

## SELECT COMMITTEE - APPRENTICESHIPS

MINUTES of a meeting of the Select Committee - Apprenticeships held in the Medway Room, Sessions House, County Hall, Maidstone on Thursday, 10 January 2013.

PRESENT: Mr K Smith (Chairman), Mr R H Bird, Mr A R Chell, Mr L Christie, Mr D A Hirst and Mr R J Lees

IN ATTENDANCE: Ms D Fitch (Assistant Democratic Services Manager), Miss T A Grayell (Democratic Services Officer), Mr G Romagnuolo (Policy Overview Research Officer) and Mr S Shrimpton (Research Analyst)

### UNRESTRICTED ITEMS

#### **8. Interview with Sue Dunn, Head of Skills and Employability Service, and Richard Little, Skills and Employability Manager, KCC Skills and Employability Team** *(Item 1)*

(1) The Chairman welcomed Sue Dunn and Richard Little to the meeting.

(2) Sue set out the context of the County Councils work on Apprenticeships. Apprenticeships had been a priority for the County Council over the past 6 years. Kent was seen as being in the forefront of work and innovation in relation to the Apprenticeship agenda. This built on the work carried out by colleagues in Customer and Communities prior to this work moving to the Education Directorate. Sue referred to the Richard review of Apprenticeships and the changing funding for post 16 year olds giving employers more say in how the funding is used if the 10 recommendations from the review get adopted unchanged. The Skills and Employability Service (S & E service) was established on 1<sup>st</sup> April 2012 and came into effect on 1<sup>st</sup> September 2012. The Service brought together all of the Councils services in this area, including all of the work with employers as part of the One Council approach.

(3) Sue stated the Team had very strong links with the Economic Development and Regeneration Teams. The Employability and Skills Team consisted of 30 officers. She informed the Committee that the 14 to 24 Strategy was just about to be published once it had been approved by Cabinet.

(4) Sue stated that the role of the Local Authority in relation to education was changing daily and therefore they had a different role to play in the skills agenda which was identified within the 14 to 24 Strategy. She set out the 4 strands with the Strategy:

- i) working with schools and colleges agenda
- ii) looking at the training offer, within that sits vocational centres and apprenticeships.

iii) participation and employability – setting out what the learner journey looks like and where it takes young people. In relation to Higher and Further Education consideration need to be given to the employability of 18 year olds. A question to be asked of schools in relation to post 16 year olds is how many have good employment opportunities at 18. There is also a significant unemployment issue for graduates.

iv) Vulnerable Learners was a key area of the County Council's work. These young people often need a bespoke programme. Officers were working with groups at the moment looking at employment profiles of young people who were vulnerable in order to take them into assisted employment.

**NB - Committee to be supplied with copies of the 14 – 24 Strategy.**

(5) Sue stated that in terms of the work of the Select Committee she referred to the evidence from the work that has been carried out by District Councils to support apprenticeships in their area. District Councils, such as Swale and Shepway, have been active in their areas re apprenticeships and they have established good links to local employers. It was important for the Committee to talk to schools and training providers and get positive feedback on how to deliver on challenging targets. An example of one of these targets is to reduce unemployment in the 18 – 24 age range by 4000 by 2015(?) This was a tough target, although some youth unemployment was on a downward trend.

***Question – A Member expressed disappointment in the lack of involvement of a couple of schools that he was aware of with apprenticeships and asked where there were barriers or disadvantages for schools in relation to apprenticeships.***

(6) Sue replied that there was the issue of competition for learner numbers, the more young people that a school had the more funding they received. She referred to the seismic shift that was going to take place in relation to careers guidance for young people. From September 2013 schools would be responsible for providing impartial careers guidance; this should include apprenticeships or jobs with training. She explained that the S & E Team had 6 dedicated officers who would be raising the profile of these options with schools. There were currently 33 Secondary Schools employing apprentices in Kent and they had a target of 50% of all schools including Primary Schools employing an apprentice. A big piece of work for the Team was to make sure that young people got the advice and guidance that they needed to make informed choices.

***Question – I thought that I knew what an apprenticeship was. Doug Richards had said that an apprenticeship was only an apprenticeship if there was a job at the end of it, otherwise it was just work experience. What is the definition of an apprenticeship?***

(7) Sue said that she was clear that the definition of an apprentice was someone on the payroll. Work experience was not an apprenticeship.

***Question – if there is not a job at the end is it an apprenticeship.***

(8) Sue stated that what had been announced nationally that morning was traineeships, which included making sure that young people had an adequate skills

including a certain level of English and maths to enable them to access an apprenticeship.

**Chairman – throughout our discussions we will consider possible areas for recommendation, one issue emerging is that of the potential gap in information, advice and guidance, it is important to get to the bottom of this and if necessary have a firm recommendation to help resolve this.**

(9) Sue stated that apprenticeships were currently closely linked to youth employment but previously they had also been about ensuring that there is a qualified workforce for the future. It was also about high quality training programmes for example British Aerospace's apprenticeship programmes produces some of the more highly training aerospace engineers in the world.

***Q – I have spoken to two Further Education colleges and an issue is that schools are desperate to retain pupils. However, schools do not generally have the critical mass of pupils or staff for apprenticeship training - is this the case?***

(10) Sue stated that she was not aware of any schools that ran apprenticeship programmes with the exception of Sittingbourne Community College. Any school wishing to run an apprenticeship programme would have to do it in partnership with a training provider. It is more likely that schools would be running vocational courses.

***Chairman – need to look at who is doing what , are they doing it well, are they the best ones to be doing this. It is important that students are clear about this and know where to go.***

(11) Sue identified 5 key strands to the work of the S & E service:

- i) the vulnerable learner project
- ii) issue of career advisors for 16 - 18 year olds
- iii) 18+ Kent EmployMent Programme – which was a grant for employers who took on a young person who had been unemployed for 3 month.
- iv) make sure that the County Council demonstrated best practise in relation to work experience, apprenticeships etc.
- v) graduate programme – there had been positive feedback from universities. 100 employment opportunities have been identified for Kent graduates.

Under the banner of Kent Jobs for Kent Young People there were two key pieces of work which were (i) work with 16 to 24 year olds and (ii) work with employers.

**(12) Richard Little provided statistics around five areas of S & E service work. He undertook to provide these statistics and more importantly the figures behind them for the Committee.**

(13) Richard stated that there was a dedicated officer for each of the five strands identified above by Sue.

(14) In relation to apprenticeships within the County Council, Richard stated that this was a challenge as, although there was a mandate for the number of apprenticeships that there should be across the Council but these depended on the

Head of Service deciding that their area of work would benefit from an apprentice. He believed that it would be better if there was a mandate requiring every Directorate to have apprenticeships at different levels, and especially at the higher levels. He referred to District Councils who had apprenticeships targets, it was important to talk to them about how best to support local apprenticeships.

***Question – Are there any jobs at the end of the apprenticeship for KCC apprentices?***

(15) Richard replied that all KR1 to 3 posts at KCC should be filled by apprentices. The team were working to embed the view that there should be KR5/ KR7 and higher jobs open to apprenticeships. He stated that the number of high level apprenticeships in Kent was low.

(16) Sue explained that there was a need for a cultural shift in KCC. Training apprentices added value over a period of time, it was not about a 6 to 9 month placement, it was about talent spotting and succession planning.

***Question – what types of job do we offer apprentices?***

(17) Richard replied that it was mainly business administration, although there were also a raft of other apprenticeships in Highways. The organisation and development team in KCC were identifying the entry points for apprentices.

***Question – How do young people access apprenticeships?***

***Charman – KCC has a role;***

***1) We as organisation want to set up a collection of apprenticeships so that we can set the standard for best practise for other employers in Kent. But how far have we got with this?***

***2) We should set an example which can then spread to District Councils and the NHS***

***We need to see all the figures and identify the gaps.***

(18) Richard highlighted two points regarding his role:

i) support small businesses, the team were the main point of contact for businesses under 100 employees

ii) advisory role to young people and parents – signposting role and via the Kent Association of Training Organisations (KATO) whose role was impartially to give best advice to young people and businesses.

(19) Richard stated that there were two options, one was to be an exemplar of best practise and the other was to use short cuts to get people into employment as quickly as possible. He believed that KCC should be the former of these and should always aim to show best practise.

(20) Richard reported the **headline statistics for apprenticeships in Kent** and was asked to **supply these, and the numbers on which they were based to the Committee.**

(21) In relation to vulnerable learners, Richard stated that officers had met with other agencies in Kent that worked to get vulnerable learners into apprenticeships. He also wanted to promote apprenticeship opportunities within primary schools, the teaching assistant role lent itself to an apprenticeship. This was being promoted via Head Teacher's breakfast meetings.

**Chairman – we need as a committee to have a paragraph in our report on vulnerable learners.**

**Question – How do you work with small businesses, my experience of trying contacting you when we have had vacancies but we have not got anywhere. Also how do you go about matching the potential apprentice to a vacancy?**

(22) Richard stated that colleagues would be coming to the Committee to talk about the details of their work. When the workstream had moved from Customer and Communities there had been a number of communication streams for employers, which was not helpful. Now that they were all within the brand "Kent Jobs for Kent Young People" they were in one place with one website and they were in the process of developing a number of resources with Corporate Communications. The Leader had drafted a letter to be sent to business and schools highlighted the new Kent Jobs for Kent Young People.

(23) Sue stated that in relation to the process for matching young people to apprenticeships, her team had been involved in the Kent Employment Programme for 18 year olds who had been out of work for 3 months. The scheme was dependant on the quality of the young people put forward by Job Centre Plus, however the preparedness for the work place of these young people had not been good. Sue has had to go back to Job Centre Plus and say that we cannot put the paperwork from these young people before employers. A key question is whether Job Centre Plus have the right staff to work with young people, this depended on the Job Centre and the manager. At the moment we have more pledges from employers than we have young people to put forward. Sue gave the example of an ICT Web design apprenticeship opportunity at Level 3 where Job Centre Plus had only put forward one applicant. Part of KCC's role in the programme was to quality assure the applications coming forward before they were submitted to the employer. She acknowledged that there was work to be done with Job Centre Plus to improve the pre employment support for young people.

**Q – What issues does the Committee need to needs to address?**

(24) Richard stated that there was a huge partnership network via KATO. We have our own partnership group including Job Centre Plus, National Apprenticeship Service etc. The Kent Strategic Forum and Colleges have development meetings. We work together with District Councils. Another partner in this is the Kent Youth County Council, they tell us how important apprenticeships are to them and they can be good advocates for them.

**Chairman – this session has pulled together quite a few issues including:**

- the importance of Information, Guidance and Advice
- SME's how to engage them with apprenticeships to foster their growth.
- Job Centre Plus and consistency/quality of applicant for apprenticeships
- Opportunities for vulnerable young people

## **9. Interview with Jon Thorn, Head of Business Development, National Apprenticeships Service (NAS)**

*(Item 2)*

(1) The Chairman welcomed Jon Thorn to the meeting and invited him to give his presentation and answer questions from Members.

(2) Jon provided some background about the NAS. The NAS is a Government Agency which works closely with the SFA who manage the apprenticeship funding on NAS' behalf. The NAS has 320 staff nationally and operates through 4 divisions. Within the division the functions are organised into two main strands; Business Development and Employer Accounts team to support employers to take on apprenticeships. In addition there is a dedicated team of experts to support small employers which support all divisions. The organisation also offers a web-based apprenticeship vacancy system which advertises all new apprenticeship vacancies. The system allows for applications to be made directly for the vacancies contained within.

(3) Jon confirmed that all new apprenticeships should go onto the NAS website unless the employers specifically state otherwise.

### ***Q – Is there a link to the KCC Apprenticeships website on the NAS website?***

(4) Jon replied that KCC had a separate website for vacancies but it linked to the vacancies posted on the NAS website. Vacancies could be advertised in more than one place but NAS wanted to make sure that publicly funded apprenticeship opportunities are advertised on their site as far as possible.

### ***Q – Further education colleges have their own recruitment system would they be expect to have their vacancies on this website?***

(5) Jon stated that he would expect to see these vacancies on the NAS website. He explained that any employers who made contact via the NAS website would be party to a conversation on business needs and how this could be supported by an apprentice, the scale of the opportunity would also be explored e.g. whether there could be more than one apprentice. Impartial advice would also be give to the employer on training providers. Where an employer was recruiting to a new post the training provider would manage the vacancy on behalf of the employer.

In a nutshell the journey can be seen as a 5 step process. NAS' dedicated employer team, including SME specialists, will guide employers through a simple five-step process to hiring an apprentice:

1. Define an employer's requirements with an expert Apprenticeship adviser.
2. Discuss the right training provider, Apprenticeship programme and confirm funding.

3. Determine the number of apprentice(s) an employer requires.
4. Drive recruitment applications through the free Apprenticeship vacancies service.
5. Decide on the right person and the apprentice starts

***Q – What level of contact do you have with SME's?***

(6) NAS has a dedicated Small Business Team in each division that works directly with SME's. The team has a growing contact with small employers but it is important that NAS added value and did not duplicate the work of others in this area. Overall 8% of active SME's in Kent, currently employ an Apprentice.

***Presentation***

(7) The Chairman invited Jon to give his presentation (copy attached) and to answer questions on it.

(8) The first slide set out the requirements of the apprenticeship framework. All apprentices were required to have a contract of employment. There may be other quality programmes run by businesses and providers which call themselves apprenticeships but are not recognised as government funded apprenticeships. Employers were crucial to successful apprenticeships, the design of apprenticeships flowed from input from each sector with the job role defined by employers and national standards. The purpose of an apprenticeship was to gain real and relevant experience in the job and also acquire the associated theoretical knowledge. An apprentice must be able to undertake a full range of duties in a confident and competent manner. There were 250 apprenticeship frameworks that covered over 1,400 job roles.

The Chair commented that the Richard Review had suggested that there are too many frameworks

(9) In relation to the graph illustrating Kent Apprenticeship success rates by District, Jon explained that the information was based on the residency of the apprentice not where there were employed or trained.

***Q – Is it possible to see where these three things overlap (residency, employment, training)?***

(10) Jon stated that Tony Allen, who was meeting with the Committee the following day, would be able to tell them more about this. He stated that the number of Training Providers who supported Kent residents in apprenticeships ran to 300. Although he understood that the home location of the Training Provider was important to the Committee, what was important to the NAS was that the training was the best available for the Employer and apprentice. He pointed out that there was some niche training for certain apprenticeships which might be undertaken at a residential centre outside of Kent.

(11) Jon referred to the slides and stated that success rates were one measure available of the quality of apprenticeships. Back in 2001/02 at least a quarter of

apprentices completed all parts of their apprenticeship. The latest public data available for 2010/11 indicated that over three quarters of apprentices completed their apprenticeship successfully. This success was mirrored in Kent. In 2008/09 the number of Kent residents being successful in their apprenticeship was above the national average. However, this had fallen slightly below the national average in 2010/11. The success rates were consistent across Kent Districts, the differences were more by sector or employer.

(12) Jon explained that employers who have had a bad experience with apprenticeships previously needed to be re-engaged. It was important to get the message across to them that the apprenticeship programme today is different to the one 10 years ago.

***Q – What has changed to turn this around in 10 years?***

(13) Jon explained that there had been a number of changes that had improved the success rate for apprentices. NAS and the Skills Funding Agency did not exist in 2001, there was now more rigour about who they contracted with and funded. Also the quality and inspection regime had changed over the 10 year period.

***Q – If an apprentice successful completes a level 2 qualification is there the opportunity for them to progress to a level 3 qualification?***

(14) Jon stated there was a drive to increase the number of young people and adults getting qualifications at Level 3 or higher. The apprenticeship training related to the job, the apprentice had to have the opportunity to develop to the appropriate level. Level 3 was technical based or supervisory which was more appropriate as the young person/adult moves up through an organisation. The NAS were working to encourage employers to move their employees through to Level 3, which benefited the individual and the employers business. Jon referred to the slide which set out some of the benefits of having an apprentice which had been reported to NAS by employers these included a reduction in staff turnover, savings in recruitment costs, talent management and a cost effective way to grow their business.

(15) Regarding the benefits of an apprenticeship to individuals, the key point was obtaining employment after completing an apprenticeship, 85% of apprentices who had successfully completed their apprenticeship remained in employment (a further 4% move into self employment) and of the remainder some went onto further or higher education with a small number returning to the ranks of the unemployed.

(16) Jon stated that the NAS encouraged employers to give apprentices permanent contracts the same as other members of their workforce. This was the starting point of NAS's discussions with employers. If employers were not able to offer permanent contracts, it was possible for them to offer fixed term contracts and on the completion of the apprenticeship NAS hoped that the apprentice was taken onto the permanent staff. NAS promoted employers treating apprentices as equal to other employees.

(17) Jon explained that the National Audit Office had audited apprenticeships and had found that for every £1 invested a return of £19 was generated, which demonstrated that apprenticeships were good value for money. Apprenticeships had expanded across all age groups. The training was inspected by Ofsted who confirmed that the learning was of a good quality.



**Q – Are apprentices predominately young people?**

(18) Jon agreed to **provide figures** on this – of the 10,868 apprentice starts in 2011/12 (Provisional Data):

Just less than 2696 were 16 – 18 year olds  
3385 were 19 -24 year olds  
4787 were 25+ year olds.

Putting this in context – the number of 16 -18 year olds in Kent in apprenticeships had grown from 2010/11 to 2011/12 by 15%; which represented 357 individuals. This was a large percentage growth and bucked the national trend.

(19) Referring to the slide “The continuous improving journey” Jon stated that from January 2011 the Specification of Apprenticeships Standards for England (SASE) set out the requirements for an apprenticeship including guidelines on learning hours, which had to be away from the pressures of the job but could be in the workplace. From April 2011 all apprentices had to be employed. From August 2012 apprenticeships for 16 – 18 year olds had to be of a minimum duration of 12 months.

(20) Jon set out the key drivers for the next 12 months which were:

- To ensure that employers were at the heart of the apprenticeship programme.
- Wider changes regarding how funding flowed for apprenticeships.
- The Richard Review recommendations – seismic shift in the way that employers own the system over the next 5 years.

(21) Jon referred to the apprenticeship grant for 16 -18 year olds introduced in April 2012. Employers who had not had an apprentice over the past 12 months were eligible for a grant of £1,500 in addition to the funding available towards training. Apprentices at the end of their apprenticeship should have developed English and maths skills to the level required in the apprenticeship framework with a ambition that Apprentices have the option of achieving level 2 function skills. Overall Providers had greater flexibility as to how they operated, It should not be a prescriptive system but should be employer led and market driven. One of the other key drivers was the possible outcomes of the Heseltine Review “No stone left unturned” and the impact of this on apprenticeships. There was also the Richards Review and the response to the BIS Select Committee. A discussion paper was being published this month on Traineeships, to give young people pre apprenticeship training, including the delivery of functional skills for the workplace.

***Chairman – the reports by Wolf, Holt, Richard, Heseltine were very recent. We want to try to look to the future, what do you think apprenticeships will look like in 5 years time?***

(22) Jon reminded the Committee that NAS was a government agency and in relation to Richard Review there was a lot that the Government welcomed in it but that no formal response would be made until the Spring.. In relation to the broad policy direction for the apprenticeship programme, there was a drive for greater employer ownership of the programme. Richard said that there are too many

apprenticeship frameworks and questioned whether some of these had been created for the benefit of employers. In 5 years time I would anticipate employers remaining at the heart of apprenticeships. Regarding training the Government will be considering the way that the funding flows regarding the tax system. Currently Employers could own the system in a number of ways, they could become contracted agents with the same requirements in relation to the framework, as Training providers. We have a contract with 65 national companies for example BT who manage their own programme and draw down funding for it. Key drivers:

- Move towards higher level qualifications which provide an economic return for the individual and the employer. Over the last year £25m had been invested in the development of new frameworks at Level 4 and above. Prior to the fund there were 8 occupational areas that had frameworks at Level 4 or above.
- NAS was now in a position to work with employers and professional bodies to develop 30 new frameworks. It was anticipated that 20,000 higher apprenticeships would be delivered through the initial pilots, which would mean that employers and young people in Kent were able to access apprenticeships in sectors and job roles not available before, for example, taxation, audit, Public Relations, Human Resources, Project Management, Engineering etc.
- A challenge is the growing demand for apprentices by employers in the Kent area and the capacity of the provider base to deliver these new opportunities. There was a need for employers, candidates and training providers at that level.
- Information, Advice and Guidance (IAG) – the statutory change in the provision of IAG placing the duty on schools. NAS has never had statutory responsibility for IAG but it is important to us in relation to raising awareness, aspirations and ultimately growing apprenticeships. NAS supported KATO to establish the Apprenticeships Ambassadors Network, where organisations can go into schools to give advice on apprenticeships opportunities a service any school could draw upon to provide information to young people.

***Q – Do you also use ex apprentices to raise awareness of apprenticeships?***

(23) Jon confirmed that the best advocates of apprenticeships were ex apprentices and real life employer case studies to encourage others. The Director of NAS had written to all schools in Kent to set out the resources that were available including the Apprenticeship Ambassadors Network. Apprenticeships were operating in a market place and there were vested interests in that market. Jon stated that he would like KCC to use its influence with schools. The raising of the participation age could be a risk but also an opportunity. There was anecdotal evidence of RPA being referred to as raising school leaving age and that apprenticeships (and other vocational routes) not being promoted within schools, when in fact apprenticeships should be part of the solution for young people. NAS took any opportunity to talk to Head Teachers and had recently done (November 2012). **Jon undertook to supply a copy of the talk that had been given to Head Teachers last year.**

***Q – Is there a need for a recommendation to Ofsted.***

(24) Jon replied that the new IAG requirements would form part of the inspection for schools from this year onwards. It was also one of the Ofsted thematic reviews

for 2013. Ofsted were one key driver in ensuring that IAG was delivered by schools impartially.

***Chairman – Increasing role of employers, difficult to identify a group for us to talk to. Employers need IAG as they are expected to lead on apprenticeships.***

(25) Jon confirmed that the majority of NAS staff were focused on employer engagement. As an agency of Government, NAS had obtained the approval of the Cabinet Office for marketing to employers in 2011/12. In Kent over the next year we plan to contact 9400 SMEs not currently engaged in Apprenticeships via direct mail and telemarketing. In addition we are also targeting those employers jointly identified by KCC and NAS as having potential to engage or grow further their existing apprenticeship programme.. These businesses are being targeted through a joint letter from Paul Carter and Vic Grimes, to encourage engagement and to explain how the NAS and KCC could support them via apprenticeships to grow their business. This work is alongside the work of Sue Dunn and her colleagues. The focus is to engage businesses on the economic benefits for their business of supporting an apprenticeship as well as the social responsibility element alongside it.

***Q – What are the funding arrangements via the apprenticeship package?***

(26) Jon explained that nationally there was funding for training of £1.5b this year, the focus was on fully funding 16 – 18 year olds with a contribution for 19 -24 year olds of 50% and a further reduction for over 25 year olds, Training Providers working with Employers with more than 1,000 employees, were subjected to an additional reduction of 25%, if the Apprentice was over the age of 19. . The flow of money was from the government to the Education Funding Agency and Skills Funding Agency directed by NAS to training providers and colleges, this was not paid until employment had started. 75% was paid during the course with the remaining 25% paid on achievement of the course. The 75% was paid on a monthly basis, i.e. for an apprenticeship of 18 months there would be 18 monthly payments. The employer was responsible for paying the apprentices' wages which averaged around £200 a week, the national minimum wage for apprentices was £2.65 an hour, but NAS encouraged employers to pay the going rate to get the best people. Eligible Employers were paid a grant of £1,500 per apprentice which was paid after 13 weeks after they started employment, the employers could use this grant in different ways, this had been extended until March 2014.

***Q – What can the KCC team do to improve apprenticeships?***

(27) Jon stated there was work to be undertaken to grow apprenticeships within the procurement and supply chain. Some work had already taken place with Schools and Highways contracts but KCC buys £850m of services on an annual basis, for every £1m KCC should expect one apprenticeship. NAS can work closely with KCC on the engagement of new employers with over 100 employees. Also there is work to be done to ensure that Economic Development/ inward investment intelligence is shared with training providers are aware of inward investment opportunities so that they can be confident and invest their money in growing their capability to deliver the skills and training these new businesses require.. Training providers are relatively risk adverse, and tend to deliver the 'generic options'. Jon stated that in order to generate higher level apprenticeships there was a need to encourage training providers to invest in order to support business such as those needed in the science parks. Although the

jobs may not be there now there was still a need to make sure that there were the training providers ready on the ground who could respond.

***Q – The thrust of NAS work seems to be with the private rather than the public sector is that the case?***

(28) Jon explained that historically the public sector has lagged in terms of the numbers of Apprentices but that NAS and partners had put a lot of resources in to encouraging apprenticeships across the public and third sector.

***Chairman – I would welcome a “Chatham house” rules exchange with you***

(29) Jon stated that he believed that he had given a fair reflection of his views. He would be happy to participate in another session with the Committee particularly in helping shape any recommendations to ensure they could take account and build upon existing activity where appropriate.

(30) The Chairman thanked Jon for his presentation and for helping the Committee with its work.

## **10. Interview with Peter Hobbs, Chief Executive, Kent Channel Chamber of Commerce** *(Item 3)*

**Please introduce yourself and outline the roles and responsibilities that your post involves.**

I am the Chief Executive of the Kent Channel Chamber of Commerce, which has existed since 1899. The Chamber covers East Kent (Thanet, Dover and Shepway) which includes many areas of deprivation. We work with businesses of all types, across all sectors. 97% of East Kent's businesses are micro-businesses.

I have worked with the Chamber since 1999. Like Jon Thorn and Vic Grimes from the National Apprenticeships Service (NAS), I also used to work at SOLOTEC (South London Training & Enterprise Centre). Our Chamber is accredited to a national network of the British Chambers of Commerce (BCC), and they champion business issues from the ground up.

Kent Channel Chamber works closely with other Chambers across the South East and a few years ago these Chambers met up with the NAS to work with and promote Apprenticeships to employers in the South East. The key questions we asked were how we could help to promote Apprenticeships, and what funds were available to support and market the programme. Unfortunately NAS had no government funds available for marketing and had invested in their own personnel who were responsible largely for visiting only the larger employers across the South East.

In my 13 years' experience in the Channel Chamber, I am privileged to have close links to schools and FE colleges in the area, as well as JobCentre Plus, training providers, the voluntary and community sectors and the careers service. I also have key links with the County Council and District Councils, whose Economic Development departments also have an interest in promoting the Apprenticeships programme. The Chamber of Commerce is at the centre of this apprenticeship

network and has long-term, sustainable relationships with all the other organisations listed above.

As I have said, the majority of businesses in Kent employ fewer than 5 people each, and they are the least involved with the Apprenticeships programme.

Each Apprentice costs the Government several thousands of pounds a year, but how much of the 'delivery' costs go to the employer who is taking on the Apprentice? Perhaps the model is wrong. We must seek to change and improve the model so the employer becomes the driving force. Until this happens, Apprenticeships will not be an integral part of the businesses' training and development plans but need to be. The Government and the KCC need to rethink how to achieve a more effective Apprenticeships programme, one that is tailored to the majority of local businesses – micro- businesses.

Up to five or six years ago, businesses in Kent were generally doing well, but now the recession has taken hold, many employers in East Kent are facing severe challenges. Many have had to amend their business Plans and I think we too need to change the 'apprenticeship' model to get employers on board.

I recall the Apprenticeships programme of the 60's/70's. Employers were very proud of this programme, to run it and own the outputs. They would benefit by gaining long-term employees from people who had originally joined as part of the Apprenticeships programme. By contrast, ownership of the new Apprenticeships programme appears to be in the public sector, and the employer is merely asked to help deliver it for a defined period.

**When a Chamber of Commerce is in an area in which there are logistical difficulties in setting up business, it needs to be in a position to make the best use of the openings for Apprentices which are available. When a company has a vacancy which it is seeking to fill, it becomes useful to an Apprenticeships scheme, and to capitalise on this moment, good communication is vital. I see that it would be difficult sometimes to have a good dialogue and make the most of an opportunity for a young person, do you?**

Yes, I can see that it could be. For example, in Shepway, there are 7 Secondary Schools, including 2 Academies, and we had hoped they would collaborate on work experience programmes and their links to employers to organise work experience for their students, but sadly this doesn't seem to be happening. It makes good economic and marketing sense to have local, co-ordinated district-wide work experience programmes. It avoids duplication of effort, more businesses can be targeted and they will come to value the work experience programme as a pre-cursor to recruit new staff.

**The Richard report recommends that 'employers should be given purchasing power'. How would this support employers?**

None of the NAS funds for delivering an Apprentice go to the employer. Surely if you wish the employer to drive the programme forward, he should be given the responsibility for this AND a share of the funds so that the 'training' can become an integral part of the employers activity. An employer needs to gain some financial benefit from taking on an Apprentice, and needs to own their own training programme. Unfortunately, due to the plethora of free government training schemes over the past 20 years, many small employers no longer feel that they are

responsible for training their workforce, but they need to accept this responsibility and own their training function. Conversely, many of the area's larger employers do still run their own internal training function, but fail to value the Government's Apprenticeships programme. Whilst I applaud the current cash incentives for taking on an Apprentice, it is not persuading employers to change their philosophy and may be encouraging many employers to continue paying the lowest possible wage.

**Has the Government's aim been lost in translation to employers? How do you see the system running in 5 years' time? We say 'the employer is king' and should do their own training, but some SMEs are too small to manage training. Is there a role for training organisations to deliver their training for them? The Richard report suggests that money should go direct to employers and/or be in the form of a tax rebate. This hopes to spread the ethos that businesses need a skilled workforce.**

In the current economic climate, employers are generally recruiting less. However, this makes it more important that we link up to those who are recruiting, to optimise the scope for promoting Apprenticeships. The nature of many SME jobs is different from what it was 20 years ago. Many employers do not understand what Apprenticeships could mean to them. The only message employers are getting about Apprenticeships is what they are being told by FE colleges and training providers, who are each aiming to sell their services.

**There are gaps in knowledge and gaps in communication, especially with the large number of SMEs in Kent.**

The Expansion East Kent (EEK) initiative has been very valuable and there is some £25m of this funding left to support SMEs in East Kent. Employers who are seeking to benefit from EEK funds have to demonstrate that they will take on additional staff. The potential of the EEK programme to benefit the Apprenticeships agenda has not yet been fully realised. There are 520 employers who have applied to the EEK scheme, and this gives an ideal opportunity to talk to them, sell them the Apprenticeships programme and tell them the benefits that Apprentices could bring to them.

**The fact that there is £25m left of EEK funding concerns me.**

My concern is more about the difficulties of supporting more employers successfully through the programme. Whether or not they benefit by getting growth funding, they are declaring an intention to expand their business and will still have potential to take on Apprentices. I have noticed the attitude of employers and job centres change in the last three years as the recession has taken hold. The Apprenticeships programme fits into the benefits that the EEK loan can offer to employers.

Shepway is a good example of a district that has managed to promote the Apprenticeship programme to local employers after it became apparent that very few local businesses were engaged. Shepway District Council has funded an incentive programme to improve this by engaging and collaborating with local employers to bring them on board. Being able to offer them £1,500 per Apprentice and a support officer helped this.

**Can you identify two or three specific things that could be done to help create the right environment to increase Apprenticeships?**

Engaging schools is a prime example. Schools do not appear to promote or deliver Apprenticeships as there has been no financial support for them to do this. Schools

are an obvious place in which to engage young people about linking to the world of work and the local business community. The careers advice service also needs to engage more with Apprenticeships. Many young people still leave school having no idea about the world of work and what they could do or want to do. The FE colleges appear to have adopted that role of preparing young people for employment and help them develop a work ethic and employment skills.

### **How should employers engage with schools to promote Apprenticeships?**

I would recommend that this is linked directly to work experience schemes. SMEs and larger companies are happy to give work experience to schools. This can be either for one day a week or for a longer period, which gives a student a more realistic picture of the work and is mutually beneficial for employer and student as they can build more of a relationship, include further training and develop a possible future career path. It gives a young person the chance to get started and see what work they like. Any school which currently offers no work experience should work on a flexible work experience programme which could lead to Apprenticeships.

What is most needed is a local model in which key organisations across a district can work on an agenda to get the local business community to understand the value of Apprenticeships and workplace skills. Once you make links you get information and can start to move forward (eg by finding out the size of the challenge in your area – ie how few Apprentices are there).

### **Has a lack of marketing contributed to the challenge?**

Yes, partly. We now need to increase marketing nationally and locally

### **Is the first need to stimulate *any* activity? Does the KCC respond to need, getting involved when a company is ready to recruit? Can the KCC do this?**

SMEs' recruitment could be partly low level, requiring minimal training, in jobs in which there are low expectations of staff, while in other jobs more is expected. We need to consider what the Apprenticeships programme offers to SMEs, and whether it is in danger of becoming just a ground-level training programme for employers.

### **There is an example I can give: a friend running an engineering company added value to his business by taking on Apprentices, thus proving the value of employing young people. We need to cultivate this ethos and spread it.**

Yes, we seek to increase numbers of Apprentices but it's not just about increasing numbers but adding value. We need to show businesses that taking on Apprentices can add value and drive forward a business.

### **I think the age of their workforce is a major factor in influencing employers to take on Apprentices.**

Yes, I know several businesses in which most or all of the workforce are older people, with several nearing retirement. They are realising that they need some young people!

### **Are some people still hung up on the view that Apprenticeships are all about engineering and plumbing?**

The Government has sought to change this attitude in the last few years, but many employers still perpetuate this idea – that's the nature of the business community. We need to think about how we can help them to see the value of Apprenticeships.

**Can you comment on employers' attitudes to training? Successful business people know that good training is good business practice. How do we spread this message?**

You can't separate Apprenticeships and training; they have to go together. Local partners can start off this agenda, and we can start to use these businesses as models of good practice to encourage others. Where we can make connections, we can pick up the issue and start to address how we can improve it.

**We have to address and seek to change entrenched views.**

Yes, we need to galvanise a dispirited business community and show them what they could do, just by collaborating locally and making the best use of resources. We could use some models which are working well elsewhere across the UK. For example, there are some good Apprenticeships models working in North East England which we could learn from and copy.

**Summing up, it seems that the Select Committee needs to look at Apprenticeships in context, and where they fit with the growth agenda, and for any business to offer training and take on Apprentices, they have to be making some money, and many aren't in the current economic climate.**

**11. Interview with Lindsay Jardine, Director of Operations, Kent Association of Training Organisations (KATO)**  
*(Item 4)*

**Please introduce yourself and outline the roles and responsibilities that your post involves.**

I am the Director of Operations at KATO, which is a network of training providers across Kent and Medway which includes providers from 6 FE colleges. 30 of our training providers deliver Apprenticeships. KATO seeks to support providers and works with the National Apprenticeships Service (NAS), Skills Funding Agency, Local Authorities, Education Funding Agency, Chambers of Commerce, the Federation of Small Businesses, JobCentre Plus and schools. KATO provides a voice for providers to influence change at local, regional and national levels. KATO's main focus is working to support the Apprenticeship Agenda of national government, reduce NEET and support growth and a skilled work force in Kent.

It's been very useful to hear what previous speakers in this session have said. I have taken some good notes! To respond to points made by Peter Hobbs: firstly, the key point of the reports by the Holt review, Heseltine and Richard is that young people need to have employability skills and good quality information, advice and guidance (IAG), and secondly, Peter seems to be saying that training providers are too well-rewarded. Training providers don't get as much funding as Peter indicated – it's about £3,000 to £4,000 per 16–18-year-old and £1,500 to £2,000 per 19-year-old. If you used the example of an Apprenticeship in Business Admin or Customer Services, of course, the other end of the scale for engineering is substantially higher but the programme takes considerably longer.

While employers don't seem to get much obvious financial reward, they do gain a young person who can benefit their organisation and business and become a valued member of staff and potential manager of the future. A good Apprenticeship provider will work with an employer to get a placement right to meet the employer's need. There are three types of Apprenticeships – intermediate, advanced and higher, which



will link to and lead to professional qualifications. Many people do not recognise this range, so we need to emphasise this and promote it more effectively.

Apprenticeships for 16-18 year olds must last for a minimum of a year, but in many cases for longer periods of up to four years. It is a considerable commitment for any employer to take on, and therefore it is always encouraged that employers sustain the individual in employment afterwards.

*Peter Davies (NAS) - Funding depends on the age group of the Apprentice. I can supply the Committee with some figures.*

**We do need to be clear of the figures involved. This would be a good question to ask the Skills Funding Agency.**

*Peter Davies (NAS) - You'd need to find a global figure.*

KATO's network is smaller, so we will give the select Committee some figures as well.

**The Select Committee would need to be able to see the costs of Apprenticeships against the effectiveness of them. The economics of the picture are important – eg the increased earning potential that someone will have from starting in a good Apprenticeship, the tax benefits the country will get from this, etc.**

Kent is in an unusual position as it is unique for a local authority to work so closely with the NAS. It seems to be promoting a 'one stop shop', which is something KATO definitely isn't. We don't take referrals for Apprenticeships as others have this role. Our role is to support training providers. We like to keep our role simple and make good links to others with different roles.

**Are you happy with the way those partnerships work?**

We are getting there, as employers are getting a clearer message about whom to speak to. Some young people also need a clearer message. 13- and 14-year olds need to know that Apprenticeships are a real alternative to other options they hear about for when they are 16.

**How could this be achieved?**

KATO and NAS already work very closely and have a joined up approach and share information services, and we could use this more. KATO delivers the Apprenticeship Information Ambassador Service which goes into schools, for assemblies, careers evenings, etc. The Ambassadors are fully trained to offer information on Apprenticeships and offer an impartial service which is vital in these times of RPA and reduced CEIAG. SEE WEBSITE: <http://www.apprenticeshipinformationambassador.co.uk/>

**The Select Committee needs to speak to employers and Apprentices and ask each 'how is it for you?' If we do this, what sort of things do you think they will say?**

I think they would say that there is too much information around about Apprenticeships, eg if you Google the word 'Apprenticeships'. Finding your way through it is a minefield and can be very confusing. If an employer is interested in

taking on an Apprentice and seeks information to help them decide, they want to see a clear range of options, but there are so many variables that it is difficult to choose what to do. Incentive grants can be confusing.

**Information, advice and guidance (IAG) is clearly an issue for employers as well as for young people.**

Yes, it is.

**Can you give us some examples of good models?**

There are three components to an Apprenticeship: the employer, the employee/learner and the training provider. The training provider liaises with the employer to see what they want. They will put together a job description and talk about how learning will be delivered (ie either on the job or outside the workplace) and what suits the employer (eg day release, etc). The training provider then helps to sift applicants for the placement, via a matching service. It should all be as simple as possible!

**I have had a bad experience of taking on Apprentices in the past, but maybe it's just me. It's good to know clearly what should happen around setting up an Apprenticeship.**

We are not looking at Apprenticeships to be a short-term solution or a stop-gap for a young person who might then go on to be NEET (not in education, employment or training). 84 – 90% of Apprentices stay in employment once they are there. I can send the Select Committee some statistics for this.

**Yes please, for Kent providers.**

37% of Kent's Apprenticeships are provided by local providers, and we seek to get a range and spread of provision.

**Can you tell us how training is financed? I was involved in youth training in the 1990s and I remember that there were various types and sources of funding for that.**

A training provider receives money once they have placed a young person. They then get a regular monthly on programme payment throughout the Apprenticeship and an achievement payment at the end.

**So is there just one standard funding model or does it vary?**

It is dependant on the sector/apprenticeship/framework/level of Apprenticeship. It is also dependant on the age of the Apprentice, the size of the business etc. There are a considerable number of factors to take into account.

**What is or will be the outcome of raising the participation age (RPA)?**

We haven't yet seen the impact in Kent. Some schools are promoting the RPA as being a way of staying on in school or college. There is a misconception that the RPA is just about raising the school leaving age. For example, in Year 11, a student would be looking at staying on in sixth form or taking up a place at an FE college and would apply for a place in July under the 'September guarantee' mechanism. It is difficult to get these young people to consider applying for Apprenticeships at that time and we don't know what vacancies are available to offer them and so can't give them firm information on which to base a choice. The timing of the academic year

and Apprenticeships set-up is awkward and does not help the Apprenticeships agenda. But the KCC can help to address the information issue.

### **How could the KCC help with this?**

Via the website, etc. Ofsted now looks at students' destinations as part of a school's inspection – eg Apprenticeships, 16+ study, NEET - but there is a debate about how these outcomes should best be measured.

### **If a company has a vacancy which is suitable for an Apprentice, there needs to be a mechanism to take up the opportunity and fill it quickly. Are there gaps that aren't being filled?**

We are seeking the best way in which to engage employers to predict in July what vacancies they will have, so Apprenticeships can be part of a student's choices at the end of Year 11. We have Ambassadors for the Apprenticeships programme who can show young people how to use the information available, and a vacancy matching process in which young people would register for an Apprenticeship vacancy early in the year. This will allow them to include an Apprenticeship as a definite, confident option when they come to choose in July. This matching process, however, can be complex and perhaps not as easy to use as it could be. We are doing some work with NAS and working on this. KATO also offer training to Job Centres to give them guidance on how best to present and deliver IAG.

### **How often does the current process fail to fill a vacancy for an Apprentice?**

I could find out this information and let the Select Committee know. KATO is doing a piece of work on young people who are NEET, to look at what they apply for and why they are unsuccessful. It may be that they are applying for things which are not appropriate for their skill level, and we could look at giving them some advice. We will look at the vacancy service which is run by the NAS and possibly make recommendations on how to improve it.

**I have just logged on to the NAS site on my i.phone to do a test search for Apprenticeship vacancies in the building industry, and it gave me other job titles which are unrelated, so the keyword search doesn't seem to work well.**

### **The Richard review seems to say that Apprenticeship applicants must have Level 2 in English and maths. What if they can't achieve this level? Are they excluded from being able to apply?**

*Peter Davies (NAS) – The requirement is for them to achieve Level 2 in English and maths by the end of their Apprenticeship; it isn't an entry requirement. Part of the training in the Apprenticeship placement would aim to build up their skills if they are lacking in these areas and help them to achieve Level 2 by the end. Their progress can be tested during the length of the Apprenticeship.*

Employers would need to specify what qualifications they require an applicant to have to take on the job role, ie what entry requirements they have, and they would be supported in identifying this level by the training provider.

### **Who is training the 10,000 Apprentices currently in Kent?**

37% of them are being trained by KATO members, and the other 63% by national providers, although some of these trainers might overlap between the two – eg a Kent branch of a national provider might be a KATO member. All training providers are vetted and monitored by the Skills Funding Agency and Ofsted, to ensure quality.

*Peter Davies (NAS) – The issue of quality is in the spotlight at the NAS.*

**Kent seems to have done well so far, but is this progress sustainable?**

Quality is a key priority on everyone's list, and training providers have to deliver good quality to get their payments. I am confident that the quality of Apprenticeships continues to rise. Every training provider is subject to Ofsted inspection and assessment.

**Is training provided in-house by a large employer – eg a supermarket – subject to Ofsted?**

Anyone who receives funding from the Skills Funding Agency (ie public money) will be subject to Ofsted inspections. If the supermarket funds its own training and does not use public money, it won't be.

*Peter Davies (NAS) – The quality regime is very strict; if a training provider falls short they have to improve or leave. If the funding of the Apprenticeship placement is complex, identifying who accepts the penalty for poor training will also be complex, but usually it is the training provider who takes the hit for any shortcomings in quality. Contract management needs to be very strict around this issue.*

**Can you send the Select Committee some more information about how the quality of training is monitored?**

Yes.

**The Select Committee has heard previously that the Chambers of Commerce group together to get funding from the Skills Funding Agency.**

A provider needs to have a minimum contract level of £500,000 to deliver Apprenticeships as a lead.

There are some models of training which work well and are effective, which the Select Committee might want to look into. These are:-

ATA – the Apprenticeships Training Agency;

SEATC – the South East Apprentice Training Company, which was set up by partners working with the KCC.

**What is the minimum size that larger companies need to achieve to be able to fund and deliver their own Apprenticeships training programme?**

They would have to go through due diligence with the SFA and be able to deliver a contract over and above the value of £500,000.