



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

Review of Apprenticeships:
Colleges NI Briefing

7 May 2014

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Robin Swann (Chairperson)
Mr Sammy Douglas
Mr David Hilditch
Mr Chris Lyttle
Mr Fra McCann
Ms Bronwyn McGahan
Mr Pat Ramsey
Mr Alastair Ross

Witnesses:

Mr Justin Edwards	Belfast Metropolitan College
Mr Gerard Campbell	Colleges NI
Ms Karen Lennon	Colleges NI
Mr Brian Doran	Southern Regional College

The Chairperson: You are all very welcome.

Ms Karen Lennon (Colleges NI): We welcome the opportunity to present our view on apprenticeships. The college sector submitted its consultation to the Department for Employment and Learning in April, and we forwarded it to members of the Committee in advance of today.

The context is that, over the past six years in Northern Ireland, over 45,000 individuals have started an apprenticeship. The majority have been engaged via our colleges. I want to raise a few points that were highlighted in our submission. First, we welcome the all-age apprenticeships. We feel that it is essential that future apprenticeships in Northern Ireland encompass all ages, not just those aged 16 to 24. That is in the context of the 2020 workforce. Some 80% of individuals in the 2020 workforce have already left compulsory education. We look at the upskilling that they will require in the future, when most jobs will require higher, tertiary level qualifications. So it is essential that we have a mechanism to upskill people for those jobs in the future, and apprenticeships are one route of doing that.

A second point is that of the progression routes to an apprenticeship at level 3. Apprenticeships are proposed to start at level 3 in the future, which we welcome. However, there needs to be a seamless progression up to level 3, as Brian mentioned in the earlier session. Progression routes are important at all levels, but we feel that there is a need to map out all the progression paths, including those beyond level 3, to ensure that seamless progression can take place. As Brian said, vocational routes are complex, and there is a need to make them clearer in the future.

The role of the six colleges is vital in delivering apprenticeships across Northern Ireland. However, we feel that colleges need greater discretion so that they can work with local employers to develop programmes that match the needs of apprentices. To date, we have been very supportive of apprenticeships as a route to skilled employment for local people, and we are playing an important role in increasing the uptake of apprenticeships across Northern Ireland.

The Northern Ireland economy has a large small and micro business sector — 98% of businesses are SMEs. We need to look at how to get more employers in Northern Ireland to engage in apprenticeships. Currently, about 13% of employers in Northern Ireland are involved in apprenticeships. The figure is not much different from the rest of the UK, which sits at around 14%. As we move forward and look at a skills pipeline, we need to engage more employers and consider how we address the barriers to employers becoming engaged in apprenticeships. We have ideas about small local employers working in clusters to support the apprenticeship programme and to upskill individuals.

There are a lot of pilots, and it is important that we take cognisance of what is happening in that space. In England, for example, there are employer ownerships. We also have apprenticeship training agencies (ATAs). As we look at the future of apprenticeships in Northern Ireland, we could learn from and build on good practice.

It was reiterated this morning that we need to raise the profile of vocational career paths in Northern Ireland, including apprenticeships and higher apprenticeships. That can be achieved only by employers working with us, with government and with politicians to raise the profile of apprenticeships and vocational routes in Northern Ireland.

I will pass on Justin, who will look at the impacts of the outworkings of the apprenticeship review and other issues in the sector.

Mr Justin Edwards (Belfast Metropolitan College): We have already touched on vocational qualification reforms. I think that vocational qualifications form the backbone to youth and apprenticeship training. Without a structured approach to qualifications, it is difficult to build clear pathways. In the mix, we also have the A-level and GCSE implementation group, which has an impact on decisions, particularly from the age of 14 to 19. The success of the youth training and apprenticeship training approach and the feedback that we have been given is based on our interactions with schools, particularly at the age of 14. The choices that young people make are often made before the first interaction at enrolment or transition to a college; they are made much earlier, even pre-14. We know that the entitlement framework and the work that the colleges do is important for that interaction. However, the colleges have noticed a trend change in what schools are doing with colleges. Over the past five years, for example, we have noticed that there has been an 11% fall in 16-year-olds entering into the further education sector at level 2 or level 3, but there has been a 15% increase in 17-year-olds. We believe that that also maps across to a year 13 rise in recruitment.

I will go back to Brian and Karen's earlier point. The skills and industry links of our lecturers and teachers are important in making young people aware of the skills that are required for those jobs and for industry. If young people at an earlier age, particularly from the age of 14 to 16, are not getting that exposure, there is a risk that they will not fully understand the skills that will be needed from the age of 16 and beyond. I believe that both the colleges and the wider education environment face those issues.

We touched on careers reform, and we presented to the Committee previously on careers advice and guidance. There are issues around raising awareness of what an apprentice is. An apprentice is a lot more than some traditional views take it to mean. Apprenticeships are becoming major routes to employment for industries such as financial services, advanced manufacturing, engineering and the provision of opportunities for young people of all levels and all abilities to move directly through to employment and employers. Employers understand the new world of apprenticeships. We have seen big name organisations such as PricewaterhouseCoopers and Deloitte looking at trying to recruit high academic achievers in A levels at the age of 18.

There are questions about the role of higher education in the further education sector. If we are to move apprenticeships beyond level 3, we ought to use the foundation degree framework. We also need to look at the higher education professional qualifications that some of the industry require and how we operate more constructively with the university sector, which often acts as the awarding authority, to build a better structure for apprenticeships at level 4, level 5 and beyond. Those are cross-cutting themes in the youth training and apprenticeship reviews.

The Chairperson: Thank you very much. What difficulties will the all-age approach to apprenticeships cause in colleges on a day-to-day basis, or do you see it as a seamless process?

Mr Edwards: Historically, colleges have delivered all-age apprenticeships. An important aspect of what we do is enabling a full workforce beyond the age of 25. We know that the Department's published Oxford Economics document states that the workforce will already be in work. Upskilling is the way to make the economy work, so the colleges are enabled and can adapt to provide day release for people already in employment who want to upskill. There are examples across the colleges of our working with companies looking at next generation skills, providing qualifications and moving the workforce to the next level, regardless of age. However, if the apprenticeship programme just focuses on the 19 to 25 cohort, we will be missing a key opportunity to make the economy grow stronger.

The Chairperson: The issue of SMEs and their difficulties in taking on apprentices has been raised a number of times. Karen touched on how they cluster in SMEs. Have you any practical experience of two small businesses coming together to take on one apprentice?

Mr Edwards: As an example, I will give our work with the IT academy. We have generated an apprenticeship cohort of 22 learners, which was made up of eight or nine different companies — some were SMEs, and others were large employers — all taking on one or two apprentices each and bringing them together to agree a framework, a way forward and a way of recruiting. It is a highly successful programme. It went from 22, and we are now in the process of recruiting 60 this year. It has found that relationship in industry, found a programme that works and brought them together. Karen's point extends beyond the IT industry. The creative industry, for example, is made up mainly of SMEs. With opportunities presented in the digital media market, SMEs often need to be brought together in that same format and need to have an opportunity to build a collective programme and take on individual apprentices. The model is already established, and we could roll it out to those other industries.

Mr Brian Doran (Southern Regional College): I will make one further comment. We have to understand the barriers to a microbusiness — for example, employing an apprentice in the first instance. There are many issues about limited resources for the employment, selection and recruitment of an apprentice, the insurance that is required to take on that apprentice, and so on. We have to look at a more flexible model to bring those microbusinesses together. Maybe it is a case of brokering an employment opportunity through a social enterprise. Maybe the colleges could act as a social enterprise, employing an apprentice but farming him or her out, so to speak, to the microbusiness to ensure that he or she is provided with realistic opportunities to grow through that company.

Mr Edwards: I will provide an example of that. In this Committee previously, I was asked about the benefits of the 157 Group. Through the 157 Group, we were able to visit Leeds City College, which has formed one of those social enterprise opportunities. It acts as the employer and then provides six-month apprenticeship placements to small companies, particularly, during the downturn, in the construction and trades industries. It then rotates those apprentices around the opportunities, sustaining the apprentice point of view but also helping small businesses that are managing employment risks and employment law and working through those issues. Opportunities exist to bring such a model into Northern Ireland.

Mr P Ramsey: I previously mentioned engagement with employers and business. Are any discussions taking place with Colleges Northern Ireland or the Departments about increasing apprenticeship models with the public sector? I am talking about the education boards, the health trusts and other areas. The Minister has spoken about higher-end apprenticeships, presumably ICT and other areas that you could take on. What are your thoughts on that?

Mr Doran: We undoubtedly believe that there are many opportunities in the public sector that should be available through the revision to apprenticeships. It will come down to funding. If the Department for Employment and Learning is, for example, looking to the trusts to fund delivery, those bodies will have to sort out that key issue. It is not about recognising the importance of an apprenticeship opportunity through the public sector; it is about how it will be funded.

Mr Gerard Campbell (Colleges NI): That has always been an issue. We should look at the positive aspects and the quality of the apprenticeship experience that young people or older people could have

by getting an opportunity to train up, reskill and upskill in a public sector environment. We need to take that conversation forward.

Mr P Ramsey: From my knowledge of apprenticeships from many years ago, there was an incentive for employers, particularly in the trades of the past such as plumbers, electricians or carpenters, to take on an apprentice, who got subsistence and a weekly allowance. What is the standard now for apprenticeships? You said that there might be a greater emphasis on employers taking on those costs. What incentive is available now for employers to take on an apprentice?

Mr Doran: On the financial side of things, an employer is expected to pay a wage.

Mr P Ramsey: Is there no subsistence towards salary costs?

Mr Doran: There is no subsistence towards salary costs. Obviously, the training is provided and supported through the funding that delivery agents such as colleges receive from the Department, so that is covered. An employer will receive an output-related bonus on the achievement of an apprentice, so that is the incentive. This is one of the areas —

Mr P Ramsey: What is the level of bonus that an employer can achieve?

Mr Doran: It is up to about £1,000. It will vary, depending on the different bands —

Mr P Ramsey: Is it £1,000 a year?

Mr Doran: No, it is normally £1,000 on completion of the apprenticeship, so it would probably be after two years. It is not a massive amount of money.

Mr P Ramsey: No, it is not.

Mr Doran: However, it will vary according to the different bandings for apprenticeships.

Mr Douglas: You mentioned small and medium-sized enterprises and their difficulties in trying to accommodate an apprenticeship. Obviously, they are a huge catchment area. I was interested in what you said about SME clusters. Can you tell us a wee bit more about that and how it works?

Mr Doran: Justin will probably share the experience of what is happening in Leeds through the ATA social enterprise scheme. Our thinking is that we recognise the challenges that microbusinesses face. Our business support units in the colleges are on the ground working with microbusinesses and encouraging them to take on apprentices. Let us not forget that we have the Training for Success placements. We also have higher education student placements. We have many young people at different levels throughout the organisation for whom we seek relevant, well-structured placements, and that, obviously, includes apprentices. We believe that, by trying to broker through a social enterprise arrangement, a particular agency or body would be able to coordinate that engagement better with a cluster of microbusinesses. We will be looking at the construction sector, for example, which Justin mentioned. Construction contractors could come together and, through that, we may be able to place an apprentice — employ an apprentice — with that company for a project and also be able to move the apprentice on to other projects in that cluster. We believe that such flexibility and benefit to a young person can be maximised through that type of enterprise.

Mr Douglas: It is a good idea.

Mr Edwards: I will build on the two issues that Brian mentioned, the first of which is SMEs that are availing themselves of short-term contracts in business. The construction sector is moving from contract to contract, which makes it very difficult for it to sustain an apprentice position over two years. We are in discussion with the travel and tourism sector, because the same issue — long-term commitment — is a risk for it. There are barriers to it engaging in the apprenticeship programme, and it would like a short-term or shared apprenticeship scheme whereby it could rotate apprentices.

As for successful models, I mentioned the IT apprenticeship, whereby we have brought employers together to get them to work with a college to agree a qualification and framework, so that they can each take on one apprentice to make a viable cohort. That model may work in the

manufacturing/engineering industries, and it may also work in other areas that are not affected by shorter-term contracts, where they are looking for longer-term, sustained employment or pipelines. Between those two models, I think that we can build effective approaches to building better cohorts of apprenticeships for SMEs.

The Chairperson: You stated that 80% of the 2020 workforce has already left compulsory education, many without formal qualifications. How do you see either of these two programmes re-engaging with that 80%?

Mr Edwards: I will start. The apprenticeship programme is vital in re-engaging those individuals and getting them back into work. It gives them the opportunity to enter the workplace and gain confidence in building wider skills, such as people skills and team-working skills, while attending college on a one-day, day-release or two-day basis to build the qualifications that they need to sustain employment. The apprenticeship scheme is great in reaching out to people who do not have qualifications but want to work and engage with work, and are very committed.

The youth scheme steps back from that, in that, if people are nervous about entering the workplace, it gives them the opportunity to take their first step into the workplace without the employment commitment while still building their qualifications and starting to build a relationship with their employer, so that the employer starts to feel confident in that person's ability to move to the employment phase and the progression of the apprenticeship.

The linkage between the two programmes — this has already been highlighted — is very important. That progression linkage must be retained, even though there are two separate reviews, to facilitate employment opportunities.

Mr Gerard Campbell: As Justin said, that is very helpful for dealing with some of the issues of folks already in the workforce who do not have qualifications. It is about Departments looking to the future and having all-embracing engagement on academic and vocational pathways for those aged 14 to 19. More people will leave full-time education, having gone through 12 years of education, without the relevant literacy, numeracy and ICT skills, or even a level 1 or level 2 equivalent qualification. That conveyor belt of young people leaving education is still happening. We need to deal with and support those out in the workforce already who are part of that workforce for 2020 and the other young people who will leave school. It is not a sticking plaster approach. We need to have a radical look at how our educational, vocational and academic provision all works together.

Mr Doran: I want to make one further point about adult returners, which goes back to Fra's earlier point. An electrician, for example, carries a JIB electrician's card, which is a recognised stamp. Why should that be available only to a 16-year-old on an apprenticeship programme? If an adult, through a reskilling programme, can obtain the same qualifications, expertise and knowledge required for them to fulfil that role, that has to be built into any future apprenticeship model. That type of reskilling is important.

Mr Douglas: My question is about tourism, which Justin mentioned. I suppose that this is a question for us all and for DEL. The Giro d'Italia is a good example. I have certainly seen a big increase in cycling, so there must be opportunities for cycle mechanics and so on. That is just one example. On the basis of projections, tourism spend will increase by one third by 2017. Maybe this is a question for Karen: how does Colleges NI gear up for that, or how does DEL gear up for it? Obviously, that should create the potential for apprenticeships. How do you gear up for that sort of thing?

Mr Edwards: I will respond on the basis of our current experience. We work with employers so that, first of all, they understand what apprentices are and what skills, qualifications and so on they come with. We then try to find models of operation that do not tie down the apprenticeship framework so tightly that we cannot listen to employers and that allow us to get young people or people over the age of 25 into those opportunities. The colleges provide a direct liaison between groups of employers and work with and bring together cohorts to get an agreed pipeline and pathway that is a route into the travel and tourism industry, which the wider public can understand. As I mentioned, colleges can respond, and have responded, to skills shortages in the IT area. They will respond to the hospitality, catering, travel and tourism area as the demand arises. That close proximity between colleges and employers will, I believe, deliver those results.

Ms Lennon: Sammy, quite a number of important events have happened in Northern Ireland recently. Students from the Belfast Met who study motor mechanics were involved in scrutineering for the

Circuit of Ireland, which takes place every year. The young people involved really loved that and were really engaged. Students from the Northern Regional College who study sports science are involved in the Giro d'Italia this weekend. So the colleges are working very closely with such events and are getting young people involved in them.

Mr Douglas: When you think of companies such as Chain Reaction, which exports all over the world, you realise that there are opportunities there, and that will increase.

Mr Edwards: We have had an engagement with Chain Reaction. Our interest and engagement with it was based on an IT software development need. So IT skills needs go across not only the traditional IT industry but industries affected by tourism, retail, cycle sport and so on. It comes back to having a close relationship with and listening to industry and adapting, as well as getting industry to agree so that we do not adapt to one company only but to the wider skills opportunities.

The Chairperson: Thank you very much for your time.