

DEL Oral Statement

The Review of Policy on Apprenticeships and Youth Training

Monday 11 February 2013

With your permission, Mr Speaker, I wish to make a statement about my intention to undertake a major review of my Department's policy on apprenticeships and youth training.

Such opportunities are important for our economy in matching skills to the needs of employers, and for our young people in providing opportunities and giving them a stake in society while investing in their own skills levels.

I strongly endorse the concept of apprenticeships. They constitute a form of training that is warmly embraced by the business community. In essence, an apprentice is someone who is trained while being employed.

I believe that in our evolving economy, there are now new types of employment and levels of training where the apprenticeship concept would be of value.

At the same time, not every training opportunity or area of employment requires the rigour of a formal apprenticeship. So in turn, we also have a duty to support and facilitate other forms of training for young people.

As our economy is going through a considerable transformation both in terms of the types of goods and services that are produced or provided by business, and the nature of employment and job opportunities, I have decided to launch a major review of apprenticeships and youth training.

I want to ensure that they support the growth and rebalancing of the local economy and meet the specific needs of business for a highly skilled workforce.

I also want to ensure that young people are provided with opportunities to develop the skills and experience required to be attractive to employers; and to achieve consistently high quality training leading to qualifications which can support them through their working lives.

My aim is to build upon and enhance existing strong provision, ensuring that Northern Ireland has a system of apprenticeship and youth training that is the 'gold standard' - a system where our European partners can look to us for good practice.

Overall Context

Skills are the main driver of the transformation of the Northern Ireland economy. We have a clear requirement to increase skill levels across a broad front.

My Department's Skills Strategy sets out what is required in terms of attainment at Levels 2, 3, and 4 and above if Northern Ireland is to be internationally competitive in 2020. We also need a stronger focus on STEM skills (Science, Technology, Engineering and Mathematics). The jobs of tomorrow will require higher level skills across a wide range of occupations.

We do need to address skills shortages and skills mismatches wherever they occur. In turn, we must match skills to the specific needs of employers.

Our excellent local universities already provide strong, clear pathways to higher level skills. Northern Ireland has a strong footprint in higher education, including the highest participation rates in the UK. This is now supported by Northern Ireland's first Higher Education Strategy with a strong emphasis on the local economy, and a significant increase in both undergraduate and postgraduate places.

We also have a strong and flexible Further Education sector, with six excellent colleges providing skills and qualifications at a range of levels. Indeed, alongside other skills providers, they support on-the-job training.

But we also need to ensure that we are offering plausible alternative non-academic pathways to address our skills requirements, including higher level qualifications – pathways which are just as rigorous and just as valid.

In conducting this review of apprenticeships and youth training, we will be investing in a full spectrum of interventions to support our skills agenda.

Background to Apprenticeships Today

The concept of an apprentice is not a new one. It goes back to the Middle Ages when young people sought to apprentice under a Master and in return for their labour they were provided with a job, instruction and lodgings.

Apprenticeships have been fundamental to the industrial heritage of Northern Ireland and in the nineteenth and twentieth centuries helped this region prosper and gain a worldwide reputation for quality and innovation in manufacturing, some of which we retain today. At that time, the apprenticeship route into a career was much sought after by young people and highly valued by the businesses that employed them and by the wider society.

Indeed, there are examples today whereby some of the top leaders in industry, academia and the public sector started their careers as apprentices.

Clearly much has changed in terms of the nature of business and the nature of employment since the origins of apprenticeships.

Today we are a predominantly service and knowledge-based economy, with growth in business services like ICT and finance, in tourism, advanced engineering, and food and drinks manufacturing.

I want the Review to ensure that apprenticeship training is more closely matched to the growth sectors in the economy and the needs of businesses in those sectors.

We only have to look at the Titanic Quarter to see how dramatic these changes have been. Harland & Wolff, once the largest shipbuilder in the world, has transformed itself into a manufacturer for the renewable energy sector. The Titanic building welcomes tourists from all over the world to the very slipways where the White Star liners were built. The Northern Ireland Science Park, housing multiple start-up companies, making commercial use of research and development work from the universities, sits beside the last remaining naval ship from the Battle of Jutland. The multi-national Citi Group now employs over 1,200 people undertaking jobs that were once only located in New York or London, on what had been a “brown field” industrial development site. In amongst these organisations is the new campus of Belfast Metropolitan College.

Into the 21st century, we have quite rightly retained the concept of a young person taking up a job and accepting a wage in return for the opportunity to learn the skills from their employer and, nowadays, from training experts in colleges or other training providers, to become proficient at the job, and to enter into sustainable employment.

Over the past decade, government and business have invested heavily in apprenticeships and other training for thousands of young people.

ApprenticeshipsNI is currently the main apprenticeship programme. It offers training across a wide range of occupational areas to employees who earn a wage while working with experienced staff to learn and develop their skills. An apprentice also receives ‘off-the-job’ training to work towards achieving a competence based qualification, a knowledge based qualification, and Essential Skills. Records show that 10,900 apprentices are currently undertaking training. Our current programme only applies to Levels 2 and 3.

Recently on the back of the ICT Action Plan which was published in June 2012, my Department worked with IT Assist, provider of IT services to the Northern Ireland Civil Service, and local ICT employers, to develop a Public/Private ICT Apprenticeship Pilot. This aims to address the skills shortages being experienced by the local ICT sector and encourages the sector to explore new recruitment models to employ individuals rather than relying on the traditional method of recruiting graduates from university.

The Employer Engagement Plan which I published last March outlines a commitment to introduce higher level apprenticeship pilots in the ICT and engineering sectors. Higher level apprenticeships respond to employers’ higher level skill needs, support business growth, meet the career aspirations of individuals, and enhance opportunities for social mobility. The Department has worked with a number of leading companies, training organisations and Sector Skills Councils in order to put the pilots in place. The ICT pilot was launched in November 2012 at South West College. Discussions are continuing in relation to the establishment of an engineering pilot, and it is hoped that agreement on the terms of the pilot will be reached in the very near future.

While these measures are welcome additions to the apprenticeship offering, it is clear to me that apprenticeships have lost some of their earlier status and there are several reasons for that. There is still a perception that they were only for manual jobs in the crafts, construction and engineering sectors.

Often other pathways of education are held in greater esteem. A false hierarchy between academic and vocational or technical training and education has been created. This can lead to some rigidity in terms of pathways to progression.

I want the review to examine how the apprenticeship pathway to a career can be seen as equal or better to the academic route, to enjoy high levels of esteem, returning it to the prestige it once enjoyed - valued by employers, society and the apprentice.

I want the review to explore if, and how, young people can embark on an apprenticeship but also progress into higher education, should they want to, but not just on a full-time basis, and not necessarily directly after work. I want to see how apprenticeships can be a stepping stone to higher level skills, not just an end in itself.

I also want the review to take into account the successes of our education system whereby more young people are leaving school with better qualifications and to recognise that the jobs of tomorrow will require higher levels of competence than in the past – as identified in the skills strategy.

We currently have many apprentices at Level 2 but I am convinced businesses will increasingly require higher apprentices progressing to Level 4 and Level 5; i.e. the equivalent of a foundation degree and a Bachelors degree, or even further.

Youth Training

Apprenticeships are not the only form of vocational training. We must consider traineeships that offer pathways to apprenticeships themselves and indeed other routes that offer progression in education or into employment.

Not all of our young people will be ready to take on an apprenticeship. Some will need a small amount of additional training to prepare for the challenges of the future apprenticeships; others will require an extended package of training and work experience. There are also young people who are much further removed from the labour market whose journey towards employment is much longer.

In terms of other training opportunities for young people, my Department already offers a de facto training guarantee, with a place for all unemployed 16-17 year old school leavers. The guarantee is extended for young people with a disability or from an in-care background, up to ages 22 and 24 respectively.

Training for Success is designed to enable participants to progress to higher level training, further education, or employment by providing training to address personal and social development needs, develop occupational skills and employability skills and, where necessary, Essential Skills training. There are three strands of Training

for Success - Skills for Your Life, Skills for Work, and Programme Led Apprenticeships.

The Programme-Led Apprenticeships strand of Training for Success is an intervention measure introduced from September 2009. It aims to ensure that those who have been assessed as being capable of achieving an Apprenticeship qualification at Level 2, but who have not yet secured employment, are prepared for future progression to employment as an Apprentice. Participants follow the same apprenticeship framework as those following the ApprenticeshipsNI provision, spending time in directed training and work-based learning placements with an industry-appropriate employer.

Currently around 2,300 young people are participating in strands one and two of Training for Success and 5,100 young people are participating in Programme Led Apprenticeships.

I want to ensure that flexible and appropriate provision is available for all of our young people; regardless of their starting point.

The review of youth training will ensure that the new training offer for young people is sufficiently broad and flexible to enable them to progress to an apprenticeship or into employment. The review will explore how we can engage more with employers on the training curriculum and how we can improve young people's employability skills through measures like work placements. I intend that the youth training review will consider the vocational pathways that are available to young people, post 16, and how these link with further education provision within our colleges and our higher education provision within our universities. It is important that we have in place a holistic approach to training that facilitates transitions between full time education and training, and continued learning within the workplace.

Scope of the Review

The review will consider the different factors pertaining to apprenticeships and post-school youth training.

In terms of apprenticeships, it will consider:

- the role of the employer and training provider in shaping, supporting and managing apprenticeship programmes;
- the appropriate role of government in shaping and supporting apprenticeship programmes;
- contingency planning around how to make use of any tax incentives that may become available from the UK government;
- which occupational areas would benefit from government funded apprenticeships and at what levels, in order to grow and rebalance the economy;
- whether the current range of subjects/frameworks is sufficient to meet the needs of employers and the economy;
- the framework for training including the qualifications to ensure they are recognised and valued by employers and the apprentices;
- how apprenticeships can provide support for pathways, both academically and vocationally;

- the components of an apprenticeship programme, including its duration, employment, and contents of the training programme, and examination of appropriate requirements for numeracy, literacy and ICT and the development of enterprise and employability skills;
- how to have parity of esteem between apprenticeships and other further and higher education pathways;
- the role that higher level apprenticeships should play and how best to develop and facilitate them;
- how apprenticeships can be expanded into the professions;
- how SMEs could be encouraged to engage with apprenticeships;
- how apprenticeships could have a better gender balance and are attractive to all;
- how the system and processes can be simplified where possible; and
- how best practice in other jurisdictions can be incorporated into the framework for apprenticeships in Northern Ireland.

In terms of youth training the review will consider:

- how to best ensure that in practice every young person, post 16, has the opportunity to participate in a training programme;
- the essential components for one or more effective programmes, which provides a plausible non-academic pathway to prepare young people for progression to an apprenticeship or into sustainable employment ;
- other elements of flexible content which may be required in addition to the core offer of employability and Essential Skills;
- how to improve young people's employability skills, including the importance of work experience and how it can be integrated into any new offer;
- how to clarify the offer to enable young people to make the correct choices in terms of entry routes and progression opportunities;
- the age range and duration for future programmes;
- how to engage employers in terms of the content of the training programmes and the employers' support in providing work experience opportunities; and
- the delivery arrangements to enable a flexible and personalised offer appropriate to the young person's needs.

Process of the Review

In carrying out the review I want to ensure it will complement and link with the Executive's key priorities, the Northern Ireland Executive Economic Strategy and the Northern Ireland Skills Strategy, and so helps to rebalance and rebuild the economy over the short, medium and longer term.

The Terms of Reference will be published on my Department's website today.

The Review will be conducted by the Department. I intend to make this a personal priority over the coming months.

I want this whole review process to be inclusive and to engage with all the relevant stakeholders - be they employers, trade unions, training suppliers and further education colleges, and indeed young people themselves.

I want this to be a thorough review of our policies but I do not want it to be an exhausting academic exercise. It needs to be evidence based and pragmatic, but also visionary and imaginative. We will also want to learn from the best experiences from the rest of the UK, the rest of Europe and beyond.

I plan to announce the membership of an Expert Advisory Group who will provide advice to this Review, within the next few weeks. There will also shortly be a call for submissions.

I will host a Forum for all stakeholders to attend in late spring at which we will present some of our early thinking and take their views, to guide and shape our thinking.

I will also keep members of this Assembly and the Committee for Employment and Learning advised of our progress through regular communications.

The review will conclude in the autumn of this year. It is likely that we would then proceed to formal public consultation on the provisional conclusions of the review. Once my officials and I have considered the responses, we will formalise new policy and programmes and seek to implement changes as soon as possible.

My ambition is to have a system of apprenticeships and youth training that is regarded as a gold-standard across Europe.