

## Shelton Fleming Associates Ltd

### Q & A Session

#### **PANEL:**

Simon Barclay

S. Gardner

David Way

Lorna Unwin – Prof. Vocational Education, University of London

Adrian Holmes – CE, ESG Group

Facilitator: George

#### **Unknown Speaker**

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Good morning George. Good morning everyone. I'm head of one of those lesser organisations: I run the Sector Skills Council for the creative and cultural industries. I am also with my two colleagues, who have slogged their guts out over the last two years, in a position where we'll be launching the first formal apprenticeships for our sector in September. To respond initially to your question, George, about the ambition, of course we all welcome the ambition to double the number of apprenticeships over the next decade but we do need to get that ambition into an international context. Right now in Germany there are 1.2 million people on apprenticeships. So that's double the number that the Government, however ambitious, is planning to have in place by the year 2020. Nevertheless it's a starting point and we need to get it right and I think if I could just share with the panel one worry and concern, whilst overall of course being extremely positive and supportive of what the Government's trying to do, but in the same month that the Government decided to take into public ownership Northern Rock, it has in effect in that document 'World Class Skills for Apprenticeships' decided to nationalise and take into public ownership our current apprenticeship. That is the proposal to set up the National Apprenticeship Service. Now I don't personally think that's necessarily a bad thing as long as we don't lose sight of the fact, as with all nationalised ways of working, essentially civil servants running the system that we stay absolutely in contact with the employers at the coalface. There's no question in terms of my sector with organisations on my board like EMI, National Trust and music and performing arts companies, that's what's helped drive this creative (?) apprenticeship. So I suppose really what I'm looking for is assurances from the panel that this new National Apprenticeship Service won't take on some of the worst habits of an eastern European-style system, that actually we will have relevance and responsiveness to (?).

#### **Facilitator**

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Alright. I'm going to split that up if you don't mind panel. The first point that was made there that essentially, and none of you actually said this in so many terms though perhaps Simon did allude to it, is that essentially we're playing catch up: we've got a long way to go before we catch up with others. Perhaps David you could address that?

#### **David Way**

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I think firstly you always have to make international comparisons with care, one system with another. Are we trying to play catch-up? Well in a way we are, aren't we? We are saying that we need far more of our young people in particular to be choosing the apprenticeship route because we believe that's the best thing for them to do. The ambition that we set ourselves of one in four, one in five young people to be taking that route seems to me to be pretty progressive. Once we get there we're not going to then rest on our laurels are we? we are to say 'well if lots of people are going through that route and succeeding and that's making a real difference for young people and for business then why stop at that? So I think it is ambitious and I think it's achievable and that puts us in a stronger place. Whether that means we move and down relative to some countries I'm rather less concerned about. I do think we should learn

from other countries where we can, the report is very good at referring to lots of international experience: Australia, New Zealand, other countries. It doesn't refer quite so much to Germany because there are difficulties in making direct comparisons. So I think we're open to world class comparisons.

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**Facilitator**

Let's widen it out now. Your second point which was this idea that actually what's going on is a nationalisation of the apprenticeship scheme and that we all know, those of us of a certain age at any rate, know what can go wrong when things get nationalised. So let's widen it out. Adrian can I hear any thoughts you have on that?

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**Adrian Holmes**

Two points coming straight back to the gentleman. The first one commercial relationships with employers must be done by commercially focused organisations: yourselves as training providers. It's absolutely fundamental that that's not lost through the new system. The NAS needs to add value to what currently works and what works well, not replace. There are some bits in the document that are quite startling to me: the parts on where providers currently work with employers to put young people on programme, in the document that's actually gone. I'm told that's a typo and I'm hoping that is correct because really we need to be building on the success of what providers do. Providers are very successful at working with employers. The NAS needs to complement that.

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**Facilitator**

Lorna any comments on this idea that what's going on is a nationalisation?

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**Lorna Unwin**

Germany is a nationalised system of apprenticeship. What countries like Germany have are delegation down to regional and local levels to run apprenticeship through the providers: Chambers of Commerce and other institutions. So I don't have a problem with a national agency but you need very good support at regional and local level to make it work.

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**Facilitator**

Stephen can we just take up that point. One of you did talk about centralising the service, is there also going to be beneath that then this regional thing, this localisation, if you like, that Lorna's just mentioned?

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**Stephen Gardner**

That's essential isn't it because we know that to engage employers you have to talk to them where they operate their business because they tend to (?)...

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**Facilitator**

And is that going to happen do you think?

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**Stephen Gardner**

That definitely will happen. And I'd make two other points on those comments. The first thing to say is that comparisons with the German system are difficult because in the 1.2 million they would count, through their 2-tier system, all of those people in vocational courses in colleges, because that's the first of their tier. We don't include those in the Apprenticeship Programme.

The second point that I would make is that we need to make some change. I don't see it as a nationalisation but at the minute only one in ten employers offer apprenticeships through the current system. If that's the system that we have with the system that operates at the minute, clearly we've got to make some changes and I think the National Apprenticeship Service has a real role in helping those other nine out of ten.

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**Facilitator**

Thirty seconds. Do you want to come back on that at all? are you happy?

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**Unknown speaker**

It's just good to get the reassurances from our colleagues and particularly from the LSC, but of course what the National Apprenticeship will not answer is that it's not truly national, it's England only. It's not for the whole of the UK. I think employers want the flexibility to work across the whole of the UK.

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**Facilitator**

We have a question here. You are sir?

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**Ian Carnell from Centre**

We read the report with real interest, your review, and I support, and we support a vast majority of what is in there. I think it's a long time in the coming – it's great that it's here now. One of the concerns that I've got is that on the one hand you talk about strengthening the blueprint and what we'd like to do obviously is expand the numbers in engineering and science to meet the targets by 2020 and if we can meet them sooner, we will. But we don't want to compromise quality. My concern is if you allow employers to build their own frameworks we could have a real problem there. I think that needs to be done very carefully. I think that you can't on the one hand, there's a certain ambiguity between strengthening the blueprint, and applying quality procedures to the blueprint, and allowing employers, generally, to do their own thing within the framework context. So I would appreciate a bit more explanation about how that might happen.

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**Facilitator**

David would you like to kick off on this?

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**David Way**

I might want to pick up some of the detail (?). I think that if we're going to engage employers we've got to ensure that this is the area that they're most interested in and so it's not involving them and just letting employers, I forget the expression that you used, but it seemed to be almost unfettered. Yet what we are actually doing is getting the best of both worlds. We know what apprenticeships work. The employers know best what works in their sector. So we want to engage employers but of course the blueprint provides a framework within which we need to work. I was lobbied even on the way here before I arrived by an employer organisation that is telling me that they've got a framework that they want to operate. They've got all of their employers lined up and it's the 'other people' who are getting in the way. So we've got to try and reconcile those pressures to maintain quality but we've absolutely got to have the engagement of employers, otherwise we're wasting our time. So we'll have both.

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**Facilitator**

Adrian do you want to come back on that, you work with employers? is there a danger that if you devolve too much you lose sight of quality?

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**Adrian Holmes**

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No I think the key is partnership systems and processes. I think it would be quite naïve to think we're going to get 300 national employers on board in the next 24 months without experienced, valued, quality assured training providers in that process. What people may not realise is NAS currently contracts with a whole host of national employers. Within that there are agreements with various training providers to deliver certain aspects of that training; whether it be to cover the bureaucracy, whether it be to deliver the physical training, it's all partnership. If we think that it's just going to be employer/LSC, few of those in my experience work, it needs to be a three way partnership and that's what we're there for.

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**Facilitator**

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Can I just very quickly come back to you? Why are you worried about the quality because you'd have thought it would be in the interests of businesses and employers to have quality?

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**Ian Carnell from Centre**

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I thoroughly support quality. That's exactly what Centre has tried to do over a number of years and, as you know, we've got a level 4 programme which we want to expand significantly. My concern is that we have a process whereby our employers on a national basis have a national framework committee and they bring the issues about what frameworks that they want to develop to that national committee, and in that committee employers can judge what the quality concerns are and plans make sure that any framework alteration is of the highest quality and value, and as long as we can manage that in a sensible way and we can manage the expansion I don't have an issue. But the way the document was worded led me to have significant concerns.

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**Facilitator**

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Point taken. We have a question over there.

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**Stephen Poss – Financial Services Skills Council**

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Just expanding on that issue, what happens if you have different employer frameworks with the apprentice if they change employers? Would they need to do extra parts of the components to do a different framework?

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**Facilitator**

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Stephen would you like to comment on that?

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**Stephen Gardner**

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I think those two questions are about quality vs. process and the process that we have at the minute is a complex process of going from the employers' needs to an apprenticeship framework and the intention of the review is to simplify that process. But it is absolutely essential that when we allow employers to design frameworks they do so in the context of a minimum standard for an apprenticeship so that we define what that minimum standard is, and it has to be aspired to by every single employer, and so the current blueprint which is quite an open document, leads to a lot of difficulties for people who are designing frameworks. I think it's wholly appropriate to simplify the process and make sure that the blueprint is reinforced to ensure all of the things that we accept should be in an apprenticeship are there, and in this we have Lorna on the panel here who produced something with Alison Fuller about the restricted or expansive model of apprenticeships; we're very much looking for that expansive description in the blueprint.

## **Facilitator**

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Lorna do you want to come in before we go on to the next point?

## **Lorna Unwin**

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Yes. We've heard this morning, I listened very carefully to the different presentations and what we have are huge aspirations for our apprenticeship which are absolutely right, but we have to think through whether that's all achievable, particularly given that in several of our sectors we have employers who themselves struggle with a concept of workforce development. So in other words the environments that our apprentices are going into are not necessarily quality environments, either for apprentices or for adult employees. So in saying that we want the apprenticeship to be fit for purpose and for employers to get on board, we mustn't go overboard. I've heard civil servants and ministers talk about making it 'easier' for employers. I think we need to be careful with that because if we want young people to be attracted to apprenticeships, because young people are going to weigh them up against the other options, and weigh them up against the message they get that full-time education is the better long-term option, then we shouldn't be making it easier for employers. I think we need a lot of help for employers to get their working environments up to scratch.

## **Facilitator**

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That's worth thinking about. Should we be making it easier for employers? Stephen didn't feel his question was answered, so perhaps David you'd like to have a go? Do you want to ask your question again?

## **Stephen Poss – Financial Services Skills Council**

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If we have different employer frameworks in one particular sector and the apprentice moves employer throughout their career, at the moment we have a standardized framework for our different sub-sectors, we don't want to come to a situation where we have different frameworks in different sub-sectors because if the apprentice moves from one employer staying in the same sub-sector at the moment we've got the same framework. We don't want them to have different frameworks, because, otherwise if they move to another employer, they may find they have to do different qualifications in order to work in that sub-sector.

## **Facilitator**

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David do you want to try and answer that, a second time?

## **David Way**

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Clearly that's a risk we have to manage and it's one of the responsibilities to take on if you are going to be more flexible in the qualifications framework from employers. What I would say in those situations is we would hope the core of the competencies that a person would do in what you're describing as being 'similarish', similar sectors would be broadly the same. Now if that meant that when they went to see an employer in a slightly different sub-sector there was some additional top-up training to be done, I would say that that's fine, but we do need to ensure that there is absolute portability so that the employer to whom you're arriving, you are clear about what you've done, the qualifications you've got, the employer is clear, and you're clear that the person doesn't have to start training massively from scratch, you're just doing the bit that you actually need. I think that's an inevitability of trying to manage those two tensions.

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**Facilitator**

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At the danger of this ending up as a conversation, but I do want to make sure that you feel that your question's answered, very, very quickly.

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**Stephen Poss – Financial Services Skills Council**

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It would be a situation where you'd have different frameworks in the same sub-sector. You said you'd have different frameworks for different sub-sectors. If employers design their own frameworks then we'd have a situation we'd have different frameworks in the same sub-sector. So even if you worked for the same sub-sector but went to work for a different employer you'd come across a different framework. That's the danger, and that's the point.

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**Facilitator**

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I'm not going to ask you to answer that but bear that in mind. I'm sure you're making notes. I think it's a valid point. Sheila's got a question.

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**Sheila Sturgeon – Northamptonshire Training and Development Partnership**

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We've been running a project in Northamptonshire for a couple of years to try and encourage more employers to take on 16-18 year olds. We are going to miss our target because we found it very, very difficult to persuade particularly smaller employers to employ 16-18 year olds specifically. We have legislation coming forward that will make training 16-18 year olds compulsory in the workplace if they are employed. I don't think any of us would argue against that being a good thing. We also now have adult apprenticeships widening the choice for employers as to the age group that they can employ and train individuals. I suppose my concern is, are these competing objectives where employers will have the choice of older employees to train instead of younger employees, and to avoid this what can be done specifically to support employers to employ younger people. I think they need more support. I think there is a perception of what a 16-18 year old is – hoodies comes to mind – sorry to use that phrase. It's probably wrong and there needs to be some work there, but what will the National Apprenticeship Service, the LSC do to support training providers and to support employers to get more 16-18 year olds into apprenticeships.

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**Facilitator**

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Thank you Sheila. Adrian if you could pick that up, two parts really, is there a tension between trying to attract older people and 16-18 year olds, and in any case how do you get incentives to have more 16-18 year olds?

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**Adrian Holmes**

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The adult apprenticeships in our experience are mainly delivered to people who are already employed so I don't see them as contradicting each other, or doing one rather than the other. Sixteen to 18 year old apprenticeships is very difficult getting employers. Our four core businesses have its own call centre, greatly staffed, which generates vacancies. It is difficult. It is down to branding. It is down to perception and there's no magic wand there. Maybe one of the things that we should be pushing is apprenticeships are now more successful than pre-16 schooling. You won't have seen that in any press, anything at all. There are more people successfully achieve their apprenticeship than do get five A-Cs after 11 years of schooling, so some of that sort of branding needs to be put out there as well.

Part two on that one is a lot of young people leave school and all they can see is 'get a job', 'get a job'. They only want their money on Friday to go out at the weekend. They're not interested in training. Part of what our group companies do is targeting employers where they employ 16-18 year olds who are not on training programmes, which our group has massive success on, and I

don't know what other providers do there in engaging not existing employers, but new ones where young people are employed without training.

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**Facilitator**

I'd like to come back to you Sheila in a minute but I want to move along because there's lots of hands going up. Sir?

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**David Sanderson – Derwent Training, Malton, North Yorkshire**

I'm merely concerned with the engineering sector which SMEs in the main. They do quite a lot of advanced technology for various industries. I want to be more positive about this because I welcome this apprenticeship sector we've got now. We've been working on this particular set up for the last twenty years, so to tell you the truth you've not given us a lot of new stuff. We've engaged with employers for quite some time and there are various ways of engaging with employers. What we've had is the perception to see that we've invested our money in advanced technology, because I don't think it's just about apprentices, it's about technicians as well.

We've worked in China since the year 2000 and we've worked in Germany as well, and they're not any different to what we've got. I still think we're as good, if not better, than what they're doing. I think where we're failing slightly is that the employer still sees colleges as educationalists. They see training providers as training providers, which is all about apprenticeships, and I think the way for it to go forward is for you to actually invest in capital within training providers and within colleges so that you can show employers the advanced technology, and also show the apprentices that are coming forward and schools that are coming forward, that the technology is there and engineering is not their perception as it was with dirty overalls etc. So I think you've just missed a bit of the jigsaw there by not looking at capital investment into colleges and into training providers especially.

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**Facilitator**

David, do you want to come back very quickly on that idea of capital investment?

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**David Way**

Well, very briefly, as far as colleges are concerned of course we do make a massive investment already and what the review also says is that the LSC will look at its policies with respect to extending capital into the areas that we've talked about. I met with colleagues yesterday and we hope to be able to say a bit more about that after Easter. I don't think we're going to swing from one end to another but we are looking at ways in which we can make the quality of use of new technology and workplace training improvements in that area.

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**Facilitator**

Lorna?

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**Lorna Unwin**

If we're talking about more money and investment I think we also need it in vocational educators and trainers, because where we are different to many other countries is the low level of pay. Our lecturers in our fee colleges are paid less than teachers in schools and our trainers in the private sector, I think we also need to raise their status too.

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**Facilitator**

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We've got just under 8 minutes so we'll try and get through these as quickly as we can. Remember there'll be another session. Monique?

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**Monique Botham – Sector Skills Council for the Automotive Retail Sector**

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It's been mentioned quite a lot this morning about simplifying the process for employers and yet I seem to have quite a big concern with what you're planning because, my learned colleague from a couple of the other sector skills councils mentioned it earlier, that this strategy is an England-only initiative currently. Our employers don't operate just within England, they operate within all of the UK markets, but also in an international field. My concern is, when you make references to the world class apprenticeships, we actually have a four national approach currently which we were actually moving into a position of having three nations signed up to the blueprint. We're now taking that blueprint back to only having England signed up to it. I'd just like to ask the panel what are the plans to roll this out on a country-wide UK basis.

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**Facilitator**

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Stephen would you like to kick off on that.

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**Stephen Gardner**

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We'd very much like to do that and if we go back to when there wasn't a blueprint, when the Learning and Skills Council set out the original blueprint, it was a process of setting out our vision first and then persuading the devolved administrations that they wanted to be part of that, and I think we're in exactly the same place again, and we need to show the benefits of an improved blueprint, and we'll certainly be talking to those parties to do that. I agree it would be helpful to have a UK-wide apprenticeship programme – sometimes not that politically achievable – but hopefully this time it will be.

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**Facilitator**

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Are you saying Stephen there's some resistance then to taking it out UK-wide. Why isn't it?

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**Stephen Gardner**

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I don't think we should assume that. I think we need to go through that process again of saying that this is what we are going to do with our blueprint and these are the reasons that we're going to do it, and we need to persuade the devolved administrations that that's something that they can benefit from too.

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**Facilitator**

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Monique?

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**Monique Botham – Sector Skills Council for the Automotive Retail Sector**

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The actual blueprint has ownership of both England and Wales but the actual review within the strategy was, dare I say, dictated and there was no comment actually received from Wales on the review of the apprenticeship blueprint, and yet we, as a nation, England, don't own that solely. We own that in partnership with Wales.

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**Facilitator**

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David?

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**David Way**

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That point Stephen's made (?) [1.29.02] the review was about England. It was published four weeks ago. We're implementing the review in England but the opportunity to take that across the UK will be one that we'll pursue, but it requires decisions by others other than ourselves. So I absolutely take the point that you've made and we'll have those discussions, but we're not in a position to dictate that to other countries.

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**Facilitator**

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We have a question from Rachel Lawrence.

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**Rachel Lawrence**

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I'm representing Westminster Kingsway College and one of my big concerns is funding regarding the new framework for apprenticeship through SMEs because I do have a lot of large employers, but also a lot of small employers who sometimes feel the NVQs aren't right for their organization. Now if we're going to have this new framework for the bigger employers who also have money to put forward, and smaller employers don't have that, the apprenticeships aren't going to work because the apprenticeships have been kept going by SMEs over the previous years and I just want to know what's going to be done about that.

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**Facilitator**

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Lorna do you want to start with that? You don't have to.

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**Lorna Unwin**

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No.

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**Facilitator**

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David?

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**David Way**

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Well you're very much right. The SMEs are a key part of the apprenticeship programme. There are thousands and thousands of SMEs that have one or two apprentices and it is really important that we have the right frameworks developed for them, and that will continue to be the role of sector skills councils to produce those. That doesn't change.

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**Monique (?)**

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Will there be funding available that's the major thing because if there isn't then I think SMEs will stop doing apprenticeships because they won't be able to compete with the larger companies.

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**David Way (?)**

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So is the question is there funding available for sector skills councils to develop frameworks or to fund the trainees in SMEs.

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**Monique**

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Well for SMEs to fund the training.

## **David Way (?)**

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There will continue to be funding for SMEs.

## **Facilitator**

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Thank you very much. This is going to have to be our last question.

## **Adele Dawson from South Devon College**

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Last year we started 300 young people on apprenticeships in the south Devon area and 8 out of 10 apprentices at the college do get their framework, so I think we are a quality provider. But there were 100 young people who were ready to start on an apprenticeship and there weren't enough employers ready to get on board. So I don't think it's possible to over emphasise how difficult it's going to be to get the kind of growth that you're looking for. My question is around the advice for employers. There is a plethora of agencies out there offering advice to employers. We have the LSC Skills Brokerage which you've already set up as an independent impartial service for employers. Are you going to use the Skills Brokerage to marshal this field force that you're talking about in terms of adding to those out there giving advice to employers.

## **Facilitator**

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Thank you very much. Plethora of advice for businesses: Adrian and then David.

## **Adrian Holmes**

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I can't do the LSC perspective. From mine it is really, really simple. What we need is sales not more advice and guidance. We've experienced a lot of advice and guidance with the brokers on Train to Gain that have basically not put starts on programme. I realize it's more of a service. It's not there to put level 2 starts and numeracy, literacy starts on programme. But we are getting too much advice, advice, advice. Employers are getting advice, advice, advice and surprise, surprise we are, between us, massively under-performing such as on Train to Gain. We need sales, sales, sales. Not another advice service.

## **David Way**

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Two points, firstly your story about the 100 people for whom you can't find employer opportunities demonstrates why we've all been saying we've got to really work hard on the employer side of things to increase the supply of apprenticeships, so that it reinforces that.

As far as the 'are we going to make use of the brokering system'. Absolutely. Yes. When we've designed the National Apprenticeship Service, remember we're still trying to design the operational details of that, what we're looking at is what already exists and how can the National Apprenticeship Service add value: not displace what's already there, not displace the activities that providers are already taking, the activities that skills brokers are already funding, not having another group of people knocking on employers' doors, unwanted. This is about adding value to the existing brokerage. What they will be is expertise that sits behind the Skills Brokerage Service which absolutely goes to the point I was making about converting potential interest into real interest for those difficult cases, that without that additional specialist intensive intervention will not end up in an opportunity, it will end up with the employer walking away saying: 'It was too difficult. I tried. I've washed my hands of it.'

So that's what it's for, it's about added value, not displacement of what's already there. We can't afford to displace that we've got to grow, not substitute.

**Facilitator**

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Thank you very much. Adrian, Lorna, David and Stephen thank you all for your time. That wraps it up for this discussion session. There is another one after the break.