



House of Commons
Education Committee

**The apprenticeships
ladder of opportunity:
quality not quantity:
Government Response
to the Committee's
Sixth Report of Session
2017–19**

**Seventh Special Report of Session
2017–19**

*Ordered by the House of Commons
to be printed 18 December 2018*

The Education Committee

The Education Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Education and its associated public bodies.

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Committee staff

The current staff of the Committee are Richard Ward (Clerk), Katya Cassidy (Second Clerk), Chloë Cockett (Committee Specialist), Anna Connell-Smith (Committee Specialist), Victoria Pope (Inquiry Manager), Natalie Flanagan (Senior Committee Assistant), Olivia Cormack (Committee Assistant), Gary Calder (Senior Media Officer) and Oliver Florence (Media Officer).

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Seventh Special Report

The Education Committee reported to the House on [The apprenticeships ladder of opportunity: quality not quantity](#) (HC 344) in its Sixth Report of Session 2017–19 on 11 September 2018. The Government's response (including a response from the Institute for Apprenticeships) was received on 7 December 2018 and Ofsted's response was received on 12 December 2018.

In the Government response, the Committee's recommendations appear in **bold** text and the Government's responses are in plain text.

Appendix 1: Government Response

Foreword

The Government welcomes the Committee's report and we are pleased that the Committee has recognised that apprenticeships are providing people across the country with the opportunity to progress and supporting employers to raise their productivity. We are pleased that there is continued enthusiasm for apprenticeships from employers, providers, sector organisations, social justice groups and individuals taking up apprenticeships.

The Committee's report is timely, 18 months on from the introduction of our series of major reforms, including the introduction of the levy and alongside it the introduction of a new funding system, plus the creation of the Institute for Apprenticeships (the Institute) and the Register of Apprenticeships Training Providers. There is no doubt that our ambitious programme of reforms has meant significant adjustments for employers and providers but our aim is to substantially improve the system and put the quality of training firmly at the heart of the programme. We agree that for too long apprentices have not always received the quality of training they deserve.

There is still more to do to achieve the world-class apprenticeships system we want to see; one that puts technical education on a par with academic education, and that enables everyone to reach their full potential. We are responding to feedback from business and the education sector, making further refinements to make sure that apprenticeships continue to work for all.

We have recently announced a package of measures to further strengthen apprenticeships and make sure that employers can get the skills they need. We've made up to £3.5 million available to the Institute and up to £1.5 million to the National Apprenticeship Service to increase the number of employer-designed standards available, and to identify gaps in training provision. We have confirmed that from August 2020 all apprentices will start on new high-quality standards which the Committee heard were 'an improvement on previous frameworks'. We've also made further funding available to allow levy-payers to transfer up to 25 per cent of their funds to other employers, including those in their supply chains, from April 2019, and will be supporting small employers by halving the co-investment rate from 10 per cent to 5 per cent in 2019 to help ease the cost of apprenticeship training.

The Committee's report rightly recognises that the system must be responsive to the needs of employers that do not pay the levy and smaller, often specialist, providers. We want to make sure that the transition of smaller employers taking more control of their apprenticeship programmes through the apprenticeship service is carried out in a gradual, well-managed way. We want to give time for businesses and training providers to prepare and take full advantage of a new way of funding apprenticeships. For this reason, in August we announced that contracts and allocations for non-levy funding will be extended by 12 months, to make sure there is a phase of dual running, allowing employers to take this control over a longer period of time. We also recognise this is important for providers as they support employers in making sure apprenticeships work for them. We plan to set out details of the dual running approach in the coming weeks.

Furthermore, the Minister of State for Apprenticeships and Skills will work with the Exchequer Secretary to look at the future use of the apprenticeship levy. The Government will seek views on the operation of the levy to ensure it supports the development of the skilled workforce businesses need to grow in different sectors and different regions in England.

Responses to Individual Recommendations

Quality

1. **We recommend that the Government continues to carefully monitor whether bodies responsible for apprenticeship quality have enough resources to fulfil their roles and acts quickly to remedy any emerging capacity issues. (Paragraph 7)**
2. **We recommend that new providers judged by Ofsted to be making insufficient progress should be removed from the register of apprenticeship training providers. (Paragraph 11)**

We agree with the Committee that it is of vital importance to the apprenticeship programme that the bodies responsible for apprenticeships quality have the appropriate resources to fulfil their roles. The appropriate resourcing of these bodies provides greater assurances about the quality of apprenticeships and enables us to take actions quickly to protect apprentices from low quality provision, and to safeguard public expenditure.

We are providing an additional £3.5 million for the Institute to introduce new standards and update existing ones so that more courses can be offered—meaning more choice for those considering their training options. To reflect the growth in the apprenticeships provider market, we also agreed additional funding of £5.4 million for Ofsted to undertake monitoring visits of new apprenticeship training providers within their inspection remit (Levels 2 – 5), within 24 months of the provider's funding start date. We review and monitor funding and resourcing requirements of the relevant quality bodies on an ongoing basis.

To ensure only high-quality training providers can deliver apprenticeships training, the Education and Skills Funding Agency (ESFA) places a strong focus on assurance at market entry stage. For example, all providers must meet a clear set of stretching quality criteria that considers due diligence, capability, quality and financial health to be included on the Register of Apprenticeship Training Providers. The Department has reviewed the operation of the current Register and announced changes to the application process on

26 November. This will provide additional assurance to employers that training providers they choose have the capacity and capability to deliver good quality apprenticeship training, and are ready to start delivery, supporting an increase in the quality of training for apprentices.

Once apprenticeship training providers have entered the market, the ESFA monitors them on an ongoing basis and will take action to protect apprentices if a training provider is not fit for purpose.

We also agree with the Committee that the ESFA should rely on the judgements of Ofsted about the quality of training provision in making decisions about the public funding of apprenticeship training provision. Ofsted's commitment to undertake monitoring visits with new apprenticeship providers within their inspection remit gives us assurance that, where providers are making insufficient progress in delivering quality provision, we are able to address this immediately. This ensures that employers and learners can have confidence that the training they receive is high quality.

We want to make sure that only quality providers are able to deliver apprenticeships. New providers assessed as making 'insufficient progress' following a monitoring visit will be unable to recruit any new apprentices until Ofsted has undertaken a full inspection. They will only be able to recruit new apprentices when their assessment grade is at least 'requires improvement' for apprenticeships or for 'overall effectiveness' under its further education and skills remit where there is no separate apprenticeships grade. We ensure providers disclose this to employers they work with and give them the choice to move apprentices if they so wish. We believe that suspending new starts but allowing a provider to continue with existing learners is a proportionate response, however, we will keep this position under review.

3. We recommend that the Government places a cap on the amount of training new providers can offer. This cap should remain in place until they have been found to be making sufficient progress by Ofsted. (Paragraph 14)

We agree with the Committee that a provider should demonstrate competence before being able to grow significantly. On 26 November, we announced changes to the Register of Apprenticeship Training Providers. As part of this, the ESFA is considering the introduction of provider earnings limits to ensure control, not just for quality reasons, but also to control the potential size and expansion of providers. We will be seeking views from the sector on this in the coming months.

4. We recommend that all new apprenticeship training providers should receive at least a monitoring visit from Ofsted within a year of being approved to deliver training by the ESFA. (Paragraph 16)

Ofsted are responsible for the inspection of all new apprenticeship training providers who fall under their remit, and for determining their inspection priorities and schedule.

We agree with the Committee that Ofsted play an important role in inspecting the quality of training delivered by training providers. Monitoring visits of new apprenticeship training providers provide assurances about the quality of training provision, flagging at an earlier stage those providers whose provision falls below the expected level. As part of

these monitoring visits, where a provider is found to be making 'insufficient progress', they will be unable to take on any new apprentices until Ofsted has undertaken a full inspection and they have improved; protecting learners from poor quality training provision.

To reflect the growth in the apprenticeships provider market, we have agreed an additional £5.4 million for Ofsted to undertake monitoring visits of new apprenticeship training providers within their inspection remit within 24 months of the provider's funding start date. We explored the feasibility of all new apprenticeship training providers within Ofsted's inspection remit receiving a monitoring visit in the first 12 months of their funding start date, but concluded that this was not manageable. With around 600 new providers funded during 2017–18, and the need to recruit and train additional inspections to undertake monitoring visits, it is not possible for Ofsted to carry out a monitoring visit to all new providers within one year. We believe 24 months is a reasonable and proportionate timeframe, but will of course, keep this under review.

The Office for Students (OfS) is responsible for assessing and monitoring quality and standards for providers that are listed on their Register,¹ including those that deliver apprenticeships irrespective of whether it includes a degree. The OfS and the Department are working together to make sure apprenticeship training is high-quality at Levels 6 and 7, whether the provider is registered with the OfS or not.

5. We recommend that Ofqual should be given responsibility for the external quality assurance of all end-point assessments. (Paragraph 19)

We agree with the Committee that we should expect external quality assurance (EQA) of all end-point assessments to be consistent, robust and reliable. The Institute is responsible for quality assurance of apprenticeship assessments and currently allows employers to select which EQA organisation should be responsible for quality assuring the relevant standard. They can choose from either the Office of Qualifications and Examinations Regulation (Ofqual), employer organisations, professional bodies, or the Institute. The Quality Assurance Agency for Higher Education (QAA) monitors, and advises on, standards and quality in UK higher education and is the designated quality body to undertake quality and standards assessment functions in England. The QAA provides advice to the Office for Students (OfS) about quality and standards in registered providers. The Committee notes that the Institute quality assures half of all apprenticeship standards. It is up to Trail Blazer employers who have designed the apprenticeship standard to choose the best external quality assurance for their apprenticeship.

In order to make sure that quality assurance is consistent across and between standards, the Institute has introduced and is currently strengthening a common framework for all EQA providers to follow. The Institute also meets regularly with EQA providers to make sure there is consistency of assessments.

EQA is still at an early stage of implementation. We will continue to monitor the delivery of EQA as standards become established and, working with the Institute, will be mindful of the need to have in place arrangements which align with the quality assurance for T Levels and other technical qualifications in future.

1 <https://www.officeforstudents.org.uk/advice-and-guidance/the-register/the-ofs-register/>

6. We recommend that the Institute makes the growth of degree apprenticeships a strategic priority. (Paragraph 23)

We agree with the Committee that degree apprenticeships are an important part of the apprenticeship programme, adding prestige and providing benefits in terms of skills, productivity, widening participation and progression. We have already seen year on year growth in Level 6 plus apprenticeships. In the 2017/18 academic year, there were 10,880 starts on apprenticeships at Levels 6 and 7, a six-fold increase from 2016/17 when we saw 1,700 starts.²

The Institute has supported the delivery of over 370 standards that are ready for delivery and is supporting over 210 more that are in development—this includes supporting the development of Level 6 plus and degree apprenticeship standards. There are now 70 standards at Levels 6 and 7, of which 54 include a degree. This is a significant increase with the Institute approving 38 Level 6 plus apprenticeship standards in the last 12 months. The previous three years saw the approval of 27 standards in total at these levels. The Institute is also involved in the development of a further 63 Level 6 plus standards.³

However, we disagree that the growth of degree apprenticeships should be treated as a strategic priority in isolation. The Department is primarily responsible for the strategic direction of the apprenticeship programme with the Secretary of State issuing Strategic Guidance to the Institute. We do not prioritise degree apprenticeships over other apprenticeships because the reforms are employer-led, so the apprenticeships developed are those that employers have said they want. This makes sure that the apprenticeships we offer are responsive to the needs of business.

As we have agreed elsewhere (recommendation 11), it is important that individuals are able to progress through apprenticeships and other training. This requires a balanced range of apprenticeships and technical education options that enable employers and individuals to gain the skills they need and to facilitate progression through from Level 3 to Level 6 plus and degree apprenticeships. It is important that the development of Level 6 plus and degree apprenticeships complement other levels of apprenticeships.

7. We recommend that the role of the Institute's apprentice panel be formalised: its recommendations to the Institute's board and the board's responses should be published. (Paragraph 27)

The role of the Apprentice Panel is a matter for the Institute. However, we agree with the Committee that the apprentice panel is important as it gives a valuable insight to the views of apprentices. The Minister for Skills and Apprenticeships, Anne Milton, met 13 apprentices from the Institute's panel at the Houses of Parliament in October. The Minister asked that the apprentices continue to provide regular feedback on their experiences with employers and training providers, and on any wider issues with the reform programme. She will meet with the panel regularly, and is planning to meet them again in the New Year.

The Minister also asked for the panel's views on the Committee's report and recommendations. They were clear that a commitment to high-quality apprenticeships should be a priority. They were particularly keen to see a clearer complaint route for

² <https://www.gov.uk/government/statistics/further-education-and-skills-november-2018>

³ <https://www.instituteforapprenticeships.org/apprenticeship-standards/?levelFrom=6>

apprentices and a system to recognise good apprentice employers. They felt strongly that all pupils should receive good careers advice, including advice on apprenticeships, and that there was still work to do to educate parents about the technical education options available.

8. We recommend that the Government establishes and promotes an improved complaints procedure for apprentices. (Paragraph 29)

We agree that it is important that apprentices must have a voice and a clear route for complaint when they do not receive the high-quality training that they have been promised. A review of the existing complaints policy and process for employers, providers, end point assessment organisations and apprentices, is already underway. The review will ensure that apprentices have simple clear routes for making a complaint about their provision where they need to do so.

We want to encourage employers and apprentices to talk about their apprenticeship experiences. Feedback from employers and apprentices will be used by the Department to flag early warning signs, along with other information and intelligence that is gathered from other parts of the business. In September we introduced a new digital service that allows employers to feedback on aspects of their apprenticeship programmes. If an employer rates their training provider as 'very poor', they will be directed to links explaining the complaints procedures.

In November we launched a separate feedback service for apprentices to provide feedback on their apprenticeship standards—the first iteration of this invites apprentices currently on digital standards, where they have opted into being contacted for survey and research purposes, to feedback on their experience via text message. We will work with apprentices, employers, training providers and end-point assessment organisations and the Institute to develop a suite of surveys, via text message, to meet a variety of needs, allowing apprentices to share their views at different points of their apprenticeship experience. These two tools for apprentices and employers will give us early warning of trends in poor performance of training providers.

9. While we recognise there should be a minimum amount of off-the-job training, we recommend that the Government conducts pilots with apprentices and businesses to explore the effect of introducing greater flexibility in the amount required by each apprenticeship standard. If results are positive it should introduce greater flexibility across the system. (Paragraph 33)

We agree with the Committee that a minimum amount of off-the-job training is important in making sure that all apprenticeships are of the highest quality, and that this training should be flexible. Although some employers would like more flexibility on this, many employers are supportive of the 20 per cent minimum requirement. They recognise that off-the-job training is a key element to develop the apprentices' knowledge, skills and behaviours to reach occupational competency. Apprenticeships are about providing skills to an individual and this takes time.

The 20 per cent minimum requirement is in line with international best practice,⁴ of a day a week in college, but allows more flexibility. A recent report⁵ looked at lessons from international comparisons of off-the-job training. It noted the importance of off-the-job training in ensuring apprentices develop occupational competency and that other apprenticeship programmes often cited as world-class, such as those in Switzerland and Germany, have a significantly higher proportion of off-the-job training.

The definition of off-the-job training for apprenticeships in England, is intentionally broad so that it can be delivered flexibly: it can take place at an apprentice's usual place of work away from their normal working duties. It can include activities such as mentoring, role-play, written assignments and online learning. The Department is developing a number of products, including myth-busting infographics and sector specific videos for employers to showcase best practice examples of implementing off-the-job training in a way to suit their needs.

We share the Committee's concern about removing the protection of a minimum training requirement. We know that in the previous apprenticeship system, some apprentices received very little off-the-job training and some did not know they were doing an apprenticeship. This is why the requirement for 20 per cent off-the-job training is one of our core principles that underpins a quality apprenticeship; it is this formal programme of learning that makes an apprenticeship distinct from other work-based learning. We have no plans to reduce this requirement.

10. The transition from apprenticeship frameworks to standards has been mismanaged by successive Governments. Employers have been let down. (Paragraph 36)

We agree with the Committee that the move to apprenticeship standards has not been as smooth as we would like it to be. However, this move to new, employer-led apprenticeship standards is critical so that employers can be confident that apprenticeships will deliver the skills they need. The Institute has implemented its 'Faster and Better' programme and we are now seeing standards approved in record time; over 370 standards are now available for delivery. By the end of the 2019/20 academic year when frameworks will be withdrawn, we expect that the Institute will have developed all necessary standards, so across all areas of the economy there will be apprenticeships to give businesses the ability to develop the skills they need.

Standards are being taken up with enthusiasm by employers across a wide range of sectors, and we are already hearing from employers, providers and apprentices how they are creating a real step up in the quality of apprenticeships across the country. There is some excellent practice in the sector and we are hearing accounts of truly innovative training, where the flexibility built into standards is being used to develop new and innovative training to meet employer needs. Ofsted's monitoring visits are showing some strong progress and we continue to work closely with them to monitor how standards are being delivered by training providers. We funded the Future Apprenticeships programme for three years to support providers and end-point assessment organisations to gear up to delivering standards.

4 https://read.oecd-ilibrary.org/education/apprenticeship-in-england-united-kingdom_9789264298507-en#page1
 5 <http://www.gatsby.org.uk/education/latest/off-the-job-training-must-be-taken-seriously-to-equip-young-apprentices-for-the-21st-century-workplace>

We are withdrawing all apprenticeship frameworks on 31 July 2020. This gives those employers and providers who have not yet moved all of their apprenticeships over to standards a clear timetable to do so. We are already seeing employers choose standards over frameworks with 44 per cent of all starts in 2017/18 on standards compared to just 5 per cent in 2016/17.⁶ Leaving frameworks in the market until 2020 does not stop employers and providers from switching to standards now—indeed, many providers and employers are already well advanced in their standards delivery, and we encourage them to share good practice widely throughout their sectors.

11. We recommend that the Institute mandates the inclusion of clear paths to progression within apprenticeship standards. These paths should be linked to a system of progression maps created and promoted by the Institute. (Paragraph 39)

We agree with the Committee that it is extremely important that the potential to progress through apprenticeships and other training is widely understood. The Institute's occupational maps document all the skilled occupations that can be achieved through an apprenticeship. They are owned and maintained by employers and assessment experts through the routes panels. In its consultation response earlier this year, the Institute recognised the wider application that the occupational maps could have, for individuals and employers. We share that view and will continue to work with the Institute on how the maps can be used to further support progression.

We are already seeing real benefits for apprentices, and our reforms aim to increase these benefits. The vast majority of apprentices agreed that their career prospects had improved since starting the apprenticeship⁷ and we know that over 90 per cent of apprentices go on to work or further training, with 88 per cent in sustained employment.⁸ Training makes people more productive and they earn more. On average, a Level 2 apprenticeship boosts earnings by 11 per cent and a Level 3 apprenticeship by 16 per cent. In some subjects, this is even higher—for example, achieving a Level 3 in construction increases earnings by 32 per cent.⁹ We will continue to keep under review whether there is more we could do.

12. We recommend that the Government increases the top funding band to better match the full cost of delivery for some apprenticeships. It should also double the time employers have to spend their funds to 48 months and allow them to transfer more of these funds to firms in their supply chain. (Paragraph 45)

We agree with the Committee that value-for-money should not simply be a synonym for cheap, which is why we maintain our commitment to having all apprenticeship starts on employer-led standards in 2020, instead of the cheaper frameworks. The £27,000 limit to the top funding band represents the amount government will contribute to the cost of training, ensuring that we are able to support apprenticeships across all sectors, levels and ages. Employers can agree a higher price with providers and cover the additional cost themselves. There is little evidence to suggest that the maximum funding limit is restricting starts, and while we currently have no plans to change the limit, we will keep funding bands under review.

6 <https://www.gov.uk/government/statistics/further-education-and-skills-november-2018>

7 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/659709/Apprenticeships_evaluation_2017-learners.pdf

8 <https://www.gov.uk/government/statistics/further-education-outcome-based-success-measures-2015-to-2016>

9 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/435166/bis_15_323_Measuring_the_Net_Present_Value_of_Further_Education_in_England.pdf

The Committee will welcome the fact that we have already announced an increase to the level of funds an employer can transfer to organisations including those in their supply chain. From April 2019, the transfer limit for large employers will increase from 10 per cent of their annual available funds to 25 per cent. Following initial feedback, we have already extended the expiry period for levy payments from 18 to 24 months, which we consider to be an appropriate period. Funds only expire on a monthly basis two years after they enter accounts so employers who start apprenticeships during this time are unlikely to see funds expire in May 2019. Extending to 48 months would reduce the incentive for employers to offer more apprenticeships, as well as affecting the Department's ability to forecast starts and manage spend.

13. We recommend that Ofsted conducts a review of subcontracted provision across the country and produces a survey report setting out its findings, drastically increases the number of monitoring visits of subcontracted provision it undertakes, and inspects the largest subcontractors separately so that they receive a rating based on all the training they offer, regardless of lead provider. (Paragraph 49)

14. We recommend that the Government caps the management fee a lead provider can charge a subcontractor. It should consult on the level at which the cap should be set. Lead providers should have to justify to the ESFA the management fees they charge. (Paragraph 53)

15. We recommend that the Government tightens the requirements on providers who subcontract their provision. Lead providers should have to deliver a significant amount of their apprentices' training. (Paragraph 54)

We agree with the Committee that setting clear guidelines for main providers who subcontract apprenticeship provision are essential. The accountability for outcomes and delivery against the funding contract lies with the main contractor and that is who needs to be held to account. That is why Ofsted cover quality and management of subcontracted provision when they inspect directly funded providers. Its coverage of the management and quality of subcontracted provision on scheduled full and short inspections ensures that this is a matter that is under regular surveillance. Ofsted has extended this focus on subcontracted provision into 2018/19 and providers have been made aware of that. Its findings suggest that subcontracted provision can often be of a good quality and well run.

The quality assurance of higher education sits within the regulatory framework in England; key elements are managed directly under specific conditions of registration with the framework underpinned by the Quality Code. The management of partnerships, including subcontracting in apprenticeships, and oversight of courses through external verification are core components of quality assurance within higher education.

We recognise that whilst subcontracting is decreasing, it has a role to play in delivering quality learning to apprentices, particularly in niche training. In recent years, we have strengthened our rules around subcontracting and ensured that employers have a role in agreeing if subcontractors are used and if so, the amount of funding main providers retain to manage and monitor each subcontractor. Guidance in support of the funding rules around what 'of substance' means is already available and has provided additional clarity, proving to be well received amongst apprenticeship providers.

We are about to undertake further work to develop our expectations around the operation of subcontracting relationships between providers. Our key priorities will be to develop an approach which increases the amount of funding that reaches front line delivery and increases transparency by ensuring that providers explain in detail the make-up of any fees or charges. We plan to publish our final expectations by the end of December 2018.

The Minister, Anne Milton, would like to clarify that she was not implying that 'larger providers are less risky' during her oral evidence session to the Committee. The Minister stated that specifically in the context of a procurement, smaller providers can become 'a bit more risky' but went on to state that it is not the case that small providers are considered risky. In paragraph 55 of its report the Committee states that 'Given the failure of Learndirect Ltd we cannot agree with the Minister that large providers are less risky, although dealing with them rather than a number of smaller providers may lighten the ESFA's workload.' The Minister did not intend to infer that this was the case. She would appreciate the opportunity to clarify this point to the Committee.

Social justice

16. We recommend that the Government increases incentive funding for small and medium-sized businesses and social enterprises who recruit young and disadvantaged apprentices, and explores other potential incentives to encourage recruitment of young and disadvantaged people. (Paragraph 59)

We agree with the Committee's recognition of the importance of this funding and are ensuring it is targeted to achieve the delivery of apprenticeships to young people and those from under-represented groups. We believe that the current model of funding for disadvantaged apprentices provides the most effective means to achieve this.

We make sure that apprenticeships equip young and disadvantaged people to succeed and that the appropriate funding is in place to support them. Recent research commissioned by the Department, and delivered by the Learning and Work Institute, concluded that the additional funding government provides is 'broadly consistent' with what is required.¹⁰ Because the needs of apprentices vary, the report identified flexibility as a paramount concern. The additional learning support, the disadvantage uplift on frameworks, and the additional payments for training 16 to 18-year-olds, care leavers and individuals with an Education, Health and Care Plan up to age 24, enable providers to support apprentices in the way that best meets their needs.

In addition to the disadvantage funding, the National Apprenticeship Service is piloting a scheme to provide dedicated staff resource to support four local authorities based in the 20 per cent most deprived local authority areas in England. This pilot, which will run to June 2020, aims to raise the value of apprenticeships in those disadvantaged areas. This project, named 'Opportunities through Apprenticeships' launched on 21 November 2018.

We agree with the Committee that it is important for funding to remain focused on helping the disadvantaged, but analysis shows that retaining this flexibility allows funding

10 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/697649/Exploring_the_funding_and_support_for_apprentices_with_additional_support_needs.pdf

to reach those who need it most. In conjunction, we provide guidance to providers on how this funding can be used. The wider funding system will be kept under review to ensure that young and disadvantaged people can continue to access apprenticeships.

17. We recommend that the Government extends the existing co-investment waiver for smaller employers to cover all 16–18 year-olds, and more disadvantaged 19–24 year-olds, employed by non-levy-paying employers. (Paragraph 61)

We welcome the Committee's recognition of the value of co-investment. Employers having a stake in an apprentice's off-the-job training was a key recommendation of the 2012 review of apprenticeships¹¹ which underpins the Government's 2020 Vision.¹² As evidence to the Committee confirmed, the value of co-investment is well recognised.

For the smallest employers, those with fewer than 50 employees, the co-investment waiver covers those who are 16 to 18 years old, 19 to 24-year-old care leavers and 19 to 24-year-olds with an Education, Health and Care Plan.

Forthcoming changes to the funding system will allow levy-payers to transfer up to 25 per cent of their funds to other employers, including those in their supply chains, from April 2019. Funding transferred to smaller employers in this way is not subject to any further co-payment. We have also expanded the support available to small employers by halving the co-investment rate from 10 per cent to 5 per cent to help ease the cost of apprenticeship training from 2019.

18. We recommend that the Government introduces bursaries for other disadvantaged groups modelled on the care leavers' bursary. (Paragraph 63)

We agree with the Committee that, while care leavers face specific financial barriers to participating in apprenticeships, other disadvantaged groups can benefit from help to take full advantage of the opportunities that apprenticeships provide. The Government has targeted its co-investment policy in order to provide additional support to employers taking on young apprentices and those with learning difficulties or disabilities. We pay 100 per cent of the cost of training for small employers (those with fewer than 50 employees) who take on apprentices who are 16 to 18 years old, 19 to 24-year-old care leavers or 19 to 24-year-olds with an Education, Health and Care Plan. An additional £1000 is paid to both employers and providers taking on an apprentice from these groups. We will keep all aspects of apprenticeship funding policy under review to ensure that those from disadvantaged groups are not deterred from starting an apprenticeship for financial reasons, or because their employer is concerned about the cost.

Funding alone cannot tackle the disparities in apprenticeship starts. It is also important that we continue to work with employers to champion the benefits of apprenticeships. We want all employers to recognise, as Government does, that the apprenticeship programme is a valuable means of helping those from disadvantaged backgrounds achieve their full potential with 25 per cent of apprentices living in the most disadvantaged fifth of areas. Over the next two years, the National Apprenticeship Service is focusing on increasing the uptake of apprenticeships in disadvantaged areas. This includes a broad-based employer engagement campaign across the 20 per cent most deprived local authority areas in England.

11 <https://www.gov.uk/government/news/the-richard-review-of-apprenticeships>

12 <https://www.gov.uk/government/publications/apprenticeships-in-england-vision-for-2020>

19. We recommend that the Government creates a social justice fund, using money from the apprentice levy, to support organisations that help disadvantaged people become apprentices. (Paragraph 65)

We agree with the Committee that young people and those who are disadvantaged can sometimes need extra support and training before beginning an apprenticeship. The apprenticeship levy has been set at a level that raises sufficient funds to support apprenticeship starts; widening its scope would risk our delivery of the target of 3 million high-quality apprenticeship starts. However, we will continue to provide funding for a range of targeted programmes to support progression into apprenticeships.

Funding is available for pre-employment training which includes programmes such as Traineeships, which provide training and work experience for young people needing to develop their skills in order to begin apprenticeships and enter the labour market. Alongside these government programmes, by 2020 over 24,000 learners will have been supported into an apprenticeship through European Social Fund programmes focused on those who are furthest from the labour market, including young people and those from disadvantaged groups. In a joint initiative led by the Department, the Big Lottery Fund and the Department for Digital, Culture, Media and Sport, £90 million is being made available from dormant bank accounts for transition to work initiatives, with a focus on addressing racial disparities.

20. We recommend that the Government continues to raise the apprentice minimum wage at a rate significantly above inflation. In the long term, it should move towards its abolition. (Paragraph 69)

The Government considers the expert and independent advice of the Low Pay Commission (LPC) when setting the minimum wage rates to reward workers while considering the impact on the economy. It is important that the level of the apprentice rate, which applies to those aged under 19 or in the first year of their apprenticeship, does not dissuade employers from investing in skills training and realising the benefits of apprenticeships for their businesses.

The LPC's recommendations for the forthcoming financial year will be implemented in full, meaning that the apprentice National Minimum Wage (NMW) will rise by 5.4 per cent to £3.90: a record high in nominal and real terms and the highest increase of all the minimum wage rates for 2019–20. This will benefit an estimated 36,000 apprentices.¹³

We will continue our work with the LPC and the Department for Business, Energy, and Industrial Strategy to make sure that the apprentice NMW continues to support the achievement of Government's ambition for a world-class apprenticeship programme.

21. We recommend that the Government redoubles efforts to identify and sanction employers who evade the apprentice minimum wage. This means more and effective enforcement, larger fines and many more prosecutions. (Paragraph 73)

We are clear that evasion of the apprentice National Minimum Wage (NMW) is unacceptable and continue to work to make sure that apprentices and employers are aware of their rights and responsibilities.

¹³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/759271/National_Minimum_Wage_-_Low_Pay_Commission_2018_Report.pdf

In the 2017–18 financial year, Her Majesty's Revenue and Customs (HMRC) identified a record £15.6 million in total arrears owed to over 200,000 workers and issued £14 million in penalties. HMRC continue to investigate 100 per cent of complaints received from workers in respect of minimum wage law and carries out targeted enforcement in sectors where there is a risk of underpayment.

HMRC's civil enforcement powers continue to provide the quickest and most effective means of recovering wage arrears for employees, and the penalties that can be imposed—fines of up to 200 per cent of total arrears—act as a significant deterrent.

The Department for Business, Energy, and Industrial Strategy introduced new policy guidance on the criteria for prosecutions in 2017.¹⁴ These changes lower the bar for HMRC to refer cases for criminal prosecution and ensure that criminal investigation and prosecution can be pursued effectively in cases of serious non-compliance.

The minimum wage naming scheme, relaunched in 2013, provides the Government with the power to publicly name employers who fail to pay minimum wages. 1,900 businesses have already been named; between them they owed workers total arrears of more than £11 million.

The ESFA's Find an Apprenticeship service incorporates automated checks which ensure that no apprenticeship vacancy can be advertised with a wage below the NMW. A provider would not be able to submit a vacancy to Find an Apprenticeship until the wage offered meets the NMW.

22. We recommend that the Government should strongly support existing measures to establish a kitemark for good apprentice employers. This should form part of a drive to ensure all such apprentice employers are aware of their responsibilities. (Paragraph 76)

We agree with the Committee that it is right that apprentice employers are aware of their responsibilities to their apprentices, to make sure they have a high-quality experience. It is right that those employers who deliver a good experience for their apprentices are recognised for this and can promote it.

Work is ongoing to develop a kitemark indicating a signal of quality for apprentice employers. Using existing quality measures and working with stakeholders, criteria will be developed and, if met, employers will be able to showcase the kitemark. This will provide quality assurance to apprentices whilst encouraging good practice amongst employers.

23. We recommend that the Social Mobility Commission conducts an immediate study into how the benefits system helps or hinders apprentices. The Government should act on its findings. No apprentice should suffer any financial disadvantage as a result of taking up an apprenticeship. (Paragraph 79)

As the Minister made clear in the oral evidence session, we agree with the Committee that no apprentice should be dissuaded from starting an apprenticeship for financial reasons or suffer any disadvantage as a result of doing so. Government would welcome the views of the Social Mobility Commission (SMC) on how we can continue to develop our policy in this area, though any decision on whether to conduct a review remains a joint decision

14 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/656568/nmw-enforcement-beis_-_policy_doc_-_full_vFINAL__3_.pdf

for the Department's ministers and the Chair of the SMC. We will continue to consult with the Department for Work and Pensions and look forward to working with the SMC's new Chair and the recently appointed commissioners.

The underlying principle of an apprenticeship is that it is a paid job, and the benefits system treats an apprenticeship in the same way as any other job. Apprentices are employed from day one, do not have to contribute to the costs of their learning, and acquire skills much valued in the labour market. Apprentices on low incomes may be able to claim Universal Credit or tax credits to help with living costs.

24. The Government must stop dragging its feet over apprentice transport costs. It must set out how it plans to reduce apprentice travel costs, in a way which works for all regions and areas, in its response to our report, if not sooner. (Paragraph 82)

We recognise that travel costs can sometimes be a barrier to young people who want to start an apprenticeship. Making travel more affordable for this group might also encourage modal shift to public transport. The Government will write to the Committee in the coming weeks, including setting out the findings of bus research commissioned to inform its policy response to this challenge.

Although there are no national concessionary schemes providing discounted travel for apprentices, there are some targeted schemes offered by local authorities, individual train or bus operators, and the National Union of Students. We also provide additional payments to employers and training apprentices who are young or from disadvantaged backgrounds. This funding can be used to support apprentices with travel costs where that is what's needed most.

We are encouraged to see that Mayoral Combined Authorities (MCAs) are already using newly devolved powers to meet the needs of apprentices in their area. In Liverpool, for example, the MCA have rolled out a scheme providing half-price travel to apprentices aged 19 to 24, on the same terms as the discount for 16 to 18-year-olds in full-time education, across all bus operators in the Liverpool City Region.

We recognise that more can be done to remove the barriers to young people taking up apprenticeship opportunities, but further discounts will require additional funding. The Departments for Transport and Education will continue to work together to support discounted travel for apprentices, including through existing apprenticeship funding mechanisms, but given the additional cost to the taxpayer, the focus of this work will now turn to preparing proposals for consideration at the forthcoming spending review.

25. We recommend that the Equality and Human Rights Commission conducts a monitoring review of apprenticeship participation by gender, ethnicity and by people with learning difficulties and/or disabilities every three years. Each review should recommend changes to improve Government policy and employer practice. (Paragraph 86)

We welcome the Committee's acknowledgement of the importance of diversity in apprenticeship participation and its suggestion that the Equality and Human Rights Commission (EHRC) conduct a review.

To ensure that our reforms contribute to widening participation in apprenticeships by under-represented groups, we set a measure to increase the proportion of starts by apprentices with learning difficulties or disabilities and from black, Asian, and minority-ethnic (BAME) backgrounds by 20 per cent by 2020. This is outlined in the Apprenticeships Benefit Realisation Strategy.¹⁵ We monitor progress against these measures carefully and report annually¹⁶ on progress.

We know that there is more work to do on gender diversity and note the EHRC's recent findings¹⁷ that some apprenticeships remain segregated by gender, but this cannot be achieved by Government alone. Increasing gender diversity among apprentices in science, technology, engineering and mathematics (STEM) fields is a key objective of our employer-led Apprenticeship Diversity Champions Network (ADCN), which now has 70 employer members including Rolls Royce and Transport for London. ADCN members have been working with a wide variety of partner organisations to deliver women in STEM events and outreach across the country.

The Department is carrying out broader activity to encourage more young people to recognise the value of a STEM career path. Throughout the Year of Engineering in 2018, the Government worked with industry to challenge traditional perceptions of engineering and showed young people, parents and teachers that background, gender and education are not a barrier to becoming an engineer. We have also committed to improving STEM careers advice in schools in our Careers Strategy, including ensuring that STEM encounters, such as with employers and apprenticeships, are built into school career programmes by updating school and college statutory guidance.

To support the Government's commitment to increase apprenticeship starts by learners from BAME backgrounds by 20 per cent by 2020, we launched the '5 Cities Diversity Hubs' project in February 2018. This is operated through partnership working with five major cities in England and aims to equalise BAME apprenticeship starts with the local working-age population.

26. We recommend that the Government introduces a proper UCAS-style portal for technical education to simplify the application process and encourage progression to further training at higher levels. (Paragraph 89)

We agree with the Committee that encouraging young people to progress to further training at higher levels is important and we want to make the system simpler to navigate for young people taking technical and vocational routes. First and foremost, our apprenticeship programme is employer led and we need to allow employers to retain control of their recruitment processes, as they would for any other vacancy. Since 5 November 2018, levy-paying employers have been able to use additional functionality to upload vacancies directly onto the Find an Apprenticeship service, which is accessed by thousands of would-be apprentices, their teachers and parents.

We have carried out extensive research with over 2,000 young people, colleges, and career advisers to explore how we could introduce a UCAS-style portal for technical education

15 <https://www.gov.uk/government/publications/apprenticeship-reform-programme-benefits-realisation-strategy>

16 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/707896/Progress_report_on_the_Apprenticeships_Reform_Programme_May_2018.pdf

17 https://www.equalityhumanrights.com/en/publication-download/britain-fairer-2018?utm_source=Twitter&utm_medium=social&utm_campaign=SocialSignIn

that works for employers and apprentices alike. While the research indicated that young people would value a central source of information as they make decisions about their next steps, it did not show that they found the current application process challenging. A large majority, 86 per cent, responded that they found it easy to apply for their course or apprenticeship.

As a result, we are focussing first on ensuring young people have the right information on all their options, including on technical education and apprenticeships. We are improving careers information, advice and guidance through the Careers Strategy and the National Careers Service website will become the trusted one stop shop for both young people and adults to go to. Improvements to the post-16 course directory, due to be in place by April 2019, will mean it is easier to compare different courses and we are increasing the quality and quantity of information available to people looking for courses.

We know that more can still be done to simplify application processes in technical education, and we are examining the best way to achieve this in conjunction with the introduction of T levels. Our review of qualifications at Level 3 and below for 16 to 19-year-olds will aim to streamline qualifications. We will keep under review the need for a centralised 16-plus application portal in the future as part of our work to simplify 16-plus courses and qualifications.

27. Too many students are still not receiving independent and impartial careers advice and guidance about the routes open to them, including apprenticeships. We recommend that the Government, with Ofsted's support, properly enforces the Baker clause. In its response to this report it should set out how it plans to do this, and what penalties will be imposed on schools that flout their obligations. (Paragraph 91)

We agree with the Committee that it is important every young person, no matter what their background, has a good understanding of both the technical and academic routes available to them. We also know that the enactment of the Baker clause is critical to providing high quality careers advice to young people. The Apprenticeship Support and Knowledge (ASK) service continues to provide impartial information, advice, and guidance to schools and colleges across England. This is delivered through a variety of channels including Learn Live digital broadcasts, and professional development resources for teachers.

During 2017/18, ASK engaged with 2,440 schools and colleges across England and reached over a quarter of a million young people from years 10 to 13. The network of Apprenticeship Champions has grown to 1,250, embedding advocates for technical education in schools across England. For the first time, ASK also engaged with thousands of parents via careers fairs and bespoke workshops, challenging perceptions around the opportunities open to young people through apprenticeships.

Despite these successes, we know that information on education or training options provided by schools at key transition points too often fails to correct—or even reinforces—the impression that technical and professional education and apprenticeships are second best to academic study. The Baker clause will address this by requiring schools to offer a range of opportunities for providers to talk to pupils about what they offer and what it is like to learn in a different environment. Ofsted will continue to look at the implementation of the Baker clause on school inspections.

Following the introduction of the clause in January 2018, we issued statutory guidance to schools, clearly setting out what is expected of them. A review in the summer of 2018 showed mixed compliance with this guidance by schools. A recent ministerial roundtable considered the barriers to compliance and agreed to test new ways of applying the legislation, including writing directly to parents with details of the local offer and holding careers fairs. The Department is prepared to intervene in cases of serious non-compliance. This could include an official or Minister from the Department writing to the school and, ultimately, the legal powers of intervention available to the Secretary of State may be enforced.

Annex: Response from the Institute for Apprenticeships

The Institute for Apprenticeships (the Institute) welcomes the report, ‘The apprenticeships ladder of opportunity; quality not quantity’, and the recommendations made by the Committee.

The Institute submitted written evidence in January 2018 and Sir Gerry Berragan, Chief Executive of the Institute, gave oral testimony to the Committee in May 2018.

Since submitting the written evidence, the Institute has grown in size and made considerable progress in several areas outlined by the Committee. These are highlighted in our response below.

As well as responding to specific recommendations for the Institute, this paper also sets out our response to the report in general. These have been split out into three areas:

- Progress on standards;
- Reviews; and
- Accountability.

Progress on standards

The report raised the concern that too few standards were available, “preventing employers recruiting apprentices and providing high-quality training”. Since we were established in April 2017, the Institute’s main focus has been to significantly increase the number of apprenticeship standards that meet our robust quality threshold.

In February 2018, we reviewed and transformed how we work with and engage employers through our ‘Faster and Better’ reforms. This has resulted in a significant improvement in the time it takes to approve standards without compromising on quality.

In 2017, we approved 63 standards for delivery. In 2018 to date, we have approved 164 standards.¹⁸ There are now 377 approved standards—surpassing the number available in Switzerland and Germany, both of whom have very well-established apprenticeship systems. Nearly 40 per cent of these standards are at Level 4 or above, and almost a fifth at Levels 6 and 7.

In the first quarter of the 2017/18 academic year, 37 per cent of all apprenticeship starts were on standards. This increased to 40 per cent, 50 per cent and 54 per cent in the second, third and fourth quarters of the 2017/18 academic year respectively.¹⁹

Reviews

It is important that we continue to work effectively with employers to ensure our standards remain fit for purpose and continue to deliver on quality. This is why, as well as continuing to focus on making more standards available, we have begun the process of reviewing existing standards. The reviews ensure that:

- The knowledge, skills and behaviours (KSB) acquired by the apprenticeship remain relevant to the industry;
- The standard represents value for money for employers and the government; and
- The high bar we have set on quality is upheld.

The first statutory review of 12 apprenticeship standards, all on the digital route, began in September 2018 and has just completed its consultation phase. As part of the review, we consider the Institute's quality criteria, and feedback from both employers and apprentices. The outcome of the digital review will be announced in the New Year along with a timetable for all the remaining routes.

Accountability

The Institute is responsible for the external quality assurance (EQA) of apprenticeships and how these are carried out. However, as the report notes, there are a number of bodies that regulate quality across the apprenticeship system, which can be confusing.

Before the end of the year the Department for Education will publish an updated Apprenticeship Accountability Statement that will clarify the roles and responsibilities of each organisation. However, we know there is more to do to ensure our approach to quality is fully aligned and understood.

Our role at the centre of apprenticeship quality means we are well placed to lead the Quality Alliance, a group chaired by Sir Gerry Berragan. This group brings together government agencies that have a role in ensuring apprenticeship quality.²⁰ The Alliance has clearly defined what a quality apprenticeship looks like, through our Quality Statement (<https://www.instituteforapprenticeships.org/quality/what-is-a-quality-apprenticeship/>), and will publish a systems-based quality strategy early in the New Year.

Recommendations from the report

Recommendation 5: We recommend that Ofqual should be given responsibility for the external quality assurance of all end point assessments.

19 Link to source: [Apprenticeship and levy statistics: October 2018](#)

20 Members of the Quality Alliance include the Institute for Apprenticeships, Department for Education, Ofsted, Ofqual, Office for Students and the Quality Assurance Agency. The Association of Employment and Learning Providers, the Association of Colleges and Universities UK also attend in an advisory capacity.

The Institute has a statutory responsibility to ensure external quality assurance is in place for all end point assessments. We believe the current model affords the right balance of assessment and occupational expertise, whilst allowing employers the flexibility to determine which organisation is best suited to deliver EQA in their sector.

Employer choice has been a guiding principle of the apprenticeship reforms and this extends to EQA. It allows our Trailblazers to choose an organisation that is well-recognised and considered credible across the sector. This flexibility is key to providing apprenticeships that work for businesses and help apprentices progress in their field.

The Institute regulates the different organisations' approaches to EQA ensuring they are high-quality and consistent. To achieve this, we have set out a common framework for what EQA should cover and approve organisations to act as EQA providers based on this framework. We also hold forums for EQA providers to share best practice and seek efficiencies where possible. Over the next six months we will be working with existing EQA providers and end point assessment organisations to further strengthen this framework.

Recommendation 6: We recommend that the Institute makes the growth of degree apprenticeships a strategic priority.

The Institute does not favour one type or level of apprenticeship over another. As an employer-led organisation, we are responsive to employer demand. The standards that have been developed are a reflection of the skills gaps employers have identified, with the level determined from the knowledge, skills and behaviours (KSB) required to undertake a particular role. Interestingly, the proportion of Level 6 and 7 apprenticeships has grown to 18 per cent of all available standards.²¹ Of these, 78 per cent include a degree.

Recommendation 7: We recommend the role of the Institute's Apprentice Panel be formalised: its recommendations to the Institute's Board and the Board's responses should be published.

The Apprentice Panel is a valuable advisory body reporting directly to the Board to ensure the views of apprentices are considered within the Institute's strategic decision-making. We updated the membership of the panel over the summer to ensure greater sectoral representation, and now have 26 talented apprentices from a diverse employer base.

Representatives from the Panel attend the Institute Board at least twice a year, and recently presented their proposals on how to raise awareness of apprenticeships within schools. Members of the Apprentice Panel also met with Anne Milton, Minister for Skills and Apprenticeships on 18 October 2018. They highlighted where, based on their personal experiences, they felt the system was working and where improvements could be made.

The Panel discussed the Committee's report. They agreed that it would be more beneficial to produce a six-monthly report on their progress that is apprentice-led and owned by them. We will publish this on the Institute's website, along with the minutes from Board meetings they participate in, as we do with all Board and Committee meetings. We will also develop the Apprenticeship Panel pages of our website, more clearly explaining who the members are and what their remit is.

Recommendation 11: We recommend that the Institute mandates the inclusion of clear paths to progression within apprenticeship standards. These paths should be linked to a system of progression maps created and promoted by the Institute.

The Institute publishes occupational maps that group occupations with related knowledge, skills and behaviours (KSB) into pathways. These maps make it easier to see opportunities for career progression within a particular route. However, it is also important to recognise that many career paths do not develop in a linear way, and will transcend standards and pathways.

Appendix 2: Ofsted response

Ofsted provided written and oral evidence to the Education Select Committee's inquiry into the quality of apprenticeships and skills training. We welcome the committee's work in this important area.

The published report, [‘The apprenticeships ladder of opportunity: quality not quantity’](#), raises many pertinent issues. It includes a number of conclusions and recommendations which are relevant to, or have implications for, Ofsted. Our response to these is below.

We recommend that all new apprenticeship training providers should receive at least a monitoring visit from Ofsted within a year of being approved to deliver training by the ESFA. (paragraph 16)

Ofsted and the DfE recently agreed that all new apprenticeship training providers will receive a monitoring visit within 24 months of first being funded to undertake training. Around 600 new providers were funded during 2017–18, and we consider that to be a manageable number to visit within 24 months. However, given the need to recruit and train additional inspectors, it is not possible to carry out a monitoring visit to all new providers within a year. We expect that most new providers will actually receive a monitoring visit well within the first 24 months of starting operations. We use available risk information to inform the timing of our monitoring visits—so those where there are known risks are visited early.

As is set out in legislation, Ofsted can only inspect providers once they are receiving funding. We cannot inspect a new provider who is approved to deliver training until they receive funding. There are providers on the register who may not receive funding for some time, if ever.

We recommend that Ofsted conducts a review of subcontracted provision across the country and produces a survey report setting out its findings, drastically increases the number of monitoring visits of subcontracted provision it undertakes, and inspects the largest subcontractors separately so that they receive a rating based on all the training they offer, regardless of lead provider. (Paragraph 49)

We know that some would like us to inspect subcontractors directly. However, this would not be an effective form of inspection. The provider that is directly funded by the ESFA is responsible and accountable for ensuring the quality of all their funded provision, including any that is subcontracted. The subcontractor is only accountable through the directly-funded provider. This is why we inspect the directly-funded providers.

The ESFA has no contractual relationship with subcontractors, only with the directly-funded provider. They can therefore only take enforcement action against poor provision from a subcontractor through the directly-funded provider. That means the ESFA could not take action on the basis of an Ofsted judgement about a subcontractor. For this reason also, inspecting subcontractors directly would not be effective.

That said, Ofsted has reviewed how it can best direct its limited resources to try to make sure all subcontracted provision is good quality. Since February 2018, Ofsted has increased its focus on the quality and management of subcontracted provision as part of

our scheduled inspections of further education and skills providers. We have increased the amount of inspector resource on full and short inspections to allow for this more in-depth scrutiny.

Inspectors make a judgement on the quality and management of subcontracting in each inspection report. As part of this judgement, we name especially poor or especially good subcontractors.

While we have identified some poor practice, we have found there is also a lot of good quality subcontracted provision. It is also clear that, between 2016 and 2018, the amount of subcontracted provision has reduced considerably. In this time, many providers have changed their approach to subcontracting, while some have removed it altogether.

Since spring 2018, Ofsted has risk-assessed subcontracted provision, which helps us to choose potentially poor provision to visit during our inspections of directly-funded providers.

We consider that the measures listed above are a proportionate, risk-based and targeted approach to inspecting the quality of subcontracted provision and that this is the most efficient approach using our limited inspection resources.

As we agreed with the DfE, we have also carried out separate monitoring visits to look at subcontracted provision. We initially conducted two of these visits at colleges where we had cause for concern. However, we found this to be of limited use. Both colleges were reducing or changing their subcontracting arrangements. We decided not to carry out more of these visits because the subcontracting market is shrinking rapidly. However, we do retain the ability to conduct these monitoring visits if we feel it is necessary, or if we are provided with information that causes us concern.

As we undertake our next annual risk assessment in spring 2019, we will look again at the quality of subcontracted provision across all providers. This will help to inform our selection of directly-funded providers for inspection. The increased focus on subcontracted provision will continue on inspections. As part of that exercise we will consider whether any further individual subcontracting monitoring visit will be needed.

Too many students are still not receiving independent and impartial careers advice and guidance about the routes open to them, including apprenticeships. We recommend that the Government, with Ofsted's support, properly enforces the Baker clause. In its response to this report it should set out how it plans to do this, and what penalties will be imposed on schools that flout their obligations (Paragraph 91)

Enforcement of the Baker clause is a matter for the DfE and not Ofsted. Ofsted's role extends to inspecting and reporting. We will continue to inspect and report on whether schools are implementing the Baker clause as a part of school inspections.