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FROM TRAILBLAZERS TO MAINSTREAM –

SOME ISSUES RELATING TO FUTURE
DEVELOPMENT OF APPRENTICESHIP POLICY
AND DELIVERY IN ENGLAND

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Gatsby commissioned Ewart Keep to consider the implications of recent development in apprenticeship policy. In particular to explore some of the issues that may arise for both policy development and for the actual delivery of apprenticeships, in terms of both volumes and quality, as policy moves from the developmental Trailblazer stage towards the mainstreaming of new apprenticeship standards, programme designs, assessment and certification systems, and funding models and protocols. The paper ends with a series of questions that need to be taken account of by policy makers if recent reforms are to succeed.

DISCLAIMER

The views and opinions expressed in this report are those of the author and do not necessarily state or reflect those of the Gatsby Charitable Foundation.

“If the government wants three million apprenticeships, they’ve got to forget trailblazers and just get on with what we can do. We haven’t got time to change all the programmes and all the problems that are going to come with it – it’s either 3m apprenticeships or Trailblazers, take your pick”. – John Hyde, Executive Chair of HIT Training, quoted in *FE Week*, 22 June 2015, page 12.

INTRODUCTION

This short paper has been written to explore some of the issues that may arise for both policy development and for the actual delivery of apprenticeships, in terms of both volumes and quality, as policy moves from the developmental Trailblazer stage towards the mainstreaming of new apprenticeship standards, programme designs, assessment and certification systems, and funding models and protocols. Although the Gatsby Foundation’s primary focus of interest is scientific and technical provision, this paper will also look more broadly at apprenticeships across all sectors and occupations.

There are a number of reasons for choosing this wider focus. First, historically government policy has tended to view apprenticeship as a relatively undifferentiated scheme or programme, and to develop policy objectives and responses to real world experiences around delivery in a one-size-fits-all fashion. The government’s overriding ‘three million apprenticeship starts’ target does not differentiate apprenticeships by sector, occupation or level, and it is this target that is liable to dominate official thinking. Second, the bulk of apprenticeship places at present exist in occupational areas and/or sectors that are not directly related to science and technology (even if those categories are very broadly defined). Third, experience suggests that it is often issues with the quality of apprenticeship provision in parts of the service sector that can lead to problems with public perceptions of the quality and value of apprenticeship in general as a route for skills acquisition.

The paper does not attempt to explore all the issues that could be raised in relation to the transition from Trailblazers to full rollout of the new model of apprenticeships. It tries to focus on those that are potentially the most important.

POLICY BACKGROUND

Apprenticeship policy is trying to undertake four large-scale and inter-related changes, each of which represents a major challenge, but which combined suggest a very high, perhaps unrealistically high level of political ambition:

1. The overall scale of apprenticeship provision is to be further expanded, with a headline target enshrined in the Conservative Party manifesto and subsequently adopted by the new government as one of its major policies, of three million apprenticeship starts between now and 2020. The exact meaning of this figure is open to some debate (see Linford, 2015) but the key point is that it will require more employers to offer more places than has hitherto been the case.
2. What makes this target particularly challenging is that it is to be pursued in the context of significant attempts to upgrade the quality of what is on offer. Following the Richard Review (2012) recommendations, apprenticeships are to become more demanding – for trainees and for providers. The details of some of these changes are discussed at much greater length below. The important point to note here is that they will have two effects. First they will in many instances require higher-quality training provision to support them, both on and off-the-job, which may not be available on a sufficient scale to deliver that which will be required. Second, they will be more onerous and expensive to deliver than the rather emptier boxes that have represented many previously available apprenticeships in the same trade or occupation. Longer apprenticeships that require more maths and English inputs, better structured on-the-job learning, and more off-the-job sessions will push up costs for both private providers and for employers.

3. Expansion and quality upgrading are meant to occur simultaneously. Previous experience with the rollout of earlier reforms in English vocational programmes suggests that the vocational education and training (VET) system's ability to manage change may not be as strong as might be required (Keep, 2006).
4. Finally, the icing on the cake is the fact that on top of the challenges outlined above, the government has now decided to fund increased apprenticeship volumes and quality via an apprenticeship levy on 'large' firms. The exact workings of the new levy are as yet unspecified, but introducing this new measure will be challenging, not least because firms may not react with the enthusiasm that government seems to assume (see below for further details).

The interaction between these four policy challenges will help determine how apprenticeship reform works in practice.

Wider reform and the danger of policy overload around apprenticeship

At the same time as the issues outlined above are playing out, it is important not to lose sight of the broader picture of what else will be going on in the wider VET or professional and technical education (PTE) system, particularly in terms of impending large scale cuts to 16-19 provision, and more importantly to post-19 further education (FE). Messages from government on the scale of the expenditure reductions are confused. In the 'Emergency Budget' the Chancellor appeared to indicate that the pace of spending cuts was being reduced, but in a recent letter to all departments with unprotected budgets H M Treasury asked for the modelling of cuts at 25 per cent and 40 per cent of existing expenditure. As an unprotected department, choices made by BIS about which parts of their existing portfolio take the brunt of absorbing this (for example, the balance between reductions in post-19 FE and HE) will have a massive effect on determining what scale of post-19 FE provision remains in place.

Whatever happens, it is clear that there will be a major squeeze on the costs of 16-19 provision in schools, VI form colleges, and FE, and that reductions are liable to take place to the overall spectrum and volume of post-19 provision. At present, it would seem prudent to assume that there is a very real prospect that within a couple of years there will effectively be very limited amounts of mainstream publicly-funded (at least by central government) post-19 FE provision, except for HE in FE and apprenticeships.

The DfE's aim in this regard would appear to be that post-18 students face a binary choice – university or apprenticeship. Leaving aside how realistic such visions are, the impending cuts have major implications for apprenticeship policy, because they are likely to raise the level of student demand for apprenticeship from post-19 students as they will have more limited other study/learning options available to them. If student demand for apprenticeship places is seen to exceed supply, then routes into apprenticeship will become clogged, potential learners will become disillusioned, and public perceptions of the overall success of apprenticeship policies may be damaged.

Part of the problem appears to be that politicians have come to believe that 'apprenticeship' as a brand has a recognition factor with voters and positive associations/'virtue' that other forms of VET/PTE and FE colleges do not. This belief may or may not be correct, but it is deeply problematic when it gives rise to a line of policy development wherein apprenticeships therefore come to represent a one-size-fits-all 'solution' to the entire spectrum of VET/PTE challenges. Given the relative scale and breadth of vocational learning that FE delivers it is difficult to see how apprenticeship can be expected to encompass and act as a substitute for this, and large parts of what FE currently does are unlikely to ever be delivered through anything that would normally be conceived of as an apprenticeship.

On this point, the Chief Executive of NIACE made some extremely prescient remarks at the 2015 FE Week Apprenticeship Conference:

“Of course apprenticeships are really, really important. They’ve got a fantastically important part to play in the whole education and skills system, but they will not and cannot deliver on all the things that ministers and politicians want them to deliver – so I think that puts us in a really dangerous place. I think that means that at some point they will wake up and realise that all of that focus, all of that mania, all of the headline-grabbing commitments on numbers just can’t be delivered, and actually, you know what? They shouldn’t be delivered, because it’s not the most effective way to support young people and adults who want to transition into good work, and it’s not the only way you support good workforce development and training.....The idea that apprenticeship will solve all evils in terms of education policy and business policy seems to me to be a really dangerous place to be.

Over the last few years, we have had various politicians saying, ‘We are going to solve youth unemployment. We’re going to achieve quality. We’re going to achieve social mobility. We are going to get productivity up and achieve business growth. We are going to get economic growth. All through the apprenticeship programme which we are spending one and half billion quid on’. It’s complete madness”.

(FE Week Annual Apprenticeship Conference Supplement, March 2015: 13).

At the same time, apprenticeship reform is taking place in conjunction with many other changes and adjustments to the wider VET/PTE system – including reforms to vocational qualifications and their regulation, changes to GCSE and A level, as yet vaguely specified new policies to address perceived shortcoming in higher level PTE (DBIS, 2015), and attempts to devolve or localise the bulk of post-19 provision and funding while at the same time rationalising the pattern of provision (see Clayton and McGough, 2015; and H M Government, 2015). The interaction between apprenticeship targets and reforms and the broader changes emerging across the VET/PTE landscape is likely to be unpredictable in nature.

FROM TRAILBLAZER TO ROLLOUT

Against this backdrop of dramatic change across policy, the rollout of Trailblazers has two stages:

Stage 1. The initial move from the standards developed by the employer groups to actual pilot delivery (usually by Private Training Providers – PTPs) of the new programmes in small numbers in order to test out the practicality/deliverability of the new model for each occupation. The official term for this phase is an ‘early adopters’ model (see Newton et al, 2015: 22).

Stage 2. The move from small scale piloting of the new standards by early adopters to their progressive replacement of the old apprenticeship standards (now scheduled to be completed by 2017/18), alongside the implementation of other reforms, such as the new levy-based funding system.

Stage 1 is already under way, albeit on a smaller scale than some might have anticipated. The latest figures show that over the last nine months there have been only about 300 apprenticeship starts on Trailblazer ‘pilots’, which suggests that a significant number of the 129 apprenticeship standards that have already been officially signed off for use have yet to enter their initial piloting/early adopter phase (FE Week, 29 June 2015: 2).

There are concerns that the piloting of Trailblazers may take longer to gain momentum than might have been hoped. There are various reasons for this, but one of the most important relates to the crucial role of PTPs in delivering this activity. For all the policy rhetoric about employer-led apprenticeship, the reality is that the vast bulk of apprenticeship (as actual programmes of learning, activity and assessment) are still currently designed

and delivered not by employers, but by PTPs – either directly, or as sub-contractors acting for larger employers who have direct funding from SFA (Fuller et al, 2015). In effect, PTPs form the prime delivery system and indeed government-appointed salesforce to employers for apprenticeship training in England (Hancock, 2014).

Thus, up until now, the reality of funding, the securing apprenticeship places from employers and the subsequent delivery of that training has mainly followed the flow shown below:

- Government – SFA – PTPs and FE colleges – Employers

For a select group of larger employers who hold contracts with SFA, the flow has worked thus:

- Government – SFA – Employer – sub-contracting PTPs

The proportion of apprenticeships in which the training is directly provided solely or primarily by an employer is unknown (and given the current statistical base unknowable), but is likely to be very small as a proportion of the current overall total volume of apprenticeships.

This situation forms the backdrop against which the rollout of the Trailblazer standards is taking place. In these circumstances, there are hence two groups of actors whose commitment and cooperation are critical to the government’s plans:

1. Employers, who need to adopt the new standards, be willing and able to reclaim their levy payments to support and deliver more apprenticeship places; and
2. PTPs, who are the critical delivery agents for the vast bulk of the new, reformed apprenticeship programmes.

If either group fails to do what is expected of them, both stages of the rollout process will be constrained, apprenticeship reforms will fail, and the three million starts target will be missed. What follows explores some of the potential issues that may reduce the willingness and/or ability of these two key actors to support policy, along with a number of other issues.

SOME IMPORTANT POTENTIAL AREAS FOR POLICY DEVELOPMENT

Employer collective organisation and voice

The issue of Trailblazer continuity. In the official evaluation of the Trailblazers, Newton et al (2015:7-8) note that although there is an expectation that standards will be regularly reviewed, as the Trailblazers are often one-off, potentially time-limited groupings it is unclear how this will be achieved. The sustainability of employer involvement in and control over apprenticeship re-design and its roll out is therefore going to be a major issue (Newton et al, 2015).

“...there is uncertainty over ‘who’ will constitute the groups that lead the review in future. For example, those individuals currently contributing to the Trailblazers may move posts or leave, or employers may become less keen to release people to this activity over time. Continuity may be an issue, as may the question of the resource intensity required by the process. Moreover a solution is needed that is scalable as the number of standards created increases”

(Newton et al, 2015: 37).

The SFA has announced recently that it will be issuing policy guidance on this topic in the autumn.

The representativeness of Trailblazers. More broadly, one of the potential weaknesses of the trailblazer model is that the Trailblazer groups are populated by relatively small, self-selected bands of volunteers. This may be good for delivering committed participants and imparting momentum, but it may also produce potentially misleading results, in that what a quite limited sub-set of enthusiastic firms are willing to design and provide may not be all that representative of what the broad mass of their fellow employers will prove willing and able to do. In other words, how typical of employers in their sector, or even of employers in their sector who currently offer apprenticeships, are the members of the various Trailblazer groups (Newton et al, 2015: 15-16)? This problem has been acknowledged by the minister (Nick Boles):

“I think we should all be honest and observe that the employers involved in delivering apprenticeships under that pilot are employers of a particular kind, a particular depth of resource and the apprenticeships involved are a particular kind of apprenticeship, they’re not necessarily absolutely typical”.

(quoted in *FE Week*, 20 October, p. 10).

Collective employer ‘voice’. These problems raise wider issues about the collective organisation of employers to support a variety of reforms in the system (see Keep, 2015 forthcoming), which cannot be fully discussed here for reasons of space, but which are likely to come to the fore as the various ongoing reform processes, not least around the broader employer ownership of skill agenda, mature. A key point to note is that although Sector Skills Councils (SSCs) are not viewed with great favour by government at present (see BIS’s 2015 *Dual Mandate for FE* paper for details), as the official evaluation of the Trailblazers observes, in many instances SSCs have played a critical role in helping support and deliver Trailblazers, not least around the technical expertise needed to design assessment (Newton et al, 2015: 39). Unfortunately, the scaling back of funding for SSCs is leading to holes opening up, geographically in terms of coverage across the four UK nations, and sectorally. For example, the collapse of Skills for Logistics leaves several million workers with no SSC.

The difficulties are all the more acute because the problem of the collective organisation and representation of employers’ interests around education, training and skills remains unresolved. Despite repeated attempts at reform of employer representative bodies at both sectoral (via, successively, Non-Statutory Training Organisations, Industry Training Organisations, National Training Organisations, Sector Skills Councils (SSC), and now Industrial Partnerships(IP)) and at local level (Training and Enterprise Councils, and now Local Enterprise Partnerships(LEP)), many sectors and occupations remain either unrepresented or weakly represented, and it is unclear if SSCs, IPs and LEPs as currently constituted and resourced will be able or minded to fill this gap at industry and/or local level.

This raises the issue of who will represent the voice of employers in the future management of the apprenticeship system? It may be that government is relying here on a simple market model, whereby individual employers choosing to ‘buy into’ apprenticeship provision acts as the expression mechanism/voice for employers preferences, but this will not address the more technical roles that they will be required to fill, such as revising and updating standards and developing new frameworks to meet emerging occupational need.

The corollary of weak employer organisation, plus employers generally adopting a relatively passive role as consumers/customers of services provided by PTPs, has been that successive governments have allowed PTPs and their trade body, the Association of Employment and Learning Providers (AELP) to be treated as, and act as, the ‘voice’ of providers. The voice of employers, by comparison, has sometimes been weak or absent and hence afforded limited priority. On one level this situation has, as noted above, simply mirrored the reality that apprenticeship delivery has largely been in the hands of PTPs rather than individual employers. However, in the new world of an employer-led system, or rather of a system that aspires to become employer-led, it seems imperative that the voice of employers – individual and collective – is heard more loudly, and the influence that

providers wield is offered some counterbalance. Greater employer leadership implies less private provider dominance.

Employers' training capacity

One of the key elements missing from the apprenticeship policy jigsaw puzzle is the actual capacity of employers themselves to train apprentices or to configure their workplaces in ways that make them learning rich environments. The reason for this is that policy makers of all descriptions have hitherto seen apprenticeship as a 'scheme' that is largely delivered to/for employers by outside contractors. This model reflects both 'modern' (i.e. post-1980s) apprenticeships' origins as an extension of National Traineeships (i.e. a government scheme), and also the dominance of a provider-led model as advocated by the PTPs' trade body AELP. Even with the advent of 'employer ownership' much of the policy discourse has conceived of this ownership as extending no further than control of overall apprenticeship design and standards, funding streams and of 'purchasing power' within an external provider marketplace. What it has not embraced is the actual provision of training.

While in the short to medium term the current model of PTP-led provision seems inevitable, it will arguably not be sufficient to deliver the intentions that underlie the reform package. Quality training cannot be delivered by PTPs alone. Even if many employers are forced through lack of capacity to deliver the off-the-job elements of training and their assessment via PTPs, it is normally the case that a very significant element of apprenticeship learning is meant to take place on-the-job, and here the ability to design and manage jobs and work processes in ways that embed and enhance learning opportunities seems liable to be utterly critical (Fuller et al, 2015). In essence, if we want more expansive learning environments, leading to richer apprenticeship experiences, then employers need to be supported in delivering this. It is highly unlikely that bought-in PTPs will have an incentive, or indeed the ability, to deliver such an outcome as things stand. This brings us to the outlook for PTPs more generally.

The willingness and ability of PTPs to deliver the reforms

Given a choice, it is apparent that many PTPs and AELP would very much prefer to stick with the current models of apprenticeship content, delivery and funding. From their perspective, it is familiar, and they know how to make it work. The reform process, the concept of employer ownership, and the new funding regime represent the de-stabilisation of an established and successful business model. As a result, the enthusiasm of PTPs for adoption of the new apprenticeship system is open to question on a number of fronts.

In the main, PTPs have not been heavily involved in the Trailblazer process of standard design, because of BIS policy that assumed that this was to be employer-led, and they are therefore coming to the new standards 'cold'. Trying to pilot the new standards is a commercial decision for a PTP, and there is no special funding package available to incentivise their following this course. The official presumption seems to be that the incentive is the intended impending universal move towards the new standards, which will compel the necessity of such investment of time, effort and money by the PTPs.

To move from the existing standards/frameworks to the new requires someone to take the standards and turn them into structured on and off-the-job learning activities. This will require PTPs, probably alongside awarding bodies, to engage and invest in the development of new teaching materials, new programmes of learning, and in some instances new thinking about how the issue of assessment is to be handled and what certification is to be used. If they undertake this investment, it is unlikely that they are going to be willing to share it more widely. One workshop session at the recent AELP national conference featured a PTP (Capita) explaining how they were piloting a new Trailblazer-designed Level 6 (honours degree-equivalent) three-year apprenticeship in 'relationship management' for Barclays Bank. The presenter remarked that she would try and answer questions, but that there were issues of commercial confidentiality and intellectual property involved. In other words Capita had sunk money into setting up this new programme and were unlikely to share its details for free with rival providers. This raises some interesting issues about how the initial roll out can be easily scaled

up if each provider and awarding body acting in isolation has to start from scratch with the learning programme development for hundreds of new standards.

There are also significant issues about the capability and readiness of the PTP workforce to deliver the reformed model of apprenticeship. New, more demanding standards, and the move to independent terminal assessment, mean that in many instances a provider workforce that is primarily made up of workplace assessors whose main capability has been to measure and sign-off skill acquisition through workplace observation and the management of trainee portfolios of evidence, is no longer appropriately skilled to design and deliver what will now be required. A new balance between teaching, coaching and assessing will be essential, and some PTPs may choose to specialise in becoming independent endpoint assessors rather than actually providing training. There is liable to be a major training issue for many PTPs who it must be assumed will have to bear much of the cost of this investment in staff re-training/upskilling to meet the requirements set by the reformed apprenticeships, and for the Education and Training Foundation (ETF) who have recently granted AELP £1.5 million to underwrite a staff development programme for apprenticeship delivery (the Apprenticeship Staff Support Programme – ASSP).

The change management capacity of government agencies in the field

Another set of questions centres on whether the Skills Funding Agency (SFA) and National Apprenticeship Service (NAS) possess the staff and resources (financial and managerial) to act as effective strategic management agents in the reform process. One of the recurrent lessons of government reforms of education and training (E&T) over the last 30 years plus has been how often government and its agencies have proved to be unable to deliver effective change management (Keep, 2002 and 2006).

The SFA is essentially an administrative organisation that delivers and audits a highly complex and rapidly changing formula funding system. It does not have any large-scale strategic capacity in terms of policy development, implementation or monitoring, and only relatively rarely commissions substantive research or evaluation. In support of apprenticeship reform and the Trailblazers, SFA have created six posts to act as liaison and support for the Trailblazer groups (Newton et al, 2015). This is a relatively small workforce to support the massive process of rollout, which suggests that either SFA will have to develop a much larger capacity to oversee and support apprenticeship reform, or that both the strategic and the day-to-day management of the rollout of the Richard Review reforms will be in the hands of staff in joint DfE/BIS Apprenticeship Unit (AU). Recent news suggests that the government have opted for the latter choice, and that the DfE/BIS AU will be expanded, with a new director appointed. The weakness with this is liable to be that the AU will still be staffed by a transient group of career civil servants, whose expertise on apprenticeships and VET/PTE may be at different levels of development.

Moreover, given their limited staffing and location within Central Government, who will have the capacity to act as their eyes and ears and provide timely information on how the reforms are working out? Intelligence gathering and feedback mechanisms and channels are not obvious at this stage. One answer might be Ofsted and the inspection regime, but it is far from clear that Ofsted are willing or able to fulfil this role.

Localism/City Deals

In the past, government funding meant that VET/PTE schemes tended to be national and monolithic in nature. There was one model that was available to be rolled out on a uniform basis, with a national funding tariff. The future will look rather different. As more and more City Deals are struck, and as pressure mounts from a variety of think tanks and lobbying groups for further and faster devolution, post-19 VET/PTE funding, and possibly even elements of pre-19 provision resourcing, is being fragmented and shifted to new spatial levels (see Clayton and McGough, 2015 for a useful overview of developments to date).

At this juncture it is profoundly unclear what this will mean for apprenticeship. Some City Deals seem to like the idea of their own apprenticeship growth targets, but above and beyond a desire for 'more' it is not at all clear how localisation will impact on developments. This raises a range of questions:

- Will a national funding tariff structure remain in place, or will some localities seek to alter/augment the offer with their own financial incentives aimed at employers (as is currently the case in some localities (see Clayton and McGough, 2015)?
- With whom will employers and/or providers contract for apprenticeship delivery – SFA/NAS or their local City Deal?
- How will national employers who have direct contracts with NAS be dealt with and react to fragmentation? At present there are already significant complaints from larger employers about having to deal with different apprenticeship regimes/models across the four UK nations.

The risk is that great, if vaguely specified, things seem to be expected of devolution in general, and of skills funding devolution in particular, and these expectations are liable to produce pressure for change and for local experimentation (Raikes, 2015). City Deals are probably not going to be satisfied in the medium term to simply act as the local agents of NAS/SFA and will want to ‘tweak’ the system, and perhaps influence or even take charge of apprenticeship commissioning within their locality. There is a danger that any change in who commissions apprenticeship starts (from SFA to City Deals and/or LEPs) would destabilise the SFA, and in addition run the risk of a lack of transfer of knowledge and expertise from the old to the new commissioning agents.

Assessment and its relationship with the labour market

There are many potential issues with how the new synoptic, end-of-training assessment system that has been chosen for apprenticeships will function in practice. For example, there has been some controversy about the requirement for assessments to shift from competent/not (yet) competent to graded awards (see Mackinnon, 2014). Although the government has granted flexibility to some occupations, the expectation remains that these cases will remain the exceptions, and that the norm will be for grading to take place.

There are additional concerns among providers and awarding bodies about consistency and comparability across sectors about grading norms and what this might do to the ability of awards that act as a common currency in the labour market. There are also worries, in the quote that follows below from a PTP, about the validity and costs of synoptic terminal assessment:

“The final end test for the professional cookery Trailblazer will take two days and cost £2,000 to stage for each apprentice. It will only test the apprentice’s ability to cook a variety of dishes in an examination environment, cooking one portion of each dish at a time and not their ability to perform in a commercial environment. Should the apprentice fail the test, it will be for the employer to pay for the re-take”.

(Hyde, 2015)

It is also unclear who will be responsible for training and regulating/assessing the independent assessors who will undertake or supervise the terminal assessments (for a fuller discussion, see Newton et al, 2015: 36 and 55).

However, a larger issue is now looming – namely the fact that about a quarter of the standards so far produced do not specify any currently recognised formal qualification and envisage the only certification for the apprenticeship to be that which will be given once the synoptic, end-of-training assessment has been passed (at whatever grade). One delegate at the 2015 AELP National Conference claimed that, *“unless you are in a regulated profession the government is actively discouraging the use of qualifications within apprenticeship”*.

Recent guidance from BIS (www.gov.uk/government/uploads/system/uploads/attachment_data/file/447413/BIS-15-355-guidance-for-trailblazer-standards-to-starts-july-2015.pdf) suggests that the apprenticeship standards

should specify any mandatory qualifications that have to be achieved by all apprentices and that where these are specified they should meet one of the following criteria:

1. Required for professional registration
2. Legal or regulatory requirement
3. The qualification acts as a licence to practice
4. The qualification will be used as a criteria ('hard sift') when applying for jobs in the occupation related to the standard, and, without it, an apprentice would be disadvantaged in the labour market.

This raises interesting questions about the currency (in both the short and longer term) of such a certification beyond the sector/occupation in which it is awarded. How portable or transferable will such certificates prove in the jobs market in other occupations and sectors, and how will they support return to learning or shifts back onto a more academic pathway later in career? The official evaluation of the Trailblazers notes that, "*The new apprenticeships are seen as 'for the sector' and little emphasis has been placed on transferability between sectors*" (Newton et al, 2015: 8), although the Trailblazers have consciously sought to develop standards that will help support a strong secondary labour market for apprentices within their sector. However, for apprentices in occupational areas like hospitality, catering and retail, which tend to have relatively high levels of labour turnover and leakage to other occupations and sectors, this may not bode all that well.

This point is important because there are also indication that in some instances the apprenticeship standards have eschewed any attempt to move towards the North European notion of apprenticeships as formation for entry into a broad-based occupation and subsequent progression therein, and instead have stuck with the traditional UK model of training for a specific entry level job, where the standards offer, "*the best possible fit to the identified job role*" (Newton et al, 2015: 10, emphasis added). In other words, as Fuller and Unwin (2013) demonstrated, UK employers tend to have a narrower and/or weaker conception of occupation than that which exists elsewhere in Europe (see also Brockmann, Clarke and Winch, 2011). It will therefore be important to track the labour market outcomes and progression routes of apprentices as they emerge from the new, reformed apprenticeships, not least as government is now starting to toy with the idea of trying to encourage the creation of broader career and progression pathways (in terms of both levels of learning and also wages) within work. In this regard, the author has detected strands of thought within official discussions that suggest that an investigation of how VET/PTE pathways can be constructed that would embrace apprenticeship provision alongside classroom-based learning opportunities may be in the offing.

Funding – the 'crunch issue'

The backdrop. Funding has always had the potential to become the 'make or break' element of apprenticeship reform, not least because it is probably the single most important factor in determining whether employers are willing to provide apprenticeship places. As a commentator from within the hairdressing sector Trailblazer process noted, "*arguments about level, duration and assessment took up a lot of time, but were primarily driven by funding concerns rather than standards, and the uncertainties about future funding models made all these discussions more difficult than they would otherwise have been*" (Hall, 2015).

Successive governments have encouraged employers to see government training 'schemes' as a 'something for free' rather than as a 'something for something' deal. Thus, figures from the SFA's Employer Satisfaction Survey 2013-14 (SFA, 2015), with an employer sample of 52,000 firms, indicate that just 23 per cent of employers made any direct (i.e. non-wage) contribution to the cost of training being funded for them by SFA. The breakdown by employer size indicated that SMEs tend to be least willing to pay:

1-49 employees	–	20%
50-249 employees	–	31%
250+ employees	–	45%

This indicates the scale of the change and challenge under the new model of apprenticeship, where under the government's responses to the Richard Review proposals, 100 per cent of employers were originally being expected to pay one third of the training costs of the apprenticeship upfront. BIS research on employer responses to the proposed new apprenticeship system revealed relatively limited signs of widespread enthusiasm for the idea of voluntary co-investment. Work on SME's attitudes to apprenticeship noted that:

“When asked about the potential impact if employers had to make a greater cash contribution to the cost of Apprenticeships, most of the SMEs we interviewed felt that this would encourage them to be more vocal with their training provider if they were dissatisfied. At the same time, almost all of them said that having to pay more would mean they would have to recruit fewer apprentices or stop recruiting them altogether”.

(Johnson et al, 2014: 10)

A second research project for BIS (Hogarth et al, 2014) focused specifically on firms' attitudes towards employer-routed funding and co-contribution. It found that:

“Most employers had become accustomed to an Apprenticeship model where they paid nothing, or relatively little, to the training provider. Although the role of the training provider figured prominently in the delivery of Apprenticeships to employers, their costs were seldom the responsibility of the employer....In general, employers were unaware of the amount of public funding their providers received....When asked about how much they would be willing to pay for the training their provider delivered, most employers were unable to suggest a price because this was something they had never really considered before. Where they were able to provide a price, it tended to be much lower than the current level of funding provided by Government”.

(Hogarth et al, 2014: vii-viii)

These findings are replicated in the official evaluation of the Trailblazers (see Newton et al 2015). Indeed, a number of Trailblazer groups appear to have planned for a failure of employer co-investment. As Newton et al (2015) observe, in the case of some Trailblazers linked to an Employer Ownership Pilot (EOP), *“two training models have been developed in parallel – one which is fully funded (by government) and another that will require employer investment. The effects of this are as yet unclear”* (2015: 17).

These problems have been compounded by the fact that there has not been any concerted attempt in the last 25 years or so to try to get employers to co-contribute to the costs of any existing form of training provision that hitherto had been offered free of charge or at a very much lower level of cost. Therefore, there are no precedents upon which stimulating enhanced voluntary employer contributions to the cost of apprenticeships could be based.

There have however been numerous previous attempts to test the water around co-contribution for new schemes. The biggest was Level 3 Train to Gain (T2G). The result was almost total failure. Employers were supposed to contribute 50 per cent of the cost of a L3 T2G place. Instead they folded their arms and said 'no thanks'. As the then Learning and Skills Council (LSC) had ambitious government roll out targets to meet, in many instances they caved in and let training providers offer Level 3 courses for free to employers (Keep, 2008).

A smaller, but somewhat more successful scheme was operated by the Higher Education Funding Council for England (HEFCE) at about the same time around workplace training and continuing professional development. The pilots were sometimes able to drive quite rapid growth (it depended on the energy and enterprise of the individual higher education institution), but by the time the scheme was being wound down (2010) most schemes had failed to get anywhere near the 50/50 cost split they were supposed to be aiming for. A few managed to achieve this goal, but in most cases the final outcome was around £3 to £4 public spending for every £1 of private investment (Keep, 2014).

Given this history, the first full evaluation of the Employer Ownership Pilots (EOPs) for BIS does represent progress (Diamond et al, 2015). The headline figure is that employers will ultimately contribute about £1.30 for every £1 of public money. However, there are some caveats. First, much of the employer contribution is 'in kind' not cash (which the government's original model for apprenticeship funding rejected as a valid contribution), and some of the ways in which it is being calculated are probably extremely 'inexact'. Second, the employers involved in these pilots are all self-selected volunteers. Their behaviour and enthusiasm may not be mirrored by their wider counterparts.

Underlying all this is a broader set of trends which suggest that there is an element of employer 'retreat' from investment in skills and training activity (see Keep, 2015 forthcoming for a fuller exploration of this topic). Put very simply, the reasons for this development are, in part, structurally embedded in the UK economy and labour market:

1. Relatively weak demand for skills – the UK has the 2nd lowest demand for people qualified above compulsory schooling out of 22 OECD countries (OECD, 2013)
2. Relatively high levels of over-qualification – the UK has the 2nd highest level (30 per cent of the workforce) out of 22 OECD countries (OECD, 2013)
3. Poor utilisation of skills within many workplaces
4. High levels of migrant labour within the UK employment market
5. Falling levels of employer investment in skills which commenced before the recession struck (see Keep, 2015 forthcoming).

Given points 1 to 4, point 5 is perhaps not particularly surprising. The inter-relationship between these factors forms a fairly hostile environment within which to try to pursue increased employer contributions towards the costs of apprenticeships.

A levy – the answer to apprenticeship funding? In the light of this not wholly auspicious set of circumstances, it seemed increasingly inevitable that official policy was going to run into very serious opposition from many employers who were unlikely to prove willing to provide a third of the costs of new apprenticeship places upfront. In sectors like engineering and construction, where apprenticeship traditions are strong and the route offers the only viable way of creating certain types and levels of skill, it seemed possible that most employers would shrug, put up the money and get on. The real problems were always likely to emerge in sectors/occupations like retail, customer service, hospitality, catering, cleaning, and social care, where apprenticeship has been sold to employers by private training providers as 'free training' (Fuller et al, 2015), and has been organised and delivered by the PTPs with almost no employer input whatsoever. Here the risk was that employers, especially SMEs, were liable to simply say 'no' and apprenticeships volumes fall very dramatically as a result, not least because many of these sectors/occupational areas are the big recruiters when it comes to apprenticeship numbers.

As a result, even before the election, officials were quietly working on other models of apprenticeship funding. An alternative solution, advocated by Alison Wolf (2015a & b) and by Richard Atkins the 2014/15 president of the Association of Colleges (Atkins, 2015), was a general apprenticeship tax or levy. These proposals noted that besides the difficulties of ensuring sufficient employer buy-in on a voluntary basis, the increased costs of reformed apprenticeship were liable to outstrip the government's apprenticeship budget.

In the event, the new government announced in the 'Emergency Budget' that it had abandoned its original funding model and was planning to implement an apprenticeship levy on all large firms. Details of how this will operate are as yet unclear, but it is the author's understanding that the levy is expected to raise circa £2 billion a year, and that the definition of 'large firm' is likely to fall somewhere between 200 and 50 employees. The lower figure may not be what most people would necessarily think of as a large firm.

How employers will react to this development is not certain. It will become more so once the full details of how the levy system will operate are announced, but already the CBI has suggested that although a levy might help deliver increased numbers it may not have the desired impact on quality (*FE Week*, July 13). The government plainly believes that having paid the levy, employers will want to reclaim it by providing apprenticeship places, and that this will help ensure the three million apprenticeship starts target is met – in effect, employers are to be bribed to participate with their own money.

One danger is that the levy proves to be bureaucratic, complex to administer and highly unpopular. Technical issues such as how agency staff will be accounted for when determining liability to pay the levy will matter. Second, it is possible that PTPs will offer disengaged firms in sectors such as retailing the chance to reclaim their levy by signing up large volumes of existing employees for 'apprenticeships' to which the employer has little commitment, along the lines that were seen under Train to Gain, and under the rapid expansion of adult apprenticeship in the early years of the Coalition Government. If employers are reluctant participants, only there in order to get their money back, then enhancing the quality of provision may prove to be an uphill struggle.

Funding systems. The other issue is how the funding is distributed. Exact details of how the new electronic voucher system for routing apprenticeship funding via employers will operate are as yet unknown. As a result, it is impossible to predict how well it will work, but what is clear is that it is essential that it is easy and simple to use for employers. If it is not, it will form a major barrier to employer participation, especially among SMEs.

FINAL THOUGHTS

This paper argues that despite fairly massive, high-stake policy aspirations for apprenticeships, the move from the Trailblazer stage of the reform process to full-scale rollout of the reforms is not going to be easy or simple to manage, and that a number of potential problems and pitfalls loom. Some of these are technical in nature and can probably be addressed fairly easily. Others are much more fundamental and are probably going to require considerable amounts of political capital and attention.

In thinking about what might happen, it is perhaps useful to sketch three possible scenarios:

1. *Happy days are here again!*

Almost none of the issues raised above prove to be of any great moment and in the vast majority of sectors the reform process rolls out smoothly and unproblematically. Employers who were not involved in the Trailblazer process are keen to sign up to and use the new standards, and are willing to both pay the levy and to reclaim it against expanded apprenticeship provision. PTPs and awarding bodies move in a timely fashion to develop the programmes of learning and learning materials and assessment instruments required to make a reality of the new Trailblazer standards, and progress towards the three million target is smooth and uninterrupted.

2. *Mixed results and hard choices*

The reforms take hold and work in those sectors traditionally wedded to apprenticeships (engineering, construction trades, hairdressing), but are only adopted enthusiastically by small numbers of employers in some of the areas of the service sector that have hitherto been delivering the largest volumes of apprenticeship starts (social care, retail, hospitality, catering). Here, employers

who have not been used to paying anything (except wage costs) towards apprenticeships are unhappy with the levy and either write it off as just another business cost, or develop shallow forms of apprenticeship delivered by PTPs to maximise the sums they can reclaim. Many employers in these 'non-compliant' sectors denounce the new apprenticeship model as 'bureaucratic', insufficiently flexible and overly prescriptive, and loudly and publicly demand the freedom to continue to use the old model of apprenticeship. Government is then caught between the rock of its own three million starts target and the hard place of a commitment to improve quality, but tries to pursue both its original objectives.

3. *The status quo ante rebooted*

The issues outlined in Scenario 2 take place, but policy makers react differently. They realise that in order to deliver the over-riding political priority set by the three million starts target, besides the usual gaming of definitions of 'apprenticeship' and the counting of all sorts of public sector activity that might not otherwise be conceived of as an apprenticeship, the central precondition for delivering the target is the commitment, support and work of PTPs. They are the salesforce for apprenticeship places with employers, they are the organisations that deal with the bureaucracy of the funding mechanism, and their staff actually deliver the vast bulk of both the off and on-the-job learning in most apprenticeships outside of a few sectors (construction, engineering). They also accept that employers ultimately have the ability to veto achievement of the starts target by boycotting apprenticeships. The result is that in many areas the old standards are allowed to continue operating, and the proportion of apprenticeship starts that take place under the 'reformed' as opposed to traditional model is relatively small and concentrated in a limited number of sectors.

These very brief scenarios are not meant to provide a realistic forecast of how events may turn out – they are semi-stylised representations of elements of possible realities. Their purpose is to spark thinking about the most probable turn of events and how, given past patterns of behaviour by policy makers, these might most likely tend to be addressed.

SOME IMPORTANT QUESTIONS

Finally, there are some questions that it seems useful to pose to policy makers. This question setting exercise offers:

- a). A challenge function that appears to be increasingly absent within the current English national policy process
- b). The opportunity to think through how both the process and substance of the apprenticeship reforms might best be delivered.

A by no means exhaustive list of questions might include:

1. What might be the impact of wider reforms, re-structuring and in some instances diminished levels of funding within both 14-19 and 19+ VET/PTE provision on apprenticeships?
2. How does apprenticeship reform relate to and interact with the government's evolving plans for changes within higher level technical and professional education?
3. How and by whom is the current patchwork of bodies that collectively represent the employer voice within the VET/PTE reform process to be developed and resourced in order to ensure continuity, sustainable representation and comprehensive coverage?
4. How best can PTPs best be incentivised and supported to assist in the delivery of the reforms?
5. How can the sharing of the intellectual property involved in designing courses and programmes and learning to deliver the new standards best be contrived, and by whom?

6. How can the capabilities of PTPs' staff be supported to enable delivery of the new apprenticeship delivery model?
7. How can employers' in-house training and development capacities be enhanced over time to support better training design and the delivery of enhanced workplace learning environments?
8. Is there sufficient change management expertise within government and SFA to oversee the transition to the new apprenticeship system, and if there is not, what can be done to bolster capacity? How will developments on the ground be monitored (other than by retrospective evaluation) and by whom?
9. What are the implications of localism and devolved target setting and commissioning, and how can some of the dangers of fragmentation be avoided?
10. What will be the labour market currency of apprenticeship certificates, both within the sector to which they relate, and beyond? What happens if apprenticeship awards do not provide currency in the wider labour market?
11. What are the risks associated with the apprenticeship levy? What does the history of previous levy funding regimes for training tell us about what might happen? How can the design and operation of the levy be made simple and robust?

Finally, an over-arching question is where are the risk assessment and mitigation plans for the apprenticeship reform process and its rollout phases?

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