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HOW TO OPTIMISE APPRENTICESHIPS AMID DEGREE DEVALUATION

A roundtable discussion with Peter Aldous MP, Chair of the Further Education and Lifelong Learning APPG, and Mark Bremner, CEO of MBKB

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Peter Aldous, MP

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Foreword

Driven by a need to improve productivity, reduce unemployment and increase economic growth, the United Kingdom is striving to optimise the skills and training provision among its workforce.

To increase efficiency and minimise periods spent out of labour market, the Prime Minister has pledged to "crack down" on "rip off" university degrees while simultaneously promoting the increased uptake of apprenticeships and other avenues within further education. Plans for sweeping reform aim to use the further education sector as the driving force behind powering the potential of the UK's next generation, and as the catalyst for economic expansion.

The government's ambitious agenda has, however, stirred concerns about the preparedness of the further education sector to handle both increased demand and heightened expectation.

To examine these concerns, and to offer potential solutions for optimising and adapting the further education sector for the future, leading independent training provider MBKB invited major apprenticeship employers and training providers to a roundtable discussion in Westminster on 1 November 2023 together with Waveney MP, and Chair of the All-Party Parliamentary Group for Further Education and Lifelong Learning, **Peter Aldous.**

Entitled: *'How to optimise apprenticeships amidst widespread degree devaluation,'* the event sought to address some of the key issues currently affecting the sector, including: high apprenticeship dropout rates; minimum duration requirements; delivery of effective online provision; and shortcomings with End-Point Assessment Organisations.

The overarching conclusions of the discussion centred around the need for greater flexibility within the system. Attendees agreed that regulatory rigidity was a key contributor to issues related to poor retention, recruitment, and programme delivery.

This report, divided thematically, serves as a summary of the discussions held and is intended to provide a contribution to the ongoing debate on how to solve the challenges facing the further education sector and to improve the quality of training provision across England and Wales.

Yours faithfully,

Mark Bremner
Chief Executive,
MBKB

Acknowledgements

This report was prepared by MBKB. However, it would not have been possible without the individuals and organisations participating in the roundtable that represented a wide range of England and Wales's further education and training sectors.

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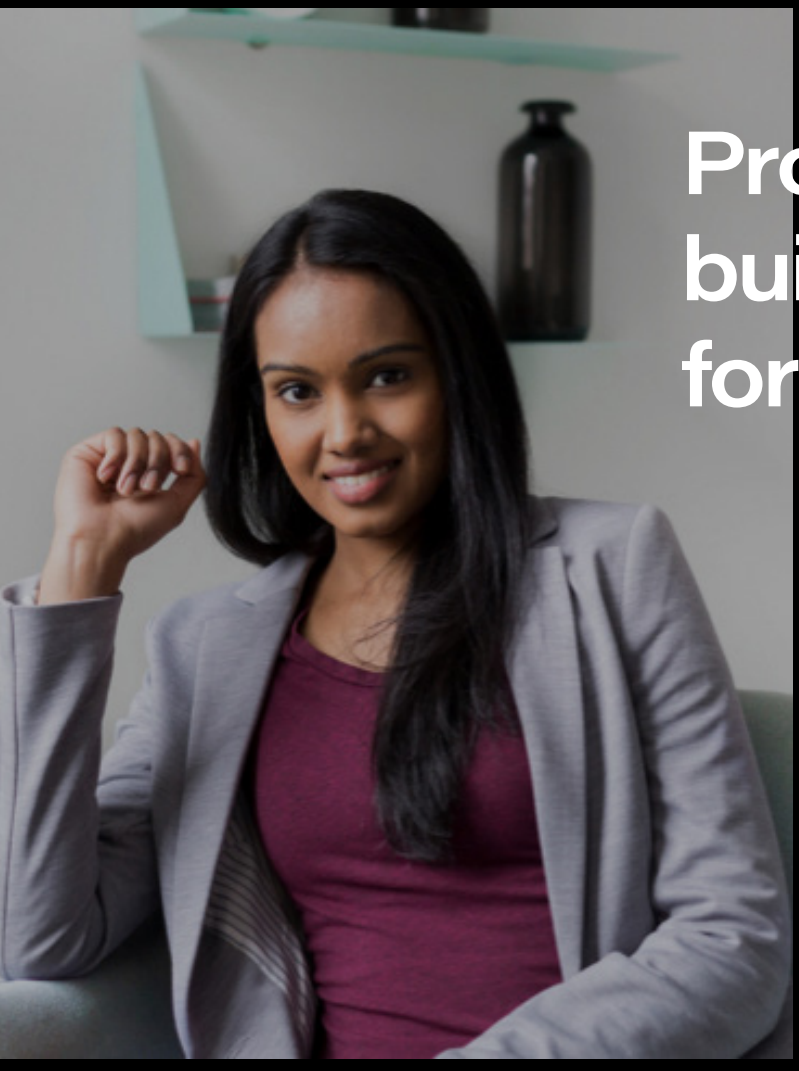
About MBKB

MBKB is an Ofsted Outstanding training provider known for its commitment to crafting programmes tailored to their customers' visions and values. MBKB's approach lies in building bespoke programmes founded upon the expertise of its tutors, detailed technical knowledge, and extensive experience.



Programmes built specifically for you.

A variety of programmes and routes are available, from Leadership, Management, HR, Payroll and Finance, Coaching, L&D, Corporate responsibility, and Early Years, each one individually tailored coached and designed around the apprentice and the business's specific needs. MBKB ensures all delivery adopts an exclusive approach incorporating the company's unique ethos and culture.

Key Themes

Tackling Retention Rates

During the roundtable discussion, the issue of low retention rates within the sector was extensively examined. Various contributing factors were identified.

Employers were willing to accept that effort was required on their part to ensure that apprentices felt able to complete their programmes. A participant from the construction industry argued that "commitment from the employer (was) essential," and that assurance from training providers to provide high quality training was equally as important in tackling the crisis of retention.

Mr Aldous echoed similar sentiment, stressing that there was a need for "bigger discipline in the system" to tackle the low retention rates in the sector. He accepted that some difficulties within the apprenticeship system could be attributed to the sector not having the same "guidelines of a clear academic route" that many of those that opt for university study receive.

Some participants felt that the classroom training that often accompanies apprenticeship programmes was proving an issue for some apprentices and was thus contributing to low retention. A major employer of apprentices in the transport sector stated that many of those employed by their business "struggle" with classroom-based study. Another attendee, whose organisation employs over 100 apprentices in the childcare sector, concurred with this view, arguing that in some cases, apprentices drop out because they could not "keep up with the work".

Criticism was also directed at the minimum wage requirements for apprentices, currently set at £5.28 per hour between the ages of 16 and 18 and for those aged 19 or over who are in the first year of an apprenticeship.

The comparably low wage compared to national minimum and living wages was perceived as a key factor behind dropouts. One participant argued that offering the minimum wage to new apprentices would likely attract lower quality candidates – with more talented potential candidates opting for employment in a more remunerative role - leading to "major issues" in both coaching and retention.

Mark Bremner argued that scrapping the apprenticeship minimum wage in place of a "proper wage," aligned to the rest of an organisation's workforce, would increase an apprentice's likelihood of staying in the role and thus improving retention across the sector. Mr Aldous endorsed similar sentiments in accepting that a more "sensible" wage would be a step in the right direction in reform.

Attendees collectively concluded that tackling retention demands a comprehensive strategy – focused on employer commitment, quality training, structured academic framework, and a more competitive wage.

> **Scrapping the apprenticeship wage and paying a proper wage would improve apprentice retention**
>
> **- Mark Bremner**

The Apprenticeship Levy

Issues relating to the apprenticeship levy, introduced in 2017 to reform the funding structures of apprenticeship programmes in the UK, was another central topic of discussion during the roundtable.

Mr Aldous was keen to outline from the start that the introduction of a novel system naturally involves an adjustment period; part of the gradual "bedding down" of changes. He noted that at least part of this assimilation had been hindered by both the Covid-19 pandemic and cost of living crisis.

Several participants raised concerns about the lack of flexibility within the system, suggesting that, in the future, reform should offer employers and organisations the opportunity to take a more modular approach in distributing the levy.

An attendee from the transport sector, whose organisation recruits over 700 apprentices in London annually, proposed expanding the use of levy funds to cover a wider range of training courses that were not limited to traditional classroom-based programmes, such as in offering apprentices the opportunity to learn IT skills or study English.

Another participant that recruits apprentices into the public sector advocated for broadening the use of the levy into more of a "development" style fund that would deliver more effective apprenticeship provision. This might encompass being able to "pull parts" from different apprenticeship programmes to cater to the specific needs and growth of individual learners or departments.

There were also queries as to the overarching structure of the apprenticeship levy.

Several attendees acknowledged that the apprenticeship programmes within their organisations were introduced as a direct result of the levy being applied to their business. One participant ceded that their business "took on apprentices as a financial decision" to recover some of the levy money, while another acknowledged that their organisation "would not be doing apprenticeships" at all if not for the levy.

There was, however, some criticism of the levy in its incentivisation for business to spend money on apprenticeships for the sake of it. One attendee believed that the levy's expiration after two years was an issue, and this regulation was encouraging their business to "spend the money as quickly as possible" to fill up spaces, rather than taking a more considered approach to recruitment. They questioned whether it was logical for the expiration clause to exist considering its implications.

Mark Bremner also noted a similar issue, suggesting that hastiness to spend the levy has led to some training providers exploiting the system by offering to take on "fast-tracked" apprentices without adequate underlying support and learning structures, leading to exhausted funding and a significant lack of progress for apprentices themselves.

Another attendee from the public sector suggested that the idea of simply spending the levy was the "wrong incentive" behind the introduction of apprenticeships within an organisation.

Mr Aldous accepted that there was a "general consensus in the sector that there does need to be a reform and review of the levy", focused on tackling inflexibility, discouraging hastened spending, and guaranteeing effective provision.

There is consensus in the sector that there needs to be review and reform of the Levy

- Peter Aldous MP

Minimum Duration Requirements

The roundtable discussion highlighted significant concerns related to the twelve-month minimum duration requirements of apprenticeship programmes, initially introduced by the government in 2012 with the aim of ensuring that "all apprentices receive high quality training and workplace learning". There was a consensus among participants that these regulations were no-longer applicable in the current climate.

Mr Aldous agreed that these requirements do "put some people off" enrolling in apprenticeship programmes.

An attendee that recruited apprentices in the construction sector agreed, stating that the reason behind some of the dropout rates among their apprentices was down to the "length of commitments" on certain programmes. They believed that it did not make logistical sense to place employees on a 12-month apprenticeship programme when they could choose to upskill on a separate course that would take one quarter of the time.

Mark Bremner believed that introducing flexibility to duration requirements was key to reforming the sector for the better. Certain programmes, he argued, might only require six-months of training until an apprentice was up to an adequate standard, and that forcing employers and training providers to extend programmes to the twelve-month minimum duration was an unnecessary use of resources both for apprentices, employers, and training providers.

He also highlighted the inherent variations in complexity and theoretical content across different apprenticeship programmes, suggesting that duration should be tailored accordingly to optimise the learning experience.

A participant recruiting into the public sector also believed that removing the minimum duration requirements would go some way to diversify the sector, introducing a more flexible and "modular" approach in the interests of apprentices *and* employers.

> **Duration requirements must become fit for purpose up and down**
>
> **- Mark Bremner**

End Point Assessments and Online Provision

Discussion also focussed on the delivery of apprenticeships, particularly in relation to online provision and End Point Assessments – the latter of which was introduced alongside levy reform in 2017. There were differing perspectives on the value of End-Point Assessments among participants.

One employer believed that the End Point Assessments (EPAs) "put people off" completing their apprenticeship. In their experience, apprentices might receive their level four and then conclude that there was "no point" going on to do the assessment - which marks the 'official' completion of an apprenticeship programme.

In contrast, another attendee noted that their apprentices "loved" going to their end-point assessments to gain their qualifications.

Peter Aldous admitted that EPAs were not often at the forefront of conversations in the political sphere, particularly given the differing views on the merits of the system. He did nonetheless point out that he believed the intention of bringing in EPAs was that it would create a consistency in programme assessments "right across the spectrum" of the apprenticeship sector.

Online learning as a means by which to deliver apprenticeship training also arose as part of discussions as to the 'future' of the further education sector.

MBKB as a training provider delivers courses entirely online, which Mark Bremner argued was more effectively tailored to the new generations of young apprentices. He argued that advancements in technology have enabled a more flexible approach in the actual execution of MBKB's programmes, for example in splitting delivery into "bitesize" classes. He was keen to point out that online provision did not mean that face-to-face learning suffered – one-on-one teaching could still be effectively and successfully employed in an online setting.

Another benefit of online delivery, he argued, was that apprentice cohorts could be formed without the geographical limits to socialisation that might be more common in in-person programmes. MBKB received an "Outstanding" classification from Ofsted for its apprenticeship training provision.

An apprenticeship employer operating in the public sector also noted that feedback from their apprentices had showed a preference towards online delivery.

Mr Aldous agreed that online provision, "properly used", could have a significant role to play in the overall reform and development of the apprenticeship system across England and Wales.

> **Apprentice feedback showed a preference for online delivery**
>
> **- Public Sector Employer**