

# BRIEFING NOTE: THE APPRENTICESHIP SECTOR'S RESILIENCE TO COVID-19

April 2020



**KEEP  
BRITAIN  
TRAINING**

Federation for  
Industry Sector  
Skills & Standards



## Foreword

The Federation for Industry Sector Skills and Standards occupies a unique position as the representative body of employer-led, sector skills bodies. These in turn represent the viewpoint of some 180,000 employers on the UK's skills needs. As the certification body for Apprenticeship Frameworks in England, Scotland and Wales and as a provider of commercial software to support Apprenticeship Standards we see the UK wide picture through our relationships with employers, training providers and end-point assessors. Through our recently launched COVID-19 Apprenticeship Portal, and an accompanying survey of our members and customers, we have been able to identify several specific impacts and concerns for the apprenticeship market as a result of COVID-19.

The sector faces unique challenges. While in the good times, the marriage of work and learning is a powerful tool for skills development, in the unprecedented era of COVID-19, this has become a potential barrier. This report identifies that the apprenticeship sector, given its mix of industries and the composition of its learners, may find it particularly challenging to transition to online. The tendency for recruitment to fall and unemployment to rise during a downturn will put pressure on the Apprenticeship pipeline, reducing opportunities for people to learn and progress. Young people who are transitioning from education into the labour market may find this particularly difficult.

When the initial crisis has passed, we will face a massive task to rebuild our economy and repair the public finances. Britain will still face the same challenges that were looming before the COVID-19 crisis, including automation, an ageing population, and rebalancing the economy after leaving the EU. COVID-19 has added a huge layer of complexity. Still, we should not forget that developing world-class skills provision and providing appropriately trained people to meet the skills needs of priority areas is key to Britain's economic recovery and long-term prosperity. For that to happen, we must take steps to encourage employers to maintain training budgets and to help the ailing market for training provision and end-point assessment which is under massive pressure. We must also retain and build training and assessment capacity.

We will be producing further briefings and working with our members and customers and like-minded bodies to identify critical skills issues that need addressing as a result of the COVID-19 crisis. The message we have heard and wish to amplify is this. We must **keep Britain training**. We must work tirelessly to remove barriers to continuity, be they administrative or technological. This means ensuring apprentices have the right tech to continue learning. It means making sure training providers and employers are confident about finances and can continue to develop a pipeline of talent. It means delaying the move from frameworks to standards to ease pressure on the few areas of provision that are not ready to transition yet. And it means ensuring young people get careers advice and guidance so that we can avoid a lost generation.



I hope you find this paper thought-provoking and look forward to your feedback.

**Matt Lambert, Chief Executive Officer of FISSS**

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This short briefing note considers the resilience of the Apprenticeship sector to the COVID-19 pandemic. We treat working from home as a proxy for resilience as it signals the ability to continue working during the COVID-19 lockdown. The report draws on insights from The Federation's COVID-19 survey, the labour force survey, and DfE data on apprenticeship starts. The Federation is calling on all players in the sector to **keep Britain training**, and we invite others to join in achieving this objective.

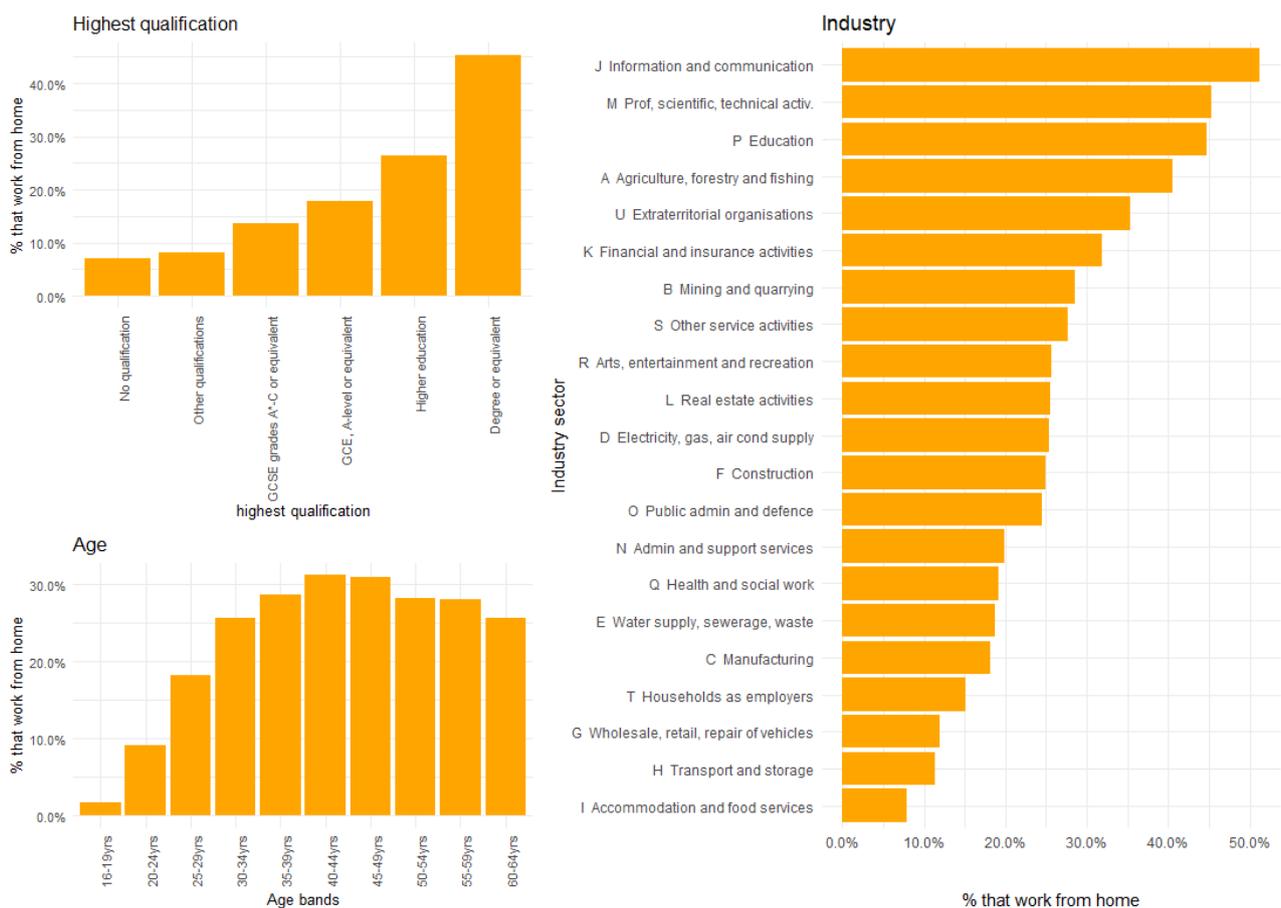
## Key points

- 43.5% of jobs in the UK could feasibly be done from home, making the UK economy one of the best placed in Europe to continue working through the pandemic.
- But the ability to work from home differs markedly by worker. The youngest workers and those with the least qualifications are the least likely to work from home. This makes the apprenticeship sector more exposed than the general economy. Young workers (16-24 year-olds) make up 12% of employment, but 54.3% of apprentice starts.
- The ability to work from home differs by industry, and the pandemic will affect some parts of the system to a greater degree. Some of the most popular Apprenticeship Standards such as *Retailer* and *Hospitality Team Member* are in sectors that have been severely affected by lockdown and will find the transition to remote working difficult.
- 8.3% of apprentices occasionally work from home compared to 25.3% of non-apprentice workers.
- Our COVID-19 survey highlighted particular problems with Apprenticeships, including a difficulty engaging furloughed apprentices, and a lack of tech at home. Worryingly many in the sector are seeing the pipeline run dry.
- While academic routes can be a safe way to weather an economic storm and recruitment can be counter-cyclical, the same cannot be said for Apprenticeships. In a downturn, companies cut training budgets, and freeze recruitment. As all Apprentices have to be employed, The Federation estimates a cumulative loss of 119,077 Apprenticeship starts in both Frameworks and Standards in the 12 months from March 2020 to February 2021 as a result of the pandemic.

## 1. Working from home and economic resilience to COVID-19

Research published last week from the University of Chicago showed that 43.5% of jobs in the UK could feasibly be done from home<sup>i</sup>. This statistic makes the UK economy one of the best suited in Europe to transition to remote working. But this still leaves over half of roles unsuited for home working. Working from home is a good proxy for economic resilience to COVID-19, and this note considers how the apprenticeship sector may fair. When we consider the characteristics of those that work from home, the differences are stark (**Figure 1**). The lowest rates of home working occur for young workers (age 16-24). At a time when silver linings are in short supply, it is perhaps encouraging to see that older workers who are those most at risk from the disease can work from home in higher numbers. For young people, the picture is less rosy. The Institute for Fiscal Studies has reported that 'the lockdown will hit the youngest hardest'<sup>ii</sup> and this is particularly acute in the Apprenticeship sector. The younger worker group accounts for only 12% of employment<sup>iii</sup> but made up 54.3% of apprentice starts in 2018-19<sup>iv</sup>.

**Figure 1: The ability to work from home differs markedly by qualification, age, and industry sector. The apprenticeship sector is more exposed than other parts of the economy.**



Source: FISSS analysis of the Labour Force Survey<sup>v</sup>

Those with lower-level qualifications and specific industries including hospitality, transport and retail (**Figure 1**) are also much less likely to work from home. The most popular Frameworks and Standards Occupations span a mix of industries with different levels of

resilience. 'Retailer' and 'Hospitality Team Member' are two of the most popular Apprenticeship Standards which have been heavily affected by the lockdown. By contrast, 'IT and Telecoms Professionals' is a popular framework in an industry better suited to transition to remote working. The ability to cope will therefore likely differ by standard/framework.<sup>vi</sup>

8.3% of Apprentices occasionally work from home compared to 25.3% of non-apprentice workers.<sup>v</sup> Remote working is much less familiar to Apprentices than the general worker population.

## 2. Challenges for Apprenticeships

Our COVID-19 Apprenticeships sector survey of our members and customers (which includes employer- representative skills bodies, training providers and assessors) highlighted particular difficulties for the apprenticeship sector. Chief among these was the challenge in continuing an Apprenticeship when learners had been furloughed, made redundant, let

*“Apprentices do not have computer equipment at home that the EPA requires.”*  
 FE College

go, or were still employed but could no longer work. Some noted that Apprentices with less than two years tenure are easier to 'let go' and that finding alternative employment for the Apprentice is difficult in the current climate. When learners are still employed, training providers report that engagement is difficult and a frequent theme to emerge was that Apprentices lack the right technology to continue learning from home.

Encouragingly some of these problems can be mitigated. Some training providers have made pastoral care more important and increased communication, and one FE College has loaned out Chromebooks.

The combination of work and study is a powerful method of skill-development, but it is exposed to a shock like COVID-19 in a way that a purely academic route is not. In an economic downturn, university can be a safe choice to wait out the storm. It is 'counter-cyclical' and although universities themselves face difficulties from the loss of international student fees influential voices in the sector are predicting an increase in domestic recruitment<sup>vii</sup>. The same cannot be said for Apprenticeships. In a downturn, companies cut

*“New apprenticeship starts have fallen off a cliff and many of our current apprentices have been furloughed”.*  
 Private training provider

*“Apprentices [are] being made redundant and employers [are] telling apprentices that whilst on Furlough they shouldn't engage with the training provider.”*

FE College

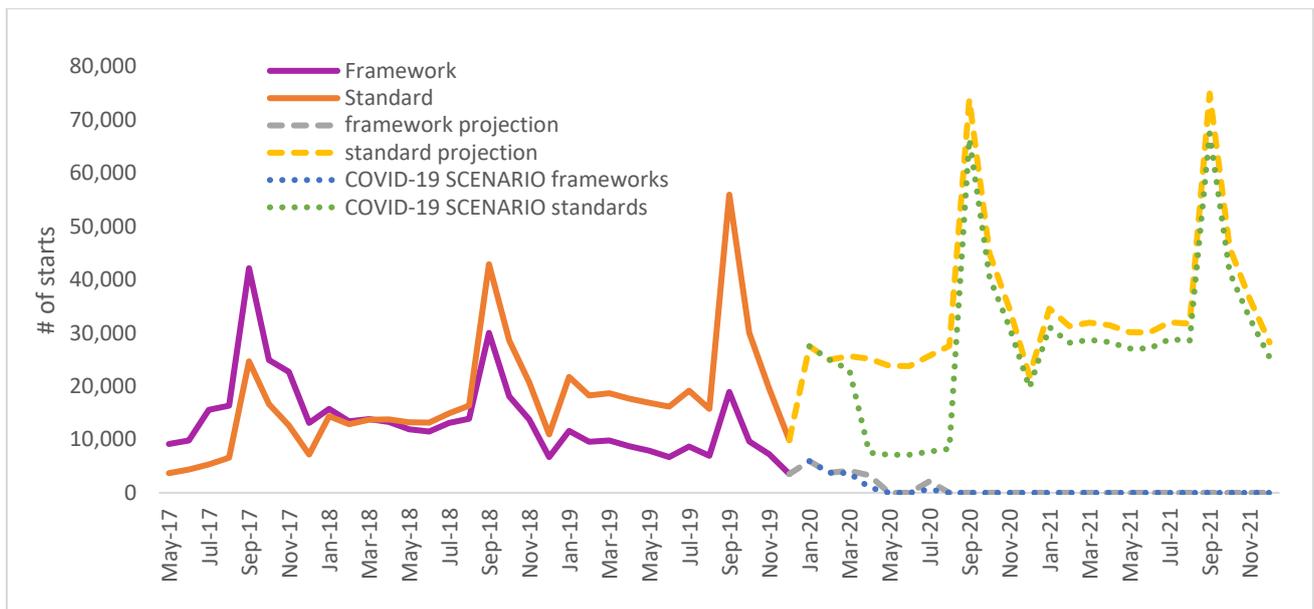
training budgets and freeze recruitment. Respondents to our COVID-19 Apprenticeships survey note that the pipeline is starting to dry up. One of the biggest sells of an Apprenticeship is the opportunity to earn while you learn, but in a downturn, this can be a double-edged sword as both employment and learning opportunities are withdrawn. Research has shown that entering the labour market during a recession can have long term scarring effects on

employment and earnings<sup>viii</sup> and so maintaining continuity is vital for life chances.

### 3. What might happen to starts?

**Figure 2** charts the Federation's projections on Apprenticeship starts (methodology in appendix 1). We are expecting significant disruption over the summer and a slightly reduced capacity from September onwards. The cumulative effect of this in the 12 months from March 2020 to February 2021 will be 119,077 apprenticeship starts lost as a result of COVID-19. This represents a 30% fall in numbers over the period and a substantial loss of opportunity for individuals and the economy.

**Figure 2: Apprenticeship starts are projected to be significantly below trend as a result of COVID-19**



### 4. Keep Britain training!

Let's **keep Britain training**. All players in the sector have mounted heroic efforts to continue provision. Limiting the damage so that when restrictions lift the sector can bounce back and contribute to rebuilding the economy is vital, and removing barriers to continuity will help achieve this.

There may be a need for additional central funding to underpin the existing levy and encourage employers to stick with their current and future training plans. Technology is also a significant barrier. This week the DfE announced a 'major package to support online learning' offering free laptops to schools and colleges. Many Apprentices face the same challenges, and a similar package is needed. People who take vocational and technical qualifications should be treated equitably with students taking academic qualifications.

Delaying the cut-off period for Frameworks starts by six months would enable those who would have started March-June to start their planned training. This will also support the training provision market by providing more time for the approval and availability of standards where no alternative to existing frameworks is yet in place.

Support packages have rightly focused on protecting existing jobs. However, the prospects for those transitioning from education into the labour market look bleak, and we must do all

we can avoid a lost generation. Now, more than ever, young people need careers advice and guidance from qualified careers practitioners to help them navigate the fast-changing and uncertain labour market. With schools closed, many young people have lost the opportunity to access careers guidance, right when it is most needed. The Government should resource and promote the National Careers Service and change its focus to include young people as a priority group.

## Appendix

### Appendix 1 - Methodology for projecting starts

First, we used data on past starts to make a model that could predict future starts. This was a simple multivariate OLS regression model that used starts as the dependent variable and months + period (month 1=1) as independent variables. This model takes into account the strong seasonality in starts and the drift (up for Standards and down for Frameworks). When frameworks are above zero, after the date of withdrawal, they have been added to the standards starts. We then applied a discount based on a subjective discussion of what we thought likely to happen to starts. This approach is taken in the tradition of Bayesian statistics given the unprecedented nature of the crisis and lack of prior frequency to model on. The cumulative total takes the difference between starts in the pre and post COVID-19 model.

## Endnotes

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<sup>i</sup> Dingel, I., J. & Neiman, B. (2020) [How many jobs can be done from home?](#)

<sup>ii</sup> Joyce, R. & Xu, X. (2020) [Sector shutdowns during the coronavirus crisis: which workers are most exposed?](#)

<sup>iii</sup> FISSS analysis of ONS employment data - [A05 SA: Employment, unemployment and economic inactivity by age group \(seasonally adjusted\).](#)

<sup>iv</sup> FISSS analysis of apprenticeship starts - [2020-february monthly-app-starts-fwk\\_final.xlsx](#)

<sup>v</sup> These charts and statistics were generated using labour force survey data from April-June 2014 which is the latest year in which data is available for the variable EVHM98 (whether a worker occasionally works from home) through the UK data service. However, [more recent data from the ONS](#) shows that the pattern for age and industry in these charts still hold.

Northern Ireland Statistics and Research Agency, Central Survey Unit, Office for National Statistics, Social Survey Division, 2019, Quarterly Labour Force Survey, April-June 2014 [data collection], UK Data Service, 6th edition [Accessed 16 April 2020]. SN: 7557, <http://doi.org/10.5255/UKDASN-7557-6>

These charts build on previous research by the author for the CIPD - CIPD. (2020) [Working from home: What's driving the rise in remote working?](#) London: Chartered Institute of Personnel and Development.

<sup>vi</sup> These popular standards and frameworks were taken from this commons briefing paper - [House of Commons \(2020\) Apprenticeship statistics.](#)

<sup>vii</sup> Hillman, N. (2020) [COVID-19 could be a curse for graduates but a boon for universities](#)

<sup>viii</sup> Cribb, J., Hood, A. & Joyce, R. (2017) [Entering the labour market in a weak economy: scarring and insurance.](#)