Now it is not often in life that one of our wishes is granted. At the start of last month, colleagues at the Edge Foundation kicked off a campaign asking people what their one wish would be for the future of education. When they asked me that question, my answer was very simple and I said: I would like to guarantee every young person an apprenticeship that can see them progress all the way from level 2 to level 7 and see 50% of students doing degree apprenticeships. Following his appearance at the Liaison Committee, which is a big Parliamentary committee for all the committee chairs in the House of Commons, I was delighted that the Prime Minister expressed his support for just such an apprenticeship guarantee.

And today I want to tackle three questions:

What is an apprenticeship guarantee?

Why an apprenticeship guarantee?

How do we guarantee that apprenticeship guarantee?

What is an apprenticeship guarantee?

So let me start with the question of what we mean by an apprenticeship guarantee. There are several possible answers and opinions that have been raised in the education press following the Prime Minister’s comments. It could mean guaranteeing funding for any employers who want to offer an apprenticeship. It could mean guaranteeing young people an apprenticeship if there is one available. But what I would like to see is something much more ambitious. A recasting of our skills priorities to place apprenticeships front and centre - to create a new apprenticeship culture as the lifeblood of training and employment. Now, I know this will not be possible from day one, but I want us to work towards being able to guarantee that any young person who wants one, and who has the right starting skills and qualifications, can start an apprenticeship. That would truly be an apprenticeship guarantee.

Why an apprenticeship guarantee?

Turning to the question of why an apprenticeship guarantee – what is special about apprenticeships? As any of you who have heard me speak before will know, I make no attempt to hide the fact that I am a big fan of apprenticeships. You know that from my introduction. They combine a real job with training so that people can earn while they learn. They offer opportunities in a huge range of sectors – not just the important traditional heartlands of engineering and manufacturing, but finance, software design, the green economy. And they have remarkable returns for all involved. Apprentices go on to have excellent employment prospects, businesses benefit from new expertise and the wider economy receives £28 of benefit from every £1 invested in a Level 3 apprenticeship. But, it will be no mean feat. Before the pandemic, the number of apprenticeship starts in the first half of the last academic year dropped 15 percent for those aged 16 to 19. And, according to the Social Mobility Commission’s latest report, there was a much greater decline in starts for apprentices from disadvantaged backgrounds between 2015/16 and 2017/18 - 36 percent - compared with their better-off peers. The economy has been changing for a long time as the fourth industrial revolution hits. As Edge’s Skills Shortage Bulletins show, millions of jobs in our economy were already being impacted by automation, AI and robotics before we had even heard the word ‘corona’. And despite this Government’s unprecedented financial contribution to soften the blow, the economic impact of this pandemic will be very severe. The strongest of those impacts are being felt, and will continue to be felt, by younger people and by the most disadvantaged families. Analysis by the Institute for Fiscal Studies, highlighted in Edge’s report last week, shows that those with the lowest earnings were about seven times more likely to work in a shut-down sector as those with the highest earnings. Meanwhile, analysis by the Resolution Foundation showed that by May those aged 18-24 were by far the most affected age group – almost a quarter of young employees had been furloughed and a further 11% had either lost their jobs or lost hours and pay because of the coronavirus. Things have been particularly difficult for apprentices. The Sutton Trust has shown that over a third have been furloughed and one in ten have been made redundant. So we face a very challenging starting point. But I remain convinced that a radical expansion of the programme to create a real culture of apprenticeships here similar to continental countries like Germany, Switzerland and Austria would be best for young people and best for our economy.

How do we guarantee an apprenticeship guarantee?

So how should we go about guaranteeing an apprenticeship guarantee? A quick word first about how we shouldn’t. We shouldn’t go back to the Youth Training Scheme of the 1980s or to Programme Led Apprenticeships and re-label things that aren’t real apprenticeships. We also shouldn’t prioritise new apprentices at the expense of existing apprentices. Indeed, they should be prioritised to continue and complete their training. I don’t have a team of civil servants and statisticians modelling the numbers, but I do have six concrete proposals that would help to deliver a massive increase in the number of apprenticeships for young people. First, I firmly believe that the Apprenticeship Levy has been a positive move for the system, bringing us closer to the ambitious aim of emulating Germany and Switzerland’s apprenticeship culture. But long before COVID hit, there were already concerns that this was funding more middle management apprenticeships at the expense of kickstarting young people’s careers. Now is the time to change that definitively, to refocus the levy pot so that it can be used primarily on apprenticeships for 16-24 year olds and to tackle disadvantage. One option, for example, would be to allow an employer to fully fund the training of a younger apprentice, or an individual from a more disadvantaged background from the levy, but only partially fund an older apprentice. Second, we must look to the public sector to lead the way, with a massive increase in jobs and apprenticeship opportunities. This will build on the legacy of the amazing work done by apprentices in the NHS and across the front line services during the pandemic. This should be delivered through a much higher target for public bodies, greater accountability and procurement. For example, if the public sector were to hire 50,000 new members of staff a year and the target was increased by 5 percentage points each year, we would end up with almost 4,000 new apprenticeships in 2021 and over 11,000 a year by 2024. However, the public sector is not even meeting its existing target of 2.3 percent, so we need a greater level of drive and accountability in the system. Where possible, we should work to ensure that all new public sector recruits are apprentices and we must hold public sector bodies accountable - be that to my Education Select Committee or another forum. On public procurement, as we build back better and renew our infrastructure, there should be a much greater expectation for the number of apprentices hired in the supply chain. That should be a key consideration for all public sector procurement going forward.

Third, there is no doubt that the Chancellor’s brave decision to introduce the furlough scheme has been vital in protecting businesses, particularly smaller businesses, during lockdown. As we emerge from that period and look to build back better we now need to bring those small businesses and third sector organisations together with the extraordinary talent of our young people to develop new opportunities for growth. As the furlough scheme winds down, the £3 billion National Skills Fund should be used towards covering training costs and the first year of salary costs for small and medium businesses taking on young apprentices. There are a variety of views from providers and employers on the level of this subsidy between 50 and 100 per cent of the wages of the apprentice in their first year. I would start with half the cost – which the Association of Colleges has estimated at £3,000 per apprentice, at a total cost of £1 billion. This could then be topped up by local or regional approaches or increased if more places are needed. Supporting innovation and growth – supporting young people’s development – it’s a win-win.

Fourth, we can also support smaller businesses by sweeping away any remaining bureaucracy that surrounds the apprenticeship programme. This makes it harder for busy small businesses and third sector organisations at the forefront of our recovery to engage. The Department should look again at rules like 20 percent off-the-job training, perhaps relaxing, front-loading or funding that time. I will come onto degree apprenticeships in my next point, but our Education Committee’s report into nursing degree apprenticeship unearthed the maze of bureaucracy which the NHS must navigate. As well as an onerous 50 percent off-the-job training requirement set by the Nursing and Midwifery Council, NHS employers must grapple with regulation and paperwork from ten-plus different bodies. By tearing down some of the barriers, we could create far more nursing degree apprenticeships. The Government should also look to international examples to support an extension of models like Apprenticeship Training Agencies or Shared Apprenticeship Schemes that can dramatically reduce the risk and bureaucracy for small organisations. Take the example of Australia. Around 12 percent of apprenticeships are brokered through ATAs, increasing to more than 50 percent for certain sectors, like plumbing. The Government incentivises recruitment of apprentices from indigenous populations, giving them a pathway into skilled work, as well as in sectors that meet regional skills needs and targets incentives towards new apprentice starts, to avoid gaming of the system. Predominantly social enterprises, the ATAs act as specialists in managing the paperwork and recruitment. Crucially they bearing the risk if the business needs to downsize and support the apprentice into another placement to complete their training.

Fifth, now to my two favourite words in the English language, degree apprenticeships. I know there are tough times ahead for universities as for all other businesses and education institutions. But there is also no better time to embrace a change that I think has been needed for some time. As longstanding examples of practically-focused degree courses like the Edge Hotel School at the University of Essex and Cardiff University’s National Software Academy show, the best graduates for industry are those who have learned the theory and had the opportunity to practice. We should re-start the Degree Apprenticeship Development Fund (DADF) to help broker degree apprenticeships between universities and businesses. We should reform the levy so that much more can be used for degree apprentices. We need wage subsidies for employers taking on degree apprentices. And, the £800 million universities spend on access and participation should be redirected towards those universities growing their degree apprentice student numbers. Over the next decade, universities should work towards a target of 50 percent of their students undertaking degree-level apprenticeships. Reaching the 50 percent target may seem unlikely, but if the recent upwards trend in degree-level apprenticeships continues at the same rate - with some serious policy encouragement - it could take as little as ten years for half of all university students to be doing these courses.

Sixth, the whole area of overseas aid has been in the headlines recently. The (now, former) Department for International Development currently funds the International Citizenship Service - a volunteering body for 18 to 25-year-olds in international development projects (that has already worked with 80,000 volunteers abroad). Why not use a significant chunk of aid money to transform the existing ICS into an Apprenticeship Service Overseas (ASO). These apprentices - working with civil society and businesses - would help the developing world and develop their skills at the same time, earning an apprenticeship standard in overseas aid. At the same time, supported by the subsidy I have already mentioned, local voluntary sector organisations should be supported to hire apprentices to embed the community spirit that we have seen growing during lockdown.

Finally, we can have all the policies in the world, but none of this will make a huge difference unless we get young people to take up the offer; and that starts with radical change of careers advice in this country. We need proper targets for schools in terms of encouraging their pupils to go on to apprenticeships; proper enforcement of the Baker Clause; proper engagement from Ofsted on this issue; a proper UCAS-style system for FE, Skills and Apprenticeships; proper destination data that puts getting an apprenticeship on a par with going to university and a proper National Skills Service - a one-stop shop for careers advice and work experience, putting an end to the duplication of national careers organisations and giving every young person a quick and easy route into an apprenticeship.

Conclusion

I am probably running out of wishes about now, so I will wrap up as I want plenty of time to discuss this with the panel.

So to summarise.

I want us to develop a true guarantee of an apprenticeship for any suitably qualified young person who wants one.

I want that because apprenticeships have hugely positive returns for individuals, businesses and the wider economy.

I recognise that we start from a challenging place – reduced numbers of young apprentices, the fourth industrial revolution and the impact of Covid-19.

We certainly don’t want to recreate the mistakes of the past like relabelling provision as apprenticeships, and we don’t want to prioritise new apprenticeships at the expense of existing apprentices.

But we can take action now to deliver a massive increase in opportunities for young people:

By rebalancing the Levy

By asking more of the public sector

By providing financial support to small businesses and organisations

By cutting red tape

By radically expanding degree apprenticeships

And by putting apprenticeships at the centre of our overseas aid effort

There will, of course, be people who say it will be impossible to give an apprenticeship guarantee to every young person; and you will find a number of computers that say no. But, given what has happened with the coronavirus pandemic and the huge skills-need facing our nation, we have to be mindful of the words of Sir Nicholas Winton: “If it’s not impossible, there must be a way to do it.” With evangelisation from the Prime Minister and those leading in politics in the community, with detailed policy worked through by the Government, think tanks and pressure groups, my Committee, we must be able to come up with really exciting apprenticeship offerings for young people. After all, it was not so long ago that Tony Blair, who talked about “university, university, university”, achieved the target of 50% of students going to university - because there was the political will to do this behind it. Surely, the same can be the case if we have a real will for apprenticeships, with our battle cry: “Skills, skills, skills”.