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Apprenticeships

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*Realising the Potential of Higher and
Degree Apprenticeship in Supporting
Social Mobility and the Levelling Up
Agenda*

A UVAC Discussion Paper

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A UVAC Discussion Paper.

1. Introduction

This discussion paper outlines how Apprenticeship (and Higher and Degree Apprenticeship in particular) should be used to support the social mobility and the levelling up agenda. We reject a blinkered approach that focuses on social mobility measures in isolation. Instead, we argue that recommendations for supporting social mobility and levelling up must be determined in the context of the role and purpose of Apprenticeship in increasing productivity, supporting diversity in the workforce and enabling our public sector employers to recruit and train the nurses, police constables and social workers they need. The role of Apprenticeship in the Levelling Up Agenda should also be supported nationally and developed locally in this context.

We call on Government to adopt an ambitious approach. Instead of seeing Apprenticeship as a programme primarily for young people to enter lower level jobs, we argue that Apprenticeship should be an aspirational all age programme that supports individuals from all backgrounds to gain the high productivity craft, technical and professional jobs the economy needs. Crucially, this means substantially more has to be done to support individuals from more disadvantaged backgrounds to access Higher and Degree Apprenticeships. Among other measures, UVAC proposes ensuring Apprenticeships at all levels form part of a skills ladder and that Apprentices unambiguously gain the knowledge and skills required to progress to higher level Apprenticeships. We argue for Trailblazers not only to be allowed to, but to be encouraged to specify mandatory qualifications, including degrees, in Apprenticeships if such inclusion supports social mobility and diversity. We propose that employers should be asked to agree an equality pledge which outlines action they should consider to maximise the availability of Apprenticeships to individuals from all backgrounds. And, we call on universities, working through key representative bodies, to plan and implement new approaches that maximise the contribution Higher and Degree Apprenticeship can make to the social mobility and the Levelling Up Agenda.

UVAC will do all we can to support the university sector work with employers, Government and key partners to deliver on this agenda.

2. Declaring an Interest

UVAC is a not-for-profit higher education representative organisation. Our university members are the main deliverers of Degree Apprenticeship and significant providers of Higher Apprenticeships. Our mission is to champion higher-level vocational learning. Throughout this report we have, however, sought to provide an objective analysis.

3. What is an Apprenticeship?

Prior to examining how Apprenticeship can support social mobility and the Levelling Up Agenda it is important to understand precisely what an Apprenticeship is, what it is not, and the objectives of the programme.

In English Apprenticeships Our 2020 Vision¹, HM Government, from a quality perspective, set out its vision for Apprenticeship:

Our Vision for 2020:

All Apprenticeships will provide substantive training in a professional or technical route, transferable skills and competency in English and maths for all ages

Apprenticeships will be an attractive offer that young people and adults aspire to go into, as a high quality and prestigious path to a successful career

Apprenticeships will be available across all sectors of the economy and at all levels, including degree level

Every apprenticeship will be a high-quality opportunity that delivers the skills, knowledge and behaviours that employers are looking for.

From the Government's vision, we would note that Apprenticeship is a programme for adults, as well as young people, encompasses all levels including degree level and is focused on developing a technical and professional route and delivering the skills, knowledge and behaviours employers are looking for.

Through a combination of on and off the job training the apprentice gains the knowledge, skills and behaviours needed to become occupationally competent in a profession or technical occupation.

In its report *Apprenticeships and Social Mobility Fulfilling Potential*² the Social Mobility Commission states that Apprenticeships “can support employability and enable individuals to gain skills in a non-academic context”. While this description is not entirely wrong, it is inaccurate in several keyways and does not entirely reflect the Government's definition and policy objectives. Apprenticeship is not focused on just supporting employability; its focus is on ensuring that each individual who completes the programme is occupationally competent. Also, Apprenticeship is not about enabling individuals to “gain skills in a non-academic context”. Degree Apprenticeship, the fastest growing type of Apprenticeship and a government priority, combines on and off the job learning. It is both an academic and vocational programme. Apprenticeship is an employer led programme focused on training new and existing employees for the real jobs the economy needs.

The definition of Apprenticeship is clearly understood when considered in the context of Degree Apprenticeships, which Government is clear, are a key member of the Apprenticeship family and a policy priority. In evidence to the Education Select Committee on 10 July 2020, Universities Minister Michelle Donelan MP called for universities to do more to promote Degree Apprenticeship.

In the public sector, where Degree Apprenticeship accounts for a growing proportion of all starts and a significantly higher proportion of employer spend on Apprenticeship, the fastest growing areas of provision are predicted to be nursing and healthcare occupations, police constables and social workers. In the private sector, chartered surveyors, engineers and digital specialists will be key occupations where Degree Apprenticeship is used. Few would disagree with the argument that to become a nurse, an individual needs to combine academic study with practice. This is what a Nursing Apprenticeship does. Similarly, through an Apprenticeship, an engineer needs to apply academic study to practice in order to achieve professional competence, as required by a professional body.

¹ English Apprenticeships Our 2020 Vision – Executive Summary, HM Government 2015 p6

² Apprenticeships and Social Mobility Fulfilling Potential, Social Mobility Commission June 2020 p7

Apprenticeship, Higher and Degree Apprenticeship – Apprenticeships have been developed at level 2 ‘Intermediate Apprenticeships’ (GCSE equivalent) and level 3 (A level equivalent) ‘Advanced Apprenticeships’ up to level 7 (equivalent to the level of a master’s degree).

Higher Apprenticeships are Apprenticeships at level 4 (equivalent to the first year of a bachelor’s degree) to level 7 (equivalent to the level of a master’s degree).

A Degree Apprenticeship is a level 6 or 7 programme that involves an individual gaining a mandatory degree. Sometimes, in statistics and commentary reference is made to the level of an Apprenticeship i.e. level 2 to level 7. In June 2020, ministers decided against allowing the approval of Apprenticeships at level 8 (equivalent to a PhD).

The Integrated Degree Apprenticeship - The Institute for Apprenticeship and Technical Education (IfATE), the organisation with overarching responsibility for Apprenticeship quality, has made clear its preference for ‘integrated’ Degree Apprenticeships.

In this Apprenticeship model, the degree is used to deliver and accredit the knowledge, skills and behaviours specified in the Apprenticeship standard. An Integrated Degree Apprenticeship combines the acquisition of academic knowledge with the development of practical skills and behaviours to achieve occupational competence through the degree programme.

The degree is both academic and vocational and delivers and accredits the knowledge, skills and behaviours specified in the Apprenticeship standard and needed for occupational competence. There is no artificial separation of the ‘training’ and ‘degree’ or ‘academic’ and ‘vocational’ component of the Apprenticeship. Neither is such separation possible.

A boat isn’t designed for the road and a car isn’t designed for sea travel - It is also worth noting what an Apprenticeship is not.

Apprenticeship is not a programme focused on just developing employability skills. Neither is an Apprenticeship in 2020 a reincarnation of the Youth Training Scheme (YTS) of the 1980s that was designed to tackle mass youth unemployment through low-level training programmes. Reformed Apprenticeships and the levy must be judged by the objectives of the programme and Apprenticeship Levy. As the Government has made clear, Apprenticeship is an employer led programme designed to train and develop individuals for the technical and professional jobs needed in the UK economy.

Supporting individuals to develop employability skills, enabling individuals to gain the equivalent of five good GCSEs and supporting the NEET (Not in Education, Employment or Training) cohort are important education and employment policy objectives. They are, however, not the primary objectives of the Apprenticeship programme. Other programmes, such as Traineeships, exist to support individuals to gain employability skills and prepare to enter the employment market.

4. *What is Social Mobility?*

The Social Mobility Commission defines social mobility as follows:

Social mobility is the link between a person's occupation or income and the occupation or income of their parents. Where there is a strong link, there is a lower level of social mobility. Where there is a weak link, there is a higher level of social mobility.³

One of the four responsibilities of the Social Mobility Commission is:

Promoting social mobility in England, for example, by challenging employers, the professions, universities and schools to play their part in promoting social mobility

In its State of the Nation report in 2019, the Social Mobility Commission noted:

“Those from better-off backgrounds are almost 80% more likely to be in a professional job than their working-class peers.”⁴

Apprenticeship is an employer led productivity-focused programme that is according to the Government focused on professional and technical routes. As such, Apprenticeship is and will increasingly focus on higher-level job roles and the professions. From a social mobility perspective, Apprenticeships should be measured and evaluated on how they support individuals into the roles for which Apprenticeships are being developed and used. From a social mobility perspective, Apprenticeship should be evaluated on its success in supporting individuals from deprived backgrounds to enter technical, higher technical, professional and higher paid occupations.

5. *What is the Levelling Up Agenda?*

By many key measures, productivity by region for example, the UK is one of the most geographically unequal developed economies in the world. Other measures that are used to demonstrate inequalities between regions include average income, life expectancy, health inequalities, education inequalities, housing, transport, life satisfaction, crime and infrastructure.

The South East, as a region, is prosperous by international standards, while the North and Midlands trail the South East significantly. Substantial differences are also apparent between different counties and districts within regions. The Government has an intention to address such inequalities through a Levelling Up Agenda focused on infrastructure, education and skills. One of the key explanatory factors explaining regional inequalities in productivity and earnings, is education and skills. Historically, even if a person was a graduate of a northern university, or from the North there would be a strong pull to London and the South East as the regions with the most graduate level jobs. The combination of a degree and a job in a Degree Apprenticeship is critical to developing graduate jobs and retaining graduates in less prosperous regions. The region with the highest concentration of graduates is London, with 50% of the population being graduates. In contrast only 33% of the population are graduates in the North East⁵. Such statistics demonstrate the need to up-skill the existing workforce in the North East, if the Levelling Up Agenda is to be delivered. Yet many commentators argue for a focus on individuals aged 24 and younger. Put bluntly, the idea that Apprenticeship should primarily be a programme for young people focused on level 2 and level 3 provision, fits very uneasily with the Government's levelling up agenda. If Apprenticeship is to make a significant contribution to the Levelling Up Agenda provision must be prioritised on the basis of the contribution it makes to reducing regional differences in productivity, income levels and in health and educational inequalities.

³ Social Mobility Commission website accessed 25 August 2020

⁴ State of the Nation 2018-19: Social Mobility in Great Britain, SMC, 2019 p1

⁵ Graduates in the UK Labour Market 2017, ONS 2017

6. *The Connection Between Social Mobility and the Levelling Up Agenda*

The Social Mobility and Levelling Up Agendas share common features and overlap. They are, however, different. Social mobility focuses on intergenerational changes in occupation and income. Levelling up focuses on productivity, income, life expectancy, health inequalities, educational inequalities, housing, life satisfaction, crime, transport and infrastructure comparisons between regions and localities and their populations.

7. *Setting Social Mobility Targets and Levelling Up Targets in the Context of other Apprenticeship Policy Objectives*

Too often the success or otherwise of Apprenticeship in supporting social mobility is analysed in isolation from other Apprenticeship policy objectives, which are not considered when proposing action or making recommendations. The same could, in time, be true for levelling up targets. It is essential that the role of Apprenticeship in supporting social mobility and levelling up is not only defined in terms of the purpose of Apprenticeship, but also the other policy objectives of the programme which are outlined below.

7.1 Improving Productivity and Closing the UK's Productivity Gap – UK productivity is significantly lower than the G7 average. According to the ONS, output per hour worked in the UK in 2016 was 16.3% below the average for G7 economies⁶. While many explanations exist for the UK's productivity gaps, low skill levels and a lower investment in training are usually regarded as key explanatory factors. While the South East and London perform reasonably well, a focus is needed to ensure all UK regions continue to increase productivity. Put bluntly, the levelling up agenda would not be a national success if the productivity gap between the South East and London and the North was narrowed, while the comparative position of the South East and London with other OECD countries declined.

7.2 Skills Gaps and Shortages – Nursing is arguably the most prominent skills shortage in the UK. The nursing and healthcare recruitment crisis is at its most acute in many of the relatively prosperous regions of the UK. Key workers, such as police constables and nursing/healthcare staff are often driven out of affluent areas because of housing costs, causing recruitment and retention problems. In 2020 the Royal College of Nursing reported that there were 40,000 nurse vacancies in England. Furthermore, one in three nurses are due to retire in the next decade⁷. Opening up opportunities to individuals from all backgrounds (whether from deprived or non-deprived backgrounds) to become nurse associates and registered nurses through Apprenticeship should be a priority. Patients using NHS services will be agnostic, as to the economic and social background of the individual treating them. They will not be agnostic as to the quality of their care.

At a broader level, around 40% of the UK's workforce has skills materially misaligned with their jobs⁸. With climate change arguably the most acute problem facing the world, the National Grid reports that 260,000 new roles are needed to fill the net zero energy workforce by 2050⁹. Apprenticeship, as the Government's flagship skills programme, must play a fundamental role in delivering the skills the UK needs. Proposals to develop high speed broadband and new infrastructure projects, HS2 and nuclear power stations will call for a highly skilled workforce. The jobs the UK economy needs are typically the higher paid and more secure jobs, where efforts should be concentrated to open up opportunities for disadvantaged individuals. Regrettably, in most of the reports on Apprenticeship and social mobility little connection is made between supporting social mobility and tackling skills gaps and shortages in the UK economy.

It is worth repeating some of the analysis outlined in UVAC's publication Skills: A Post Covid 19 System¹⁰.

⁶ International Comparisons of UK Productivity, Final Estimates 2016, ONS 2018

⁷ RCN – Nursing Shortages in England: Westminster Hall Debate, 3 March 2020

⁸ Industrial Strategy Council Annual Report, 2020

⁹ Building the Net Zero Energy Workforce, National Grid 2020

¹⁰ https://uvac.ac.uk/wp-content/uploads/2020/09/UVAC-TheSkillsSystem-_PostCovid-aug2020.pdf

In its recent position paper, “Why a ‘right to retrain’ is essential for an industrial recovery”, the Centre for Progressive Policy (CPP)¹¹ has noted that the Covid 19 pandemic is hitting low paid and insecure jobs the hardest, while in comparison high skill jobs are proving to be more resilient. McKinsey¹² has noted that half of all jobs currently at risk pay less than £10 per hour. To combat the crisis CPP has recommended, as part of its right to retrain proposal, to ‘Harness the power of local and national government to drive new demand for skilled labour’. Such a policy and approach contrasts with the apparent position advocated by the AoC, AELP, the Learning and Work Institute and FE Week, who have for several years campaigned for restrictions to be placed on the ability of employers to spend their Apprenticeship Levy on Apprenticeship provision at level 6 and 7 and for lower level provision to be prioritised. Ofsted too has, in the past, argued for lower level Apprenticeship to be prioritised – particularly for those leaving school without five ‘good’ GCSEs¹³. While such approaches may be positioned as focusing on the ‘have-nots’ there is a real risk that what in reality they do is focus on moving people into low quality, low paid and insecure jobs and act as a sticking plaster to fix poor school performance. Meanwhile, in contrast, other countries focus on up-skilling and driving the demand for skilled labour, through their skills policies.

Supporting individuals to enter low quality, low paid and insecure jobs through Apprenticeship should not be seen or presented as supporting social mobility.

***Saving the Planet or Supporting Social Mobility?** – The trouble with blinkers and exclusively focusing on just one of several policy objectives, is that you don’t see the bigger picture. An Apprenticeship that may not make a significant impact on the social mobility agenda is the Ecologist Degree Apprenticeship. The purpose of the Ecologist Degree Apprenticeship is, according to the Apprenticeship standard, to ‘study the relationship between living things and their environment to help to resolve potentially conflicting demands between economic development and the environment’. While all Apprenticeships should ensure that they are open to and used by individuals of all backgrounds, this is just one way the success of an Apprenticeship should be judged. The key way of assessing the success, or otherwise, of the Ecologist Degree Apprenticeship is the extent to which funding provision helps resolve conflicting demands between economic development and the environment.*

7.3 Enhancing the Delivery of Public Sector Services – Employers that do not pay the Apprenticeship Levy dominate many industries and service sector occupations in the private sector. In contrast non-levy paying employers are a rarity in the public sector. The Apprenticeship Levy is disproportionately paid by public sector employers. Indeed, paying £200m per year the NHS is the largest contributor to the Apprenticeship Levy. Local authorities and police forces pay substantial levy payments from public funds too. Public sector employers are using their levy payments to train and develop the staff they need to deliver public sector services. In the NHS this will increasingly mean a focus on nurses and healthcare professionals and in local authorities on social workers. The NHS is also the largest user of management apprenticeships by far.

¹¹ Why a ‘right to retain’ is essential for inclusive recovery, Centre for Progressive Policy, June 2020

¹² Covid 19 in the United Kingdom Assessing Jobs at Risk and the Impact on People and Places, McKinsey & Company, 11 May 2020

¹³ Amanda Spielman, Ofsted, FE Week, 7 December 2018

Some organisations¹⁴ have argued that funding for Apprenticeships should be prioritised for young people and sometimes more specifically for young people following lower level Apprenticeships. This has led to calls for use of the Apprenticeship Levy to be restricted for higher level Apprenticeships, those aged over 24, or on a salary above a certain level at the start of an Apprenticeship. Arguments have been made that levy paying employers are spending too much on the wrong type of Apprenticeships and this is leaving too little funding for non-levy paying employers.

The devastating impact such poorly thought through proposals would have can be illustrated with reference to three public sector Degree Apprenticeships; the Police Constable (level 6), Registered Nurse (level 6) and Advanced Clinical Practitioner (level 7). In 2018/19 according to Sutton Trust¹⁵ calculations 51% of levy funding for the Police Constable Degree Apprenticeship was spent on those aged 25 and over, with percentages of 84% for the Registered Nurse and 100% for the Advanced Clinical Practitioner. To restrict police chief constables from spending their levy on training a new police constable through a Degree Apprenticeship simply because it is a level 6 programme would be wrong. To tell an NHS Trust it could not use its levy to train nurses or advanced clinical practitioners if they were over 24, because such funds were need to provide 95% subsidies to small private businesses, that do not pay the Apprenticeship Levy, to train 16 – 24 year olds in unrelated jobs is unlikely to be an argument accepted by the general public or ministers.

Such arguments are also highly questionable from an equality perspective. The Registered Nurse Degree Apprenticeship is being combined with the Nursing Associate Higher Apprenticeship to provide a work-based progression route from health care assistant roles, albeit for older learners. Similarly, the Police Constable Degree Apprenticeship is being used to increase the proportion of women and individuals from BAME backgrounds being recruited as police constables. Spending levy funds on Nursing Apprenticeships or Police Constable Apprenticeships is not funding ‘deadweight’ provision that would have happened without the Apprenticeship Levy.

The Social Worker Degree Apprenticeship provides a good example of how Degree Apprenticeship can support the equality agenda. Local Authorities have large numbers of experienced staff in social care related roles, but who for various reasons have been unable to develop their careers further. It is a poor argument to say that a young person with little to no experience in a social care role is more deserving of being ‘socially mobilised’ than an older person with relevant experience who has not had the opportunity to progress. Furthermore, the years of experience that these existing employees have are considered to be very important and are one reason why local authorities have not been recruiting many school leavers into this role. This is not to say that young people cannot be good social workers, but there are some roles where relevant prior experience can be of significant benefit.

Apprenticeship is supporting public sector employers to develop new recruitment pathways and recruit new cohorts that will enhance the delivery of key public sector services. Such work should not just be allowed but should be celebrated as should the Government’s recent announcement to increase numbers of Nursing Degree Apprenticeships.

Government Boost for Nursing Degree Apprenticeship – On 10th August 2020 the Government announced it would invest £172 million to support the delivery of 8,000 Nursing Degree Apprenticeships. This announcement demonstrates the importance of Degree Apprenticeship in tackling skills shortages and secondly the value which the Government attaches to Degree Apprenticeship.

7.4 Social Mobility vis-à-vis Social Good and Levelling Up – There has been a chorus of criticism of employers using Apprenticeships to train ‘advantaged’ and ‘well-paid’ existing employees. The public sector where, for some employers, there has been a recruitment freeze has also been criticised for spending too little of its levy on young people. While the caricature of the investment banker on £100K using the Apprenticeship Levy to pay for their MBA Apprenticeship attracts scorn, the reality is different. NHS Trusts report that using their Apprenticeship Levy payments to train managers has resulted in better

¹⁴ See the arguments of AoC, AELP, EDSK and the Learning and Work Institute

¹⁵ Degree Apprenticeships: Levelling Up? Carl Cullinane and Katherine Doherty, Sutton Trust, May 2020 p37

patient care. In a world dominated by Covid 19, surely, ensuring that the NHS has the right managers with the right skills, should be seen as an appropriate use of the Apprenticeship Levy paid by NHS Trusts.

While the NHS, using its Apprenticeship Levy to train doctors as senior managers, does not tick any social mobility box, it will result, according to the NHS, in a better NHS. Using the Apprenticeship Levy to train managers in the NHS, could also be seen as a priority, when assessed from a Levelling Up Agenda. Health inequalities are one of the most prominent features in a comparison of left behind and more prosperous regions. Developing a better NHS undoubtedly supports the Levelling Up Agenda. Elsewhere, employers have used the Senior Leader Apprenticeship in sectors critical to the UK economy. One HEI highlighted healthcare operations, technology-based industries and supply chain logistics.

Using the Apprenticeship Levy Paid by the NHS to Train Managers to Improve Patient Care or using such NHS Funds to Provide 95% Subsidies to Small Private Businesses to Train Hairdressers?

While training a doctor as a manager will tick no social mobility box, stopping such activity so that NHS funds can be used to provide a 95% subsidy to a small private business to train another customer service administrator, hairdresser or beauty therapist, even if the individual is from a deprived background is at best questionable. In England¹⁶ public funding is used to train 3½ times as many hairdressers as Germany, a country with a far bigger population.

In 2017 per capita spending in the UK on healthcare was £2,987 in comparison to £4,432 in Germany¹⁷.

CASE STUDIES

UVAC has published a series of provider and employer specific case studies that highlight the benefit and value of the degree in Senior Leader Degree Apprenticeships. You can read them [here](#).

7.5 Supporting Diversity – Social mobility measures are frequently published with little, or indeed no, reference to broader diversity objectives and measures. Few would disagree with the objective to attract more women into STEM occupations. Similarly, the success of some police forces in using the Police Constable Degree Apprenticeship to attract more women and individuals identifying as BAME can only be applauded.

One Police Force reported that the Police Constable Degree Apprenticeship resulted in a 114% increase in applications from females and 118% increase from those identifying as BAME¹⁸.

Bizarrely, higher education institutions and employers are criticised when Degree Apprenticeships recruit older individuals rather than young people. From a policy perspective, ministers have expressed concern over the fall in part-time learners and mature students and have tasked universities with upskilling and reskilling the workforce¹⁹. Government wants universities to recruit mature learners to widen participation. As individuals responsible for widening participation in higher education have noted, it seems at odds with the narrative that those over 24, doing a Higher or Degree Apprenticeship, are not contributing to social mobility, even when they are from disadvantaged backgrounds. Why would potentially giving up an income to study at a university on a traditional degree be seen as widening participation, but the same person doing a Higher or Degree Apprenticeship be seen as the opposite? Arguably the Apprenticeship model provides an option for those who cannot afford to take a break from earning to study and these are often people in less advantaged circumstances.

¹⁶ International comparison of courses in hairdressing and barbering – DfE, December 2018

¹⁷ How Does UK Healthcare Spending Compare with Other Countries, ONS – August 2019

¹⁸ Giles York, Chief Constable of Sussex in Metlife, March 2020

¹⁹ See Michelle Donelan MP, Minister of State for Universities, Evidence to the Education Select Committee 15 July 2020

Organisations, such as the Sutton Trust, that believe Apprenticeship funding should be primarily focused on the young i.e. those under 25, must acknowledge the cost of imposing age restrictions on the delivery of key public sector services and indeed the detrimental impact such a restriction would have on social mobility for those over 24. In this context it is worth repeating the point that the Government sees Apprenticeship as an all age programme, that Apprenticeship is not funded from the education budget and as outlined in this paper some of the best opportunities to support social mobility through Apprenticeship will involve individuals over 24.

7.6 Apprenticeship as a Programme Valued and Used by Individuals from all Backgrounds –

Supporting individuals from all backgrounds to realise their career aspirations and employment potential through Higher and Degree Apprenticeships is and should be a fundamental objective of the programme. From the introduction of the Apprenticeship Reforms, Government has been clear that Apprenticeship should be a programme available to individuals from all backgrounds. In 2015 in its Vision for Apprenticeships in 2020 HM Government stated:

“We remain committed to making Apprenticeships accessible to people of all backgrounds. Making Apprenticeships accessible to the widest possible range of people will not only benefit many individuals but will help to grow Apprenticeships in a way that helps businesses draw on diverse skills and talents.”²⁰

Falling into the Trap of Seeing Apprenticeship as a Good Programme for Other People’s Children – In the foreword to its report Apprenticeships and Social Mobility, the Social Mobility Commission states that “the main beneficiaries of Apprenticeships are the people who do not need them”. Similar sentiments have been expressed by the schools’ inspectorate, Ofsted. While made with the best of intentions, such positions reinforce the notion that vocational programmes in general and Apprenticeships in particular are primarily aimed at the disadvantaged.

Would the same statement be made in respect of A levels or bachelor’s degrees? Positioning Apprenticeship and vocational education as primarily for the disadvantaged and by default, A levels for the advantaged, simply entrenches division in society. On this point the Social Mobility Commission and Ofsted are wrong and Government is right. We must make Apprenticeship an aspirational programme available for all. Like A levels and ‘traditional’ bachelor’s degrees, Apprenticeship should be seen as an aspirational choice.

The Burden of History – For generations vocational and technical education has been seen as a second-class educational pathway. Young people who passed their 11 Plus went to Grammar School and pursued an academic curriculum, leading for some, to university. Those who failed their 11 Plus attended a Technical or Secondary Modern School, with the most able aspiring to an Apprenticeship. Academic study was for the bright and successful, vocational provision was for those who weren’t academic.

In the 1970s and 80s vocational training was seen as a solution to high levels of youth unemployment. The Youth Training Scheme (YTS) of the 1970s and 80s was reinvented as National Traineeship in the 1990s, which in turn was re-launched as Foundation Modern Apprenticeship. Modern Apprenticeships introduced from 1995 certainly did lead to the development of some high-quality aspirational programmes, particularly in the engineering and construction sectors. Apprenticeship was, however, dominated by level 2 programmes and the policy emphasis was on chasing numbers, rather than delivering the programmes employers and the economy needed.

²⁰ English Apprenticeships: Our 2020 Vision, HM Government 2015 p38

Through the Apprenticeship Reforms launched in 2014 and the Apprenticeship Levy introduced in 2017 Government fundamentally changed the focus of Apprenticeship. Apprenticeship became an employer led and aspirational programme for all. Crucially Apprenticeship also shifted levels with the introduction of Higher and subsequently Degree Apprenticeship and became a programme focused on the high productivity jobs needed by the economy.

There must not be one type of programme for the disadvantaged i.e. Apprenticeship and a second type of programme for the advantaged i.e. academic study. Regrettably, we remain in a position where many in the Apprenticeship industry extol the virtues of Apprenticeship, particularly at lower levels as a tool for social mobility, while their own children reap the benefits of residential higher education.

When considering the objectives of Apprenticeship policy collectively, a clear message is apparent. **The goal for policy makers should be to develop mutually supportive measures and policies which ensure that Apprenticeship delivers in the following areas – productivity and skills, provision of public sector services, workforce diversity, social mobility and levelling up.** While to some extent interconnected, a narrow and blinkered focus on one policy objective could undermine the delivery of another.

8. Apprenticeship and Higher and Degree Apprenticeship – the Statistics

To understand the role of Apprenticeship in social mobility and the Levelling Up Agenda it is important to understand the levels at which Apprenticeship is delivered and changes in recent years.

8.1 Apprenticeship and Higher and Degree Apprenticeship – In the last 5 years the composition of Apprenticeship provision has changed significantly. In 2014/15 prior to both the Apprenticeship Levy and Apprenticeship Reforms,²¹ 60% of Apprenticeship starts were at level 2 with only 4% of starts at level 4 and above²². By 2018/19, 36% of Apprenticeship starts were at level 2 with 19% of starts at level 4 and above. The age of individuals starting Apprenticeships has also changed, but only marginally. In 2014/15, 43% of individuals starting an Apprenticeship were 25 and over, by 2018/19 this proportion had increased marginally to 46%. In comparison, the proportion of individuals under 19 starting an Apprenticeship in 2014/15 was 25% and remained at 25% in 2018/19. The total number of starts in 2014/15 stood at 500,000; by 2018/19 this number had declined to 394,000. In terms of absolute numbers, the number of level 2 starts, fell from 298,000 in 2014/15 to 144,000 in 2018/19. In 2018/19 the number of starts at levels 4 to 7 had increased to 75,000.

Covid 19 and Apprenticeship Statistics – Covid 19 has, and will have, a dramatic impact on Apprenticeship starts. Level 2 Apprenticeships fell by 74% in May 2020 compared with May 2019. In comparison Apprenticeships at levels 4-7 declined by 28% in May 2020 compared with May 2019²³. As we have outlined earlier in this paper, the jobs that are most at economic risk from the Covid 19 pandemic are lower level, low skill and low wage occupations. Regrettably, current and former apprentices hold many of these roles. The delivery of large numbers of Apprenticeships in occupational areas which were under threat of automation or economic change and that were funded through allocations to training providers by the Government's Skills Funding Agency/Education and Skills Funding Agency is surely questionable. Post Covid 19 it is important that the Apprenticeship programme focuses on what the Chancellor of the Exchequer has described as high productivity jobs. As the Universities Minister Michelle Donelan MP has made clear, provision should be focused on the jobs of today not the jobs of yesterday.

²¹ Apprenticeship Standards were introduced in September 2014, but during this period the overwhelming proportion of Apprenticeships delivered were based on Apprenticeship Frameworks

²² Apprenticeship Statistics, Briefing Paper, House of Commons Library, April 2020

²³ DfE Monthly Apprenticeship Statistics Data published in July 2019 and 2020 analysis by FE Week 30 July 2020

***The Apprenticeship Levy** – Since April 2017 the Apprenticeship programme has been funded by the Apprenticeship Levy. The levy is paid by employers with a payroll of over £3m, currently at a rate of 0.5%. The levy paid by such ‘large’ employers is intended to fund Apprenticeship provision used by all employers including smaller non-levy paying employers. Non levy paying employers are required to pay a nominal 5% financial contribution to the training and assessment costs of the Apprenticeship. Prior to the introduction of the levy, Apprenticeships were for the most part, funded by Government. The levy transferred responsibility for funding Apprenticeship from the state through general taxation, to ‘large’ employers through a hypothecated tax. As part of this change in responsibility the Government’s business department, BIS made clear that employers were in the driving seat for Apprenticeship development and could and indeed should spend ‘their’ levy payments on the Apprenticeships their organisations needed.*

The contention that employers, rather than the Government, now fund Apprenticeship provision is an oversimplification. The burden of paying for Apprenticeship falls on large employers and on certain sectors. Large employers dominate the public sector, the NHS, police forces, local authorities, government departments, colleges and universities. In contrast the hairdressing sector, which has made and continues to make extensive use of Apprenticeship is dominated by small businesses, proportionally few of which pay the levy. Consideration of how the Apprenticeship Levy is being used should be seen and indeed considered in this context. The Apprenticeship Levy is not a general tax, it is a hypothecated tax introduced to fund Apprenticeships for a specific purpose in a particular way.

8.2 Overspend of the Apprenticeship Levy – Prior to the Covid 19 pandemic the National Audit Office was forecasting that the Apprenticeship Levy pot would be overspent by £1.5bn by 2021/22. Some organisations²⁴ have claimed that the reason for the forecast overspend of the Apprenticeship Levy pot, is the increasing use of Degree Apprenticeship. Regrettably, organisations such as the Social Mobility Commission have accepted such claims without question²⁵. When the facts are examined a rather more complex picture emerges. Degree Apprenticeships have certainly grown rapidly, and they do cost more than the traditional ‘framework’ based Apprenticeships. But, as UVAC outlined in our report: The Blueprint for a Financially Sustainable Apprenticeships and Skills System²⁶.

“Many standards-based level 2 and 3 Apprenticeships cost a significant sum to deliver. The level 2 Baker and the level 2 Butcher have been allocated funding bands of £9,000. A level 3 Engineering Technician Standard has a funding band of £21,000. In contrast a level 7 Ecologist (Degree) Apprenticeship has a funding band of £9,000. Do the simple maths and the funding issue becomes apparent. If the 600,000 Apprenticeship starts per year, needed to achieve the (now less relevant) Government’s 3 million starts commitment are to be delivered this equates to funding from the levy of £4,166 per Apprenticeship. DfE has estimated that the current average cost of an Apprenticeship is £8,000 to £9,000, a cost that will continue to rise.”

The reason for the rising cost of Apprenticeships can be summarised in one word, quality. Employer developed standards-based Apprenticeships cost more to deliver than the old intermediary developed Apprenticeship frameworks of the past. Enhancing quality was of course a key objective of the Apprenticeship Reforms.

The type of employer using Apprenticeship has also changed dramatically. Historically small private businesses dominated Apprenticeship provision. The introduction of the levy was partly responsible for the increase in large employers using Apprenticeship and wanting to utilise their levy payments. It was not, however, the only factor. Firstly, the Government introduced a statutory target for public sector employers to have 2.3% of their employees as Apprentices. The Government not only encouraged, but also actually required public sector employers to recruit more Apprentices. Secondly, through the Trailblazer process, employers and large employers in particular were able to develop the Apprenticeships for the occupations their organisations needed.

²⁴ Learning and Work Institute, Bridging the gap; next steps for the apprenticeship levy, 2019

²⁵ Apprenticeships and Social Mobility Fulfilling Potential, Social Mobility Commission June 2020 p15

²⁶ <https://uvac.ac.uk/blueprint-for-a-financially-sustainable-apprenticeship-and-skills-system-uvac-opinion/>

Is the Decline in Level 2 Apprenticeships a Good or Bad Thing? – In 2014/15, 60% of Apprenticeship starts were at level 2. Occupational areas that dominated provision included; retail, business administration and customer service. Apprenticeship provision had no correlation with the skills gaps and shortages evident in the UK economy, or indeed the future skills needs of the UK economy. Some craft-based level 2 Apprenticeships are of significant value; butcher, joiner, painter and decorator for example. Overall, however, fewer and fewer occupations will have level 2 competence as the benchmark. The shift upwards in Apprenticeship reflects the development of and aspiration for the UK to be a high skill and high productivity economy. Of course, some Level 2 Apprenticeships do act as a stepping-stone to level 3 occupations. This is a good thing. Too often, however, level 2 Apprentices, paid the minimum Apprenticeship wage, do not progress to a secure or higher skilled role and have limited opportunities to progress to the next level of learning. Of the 2001/2 to 2002/4 cohort taking a Level 2 Apprenticeship by the age of 21, the following statistics illustrate the proportion who went on to complete a qualification at level 3 or above by 2016/17.

Disadvantaged men - 32.7%

Non-disadvantaged men – 39.7%

Disadvantaged women – 38.7%

Non-disadvantaged women – 41.6%

The number and proportion of level 2 Apprenticeships provided should be based on the future skills needs of the UK economy. The decline in the number of level 2 Apprenticeships should be judged in this context.

SOURCE: Statistics from Apprenticeships and Social Mobility Fulfilling Potential, Social Mobility Commission, 2020 p65

8.3 Higher and Degree Apprenticeship Level 6 and 7 Statistics – Higher and Degree Apprenticeships are relatively new programmes. Many of the current statistics²⁷ reflect the position before many key Apprenticeships were introduced or were at a very early stage of development, the Police Constable and Social Worker Degree Apprenticeships, for example. In due course, from a UVAC analysis of tender documents, the Police Constable Degree Apprenticeship is likely to emerge as one of the most significant Degree Apprenticeships and is having a positive impact on increasing diversity of recruitment. Currently such provision does not feature in much of the analysis published because of a lag in data.

In 2018/19 level 7 Apprenticeship provision was dominated by accountancy and finance (58% of provision) and the Senior Leader Degree Apprenticeship (29.3% of provision). In 2018/19 the top level 6 Apprenticeships by market share were Chartered Manager (26% of provision), Digital and Technology Solutions Professional (14% of provision), Chartered Surveyor (11% of provision) and Registered Nurse (10% of provision). These early statistics reflect a very different subject and occupational mix compared to how the market is likely to look at maturity. Our comments relate mainly to level 6 Apprenticeships, given the limited number of level 7 Apprenticeships available. Caveats need to be considered when looking at the statistics of a market at such an early stage of development. Some observations are, however, important and legitimate to note:

²⁷ Analysis of Level 6 and 7 Apprenticeships, OfS 13 May 2020

Higher and Degree Apprentices are being used extensively by older learners. For example, in 2018/19 68% of level 6 Apprentices were 21 or over at the start of their programme compared with a sector comparison of 29%.

UVAC anticipates that as Apprenticeship provision develops, a key feature will be its use by proportionally more mature learners than the sector comparison. When examined from the Government's policy objective²⁸ to expand (or stop the decline in) part-time higher education provision and for universities to develop their role in upskilling and reskilling the working population, the delivery of Degree Apprenticeship to older learners is a good thing. Other organisations, however, disagree. The Sutton Trust²⁹, has, for example, been very critical of Degree Apprenticeships going to "older and already experienced staff". Given that Degree Apprenticeships are playing and could increasingly play a massive role in supporting social mobility for those aged 25 and above, the Sutton Trust's dismissive approach to older employees is, to say the least, disappointing. Learning is not just for young people. Individuals should have the opportunity to progress and develop throughout their working lives. Apprenticeship must not be seen as just or primarily a programme for the young. Indeed, the Government's policy is for Apprenticeship to be an all age programme.

Staggeringly the Sutton Trust³⁰ suggests "*Requiring employers to 'top up' funding to apprentices in certain categories, for example older apprentices, existing staff, or staff that hold equivalent qualifications.*" And that "*This would have the effect of saving money, while incentivising levy spend on more social useful apprenticeships.*" The Sutton Trust may wish to explain to ministers and the general public what are more "social useful" Apprenticeships than nursing, social work and policing typically taken by those aged 25 and over. The proposal to "save money" by reducing spend on nursing, social work and policing Apprenticeships for over 24s can at best be described as bizarre. We would repeat, that the Apprenticeship Levy is not part of the education budget and Government has made it very clear that Apprenticeship is an all age and all skill levels (2 – 7) programme. The Sutton Trust rightly has an excellent reputation in promoting social mobility in higher education, but on these points its analysis and recommendation are, however, wrong.

8.4 Higher and Degree Apprenticeships and Disability Comparisons – In 2018/19 7.4% of level 6 Apprentices had a disability in comparison to 12.9% for the sector comparison group. More analysis is needed, but a key part of the explanation for such a difference is that an Apprenticeship is a job. UVAC would like to work with the OfS to explore how Higher and Degree Apprenticeships can be opened up to and support participation by more individuals with a reported disability. Nearly 20% of working age adults have a declared disability and just 12% are apprentices. The Open University's Access to Apprenticeship Report³¹ shows that employers have the ambition to recruit more apprentices with disabilities, but it does not always translate into recruitment. Over two in three employers surveyed in England said that hiring apprentices or graduates with a disability is a priority, and over a third had begun proactively recruiting individuals with a disability over the past three years. This enthusiasm needs to be translated into actual recruitment.

8.5 Higher and Degree Apprenticeship and Ethnicity Comparisons – In 2018/19 at level 6, 12.3% of level 6 Apprentices were from minority ethnic groups in comparison to 40% of the sector comparison group. Further work is needed to understand the reasons for such a difference. The difference in the average age of Apprentices vis-à-vis the sector comparison, could partly be explained by the age of the relative cohort. Again, more work from the HE sector and sector representative organisations such as UVAC, is needed.

²⁸ Michelle Donelan MP, Minister of State for Universities evidence to the Education Select Committee 15 July 2020

²⁹ Degree Apprenticeships: Levelling Up? Carl Cullinane and Katherine Doherty, Sutton Trust, May 2020 p3

³⁰ Degree Apprenticeships: Levelling Up? Carl Cullinane and Katherine Doherty, Sutton Trust, May 2020 p41

³¹ www.open.ac.uk/business/access-to-apprenticeships

8.6 Higher and Degree Apprenticeship and Comparisons by Sex – In 2018/19 the proportion of women undertaking level 6 Apprenticeships was 42.6%, for the sector comparison group the figure was 43.2%. In some subject and occupational areas such as the digital sector, Degree Apprenticeship is, however, undoubtedly helping to tackle gender stereotyping.

8.7 Higher and Degree Apprenticeship Use by Region – In 2018/19 there was not a correlation between more prosperous regions and use of level 6 Apprenticeship when weighted by population. London accounted for 16% of the population of England and 17.1% of level 6 Apprenticeships used. But the North East accounted for 5% of the population of England and 7.1% of level 6 Apprenticeships used. Use of Level 6 Apprenticeships was proportionally high in the North West and West Midlands, but low in the South East and East of England. London and the South East accounted for a large share of level 7 Apprenticeships (40%), but this is undoubtedly explained by the dominance of Accountancy and Tax and Senior Leader Apprenticeships. For level 6 Apprenticeships there is no justification to any claim that more prosperous regions are benefiting disproportionately from such provision. Indeed, the statistics suggest that England’s poorest region, the North East, has proportionately more level 6 Apprenticeships than London, its richest. An observation of particular importance to the Government’s Levelling Up Agenda.

Interestingly, the Social Mobility Commission notes as one of its key findings that: *“The decline in apprenticeship training has been more severe in regions that have traditionally been strong at offering apprenticeship training (the north west and north east).”*³² Such a finding, however, needs to be set against the high relative share of level 6 Apprenticeship starts in the North West and North East.

8.8 Social Mobility – Polar4 and IMD data are the main measures currently used to analyse and monitor social mobility.

Polar4 stands for ‘participation of local areas’ and measures the proportion of young people from an area who participate in higher education. Apprenticeship is, of course, a programme for all ages and so use of Polar data should be seen in this context. Analysis for Polar 1 and 2 quintiles (low participation) shows that the proportion of level 6 Apprentices is slightly higher than the sector comparison 35.1% compared to 28%.

The Index of Multiple Deprivation (IMD) measures relative deprivation for small areas of England. Quintile 1 and 2 represent the most deprived areas, while quintiles 3, 4 and 5 are the least deprived areas. For level 6 Apprenticeships in 2018/19 32.2% were from quintile 1 and 2 compared with a sector comparison of 46.2%. Acknowledging the caveats outlined, it is clear that when IMD is used as a measure in 2018/19, level 6 Apprenticeships were being used far more extensively by individuals from less deprived areas than by individuals in the sector comparison. While we would raise some issues, as below, regarding the use of the IMD, such a statistic is concerning. The HE sector and representative organisations like UVAC and employers using level 6 Apprenticeships need to be challenged on how they will improve performance in this area. This is, however, a complex area. IMD metrics are traditionally used to measure participation in HE, and they have their merits when used in conjunction with a centralised admissions service such as UCAS – relevant data is collected and can be taken into account during the admissions process for traditional degrees. With Apprenticeship, however, the majority of recruitment is done directly by employers, and whilst they may have equality and diversity targets, they may well be much less familiar with these measures of social deprivation. This places universities more in the position of passive recipients with little scope to proactively steer the social mobility agenda. To illustrate this point it is challenging for a university to even make contextualised offers to apprentices, as a university would to traditional students since it often would not have access to the relevant personal data until after an employer has made their recruitment decisions. Equally, in the absence of a UCAS-like system there are no automated flags to highlight someone eligible for a contextualised offer therefore this becomes a lengthy, manual process. **Substantially more work is needed to ensure that individuals of all backgrounds have access to and benefit from Higher and Degree Apprenticeship.**

³² Apprenticeships and Social Mobility Fulfilling Potential, Social Mobility Commission June 2020 p23

The Use of Degree Apprenticeships by Non-Levy Paying Employers, Cold Spots and the Levelling Up Agenda – HEIs have been criticised for not delivering Degree Apprenticeships for non-levy paying employers, some of whom would recruit learners from disadvantaged backgrounds. SMEs also dominate many local economies and their growth and success in left behind regions and localities is seen as fundamental to the Levelling Up Agenda.

According to the Sutton Trust³³ 51% of level 2 Apprenticeships were provided to non-levy paying employers, whereas only 17% of level 6 Apprenticeships were provided to non-levy paying employers. A key reason for this difference was that non-levy Apprenticeship provision was almost entirely funded through ESFA allocations. In its allocation process of 2018, following a failed allocation attempt in 2017, for reasons best known to itself, the ESFA prioritised funding for its existing provider base, which was predominately focused on lower level Apprenticeship provision. HEIs were provided with very limited or no funding allocation to deliver Degree Apprenticeships to non-levy paying employers.

This resulted in cold spots across England where no Higher or Degree Apprenticeship provision was available from a local HEI and largely explains the lack of availability of Degree Apprenticeship for SMEs. Degree Apprenticeship cold spots were frequently in areas that would be considered left behind localities. Importantly, the Social Mobility Commission noted that disadvantaged individuals often have less opportunity to move in order to access opportunities³⁴. It is surprising that the Social Mobility Commission did not consider the impact of ESFA procurement in its report on Social Mobility and Apprenticeship. UVAC and other organisations raised this problem with the ESFA on several occasions. No corrective action was, however, taken.

More broadly there is a major flaw with the levy model. Employers paying the levy will increasingly seek to utilise more of their levy payments. Through the introduction of the levy, the Government wanted employers to invest more in the training and development of their employees. Increased use of the Apprenticeship Levy by levy paying employers should accordingly be welcomed. The problem, however, is that the under spend of the levy is supposed to fund Apprenticeship provision delivered by non-levy paying employers. The amount of funding available to support non-levy paying employers will, accordingly, decline. Small non-levy paying employers have been the bedrock of lower level Apprenticeship provision for young people entering the labour market. Many organisations have criticised levy-paying employers for using too much of their levy on programmes for existing staff and experienced employees. When examined in any detail, such charges are at best questionable. Is not the better use of a local authority's Apprenticeship Levy to train a new social worker through a Degree Apprenticeship, rather than for such funding to be transferred to a small private business to train a young person as a chef?

9. How Should Social Mobility and Levelling Up be Measured?

The validity of both Polar and IMD to measure social mobility has been questioned. There is an assumption when relying on Polar and IMD measures that location is an adequate indicator of deprivation which, in all urban locations it is not³⁵. What is needed is individualised learner data that indicates non-professional/non-HE backgrounds and broader measures on family income as advocated by organisations such as London Higher. Local authorities have such data, but a national solution to collation, analysis, evaluation and dissemination is needed. This needs to be combined with tackling some of the quirks in the recruitment system, highlighted in section 8.8, which act as a barrier to supporting social mobility.

³³ Degree Apprenticeships: Levelling Up? Carl Cullinane and Katherine Doherty, Sutton Trust, May 2020 p4

³⁴ Social Mobility Commission; State of the Nation 2018-19, 2019

³⁵ Polar Opposite: How Targeting of Learners for Widening Access to HE Could be Improved, Dr Graeme Atherton, Dr Richard Boffey, Tanyel Kazim, London Higher 2019

Straightforward approaches to measuring the use of Higher and Degree Apprenticeship in the Levelling Up Agenda would be comparisons between starts and completions weighted by population by different regions and localities. While useful, more sophisticated measures are also needed and should link into the wider strategy for levelling up localities and regions. Sophisticated measures, however, require a detailed levelling up strategy but should relate to measurable impact on regional/local productivity, competitiveness, average earnings, education and health inequalities.

***Bright Lights and the Draw of the Big City** – One of the big challenges for the Levelling Up Agenda is that the brightest and most able young people from towns in the North and Midlands are attracted to the South and London. Could Degree Apprenticeship play a role in retaining and developing local talent? A Degree Apprenticeship is a job so a job vacancy must exist. If suitable jobs are created, Degree Apprenticeship could play a key role in retaining, supporting and growing local talent. What is also apparent is that Degree Apprentices have a high level of ‘loyalty’ to the employer and locality and are more likely to remain in the locality than a typical full time graduate. Providing Degree Apprenticeships in Sunderland, Bradford or Preston could be a key way of keeping talented local people and enabling them to contribute to their local economy and community.*

***Our Obsession with Youth** – Understandably, and in many ways rightly, significant attention has been paid to using Apprenticeship to open up opportunities for social mobility for young people, whether defined as under 19 or under 25. Young people have and will be adversely impacted by the economic consequences of Covid 19, more so than older generations. Many of those aged 25 and over will, however, also have been adversely impacted by Covid 19. Individuals of all ages should have the opportunity for second chances and will need to upskill and reskill for the multiple jobs they will hold throughout a working life.*

Academic and vocational routes also work differently. The traditional academic pathway would lead from A levels directly, or via a gap year, to higher education completed by 22 or 23. An individual who left school at 16 or 18 and entered employment or who followed an Apprenticeship at level 3 would, if they did enter higher education, typically do so at a later age. Opportunities for social mobility will occur throughout life. Indeed, one plus point about the vocational and Apprenticeship pathway is that it is not necessarily linear, reflecting changes in work opportunity and family responsibilities. **Individuals who have not succeeded at school or who have not achieved a higher-level qualification should not have a time limit placed on their opportunity for a second chance to benefit from higher education.** The Social Mobility Commission makes clear that the average age of starting an Apprenticeship is higher for a disadvantaged apprentice compared with an advantaged apprentice. In this context it is somewhat strange to argue for Apprenticeships to be prioritised for the under 25-year olds, and to justify this argument with reference to supporting social mobility.

***The Purpose of the Apprenticeship Levy** – The Apprenticeship Levy was introduced as a productivity tax on UK employers. It was introduced because employers were not investing sufficiently in the training and development of their employees. This lack of investment went some way to explain the UK productivity gap.*

The Apprenticeship Levy is not part of the 16-18 education budget. When launched, the Government made it very clear to employers that the Apprenticeship Levy was a hypothecated tax paid by employers. Employers could and should use the levy for Apprenticeships to train new and existing employees to be occupationally competent in the roles their organisations need to raise productivity.

Understandably, and in many ways rightly, significant attention has been paid to using Apprenticeship to open up opportunities for social mobility for young people, whether defined as under 19 or under 25. Young people have been and will be adversely impacted by the economic consequences of Covid 19, more so than older generations. Many of those aged 25 and over will, however, also have been adversely impacted by Covid 19. Individuals of all ages should have the opportunity for second chances and will need to upskill and reskill for the multiple jobs they will hold throughout a working life.

CASE STUDY – Healthcare Assistant/Nursing Associate and Registered Nurse Progression

Route – Without the opportunity to earn and learn at the same time employees, many with family commitments, would not have been able to move up the career ladder. While most would see such progression as a good thing and as social mobility, such an example would not be captured by many existing measures.

Anthony has worked as a healthcare assistant for 11 years at Northamptonshire Healthcare Foundation Trust. His previous qualifications were at Level 2, yet colleagues at the Trust noticed Anthony’s potential and talent and encouraged him to apply for the Registered Nurse Degree Apprenticeship – giving him the opportunity to gain a degree and develop his career. “I didn’t do too well at school,” explained Anthony, “but my mentors saw my potential and we started to investigate what I needed to do to study with The Open University.

“We identified that I would need my functional skills in maths and English. I completed those qualifications and then I applied to The Open University. I attended an open day, had an interview and the ball got rolling from there.”

In recent evidence to the Education Select Committee, the Universities Minister Michelle Donelan MP focused on the need for universities to deliver more Degree Apprenticeships. Degree Apprenticeships should support universities to combat the decline in part-time higher education numbers. They also represent the type of flexible higher education programmes focused on the jobs of today which ministers want universities to prioritise.

10. Analysis of how Government, Employers, HE Providers, PSRBs and Schools could Enhance Social Mobility through Higher and Degree Apprenticeship.

Policy Approach – The Apprenticeship Reforms introduced in 2014, following the Richard Review, put the employer in the driving seat for Apprenticeship development. Through the Trailblazer process employers defined the knowledge, skills and behaviours needed to be occupationally competent. Employers could then spend what the Government’s business department BIS, in the early days of the Apprenticeship Reforms, described as ‘their’ levy payments on the Apprenticeships their businesses needed to improve performance and social mobility.

The Apprenticeship Reforms introduced a new Apprenticeship system and replaced an older system where Apprenticeship frameworks were developed by intermediary bodies, initially Industry Training Organisations (ITOs), then National Training Organisations (NTOs) and finally Sector Skills Councils (SSCs). Allocations of funding were provided by the Government’s ‘skills’ funding body, the Skills Funding Agency to training providers, mostly independent or commercial training providers, to deliver the Apprenticeship frameworks developed by intermediary bodies. This system resulted in a focus on

level 2 Apprenticeships, key ‘occupational’ areas were business administration, customer service and retail.

The Apprenticeship Reforms have resulted in a shift upwards in Apprenticeship provision, a greater use of Apprenticeships for key public sector roles, nursing, and police constables and in the private sector STEM occupations. The Apprenticeship Reforms have resulted in a far greater use of Apprenticeship to tackle skills gaps and shortages. Unlike the past, there is a correlation between the skills needs of the economy and actual Apprenticeship delivery. The only issue but undoubtedly a major issue, is the lack of Apprenticeship funding available to non-levy paying employers. This can be explained by two factors. Firstly, the Government has retained the early under spend of the Apprenticeship Levy pot. Secondly, increasingly levy paying employers are seeking to use more of their levy payments on Apprenticeships.

So, if the Apprenticeship Reforms have resulted in a focus on raising business performance and productivity and enhancing delivery of public sector services, what impact have they had on the use of Apprenticeship on social mobility and could they have on the Levelling Up Agenda?

Some organisations have argued that an employer led Apprenticeship system is incompatible with social mobility. Analysis by London Economics for the Social Mobility Commission, subject to the caveats on the use of Polar and IMD data, supports the contention that the Apprenticeship Reforms have resulted in increased use of Apprenticeships by individuals from more advantaged backgrounds and less use (or access) by individuals from more deprived backgrounds. *“A 36% decline in disadvantaged Apprenticeship starts between 2015/16 and 2017/18, compared with a 23% decline for more privileged apprentices.”*

There are, however, several problems with this analysis:

The ‘typical’ Apprenticeship of 2015 and ‘typical’ Apprenticeship of 2020 are very different – As previously outlined, Apprenticeships in 2015 were very different. Not to put too fine a point on it many level 2 frameworks were of questionable value, certainly not aspirational and of limited currency in the employment market. Just five years ago in 2015 one third of Apprentices were not aware they were on an Apprenticeship programme³⁶. This certainly gives some justification to arguments questioning the value of the programme. Apprenticeships in 2020 are far more of an aspirational programme with far greater value in the employment market. The fact that in 2015 a higher proportion of individuals from more deprived backgrounds followed a less aspirational programme, which in many cases was of questionable quality, is not a good thing.

The Issue of Prior Attainment – The shift upwards in Apprenticeship provision has meant a corresponding increase in entry requirements. Regrettably, individuals from disadvantage backgrounds typically have lower educational achievements than non-disadvantaged learners. While providers and employers should do all they can through the provision of extra support, access and bridging programmes, the solution to the problem rests with improving school and early years provision. An NHS Trust should not and cannot be expected to reduce entry standards for a nurse or a local authority for a social worker. This is also not just an issue with school and college provision. Some lower level Apprenticeships often do not map well enough to Apprenticeships in the same sector higher up the ladder. The fact that someone has completed a Digital Apprenticeship at level 3 does not automatically mean that are are ready to undertake a highly mathematical Digital Apprenticeship at level 6. The same comments could be made for many engineering Apprenticeships

³⁶ DfE (2016) Apprenticeships Evaluation 2015 – Learners, London: DfE.

Apprenticeship as a Sticking Plaster Solution to Poor School Performance – The schools’ inspectorate Ofsted has argued that Apprenticeship should be prioritised for the third of young people who leave compulsory education without 5 good GCSEs. This argument is disingenuous. At the very least society, employers and individual learners have the right to expect that individuals leaving school have a level 2 attainment. Expecting employers to pick up the bill for the failure of the school system through a productivity tax, which employers were told by Government they could use on the Apprenticeships they needed to raise the performance and productivity of their organisations, is unacceptable. Ofsted’s argument would also mean the Apprenticeship Levy paid by police forces rather than being used to train and diversify the recruitment of new police constables was prioritised to fund programmes for individuals without level 2 qualifications. Ofsted above all should understand that the solution to poor school performance is to improve school performance.

So, what role should Apprenticeship have in supporting social mobility? Part of the problem with the debate on social mobility and Apprenticeship is that there has been a lack of agreement on the purpose of Apprenticeship. Two broad camps are apparent:

1. Apprenticeship for Young People and the 50% not going to University – This group argues that Apprenticeship should be primarily for young people and focused on the 50% not going to university, providing a stepping-stone to a first job. This has, indeed been the historic focus of Apprenticeship. It does, however, contradict, the Government’s stated aim in the Apprenticeship Reforms that Apprenticeship is an all sector, all age and all level programme. It also does not reflect the productivity and employer focus of the Apprenticeship Reforms.

2. Apprenticeship as an Employer Led Productivity Focused Programme – This group reflects the original stated policy objective in the Apprenticeship Reforms. Apprenticeship is an employer led programme where employers use Apprenticeship on the basis of the needs of their organisations to raise performance and productivity.

Some organisations have argued that to deliver on the Social Mobility Agenda, Apprenticeships must primarily have the first focus, young people and lower level provision. Superficially, at least, supporting young people to enter low paid and often very insecure jobs does not appear to be an effective way of supporting social mobility. It is also a paradox that those arguing to prioritise level 2 and level 3 Apprenticeships and to limit funding for Apprenticeships at level 4, and above, justify such a proposal in terms of social mobility. Such approaches, of course, limit the opportunities for individuals to benefit from Apprenticeships at levels 4 to 7 and progression to technical and professional level roles. Social mobility must be about more than simply supporting individuals to undertake level 2 Apprenticeships.

Supporting the ‘Haves’? – When organisations talk about Degree Apprenticeships being focused on the ‘haves’, a pause is needed. Nurses who qualify following a Degree Apprenticeship are hardly ‘advantaged’ highly paid employees nor, would most suggest are police constables. The average salary for a registered nurse in the UK is approximately £25,000 in 2020, while the starting salary of a new police constable outside London in 2020 is between £20,900 and £24,200.

Do Degree Apprenticeships Support Social Mobility? – Evidence clearly demonstrates that Degree Apprenticeship ticks the productivity box. It is being used in some occupations to widen participation to under-representative groups, although substantially more work is needed. Degree Apprenticeship also has a fundamental role in tackling skills gaps and shortages in the public sector, nursing for example, thereby enhancing public sector service delivery. **It is early days for Degree Apprenticeship and many of the statistics used by OfS and the Social Mobility Commission are based on a limited number of standards. What is, however, beyond doubt is that more needs to be done. Positively, Degree Apprenticeship does have substantial potential to support social mobility. This potential must not be lost.** This is why UVAC has outlined a practical set of challenging recommendations that, if adopted, would help maximise the role of Degree Apprenticeship in enhancing social mobility.

The Chicken and the Egg – HEIs and employers are frequently criticised for not doing enough to raise awareness of Higher and Degree Apprenticeship with young people particularly from disadvantaged backgrounds. Some criticism is fair, and more outreach work could be undertaken. In the early days following their introduction there were, however, only 19 Degree Apprenticeships developed or in

development, some of which were specifically focused on and more appropriate to older learners. While there are now almost 100 Degree Apprenticeship Standards approved for delivery or in development raising awareness for a programme where there are still very few opportunities needs to be conducted with great care.

In many reports on Apprenticeship and Social Mobility an assumption is made that social mobility objectives are delivered by a focus on young people, defined as 16 – 18-year-olds or those aged 24 and under, on lower level Apprenticeships and new rather than existing employees. Indeed, some organisations have argued for funds raised through the Apprenticeship Levy to be prioritised to fund Apprenticeships for 16 – 18-year olds. In reality the way to maximise the contribution of Apprenticeship to social mobility is to focus on where it can make the most impact. **Narrow definitions of social mobility e.g. a focus on young people from Polar 1 and 2 will undermine the contribution of Apprenticeship to social mobility. Apprenticeship can be transformational for individuals from all backgrounds, those in a job who need to upskill, those who left school with few qualifications, older individuals with disabilities, individuals in HE cold spots, older BAME learners etc. Definitions for social mobility must reflect and incorporate measures of diversity.**

There is a very strong argument that social mobility can best be delivered by focusing Apprenticeship on supporting individuals to progress to the technical and professional occupations that employers and the economy need. Opportunities for social mobility and learning do not just occur between the ages of 18 and 24. Individuals of all ages, as Government intended, should have the opportunity to benefit from Apprenticeship.

Degree Apprenticeships can support social mobility by creating new work-based progression routes to the professions, high level, high productivity and secure roles. A programme where an individual is employed and earns a salary from day one and where tuition fees are paid by the state/an employer should prove attractive to individuals from disadvantaged backgrounds who are often very averse to debt. Such an offer is also of course attractive to individuals from other backgrounds. Early analysis from the Office for Students for the first years of Degree Apprenticeship do, though, demonstrate that substantially more work is needed to realise the potential of Degree Apprenticeship.

Recruitment – Recruitment is undoubtedly an area where more needs to be done to enable Degree Apprenticeships to play a more effective role in social mobility. Excellent examples exist of how Degree Apprenticeship has helped to widen access for more women into the digital sector and more women and individuals identifying as BAME through the Police Constable Degree Apprenticeship.

Apprenticeship by definition is an employment and employer-led programme. To be an Apprentice, an individual firstly needs to be selected and employed by an employer. To compare Apprenticeship with college and university led programmes is problematic, given that the employer and not the learning provider has the lead role in selecting a learner. This is not, however, to say that a provider does not have influence or a role. This is a positive. The provider can support the employer to adopt measures to diversify their workforce and support internal promotion for underrepresented cohorts. As we have outlined in earlier in this report, influencing and supporting employers in this area is a complex and difficult task.

Access to the Professions – Higher and Degree Apprenticeships have been developed as a new and different route to many higher-level occupations and in many cases lead to professional accreditation or professional body recognition and membership. **Surprisingly in its report Apprenticeships and Social Mobility the Social Mobility Commission, although focused on Apprenticeship at all levels, did not consider the role of Higher and Degree Apprenticeship in supporting individuals to gain professional accreditation and membership.** Apprenticeship must not be seen as a programme to support individuals from deprived backgrounds to secure level 2 and 3 jobs. Greater ambition is needed.

Setting the Bar Low – Discussion on the role of Apprenticeship in social mobility has tended to focus on supporting disadvantaged individuals into their first role. Does getting an individual off the NEET register by securing an Apprenticeship place mean the job is done? If a level 2 Apprenticeship is really the first step to secure, well paid and productive employment, then this should be valued and celebrated. Regrettably, it often is not. We must have far greater aspirations. Only 4% of doctors, 6% of barristers and 11% of journalists come from working class backgrounds.³⁷ Apprenticeships for journalists and solicitors have been developed, if not for doctors or barristers. Higher Apprenticeship and Degree Apprenticeship have a key role in opening up access to the professions. Our objective should be supporting individuals from disadvantaged background to get a job at the bar, rather than just behind the bar.

Shooting Ourselves in the Foot – In February 2018 the IfATE, as part of its ‘Faster and Better Reforms’, introduced the mandatory qualification rule for Apprenticeship. The rule only allowed Trailblazers to include a mandatory qualification, such as a degree in an Apprenticeship, if it was required by a Professional and Statutory Regulatory Body (PSRB) to practice, or not to include the degree would materially disadvantage the individual in the employment market. The rationale for the rule was that the Apprenticeship Levy should be used for the training and end point assessment needed by the Apprenticeship to attain and accredit occupational competence. Another reason for the mandatory qualification was a desire to establish the Apprenticeship Certificate, given on successful completion of end point assessment, as the qualification for the Apprenticeship.

UVAC and other organisations highlighted the lack of status and national and international recognition of the Apprenticeship Certificate and how this would disadvantage individuals in the employment market. The Mandatory Qualification rule also has an indirect, but no less significant impact, on social mobility by creating a barrier between lower level and higher-level Apprenticeships. Whilst the Government may originally have wanted the Apprenticeship Certification to be the paramount qualification, it does not provide sufficient assurance of competence in key skills such as maths at level 3+ for higher STEM programmes. The Mandatory Qualification Rule, however, remained and Trailblazers were steered away from developing Degree Apprenticeships that fell foul of the rule. In June 2020, the DfE confirmed it would look again at the Mandatory Qualification Rule, particularly given the value of degrees in the employment market.

Is There a Conflict Between the Productivity and Social Mobility Objectives of Apprenticeship – The principle policy objective of Apprenticeship is to raise productivity. A diverse workforce is, according to various studies, a more productive workforce³⁸. There can, however, be perceived tensions between Apprenticeship as an employer-led productivity programme and the social mobility and levelling up objectives of Apprenticeship. How can the productivity, social mobility and levelling up objectives of Apprenticeship be delivered to be mutually supportive? HM Government has stated:

“Making Apprenticeships accessible to the widest possible range of people will not only benefit many individuals but will help to grow Apprenticeships in a way that helps businesses draw on diverse skills and talents.”³⁹

³⁷ State of the Nation Report, Social Mobility Commission, 2016

³⁸ See Workforce Diversity Can Help the Bottom Line, MIT 2014

³⁹ Ibid 1

Level 6 and level 7 Digital and Engineering Degree Apprenticeships recruit fewer individuals from deprived backgrounds than level 2 Customer Service Apprenticeships. Digital and Engineering Degree Apprenticeships tackle a UK skills shortage, Customer Service Apprenticeships do not. It is also possible to widen the diversity of digital and engineering apprentices. Elsewhere, case studies have outlined how NHS Trusts are using their levy payments to train managers and have confirmed that such an approach is raising performance and improving patient care. Employees benefiting from such Apprenticeships will be reasonably paid and often not from deprived backgrounds.

If Apprenticeships Don't Focus on the High Productivity Jobs the Economy Needs, they will Fail the Individuals that Use Them – The Chancellor of the Exchequer has made it clear that the Government's desire is to focus on the creation of high productivity jobs. Look at the evidence and such an approach is a no brainer. Past approaches may well have ticked the box of reducing NEET numbers but will have let down many of the individuals who have followed some lower level Apprenticeships in the past. Apprenticeship must be more than a revolving door from unemployment through low paid insecure work and back to unemployment or in work poverty.

11. Recommendations for Government/ESFA, IfATE, OfS employers, HEIs, Colleges, Training Providers and PSRBs

The following 12 recommendations, some of which relate to Apprenticeship as a whole and others to Higher and Degree Apprenticeship, should be considered:

Policy Focus and Measuring Success

- I. Government Should Reconfirm that the Focus of Apprenticeship is a Productivity Programme** – Government should reiterate the purpose of Apprenticeship as an employer led programme, focused on enabling new and existing employees of all ages to gain the knowledge, skills and behaviours needed to become occupationally competent in the high productivity jobs needed by employers to raise performance in the public and private sectors.

The role of Apprenticeship in supporting social mobility and the Levelling Up Agenda should be determined in the context of the purpose of Apprenticeship to raise productivity, tackle skills gaps and shortages, support the delivery of high-quality public-sector services and widen access to occupations by under-represented groups.

Apprenticeship provision will increasingly focus on higher-level skills and occupations. This change is a good thing. In line with this change in focus approaches to social mobility should be focused on how Apprenticeship supports individuals from all backgrounds to benefit from the programme. Government should make it clear that the principle purpose of Apprenticeship is NOT to reduce NEET numbers, or to support individuals failed by the schools' system to gain a full level 2 qualification.

As Apprenticeship has such a pivotal role in raising productivity and is of significant interest to a range of Government departments, e.g. Department for Business, Energy and Industrial Strategy BEIS (industrial strategy and the green economy), Department of Health and Social Care (nursing and allied healthcare occupations) and the Home Office (police constable), primary policy responsibility for the Apprenticeship Levy and Apprenticeship policy should rest with the Treasury.

- II. Government Should Define Clearly How It Intends to Measure the Success of Apprenticeship** – Government should develop mutually supportive policies and measures that ensure Apprenticeship delivers in the following areas – productivity, delivery of public sector services, diversity, social mobility and levelling up.

Participation in Apprenticeship should be measured by how it reflects the composition of British society – gender, ethnicity, disability, age, residence, regions, urban/rural and measures of advantage/disadvantage. Apprenticeship should be seen and developed as a programme for individuals from all backgrounds. Apprenticeship must be an all age programme if it is to deliver the Government’s productivity objectives. It should support young people to train for their first job and support adults to reskill and upskill.

Measures for social mobility should go beyond Polar and IMD data and include measures such as first in family to HE, to a profession or higher technical occupation. They should also reflect the characteristics of Apprenticeship as an all age upskilling and reskilling programme.

Measures on levelling up should focus on the use of Apprenticeships in different regions and localities that make most impact on productivity.

- III. Government should ask the OfS to Conduct an Objective Analysis on how Higher and Degree Apprenticeship can Best be Used to Support Social Mobility, Diversity and the Levelling Up Agenda** – Too often the analysis of Apprenticeship, Degree Apprenticeship and social mobility is conducted in a vacuum with insufficient reference not just to productivity, but to the diversity and Levelling Up Agendas. To set the agenda for the higher education sector Government should ask the HE regulator, the Office for Students to undertake an objective analysis on how HEIs and the employers/PSRBs with whom they work should use Higher and Degree Apprenticeship to support social mobility, diversity and the Levelling Up Agendas. OfS should outline how it expects HE providers to ensure that Degree Apprenticeships are available to use and are used by individuals (including young people) from all backgrounds.

Apprenticeship Programme Design

- IV. Where an Apprenticeship leads to a regulated profession and/or licence to practice, IfATE should require the Trailblazer proposing the Apprenticeship to agree a strategy with the relevant PSRB as to how the Apprenticeship will support social mobility and the Levelling Up Agenda** – Too little attention has been paid to how Apprenticeship can support the development of new progression routes to the professions. IfATE should encourage the use of Apprenticeships that lead to professional membership and licence to practise. As part of the approval process, the Trailblazer developing the Apprenticeship standard with relevant PSRBs, should submit a strategy outlining how the Apprenticeship proposed will support social mobility and the Levelling Up Agenda.
- V. For Apprenticeships at levels 2 to 6, all Trailblazers should outline how the Apprenticeship can support progression to the next occupational and/or educational level** – Apprenticeship Standards rightly focus on defining the knowledge, skills and behaviours required to be competent for a particular occupation. For the individual, the Apprenticeship is also a learning programme and should not only lead to occupational competence for a defined occupation, but should also open up opportunities for further learning and career progression. As such, the IfATE should require Trailblazers to outline how an Apprenticeship allows and supports occupational progression. Trailblazers should in particular be asked to work with HEIs and FECs to outline how Apprenticeships at level 3 can lead to appropriate vocational and technical qualifications at higher educational levels. The IfATE needs to ensure that a skills ladder exists and that at each level an apprentice unambiguously gains the knowledge and skills required for progression to appropriate higher-level Apprenticeship standards.

- VI. Trailblazers should not only be allowed to, but should be encouraged to, specify a mandatory qualification (such as a degree) in a level 6 or 7 Apprenticeship Standard, if such an approach supports social mobility and diversity** – Qualifications, such as degrees, tend to have a status in the employment market. A degree is understood internationally. Trailblazers should be asked to consider including a mandatory degree in a level 6 or 7 Apprenticeship Standard if they can demonstrate it would benefit individuals undertaking the Apprenticeship, is of value to employers and if it would widen diversity of recruitment to the occupational area.

Apprenticeship Delivery

- VII. Employers using Apprenticeship should be asked to sign up to an Equality Pledge which outlines action they can take to maximise the availability of Apprenticeship to individuals of all backgrounds** – Working with and on the advice of social mobility and equality bodies, the IfATE should develop an Equality Pledge. The Equality Pledge should outline action employers and training providers should take to maximise the availability of an Apprenticeship to individuals of all backgrounds.
- VIII. Provider representative bodies for colleges, independent training providers and universities should be asked to publish guidance on how their members can best support the social mobility and levelling up objectives of Apprenticeship** – Those who deliver Apprenticeships are well placed to identify how social mobility and levelling up could best be supported through Apprenticeship and should be asked to outline how such opportunities can be maximised.
- IX. Working with LEPs and metro mayors, training providers should develop action plans outlining how in partnership with others Higher and Degree Apprenticeship can maximise their contribution to the Levelling Up agenda** – Higher and Degree Apprenticeships should have a key role in supporting localities and regions upskill and reskill the workforce. LEPs and metro mayors should work with HEIs and other Apprenticeship providers to ensure appropriate provision is developed and delivered in a way that best meets local and regional needs.
- X. HEIs and other providers delivering Higher and Degree Apprenticeship programmes should design and deliver such provision to support progression by learners following relevant Applied Generals, new T levels and Advanced Apprenticeship programmes** – This will require extensive work with schools, colleges and careers advisors. This does need to be a two-way process and HEIs need to do all they can to ‘meet in the middle’, through, for example the use of maths bridging programmes. HEIs, however, still have to adhere to Framework for Higher Education Qualifications (FHEQ) requirements that limit the amount of level 3 provision that can be included within the degree curriculum. PSRB requirements and defined outcomes can also limit the amount of additional learning that can be included within a credit-limited curriculum.

Apprenticeship Funding

- XI. As UVAC advocated in our report on a *Blueprint for a Financially Sustainable Apprenticeship System* funding should be managed by the Treasury/DfE so £ for £ the Apprenticeship Reforms and Levy make the most impact on increasing UK productivity** – Measures to support social mobility and the Levelling Up Agenda should be developed, funded and measured in this context.

As we outlined in our report we would, in the medium to long-term recommend the following:

Ring Fence Levy Payments Made by Public Sector Employers – In current (August 2020) circumstances public sector employers MUST be supported to fully utilise their levy payments to train the employees (e.g. nurses, allied healthcare staff, police officers, social workers and managers) they need to deliver vital public sector services.

16 – 18 Apprenticeship Provision Should be Fully Funded by the DfE through the Education Budget – Apprenticeships for 16 – 18-year-olds are, in effect, part of the compulsory education and training offer. Employers are not expected to pay for A levels or T levels so

should not be expected to pay through the Apprenticeship Levy for the Government's third 16 – 18 offer, Apprenticeships.

A New Government Budget to Support Non-levy Paying Employer Apprenticeship

Provision – An all economy levy to fund Apprenticeship provision makes little economic or fiscal sense. Why should the levy payments made by the NHS or a blue-chip engineering company be used to support and train hairdressers or chefs in small private businesses? Apprenticeships for non-levy payers should be supported by a separate Government fund. In return non-levy paying employers must be asked to pay more than a token 5% contribution to the cost of the training and assessment of an Apprenticeship.

***Banning Graduates from Taking Degree Apprenticeship** – A Headline Grabbing Proposal but Poor Policy. Several organisations⁴⁰ have suggested saving money by preventing employers from spending their Apprenticeship Levy on new or existing employees who already have a degree. Such a proposal would undermine the use of level 7 Apprenticeships, the Advanced Clinical Practitioner Apprenticeship (level 7) or Ecologist Degree Apprenticeship (level 7) where entrants would typically have and indeed usually be required to hold a bachelor's degree. It would also mean organisations like the NHS and police forces could not use their levy on training their managers to deliver better public sector services. Organisations making such a proposal must also explain why the NHS should be stopped from using its levy to train a nurse to tackle the nursing recruitment crisis, simply because they had, for example, an English degree. And why NHS Apprenticeship Levy funds are better used to train a golf green keeper in the private sector, rather than a nurse even where they already have a degree.*

In the medium to long-term, a mature and measured debate is needed on the relative contribution of the state, employers and individuals to the cost of an Apprenticeship.

Proposals have been floated that would require employers and/or individuals to pay a contribution, if an employee is earning more than a salary threshold, has an existing qualification at the same level, is over 24 or for higher levels of Apprenticeship. These proposals fail the commonsense test. Why, for example, should an individual or police force wanting to use a Police Constable Degree Apprenticeship be required to pay an additional contribution for an Apprenticeship when an individual or employer wanting to use a hairdressing Apprenticeship would be required to make no such contribution?

Government needs to develop a system where the state, employer and individual financial contributions are based on the value of the Apprenticeship defined in terms of productivity, delivery of public sector services, diversity and social mobility/Levelling Up agenda. A debate is needed.

- XII. A challenge fund should be introduced to support regions and localities to use Apprenticeships to 'level up' local and regional economies** – Government has rightly confined the use of the Apprenticeship Levy to fund the delivery of the training and assessment required for a particular Apprenticeship Standard. This has, however, meant that limited development funding has been available to identify and facilitate good practice, support outreach activities and develop new innovative forms of delivery. A new national challenge fund could help stimulate innovation and the development of new practice.

⁴⁰ Centre for Social Justice, Trade Secrets – How to reboot apprenticeships and kick-start the economy, August 2020



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