apprenticeship Service was very successful at stimulating apprenticeships, that there might be limitations on the number of places it was prepared to fund in a particular sector/region if the prospects of permanent employment were not there. How does this square the apprenticeship entitlement for 16–19s? Has this implication for young people in rural areas and areas of the country with low/restricted levels of economic activity? Are there plans for alternative work-based programmes?

If, in such circumstances in future, the National Apprenticeship Service did need to limit funding to a particular sector/region the intention is that the entitlement would still need to be met, unless the entitlement in that sector or location had been suspended by the Secretary of State. It would not be in the best interests of the young people concerned to train them in sectors where there is no reasonable prospect of permanent employment.

Apprenticeships are one of the Government's preferred routes for young people into employment and there are no plans for alternative work based programmes.

We are considering what measures we might put in place to maintain our ambitions to expand apprenticeships during the current economic downturn. These include working with Sector Skills Councils to mitigate the effect of the downturn on specific sectors.

Q 25 Clause 8(2) makes provisions for “the authorised person”. What are the criteria by which a person can become authorised?

It is intended that the Sector Skills Councils would be responsible for issuing frameworks.

Q 26 Clause 9(3) states that an authorised person, when issuing frameworks, must comply with directions and have regard to guidance issued by the Secretary of State. It would assist the committees if more information could be given on what kind of guidance it is envisaged would be issued and how this would relate to the specification of standards referred to in clause 11. Will the guidance cover procedures to be followed?

The directions and guidance issued by the Secretary of State under clause 9(3) would be in relation to maintaining quality, maintaining coherence in the frameworks available in the sector, ensuring that the programme did not fall into disrepute and ensuring uniformity of standards, and the procedures to be followed.

Q 27 Page 23 of the Explanatory Notes states that “organisations such as Sector Skills Councils and employers” can submit frameworks. Can individual employers go against their Sector Skills Council and create a different framework?

Individual employers can submit frameworks for consideration. However, Sector Skills Councils do have a role in ensuring coherence in their sector.

Q 28 Can the Departments clarify their response to Q 27? Is there a potential conflict of interest if Sector Skills Councils can submit and issue frameworks? If employers demand variety, how could a Sector Skills Council do anything other than agree?

It is intended Sector Skills Councils commission and draft the framework if there was a gap in the frameworks needed by the sector, and another organisation is unwilling to undertake this role. In doing so Sector Skills Councils will still need to ensure that the framework meets the apprenticeship specification and additional criteria referred to in the responses to Questions Q 20 and Q 21 above. We do not envisage that a conflict of interest will arise as the Sector Skills Councils are employer representative bodies and will be guided by employers in the sector.

Sector Skills Councils will need to balance the need for additional frameworks to meet specific needs of employers in their sector and ensuring that employers are neither put off nor confused by a number of very similar frameworks. Sector Skills Councils will need to work closely with employers to achieve this, and if necessary will need to dissuade employers from developing frameworks where this would lead to duplication or confusion.

### Clause 11

Q 29 Clause 11(1) imposes a duty on the Learning and Skills Council to provide a draft specification of standards if directed to do so by the Secretary of State. The specification is needed in order for frameworks to be issued as clause 8(7) states that no framework can be issued unless it meets those requirements. Without frameworks, no agreements can be entered into. Why therefore is this duty conditional upon directions that may not be issued and what is the intended position if the Secretary of State does not issue any?

It is intended that the Secretary of State will direct the Learning and Skills Council to commission to provide a draft specification, setting out the requirements for the apprenticeship frameworks. If the Secretary of State did not so direct, the effect would be that Government funded apprentices would continue on an extra-statutory programme. We do not envisage a situation where such direction is not given, and will consider whether revision to the clause is necessary.

Q 30 Clause 11(2) places duty on the Learning and Skills Council to “consult such persons as appear to it appropriate”. What criteria will be used to establish persons’ “appropriateness”?

It is envisaged that the Learning and Skills Council would consult and take account of all relevant stakeholders, such as the Sector Skills Councils, or sector bodies, Ofqual, UK Commission for Employment and Skills, and the Learning and Skills Improvement Service.

Q 31 In response to Q 30 the Government stated that it was envisaged that the Learning and Skills Council would consult and take account of all relevant stakeholders, such as the Sector Skills Council, or sector bodies, Ofqual, UK Commission for Employment and Skills, and the Learning and Skills Improvement Service. This appears to mean that the Secretary of State will commission the Learning and Skills Council to consult with stakeholders to develop the Apprenticeship Specification which will then have statutory status. Why are providers/colleges not included in the list of relevant stakeholders? In some cases, will it also be relevant to have professional body representation (for example, accountancy) to ensure apprenticeship has a firm place in the career progression ladder for those sectors?

The organisations listed in response to Q 30 were intended to illustrate the type of stakeholders we will consult, it was not intended to be exhaustive. We would expect any consultation to include providers, including colleges, and professional bodies.

Q 32 Clauses 11 to 14 seem to envisage one draft specification of standards from the Learning and Skills Council, which can then be modified using clause 14 and brought into effect using clause 13. The framework could, however, only be recognised if it meets the requirements of the specification of standards. If an order has not yet been made to give effect to that specification, the framework can not yet be recognised. It would be helpful if this could be clarified.

The order to give effect to the apprenticeship specification would need to be made before an apprenticeship framework, meeting the requirements set out in the specification, can be issued.

## Clause 12

Q 33 The draft Bill does not include any definition of Levels 2 and 3, as referred to in Clause 12 (specification of standards). Should they be defined?

The specification of apprenticeship standards will itself define what a Level 2 apprenticeship or a Level 3 apprenticeship is. The Explanatory Notes to the 4<sup>th</sup> Session Education and Skills Bill will describe the levels envisaged for apprenticeships at Level 2 and Level 3.

It is that it is likely that the specification of apprenticeship standards will be similar to that in the current Blueprint. The Blueprint requires all Apprenticeships to lead to a package of qualifications and requires that:

- An Apprenticeship at Level 2 should comprise an NVQ at Level 2 and—either separately accredited, integrated in NVQ learning, or validated by equivalent prior learning—a Technical Certificate at Level 2 and Key Skills in Application of Number and Communication at Level 1, together with other qualifications appropriate to the occupation.
- An Advanced Apprenticeship at Level 3 should comprise an NVQ at Level 3 and—either separately accredited, integrated in NVQ learning, or validated by prior learning—a Technical Certificate at Level 3 and Key Skills in Application of Number and Communication at Level 2, together with other qualifications appropriate to the occupation.

Level 2 is equivalent to five GCSEs at grades A\* to C.

Level 3 is equivalent to two A levels.

Q 34 Can the Departments clarify their response to Q 33? Equivalent in what way? How can this be known without UCAS<sup>212</sup> points being attributed?

In the response to Q 33, the term equivalent was in relation to indicating the level of attainment, in terms of breadth and depth, of Apprenticeships at Level 2 and 3.

As the Department explained in response to Q 70, while apprenticeship frameworks will not carry a UCAS tariff, the individual qualifications within it will.

Q 35 Clause 12(2)(b)(i) states that one or more qualifications must be held. It is not clear when this requirement applies. Is it at the start or the end of the apprenticeship?

The requirements set out in Clause 12(2)(b) relates to qualifications held at the completion of the apprenticeship.

Q 36 Clause 12 states that the specification of apprenticeship standards must specify the requirements for apprenticeship frameworks. It would assist the Committee to have a non-exhaustive list, to give some assistance in understanding what sort of requirements are envisaged.

The specification of apprenticeship standards requirements might be expected to include:

- a knowledge-based element;
- a competence-based element;
- transferable or “key skills” (literacy, numeracy, and personal learning and thinking skills);
- a module on employment rights and responsibilities;
- key characteristics of an apprentice;
- minimum entry requirements;
- apprenticeship agreements;
- clear progression routes;
- access to mentors;
- minimum off-workstation learning time.

Q 37 Can the Departments clarify their response to Q 36? Should this say qualification not element as the NVQ is still suggested to be a requirement?

The response to Q 36 was intended to provide the committee with a non-exhaustive list of what the specification of Apprenticeship standards was likely to require. Attainment of the NVQ will be a requirement, and it is intended that completing the NVQ will mean that the “principal qualification” element is satisfied. However, in some existing frameworks, the NVQ would assess both the competence-based and knowledge-based elements of the apprenticeship; while for others a separate qualification of technical knowledge is required, and this is why we have referred to the knowledge and competence based elements.

Q 38 Clause 12(3) provides that “requirements as to standards of attainment may be specified with reference [...] of qualifications or training”. Why are the terms of specifying standards of training and qualifications so general?

Clause 12(3), in specifying the standards of attainment, needs to ensure that there is a degree of flexibility to allow for the programme to evolve and ensure that the qualifications remain relevant to changing employer needs.

### *Clause 14*

Q 39 The Learning and Skills Council can only prepare draft modifications to the specification of apprenticeship standards if they are directed to do so by the Secretary of State. Why cannot the Council have a power to propose modifications?

This question relates to clause 14(1), which provides that the Learning and Skills Council must prepare and submit draft modifications to the Secretary of State if the

Secretary of State so directs, and is similar to the point made in Q 29. We do not interpret this as preventing Learning and Skills Council from proposing modifications, however, we recognise that Bill does not require the Secretary of State to consider any modifications submitted otherwise than under clause 14. We agree that the Learning and Skills Council should be able to propose modifications for the Secretary of State to consider, and will review the wording in the light of the Committee's question.

### Clause 15

Q 40 It is unclear how clause 15(2) is intended to operate. This clause appears to state that an order under clause 13 can provide for a framework to cease to have effect if it is a recognised framework agreement but does not meet the requirements of the specification of standards which is being given effect by that order. It would assist the Committee to have clarification.

Clause 15 is intended to provide for transitional arrangements when the apprenticeship specification is modified. The intention is that all existing frameworks continue, and the apprentices working under them complete their apprenticeships. However, these existing apprenticeship frameworks should be revised and brought into line with the new apprenticeship specification within a set period. Clause 15(2) permits exceptions to be made.

### Clause 16

Q 41 The draft Bill only applies to apprenticeships in England (clause 16(2)(b) refers). Why has Wales been excluded, given that the Bill extends to England and Wales (clause 29)? Will there be any cross-border arrangements between England and Wales? For example, how will companies with businesses on either side of the boundary be treated?<sup>213</sup>

The Welsh Assembly Government is considering the application of the provisions to Wales. Currently, the Learning and Skills Council fund apprentices who live or work in England. There is a reciprocal arrangement with the Welsh Assembly who apply the same policy.

Q 42 Can the Departments clarify their response to Q 41? Will employers operating across the borders have to deal with two systems? To what extent will the Welsh Assembly Government be "allowed" to develop a different model?

It is for the Welsh Assembly Government to determine how the provisions in the Bill will apply in Wales and if they wish to develop a different model. Were this to be the case we would work closely with the Welsh Assembly Government to minimise confusion for employers. However, the Welsh Assembly Government Ministers have indicated that they would wish to consider the majority of the provisions in relation to Wales. We are working with them on how their wishes can be incorporated into the forthcoming 4<sup>th</sup> Session Education and Skills Bill.

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213 See also Appendix 1, Q 121 to Q 132.

Q 43 Clause 16(5) appears to be intended to protect apprentices whose agreement does not meet the requirements in relation to frameworks. It seems to operate to protect those apprentices:

- whose current agreement refers to a framework which is no longer recognised;
- who have not yet completed the training for their principal qualification;
- who had a previous agreement under the same framework; and
- the framework for the earlier was a recognised framework.

Q 44 This therefore does not appear to protect those apprentices who have completed their training for their principal qualification. Is there a reason for this?

The intention is to offer protection to apprentices who change employers during their apprenticeship. We do not consider that this needs to cover those who have completed their training for their principal qualification as they are then eligible to apply for apprenticeship certificate.

Q 45 If the agreement is exclusively between employer and apprentice, what happens in cases where training providers are actually in control, rather than employers? There appears to be no reference to any responsibilities or duties in relation to providers. If this is correct, what is the reason?

It is envisaged that apprenticeship agreements would form a contract of service between the apprenticeship and the employer. While training providers can have significant role in supporting aspects of the apprentice's training, the primary relationship is between the employer and apprentice. The responsibilities or duties in relation to providers are an issue between the Learning and Skills Council and the training provider.

*See also Q 50.*

### **Clauses 16–20**

Q 46 The Explanatory Notes advise that the apprenticeship agreement will set out “both on-the-job training and learning away from the workstation”.<sup>214</sup> How will “away” be defined and will a set number of hours be specified as one of the “standards” for apprenticeship frameworks?

We wish to clarify that the question that you have raised [...] contains a quotation from paragraph 23 of the Explanatory Notes, and relates to clauses 16 to 20. In relation to your question about learning away from the workstation, we advise that the apprenticeship specification will give guidance on the requirements for learning away from the workstation, and set out a minimum amount of time for this activity.

Q 47 In Q 46 the Committee asked about “on-the-job training and learning away from the workstation”. In response the Departments advised that the apprenticeship specification would give guidance on the requirements for learning away from the workstation, and set out a minimum amount of time for this activity. Can the Departments outline the guidance in more detail? How, for example, will it be linked to the concept of training quality?

It is intended that the specification of apprenticeship standards will set out a reasonable absolute minimum for off-workstation learning time. This will help to ensure a fair and appropriate level of training across all apprenticeships. A draft specification is being produced for early 2009 in time for the second reading of the 4<sup>th</sup> Session Education and Skills Bill.

The Apprenticeship Agreement will include expectations of learning away from the workstation that will be delivered. The pattern of release for off-the-job education and training will need to be agreed between the apprentice, employer and training provider. The amount of time required will depend on the individual apprentice’s starting point. These arrangements will need to ensure that the apprentice can achieve the qualification or qualifications set out in the apprenticeship framework. We would want [to?] require every qualification in an apprenticeship framework to have been accredited by Ofqual.

### Clause 17

Q 48 Clause 17 states, if an apprenticeship agreement contains provisions which conflict with the requirements of the draft Bill, then those provisions are not effective. This therefore means that, if an agreement is defective because it contains provisions which are incorrect, then the agreement is valid but those provisions are ineffective. If, however, an agreement misses out required provisions, it will be invalid as an apprenticeship agreement. Where would this leave the purported “apprentice”?

Where an apprenticeship agreement no longer meets the conditions of the apprenticeship programme then it has no effect. In this situation the apprentice can choose either to stay with the employer, or be placed with an employer who will meet the conditions.

### Clause 18

Q 49 Clause 18(3) requires the employer to give the apprentice written notice if a variation to the agreement will result in it ceasing to be an apprenticeship agreement. Is this therefore possible without the consent of the apprentice, provided that written notice is given?

Changes to the apprenticeship agreement are possible only to the extent permitted by the general employment law. Clause 18(3) imposes an additional condition.

Q 50 Does this also mean that the power under clause 16(2)(c) cannot specify that an apprenticeship agreement must be allowed to run its course so that the apprentice has the opportunity of applying for a certificate? Have the Departments considered whether issues

about the variation of the agreement could be dealt with in prescribing the form under clause 16(2)(c)?

The power in clause 16(2)(c) cannot be exercised in such a way as to affect the contractual status of certain provisions in an apprenticeship agreement (for example, to make them incapable of modification or ineffective). We did not want to prescribe conditions on employers as otherwise we consider that this possibly would deter employers from taking on apprentices. We should also recognise that some apprentices might fail to complete their apprenticeships, and in this situation the employer should be able to terminate the apprenticeship agreement.

### *Clause 20*

Q 51 It is understood that clause 20 is not yet finalised, as DCSF has sought advice from the Legal Services Office of the House of Commons on the employment status of House staff. Due to the principle of exclusive cognizance, legislation does not apply to the House unless and to the extent that it is specifically stated as applying. It would therefore be helpful if the Departments confirmed how the draft Bill is intended to apply to the House.

The Joint Apprenticeships Unit is corresponding with the House authorities for their views on clause 20, and whether the provisions in the Bill should apply to House authorities as employer. We are hoping to obtain their agreement to extend provisions of the Bill to Parliamentary staff, and will revert to you once this matter has been clarified.

### *Clause 21: insertion of clause 3E into the Learning and Skills Act 2000*

Clause 21 inserts new provisions into the Learning and Skills Act 2000.

Q 52 Clause 3E places a duty on the Learning and Skills Council to secure “sufficient and appropriate” (Foreword to the draft Bill) apprenticeship places. How will this be achieved? Will there be local arrangements through local Learning and Skills Councils to find places? Will Sector Skills Councils play a role? What is the role of the National Apprenticeship Service? How will the Learning and Skills Council’s and National Apprenticeship Service’s roles be differentiated? The Explanatory Notes to the draft Bill state that “ultimately”, the National Apprenticeship Service, will take over from the Learning and Skills Council.<sup>215</sup> When will this happen? There appears to be no suggestion that employers (or their representatives) should try and expand demand, which appears to give the draft Bill a very top-down, supply-driven feel. What is the Government’s response to this analysis?

It is intended that the National Apprenticeship Service will have responsibility for all elements of the apprenticeship programme, including those that currently are the responsibility of the Learning and Skills Council. The National Apprenticeship Service will be functioning by April 2009 and initially it will be housed in the Learning and Skills Council.

The National Apprenticeship Service will be housed in the Skills Funding Agency, when that is established in April 2010. The responsibilities of the National Apprenticeship Service, local authorities and the Young People’s Learning Agency were outlined in “Raising Expectations: Enabling the System to Deliver” published in July, on implementing the proposed education and training reforms.

The National Apprenticeship Service will work with local authorities and the Young People’s Learning Agency to raise the supply and demand for apprenticeships. Boosting employer involvement is central to achieving the Government’s ambitions. We will be working across the public sector to raise the supply of places to reduce the current gap.

The National Apprenticeship Service will be responsible for the national information and marketing service; and operate a national apprenticeship vacancy matching service to enable employers to advertise their positions to prospective applicants nationally, and will promote apprenticeships to individuals as a key carer [*sic*] route. The National Apprenticeship Service field force will work with employers locally and regionally to expand the number of Apprenticeship places.

There is a key role for employers and their representatives, such as the Apprenticeship Ambassador Network, to promote apprenticeships and expand demand amongst employers.

The Government recognises the importance to businesses of apprenticeships in increasing skill levels, as well as the individual apprentices, and are of key economic benefit to the country. This section of the draft Bill deals with the entitlement of suitably qualified young people to an apprenticeship place, and may have given the misleading impression that the apprenticeships programme is supply-driven.

Q 53 What will be the entitlement of those who are not British nationals to apprenticeships? Are there incentives or deterrents within the proposed arrangements for employers facing acute shortages of skills to seek potential apprentices from the EU or outside the EU?

The entitlement to an apprenticeship place extends to non-British nationals who live and are eligible to work in England. There are no incentives or deterrents for employers to recruit potential apprentices from the EU or outside the EU.

### *Clause 21: insertion of clause 3F into the Learning and Skills Act 2000*

Q 54 Clause 3F provides for “election for an apprenticeship scheme” with a restriction by age to 16–19 year olds. Why are 19–25 year olds not covered by this provision? The *Impact Assessment* states that “this intervention” is aimed at young people up to 25 years of age.<sup>216</sup> Is there an inconsistency here?

Clause 3F is restricted to 16–19 year olds, because the clause gives effect to the entitlement of young people to an apprenticeship place. The *Impact Assessment* reference is to taking forward the proposals in *World-class Apprenticeships*.

Q 55 In Clause 3F the use of the term “scheme” appears at odds with the foreword to the draft Bill which uses “programme”. It appears that the use of “scheme” may be a throwback to the Youth Training Scheme. Is this construction correct?

The use of the word "scheme" is more appropriate for statutory text and no throw back to the Youth Training Scheme is intended by the use of the word.

Q 56 Clause 3F also states that candidates must choose two “available sectors”. Does this mean available locally or from the list of frameworks? The *Impact Assessment* says if apprenticeships are not available in some locations, then that it is an “unavoidable result of a training system that responds the needs of employers”.<sup>217</sup> How will available be defined? Why is there no mention of programme-led apprenticeships in this provision? Where do Programme-led Apprenticeships fit?

The young person is entitled to select a first and second preference of Apprenticeship sector. Within each Apprenticeship sector there will be many different frameworks. The primary entitlement is to an offer of a place on an Apprenticeship framework in the first preference Apprenticeship sector within the young person’s Travel To Work Area (TTWA). If the primary entitlement cannot be fulfilled because a place is not available, the entitlement can be satisfied by the offer of a place in the first preference sector outside the TTWA within such an area as the Learning and Skills Council considers it would be reasonable for the Apprentice to travel (the “reasonable travel area”) or by an offer of a place in the second preference sector either within the TTWA or the reasonable travel area. In certain circumstances, the Learning and Skills Council might reasonably conclude that the young person should relocate in order to take up a place, although we believe that this would only in exceptional cases. The apprenticeship entitlement is in relation to an apprenticeship place covered by an apprenticeship agreement i.e. having an employer and being employed. Programme led apprenticeships can be a useful preparation for this, and in certain sectors are necessary before an apprentice could be employed, e.g. in construction a short programme led apprenticeship could ensure that the young person is “site ready”. Programme led apprenticeships are not apprenticeships nor are they counted as such in Government planning of the kind with which the Bill is concerned.

### *Clause 21: insertion of clause 3G into the Learning and Skills Act 2000*

Q 57 Clause 3G states that arrangements must “relate to” the completion conditions. It would assist the Committee if this were clarified? Is it intended that sufficient provision must be made to enable each apprentice to satisfy those conditions?

In Clause 21(2) 3G(2)(b) “relate to” completion conditions means that the employment and training arrangements must have a sufficient connection to the apprenticeship framework to enable each apprentice to satisfy these conditions.

### *Clause 21: insertion of clause 3I into the Learning and Skills Act 2000*

Q 58 Clause 3I to be inserted in the Learning and Skills Act seems to conflict with clause 12 of the main body of the draft Bill. Clause 12 seems to envisage that requirements such as are set out in clause 3I will be included in specifications made under clause 11.

Clause 3I sets out the requirements relating to the apprenticeship entitlement and it is not intended that they would refer to the apprenticeship specification.

Q 59 What will happen to the many apprenticeships (usually at Level 2) that currently do not set any entry requirements? Will they fall outside the requirements to be classed as eligible for the entitlement at clause 21?

The requirements set out in clause 21 (2) 3I are the threshold that young people must fulfil before they can qualify for the Entitlement. They are not the requirements for entry onto the Apprenticeship Programme.

In practice, those apprenticeship frameworks that currently do not set minimum entry requirements would be available to young people who meet the requirements for the Entitlement.

It is intended that the specification of apprenticeship standards will require all frameworks to set out the minimum entry requirements.

### *Clause 21: insertion of clause 3J into the Learning and Skills Act 2000*

Q 60 Clause 3J appears to state that GCSEs grade C or above in English or Maths are required to enter Level 3 apprenticeships. How will this affect current entry requirements in the sectors that currently do not specify them?

The requirement in 3J is for a functional skills qualification in English and mathematics and not GGCSE Grade C or above.

Q 61 In Q 60 the Committee asked about clause 3J, which appeared to state that GCSEs grade C or above in English or Maths were required to enter Level 3 apprenticeships. The Committee asked how this would affect current entry requirements in the sectors that currently do not specify them. Would the Departments provide a detailed response?

The requirements under 3J apply specifically to the apprenticeship entitlement and it is not intended that they would refer to the apprenticeship programme as a whole. So the requirements set out in 3J would not affect the entry requirements to apprenticeships that currently do not require these. We refer you to the detailed response to Q 62 below which considers the qualification levels in 3J.

Q 62 Clause 21 also introduces minimum entry requirements for Apprenticeships and Advanced Apprenticeships. First, one reading of the provisions is that the Bill provides that someone who has a Level 2 qualification (e.g. 5 GCSEs at A\* to C) would be ineligible for a Level 2 Apprenticeship. For example, a young person who has achieved grade C GCSE passes in English, Maths, Design and Technology, Music and Geography, who wished to be an Apprentice car mechanic. The skills and knowledge needed for success as a car mechanic are very different from the skills and knowledge he or she has gained by studying

for GCSEs. Would it be the case that this person could not enrol on a Level 2 Apprenticeship even if that was the only option currently available in his or her local area? Second, would the draft Bill create a “no-man’s-land” between Apprenticeships and Advanced Apprenticeships? As drafted, this clause could be read as meaning that young people who held a Level 2 qualification and level 1 functional skills were ineligible for either an Apprenticeship or an Advanced Apprenticeship. Is this construction correct?

The requirements set out in clause 21 (see 3F(1)(c), 3I and 3J) determine the entitlement to an apprenticeship place for 16–19 year olds. They are not entry requirements for Apprenticeships. Taking the example in your question, a young person who had obtained 5 GCSEs at grade A\* to C and who wants to do an apprenticeship as a car mechanic would be able to take an Apprenticeship at Level 2 or Level 3. However the entitlement to a place would only apply to an Apprenticeship at Level 3.

Clause 21 does not create a “no-man’s land” between the apprenticeship scheme requirements for the entitlement to apprenticeships places at Level 2 and Level 3. As we have explained above, clause 21 does not set out the requirements for apprenticeships and advanced apprenticeships. For the purpose of the Entitlement, if a person held a Level 2 qualification and level 1 functional skills, they would be entitled to a Level 2 apprenticeship place (see 3I(1)( b)) or, alternatively they could study to obtain the “missing” functional skills qualification and meet the conditions for an entitlement to a Level 3 apprenticeship.

### *Clause 21: insertion of clause 3K into the Learning and Skills Act 2000*

Q 63 Clause 3K allows for the suspension of the apprenticeship scheme. The apprenticeship scheme is not defined and the Explanatory Notes refer instead to an apprenticeship “Programme”.<sup>218</sup> What effect will a suspension have?

The use of the term “scheme” in 3K relates specially to the apprenticeship entitlement, not the apprenticeship programme as a whole. The suspension of the “scheme” in effect would be the suspension of the entitlement in a specific area or sector.

### *Clause 21: insertion of clause 3L into the Learning and Skills Act 2000*

Q 64 Clause 3L (read together with new section 3N(6)) provides that an affirmative resolution procedure will be required to make an order amending the age or qualification requirements of apprentices. However, no such procedure is required for an order suspending the entire scheme. Why are these provisions being viewed differently?

The reason for an affirmative resolution to make an order amending the age or qualification requirements of apprentices is that this would amend primary legislation and should therefore be subject to debate. It is envisaged that any order suspending the scheme or part of it would be in a response to specific economic conditions and,

normally limited to specific geographical areas, which would be more appropriate deal with by negative resolution, limited to two years.

## Clause 22

Q 65 Clause 22(5) deals with possible financial assistance. The clause does not state who will receive assistance and it is not clear which “persons” must comply with directions. For example, “persons” has been used in the draft Bill to refer to apprentices and to public authorities who are authorised to issue frameworks. Who will receive assistance and who has to comply with the directions?

The financial assistance would be paid to those providing services to support the national apprenticeship vacancy matching service.

Q 66 Can the Departments clarify their response to Q 65? Who are those providing the service to support the national apprenticeship vacancy matching service? And for what sort of services might they be paid?

A key element of the National Vacancy Matching Service is a national web-based portal for individuals, employers and providers to research, identify and act upon interest in becoming an apprentice (individuals) or offering an apprenticeship place (employers and their training providers). For the first time:

- potential apprentices will be able to search, view and apply for apprenticeship vacancies; and
- employers and training providers on employers’ behalf will be able to advertise apprenticeship vacancies and then view and select from applicants.

CapGemini are the Learning and Skills Council’s IT supplier and currently have five year agreement with the Learning and Skills Council to manage the LSC IT infrastructure; developments of IT solutions for the Learning and Skills Council such as the National Apprenticeship Matching service are contained within the provision of this agreement.

The agreement with CapGemini has the flexibility to access suppliers that bring with them expertise in certain markets .In the case of the National Apprenticeship Matching Service it is important that the Learning and Skills Council uses the experience of the “Apprenticeship on Line” system which has been piloted in three areas, including Hampshire. This system was developed and is supported by S-CooL. S-CooL and CapGemini have been working closely since March 2008 on the development of the national matching system, under a contract between S-CooL and CapGemini.

Q 67 The reference to the Secretary of State “providing services” appears inappropriate to describe the grant of loans or financial assistance. Further sub-paragraph (5) is limited to arrangements under subsection (4) i.e. where the Secretary of State provides services by getting the Learning and Skills Council or a local authority or some other person to do so. So it is not clear whether the grant is supposed to go to the Learning and Skills Council /local authority/other person or not i.e. does he have to pay them for providing these

services. Clause 22(4) appears unusual in including (c) because it appears to envisage the Secretary of State to provide the services him/herself. Is this construction correct?

Again, the grant would go to those to those providing support to the national apprenticeship vacancy matching service.

Q 68 Can grants and financial assistance be given to employers? Is the Secretary of State going to have the power to subsidise the costs of employing an apprentice by giving grants to employers? It would assist if this could be clarified.

Under this clause it would not be possible to give grants and financial assistance to employers to subsidise the cost on employing an apprentice. However, the clause does not restrict payments under other provisions.

### Clause 30

Q 69 Clause 30(4) states that the Secretary of State must take steps to implement part of the draft Bill by the day after the “school leaving date” for 2013. Bearing in mind that term dates differ in different parts of the country, this date is unclear. If “School leaving date” is a defined term elsewhere, should it be made clear?

“School Leaving Date” is defined in section 2 of the Education (School Leaving Date) Order 1997 for the purposes of section 8(3) of the Education Act 1996. It states that for 1998 and for successive years shall be the last Friday in June. This definition of “school leaving date” has also been used in clause 156 the current Education and Skills Bill, which is read as one with the Education Act 1996.

### Clause 41

Q 70 The *Impact Assessment* refers to UCAS<sup>219</sup> points being allocated to “apprenticeships programme”.<sup>220</sup> Why are they not allocated to individual qualifications? It also refers to “apprenticeship credit” linked to “skills accounts”. How will they avoid the problems that affected training credits in the 1990s?

While an apprenticeship framework will not carry a UCAS tariff, the individual qualifications within it will. The Learning and Skills Council has been conducting a trial to determine a methodology of allocating UCAS tariff points to Advanced Apprenticeship frameworks, focussing on two frameworks—e-skills and engineering.

The design of skills accounts is taking very careful account of the lessons learnt from previous arrangements such as Individual Learning Accounts and training credits.

Q 71 Can the Departments clarify their response to Q 70? Regarding the first point about UCAS tariff, the answer appears to acknowledge that the draft Bill’s wording (which refers to points being allocated to “apprenticeships programme”) needs to be changed. Is this construction correct? To what extent will focussing the pilot on engineering be appropriate

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219 Universities and Colleges Admissions Service

220 *Impact Assessment*, para 41

given that engineering apprentices study for BTECs<sup>221</sup> which are suitable for UCAS points? Should the Departments include one of the service sectors (for example, retail or hospitality) to establish how easy it would be to align their NVQs with UCAS points? Have the Departments considered an approach which would insist that the approval of all Advanced Apprenticeship frameworks should be conditional on them including qualifications that carried a minimum of 80 UCAS points (equivalent to 2 A levels at grade E) and so, hence, would automatically guarantee a platform for entry to higher education?

The wording referred to in Q 70 is in the *Impact Assessment* for the Draft Bill. The intention is still to make it as easy as possible to progress from a Level 4 apprenticeship into Higher Education.

The initial pilots conducted have now concluded. These included engineering and IT advanced apprenticeships. It is true that BTECs do already attract UCAS points and the work was to map the content of the NVQ against the BTEC to arrive at a points allocation. Each element of the framework then has a points allocation and depending on the combination of NVQ and Technical Certificate an overall UCAS points allocation is arrived at. The work with UCAS to date has been to develop a methodology for attributing points to each element of the framework. This can then be applied to all frameworks. For some sectors it may be that work has to be undertaken to attain tariff points not only for the NVQ but also for the Technical Certificate, the results of which may mean that the whole framework may not attract enough points for direct progression into higher education but the SSC would need to be clear what additional learning may have to be undertaken in order to achieve entry to higher education.

Further work is currently underway to understand the implications of the change from the National Qualifications Framework to the Qualifications and Credit Framework and its impact on Apprenticeships and progression into higher education. We would want to consider carefully the potential impact of requiring Advanced Apprenticeships to include a minimum of 80 UCAS points against the need to ensure that the frameworks can be easily constructed to meet employers' needs.

## **Matters not covered in the draft Bill**

### **Functions of the National Apprenticeship Service**

Q 72 The *Impact Assessment* states that that the “functions and duties of the National Apprenticeship Service will be laid out in law”.<sup>222</sup> Does the draft Bill with the earlier 2000 Act provide the fulfilment of this undertaking?

The draft Bill contains the functions and responsibilities that are needed to give statutory force to the apprenticeship programme and to the young person's entitlement to an apprenticeship place. The draft Bill was drafted in line with the existing legal framework, as the draft the Bill could not pre-empt provisions which are properly for

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221 The Business and Technology Education Council (BTEC) was a subdegree-conferring council in the United Kingdom until 1996, when its functions were transferred to Edexcel.

222 *Impact Assessment*, para 5

the 4<sup>th</sup> session Bill as set out in *Raising Expectations: Enabling the System to Deliver*. In response to the public consultation on these changes, the Government has confirmed that the National Apprenticeship Service would be housed in the Skills Funding Agency and the 4<sup>th</sup> session Education and Skills Bill will include the provisions necessary to achieve this.

Q 73 The division of labour between the National Apprenticeship Service and the Learning and Skills Council and when the former will take over (Explanatory Notes state 2009), the role and responsibilities of the National Apprenticeship Service. Will these be statutory?

It is intended that the National Apprenticeship Service will have responsibility for all elements of the apprenticeship programme, including those that currently are the responsibility of the Learning and Skills Council. The National Apprenticeship Service will be functioning by April 2009 and initially it will be housed in the Learning and Skills Council. Subject to the passage of the 4<sup>th</sup> session Bill, National Apprenticeship Service will be housed in the Skills Funding Agency, when that is established in April 2010.

The National Apprenticeship Service will have the following roles and responsibilities:

- Leadership of the development and delivery of the new National Apprenticeship Service;
- Managing the Apprenticeship system as a whole;
- Developing and managing the new National Apprenticeship Vacancy Matching Service;
- Preparing and revising the specification of apprenticeship standards and putting to the Secretary of State for Approval;
- Issuing of apprenticeship certificates;
- Commissioning and funding of the apprenticeship programme;
- Ensuring the availability of apprenticeship places;
- Apprenticeship marketing and communications;
- Boosting significantly employer engagement;
- Addressing inequality – boosting participation of BME and disabled individuals and reducing the gender gap in some sectors;
- Improving provider performance and capacity;
- Data Collection and Management information.

It is intended that the responsibilities in terms of the specification of apprenticeship standards, issuing apprenticeship certificates, commissioning of apprenticeship places, and the apprenticeship entitlement should be statutory.

Q 74 It was stated [at the evidence session on 27 October] that the National Apprenticeship Service will not have a remit to look at quality<sup>223</sup> and it could be held that Ofsted is mainly concerned with ensuring a provider/employer's paperwork is correct. Who therefore will be responsible for quality beyond the initial design of the frameworks? In addition, Stephen Marston emphasised the increase in completion rates as a measure of quality improvement.<sup>224</sup> How can increasing completions be used as a proxy for increasing quality of apprenticeship training, as it could be argued that the improvement in completion rates is largely the product of local Learning and Skills Councils putting more effort into better management and monitoring of providers.

The National Apprenticeship Service will have responsibility for the overall management of the Apprenticeships Programme. The Department's response to Q 73 in the first tranche of questions from the Committee set out the arrangements for assuring quality in the Apprenticeships Programme.

The role of Ofsted is not restricted to the checking of paperwork. It includes evidencing the quality of the learner's experience and outcomes for learners through interviews with learners and staff in a training provider, during Ofsted's regular, independent inspections. So it is a direct assessment of the quality of delivery.

The improvement in completion rates is a valid proxy for increasing quality, because it indicates a substantial rise in the proportion of apprentices and their employers who see the programme of sufficient value to be worth taking through to successful achievement of the framework. These comments were made in response to concerns that expanding the programme would be at the expense of quality, and were intended to illustrate the point that the Committee could take comfort from the evidence over the last few years of both an increase in numbers and improvements in quality. This response was in addition to those from Jim Knight and Lord Young that had outlined the other main components of the quality assurance approach, including the design and application of the blueprint and apprenticeship frameworks, Ofsted inspections and the Framework for Excellence.

### *Role of the Sector Skills Councils*

Q 75 The Committee asked about the role of Sector Skills Councils. There are indications this may change, but, given the Sector Skills Councils play such a major role at the moment, the Committee may ask why their role is not discussed.

Sector Skills Councils are employer-led, independent organisations that cover a specific sector across the UK. Currently, Sector Skills Councils define apprenticeship frameworks for their sectors in accordance with the basic guidelines laid down in the national apprenticeship blueprint. The blueprint encapsulates the Government's apprentice and employer expectations of what an apprenticeship is.

Sector Skills Councils are, and will continue to be, key stakeholders in apprenticeship delivery. Currently, they work with Learning and Skills Council to identify specific

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223 Q 193 [Mr Marston]

224 Q 194 [Lord Young of Norwood Green]

opportunities for growth in apprenticeship volumes to meet local and national need and issue apprenticeship completion certificates at a fee.

It is our intention that Sector Skills Councils will approve Apprenticeship frameworks for their sectors which will be based upon updated national occupational standards. These would be included in the ready-made bank of qualifications, designed to meet the requirements of employers in each sector. In future, any organisation wishing to offer an Apprenticeship simply needs to submit to the relevant Sector Skills Council a short description of its plans, the qualifications and units it wishes to utilise, and how they meet the requirements of the strengthened Apprenticeships blueprint. Sector Skills Councils will provide support to employers to develop frameworks.

Sector Skills Councils will issue the apprenticeship frameworks. They will ensure that each framework does offer a high quality apprenticeship and are responsible for ensuring coherence in the frameworks in each sector. This role is covered in Clauses 8 and 9 of the Draft Bill.

We intend to abolish the Apprenticeships Approvals Group and instead we plan a new alliance of Sector Skills Councils which will have take responsibility for monitoring standards to ensure consistency of standards in the approval and issuing of frameworks.

These changes will allow Sector Skills Councils to focus their activities more firmly on encouraging employers to increase the number of good quality Apprenticeship places, and they will be performance-managed by the Commission for Employment and Skills to raise awareness levels with employers.

Q 76 Can the Departments clarify their response at Q 75? The Departments state that the changes would allow Sector Skills Councils to focus their activities more firmly on encouraging employers to increase the number of good quality Apprenticeship places, and they would be performance-managed by the Commission for Employment and Skills to raise awareness levels with employers. Both the National Apprenticeship Service and the Sector Skills Councils appear to have separate responsibilities for the identification and management of occupational standards. Is there a potential conflict and confusion here? Which organisation is going to talk to employers (both nationally and locally) and how will employers be able to influence the framework/standards process?

We do not consider that there will be areas of conflict and confusion between the work of the National Apprenticeships Service and the Sector Skills Councils.

The National Apprenticeship Service has no responsibility for the management of occupational Standards. However, the National Apprenticeship Service field force could identify a gap in qualifications and/or apprenticeships frameworks. It would be for the Sector Skills Council to determine whether the gap needed to be addressed, and if appropriate to work with the employers in its sector, training providers and awarding bodies to develop additional qualifications or additional frameworks.

In our response to Q 3 we detail the respective roles of the National Apprenticeship Service and Sector Skills Council for liaising with employers locally and nationally.

Employers will be able to influence to apprenticeship frameworks and the qualifications they contain by working with their Sector Skills Councils.

Q 77 There could be a small number of generic occupations that cut across several Sector Skill Council areas and therefore no single Sector Skills Council would have exclusive responsibility. In those cases, we would expect this framework to be developed by the interested parties, such as an employer or Standard Setting Body, in conjunction with one of the Sector Skills Councils. This Sector Skills Council would then have responsibility for issuing the framework.

On the issue of accrediting employers' in-house training as an apprenticeship it would need to lead to qualifications that have been accredited to the Qualification and Credit Framework and it would need to fit with the other framework criteria established in the specification of framework standards.

### *Role of training providers*

Q 78 The Committee asked about the role and responsibilities of training providers including Further Education colleges.

The role of providers is to assist employers to deliver the apprenticeship frameworks. Providers support employers through the training process and by working with the employer and apprentice to agree a training programme and handle assessments and quality control. They can also help employers recruit suitable apprentices.

Q 79 Can the Departments clarify their response at Q 78? The answer states that the role of providers was to assist employers to deliver the apprenticeship frameworks. This answer marks out the UK as being different to many other EU countries where vocational educators and trainers would play a more central role in the design of apprenticeships and would be seen as part of a government-employer-provider partnership. Why has DIUS decided that providers should be seen solely as “deliverers” of the training component?

The Departments view providers as a key partner in the delivery of apprenticeships. Clearly providers will have a wealth of experience and expertise and this should be tapped when designing frameworks. The system does not preclude the provider base from devising and promoting apprenticeship frameworks where they identify a need. However, it is important that employers should be in the driving seat.

Employers should determine the design of frameworks to ensure they have a strong voice in the process and the apprenticeships they develop are fully suited to their needs. There will be close working relationships between the provider base and the employers they work with, and the Bill will not preclude a provider working with an employer to develop frameworks.

### *Education Maintenance Allowance*

Q 80 The Committee asked about Education Maintenance Allowance.

The Education Maintenance Allowance is available only to 16–19s who are in non-waged learning. Apprentices are not normally eligible for EMA as they are in employment and in receipt of a wage from the employers.

Q 81 On Education Maintenance Allowances, can the Departments supply statistics on Education Maintenance Allowances, particularly to the number of young people who begin apprenticeships without employed-status?

Unfortunately, this information is not available using existing data. However, once there are unique learner identifiers in place, we will be able to cross match future learners to establish whether Education Maintenance Allowance has been claimed prior to commencement on Apprenticeship.

### *Range of qualifications*

Q 82 The Committee asked about range of qualifications, an Apprenticeship would be expected to include, (e.g. Technical Certificate).

All Apprenticeship frameworks must comprise:

- A competence based element
- A knowledge based element
- Transferable, or ‘key’ skills
- Employment rights and responsibilities

For details of frameworks available see the Apprenticeships website <http://www.apprenticeships.org.uk/partners/frameworks/apprenticeships/apprenticeships>.

### *Advanced apprenticeships*

Q 83 The Committee asked about advanced apprenticeship as a route to Higher Education.

Apprenticeship frameworks must contain information for apprentices on the pathway into Higher Education, and give details of additional qualifications necessary and the UCAS points of the qualifications in the framework.

### *Items in World-class Apprenticeships not covered in the draft Bill*

The draft Bill does not cover all of the policy areas set out in the recent White Paper, *World-Class Apprenticeships*. In briefing on the draft Bill the Leader of the House has listed the points which were anticipated as possible contents of the draft Bill. Those which are not covered in the draft Bill are:

Q 84 (A) “a duty to promote quality in apprenticeship through, for example, strengthened inspection arrangements”;

We have recently expanded the scope of the Inspections Strategy for the Further Education system to cover delivery of Apprenticeships. Inspections of Apprenticeship provision have begun and these have already weeded out weaker providers and increased the number of completions. In light of this development, we have looked again at this issue and concluded that we do not need to legislate for strengthened inspection arrangements specific to apprenticeships at this time. Promoting quality is described in the response to Q 95.

Q 85 Can the Departments clarify their response at Q 84? Will inspection still be conducted by Ofsted or will the National Apprenticeship Service be involved in any way? The penultimate bullet point in the list given on Q 73 for the National Apprenticeship Service’s responsibilities stated the National Apprenticeship Service would be responsible for ‘Improving provider performance and capacity’; how will the National Apprenticeship Service work with Ofsted to achieve this?

The inspection visits will be carried out by Ofsted inspectors. Where Ofsted judges an independent provider as overall inadequate, the National Apprenticeship Service will normally continue to contract with that provider—presenting it with the opportunity to improve. However, the National Apprenticeship Service will reserve the right to cease funding that provider without offering further opportunity to improve where there are concerns that the provider does not have the capacity to improve and as such it is not the interest of learners, employers or the public purse to continue to fund that provider.

Q 86 (B) “recognition of completed apprenticeship through, for example, license to practise arrangements”;

We would expect that measures we are taking to strengthen the apprenticeship programme, including putting the programme on a statutory basis, will raise the recognition of the value of apprenticeships among employers and within sectors. The introduction of a license to practise has significant implications for wider general skills and employment policies. Therefore, before going down this route, we would want to consider fully the effectiveness of the current approach to increasing the currency of apprenticeships in each sector. We would also need to take account of the practices and labour market traditions in that sector and the need to avoid unnecessary burdens on employers.

Q 87 Can the Departments clarify their response at Q 86, what does “putting the programme on a statutory basis” mean and how does it add value to the current situation?

The reference is in respect to clauses 1–19 in the draft Bill, which taken together provide a coherent legislative framework for the apprenticeship programme. This adds value to the current situation in the following ways:

- It establishes that there will be an apprenticeship specification to set out the core components of an apprenticeship. This will ensure consistency and quality across all frameworks.
- It establishes that apprenticeship agreements are required. These sets out the roles and responsibilities of all the parties involved in an apprenticeship and ensures

protection for apprentices and greater clarity for employers. In addition it will clear up any misconception that may have put off employers, for example that an apprenticeship agreement is not a contract of apprenticeship (as recognised by common law) but is instead to be treated as a contract of service. A contract of apprenticeship is more difficult to terminate, and the damages payable for wrongful termination are potentially higher as they reflect the nature of the relationship.

- The legislation ensures that the completion of an apprenticeship leads to public recognition that the apprentice has achieved a real tangible level of skill and competency in that profession. By defining in this way it allows for those apprentices who are not publicly funded to be recognised.
- Finally, giving the programme legal status sends a powerful signal as to the importance of apprenticeships.

Q 88 (C) “duty on public bodies to offer apprenticeships”; and

We are looking to increase substantially the numbers of apprenticeships in the public sector, and we are working with bodies across the public sector to develop with them targets for increasing the number of apprenticeships that are both challenging and realistic. An initial requirement for this expansion is to ensure that appropriate and relevant Apprenticeship Frameworks are available. Work is in hand, in collaboration with each area of the public sector and the relevant Sector Skills Councils, to identify gaps and to ensure that apprenticeship frameworks are put in place where necessary. We will be monitoring progress and will carry out a review in 2011.

Q 89 (D) “amendment to minimum wage regulations on the current apprenticeship exemptions”.

The Government has asked the Low Pay Commission (LPC) to look at the issue of the exemption of apprentices from the National Minimum Wage and to report in February 2009. We await their findings. The Government will consider and respond to LPC findings in due course. Any changes to National Minimum Wage legislation will need to take account of the LPC findings.

Without prejudicing the work of the Low Pay Commission, the Government announced in September 2008 that minimum Apprenticeship pay will rise from £80 to £95 per week from August 2009.

Q 90 Have the Departments considered any proposal to pay a bonus to employers on completion of apprenticeships and whether this could be extended to encourage employment of apprentices after completion?

The Departments have considered a range of approaches to engaging employers. There are a number of issues around this specific proposal such as the danger of making deadweight payments etc. However, we will consider this proposal and others further in light of the current economic climate.

To count as an apprenticeship all apprentices must have a contract of employment and so are already employees. We would not necessarily see a role for Government in paying employers to keep on specific employees.

### *Effects on the draft Bill*

#### *Regional variation*

Q 91 How much regional variation will the draft Bill allow? Would the arrangements allow, for example, apprenticeships in a region experiencing acute shortages in a skill to be condensed or varied?

The arrangements would allow flexibility in the delivery of elements of the Apprenticeship Framework. However, the Framework would still need to meet the requirements in the specification of apprenticeship standards and offer high quality training.

We would expect the National Apprenticeship Service to be responsive to the local / regional economic conditions ensuring there is a match between the provision being commissioned.

#### *Incentives for apprentices to continue with same employer*

Q 92 What incentives are there under the proposed arrangements for qualified apprentices to enter employment with the employers who provided their apprenticeships, in order to allow the employers to recoup fully their investment?

There is the expectation that apprentices would continue in employment with the employer who provided their apprenticeship. However, we would not want to impose conditions on either the apprentice or employer following the completion of the apprenticeship.

#### *Redress where training is inadequate*

Q 93 What will happen under the proposed arrangements in a case where an apprentice considers that he or she is not receiving adequate training? If the employer is in breach of contract, how will the apprentice enforce the contract?

The apprenticeship agreement would be subject to general employment law provisions. If the employer is in breach of contract, the apprentice would have recourse to seek remedies in the Employment Tribunal. However, we would expect the apprentice to raise the issue with the employer, training provider and the National Apprenticeship Service before needing to enforce the conditions by bringing proceedings under employment law.

#### *Effects of the recession*

Q 94 In the event of a recession in the economy, will employers be able to terminate apprenticeships?

Employers will be able to terminate apprentices in the event of a recession. Wherever possible, we would expect the National Apprenticeship Service to find the apprentice a place with another employer.

### *Quality of apprenticeships*

Q 95 How will the quality of apprenticeships be assured?

Action to assure the quality of apprenticeships commences at the design and commissioning stages. The Learning and Skills Council sets minimum levels of performance (MLP) for all providers, which are expected to be achieved during delivery. The Learning and Skills Council monitors the performance of providers against these MLPs.

In addition, the specification of apprenticeship standards will set out the requirements that apprenticeships frameworks will need to meet. The frameworks will be drawn up using the Sector Skills Council bank of approved qualifications based upon the updated national occupational standards. In considering frameworks, the relevant Sector Skills Council will ensure that it meets the specification and that it offers high quality training.

The current Inspection Strategy referred to in response to Q 84, is based upon proportionate inspection arrangements, which reduce the inspection burden for good and excellent providers, whilst focusing on providers who have poorer quality provision. The inspection visits and MLPs identify underperforming provision, and the Learning and Skills Council's planning and funding discussions with providers will be informed by judgements about the performance of provision.

From September 2008, the Learning and Skills Council is introducing a performance assessment and reporting framework (Framework for Excellence (FfE)) for post 16 providers. FfE will set standards of excellence and assess providers against these standards. Each year providers will be awarded an overall performance rating derived from performance indicators in 3 areas (dimensions): Responsiveness, Effectiveness and Finance. Apprenticeships success rates will be taken in to account when deriving the rating under the "Effectiveness" dimension. The Framework complements the wider programme of reform for achieving excellence in further education through the National Improvement Strategy, the Learning and Skills Council's intervention programme and indeed work that providers themselves will undertake in the spirit of self regulation.

### *Impact Assessment*

Q 96 Will any duties or requirements be placed on employers to ensure that they offer full apprenticeships to all groups in society, particularly those which paragraph 20 of the *Impact Assessment* notes have been under-represented historically?

The Learning and Skills Council has responsibility for ensuring that apprenticeships are offered to all groups in society. No additional duties or requirements will be placed

upon employers in this respect. However, employers will need to abide by the anti-discrimination legislation.

Q 97 How much capital to create Group Training Associations (paragraph 21 of the *Impact Assessment*) will be provided? How much of this will be ear-marked for SMEs?

The amount of capital available for Group Training Associations has yet to be agreed.

Q 98 What evidence is there to support the assertion in the *Impact Assessment* that Group Training Associations “can be very effective in providing ‘critical mass’ of atypical young people, so that apprentices from ethnic minorities, or female apprentices in male-dominated sectors can socialise and share in a training environment”?<sup>225</sup>

The report by the Institute of Employment Studies “Young Apprenticeships: Equal Opportunities” 2006 DfES report 428 identified the benefits of the “critical mass” approach, especially in terms of atypical gender. The Trade and Industry Committee “Jobs for the Girls” report 2005 identified the benefits of group/project-based approaches in the construction sector, while noting such approaches are not widely used in other sectors.

The 2005 Equal Opportunities Commission’s investigation of occupational segregation report recommended project-based approaches and group training schemes to help address inequalities in Apprenticeships. Group Training Associations have consistently enjoyed above average performance at inspection (ALI/Ofsted Reports).

Q 99 Can the Departments clarify their response to Q 98? Can the Departments supply statistics on the numbers of Group Training Associations and their record on diversity?

The Learning and Skills Council’s system cannot currently differentiate a Group Training Association from other providers or employers. As a result we are not able to provide statistics specifically on Group Training Associations in terms of the number and their record on diversity.

Due to this lack of available data we cited a range of research in response to Q 98 that shows group approaches can have a positive impact on diversity.

Were the Committee to request it, a survey of Learning and Skills Council regions could be conducted to assess the impact of Group Training Associations on diversity in their regions. This would provide indicative information on this topic but it is estimated it is likely to take at least two weeks to obtain.

Q 100 When a Group Training Association organises an apprenticeship, is the Association the employer? How will this impact on the rights of the small and medium-sized enterprises (SME) and the apprentice?

There are a number of different group training association models. The traditional approach is that employers will pay a subscription fee to a group training association

who will organise training on their behalf. In this case the SME is the employer not the Group Training Association.

However, there are other approaches such as the group apprenticeship company model successfully used in Australia and that we are trialling in London. In this case a group apprenticeship company recruits a large number of apprentices who are then made available as a flexible workforce to other employers for the work-based element of their apprenticeship. Host companies pay the group apprenticeship company a fee for the use of the apprentice, which comprises their salary plus a service charge. In return, the group apprenticeship company administers the payroll and provides the pastoral care, support and supervision of the apprentice. In this model the Group Training Association is the employer.

Regardless of the model used, the rights and responsibilities of the employer, training provider and apprentice will be set out in the apprenticeship specification.

Q 101 Where an apprenticeship is facilitated by a Group Training Association, is the apprentice an employee of the Association or the business where he or she spends most time?

As we set out in response to Q 100 in the Committee's second tranche of written questions, there are different Group Training Association models. The traditional approach is that employers will pay a subscription fee to a group training association who will organise training on their behalf. In this case the SME is the employer not the Group Training Association.

However, there are other approaches such as the group apprenticeship company model successfully used in Australia and that we are trialling in London. In this case, a group apprenticeship company recruits a large number of apprentices who are then made available as a flexible workforce to other employers for the work-based element of their apprenticeship. Host companies pay the group apprenticeship company a fee for the use of the apprentice, which comprises their salary plus a service charge. In return, the group apprenticeship company administers the payroll and provides the pastoral care, support and supervision of the apprentice. In this model the Group Training Association is the employer.

Regardless of the model used, the rights and responsibilities of the employer, training provider and apprentice will be set out in the apprenticeship specification.

Q 102 When will details of the cost savings from the introduction of the National Matching Service be available (paragraph 26)?

We expect that details of the anticipated cost savings to be available in 2012.

Q 103 Can the Departments clarify their response to Q 102? Why cannot the National Apprenticeship Service report findings by April 2011?

The first year of operation for the National Apprenticeship Service will be 2009-10. Therefore, there will be a time lag for the LSC to collate data, take stock of the new system and build up a reliable evidence base with which to assess any potential savings. We will make every effort to ensure this is done in the shortest timeframe.

Q 104 Please supply the results of the cost study referred to at paragraph 28 of the *Impact Assessment*.

This study was undertaken by the Institute for Employment and the results will be published in November. We will ensure that the Committee receives a copy.

Q 105 Can the Departments supply a more detailed *Impact Assessment* for a sector such as engineering?

The available data would not support an equivalent study, along the lines of the overall *Impact Assessment*, to determine the net present value of the programme for engineering. However, the Institute for Employment's research we will publish in November will include cost benefits studies of apprenticeships to employers in seven sectors, including engineering.

### *Wage benefits*

Q 106 The McIntosh 2007 study used as a basis for the substantial benefits attributed to the draft Bill acknowledges that its results do not control for higher wages due to ability differences (pp 28, 42). How has the *Impact Assessment* addressed the resulting uncertainty associated with the study's findings?

The McIntosh study controls for a number of factors in order to isolate the impact of apprenticeship on wages from other influences. To the extent that innate ability of apprentices is not reflected by other characteristics for which data are available, then some of the observed impact may be due to this and other factors than the apprenticeship training itself. Any remaining upward bias in the findings is addressed in the sensitivity analysis.

Q 107 Normally, in a labour market where supply exceeds demand, an increase in the number of skilled workers would create a downward pressure on wages. Assuming the proposed programme successfully creates many new apprenticeships places, what assurances can the Departments provide that the wage increases will similarly "scale up"?

Evidence from across all educational sectors shows that as skill levels have increased rapidly over the last 10 years there has been enough unmet demand for wage levels to be maintained. (Source: Jenkins et al (2007): The Returns to Qualifications in England, Updating the Evidence Base on Level 2 and Level 3 Vocational Qualifications. CEE Discussion Paper no. 89.)

### *Supply of apprenticeship placements*

Q 108 How have the Departments estimated the increase in apprenticeship places (a total of 25,800 new places) used as a basis for the *Impact Assessment* calculations?

These figures are based on the growth in apprenticeships outlined in the Learning and Skills Council's 2008–09 Grant Letter and Statement of Priorities. This figure is then reduced to first and full apprenticeship achievements only and then further reduced to reflect a sensitivity analysis and as a prudency measure to give the total of 25,800.

As outlined above this figure is controlled and revised downwards to reflect sensitivity analysis and *Impact Assessment* best practice. Apprenticeships growth is currently being re-modelled as part of the 2009–10 LSC Grant Letter and Statement of Priorities.

Q 109 What evidence do the Departments have to suggest that this number of apprentices, capable of completing an apprenticeship, will seek placements over the next three years?

The Learning and Skills Council report “Research into Expanding Apprenticeships”<sup>226</sup> published in January 2008 cites strong evidence of unmet demand for Apprenticeships from individuals, with 25% of learners not able to find an employer or provider. This, the report argues, is strongly supported by case study evidence with colleges and training providers.

Q 110 There may not be a demand among employers for the increased number of apprentices. What tools will the National Apprenticeship Service have to ensure that there are enough apprenticeship places? What evidence do the Departments have that employers will be able to provide this many placements?

The National Apprenticeship Service, when it is in existence, will have a regional field force which will include a significant number of staff focused on working with employers to increase the number of employers offering Apprenticeships. The National Apprenticeship Service will develop an employer engagement strategy which will focus their engagement at national, regional and, in some cases, local levels to sectors and types of employers that have been identified through Regional Economic Strategies, Sector Compacts, the focus of Skills and Employment Boards etc. This will help ensure that their focus is on potential growth areas, sectors where there may be a current shortage of Apprenticeship opportunities and sectors which have signalled a desire for increase in training overall through their Sector Skills Councils. This includes a focus on the public sector and through public sector procurement activities in areas such as construction.

The purpose of the National Apprenticeship Service is to bring together in one place, support to help employers overcome barriers to engagement in Apprenticeship opportunities. With this focused support and increased awareness of the scheme, we expect an increasing number of employers to consider taking on an Apprentices.

Q 111 It appeared that the witnesses [at the oral evidence session on 27 October]<sup>227</sup> suggested that the Government will largely achieve its aim to meet the new apprentice start target numbers and enable it to meet the statutory entitlement by pushing public sector employers to create apprenticeships and potentially. Is there a risk that this will create an artificial bulge not connected to employers’ actual workforce/skill needs? What will happen to apprentices completing their programmes, if employers are unable to offer them jobs?

There are two elements to this.

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226 [http://readingroom.lsc.gov.uk/lsc/National/Research\\_into\\_Expanding\\_Apprenticeships\\_for\\_release.pdf](http://readingroom.lsc.gov.uk/lsc/National/Research_into_Expanding_Apprenticeships_for_release.pdf)

227 Q 147 [Jim Knight]

Firstly, the role of public sector apprenticeships. We do not see public sector apprenticeships merely as a means of supplementing private sector apprenticeship numbers, to be increased or decreased as necessary simply to meet targets. There is no danger of an ‘artificial bulge’ as these public sector apprenticeships will be rooted in demand from public sector employers and focused in areas where apprenticeships can play an important role in upskilling and benefiting the public sector workforce. Thus those apprenticeships will be directly “connected to employers’ actual workforce/skills needs, because employers in the public sector have those requirements just as much as employers in the private sector.

The focus on the public sector is a recognition that apprenticeships have not achieved the same penetration there as in some private sector areas. Apprenticeships offer a high-quality training course that benefits both learner and employer and leads to a real step change in skill level. These are outcomes we want in the public sector and could make a positive change in both training and service provision in areas such as NHS trusts, local authorities and central Government.

Secondly, the issue of apprenticeship employment upon completion. This Bill enacts the intention set out in *World Class Apprenticeships* that to count as an apprenticeship there must be a contract of employment. Therefore, an apprentice would already be an employee. We cannot guarantee that an employer in the public or private sector will be able to continue to employ an apprentice once they have completed their apprenticeship as this, quite rightly, will depend upon the employer’s needs. However, we believe that the apprentice will be in a strong position to secure other employment given their apprenticeship qualification.

Evidence on rates of return for apprenticeships suggests this is the case. Research in 2007 compared apprenticeship rates of return to NVQ rates of return:

Advanced apprenticeship L3	35%
NVQ L3	13%
Foundation apprenticeship L2	39%
NVQ L2	9%

Q 112 Page 10 of the *Impact Assessment* notes that one of the key policy options recommended by *World Class Apprenticeships* is a targeted wage subsidy for employers who face particular problems with recruiting 16 to 18 year olds. Does the *Impact Assessment* account for the costs of targeted wage subsidies as envisaged by *World-class Apprenticeships*? How much will wage subsidies for small employers cost?

The *Impact Assessment* accounts for the costs of targeted wage subsidies. These costs were based on initial advice from the Learning and Skills Council. The precise final cost of these measures is currently being worked through as part of the 2009–10 Learning and Skills Council Grant Letter and Statement of Priorities.

Q 113 Can we have details and emerging findings and conclusions from the pilot wage subsidy programme for small businesses? How is the wage subsidy for SMEs work likely to operate?

We will be piloting wage subsidies, particularly focused on small and medium enterprises (SMEs) from 2009 onwards. The Learning and Skills Council will be inviting expressions of interest from SMEs for access to this support shortly.

We will trial a range of approaches to wage subsidy to allow us to assess which provides the greatest value for money and appeals most to SMEs. We will be exploring potential synergies between apprenticeship and Train to Gain wage compensation when we pilot wage subsidies in apprenticeships.

Q 114 What incentives will be provided to large employers? What costs are associated with these incentives, and how have they been incorporated into the analysis?

The Learning and Skills Council intends to work with large employers on a pilot which invites them to recruit more Apprentices than they need to meet their requirements. They will receive direct payment for this “over training”. The aim of this activity is to improve the quality of the supply chain in a sector at large.

Q 115 The wage data underlying the cost-benefit analysis was collected during an economic boom (2004–05). What analysis, if any, has been done to explore the impact of an economic downturn on the benefits of the draft Bill?

No analysis has been carried out to explore this quantitatively. It is reasonable to expect that the economic downturn will have more impact on employment rate differentials than it will on wage differentials across qualification levels, and so holding higher level qualifications, apprenticeship included, will be beneficial to individuals in maintaining employment during the downturn. There may be larger employment effects in some particular industrial sectors.

### *Impact on business*

Q 116 Page 11 of the *Impact Assessment* states that a new net cost study is currently underway and that results are expected by summer 2008. Are the results of this study available? If so, please provide this study to the Committee. How have the study results altered the Departments’ estimates of the estimated net costs of apprenticeships to businesses?

The study commissioned by The Apprenticeship Ambassadors Network will be published in mid November and so has not been incorporated into the Departments’ estimates. The study will be made available to the Committee on publication. It will look in detail at the financial investment made by employers across 6 industrial sectors, and compare that with the productive benefits they get back from the apprentice, both during and after the apprenticeship. We expect it will also give an up to date view on the wider benefits to employers from their involvement in apprenticeship, including through better recruitment and retention, and maintaining a skilled and motivated workforce.

Q 117 Please provide details of how the Departments arrived at their estimate for fixed costs (£200 million)?

This estimate is based upon initial advice from the Learning and Skills Council. This has subsequently been revised downwards. The precise costs are currently being worked through as part of the 2009–10 LSC Grant Letter and Statement of Priorities.

### *Sensitivity analysis*

Q 118 What number of placements would the programme have to deliver in order to “break even”?

By way of illustration, taking the central estimates’ assumption of individual NPVs<sup>228</sup> of £73,000 for Level 2 and £105,000 for Level 3, the policy would have to achieve additional success of, say, 2,000 Level 2s and 1,000 Level 3s in order to break even. Alternatively, using the more the pessimistic assumptions behind the lower bound estimates, an additional 3000 Level 2s and 1000 Level 3s would be required to break even.

Q 119 Please provide additional details of how the sensitivity analysis for establishing the lower bound for the “net benefit range” was derived.

The lower bound replaces the McIntosh individual Net Present Values (£73,000 and £105,000 for Level 2 and Level 3) with more pessimistic estimates, based on: only half of the estimated wage impact being due to the apprenticeship, and costs being 50% higher than estimated. Further, it assumes that, of the anticipated increase in participation on apprenticeship over the period, only half will be resultant from the additional costs associated with the policies in question and the rest would have happened without the policy change and should not be attributed as a benefit (rather than 80% assumed for the main estimate).

### *Equality impact assessment*

Q 120 The McIntosh 2007 study shows that, while Advanced Apprenticeships yield a wage return for women, wage benefits may not be realised by women with Apprenticeships (p 45). Why is there no significant earnings benefit for women who complete Apprenticeships? Please elaborate on the Departments’ conclusion that the Draft Bill will have a positive impact from a gender perspective, providing any calculations supporting this conclusion.

The estimates of net benefits in the impact assessment are for men and women combined. The McIntosh study produced many positive findings for women on apprenticeship: they are positive for women when Level 2 and 3 are taken together, and there is evidence of improvement over recent years. The estimates for women at Level 2 were also reported to be positive, although not statistically significant. The results for women were also more positive for government supported apprenticeship, than those for apprenticeship that were recorded by the survey as being outside of government support (sometimes referred to as trade, or traditional, apprenticeship).

### *Geographic extent*

Q 121 Has the *Impact Assessment* only looked at the impact of the draft Bill on England, or does it include its benefits to Wales as well? If not, what are the expected benefits of the programme to Wales?

The *Impact Assessment* covered England only. It is up to the Welsh Assembly Government whether they would like to assess the potential benefits to Wales.

### *Wales: responses to questions posed by the Welsh Affairs Committee*

Q 122 Are the statistics cited in the foreword to the draft Bill England-only?

Yes, the statistics relate to England only.

Q 123 The draft Bill applies to England and Wales (clause 29 and paragraph 6 of the Explanatory Notes). However in his written statement accompanying the draft Bill, the Secretary of State noted:

This draft Bill sets out the legislative framework needed to underpin our strategy to increase the number of apprenticeship places and strengthen apprenticeships in England.

Q 124 Should there to be greater clarity on the draft Bill's territorial extent?

The draft Bill applies to England only. The Welsh Assembly Government is considering the application of the provisions to Wales and has sent draft instructions for amendments to certain provisions of the Bill in relation to Wales. These will be considered for inclusion before the Bill is introduced to Parliament.

The extent of the Bill referred to in clause 29 relates to the legal jurisdiction which is England and Wales. England and Wales are one single jurisdiction. Even if the Bill only applies to England it is still England and Wales law which happens to only have effect (or apply) in relation to England.

We will look at how we can clarify this, possibly through the explanatory notes.

Q 125 Why is there no reference in the draft Bill and accompanying papers to the Welsh Assembly Government's Department for Children, Education, Lifelong Learning and Skills, Welsh Assembly Government?

As above, the draft Bill applies to England only. The Welsh Assembly Government is considering the application of the provisions to Wales and has sent draft instructions for amendments to certain provisions of the Bill in relation to Wales. These will be considered for inclusion before the Bill is introduced to Parliament.

Q 126 Why is there no reference to the Welsh Assembly Government's Skills that work for Wales Action Plan? (Nor is there a reference to the draft Bill in Skills that work for Wales.)

As the draft Bill applies to England only there is no reference to the Wales skills and employment strategy "Skills that Work for Wales". In addition, Skills That Work for

Wales was published on 10 July 2008, before the publication of the draft Bill so there is no mention of the Bill in that publication.

Q 127 How will the content of the Bill be implemented in Wales, and by whom?

It is for the Welsh Assembly Government to determine how the provisions in the Bill which will apply in Wales would be implemented. Welsh Ministers will commence provisions for Wales.

Q 128 How would the Bill's provisions be financed in Wales?

Any financial implications arising from the implementation of the provisions of the Bill in Wales will be a matter for the Welsh Assembly Government.

Q 129 How have the DIUS and the Department for Children, Schools and Families consulted (or how will they consult) with the Welsh Assembly Government on the provisions of the draft Bill?

The Secretaries of State for Innovation, Universities and Skills and Children, Schools and Families wrote to the First Minister of the Welsh Assembly Government on 19 July to inform him of the publication of the Draft Bill. The Welsh Assembly Government have indicated that they would wish to consider provisions in relation to Wales for certain aspects of the Bill.

Q 130 Will there be any overlap in devolved and non-devolved education policy?

Education and Skills Policy in Wales is devolved to the Welsh Assembly Government. There may be some overlap in relation to the policy of clarifying the law relating to apprenticeship agreements, since employment law is not devolved to the Welsh Assembly Government.

Q 131 Does the draft Bill raise any cross-border issues—for example, labour markets which cross borders, employers which recruit from both sides of the border and ensuring that people get accurate information as to what is available, ensuring that colleges on both sides of the border have clear roles in the training aspects of apprenticeships (clause 16.2 makes it clear that it applies to employers “in England”)?

The draft Bill is likely to raise cross border issues. Any such issues will be taken account of in the information and guidance materials issued in both nations.

Q 132 There are references in the draft Bill to “functional skills in English” (3J 5, 7 – Apprenticeship scheme requirements: interpretation). Are there any specific Welsh language issues to be addressed?

In considering the extent to which the provisions of the Bill will apply in Wales the Welsh Assembly Government will be taking into account the need to address any specific Welsh Language issues.

### **“Conversions”**

Q 133 We raised Conversions and the Learning and Skills Council has already provided a useful note.<sup>229</sup> It would assist to have a further breakdown of the conversion statistics to differentiate between a) people who start an apprenticeship with the employer where they are already working; and b) people who switch to a new employer to start an apprenticeship.

The Learning and Skills Council provided information on conversions versus new starters that showed in 2006–07 77% of new apprenticeship starts were conversion and 23% new recruits. However, I<sup>230</sup> would re-iterate the point I made to the Committee and that the Learning and Skills Council made in their note that these figures are based on a proxy that defines a conversion as an Apprentice who was employed on the last working day before starting, and a new recruit as an Apprentice who was not recorded as being employed on the last working day before starting. This is based on self-declared Individual Learner Record returns.

As I set out in my response at the Committee, whilst a useful indicator this cannot be considered robust since an individual recruited with the intention of being entered onto an apprenticeship framework after serving a probationary period would be counted as a conversion. It should be noted that a probationary period is recommended practice. This is because the apprenticeship place combines a job offer with a training offer, and both employer and employee want to satisfy themselves that the job is right for them before a wider commitment is made.

As the Learning and Skills Council stated in their note this means “the percentage of new recruits is probably understated and the conversions are overstated using this definition”.<sup>231</sup>

On the specific issue of differentiating between those who start an apprenticeship where they are already working and those who switch to a new employer to start an apprenticeship, we have no specific data given the constraints outlined above.

Q 134 Can we also see the case studies referred to in section 4 of the [Learning and Skills Council’s] note?

The responses to Q 133 and following provide details of how Tesco operates its apprenticeship programme.

The pattern of identifying potential apprentices from existing employees is more usual in the service industries, such as hospitality and retail, and this is where much of the recent growth in apprenticeships has come from.

Examples include:

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229 Ev 79

230 Lord Young of Norwood Green

231 Ev 77, para 4

Sainsbury's—with apprenticeship frameworks in food handling and manufacture such as bakery, butchery and fish.

Vodafone—has apprenticeship frameworks in call centres, covering both technical and interpersonal skills in handling customer enquiries or complaints.

These employers embed the Apprenticeship programme into their business by mapping the job role to the framework, and customising the delivery of the elements of training and assessment, which could be in the workplace, electronic or off-the-job. Often, employers use the fact that new recruits can undertake an Apprenticeship programme as a marketing tool to attract people into their business.

Some employers with “traditional” apprenticeship programmes such as BAE Systems also broaden out their apprenticeship recruitment to current and potential employees.

The large employers who do recruit straight from school tend to be in the engineering or construction sectors. Usually, there is an extensive period of off-the-job training, often full-time, in a separate training centre, academy or college, before the apprentice enters the workplace. Examples include British Gas, BAE Systems, National Grid, Landrover Jaguar and Rolls-Royce. These employers usually recruit their apprentices in cohorts of around 100 or more, once or twice a year. Often the individuals complete an induction with the business before starting the apprenticeship training.

Q 135 What proportion of those converting receive Education Maintenance Allowance?

All apprentices will be employees of their employer, therefore they would not be eligible for an Education Maintenance Allowance. If the question relates to those who received an EMA prior to starting their framework, we do not have this information available prior to 2007–08. It will not be possible to provide the information for 2007–08 until 2007–08 data is finalised. We will provide this when available.

Q 136 Can Table 5<sup>232</sup> to be broken down into frameworks?

Please see the annex which expands on Table 5 and now includes detail regarding frameworks undertaken by conversions and new recruits.<sup>233</sup>

Q 137 Why is information on average length of stay for conversions and new recruits not available?

This information was not available in the time frame requested for the previous note. This information is now available:

The average length of stay for “conversions” is 17 months. The average length of stay for new recruits is 23 months.

The note<sup>234</sup> cites Tesco as an example. It would assist to have answers to the following, please.

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<sup>232</sup> Table 5(a) in Ev 79

<sup>233</sup> Now inserted as Table 5(b) in Ev 80

Q 138 How are the individuals selected (e.g. do they apply, if they are already with Tesco, are they put forward by supervisors/managers)?

Individuals must have worked for Tesco for six months before applying for an Apprenticeship position. Supervisors and managers are encouraged to identify potential candidates but the individual applicant needs to apply for themselves. Tesco advertise the scheme internally via posters and literature.

Q 139 How long is the probationary period and are they classed as apprentices from day one and at what point in the process are they formally registered as “apprentice starts”?

There is no probationary period on the apprenticeship programme (as all individuals must have worked for Tesco for six months before applying). Once accepted on to the programme they are classed as apprentices.

Q 140 If those converting are 16 to 18 year olds, do they receive the Education Maintenance Allowance or does Tesco pay them a wage?

All individuals are paid a wage regardless of their age. Once employed by Tesco they remain on salary when taking up the apprenticeship position.

Q 141 If 19 or over, do they receive a wage?

Yes.

Q 142 What percentage progress on to a proper apprenticeship and what happens to those who do not?

All retail Apprenticeships within Tesco are currently at Level 2. Tesco intend to make Level 3 and above available in the near future. However, data shows that 50% of successful apprentices within Tesco progress within the business and are promoted.

Q 143 When does Tesco start drawing down government funding?

As soon as all eligibility checks have been carried out on the individual and they have completed their initial assessment.

Department for Children, Schools and Families and Department for Innovation, Universities and Skills: Joint Apprenticeships Unit

*September, October and November 2008*

# Formal Minutes

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**Monday 24 November 2008**

Members present:

Mr Phil Willis, in the Chair

Mr Tim Boswell  
Dr Ian Gibson  
Dr Evan Harris

Mr Gordon Marsden  
Ian Stewart

The Committee deliberated.

Draft Report (*Pre-legislative Scrutiny of the Draft Apprenticeships Bill*), proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 102 read and agreed to.

Summary agreed to.

Papers were appended to the Report as Appendix 1.

*Resolved*, That the Report be the Seventh Report of the Committee to the House.

*Ordered*, That the Chairman make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

Written evidence was ordered to be reported to the House for printing with the Report.

[Adjourned till Monday 8 December 4.00pm]

## Witnesses

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### Monday 6 October 2008

Page

**Richard Wainer**, Head of Education and Skills, CBI, **David Frost**, Director General, British Chambers of Commerce, **Anne Seaman**, Chief Executive, Skillsmart Retail, on behalf of the Alliance of Sector Skills Councils and **Matthew Jaffa**, Acting Deputy Head of Policy, Federation of Small Businesses, on behalf of the Alliance of Sector Skills Councils

Ev 1

**Martin Dunford**, Chairman, Association of Learning Providers, **Sara Mogel**, Association of Colleges, and **Tom Wilson**, Head of the Organisation and Services Department, TUC

Ev 7

**David Way**, National Director of Apprenticeships, Learning and Skills Council, and **Marinos Paphitis**, Regional Director, Learning and Skills Council, South East

Ev 15

### Monday 27 October 2008

**Lord Young of Norwood Green**, a Member of the House of Lords, Parliamentary Under Secretary of State for Skills and Apprenticeships, Department for Innovation, Universities and Skills, **Jim Knight MP**, Minister of State for Schools and Learners, Department for Children, Schools and Families, and **Stephen Marston**, Director General of Further Education and Skills, Department for Innovation, Universities and Skills

Ev 20

## List of written evidence

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2 Federation of Small Businesses	Ev 35
3 Association of Learning Providers	Ev 36
4 Trades Union Congress	Ev 38, 46
5 Royal National Institute of Blind People	Ev 40
6 Network Rail	Ev 42
7 British Chambers of Commerce	Ev 43
8 SEMTA	Ev 48
9 Financial Services Skills Council	Ev 49
10 Edexcel Ltd	Ev 50
11 UK Resource Centre for Women in Science, Engineering and Technology, supported by the WISE campaign	Ev 52
12 The Business Services Association	Ev 58
13 Skillset	Ev 60
14 Chartered Insurance Institute	Ev 63
15 Welsh Affairs Select Committee	Ev 64
16 Edge Foundation	Ev 65
17 Association of Colleges	Ev 68
18 National Assembly for Wales, Enterprise and Learning Committee	Ev 74
19 Learning Skills Council	Ev 77

## List of Reports from the Committee during the current Parliament

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The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

### Session 2007–08

First Report	UK Centre for Medical Research and Innovation	HC 185 (HC 459)
Second Report	The work and operation of the Copyright Tribunal	HC 245 (HC 637)
Third Report	Withdrawal of funding for equivalent or lower level qualifications (ELQs)	HC 187-I (HC 638)
Fourth Report	Science Budget Allocations	HC 215 (HC 639)
Fifth Report	Renewable electricity-generation technologies	HC 216-I (HC 1063)
Sixth Report	Biosecurity in UK research laboratories	HC 360-I (HC 1111)
First Special Report	The Funding of Science and Discovery Centres: Government Response to the Eleventh Report from the Science and Technology Committee, Session 2006–07	HC 214
Second Special Report	The Last Report: Government Response to the Thirteenth Report from the Science and Technology Committee, Session 2006–07	HC 244
Fourth Special Report	Investigating the Oceans: Government Response to the Science and Technology Committee's Tenth Report of Session 2006–07	HC 506 [incorporating HC 469–i]