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| Monday 27 February 2017 |

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|  | Institute for Apprenticeships |
|  | A response from London Councils |

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|  | London Councils represents London’s 32 borough councils and the City of London. It is a cross-party organisation that works on behalf of all of its member authorities to make the case for powers, freedoms and resources to best serve the needs of London’s residents and businesses. London Councils welcomes the opportunity to comment on the Government’s draft operational plan for the Institute for Apprenticeships.  |  |
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# 1. Introduction

London Councils welcomes the introduction of the Institute of Apprenticeships and the decision to extend its remit to cover technical education from 2018. The Sainsbury Review highlighted a number of key problems with the current approach to technical education, including that standards and qualifications were not always set by employers, often overlapped and were part of a complex system that young people and adults found difficult to navigate.

The decision to develop a new system underpinned by greater employer engagement, the development of a fulfilling and attractive technical education offer, boosting achievement and closer integration between college-based and employment-based technical education is welcome.

# 2. Reforms to improve the quality of apprenticeships

The draft operational plan is right to highlight the emerging challenges that the Institute will face in improving the quality of apprenticeships, one of the most significant of which is the transition from frameworks to standards and the gaps in qualifications that result. London Councils recently surveyed London boroughs[[1]](#footnote-2) on their preparations for the Apprenticeship Levy and 75% identified gaps in current standards that prevented them from hiring apprentices in key areas. Some of the areas highlighted included planning, social work, environmental health, occupational therapy, engineering, social care and a lack of degree-level apprenticeships.

Trailblazers have not always developed standards quickly enough to keep up with the transition. London Councils has previously called for government to look at ways of speeding up the trailblazer process, and we welcome the steps outlined in the operational plan. The proposals to allow trailblazers to submit their assessment plans alongside the standard and to allow the trailblazer chair to participate in the approvals meeting should help to speed up the process.

Given that there are and will continue to be gaps in standards for the foreseeable future, there is a case for extending the amount of time that employers have to spend their Levy funds where gaps exist and new standards will not be approved before those funds will expire. While the 24 month period is sensible to encourage employers to spend their levy funds, it is important that employers don’t lose out through no fault of their own. It would be helpful for the Institute to monitor this issue as it develops its funding advice to government.

Industry-led Route Panels should be developed in a collaborative way that ensures they do not become silos. As many of the technical routes have direct relevance to local government services, particularly business and administration, protective services, childcare and education, social care, and construction it is important there is local government representation on all of the relevant panels to ensure sufficient input from and consultation with the sector.

For similar reasons, in addition to introducing Relationship Managers aligned to each route, we believe there is also a case for creating a Relationship Manager for local government. As one of the largest employers in England, and with an interest across a number of the technical routes, it is crucial that the needs of our sector are understood and reflected in the development and assessment of qualifications. There is also an important role that a Relationship Manager could play working closely with local government to help map areas where there are gaps, or where existing qualifications have not kept up with the changing nature of key roles.

# 3. Regulating the quality of apprenticeship standards and assessments

London Councils welcomes the proposals listed in this section to support the development of standards through trailblazers, to speed up the process and provide more transparency and information. We also welcome the greater clarity provided in the Operational Plan on how the Institute will advise government on apprenticeship funding. It is important that the Institute consults widely to inform this advice.

The Operational Plan indicates that the advice given to government on funding by the Institute will need to be provided in the context of overall affordability. It is important that this context takes into account the financial position of the wider public sector, and local government in particular to ensure that we can continue to play a key role in apprenticeship creation in a sustainable way.

The removal of the Area Cost Adjustment (ACA) for London and the South East continues to cause concern and should be examined as part of the Institute’s advice on funding. Without the ACA, some apprenticeship standards may be placed in funding bands that reflect the cost of delivering training in the rest of England, but not in London, which has traditionally higher costs, thereby disadvantaging employers in the capital. Other government departments recognise the higher cost of delivering services in London and adjust funding allocations accordingly. Outer London boroughs typically need a 10% labour cost adjustment relative to base authorities, while Inner London boroughs typically need a 30% adjustment.

We also continue to have concerns regarding the future of the disadvantage uplift. Although we welcome a simplified version of the current system being retained for a year, in London there is a significant risk that the removal of both the disadvantage uplift and the ACA would make it considerably harder for young people from disadvantaged areas in the capital to access training opportunities. It is vital that any new system considers this and provides a long-term solution; otherwise the government’s priorities of supporting greater social mobility and tackling disadvantage will not be met through the apprenticeship system.

London Councils welcomes the two approaches outlined for reviewing standards, which will include collating data on quality and impact by sectors, destination data and wage returns for learners, satisfaction levels and impact on skills gaps for employers and alignment to productivity challenges in the wider economy. The Institute should make this data publicly available to prospective apprentices in an accessible format. This sort of data is currently lacking for many technical education courses and is a weakness within the system. Making this data publicly available will enable learners to draw on the right sort of information to make informed choices about their technical education route.

# 4. Collaborating with partners to drive quality across the apprenticeships system

The Apprenticeships Quality Improvement Group will be an important check on apprenticeship standards to ensure they are sufficiently rigorous, high quality and deliver value for money. As with other areas of the system, it is important that local government is represented on this group to ensure the suite of apprenticeship qualifications is working appropriately for the sector.

# 5. Leading the reforms to technical education

The introduction of the Post-16 Skills Plan is welcome. However, the decision to distil thousands of qualifications into just 15 routes represents a substantial change to the system. While it is hoped that this leads to a much simpler and straightforward process for learners and delivers better outcomes, there is still a question as to whether these 15 routes can realistically cover all job roles. Analysis from the Association of Employment and Learning Providers (AELP) has indicated that 57% of jobs in our economy fall outside the scope of the 15 routes[[2]](#footnote-3).

In reviewing the contents of each of the 15 routes over a rolling three-year period, the Institute should also examine whether they remain the correct ones and, in time, whether any need to be replaced, or additional routes added. In light of the AELP analysis, clarity is also needed on how employers that fall outside of the 15 routes can interact with the Institute and continue to develop qualifications and pathways as appropriate.

# 6. Implementing the new system

The list of the Institute’s aims for 2020 includes ambitions for “*The Institute [to play] a leading role alongside others to do more to celebrate learners’ successes*” and “*Apprenticeships and technical education [to be] recognised as a highly prestigious alternative to the established academic route*”. The last aim, in particular, is challenging and while some employers, potential students and their families understand the benefits of apprenticeships, this is not universal.

Polling commissioned for the 2015 Demos Commission on Apprenticeships found that most parents think apprenticeships are valuable, but not for their own children; that apprenticeships are more suitable for low achievers; and that apprenticeships help produce steady jobs, but are not a route to the top[[3]](#footnote-4). A 2016 study by Nationwide Building Society also found that almost 70% of British parents associated apprenticeships with the construction industry, while two-thirds would prefer their children to go to university[[4]](#footnote-5). London is also home to many BAME communities, which include high proportions of parents valuing academic over technical education routes.

If the Institute is to meet the two aims highlighted above, it will need to play a direct role in promoting apprenticeships as a positive and equal alternative to other forms of further and higher education. The government should therefore consider expanding the Institute’s remit to include promoting and communicating the benefits of apprenticeships and technical education.

**Response submitted by:**

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1. 29 out of 33 London boroughs responded to the survey [↑](#footnote-ref-2)
2. <https://www.aelp.org.uk/file/?id=2808&type=item> [↑](#footnote-ref-3)
3. <https://www.demos.co.uk/files/476_1504_CoA_WEB_2_.pdf?1425489134> [↑](#footnote-ref-4)
4. <http://www.nationwide.co.uk/about/media-centre-and-specialist-areas/media-centre/press-releases/archive/2016/3/9-parents-still-prefer-their-children-to-attend-university-despite-benefits-of-apprenticeships> [↑](#footnote-ref-5)