

Federation for Industry Sector Skills and Standards evidence to the APPG on apprenticeships on the impact of COVID-19 on the apprenticeships and skills sector

About the Federation for Industry Sector Skills

The Federation for Industry Sector Skills and Standards, known as the skills Federation, occupies a unique position as the representative body of our members who are groups of employers who have chosen to collaborate on skills in their sectors to create a system that is resilient, flexible, adaptable and able to meet the skills needs particularly in sectors vital to the economy. Together our members 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.

Our Mission is to enable members to contribute to a UK skills system that is world leading.

1. What are the opportunities and challenges you have faced in response to Covid-19?

- Our briefing note on the apprenticeship sector's resilience to Covid-19¹ indicated that due to the mix of age and industry, **apprenticeships would be hit harder than the workforce more generally**. Only 8% of apprentices work from home compared to 25% of non-apprentice workers which made continuing to work during the lockdown, more difficult.
- **We estimate a loss of 119,077 Apprenticeship starts** in both Frameworks and Standards in the 12 months to February 2021 because of Covid. Preliminary data from the DfE bears this out. Comparing data from the lockdown period to the same period last year, apprenticeship starts have reduced by 47.9%. Worryingly this reduction in starts increases to 72.6% for the under 19 age group.² The same release also shows that vacancies on the 'Find An Apprenticeship' website are down 83.2% in April and May compared to the same period last year.
- In our Covid-19 sector response survey,³ training providers report that some **apprentices are particularly vulnerable to 'being let go'** due to their short tenure (less than two years), i.e. they do not qualify for redundancy. Furthermore, finding a replacement role for these apprentices is difficult in the current climate. After losing their job or moving to a new role, some of these apprentices may be lost to the process altogether. **The pipeline is running dry at all stages of the process from recruitment to start, continuation to completion.**
- For many training providers, the drop in numbers has hit the bottom line representing an existential threat. **It is important to maintain capacity so that the sector can bounce back and aid the recovery.** For sectors and their skills needs, apprenticeships are part of the strategy to tackle the big skills challenges which include; an ageing workforce, diversity, and changing technology requiring new skills. Our members report that their employers are still committed to apprenticeships, but that they will need to stabilise financially before they feel confident to take on apprentices.
- **There has been a great deal of innovation around digital**, including the online provision of learning and assessment, as well as remote working, and new business models. Much of this is likely to persist post-Covid. Virtual learning environments (VLE), and e-portfolios have become more prominent, as well as the more traditional telephone and email. On the downside, where the remote provision of teaching/working/service provision is not possible, there have been challenges. Many training providers report that some apprentices lack the requisite technology (including hardware and internet access) or digital skills to continue to study from home.³ In the early stages of lockdown, many training providers struggled to keep apprentices engaged and took on more pastoral duties. Although we are now gradually opening up the economy, it is prudent to be aware of these challenges given the likelihood of further regional lockdowns and the risk of a second wave.
- The drop in demand and the increase in unemployment has eased skills shortages in some sectors. **The uneven disruption has provided an opportunity for reallocation of labour from areas of low to high demand.** In one example from our membership, People 1st International (which covers Hospitality, Tourism, Travel, Aviation and Retail) managed a collaboration with CareTech and Skills for Health that offered those made redundant in hospitality and tourism the opportunity to gain the critical skills needed to for employment in the care sector.⁴ The National Skills Academy for Food and Drink are offering to transfer engineering apprentices from sectors that are at risk.
- Many of the sectors our members represent, provide valuable employment opportunities with routes to progress but are perceived as low skill and suffer from negative stereotypes. **The crisis has forced many to revalue the work of key workers.** Skills for Security note that the physical sector transformed overnight from one with sometimes negative connotations to key worker status and received a mention from the Prime Minister. A role previously classed as low skilled is now retraining in the use of technology to work safely and effectively, and training will be vital going forward. There is currently no reputable apprenticeship, but one is being developed.

2. How has your organisation responded and adapted to supporting apprenticeships?

- Introduced interim certification arrangements for confirming an Apprentice's achievement.
- All of our sector bodies have business continuity plans in place and are continuing to process Apprenticeship certification claims submitted via our online systems.
- The Federation's new research function pivoted its programme of research to Covid-19.
- **We launched the #KeepBritainTraining campaign which seeks to understand, inform, and share best practice on dealing with the fallout from Covid-19 between our employer-led members as well as with government departments and regulators.** The Federation also created a dedicated portal on our website. As the lockdown begins to ease and people return to work #KeepBritainTraining is focussed on ensuring that employers retain apprentices and hire more to contribute to rebuilding the economy and addressing major skills challenges.

3. What recommendations would you have for policymakers to support apprenticeships policy going forward? / 4. How can we ensure that apprenticeships play an important role in economic recovery beyond the COVID-19 crisis?

- **Extend the levy clawback period.** Many of our members report that due to Covid-19 disruption, they will not be able to spend levy money before it expires after 24 months.
- **Extend the 31st July cut off date for Frameworks** – Extend the cut off date for Frameworks that don't have Apprenticeship Standards ready for delivery and to accommodate those who had planned to start framework apprenticeships between March and July.
- **Strengthen the transition for students in FE onto apprenticeships** – Introduce flexibilities and work with FE colleges to front-load the 'off the job' learning. This way, young people can transition into an apprenticeship having already completed the 'formal' learning required by an apprenticeship when the economy has recovered.
- To ensure there is a pipeline of skills ready to rebuild the economy, **employers will need higher levels of subsidy for apprentices to hire or retain apprentices.** With youth unemployment a particular concern, providing more generous financial support to employers taking on apprentices aged 16-24 vis-à-vis older apprentices will incentivise recruitment of this group.
- **Enforce public sector targets for apprenticeships** - The public sector's annual target for employing apprentices is at least 2.3% of their staff. This target could be raised.
- 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. **The Government should resource and promote the National Careers Service and change its focus to include young people as a priority group.**
- To ensure that apprenticeships play an important role in the economic recovery beyond the Covid-19 crisis, **FISSS is advocating a sector-based approach that allows those within a sector to decide how training to meet their specific skills needs is delivered.**

Endnotes

¹ Federation for Industry Sector Skills and Standards (2020) BRIEFING NOTE: THE APPRENTICESHIP SECTOR'S RESILIENCE TO COVID-19. Available at: <https://fiss.org/wp-content/uploads/2020/04/FISS-Briefing-Note-The-Apprenticeship-Sectors-Resilience-to-COVID-19.pdf>

² The Department for Education (2020) Apprenticeships and Traineeships, England: update June 2020. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/894893/2020-march-apprenticeships-and-traineeships-commentary-june-update_pdfa.pdf

³ Federation for Industry Sector Skills and Standards (2020) COVID 19: HOW IS THE SECTOR COPING? Problems, solution, and remaining barriers. Available at: <https://fiss.org/wp-content/uploads/2020/04/COVID-19-survey-how-is-the-sector-coping.pdf>

⁴ People First International (2020) - <https://people1st.co.uk/news/500-hospitality-tourism-workers-redeployed-into/>