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Origins and Recent Development of Higher Level Apprenticeship in England

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Introduction

The Higher Apprenticeship initiative in England builds on a valued and valuable tradition. Since at least the 1930s, some manufacturing companies in the UK were developing the technical knowledge base of their employees by funding them to study part-time in local Technical Colleges for a Higher National Certificate (HNC) qualification.¹ These qualifications were recognised as a tertiary level qualification roughly equivalent to the first year or year and a half of a university degree level qualification and were and continue to be highly regarded in the engineering and technology sector.² The HNC was specifically designed to be studied part-time by individuals already in employment in a relevant occupation. A matching qualification the Higher National Diploma (HND) was later introduced as a full-time equivalent to the HNC but never achieved the same level of employer recognition.

The HNC was awarded by the Technician Education Council (later BTEC and subsequently EdExcel) in a range of manufacturing sectors. There are no statistics showing the number of firms where employees were supported to gain the HNC but in 1984 about 5000 HNC certificates were awarded in engineering subjects.³ Between 1990 and 2000, numbers of registrations fell by some 50 per cent.⁴ and remained roughly stable since then at about 4,000 registrations a year probably equivalent to 2,500 awards annually.⁵

To date we do not have a satisfactory analysis to explain this trend and, in particular, the sharp fall which took place between 1999 and 2003. Undoubtedly rising full-time HE enrolment rates played a part as did the decline in engineering employment. We should also be aware of the increasing tendency of engineering firms to appoint graduates to technician

¹ In the 1997 Labour Force Survey 1.7 million individuals in the population of working age had obtained an HNC or HND qualification

² One industry expert assured me that 'at the core of every managing director of an engineering SME in the UK you will find an HNC'

³ Steedman H 'Vocational Training in France and Britain: Mechanical and Electrical Craftsmen' *National Institute Economic Review* November 1988

⁴ Own calculations from BTEC Annual Reports

⁵ Information supplied by EdExcel

level jobs.⁶ These trends went largely unregarded for some years as the Labour government chose to direct skills policy towards the challenge of upskilling the relatively large proportion of unskilled individuals in the UK workforce. However, now, in 2012, the issue of high level manufacturing skills, how to produce them and how to increase their production has moved to the top of the Coalition's policy agenda which means that apprenticeship is at the heart of this discussion.

In this paper, Section 1 will review skills policy in England from 1993 onwards with special reference to the development of apprenticeship under Conservative, Labour and Coalition governments. Section 2 will introduce the Higher Apprenticeship Initiative resulting from the Coalition's Skills Policy, and the reasons for its development, Section 3 will examine the structure of the qualification and give an example. Section 4 will conclude.

Section 1 Skills policy in England from 1993 onwards

The Conservative government from 1993 -1997

In 1994, the Conservative government revived and reinvented apprenticeship. The 1993 Competitiveness White Paper made clear that apprenticeship was to be focused on growth through investment in skills.⁷ It introduced 'Modern Apprenticeships' as a major plank in this policy, developing skills comparable to those of other developed countries:

'These will offer work-based training to NVQ Level 3... The aim is that by the end of the decade there will be 150,000 new apprentices in England at any one time and over 40,000 young people each year achieving qualifications at NVQ Level 3 or above.'

The 1993 White Paper cited skills levels – in particular in science and mathematics – in Germany, Scandinavia and Switzerland as benchmarks for the British skills drive. It can be assumed that this was the reason for setting the minimum qualification level for the Modern Apprenticeship at NVQ Level 3 [a level similar to that achieved in the German apprenticeship qualification] and apprenticeship duration of three years. The White Paper also provided for the continuation of the Youth Training Scheme (YTS) with a guarantee of work-based training – but without specified skill level outcomes – for all 16 and 17 year olds who needed a place.

The origins of England's apprenticeship model

⁶ Mason, G. (2001), The mix of graduate and intermediate-level skills in Britain: what should the balance be?, *Journal of Education and Work*, 14(1): 5-27.

⁷ Cmd 2563 Competitiveness: Helping Business to Win

In the absence of strong employer commitment to apprenticeships, government assumed the lead in reviving them. The origins of the apprenticeship model that still predominates today stems from the 1994 reinvention of apprenticeship, when the model used to develop the Youth Training Scheme (YTS) in the early 1980s was reinstated (Fuller and Unwin, 2003). This model uses private sector companies to deliver government targets for apprentice numbers.⁸

Responsibility for meeting government targets is delegated to government agencies, awarding bodies and government-funded sector skills agencies supposedly ‘representing’ employers. Government agencies delegate the administration of apprenticeship funding and the training element of apprenticeship to training providers (mostly for profit private companies). Training providers also recruit apprentices and find the employer places to meet government apprenticeship targets. Only the largest employers are allowed to access government funds for apprentice training directly.

The Labour government 1997-2010

When it came to power in 1997, the Labour government carried forward the delivery model established by the Conservatives but found that the Level 3 target was an obstacle to increasing numbers of young people in apprenticeship. Employers claimed that the young people applying for apprenticeships lacked the educational prerequisites for Level 3 apprenticeship.

The solution adopted was for government training programmes (formerly YTS) to be rebranded as Level 2 apprenticeships with lower entrance requirements (often none at all) and lower skills outcomes.. The numbers of 16-18 year olds in apprenticeships rose dramatically between 1996 and 2009 but only at Level 2. The numbers in Level 3 apprenticeships actually fell – see Figure 1. All this was against a background of rising numbers of 16-18 year olds and a fall in total government-funded work-based training for young people.

⁸ For an extensive critique of what they call the British ‘quasi-market’ in training see Ryan P and L Unwin (2001) ‘Apprenticeship in the British Training Market’ *National Institute Economic Review* No. 178 pp 99-114

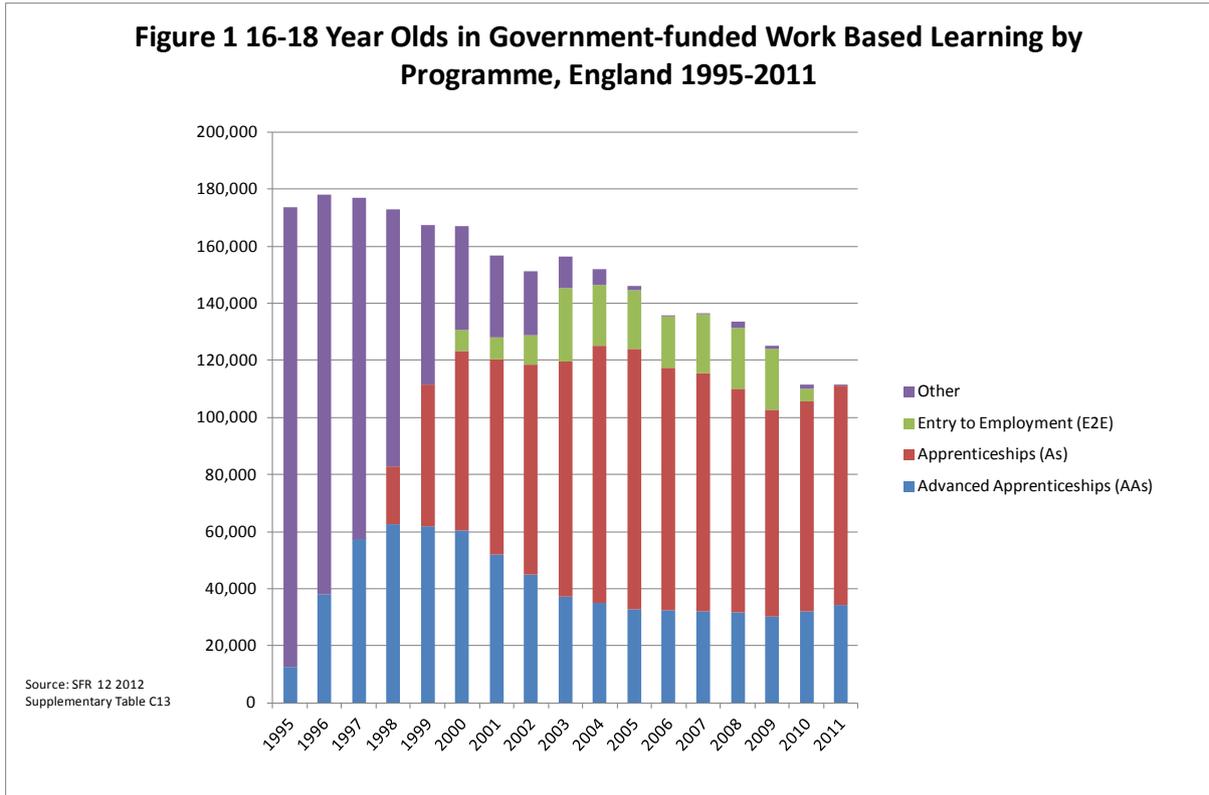


Figure 1 uses data compiled by the Department of Education for young people under the age of 19. The population of the chart is all young people in this age group engaged in work-based training funded in part or in whole from public funds. The chart shows, for one point in time each year, numbers by type of government-funded programme. The time period is 1995-2010, the last two years of the Conservative administration and the 13 years of the three Labour administrations. Figure 1 shows the start of the Conservatives' Modern Apprenticeship programme, offered only at Level 3 while other government-funded programmes provided non-certificated work-based training. Level 3 Modern Apprenticeship was renamed Advanced Apprenticeship by the incoming Labour government and, already in 1998, we can see the conversion of non-certificated work-based training to what became known as Level 2 apprenticeship. This level, which normally had a training duration of a year or frequently less than a year could be judged to be similar to the level reached at the intermediate stage of a German apprenticeship or somewhat below that level.

By 2009 the Labour government had succeeded in switching most young people in work-based programmes to apprenticeships, mostly at Level 2. Numbers on Level 3 apprenticeships declined and never again reached numbers achieved by the policies of the previous Conservative government. Numbers in government-funded training including apprenticeship also declined. However, apprenticeship was a more structured programme of certificated training and training quality improved for those who had previously been on lower level programmes. But, as can be seen from the decline in total numbers of young people in work-based training, the Labour government failed to substantially increase the number of firms employing apprentices. Employers showed little interest in offering

Advanced Apprenticeships to under-19s, and fewer under-19s were taken on to Advanced Apprenticeships in 2010 than in 1997.

Skills Policy under the Coalition government 2010-

The Liberal Democrat and Conservative Coalition came to power in 2010. The shock of the financial crisis and the severe economic depression experienced by the UK from 2009/10 onwards resulted in an early review of government spending. From this came the rapid emergence of policy focusing on growth and the ‘rebalancing’ of the UK economy away from services and in favour of advanced manufacturing. The Coalition almost immediately declared strong support for apprenticeship and a determination to increase numbers of apprentices.

The emphasis in the major policy document *The path to strong, sustainable and balanced growth* published by the government in November 2010 was in marked contrast to the policy of the previous government where emphasis had been on access to apprenticeship for young people with low academic achievements and on a skills outcome at a relatively modest level (Level 2).

In this Treasury policy document the government signalled willingness to invest in skills and, in particular in apprenticeship. The policy emphasised skill development, seen as a vital contribution to the growth needed to tackle the UK’s economic difficulties. The emphasis in apprenticeship was refocused away from young people exclusively to adults of all ages - where the most serious skill deficits were thought to be.⁹

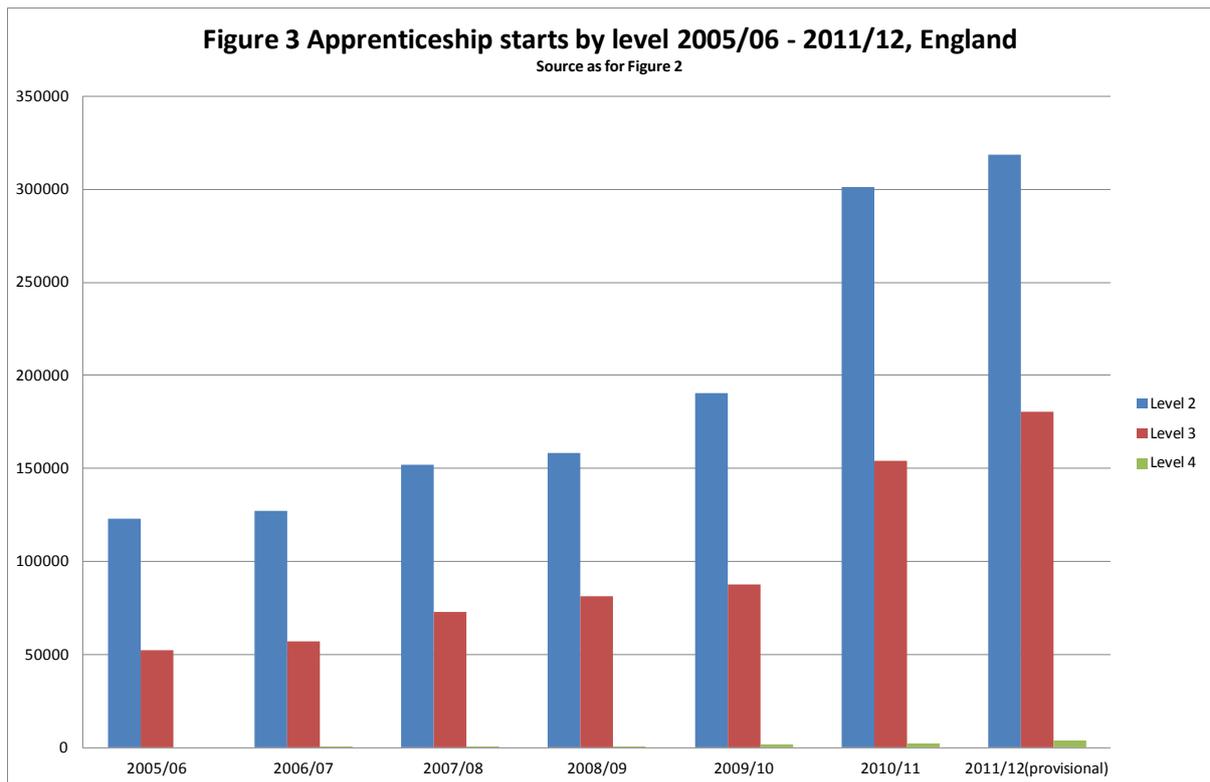
The Coalition government lost no time in switching resources for apprenticeship training to employers willing to offer apprenticeships to adults, mostly adults already in employment with the firms offering the apprenticeship. Figure 2 shows that, whereas, between 2005-06 and 2011-12 apprenticeships for those under 19 hardly grew at all, apprenticeships for adults age 25 and over increased in a spectacular manner from 2010 onwards.

⁹ *The path to strong, sustainable and balanced growth* HM Treasury and Department of Business, Innovation and Skills November 2010



Furthermore, adult apprenticeships were more likely to be at the higher level, Level 3, than for the younger age groups, thereby making a modest contribution to the government's aim of increasing skill levels achieved in apprenticeship.¹⁰

¹⁰ UK apprenticeships have no fixed duration (although there are signs of a slight policy shift in this area). There is no published data on apprenticeship duration but numbers of adult (25+) starts at Level 3 are higher than the number in that age group in apprenticeship at that level. This could be interpreted as adults 'topping up' their qualifications in apprenticeship to Level 3 in the space of a few months rather than 'growing' additional skills through apprenticeship..



However, continuing slow growth in Level 3 apprenticeships, particularly among younger age groups revived long-standing concerns that this growth was held back by the lack of attractiveness of apprenticeship to well-qualified young people. There was little progression from Level 2 to Level 3 apprenticeship to help increase Level 3 apprenticeship stocks.

Progression from a Level 3 apprenticeship to a tertiary level qualification (Level 4 or higher) was difficult and far from straightforward. Although, in theory, a Level 3 apprenticeship qualification entitled the holder to apply for a university place, most universities made no provision to recognise or accommodate Level 3 apprentices.¹¹ A recent project tracking individuals with Level 3 apprenticeship certificates found that, four years after completing a Level 3 apprenticeship, some 13 per cent had continued to some form of Higher Education, mostly through part-time study, a third at first degree and the remainder at sub-degree level. The universities attended by Level 3 apprentices were exclusively ex-polytechnics offering technical/vocational degree courses.¹²

The lack of qualified entrants to Level 3 Apprenticeship

¹¹ Fuller A and L Unwin (2012) 'Banging on the Door of the University: The Complexities of Progression from Apprenticeship and other Vocational Programmes in England' *Monograph No. 14 June 2012* LLAKES Centre, Institute of Education, London

¹² Smith, S. and Joslin, H. (2011) *Apprentice Progression Tracking Research Project Report*. Centre for Work-based Learning. London: University of Greenwich

Employers organisations, in particular the CBI, had welcomed long-standing government policy to increase numbers entering higher education; by 2010 the age participation rate was 47 %. However, this almost exhausted the pool of well-qualified young people which had failed to significantly expand over the recent period of rapid university expansion.¹³ Employers complained of a lack of well-qualified applicants for Level 3 apprenticeships. Anecdotally it is thought that competition among employers for the better-qualified helps to explain why UK apprentice wages are at the higher end of the scale in European countries.

The lack of suitable candidates for Level 3 apprenticeship had been especially acute in engineering which required good prior school achievements in mathematics and science.

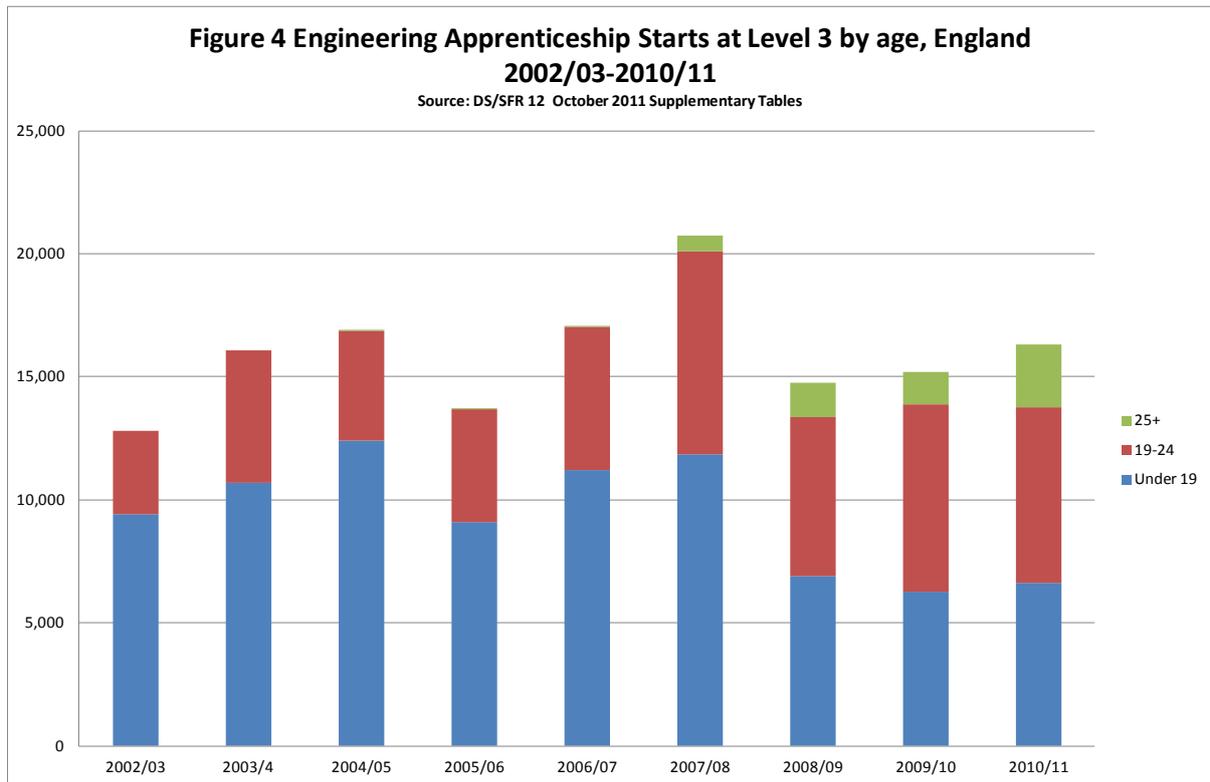


Figure 4 shows how difficult it had been (and continues to be) to achieve the steady growth required in Level 3 engineering apprenticeships if manufacturing was to help rebuild the UK economy.

Section 2 Apprenticeship at the heart of the Coalition government’s strategy for growth.

These issues form some of the background to the key strategy document published by the Department for Business, Innovation and Skills (BIS) in 2010 to accompany the government’s broader strategy document cited above. Entitled ‘*Skills for Sustainable Growth*’ the document identified many of the key weaknesses of apprenticeship provision of the previous decades and proposed measures to tackle these. This policy document put

¹³ SFR 28th March 2012 Table 1

apprenticeship at the heart of the government's skills strategy and, by extension, at the heart of the government's growth strategy. Principal proposals were

- abandon government target-setting for apprenticeship numbers and micro-management of apprenticeship delivery
- aim for Level 3 to become the 'standard' apprenticeship offer
- establish clear progression routes from Level 3 to HE
- Encourage Sector Skills Councils to develop of Higher Apprenticeship Frameworks at Level 4 (1st stage of HE)

The Higher Apprenticeship Fund announced in Skills for Sustainable Growth was included in the 2011 Budget. It was announced as "a £25m fund that will support the creation of up to 10,000 Advanced and Higher Apprenticeships over the next four years" and

'giving firms in sectors such as advanced manufacturing, information technology and engineering the hi-tech skills they need to grow'.¹⁴

Following a competitive bidding process, government funding for Higher Apprenticeships is being used to support partnerships comprising employers and training providers who are expected to

- generate employer contributions to support programme costs
- facilitate stronger sector or occupational partnerships to drive developments
- create a lasting change in employer recruitment and training patterns
- develop new models of Apprenticeship learning at the higher level

'Higher Apprenticeship qualifications at Levels 4 and 5 are designed on the basis of employer skills requirements and in accordance with the legislative requirements outlined in the Specification of Apprenticeship Standards for England (SASE) to enable individuals in employment develop the knowledge and occupational competencies needed to perform a particular technician, management or professional job role.'¹⁵

Higher Apprenticeships are being developed with a bias towards what are known as STEM areas (Science, Technology and Mathematics).

Table 1 Higher Apprenticeship Starts by Sector Subject Area and Age

¹⁴ HM Treasury and BIS (2011) *2011 Budget: A plan for Growth* March http://cdn.hm-treasury.gov.uk/2011budget_growth.pdf accessed 15/10/12

¹⁵ <http://www.apprenticeships.org.uk/Employers/The-Basics/Higher-Apprenticeships.aspx> accessed 14/10/12

| Higher Apprenticeship Programme Starts by Sector Subject Area, Level and Age (2009/10 to 2011/12) | | | | | | | | | | | | |
|---|-----------------------|--------------|------------|--------------|-----------------------|--------------|------------|--------------|-----------------------|--------------|------------|--------------|
| | 2009-10 | | | | 2010/11 | | | | 2011-12 (provisional) | | | |
| | Higher Apprenticeship | | | | Higher Apprenticeship | | | | Higher Apprenticeship | | | |
| | Under 19 | 19-24 | 25+ | All Ages | Under 19 | 19-24 | 25+ | All Ages | Under 19 | 19-24 | 25+ | All Ages |
| Business, Administration and Law | 100 | 1,080 | 120 | 1,300 | 140 | 1,260 | 670 | 2,070 | | | | |
| Engineering and Manufacturing Technologies | 10 | 40 | - | 50 | 20 | 50 | 10 | 80 | | | | |
| Information and Communication Technology | 20 | 110 | 20 | 140 | 10 | 40 | 10 | 60 | | | | |
| Unknown | - | - | - | - | - | - | - | - | | | | |
| Grand Total | 100 | 1,200 | 100 | 1,500 | 200 | 1,300 | 700 | 2,200 | 300 | 2,400 | 800 | 3,500 |
| Sources: DS Supplementary Tables January 2012 and DS/SFR | 16 Table 1 | | | | | | | | | | | |

Table 1 shows the development of numbers of Higher Apprenticeships since 2009. Prior to 2009/10 only around 100 Higher Apprenticeships a year were registered. Since 2009, however, numbers have more than doubled from a low base. HAs are currently only available in the sectors shown in Table 1, Business and Administration, Engineering and ICT. It is planned to extend them to a limited range of other sectors, including Construction, Energy and Creative and Digital Industries identified as crucial for economic growth. Since entrants to HAs must either hold an Apprenticeship Certificate at Level 3 or A-level qualifications or equivalent, it is to be expected that under 19 year olds are the smallest age group represented and the modal age group is 19-24.

Section 3 Higher Apprenticeship (HA), illustration and examples

<http://www.youtube.com/watch?v=SSnJ3qp0RY8&feature=plcp>

In this short film presented by the United Kingdom Commission for Employment and Skills (UKCES) the link between higher level skills obtained through apprenticeship and the strengthening of advanced manufacturing capacity is well-illustrated. The clip also presents examples of apprentices on HA programmes.

Figure 5 [Higher Apprenticeship Framework.pptx](#)

Figure 5 shows the ‘basic architecture’ of the Higher Apprenticeship (Levels 4,5 and 6) in Advanced Manufacturing developed by SEMTA, the Sector Skills Organisation for the engineering industry. The Framework incorporates competence developed and tested by an NVQ at the appropriate level, a knowledge element acquired through study for HND or HNC or Foundation Degree and a number of other employment-related elements. The HA constitutes the first rung on a planned ladder of opportunities which confer an honours degree at Level 6. In addition, the achievement of an HA at Level 4 entitles the individual to apply for registration with the Engineering Council, the UK professional engineering association at the level of Eng.Tech. and at Level 6 for registration as Incorporated Engineer. These titles are widely recognised across industry in the UK and beyond and constitute an important incentive to participation in the HA programme.

As with apprenticeship at all levels in the UK, HAs must have employed status before they can begin training. Wages will be determined by the employing company. In the case of the very largest engineering companies featured in the attached video clip, the company will

meet the cost of tuition preparing apprentices for the knowledge element of the HA. In the case of SMEs training HAs it is envisaged that loans will be available to the apprentice to meet the cost of college tuition fees on the same basis as the loans available to cover fees for full-time HE in England and Wales. This is in contrast to Apprenticeships at Levels 2 and 3 for young people aged under 19 whose tuition fees are met in full by the government (19-24 half paid by the government and a payment reduced further for apprentices 25 and over).

Section 4 Conclusion

Both government and employer associations hope and expect that the HA will be the means to attract well-qualified entrants to apprenticeship who might otherwise have chosen to attend university. Certainly the financial incentives are substantial since the HA will be 'earning while learning' and gain a degree level qualification owing a much lower sum than the full-time student who must meet all his/her subsistence costs in addition to the £6-9000 a year university tuition fees. Anecdotally, large companies are already reporting highly-qualified applicants for apprenticeship opportunities.

The HA should contribute to improving the rather low progression rates of apprentices with a Level 3 qualification to HE.

The HA policy initiative is also important for being firmly situated within the set of wider measures intended to rebalance the British economy away from services and towards Advanced Manufacturing, ICT and the Creative and Digital Industries. This is in contrast to policy under the Labour government when government stood aside and distributed funding without regard to economic sector.

Young people with modest school achievements may be the biggest losers from these policy developments. The drive to refocus apprenticeship on Level 3 and HA may lead to the phasing out of Level 2 apprenticeships. Access to apprenticeship at age 18 or 19 rather than earlier may become the norm and those aspiring to apprenticeship will have to achieve higher standards at school by prolonging study to that age.

This is, perhaps the point to return to the Introduction to this paper and the long-standing British tradition of access to tertiary level qualifications recognised as equivalent to the first stage of a university degree qualification, the HNC through part-time study while working. The HNC may well be given a new lease of life by Higher Apprenticeships since it will be constitute the technical knowledge leg of the new Higher Apprenticeship award. The HA will improve on previous arrangements by requiring, the Higher Apprentice to follow (in addition to study for the HNC) a structured programme of work-based training provided on the job by the employer.

A Note on Levels

The EQF is probably not much help here because for reasons I do not understand the UK QCF gets out of step with the EQF at the crucial Level 3. I think it is easier to give examples and the assumptions I have made about equivalence with German qualifications.

UK Level 2 academic GCSE pass in five subjects including maths and English at Grade C or above - *Realschulabschluss*

UK Level 2 vocational NVQ 2; BTEC First Certificate; Apprenticeship Level 2

UK Level 3 academic--- Advanced Level GCE or equivalent (BTEC ONC etc.) - *Abitur*

UK Level 3 vocational---- NVQ 3; BTEC Ordinary National Certificate/Diploma (ONC/D); Apprenticeship (Level 3) - *Berufsabschluss*

UK Level 4 academic----Foundation Degree

UK Level 4 vocational----NVQ 4; BTEC Higher National Certificate/Diploma (HNC/D); Higher Apprenticeship (Level 4)

UK Level 5 academic 2nd year of Honours Degree

UK Level 5 vocational entrance to HA for highly-qualified candidates (miss out Level 4)

UK Level 6 Honours Bachelor Degree; Higher Apprenticeship Level 6

The UK Qualifications and Credit Framework Levels and the European Qualifications Framework Levels

| QCF | EQF |
|-----|-----|
| 8 | 8 |
| 7 | 7 |
| 6 | 6 |
| 5/4 | 5 |
| 3 | 4 |
| 2 | 3 |
| 1 | 2 |
| E3 | 1 |
| E2 | |
| E1 | |