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City & Guilds

Maximising the Value of Apprenticeships to Wales

by Beyond Standards

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Foreword

City & Guilds, the National Training Federation for Wales (NTfW) and colleagues on the City & Guilds 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 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.

We aim to contribute to discussions about the best way to improve apprenticeships for Wales and commissioned this independent report from Beyond Standards, David Sherlock CBE and Nicky Perry MBE. Their conclusions and recommendations are their own, based on interviews with a strong sample of employers, apprenticeship providers, government agencies and desk research of recent published reports. They do not necessarily match today's policies in our organisations.

This report offers fresh ideas and a new momentum to the debate about how Wales might provide an exemplary apprenticeships system. Some practical means to achieve this goal are suggested in this report, with clear recommendations. Separate to this report from Beyond Standards, we have published our own response and reflections which include a number of calls for action from the Welsh Government.



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About the writers

Beyond Standards was established in 2007 by David Sherlock CBE and Nicky Perry MBE. They have extensive experience of further education and work-based learning. Their clients include colleges, private learning providers, businesses, governments and their agencies.

David and Nicky have worked on many large-scale projects in the UK and internationally where they have led and collaborated in studies to support the development of vocational training for several countries in Europe, the Gulf and the Far East. They bring a wealth of professional expertise and sound judgement to every project.

We would like to thank both David and Nicky for their insightful, evidence-based and thought provoking report on apprenticeships in Wales.

Summary of Recommendations

- That the 'all-age principle' should be revisited, rebranding current apprenticeships for people over 25 as professional development programmes, with less onerous Essential Skills testing and qualification requirements, appropriate to people who have shown themselves to be effective in the workplace.
- That 'shared apprenticeships' should be rolled out across the country, to allow small and micro employers to participate in training apprenticeships.
- That the Foundation Qualification, defined by Qualifications Wales for the construction industry, be considered for wider application.
- That strenuous attempts should be made by the Welsh Government to concentrate tasks and funding on as few organisations as possible, in order to gain efficiency and eliminate choke-points in the formation of apprenticeship services.
- That the delayed introduction of on-line IAG services should be quickly rectified.
- That the currently ineffective channel for communicating employer needs to Qualifications Wales should be critically reviewed to assess whether higher investment in the regional skills partnerships and the WAAB, or an alternative approach, might best provide rapid improvement.
- That the target number and timescale for introducing new apprenticeship frameworks should be reviewed, against a presumption that a total of 10-12 might suffice and be designed and launched within two to three years, to support the Welsh economy.
- That Welsh language provision should be required wherever occupations demand a bilingual capability, notably in the service industries.
- That the criteria for selecting prime contractors in 2019 should prioritise the quality each achieves in teaching, learning and assessment; their capability in performance-management of subcontractors; and the appropriateness and transparency of the proportion of the contract value deducted for controlling and improving quality.
- That, unless there are exceptional circumstances to be considered and accepted by the Welsh Government, subcontracting should be restricted to a single layer.

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- That the Operational Management Group of NTfW be rebranded as a Strategic Management Group to coincide with the next contracting round, with appropriate steps taken to ensure that its membership is at a level suited to the role; and that it should be accorded greater trust in guiding the apprenticeship system, including managing service to employers with less of the hindrance presented by prescribed geographical or occupational restraints.
 - That the quality, consistency and accessibility of data and management information be radically improved, including by fostering a climate of greater transparency in government.
 - That the Welsh Government should seek means to release employers in Wales from the UK Apprenticeship Levy, replacing it with a hypothecated training tax paid by all employers larger than the micro level, at a graduated and competitive rate, and based on the place where each employee works, not where they live.
 - That revenue from the training tax should be applied to a range of approved training, including apprenticeship, (and a comparable professional development programme for over-25s), agreed between government, employers and trade unions.
 - That, so far as apprenticeship is concerned, this revenue should fund:
 - All off-the-job training, amounting to at least 20 per cent of the apprenticeship, paid by government to the provider;
 - The development and continuous revision of frameworks and qualifications;
 - The provision of high-quality information, advice and guidance for young people interested in entering apprenticeship, as well as advice to employers;
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- The provision of assessment services on-the-job, by suitably qualified assessors employed by providers;
 - A payment to providers to supply employers with administrative services to assist them to operate apprenticeships;
 - A fund to manage shared apprenticeships, where a local authority, a college or other public or private-sector body acts as the 'employer of record' and accepts the responsibilities of that role, including finding and overseeing placements which assure full coverage of the framework;
 - A payment to employers to undertake safeguarding for young or vulnerable people, including Prevent and other anti-radicalisation programmes;
 - Money to promote the use of the Welsh language in apprenticeship, including support for training instructors and assessors in Welsh;
 - Continuous professional development for training staff in providers and employers.
- That consideration be given to the possibility that apprenticeships should be time-defined, with a level 3 apprenticeship requiring three years' study, in recognition of the fact that for the first half of that time the employer receives little return for the investment of wages and on-the-job training, whilst for the second half, the apprentice becomes a productive contributor to the company.
 - That employers should be responsible for the costs of on-the-job learning, delivered in accordance with the relevant framework.
 - That online learning and assessment provision be required as an element of each new framework.

Introduction and Context

1. City & Guilds and the National Training Federation for Wales (NTfW) have commissioned us to pursue three main aims:
 - To assess the current apprenticeship offer in Wales and highlight the positives and the challenges;
 - To consider what apprenticeship needs to look like, and deliver in the future, to provide Wales with the skilled workforce it needs, and;
 - To make recommendations for changes to the system which could be implemented in both the short and long terms, to achieve the maximum impact.

The work has been conceived as being in two stages, the second consisting of more detailed consideration in future of how long-term change might be achieved. This first stage was carried out between June and November 2018. It consisted of reviewing the many publications relevant to apprenticeship in Wales, which have appeared in recent years, often produced or commissioned by the Welsh Government, together with semi-structured interviews with 46 organisations and 58 senior members of their staffs. They included employers, apprenticeship training providers, further education colleges, representative bodies and government officials.

2. Our interviews have been structured around three basic questions:

'What is good about apprenticeship in Wales?'

'What is less good?'

'What would an ideal apprenticeship system look like?'

Our respondents have been welcoming and candid without exception. We thank them sincerely for their time and interest.

3. Wales faces unique challenges. Its land-area is relatively large: a peninsula bounded by the sea on three sides and by the long land-border with England on the fourth. By comparison, its population is small, at 3.1 million.¹ More than half its people live in the three south-coast cities of Cardiff, Newport and Swansea. In the thinly-populated remainder of the country, mountainous terrain and poor communications make public services like education hard to deliver efficiently. There are a number of large employers, mainly on the north and south coasts, including Admiral Insurance, Airbus, Kellogg's, Toyota and Tata Steel. In 2017, 38 per cent of private-sector jobs were to be found in large firms like these. However, of the 238,000 active companies in Wales in 2016, 99.3 per cent were small or medium-sized enterprises (SMEs). Most, and the category growing the fastest, are micro-businesses employing fewer than 10 people.²

1. Source: City & Guilds Country Briefing, January 2018

2. Source of all statistics: Welsh Government

4. Beneath this apparently favourable picture lies much social and economic deprivation. In the former mining communities of the South Wales Valleys, there is a great deal of inter-generational unemployment and ill-health. In West Wales and the Valleys, annual subsidies from the European Union (EU) amounted to €1,000 per person between 2014 and 2020, similar to those received in Romania and Bulgaria and to be compared with an average of only €170 per person for the UK as a whole.³ European Structural Funds invested £1.8 billion in Wales between 2007 and 2013, including £319 million in skills training, supporting 79,600 apprenticeships.⁴
5. Public sector employment in Wales accounts for 30 per cent of all jobs.⁵ This figure reflects a more communitarian temper in Wales than in England, with a marked inclination towards delivery of public services through public authorities. They include organisations like the Royal Mint and the Driver and Vehicle Licensing Agency (DVLA), located to Wales to alleviate unemployment. They also comprise local authorities, which are significant providers of training to their communities, including apprenticeships. This communitarian spirit supports a view of apprenticeship as a partnership between employers, training providers, learners and the Welsh Government.
6. Welsh Government officials are concerned that employment in Wales is based on a “low-skills equilibrium”; that is to say that too much training is at too low a level to satisfy the skills needs of the Welsh economy and that many employers have settled for processes which require unskilled or semi-skilled labour. Employers in Wales are reported to be paying a high price to remain competitive: £355 million a year in recruitment fees, inflated salaries, temporary staff and remedial training for recruits who require upskilling.⁶ Job vacancies grew by around 3 per cent in the four years, 2011-2015 and were concentrated among professionals and skilled trades associated with manufacturing, transport and communications, retailing, health and social care.⁷ The same survey identified poor retention of skilled tradespeople in Welsh companies, with an average annual turnover of 26 per cent adding materially to employment costs.
7. Concerned to find a remedy, the Welsh Government has placed a high priority on promoting apprenticeships, particularly at level 3 and above.⁸ A target for apprenticeship starts has been set at 100,000 over the five-year term of the Welsh Assembly, 2016-2021. That target is likely to be exceeded, with 24,115 starts in 2016-17. However, 41 per cent of these were at level 2 (equivalent to five ‘good’ GCSEs), which is disfavoured both because it confers little economic benefit on those who achieve it and it perpetuates low-skills equilibrium. A priority has been placed on apprenticeships in science, technology, engineering and manufacturing (STEM).⁹

3. Source: European Union quoted in *Telegraph On-line*, June 2016

4. Source: Welsh Government, March 2017

5. Source: City & Guilds Country Briefing, January 2018

6. *Skills Shortages in Wales*. Open University Business Barometer, August 2018

7. *Employer Skills Survey*, UK Commission for Employment and Skills, 2015

8. Level 3 equates with the GCE ‘A’ level

9. See, *Aligning the Apprenticeship model to the needs of the Welsh economy*. Welsh Government, February 2017

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8. The Welsh Government conception of apprenticeship as a partnership of four stakeholders, with government directly funding and managing the programme, is at odds with recent reforms in England, introduced in response to the Richard Review.¹⁰ These reforms were intended to energise more employers to participate in apprenticeship, and to pay more towards it, by offering in return 'employer-leadership' of the programme. As this report will show, the practical implementation of this model involves substantial departures from attitudes and practices in Wales, to an extent that the long-established habit of following English examples has been broken. In effect, Wales has no option but to strike out alone, forming policies which, over time, will amount to markedly different approaches to the delivery of all post-compulsory education and training (PCET) for those over the age of 16, and not only apprenticeship.
 9. A striking feature of our interviews has been the great extent to which, employers and apprenticeship providers alike, value stability. In part, this reflects experience that, often, it does not pay to be at the forefront of experimentation. There is, perhaps, a degree of conservatism among those involved in apprenticeship in Wales which, thus far, has served them well. In part, too, it probably reflects a reaction against the level of turbulence which the many people who travel to work across the border every day, in either direction, observe in education and training in England. We, too, are firmly of the view that, wherever possible, gradual change is to be preferred. This report therefore seeks to identify ways in which existing institutions and structures can be made to work better and more cost-effectively, rather than propose sweeping change along the lines of the Richard Review. There is one over-riding exception to that rule. It stems from a widespread perception among employers, in particular, that the system works much too slowly to adapt to ever-accelerating changes in business needs.

10. *The Richard Review of Apprenticeships*, UK Department for Business, Innovation and Skills, 2012



What is Apprenticeship?

10. At its heart, apprenticeship is as old as human history. Over countless millennia, the young have watched their elders, imitated them, practiced the same skills under guidance and, finally, achieved mastery. That this process can include invention and achievement, beyond the capability of the teacher, is evident from the progress which humankind has achieved in every field of endeavour. By the Middle Ages in Europe, learning at work – apprenticeship – was regulated and codified by craft guilds, whose successors are still to be found in the City of London and elsewhere. Their aim was at least to maintain the quality standards of each trade, from goldsmithing to fishmongery. Their method was to accept young people into their workshops on an indenture which bound the apprentice to serve for a specified period of time; usually for five to seven years, before proving themselves to be qualified to enter a guild as an independent craftsman.
11. The Industrial Revolution saw a multiplication of occupations; a narrowing of their scope;¹¹ and greater mobility among working people. One result was the gradual weakening of apprenticeship. From the mid-1960s, when there were nearly a quarter of a million apprentices in the UK, apprentice numbers declined to 34,500 by 1990, mostly in the diminished manufacturing sector, engineering and construction.¹² The UK government launched a number of initiatives to ‘save’ apprenticeship from the 1990s onwards. Notable among them was ‘Modern Apprenticeship’ in 1994, and the introduction of National Vocational Qualifications (NVQs).

These sought to measure competence at work through the assessment and verification of an ability to carry out precisely and narrowly-defined tasks. Over time, in Wales as in England, apprenticeships came to consist of one or more NVQs, plus additional knowledge-based components, some of which were vocational and some which attempted to remedy deficiencies in general education carried forward from school. These basic skills, or ‘Essential Skills’ in Wales, came to be defined mainly as literacy, numeracy and competence in the use of information technology.
12. To put them at their most generous, outcomes have been disappointing. The NVQ, with its emphasis on demonstrated competency, eliminated any notion of ‘how competent’ or ‘how gifted’. An apprenticeship model imposed by government often forfeited the confidence of employers. A significant number of them ‘gamed’ the system by using it to fund trivial episodes of training for people whom they already employed and, most recently in England, to support such programmes as post-graduate degrees in management, which could not feasibly be recognised as apprenticeship. One unforeseen effect of specifying that every young person should achieve five GCSEs at one of the higher grades, including maths and English, has been to distort the role of many further education colleges, from their traditional mission in technical education for adults – including ‘second-chance’ opportunities for older people – into GCSE crammers for 16 and 17 year-olds.

¹¹ Extreme specialisation of job roles, usually described as ‘Fordism’, after the inventor of mass production

¹² Quoted in *The Great Training Robbery – Assessing the first year of the apprenticeship levy*. Tom Richmond, Reform, April 2018

13. Claimed as a significant advantage at the time, the NVQ introduced the possibility that each learner could progress at their own speed. If the aim was to achieve 'competency', with the end-point of an apprenticeship 'completion', rather than any qualitative measure of 'achievement', then it should be possible for the most able or experienced to complete, say, a level 2 apprenticeship in information technology in a few weeks, while it might take a year starting from scratch. There were several disadvantages in this approach. First, it divorced the UK from the international consensus that apprenticeship should be a substantial award, stemming from an equally substantial body of knowledge and skill. Secondly, the concept that each level of award in any particular occupation was equal to the same level in any other was undermined, so that some apprenticeships became the 'gold standard'; notably engineering. And thirdly, it made young people in the UK, who had supposedly completed one of the more elementary apprenticeships, vulnerable to employment competition from better-qualified workers from the EU, in particular, through 'freedom of movement'. The qualifications embedded in the new framework for Health and Social Care and Childcare in Wales are modular, but specially designed for their purpose, rather than being a collection of NVQs.
14. Fortunately, clarity about the purpose and conduct of apprenticeship has been sustained internationally. Commentators in the UK, too, have often criticised the drift in meaning that has allowed any scheme of work-based training to be misclassified as an apprenticeship.¹³

Tom Richmond, one of these commentators, has proposed a new definition of apprenticeship, based on the work of the International Labour Office (ILO) of the United Nations and the Organisation for Economic Co-operation and Development (OECD).¹⁴ It is as follows:

'Apprenticeship refers to an education and training programme that combines vocational education with work-based learning, in relation to entry into a new, skilled occupation or trade. It follows a systematic programme that utilises both on- and off-the-job training. On completing an apprenticeship, the apprentice will be fully competent in their occupation, which means that they will be able to:

- Operate independently in the workplace;
- Take responsibility for initiating and completing tasks and procedures;
- Use their factual, procedural and theoretical understanding to complete tasks and address problems;
- Exercise autonomy and sound judgement to deliver complex and non-routine work;
- Investigate and review the methods themselves and others in the workplace.'

¹³ See, for example, *The Richard Review of Apprenticeships and the Quality Statement of the Institute for Apprenticeships*, November 2017

¹⁴ *The Great Training Robbery*, p24

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15. On the basis of our interviews, we are certain that this definition of apprenticeship would be recognisable to many employers in Wales, from advanced engineering companies like Airbus to childcare professionals like the Little Inspirations Group. Arguably it reinstates a model of apprenticeship which predominantly serves young people entering a career for the first time, providing them with a systematic learning programme at level 3, at least, and probably lasting for three to four years. By implication, it rejects a notion of apprenticeships as short upskilling courses for existing employees, and such restricted additional learning that it could only be seen as a small part of the preparation for a career. It largely excludes apprenticeship at level 2, although obviously not level 2 learning of many kinds as a precursor to apprenticeship. It rejects a role for the training provider which consists solely of assessment of skills gained in the workplace, instead of teaching as well as assessing. It embraces the notion that an apprentice in retailing, for example, should understand and have some experience in every aspect of the retail industry, rather than just a basic operational role in one setting, such as a supermarket, department store or on-line distribution centre.
16. The 'dual system' of apprenticeship, common to Germany, Austria, Switzerland and Denmark, is widely admired and conforms to Richmond's interpretations of the ILO and OECD models. In Denmark, the dual system is defined as 'learning by participating in work (which) alternates with school-based learning. Work-based learning makes up two-thirds of the total training period of, typically, four years.'¹⁵
17. In essence, the stability of the dual system over very long periods, wherever it is practiced, depends on governments being willing to specify and pay for the general educational and knowledge-based elements of the apprenticeship, which take place off-the-job, while employers and trades unions agree the substantial on-the-job learning programme, which is paid for by companies. That stability is bolstered wherever 'competing' provision, such as university education, is severely restricted in terms of the number of young people who may enter, as in Switzerland; or by regulation of many trades so that they may be entered only through an apprenticeship, as in Germany. Draconian as some of these restrictions may appear, elements of them already exist in Wales. For example, few would accept qualifications in social care that did not meet the regulatory requirements of Social Care Wales, or those in aircraft maintenance that were unregulated by the Civil Aviation Authority and its international equivalents.
18. Stemming originally from the construction industry, Wales has refined what has been called 'shared apprenticeship' to cater for the needs of the many small and micro-employers, and young people who cannot achieve the full gamut of skills required to fit them for a successful career with a single employer.¹⁶ In some examples, local authorities act as the nominal employer, taking responsibility for moving the apprentice among the necessary workplaces to complete a full apprenticeship framework and, often, for delivering the Essential Skills requirements. In others, colleges fulfil the same duties. In a particularly successful example, Coleg Sir Gar manages a shared apprenticeship scheme which caters for young people from very disadvantaged backgrounds in West Wales and the Valleys of South Wales.

15. *Challenges for the dual system and occupational self-governance in Denmark*. Juul and Jorgensen, *Journal of Vocational Education and Training*, September 2011, Routledge

16. See *Building the future – sector review of Qualifications and the Qualification System in Construction and the Built Environment*. Paragraphs 174-5. Qualifications Wales, February 2018

19. It could reasonably be argued that a return to defining apprenticeship as a substantial (and perhaps time-defined) initial career-entry programme for young people, comprising preparation to operate with some autonomy across an entire industry sector, flies in the face of changes in the nature of work.

Those changes largely concern the perceived end of 'jobs for life', to be replaced by successive retraining and voluntary career change to reflect advancing technologies, or, less positively, to the rise of extreme job insecurity and the 'gig economy'.

The Welsh Government has responded to those changes by introducing the 'all-age principle' to apprenticeship.¹⁷ Several of our respondents suggest that this step may contribute to diluting the meaning of apprenticeship and that, in practice, apprenticeships for people over 25 have been rationed to protect their availability for younger people. No one would argue that training for career-change should be denied to older people, nor that it should be substantial. We doubt, however, whether calling it 'apprenticeship' is appropriate, given the settled international perceptions of apprenticeship beyond the UK, and outside England in particular.

20. Weighing all these complexities of definition, the Welsh Government has arrived at a set of principles defining apprenticeship in Wales, in addition to the 'all-age principle'.

They are as follows:

- Apprenticeships carry portable qualifications, conferring autonomy on the holder;
- Apprenticeship qualifications should continue to be lodged in regulated frameworks;
- Apprenticeships should be 'free' to employers and apprentices at the point of participation;¹⁸
- Apprenticeships should contain Essential Skills learning, for all who need it;
- Apprenticeships should contain a substantial amount of learning off-the-job, amounting to at least 20 per cent of the whole as a matter of good practice;
- Apprenticeships should be at level 3 and above;
- Apprenticeships should offer routes for progression, comparable with those available through academic study;
- Apprenticeships should be delivered increasingly through the Welsh language, and wherever the occupation demands it;
- Apprenticeships should be funded and managed directly by the Welsh Government, in partnership with employers, providers and learners;¹⁹
- Apprenticeship provision should be organised through lead contractors, selected competitively at intervals among providers.²⁰

17. From August 2016. See *Aligning the Apprenticeship model to the needs of the Welsh economy*, section 4.3 onwards. Welsh Government, February 2017

18. How 'free' should properly be defined in the context of the UK-wide Apprenticeship Levy is discussed later in this report

19. But see *Towards 2030 – A framework for building a world-class post-compulsory education system for Wales*. Final report. The 'Hazelkorn Report'. Welsh Government, March 2016

20. *Aligning the apprenticeship model etc*

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21. The current structure of apprenticeship in Wales comprises three basic classifications by level. These are the Foundation Apprenticeship at level 2; the Apprenticeship at level 3; and Higher Apprenticeships at level 4 and above.²¹ Whilst nearly half of those funded and delivered are at level 2, the Welsh Government is sceptical of the value of level 2 awards, except as an entry programme outside the definition of apprenticeship, and it intends to prioritise levels 4 and above for people in the 16-19 age range.²² Providers to whom we spoke continued to dispute these directions, arguing plausibly that, without a broad base of level 2 apprenticeships, recruitment at level 3 and beyond would dry up, and that level 3 is out of reach to young people in service industries because today's level 3 frameworks demand experience of supervision of other staff. The content of frameworks is, of course, remediable and will be undertaken very soon, as we discuss later in this report. Nevertheless, our interviews have underlined the problems associated with the imminence of the cessation of level 2 apprenticeship, with invitations to tender for the delivery of a variety of non-apprenticeship level 2 awards in place at the time of writing – two in each of three Welsh regions – and the logically inevitable prospect that the recontracting process for prime apprenticeship contractors in March 2019, will be only for level 3 and above.
22. There are many existing awards at levels 1 and 2, including traineeships, some offered under the BTEC brand and others by City & Guilds and other awarding organisations. As the Welsh Government clearly recognises, it is not only the availability of appropriate qualifications which matters to learners, employers and providers. It is also the ease with which they fit together and allow progression through the levels, and transfer between different kinds of study: work-based and college or university-based; vocational and academic. There is an impressive model described by Qualifications Wales, which facilitates progression and transferability for learners in construction and the built environment.²³ This model introduces a new 'Foundation Qualification' at level 2, which, for young people who have not yet achieved the required entry criteria for a level 3 apprenticeship, would offer a broad introduction to the purposes, scope and prospects of the construction industry, together with opportunities to sample working in several construction trades. We suggest that, if pursued, this would offer a significant advance on current provision at level 2, and one which would place Wales at the forefront of progress.
23. Our consultations confirmed almost universal support for the principles adopted by the Welsh Government. They are seen as fair and largely effective. There is some concern, however, that their very continuity might imply complacency. The implications of that concern for the quality of apprenticeships are considered later in this report.

21. For a full description see *Aligning the apprenticeship model*, sections 3 and 4

22. *ibid* sections 4.9 and 4.10

23. *Building the future: sector review of qualifications and qualification system in construction and the built environment*. Qualifications Wales, February 2018, p 87

Recommendations from this section

- That the 'all-age principle' should be revisited, rebranding current apprenticeships for people over 25 as professional development programmes, with less onerous Essential Skills testing and qualification requirements, appropriate to people who have shown themselves to be effective in the workplace.
- That 'shared apprenticeships' should be rolled out across the country, to allow small and micro employers to participate in training apprenticeships.
- That the Foundation Qualification, defined by Qualifications Wales for the construction industry, be considered for wider application.

"Six months of barista training is not an apprenticeship."

"NVQs in apprenticeship are unreliable and inconsistently assessed. Very few apprentices are observed performing the task at work."

"One size does not fit all, needs flexibility."

"Employers setting standards on their own without a framework is the Wild West. Frameworks provide governance."

"The all-age policy muddies the water for apprenticeship. Providers like it because it's easy to sell to employers and government likes it because it helps meet the 100,000 target."



Access and Frameworks

24. Wales has a national agency providing information, advice and guidance (IAG): Careers Wales.²⁴ Careers Wales is organised in four regions throughout the country. It supports careers advisers in schools and colleges, and trains and regularly re-accredits 'careers champions' for each school. A career check is offered to each year 10 pupil in schools, followed very recently by assistance in year 11 offered by 'apprenticeship finders', whose job it is to match interested young people with suitable employers. This process was said by our respondent to be hindered by employers who fail to post vacancies on the Apprenticeship Matching Scheme (AMS), as they are bound to do where the Welsh Government provides the funding. Schools are said to be generally co-operative in promoting apprenticeship, perhaps aided by the fact that many in Wales do not have sixth forms. However, according to Careers Wales, many apprenticeship starters are already in work and there is a disinclination among employers to accept school leavers. Funding for Careers Wales has reportedly fluctuated substantially in recent years, so that a planned on-line service – the Common Application Prospectus (CAP) – has been delayed. While a realistic annual budget of £18 million has now been restored, distribution of small sums for IAG in schools to other organisations is said to reduce its potential impact.

25. There are question marks over exactly what apprenticeships should consist of. Apprenticeship Frameworks were originally designed by occupational sector skills organisations (SSOs). With the exception of three which have survived from the Industrial Training Act, 1964 – the Construction Industry Training Board (CITB), the Engineering Industry Training Board (EITB) and the Engineering Construction Industry Training Board (ECITB) – many of these SSOs are now moribund. The consequence is that many of the 120 or so apprenticeship frameworks are outdated, with reports that only about one-fifth are heavily used. The progressive ageing-out of frameworks represents a looming crisis for the system. The national inspectorate, Estyn, has reported that some large companies have taken higher apprenticeship content into their own hands, or sent their apprentices to England.²⁵ This development, if it escalates to all apprenticeships and less scrupulous providers, will inevitably destroy the integrity of national standards over time, and apprenticeships will deviate from the Specification for Apprenticeship Standards for Wales, 2017.

24. Changing lives – the vision for Careers Wales 2017-2020. Welsh Government, 2016

25. *Higher Apprenticeships in work-based learning*. Estyn, September 2018

26. There are ambiguities surrounding the means by which employers and providers throughout Wales might pass on their changing requirements to Qualifications Wales, the organisation responsible for developing qualifications systems and contracting out the qualifications within them to awarding organisations. For example, there are 19 qualifications, ranging from levels 2-5 in the new Apprenticeship Framework for Social Care and Childcare, which will be available from September 2019. The supposed conduit for local occupational demand is from the three regional skills partnerships, to the national Wales Apprenticeship Advisory Board (WAAB). WAAB 'was established to provide advice and recommendations on matters related to the content of apprenticeship frameworks and priorities in relation to their development', with a required outcome of agreeing 'what frameworks need to be developed during 2018-2019'. In principle, this structure is sound. However, the three regional partnerships have a budget of just £450,000 between them, and therefore lack the facilities, staffing and infrastructure to do the job. For its part, the WAAB had met only twice at the time of writing and cannot yet be regarded as fully operational so far as framework renewal is concerned.²⁶
27. Officials of the Welsh Government have told us "they are reviewing all frameworks in the next 3 years and moving toward a high level structure of 20-30 maximum". The emerging model for a framework in Wales is one covering an occupation in its broad entirety – for example, construction or engineering-based manufacture – with a common core which contextualises the industry and the many specialised jobs within it, and a wide range of options which specify the skills needed for each one. The standards defining each job may well be suitable for importation from England, with such modification as is needed to meet Welsh requirements. The skills needed by a Welsh electrician, for example, are likely to vary little from those of English counterparts.
28. However, a seven-year lead time for replacement of apprenticeship frameworks is clearly too slow to maintain their relevance. The regional skills partnerships/WAAB nexus will need either substantial investment of money and personnel if it is to become effective; or replacement by some other mechanism. The number and conception of proposed frameworks is obviously an improvement on the plethora which exist at the moment, but it seems unlikely that so many could attract sufficient numbers of learners to make them economically viable to design, populate with qualifications and maintain, for a population as small as that in Wales. Qualifications Wales was established as recently as 2015 and has produced only two sector reviews.²⁷ It, too, is likely to need a major increase in its resources if it is to replace frameworks at a rate faster than every one or two years.

26. Wales Apprenticeship Advisory Board – Summary July 2018. Unpublished minute

27. In Social Care and Childcare, 2016 and Construction and the Built Environment, 2018

29. A sensible first step towards squaring these various circles might be to reduce the intended number of frameworks. The Sainsbury Review in England proposed 15 industry areas. We see no obvious case for doubling that number for defining frameworks in Wales.²⁸ We suggest that apprenticeship in Wales might work with 10-12 frameworks, and that concentration of funding on choke-points in the system, such as Qualifications Wales, might serve to develop them in the two or three years which employers prefer.

30. The Welsh Government has a vision of 1 million of its citizens being bilingual in Welsh and English by 2050.²⁹ The Welsh Language Commissioner has reported that 'the use of Welsh within... apprenticeships, in particular, is very low'. It has been unchanged since 2011. By 2015-2016, only 3 per cent of work-based learning was bilingual and 0.4 per cent was Welsh-medium only'. Factors influencing such slow progress included 'lack of demand by learners; lack of assessors and teachers; lack of qualifications and teaching materials; and lack of an active offer'. This list of barriers appears comprehensive. To compound the difficulty of overcoming them, the number and whereabouts of Welsh speakers are largely conjectural, with only the National Census every decade providing an accurate picture. As a pragmatic first step, we suggest that all new apprenticeship frameworks should be bilingual, and that wherever the occupation in question requires it (for example, in many service industries) there should be a requirement to offer training in the Welsh language.

28. *Fifteen routes: a national framework for technical education*. The Gatsby Charitable Foundation, June 2016

29. See eg *Prosperity for all: the national strategy*. Welsh Government, 2017 and *The position of the Welsh language in apprenticeship programmes in Wales*. Welsh Language Commissioner/Comy Gymraeg, November 2017

Recommendations from this section

- That strenuous attempts should be made by the Welsh Government to concentrate tasks and funding on as few organisations as possible, in order to gain efficiency and eliminate choke-points in the formation of apprenticeship services.
- That the delayed introduction of on-line IAG services should be quickly rectified.
- That the currently ineffective channel for communicating employer needs to Qualifications Wales should be critically reviewed to assess whether higher investment in the regional skills partnerships and the WAAB, or an alternative approach, might best provide rapid improvement.
- That the target number and timescale for introducing new apprenticeship frameworks should be reviewed, against a presumption that a total of 10-12 might suffice and be designed and launched within two to three years, to support the Welsh economy.
- That Welsh language provision should be required wherever occupations demand a bilingual capability, notably in the service industries.

“There’s more need for real teaching, delivering knowledge. But we’re losing staff who are occupationally experienced but don’t want to teach.”

“The priority is to open doors to apprenticeships; at the moment they’re not well signposted.”

“Only 13 per cent of employers in Wales offer apprenticeships.”





Managing the Apprenticeship System

31. The Welsh Government is unequivocally the leading member of the four-way partnership it favours in running the apprenticeship system. Government officials oversee the selection of the 19 prime contractors who, in turn, manage 97 delivery partners; in effect, subcontractors. The same officials administer apprenticeship funding of £112 million (2017-2018). They meet providers regularly and, according to several of our respondents, move matters back into line if providers or the apprenticeship programme deviate from what the Government intends. They implement decisions over which apprenticeships should be the priority for funding and informally ration funds for over-25s. This is an unashamedly paternalistic approach, but one that is appropriate to the scale of apprenticeship provision in Wales, and one that is supported as efficient and humane by the great majority of those we interviewed. The team of officials depends for its effectiveness on the fact that their leader has a wide range of experience of education and training at all levels, in Wales and elsewhere, and that the team as a whole is stable, with some 20 years in their current roles. This stability and acquired specialist expertise is unusual in UK government.
32. Originally, the Welsh Government contracted directly with around 100 providers. Through successive four-year contracting rounds, that number has reduced gradually to the present 19 prime contractors for 2015-2019. Recontracting will occur next in 2019.
- Some providers are said to have found the bidding process in 2015 ‘challenging... time-consuming and resource-intensive’.³⁰ This system of delegated control has the potential to improve oversight and regulation by people who have an intimate knowledge of apprenticeship provision; by providers, from the private sector, by public bodies such as local authorities, and by further education colleges. Nevertheless, for the structure to be working at its best, prime contractors, themselves, should be supervised and performance-managed by Welsh Government officials. The SHELL report speaks obliquely of a need to achieve ‘more consistent quality across training providers, particularly in terms of teaching quality and engagement with employer needs’.
33. Apprenticeship in Wales appears to be performing well against the criterion which is most easily measurable: learner success rates. That measure, consisting of those who successfully complete an apprenticeship compared with those who start, was stated to be 82 per cent by the SHELL researchers in the spring of 2018; two percentage points above the European Social Fund (ESF) target rate. More difficult to measure is the quality of teaching, learning and assessment, as they are experienced day-to-day by each apprentice. Here, the inspectorate, Estyn, should provide the answers.

30. SHELL *Evaluation of apprenticeships 2015-2019: interim report*. Welsh Government and European Social Fund, April 2018

However, Estyn is severely handicapped in reliably assessing apprenticeship overall, by the very small number of prime contractors eligible for inspection. There are six colleges of the current 13 which are also prime contractors, so that there are a total of some 26 further education and apprenticeship lead bodies which fall due for Estyn inspection once every five years. In other words, Estyn reports on only very few PCET providers each year, so that it lacks the volume of inspections to make reliable judgements which are consistent over time. In a year when two or three providers are awarded low grades, the system as a whole looks bad. Conversely, a majority of good inspections may well confer a false sense of security.

- 34.** Underlying concerns about quality in apprenticeship are exacerbated by two considerations. First, it is generally acknowledged that many training providers are still in the process of gradual transformation, from solely offering continuous assessment of achievement of units of competency, towards a much richer regime of active teaching.³¹ Secondly, there is no dedicated quality improvement body in Wales, comparable with the Education and Training Foundation (ETF) in England, which might intervene to correct poor performance outside the more bracing environments of inspection or contract compliance.

- 35.** Few of these potential weaknesses are susceptible to immediate correction. Indeed, matters may well get worse before they get better. The PCET reform programme might remove officials from frontline supervision after, perhaps 2022, and the same process may replace Estyn in PCET settings with QAA, the current higher education quality assessment body, or its successor.³² With all goodwill, the proposed Tertiary Education and Research Commission for Wales, (the Commission) is unlikely to be able to exercise thorough oversight without at least a brief hiatus of a year or two.

- 36.** So far as we can tell, the criteria used to select prime contractors have not emphasised their proven ability to performance manage, and improve the quality of, their subcontractors. Unless that criterion is made prominent in the 2019 contracting round, there is no obvious way that quality can be raised widely until the Commission becomes fully effective in perhaps five years' time. It should go without saying that the quality of teaching, learning and assessment in each prime contractor needs demonstrably to be of the highest, if it is to support others in raising standards. Whether Estyn or another competent agency would be able to guide the Welsh Government in the next selection of prime contractors, remains to be seen.

31. This same progression was prompted by the Training Standards Council Inspectorate in England between 1998 and 2001

32. See the Hazelkorn Report and the subsequent consultation document, *Public Good and a Prosperous Wales – the next steps*. Welsh Government 2018 and *A Learning Inspectorate – an independent review of Estyn*: Welsh Government, June 2018

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37. Prime contractors deduct a management fee from the total contract value they receive, in order to fund quality oversight and improvement among their group of subcontractors. The amount deducted for this purpose ranges very widely, from 1 per cent, used by a large college to work with its 'consortium' of trusted subcontractors; to a very exact 3.57 per cent at another college, which uses a sliding scale based on a dashboard of key performance indicators (KPIs) to quality-manage other college members in its group; to 15 per cent, which was reported to us as common; to 20 per cent levied by another provider; to 40 per cent which was acknowledged to us by all the prime contractors but admitted by none. Suffice to say, that there is no acceptable justification for reducing the funding delivered at the frontline to learners by a sum as large as 40 per cent. Indeed, we would need considerable persuasion to accept that 20 per cent was an acceptable deduction, unless it was made clear that all the money was spent on such benefits as a dedicated and expert quality manager, enhanced performance data management, regular 'learning walks' and teacher observation, and relevant in-service training. Transparent accounting for management fees, both to officials during recontracting and, subsequently to all the members of the provider group, appears to us to be an essential feature of the partnership model.
38. There are two other relevant considerations. A deduction of 1 per cent of a contract of £10 million, £100,000, may well be sufficient to do a good job in quality management, but it would appear inadequate to support it in a contract of £1 million, £10,000. Judging the appropriate balance between the scale of the management fee and that of the contract will necessitate care, with the interests of apprentices and value for public money always prominent. Secondly, if a prime contractor deducts a large amount for performance management, and then permits more than one layer of subcontractors to do the same thing, down the line, then apprentices will inevitably be sold short. We take the view, based on both equity and our experience, that multi-layer subcontracting should be severely curtailed, if not forbidden, at the point of recontracting.
39. We have commented earlier in this section on the absence of a lead-body to promote and guide quality improvement in Wales. The nearest approximation may be a quality manager funded by the Welsh Government on a fixed-term contract, who is employed by the NTfW. There is a Workforce Development Steering Group whose members include representatives of the Welsh Government, Qualifications Wales and Estyn, in addition to providers and the quality manager. Provider staff are registered with the national Education Workforce Council, but are generally not formally qualified to teach in work-based learning, including apprenticeship. The Workforce Development Steering Group has clearly done good work and apparently sensitised providers to the need to extend the capabilities of their staff and to professionalise them.

40. Many of our respondents were irritated by one aspect of the operation of the prime contractor system, in particular. This is the apparent bar against flexing the limits set on both the occupational and geographical territory to be occupied by each prime contractor, at the time of the last recontracting round in 2015. In order to work outside those limits, prime contractors have to negotiate the agreement of incumbents, who may well see themselves as commercial competitors. This inhibits the capacity of the apprenticeship system to respond promptly to the needs of employers who work throughout Wales – and often beyond – and to those who relocate or extend their businesses during the four years of each contract cycle. The original purpose of the bar was admirable in one respect: it inhibits destructive competition among providers, wasting public funds. From the point-of-view of offering an efficient service to large or enterprising employers, however, it appears unnecessarily cumbersome.

41. The current 19 prime contractors meet every two months, together with officials of the Welsh Government, as the Operational Management Group (OMG) of NTfW. Whilst this was criticised by some of our respondents as “too operational”, the OMG appears to have the potential to take more responsibility in managing the system and, in particular, ridding it of unnecessary barriers to serving employers efficiently. It could be reconfigured

conveniently to coincide with the next contracting round in 2019 and might usefully be re-launched as a ‘Strategic Management Group’ open to membership only by senior staff working in partnership with government officials. Such a progression would be in the spirit of partnership and would require that greater trust were placed in the new body.

42. The Welsh Government has commissioned an authoritative report on the role of monitoring data in improving all PCET provision.³³ Our observation from working in Wales on this report, from our interviews and from seeking hard information either in person or on-line, is that Welsh Government websites are often hard to navigate and that many key data are quoted variably by people who need them in order to manage effectively. As Professor Weingarten put it, radical improvements are necessary in order to ‘redress the most glaring and serious deficiency in Wales’ current performance monitoring and improvement system’ by providing ‘government and institutions with the (necessary) evidence’.³⁴ Welsh Government officials and information are certainly as accessible as one might hope in a small country and in a very small area of learning provision, but we have found the system far from transparent. Standardisation of datasets, improvements in the availability and navigability of websites, and a widespread change of attitude to eliminate unnecessary obscurity, appear essential if Wales is to succeed economically as an increasingly-devolved part of the UK.

33. *Maximising the contribution of the post-compulsory educational and training system to the achievement of Welsh national goals – A review of systems for monitoring and improving the effectiveness of post-compulsory education in Wales.* The Weingarten Report. Welsh Government, April 2018

34. Weingarten Report, p 4

Recommendations from this section

- That the criteria for selecting prime contractors in 2019 should prioritise the quality each achieves in teaching, learning and assessment; their capability in performance-management of subcontractors; and the appropriateness and transparency of the proportion of the contract value deducted for controlling and improving quality.
- That, unless there are exceptional circumstances to be considered and accepted by the Welsh Government, subcontracting should be restricted to a single layer.
- That the Operational Management Group of NTfW be rebranded as a Strategic Management Group to coincide with the next contracting round, with appropriate steps taken to ensure that its membership is at a level suited to the role; and that it should be accorded greater trust in guiding the apprenticeship system, including managing service to employers with less of the hindrance presented by prescribed geographical or occupational restraints.
- That the quality, consistency and accessibility of data and management information be radically improved, including by fostering a climate of greater transparency in government.

“There are lots of little pockets of money for apprenticeship, but they don’t join up.”

“Apprenticeship needs a clear, expert policy steer, appropriate to its importance.”

“Performance management of prime contractors is weak. Officials have the data but they don’t act.”





Funding Apprenticeship

43. Apprenticeship is expensive. Just how expensive is often lost in debates about who pays. Governments set tariffs which express price rather than cost, and the representatives of employers itemise costs which often include not only the wages of apprentices, but also less-easily demonstrable items such as the time of supervisors in the workplace, the equipment and materials used for learning, and the opportunity costs which might arise from the 'loss' of those resources had they been deployed for commercial ends. At the most sophisticated level, we have been given plausible figures suggesting that a technical apprenticeship at level 3 or above typically lasts for four years, of which at least one year in aggregate is spent off-the-job, and costs in total about £100,000. That is the kind of sum which might be attributed to training a doctor. Obviously, there are apprenticeships in disciplines which are less taxing in terms of equipment, knowledge and skill³⁵ and these attract lower government subsidies as well as costing employers much less.
44. The ways in which these costs are met varies according to country. In the dual system, in principle governments pay for the elements of general education which are of broad social value and are taught in public institutions, while employers pay for on-the-job training. In practice, this apparently comfortable settlement is not without continuing tensions. Governments tend to seek control over what they do not pay for and employers tend to resist. Governments also tend to seek control over on-the-job training by contributing towards it and, once more, employers tend to resist. Money muddies the waters. 'In Germany... enterprises in trade, industry and the public sector are responsible for carrying out and financing the in-company part of apprenticeships. There are also additional state subsidies for in-company training and for training institutions. The instruction provided in vocational schools is publicly financed'.³⁶
45. In 2014, the Welsh Government launched a consultation on a proposed means to secure 'co-investment' – shared responsibility among government, employers and apprentices for 'bridging the gap in existing levels of investment compared to our competitors and focusing resources in the pursuit of a more highly skilled nation' and greater prosperity.³⁷ The proposal was complex, suggesting among other things that the Welsh Government would take responsibility for apprenticeships at level 3 and below for under 25s and for Essential Skills, while co-investment would be sought for apprentices who started over the age of 25.³⁸ The Bevan Foundation sought to put flesh on these bones, in the context of powers ceded to the Welsh Government under the Wales Act, 2014, to raise new taxes in devolved areas such as apprenticeship and adult education.³⁹ They suggested that a 'Workforce Development Levy' should replace the, then, recently announced UK Apprenticeship Levy, addressing a concern that 'Welsh employers' would be required to 'pay towards a digital vouchers system that they are unable to access'.

35. Even though the NVQ system may present them as being at the same level; see this report paragraphs 13-15

36. *Apprenticeship Training in Germany – still a future-orientated model for recruiting skilled workers?* Walden and Troltsch. Journal of Vocational Education and Training. Routledge, September 2011

37. *Balancing the responsibilities for skills investment: proposals for co-investment in post-19 adult skills delivery.* Consultation document. Ministerial foreword. Welsh Government, February 2014

38. *Ibid.* Executive summary

39. *Tax for Good: devolved taxes for a better Wales.* Bevan Foundation, June 2016

46. The UK Apprenticeship Levy was introduced in April 2017 and Welsh commentators have not been alone in criticising its structure and implementation. Researchers at the Open University pointed out that, a year after its introduction, 'levy-paying employers have only withdrawn 8 per cent of the £1.8 billion paid in so far'.⁴⁰ The fact that, at the time of writing, apprenticeship starts remain well below their pre-levy extent in England, (although not in Wales, where numbers have continued to rise) has been a matter of continuing debate in the specialist press. The National Assembly for Wales and its Economy, Infrastructure and Skills Committee, have often expressed some irritation that the UK Levy should have been imposed on a devolved area of responsibility in the first place, and that it continues to annoy large levy-paying employers.⁴¹ One of our respondents, Airbus, noted that the company had contributed over 10 times as much to the Apprenticeship Levy, across its two UK plants, one of which is in Wales, as they had received, despite taking 140 apprentices this year at Broughton in North Wales and needing many more. The Apprenticeship Levy in its current form clearly contains some avoidable pitfalls. One of these being that the levy is collected from employers UK wide, but employers in Wales cannot access it to fund apprentices working in Wales, even if the employee lives in England and travels over the border to work. Any apprentice working more than 50% of their time in a devolved nation is not eligible for levy funding.

47. A number of our respondents suggested that Wales should withdraw from the UK Apprenticeship Levy and follow the path suggested by the Bevan Foundation in raising a freely-acknowledged and hypothecated 'training tax'. This might apply to all employers larger than the micro level, rather than just the largest, as at present. A similar development has also been proposed UK-wide by the 5% Club of employers as a means of increasing social mobility: the apprenticeship levy should be changed into a 'broader skills levy, with increased flexibility to allow it to be spent on other types of high quality technical skills training'.⁴² In this report, we have underlined the very high reliance that training in Wales has on funding from the European Union.⁴³ This includes £24 million a year from the European Social Fund (ESF), which specifically targets assistance to people in deprived areas, or suffering deprivation personally, to support their participation in apprenticeship. This year, Wales received £138 million from the UK Apprenticeship Levy, and allocated somewhat less (£112 million) to providing 'free' apprenticeships to employers. Hypothecation – guaranteeing that money raised for apprenticeship is spent on apprenticeship – might therefore prove beneficial both in terms of transparency and delivering the necessary money to do a good job, as the Minister writing in 2014 clearly intended.

40. *The Apprenticeship Levy: one year on*. Open University, April 2018

41. See eg *Apprenticeship Levy: one year on*. National Assembly for Wales, August 2018

42. *Playing to our Strengths: unlocking social mobility for economic good*: The 5% Club. October 2018

43. See this report, paragraph 5

48. Reviewing payment methods across Europe and soliciting opinion, as we have for this report, paints a picture of awkward compromises, multiplying over time. The question that presents itself to our minds is whether it might be possible to propose a funding model for Wales that reflects both a perceived direction of travel towards international norms for apprenticeship, as well as honouring the principles adopted by the Welsh Government. These would include co-funding – including by apprentices themselves – a training tax replacing the UK Levy, and adequate funding for a high-quality learning experience in preparation for careers which are rewarding for the individual and for Wales. It would not be simple, requiring considerable work and ingenuity, but it does appear highly desirable.

Recommendations from this section

- That the Welsh Government should seek means to release employers in Wales from the UK Apprenticeship Levy, replacing it with a hypothecated training tax paid by all employers larger than the micro level, at a graduated and competitive rate, and based on the place where each employee works, not where they live.
- That revenue from the training tax should be applied to a range of approved training, including apprenticeship, (and a comparable professional development programme for over-25s), agreed between government, employers and trade unions.
- That, so far as apprenticeship is concerned, this revenue should fund:
 - All off-the-job training, amounting to at least 20 per cent of the apprenticeship, paid by government to the provider;
 - The development and continuous revision of frameworks and qualifications;
 - The provision of high-quality information, advice and guidance for young people interested in entering apprenticeship, as well as advice to employers;
 - The provision of assessment services on-the-job, by suitably qualified assessors employed by providers;
 - A payment to providers to supply employers with administrative services to assist them to operate apprenticeships;
 - A fund to manage shared apprenticeships, where a local authority, a college or other public or private-sector body acts as the 'employer of record' and accepts the responsibilities of that role, including finding and overseeing placements which assure full coverage of the framework;
 - A payment to employers to undertake safeguarding for young or vulnerable people, including Prevent and other anti-radicalisation programmes;

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- Money to promote the use of the Welsh language in apprenticeship, including support for training instructors and assessors in Welsh;
 - Continuous professional development for training staff in providers and employers.
 - That consideration be given to the possibility that apprenticeships should be time-defined, with a level 3 apprenticeship requiring three years' study, in recognition of the fact that for the first half of that time the employer receives little return for the investment of wages and on-the-job training, whilst for the second half, the apprentice becomes a productive contributor to the company.
 - That employers should be responsible for the costs of on-the-job learning, delivered in accordance with the relevant framework.

“End-point assessment is stupid. Why train someone on every part of a complex assembly and then assess them in an afternoon?”

“Apprenticeship should concentrate on 16-24 year olds: that’s the best use of limited resources.”

“We have to provide elementary digital literacy for people who already have computer science degrees. It’s a complete waste of money.”



Towards the Future

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49. The next few years present many unknowns. Most of our respondents expressed anxiety about Brexit. Some saw the growing differences in apprenticeship practice and qualifications as a threat to cross-border employability in England. The proposed PCET reforms, currently in consultation at the time of writing and requiring the always-uncertain process of primary legislation to enact them, are likely to upset some established operational structures and were opposed by a number of our respondents. They saw them as potentially threatening to apprenticeship and other forms of further education, to the benefit of universities. The sense that Wales is striking out on its own, albeit in step with other 'Celtic' UK nations and those in Europe, is both exhilarating and anxious for many. Our response has been to consider ways in which Wales might become stronger as a source of skilled people, more economically successful, rather than dwelling on any difficulties.
50. As we said at the beginning of this report, our approach has been to find ways of raising the efficiency - and above all, the promptness - with which existing organisations work. That conservative approach has not prevented us from recognising that even evolution is rarely accomplished without disruption. For example, our recommendation that the next round of tendering for prime contractors should require that successful applicants be able to manage the performance of subcontractors, implies reasonably substantial scale if management fees are to be kept modest. With one single College and its wholly-owned subsidiaries already controlling a third of apprenticeship provision, that requirement may imply a reduction from the present 19 prime contractors.
51. In our Introduction to this report, we highlighted the geographical difficulties faced by those organising public services in Wales. There is a heavily populated periphery and a relatively empty centre, with many topographical barriers to travel. We suggest that this challenge might best be met by securing much higher levels of online learning and assessment. The latter is already commonplace in work-based learning. The former might be provided by ensuring that each new framework includes digital learning materials: an online learning library for Wales. We understand that a similar process is in hand for schools. It is all the more urgent in apprenticeship, where mobility is an essential part of many jobs and the distances between well-equipped centres for off-the-job learning pose greater problems.
52. There is a shared vision among officials of the Welsh Government and many other thoughtful professionals in Wales. It is of an apprenticeship system which is given sufficient scale to be cost-effective through collaboration with those of like mind in Scotland and Northern Ireland, and is on a journey towards at least matching the quality of the world's best. That aspirational goal seems likely to owe something to the dual system of Europe as well, perhaps, as to other beacons of excellence like the structure of colleges and group training companies of New South Wales in Australia. If adopted, we believe that the relatively modest changes we have proposed will take Wales on the first steps of that long path.

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53. However, we should not obscure the magnitude of some of the hurdles to be overcome; attitudinal as well as structural. For the moment, there are very few hard data sets defining the challenges which apprenticeship in Wales must overcome, let alone the solutions, beyond the bald success rates achieved by learners. Success rates in apprenticeship mainly describe retention of people who are employees, to complete programmes which, by common consent, are quickly approaching obsolescence because of a failure to keep frameworks up-to-date. Whilst success rates over 80 per cent are gratifying to all concerned, including the EU which sets that figure as a threshold for the funding it provides, they do not of themselves guarantee that apprentices are receiving a rich learning experience. Whilst, no doubt, many employers and providers are giving apprentices a good grounding for a career, Estyn inspections, as they are at present, give no solid basis for determining national standards of teaching, learning and assessment. We simply do not know how good is apprenticeship in Wales.
54. Similarly, Wales is just now taking the first steps towards ensuring that work-based learning, including apprenticeship, adds significant value by including real teaching and instruction, in addition to reliable assessment of the progress an apprentice achieves through simply observing others at work. Staff working for providers in the sector are doing their part by aspiring to real professional status as educators and by seeking to acquire the necessary skills, supported by their employers and the Welsh Government through its support for a member of staff funded by the Welsh Government and employed by the NTFW. However, a great deal more thought and investment, beyond contracting a single person, will be required to raise the apprenticeship workforce to world class.
55. In terms of the structure which underpins apprenticeship, there are more than just the seeds of a creative and robust system. Shared apprenticeship, for the moment largely a means of tackling disadvantage, has the potential to be the elusive 'magic bullet' which enables young people to experience the totality of an industry sector by working in a number of the small, specialist, businesses which are so prevalent in Wales, guided and supported by a public authority or by a skilled prime contractor from the private sector. That system, if it is to succeed on a large scale, will need very clear guidance on the responsibilities of all concerned; sophisticated tracking software to ensure that apprentices do not 'slip down the cracks', achieving in a timely manner and being safeguarded against abuses of all kinds; and the necessary funding to support its oversight. The robustness and detailed expertise applied to the selection and performance management of prime contractors – a key to operating a complex system like shared apprenticeship – has some distance to go before it can be relied upon, as has their management of subcontractors.

56. Wales has a plethora of policy statements, which are sophisticated and comprehensive, and a notably expert, experienced and stable team of government officials. But we question whether policy is always followed through with the single-mindedness which would create a world-class system. Sweeping reforms, such as that which promises to transfer management of the whole PCET system, away from government to an arm's length Commission, certainly follow the grain of much international practice, but many apprenticeship providers question whether they have real and immediate practical benefit. Closeness to government is valuable, particularly in a small country, where new organisations often comprise the same people as worked in the old. Wales is by no means alone in preferring to add new organisations rather than confront the weaknesses of the existing ones. However, if the result is to place more responsibilities on the same, small, group of people and add administrative cost, surely the practice needs determinedly to be resisted. Concentration of resource and effort is the hallmark of all successful enterprises, and is to be valued all the more in a small country than in a large one.

Recommendations from this section

- That online learning and assessment provision be required as an element of each new framework.

“For an 18 year-old, a degree apprenticeship with no fees, subsistence paid and a wage, will look like a great deal.”

“Brexit will break the furniture.”



Appendix 1

Documents reviewed for this study

A Learning Inspectorate: Independent Review of Estyn.

Professor Graham Donaldson Welsh Government, 2018

Aligning the Apprenticeship Model to the needs of the Welsh Economy.

Welsh Government: 2017

Apprenticeship Levy: One Year On.

National Assembly for Wales, 2018

Apprenticeship Levy: One Year On.

The Open University, 2018

Apprenticeship Courses 'Outdated'.

Estyn: BBC News, 2018

Apprenticeship Pay Survey.

Welsh Government, 2016

Apprenticeship Starts by Quarter and Year.

Statistics Wales, 2018

Apprenticeship in Wales.

Welsh Government, 2017

Balancing the Responsibility for Skills Investment: Proposals for co-investment in post-19 adult skills delivery.

Welsh Government, 2014

Barriers to Apprenticeship.

Estyn, 2014

Breaking Down Barriers to Apprenticeship.

Estyn, 2015

Building the Future: Sector Review of Qualifications in Construction and the Built Environment.

Qualifications Wales, 2018

Changing Lives – a Vision for Careers Wales 2017-2020.

Welsh Government, 2016

Consortium Quality Assessment Rationale.

City and Guilds, 2018

Country Briefing: Wales Demographics.

City and Guilds, 2018

Employer Skills Survey 2015 – Wales.

UKCES, 2016

The State of Engineering.

Engineering UK, 2018

EU Funds: Investing in Wales.

Welsh Government, 2016

European Structural Funds Investing in Wales 2007-2013.

Welsh Government, 2012

Evaluation of Apprenticeships 2015-2019:

Interim Report. SHELL, 2018

Framework Guidance/Apprenticeship Standards.

Welsh Government, 2017

Fifteen Routes: A National Framework for Technical Education.

Gatsby Charitable Foundation, 2017

Higher Apprenticeships in Work-Based Learning:

Estyn: 2018

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Appendix 2

Organisations visited and people interviewed

Airbus Gavin Jones	Educ8 Grant Santos & Tori Howells	Pembrokeshire College Barry Walters & David Evans
Babcock Training Gertie Burke*	Estyn Jackie Gapper & Mark Evans	People Plus Kelly Reynolds
B2B John Hurst	FSB Josh Miles	Qioptiq Erin Cooper
CAD Centre Linda Thomas	Gower College Swansea Rachel Searle	Qualifications Wales Cassy Taylor
Cambrian Training Faith O'Brien	HEFCW Cliona O'Neil & Angela West	Rathbone Cymru Alan Mackey
Cardiff and Vale College Andrew Whitcombe	ITEC Ceri Murphy	Regional Skills Partnership West Jane Lewis
Careers Wales Wendy Williams	Kellogs Karen Thomas *	RMS Daniel O'Toole
Castell House Nigel Williams	Learning and Work Institute David Hagendyk	TATA Steel Les Dickenson
CBI Wales Ian Price	Little Inspirations Jenine Gill & Neil Blockley	Torfaen Training Laura Castles & Cathy Llewellyn
Chwarae Teg Cerys Furlong	North Wales Regional Skills Partnership Iwan Thomas	Toyota Yian Baty & Sarah Overson
CITB Wales Gareth Williams *	NPTC Group Nicola Thornton-Scott	t2 Skills Anthony David
City & Guilds Helen Bready *	NTfW Jeff Protheroe, Kelly Edwards, Rhys Daniels	Universities Wales Keiron Rees
Coleg Cambria David Jones OBE DL & Vicky Barwis *	North Wales Training Allison Jones	UWTSD Bridget Mosely
Coleg Sir Gar Andrew Cornish & Naldo Diana	Park House Tony Sawyer	Valero Energy Nicky Howels
Colleges Wales Iestyn Davies		Welsh Government Huw Morris, Sam Huckle & Alan Woods
		Welsh Language Commissioner Meri Huws & Anna Rolewska

Those marked * were interviewed by telephone.

