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Dear Colleagues,

I promised to write to answer the questions which I was not able to address during the 4 July debate on the apprenticeship levy and opportunities for young people. I would also like to offer my sincere thanks to those who attended and who made a valuable contribution to the debate on such an important subject.

Firstly, I want to clarify the figure I gave for the value of the contract extension for new apprenticeship starts in non levy-paying employers. This figure is £255 million, not £225 million as I stated in my speech.

I also address below apprenticeship-related questions raised in the 2 July debate on the Augar Review of post-18 funding.

MBAs and management apprenticeships

Lord Young and Baroness Garden raised the question of whether spending on management apprenticeships, including MBAs, was diverting funding from apprenticeships at lower levels. It is important to clarify that only one apprenticeship standard currently available, Senior Leader at Level 7, includes an MBA or equivalent qualification. The standard was developed by a trailblazer group comprising employers from the private sector, local and national government, and the armed forces to develop the skills necessary for productivity and growth, and to promote diversity in senior management. The Chartered Manager standard at Level 6 includes an undergraduate degree in management and business, with the option to be assessed for Chartered Manager status.

These two standards together accounted for less than 2 per cent of total starts in the first half of 2018/19, while 82 per cent were at Levels 2 and 3.

Putting employers at the centre of our apprenticeship system means empowering them to develop the standards they need to meet their skills requirements and build capacity for the future. Employers taking part in the 2015 Employer Skills Survey reported a lack of management and leadership skills in relation to nearly three-fifths of all their skills gaps, and independent research from the Chartered Institute of Personnel and Development confirms this. [https://www.cipd.co.uk/Images/from-inadequate-to-outstanding_2017-making-the-UK-skills-system-world-class_tcm18-19933.pdf]

Lords Young, Layard and Monks referred to the requirement for functional skills qualifications to be included in an apprenticeship for people who have not previously attained Level 2 in English and/or mathematics. We recognise that this can represent a challenge for employers but are clear that these skills are vital for helping apprentices manage the demands of the modern workplace. Functional skills qualifications are currently being reformed to ensure that their content is better aligned to the skills that employers have told us they need, and to improve the rigour with which they are assessed. The reformed qualifications will be introduced later this year.

Functional skills qualifications (English and maths)

The Rt Revd. the Lord Bishop of Carlisle, Lords Norton and Young, and Baroness Nye noted that young people in rural areas can face challenges in accessing apprenticeships. We recognise that some young people face particular challenges as they transition into the world of work. We provide targeted financial support for care leavers through the new care leaver bursary. We also provide additional funding to employers and providers when they take on a young apprentice or an individual with an Education and Healthcare Plan, or is a care leaver. Employers and providers are free to use this additional funding to support their apprentices in the most appropriate way, which can include support for travel costs.

Apprentice travel and opportunities in rural areas

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Recommendations for a UCAS-style portal for apprenticeships and Further Education opportunities

Lords Layard and Aberdare and Baroness Nye suggested that a unified, UCAS-style portal for apprenticeship applications would raise awareness of vacancies and help potential apprentices evaluate their options. We are carefully considering the Sutton Trust's recommendation, and its subsequent endorsement by the Education Select Committee, but it is important to recognise the particular needs of the sector in designing any large-scale service.

We have carried out extensive research with over 2,000 young people, colleges, and career advisers to explore how we could introduce a UCAS-style portal for technical education that works for employers and apprentices alike. While the research indicated that young people would value a central source of information as they make decisions about their next steps, it did not show that they found the current application process challenging. A large majority, 86 per cent, responded that they found it easy to apply for their course or apprenticeship.

As a result, we are focusing first on ensuring young people have the right information on all their options through existing channels. We are still considering the feasibility and practicality of a centralised portal for FE. For 18 year olds, we will use the Higher Technical Education consultation (launched on 8 July 2019) to invite views on all aspects of information, advice and guidance, including applying for courses.

Apprenticeship quality and the institute for Apprenticeships and Technical Education

Lord Aberdare and the Rt Revd. the Lord Bishop of Liverpool raised the issue of the ongoing review of apprenticeship standards to meet the needs of employers as the world of work evolves. Baroness Garden also asked that we reconsider the place of End-Point Assessment in our apprenticeship reforms.

I will address these concerns together, as they are both related to our continued drive for quality in apprenticeship training. The Institute for Apprenticeships and Technical Education ('the Institute') was put at the service of employers to design and oversee our new apprenticeship standards, acting as the guarantor of quality.

This work does not end when a standard is approved for delivery. The Institute is also responsible for running statutory reviews, which will ensure that the standards in each route are fit for purpose and continue to meet the changing needs of employers over time. As part of their reviews, the Institute may decide that certain standards are too broad or too specific and adjust them accordingly.

End-Point Assessment (EPA) is an independent test that the apprentice is occupationally competent. An EPA proves genuine employability by demonstrating that the apprentice has acquired the knowledge, skills and behaviours needed to be 'job ready' because they have to demonstrate full competence in their occupation to pass. We hear regularly from employers that stretches and challenges apprentices more than the previous continuous improvement regime, and that apprentices are occupationally competent after completing the new standards and EPA.

I would like to finish by addressing the common misconception that apprenticeships must be delivered full-time, and do not offer opportunities for those who need to work flexibly due to personal circumstances. We have made it easier for part-time workers to undertake apprenticeships, such as those with caring responsibilities and lone parents: the minimum requirement of a 12-month duration can be pro-rated according to the apprentice's working pattern, and – as I indicated in my closing speech – we have published guidance for employers to make sure they are aware of the flexibilities available for delivering off-the-job training.

I hope this letter has been useful. I will send a copy to all Peers who spoke and place a copy in the House library.

With best wishes,
James Younger

VISCOUNT YOUNGER OF LECKIE