

Reflections on the UK's skills record: why world-class apprenticeships can answer the challenge

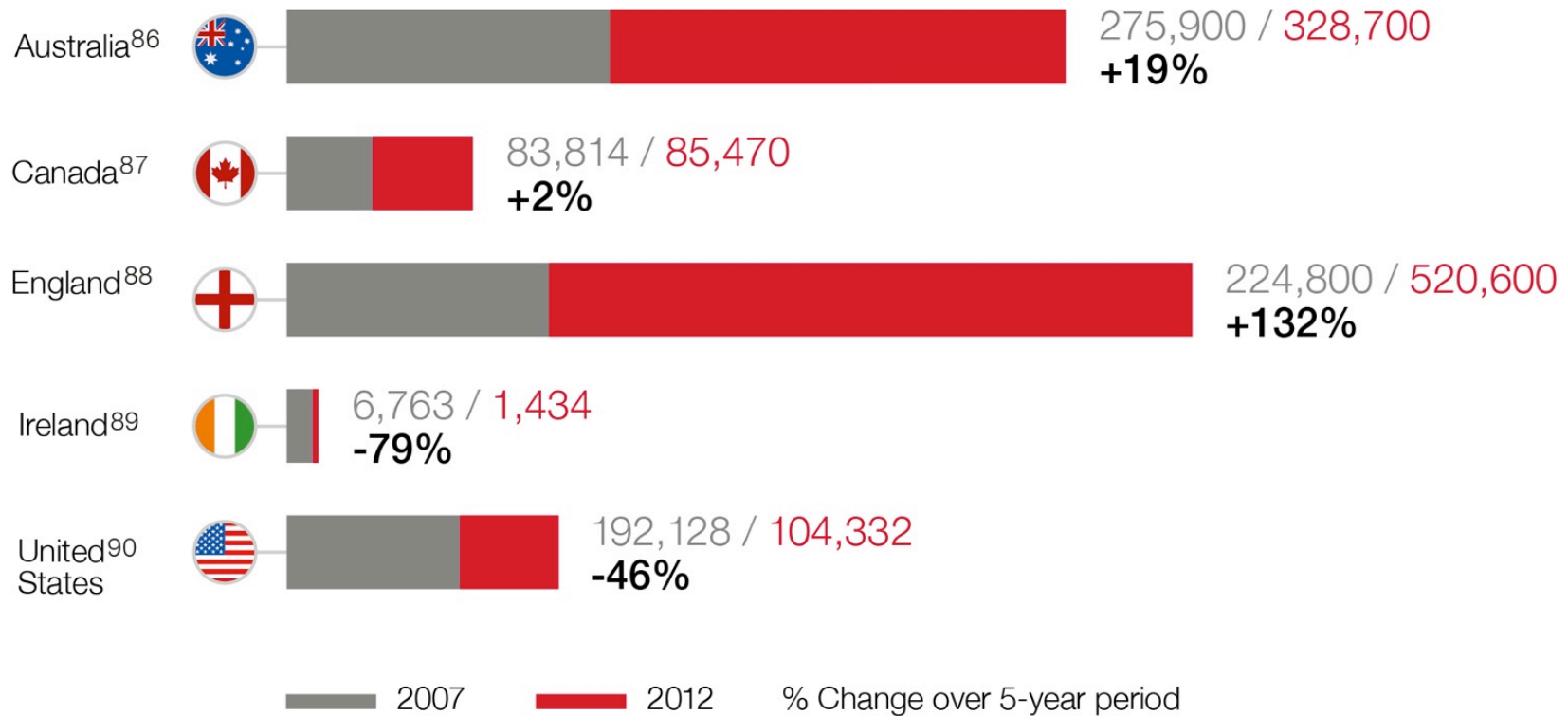
John Healey MP

Rt Hon John Healey MP, former UK skills and treasury minister

“Despite substantial investment and reform plans already in place, by 2020 we will have managed only to ‘run to stand still’ and the UK’s comparative position will not have improved significantly ... the scale of the challenge is daunting.”

Leitch Review, December 2006

Apprenticeship commencements 2011/12



‘Dash for growth’ in numbers led to deep flaws

- Other government-funded schemes re-badged as ‘apprenticeship’
- 16-week training programmes qualifying as ‘apprenticeships’
- Half of apprentices getting no off-the-job training
- One fifth receiving no training at all, on or off-the-job
- 1 in 5 employers not paying apprentices their legal minimum wage
- Double and triple-counting as providers registered the same apprentice under different frameworks
- Outright provider fraud and phantom apprentices

Performance of the G5 countries in Apprenticeship – overall rankings



Australia



Canada



England



USA



Ireland

	Australia	Canada	England	USA	Ireland
Apprentices per 1000 Workers	40 (1)	30 (2)	20 (3)	14 (4)	10 (5)
Youth Unemployment Rate (2013)	12.1% (1)	12.9% (2)	21.1% (4)	16.3% (3)	28.5% (5)
Completion Rate	55% (4)	50% (5)	74% (3)	80% (2)	87% (1)
Employers Hiring Apprentices	26.9% (1)	19% (2)	8% (4)	4% (5)	11% (3)
Female Apprentices	34% (2)	14% (3)	54% (1)	9% (4)	2% (5)
Total Score	9	14	15	18	19
Overall Ranking	1	2	3	4	5

Central challenges for UK and US to create a world class system

- Not enough employers take on apprentices – less than 10% of UK firms; fewer in the US
- Vocational training seen as inferior to college-based learning
- Completion rates and opportunities for women are too variable
- High quality apprenticeship experience is too hit-and-miss, for both employers and apprentices
- Excellent off-the-job training providers are matched by the mediocre

Control of funding

- Training providers compete for employers and apprentices on quality and value-for-money
- Employers and apprentices rate their training and act as consumer guides for others, like TripAdvisor
- Employers and apprentices can add to their skills accounts, and co-payments become more commonplace
- Fraud risk is reduced by linking ISAs to employers' unique tax reference (UTR) and apprentices' national insurance (NI) number
- Public subsidy cap agreed by Parliament, as with higher education.

Control of design

- Apprenticeships respond to labour market demands, led by employers
- Apprenticeships fit the needs of towns' and cities' economic development
- Non-profit city region apprenticeship companies – like Apprenticeship Carolina™ – possible
- National funding and national framework of occupational standards remain.

Control of quality

- Be light-touch, risk-based with tough guarantees to protect whistleblowers
- Safeguard the integrity of the apprenticeship system
- Report publicly to Parliament and ministers
- Ensure all apprenticeship statistics are approved by the independent Office of National Statistics (ONS).

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