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Maximising the Value of Apprenticeships to Wales



A response from City & Guilds and The National Training Federation for Wales (NTfW) to the report written by Beyond Standards



January 2019

A message from the report sponsors

The 'Maximising the Value of Apprenticeships to Wales' report is an independent report undertaken by Beyond Standards, on behalf of the City & Guilds and the NTfW, who in turn were supported by the City & Guilds National Advisory Committee for Wales. We are very grateful for the work undertaken by Beyond Standards in researching and analysing the depth and breadth of the Apprenticeships Programme in Wales and compiling a thought-provoking report. We would also encourage you to review the full report as it provides useful context to the recommendations and calls to action detailed in this document.

So, why is this subject important to us?

As City & Guilds enters its 140th year, we are reminded of its origins and legacy. City & Guilds was created in response to the skilled trades needing to ensure they had a supply of young people willing to learn on the job. This model represents the beginnings of modern day apprenticeships.

City & Guilds, the NTfW and colleagues on the National Advisory Committee for Wales are passionate about the role of apprenticeships in creating a successful modern economy and a fairer society in Wales. We also believe in better, and not only do we believe in better, we want to be able to influence and help shape a future for Wales where everyone benefits.

The report produced by Beyond Standards identifies there is much to celebrate in terms of apprenticeships in Wales and introducing wholesale changes to the current direction of travel would run the risk of destabilising the considerable progress made to-date in developing the Apprenticeships Programme in Wales.

As part of our response to the report, City & Guilds and the NTfW call on the Welsh Government to:

- 1. Publish a clear statement on the purpose of apprenticeships, which includes clarity on the target age group, and the intended level of outcomes and progression.**
- 2. Establish a lead body to govern the quality of apprenticeships at a national level including assessing performance against quality, progression, employment outcomes and impact and report regularly on its findings to Welsh Government.**
- 3. Undertake a comprehensive review of the UK apprenticeship levy in the context of Wales, which meets the needs of employers and individuals in Wales, aligns with systems across the UK but continues to give priority to apprenticeships in Wales.**

The report as well as our response to it, offers fresh ideas and a new momentum to the debate about how Wales might provide an exemplary apprenticeship system for the future. A future that would greatly benefit Welsh working people and employers who choose to base themselves in Wales.



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Introduction

Apprenticeships in Wales are at a crossroads; or perhaps beyond. The Welsh Government's decisions to retain Apprenticeship Frameworks and qualifications rewarding apprentices' achievements, and not to introduce a voucher scheme enabling employers directly to commission training providers, using money from the UK Apprenticeship Levy, moves Wales decisively away from English precedents.

The UK is also in the midst of a fourth industrial revolution. With that will come changes in the way people work, the skills which will be needed and the way technology will be used to automate tasks and activities in the workplace. The opportunities for Wales in this context are significant but only if it can ensure it has the right skills in the right place at the right time.

The Welsh economy has been performing relatively well in recent years compared to the rest of the UK but what will new challenges such as Brexit bring to the ability of Wales to respond to growth, change and skills development?

These are some of the reasons why this report is so important and timely. Apprenticeships in Wales are, and will need to be, the linchpin of a strong technical and vocational education and training system which will support growth in the economy, productivity in the workplace and opportunities for individuals to access good jobs.

Early in 2018, City & Guilds and the NTfW commissioned a piece of independent research to gain a deeper understanding of the current Apprenticeships Programme in Wales and how it benefits individuals and the Welsh economy at large.

We asked David Sherlock CBE and Nicky Perry MBE of Beyond Standards to carry out this independent research because of their extensive experience of further education and work-based learning.

David and Nicky have worked on many large-scale projects where they have led and collaborated on studies to support the development of vocational training for several countries in Europe, the Gulf and the Far East.

The key objectives of the research by Beyond Standards were to:

- Assess the current apprenticeship offer in Wales and highlight the positives features and key challenges,
- Consider what apprenticeships need to look like and deliver in the future to provide Wales with the skilled workforce it needs and
- Influence key Welsh policy makers and stakeholders by making recommendations on current and future apprenticeships policy and practice to maximise impact.

The research was carried out between June and November 2018 and consisted of reviewing the many publications from recent years that are relevant to apprenticeships in Wales, together with semi-structured interviews with 46 organisations that included employers, apprenticeship training providers, further education colleges, representative bodies and government officials.

Whilst writing this response to the Beyond Standards report, it is important to note that we have borrowed very heavily from the original report as well as sharing our own organisations reflections on the subject matter.



What the report told us about Apprenticeships in Wales

Firstly, having a stable system that has not changed with shifting government policy is welcomed. Employers have been allowed to embed apprenticeships into their growth plans without fear of disruption. Sweeping, wide scale change was not high on the list of 'asks' from employers or stakeholders who contributed to the research.

The report also identifies universal support for the apprenticeship principles adopted by the Welsh Government. They are seen as fair and largely effective and put a strong emphasis on public and private partnership to deliver success, which is welcomed.

But what changes are high on the list and why? Speed and agility in policy formation and implementation is top of the list.

Overwhelmingly, there was a sense that when change was needed, it happened too slowly. And that presents a challenge if Wales is to respond positively and with impact to the demand for new and more skills. Some apprenticeship frameworks are outdated and will need refreshing quickly and in response to employers and labour market needs.

There also needs to be better measures of quality, with stewardship from a single body. For teaching, learning and assessment, there needs to be a clearer picture of what 'excellent looks like' with robust performance indicators so there is no doubt for apprenticeship providers in what they should be aiming for.

But ultimately, the success of apprenticeships in Wales will depend on them meeting the needs of apprentices, employers and the wider Welsh economy. If they lead to good jobs and career progression, a reduction in skills shortages and improved productivity then the prize will have been won. But that requires having systems and processes in place to collect the evidence to prove their impact.

The research also highlighted the need to revisit the all age policy and the need for greater clarity on the purpose of apprenticeships. Are apprenticeships a pathway for young people into a first job or should it be open to anyone as a route into first job or as a means of changing jobs and gaining new skills?

Whilst devolution across the UK has presented a real opportunity for Wales to ensure its education and skills systems meet the demands of the economy, there is a strong case for greater co-operation across the UK. Closer alignment of systems will support transferability of skills and mobility of labour, especially important as we move closer to Brexit.

Finally, the report produced by Beyond Standards calls for a rethink on the implementation of the apprenticeship levy in Wales. The research suggests that Wales may need to take ownership of the existing apprenticeship levy as it applies to Wales and broaden it to a skills levy whilst still prioritising apprenticeships.



What could the future look like for Apprenticeships in Wales?

The next few years present many challenges. Brexit brings its own challenges, as will the growing differences in apprenticeship practice and qualifications to cross-border employability. At a macro level, growing skills shortages in high value sectors could continue to hamper economic growth in Wales whilst an ageing population will put increasing pressure on public services and the people who work in them.

At a micro level, the proposed post-compulsory education and training (PCET) reforms, in consultation at the time of writing of the Beyond Standards report, are likely to disrupt some established operational structures and some of the report respondents raised concerns about the potential impact on apprenticeships and other forms of further education. But the overriding concern was that change needed to happen quicker in order to minimise any negative impact.

By and large, those interviewed for the Beyond Standards report were broadly happy with the system in Wales, but were clear to point out that by resolving some of the challenges outlined, there is an opportunity to reap even better rewards.

In summary, the key challenges and opportunities for change are:

- The system is too slow to respond to a dynamic business environment;
- There is a lack of understanding on the purpose and value of apprenticeships;
- There are too many outdated apprenticeship frameworks;
- The governance of apprenticeships needs to be reviewed and improved;

- Quality is a concern. Greater clarity is needed on 'what excellent looks like' and how it will be measured;
- The criteria for contracting providers needs to be reviewed along with sub- contracting arrangements;
- The all age policy and the policy on level 2 and 3 needs to be further explored.

In this context, we have reflected on the Beyond Standards report and consolidated our own organisations views into a set of recommendations designed to address these challenges. And with those, a number of calls to action for the Welsh Government, which are designed to move the discussion about the quality of the Apprenticeships Programme forward, some of which, have the potential for immediate impact.





City & Guilds and NTfW recommendations are as follows:

- 1 Create a clear definition of apprenticeships at all levels, which focus on purpose, value and distinctiveness from other types of vocational and technical education and training;
- 2 Revisit the all age policy and current policy on level 2 and level 3;
- 3 Improve the speed at which the apprenticeship system, including qualification review and development, responds to the demands of the labour market;
- 4 Create specific governance arrangements at a national level for apprenticeships with representation from employers, Welsh Government and apprenticeship providers to ensure relevance and currency;
- 5 Develop an appropriate number of performance indicators that can be used to demonstrate excellence and impact of apprenticeships and use these to inform inspection and other quality frameworks;
- 6 Establish the optimal number of apprenticeship frameworks for employers in Wales which meet the current and future demands of the labour market and provide progression into priority occupations;
- 7 Establish criteria for selection of providers which prioritises:
 - Quality of teaching, learning and assessment
 - Performance management of subcontractors
 - Management of funding to achieve quality results
- 8 Replace the UK apprenticeship levy with a skills levy for Wales to fund a range of approved training but with continued priority given to apprenticeships.



Based on these recommendations, we call on the Welsh Government to:

1. **Publish a clear statement on the purpose of apprenticeships which includes clarity on the target age group, and the intended level of outcomes and progression.**

By asking Welsh Government to be unequivocal on the purpose and value of apprenticeships, we believe that individuals would be able to make better informed choices. And by being clearer on the purpose, the apprenticeship brand would ultimately be better protected. But in creating clarity around what an apprenticeship is and what it is not, then Welsh Government needs to consider the impact on other levels of provision.

2. **Establish a lead body to govern the quality of apprenticeships at a national level including assessing performance against quality, progression, employment outcomes and impact and report regularly on its findings to Welsh Government.**

Concentrating effort in a single body rather than dispersed among several will bring clarity on who sets direction, who provides accountability for the system and be much more cost effective. A level of independence from government is also important for any 'lead body' to ensure sustainability and stability. But continuing to work closely with Welsh Government as a key partner is equally important. Getting the leadership and governance of the lead body right, using the right measures will also be crucial to its success.

3. **Undertake a comprehensive review of the UK apprenticeship levy in the context of Wales, which meets the needs of employers and individuals in Wales, aligns with systems across the UK but continues to give priority to apprenticeships in Wales.**

If the UK wide levy does not bring the benefits and value to Wales, then a comprehensive review is required. Employers in Wales need to feel their investment is having a direct and positive impact on their need for skills and in turn support social mobility for individuals. Alignment with the other UK nations is also important to support mobility of labour and transferability of skills and will also allow large multi-site employers to have a consistent apprenticeship offer across the UK. A broader skills levy will ensure maximum returns for employers although we suggest a continued priority is given to apprenticeships to guarantee a constant pipeline of new talent.



About the NTfW

The National Training Federation for Wales (NTfW) is a pan-Wales 'not for profit' and 'non-partisan' representative body of over 100 quality assured work-based learning providers, who are contracted by the Welsh Government to deliver apprenticeship and employability programmes. As such, the NTfW is seen as the authoritative organisation on apprenticeships and employability skills programmes in Wales.

Through its Policy Development Team, the NTfW strives to improve the quality of delivery, equality and diversity and increase the uptake of Welsh-medium and bilingual qualifications. In addition the NTfW Apprenticeships Team works with employers to drive up the level of employer engagement in the Apprenticeships Programme, whilst encouraging the recruitment of young people into areas of regional or national importance.

About City & Guilds

As part of the City & Guilds Group, we believe in a world where people and organisations have the confidence and capabilities to prosper, today and in the future.

As workplaces evolve, so do we. That's why City & Guilds sets the standard for skills that transform lives, industries and economies.

Founded in 1878 to develop the knowledge, skills and behaviours needed to help businesses thrive, our heritage sets us apart from our competitors. Today, that same passion and commitment still drives us. We anticipate the changing needs of people and organisations, embrace technology and new approaches to learning, and work with like-minded partners to develop the skills that industries demand across the world.

The world of work may be changing but our ambition to make a difference never will – to help people get into a job, develop on the job and move into the next job.

The City & Guilds National Advisory Committee

The City & Guilds National Advisory Committee (NAC) plays a pivotal role in helping us realise our purpose in Wales. Made up of industry, education and training experts, the Committee brings insights, expertise and knowledge on matters relating to training and education that helps influence our strategy to support skills development in Wales.

