

A memorandum
to the
Business, Innovation and
Skills Inquiry into
Apprenticeships

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Terms of reference

This memorandum relates specifically to the Term of Reference “*Are apprenticeships of a high enough quality to benefit apprentices and their employers? Should there be more Level 3 apprenticeships?*”

1. Executive summary

The reasons why apprenticeships are not working as well as they should be

- 1.1 Successful apprenticeships require more than the delivery of learning, adherence to frameworks and adequate funding. Simply focussing on the architecture and operational processes will not in itself improve the quality and value of apprenticeships.
- 1.2 No “apprenticeship solution” supplied by a learning provider, whether that provider is an internal training department or an external commercial organisation, can ever hope to deliver all that is necessary for a successful apprenticeship outcome, and nor should it attempt to.
- 1.3 Successful apprenticeships require consistent input from number of players – if *any* of this input is missing the apprenticeships are at a high risk of being mediocre and of little value to anyone other than the organisation providing the learning. The key players include:
 - Learners
 - Employers
 - Learning providers
 - Sector Skills Councils
 - The National Apprenticeship Service (NAS) and other government agencies
 - The government
- 1.4 This paper seeks to identify what each of these needs to do for apprenticeships to be successful, how well they are currently doing it and what could be done to make their contributions more effective.
- 1.5 The **learner** needs the ability and desire to participate in the apprenticeship and the potential to complete it successfully.
- 1.6 The **employer** ([paras 3.13 – 3.20](#)) needs to be fully committed to supporting the apprentice through the programme. Crucial to securing this commitment is realising precisely what “support” entails, and asking whether the workplace is fully equipped to offer this. This will include:
 - A line management team willing and able to discharge their responsibilities to support the apprentice
 - Work place colleagues of the apprentice who can offer support, guidance and a degree of training

- Time and resource to contribute to the management, in partnership with the learning provider, of the apprenticeship process
 - A recognition that workplace culture and behaviours will have a greater impact on an apprentice's "soft" (employability) skills than any formal training intervention
- 1.7 Learning provision ([paras 3.21 – 3.27](#)) needs to deliver high quality, imaginative and innovative teaching. In some sectors there is a shortage of people with the necessary expertise who are able to teach and available to do so. As well as supplying good teaching, learning providers have a responsibility to build genuine partnerships that will support employers to develop the skills of their people, apprentices especially.
- 1.8 The legacy of Train to Gain ([paras 3.24 – 3.27](#)) has left many providers ill equipped to deliver successful apprenticeships as their business models are predicated on assessment rather than teaching, quantity rather than quality of outcomes, and the retailing of products rather than the understanding of employer and learner needs.
- 1.9 Sector Skills Councils ([paras 3.28 – 3.34](#)) are responsible for the design of apprenticeship frameworks that deliver value added outcomes. However, many of these frameworks specify learning outcomes in English and maths at levels below those expected of 16 year old school leavers. Following the publication and acceptance of the findings of the Wolf report, this situation is no longer tenable.
- 1.10 Sector Skills Councils have a responsibility to do more than simply write apprenticeship frameworks – they are expected to be proactive in increasing the quantity and quality of apprenticeships in their sectors. The fact that the government has felt the need to launch the "Employer Ownership of Skills" pilot, which focuses particularly on apprenticeships, suggests that SSCs have not met expectations in this area.
- 1.11 A National Apprenticeship Service has a role setting and enforcing the highest standards of apprenticeship delivery, in partnership with other government agencies ([paras 3.35 – 3.50](#)). This will involve:
- a) Offering advice and guidance to employers and learners, and matching applicants to vacancies.
 - b) Overseeing the contracting with organisations to deliver apprenticeships – recent media publicity about a plethora of low value apprenticeships indicates that the contracting and quality assurance processes need radical review.
 - c) Ensuring that the apprenticeships delivered are of the highest quality and represent a good return on investment for the taxpayer – while various agencies inspect various aspects of an apprenticeship, it is unclear who inspects delivery of the apprenticeship as a whole, particularly whether the requirements for minimum Guided Learning Hours (GLH) ([paras 3.40 – 3.49](#)) have been met.
- 1.12 The government ([paras 3.51 – 3.54](#)) has to be passionate about quality and committed to securing a healthy return on investment for the taxpayer. It also needs to recognise the depth and complexity of the issues around apprenticeships, and understand that the greatest challenge is a fundamental lack of employer demand.

Recommendations

- 1.13 The government needs to set out clearly its vision, aspiration and expectations for apprenticeships and ensure that this message clearly gets through to employers, potential apprentices and learning providers. ([paras 4.1 – 4.4](#))
- 1.14 It also needs to recognise the breadth and depth of the challenges associated with realising this vision. The overwhelming challenge is the relatively low number of employers willing and able to take on apprentices, a challenge which will not be addressed by simply reducing regulation or lubricating the process with a bit of extra money here and there.
- 1.15 BIS should instruct its agencies and partners, principally NAS and the SSCs, to come up with an evidence based, long term strategy that will “deliver the vision” of an apprenticeship system to rival that of Germany and other leading industrial nations. ([para 4.5](#))
- 1.16 Because many Level 2 jobs simply don’t have enough learning in them to justify an apprenticeship the government should abolish Level 2, Intermediate apprenticeships. It should commission the design of new frameworks and programmes for those young people, and others, who need support into Level 2 employment. ([paras 4.7 – 4.11](#))
- 1.17 As part of the drawing up of a strategy to improve radically apprenticeship quality and take up Sector Skills Councils should examine the state of apprenticeships in their sector, identify the barriers to and opportunities for high quality apprenticeships and work with employers and others to come up with innovative approaches that will overcome the barriers and make the most of the opportunities. ([para 4.12](#))
- 1.18 SSCs should work with their National Skills Academies to embed the spirit and practice of the Training Quality Standard. This would mean these academies offering sector employers holistic support for skills development, including apprenticeships, rather than just becoming state funded peddlers of “training solutions”. ([para 4.13](#))
- 1.19 NAS and its associated agencies SFA/YPLA and OFSTED have the opportunity radically to overhaul the way apprentice contracts are awarded, audited and inspected. A new framework should concentrate on the enablers of good apprenticeship delivery, rather than just the outcomes. A key enabler is adequate guided learning, and robust inspection of the quality and quantity of this needs to be at the heart of any inspection framework. ([paras 4.14 – 4.17](#))

2. Introduction

- 2.1 I am a specialist in the field of work based training and development having spent over twenty years working in the logistics industry as a driver and in both training and operations management roles. Subsequently I spent seven years working for the Logistics Sector Skills Council on employer engagement, as well as developing programmes and standards for training providers. I also chaired the SW Region cross sector Skills for Life Alliance.
- 2.2 During this time I have become thoroughly convinced of the effectiveness of “demand led learning” while at the same time frustrated at how rarely this actually happens. The evidence I submit to the inquiry is based on the experience I have gained working in the field of learning and development as an employer, learner, trainer, SSC employee and consultant.
- 2.3 Other submissions to the inquiry will no doubt articulate the concerns about the quality of apprenticeships currently being delivered in England and the fears that the brand risks becoming devalued. I not propose to go into this in any great detail, rather this memorandum seeks to identify:
 - a) Why apprenticeships are not working as well as they should be
 - b) What could be done to improve the situation.
- 2.4 This relates specifically to the TOR *"Are apprenticeships of a high enough quality to benefit apprentices and their employers? Should there be more Level 3 apprenticeships?"* Because all the terms of reference are to a large extent connected to each other the analysis and recommendations that follow will I hope prove useful to the inquiry as a whole.

3. Why apprenticeships are not working as well as they should be.

Background

- 3.1 A good apprenticeship represents a good deal for everyone – the learner has a chance to develop their skills while at the same time earning money, the employer gets a capable and motivated young person who has none of the baggage that accompanies older recruits, and the government gets the country’s youth trained and into productive, value added employment relatively cheaply.
- 3.2 However in recent months concerns have grown about the quality of many of the apprenticeships being delivered and whether learners, employers and taxpayers are getting their money’s worth out of these programmes. Stories and investigations are appearing with increasing frequency in the both the mainstream and specialist media and more are undoubtedly in the pipeline. Recent changes in personnel at the top of both the National Apprenticeship Service and the Skills Funding Agency indicate that BIS is aware of these concerns and seeking to address them.

- 3.3 The shortcomings in apprenticeships are part of a wider malaise which affects workplace skills development as a whole. It is a widely held popular fallacy to assume that the way to develop people's skills is to train them, and if we get the training delivery right (appropriate qualifications and frameworks) and the funding balance right (appropriate contributions from learner, employer and taxpayer) then the skills of the nation will improve. In popular discourse "skills" invariably equal "training", though a short pause for thought should reveal that effective and lasting skills development is a lot more complex than this.
- 3.4 Part of the problem is that too many people have a vested interest in perpetuating this myth. The last government's target driven approach equated skills with qualifications, because, as member of the Leitch committee once said, "that way we can measure them". Training providers clearly have a commercial interest in persuading employers that their "skills solutions" are what they need. And for busy employers, the idea that someone else (an external provider or internal training department) is going to take responsibility for developing the skills of their people means there's one less thing to worry about.
- 3.5 Of course training plays a major role in skills development but training alone is rarely a solution to anything. Effective "work based learning", the category in which apprenticeships clearly fall, only happens in well run organisations. Training is part of good management, it can never be a substitute for it.
- 3.6 To understand better the issues that affect the effectiveness of apprenticeships it helps to step back and ask a few key questions:
- Why do apprentices need to learn?
 - What do they need to learn?
 - How are they going to learn?
- 3.7 The answers to the "Why" and "What" questions are fairly well known, though it's worth restating them, if only to assess whether some apprenticeships currently being delivered contribute to the realisation of these aspirations.
- 3.8 Apprenticeships are there to develop *technical skills* and know-how which the economy needs, particularly the more advanced skills on which future growth will depend. This is what Germany has traditionally been good at and the UK has not. Alongside the technical skills is the essential *knowledge and understanding* which underpin the consistent practical application of these skills.
- 3.9 But apprenticeships are more than simply imparting technical knowledge and competence. They are about developing the young person's wider employability skills including literacy, numeracy, thinking skills and, probably most crucially from the employer point of view, the willingness and ability to learn. It is this that in many cases constitutes greater added value than that derived from the purely technical learning. The transformative effect of a high quality apprenticeship on the life of a potentially disaffected young person is inspiring. When apprenticeships work, there are few educational programmes that beat them in terms of distance travelled, value added and return on investment for the taxpayer. That's why it is so important that we get them right.

- 3.10 This leaves the crucial question of how people learn and what needs to be in place to ensure that this learning happens. Effective learning will involve:
- Training – being shown how to do things
 - Practice – repeating tasks and becoming better at them
 - Critical self questioning – learning from one’s mistakes
 - Teaching – imparting of knowledge and understanding
 - Self study, research, fact finding
 - Discussion, questioning
 - Mentoring
 - Coaching
 - Being managed and supported
- 3.11 No “apprenticeship solution” supplied by a learning provider, whether that provider is an internal training department or an external commercial organisation, can ever hope to deliver all that, and nor should it attempt to. Successful apprenticeships require consistent input from number of players – if *any* of this input is missing the apprenticeships are at a high risk of being mediocre and of little value to anyone other than the organisation providing the learning.

Key roles and functions in successful apprenticeship delivery

- 3.12 Firstly the **learner** needs the ability and desire to participate in the apprenticeship and the potential to complete it successfully. It also helps if they have high but realistic expectations of the programme and so become active, demanding participants in it.
- 3.13 Secondly the **employer** needs to be fully committed to supporting the apprentice through the programme. Crucial to securing this commitment is realising precisely what “support” entails, and asking whether the workplace is fully equipped to offer this. A key component of this support is those involved in the apprentices’ line management – the supervisors and first line managers who will be working with them day to day.
- 3.14 Many of these people will have little or no experience of employing and supporting young people. In addition they are often unlikely to have had any training or development themselves, having been promoted from the shop floor because they are good at their job and have a bit about them. If this particular skills gap is not identified and addressed it is unlikely that an apprenticeship programme will succeed.
- 3.15 As well as thinking of the demands on the apprentices’ managers, consideration needs to be given to the role of the apprentices’ colleagues. They will be the ones showing them how to do things and working alongside them as they learn by their mistakes. Being technically good at your job is absolutely no guarantee that you will be able to pass on that knowledge and expertise to others. People need to be identified who can “buddy” apprentices and, if they are to perform this role effectively, their needs have to be established and met, if necessary through train the trainer and/or mentoring programmes.
- 3.16 The employer will also need to commit to the ongoing management of the apprenticeship programme by actively participating in planning and review meetings with the learning provider. At one end of the spectrum these will be tick box sessions

where the minimum formalities are completed in order remain compliant and draw down funding. At the other end is the situation where, for instance, the apprentice's supervisor knows what subjects have been covered in the recent two week block release at College, and puts them on tasks the following week that allow them to apply that knowledge in the workplace.

- 3.17 The latter approach involves a lot more time and people, but is essential if the apprenticeship is to be of value.
- 3.18 All this will be dependent on the employer taking full responsibility (or "ownership" as the jargon has it) for the delivery of the apprenticeship. This approach recognises that the bulk of the learning is going to happen in the workplace, so the workplace needs to be equipped to meet these responsibilities. It is about recognising that working practices and organisational culture are going to have a far bigger impact on "soft skills", such as working with others and relating to customers, than any formal training course.
- 3.19 Above all this involves treating the training provider as a partner rather than simply a supplier of a product, or "apprentice solution" . This will in many instances require a cultural shift away from supply driven learning, where training is something "done to" both individuals and organisations who are to a large extent passive recipients. There is no doubt that the target driven approach of the last decade, backed up by generous funding, has encouraged this way of doing things.
- 3.20 The size of the task facing employers wishing to run a successful apprenticeship scheme can be daunting and it is entirely understandable that many employers will not feel entirely confident that their organisations are up to the challenge. Doubts and uncertainties are difficult to admit, to articulate and to address. Often they come out as catch all grumbles about excessive paperwork, or that the apprenticeship framework is not relevant or that the young people simply aren't motivated these days. While some of these may be real concerns, they should not mask the bigger and more fundamental obstacles which employers face, and the support many will need to overcome them.
- 3.21 Thirdly **learning providers** quite clearly need to provide high quality learning which engages and stimulates the apprentices. But in addition they need to support the employers to recognise and discharge their responsibilities associated with a successful programme. As has been said this involves partnership working and moving their offer away from simplistic training solutions and towards more general business support. The Training Quality Standard specifically deals with the quality and nature of "employer engagement" and its principles require more than lip service to be paid to them.
- 3.22 Of the three partners involved in the delivery of apprenticeship, it is almost always the case that the bulk of the expertise about learning and development will lie with the provider. They are the ones who understand learning processes, apprenticeship frameworks, funding regimes and inspection requirements. Neither the employer or learner have much interest in these and nor should they – they simply want a successful outcome. This imbalance of expertise puts the provider in a stronger position than suppliers in other fields – when purchasing learning, as opposed to other goods and services, employers are relatively undiscerning and undemanding customers.

- 3.23 It is to be hoped that the workings of the market will ensure that providers who enter into genuine partnerships with employers to deliver high quality apprenticeship programmes will enjoy more commercial success than those which relentlessly push retail products. But it must be recognised that commercial pressures, previous funding regimes and an inability to understand the real hopes and fears of employers have to an extent corrupted the learning supply side.
- 3.24 Train to Gain was a quite spectacular failure in terms of what the taxpayers got for their money. But an equally worrying aspect is the legacy it left behind, particularly in terms of provider behaviour. Since Train to Gain largely involved providers going around the country assessing people who were competent at their job, issuing NVQ certificates and then drawing down a healthy slice of funding, whole organisations adapted or emerged based on this simple model.
- 3.25 What was missing from this process was any element of teaching, of people learning things they didn't know, of people changing the way they thought about things, of people deepening their understanding as well as just their knowledge. Also missing was any element of meaningful employer engagement – the "training" was all free; all the employer had to do was sort out the logistics of assessor visits, complete the relevant paperwork, sit back and then attend the photo-shoot when the local press turned up to watch the staff waving their NVQ certificates in the air.
- 3.26 There is no evidence that the employers found any value in any of this. If all these free qualifications had been so wonderful, why weren't employers queuing up to buy them once the funding stopped? Instead, once the funding was withdrawn, the learning providers simply kept their business model, but looked for another source of income.
- 3.27 Apprenticeship funding is the obvious substitute for the vanished Train to Gain largesse. Some providers have been quite blatant about it, readily admitting that they will simply replace Train to Gain funding with the money available for all age apprenticeships. Yet these are the providers who often have little or no teaching (as opposed to assessing) capacity, and very little experience of effective employer engagement. It is precisely these two factors that have the greatest influence on the success of an apprenticeship.
- 3.28 As well as those involved in the delivery of apprenticeships there are other important players behind the scenes. **Sector Skills Councils (SSCs)** design the apprenticeship frameworks as part of their remit to embed value added skills development into their industrial sectors.
- 3.29 In 2010/11 66% of all apprenticeships were at the intermediate level (Level2). Almost 40% of these level 2 apprenticeships are in just four areas – Health and Social Care, Retail, Customer Service and Business Administration. Despite the [Wolf report](#) asserting that the most valuable vocational skills a young person can have are English and maths, all four of these frameworks specify that the apprentice need only achieve Level 1 (GCSE grade D – G) in both of these subjects. Many of the other 60% of Intermediate apprenticeships also specify this level of achievement in maths and English.

- 3.30 It does not help that the Specification for Apprentice Standards in England (SASE) only requires Level 1 English and maths in Intermediate apprenticeships, and few SSCs have asked for more from their learners, lest it "put people off" or make the programme "too academic".
- 3.31 This is directly at odds with the government's intention to make Level 2 (GCSE 'C' and above) English and maths compulsory for all those staying at school post 16. If young people at school need to do this, surely those in other equivalent learning environments need to do the same?
- 3.32 The implications of this are worrying. Significant amounts of taxpayers' money are being used to educate young people to a level which is lower than the one they should have achieved on leaving school. Furthermore this a level that leaves them fundamentally ill equipped to deal with the challenges of the 21st century labour market, but yet constitutes an acceptable outcome as far as the designers, approvers and funders of these apprenticeships are concerned.
- 3.33 SSCs need also to address the wider issues of apprenticeship take up and delivery beyond simply designing the frameworks and getting them approved. This means asking the bigger questions about what affects the quality and quantity of apprenticeships in their sector and working with employers and others to develop innovative ways to answer them.
- 3.34 In his foreword to the Employer Ownership of Skills Pilot, Charlie Mayfield, Chair of the UKCES, writes: *"It is a chance for employers to define the skills that their business and employees really need. It is a chance to work with trades, unions, colleges and training providers to scale up partnerships that will deliver valuable skills and create new opportunities... It is an open invitation to employers to put forward bold propositions that will help their business and employees grow."* This is an excellent articulation of precisely what SSCs should be doing - the fact that the government finds it necessary to launch this pilot suggests that there are real concerns about how effective SSCs have been.
- 3.35 As well as the SSCs, government agencies the **National Apprenticeship Service (NAS)**, the **Skills Funding Agency**, the **Young People's Learning Agency** and **OFSTED** have key roles to play in ensuring that apprenticeships are effective.
- 3.36 NAS "supports, funds and co-ordinates the delivery of Apprenticeships throughout England". How well it does this I leave to others to judge as I have little experience of dealing with them. But any judgement on NAS's performance will depend on how the terms "support" "fund" and "co-ordinate" are defined and what is expected of NAS in these areas.
- 3.37 When it comes to finding advice, guidance and support in taking on apprentices employers have a very limited range of options. Their trade associations are unlikely to have the expertise, their Sector Skills Councils are too strategic to offer one to one advice, and Business Link has become virtual. This leaves the training providers as the major source of information about apprenticeships and there is clearly a need for an

alternative source of good quality, independent and honest advice. NAS needs to be equipped to provide this.

- 3.38 NAS is also responsible for overseeing the issuing of contracts for apprenticeship provision. In light of the mega contracts issued to providers working with two well known supermarkets there are concerns that the contracting criteria focussed more on the number of apprenticeships that would be delivered than on the capacity of the providers to offer high quality learning and comprehensive employer support.
- 3.39 When awarding contracts for apprenticeship delivery clear evidence needs to be seen that the contractor is equipped to provide all the things which make for a successful apprenticeship. These include:
- Qualified teachers with the necessary industry expertise
 - Innovative and stimulating learning programmes
 - Good maths and English provision
 - High quality and accessible learner support
 - Comprehensive support for the employer and workplace, including supervisor, manager and mentor training
 - Information, advice and guidance to both employer and learner, to include the willingness to advise that an apprenticeship will not be appropriate in some instances
 - A demonstrable commitment to and belief in apprenticeships, and organisational values that reflect this.
- 3.40 NAS is also required to define a number of the standards against which providers will be assessed. There may be scope for restating and clarifying these, particularly in the area of "guided learning hours (GLH)" which the Specification of Apprentice Standards in England (SASE) requires. The SASE specification says:
- 3.41 *"An Apprenticeship framework must specify the annual number of Guided Learning Hours (GLH) that an apprentice must receive, and the number and percentage of annual off the job GLH that an apprentice must receive."*
- 3.42 It adds: *This must be a minimum of 280 GLH of which at least 100 GLH or 30% (whichever is the greater) must be delivered off-the-job and clearly evidenced. The remaining GLH must be delivered on-the-job and clearly evidenced. Guided learning relates to training which is designed to achieve clear and specific outcomes which contribute directly to the successful achievement of the Apprenticeship framework.*
- 3.43 A further clarification of what "guided learning" is comes in the Ofqual advice for writing [Qualification Units](#) which defines GLH thus: *"GLH represents only those hours in which a tutor, trainer or facilitator is present and contributing to the learning process. In some organisations this is referred to as 'contact time'."*
- 3.44 From these specifications it is clear that Guided Learning involves two key elements:
- i. Learner contact with someone actively supporting the learning
 - ii. Activity designed to achieve clear and specific learning outcomes
- 3.45 Off the job guided learning hours spent away at College are straightforward to count and evidence. But off the job guided learning can also occur in the workplace, provided it is "away from the immediate pressures of the job" which is entirely right and proper.

However this can be an opportunity for the less scrupulous to count some activity as “off the job GLH” when they probably shouldn’t.

- 3.46 Similarly “on the job GLH” can be open to a wide variety of interpretations. “I’ll show you how to do this” and “I’ll watch you while you do it yourself” are both examples of on the job guided learning. “Let’s go and sit in the canteen and talk about how you got on this morning” could legitimately be called off the job guided learning. But “You seem OK to be left on your own, I’ve got to go out this afternoon, ask one of the supervisors if you need any help” is simply doing a job in managed, supervised environment in much the same way as people in any organisation work.
- 3.47 There is the potential to take the view that “if an apprentices are at work they are learning, and therefore all hours spent at work are guided learning hours”. This also explains how apprenticeships can be completed within three months yet still comply with the regulations.
- 3.48 What is at issue is the boundary between management/supervision and learning/mentoring. It is right that in practice this boundary is blurred and ill defined, for that is how effective learning happens, through an holistic, joined up approach. But at the same time there need to be clear, enforceable guidelines that ensure that the apprentice, the employer and the taxpayer are not short changed in terms of the amount and quality of learning delivered.
- 3.49 Key to all this, and other factors which affect the quality and value of apprenticeships, is a robust yet supportive audit and inspection regime. While NAS and the SSCs set the standards and expectations for apprenticeship provision a variety of organisations are responsible for inspecting its quality. Awarding organisations will check to see that the assessment criteria for the qualifications specified by the apprenticeship have been met. The SFA/YPLA will audit the financial aspect while OFSTED will look at the quality of learning delivery. It is not clear, to me anyway, who inspects the apprenticeship as a whole, and who, for instance, counts the Guided Learning Hours and makes sure they have been recorded and evidenced correctly.
- 3.50 And just as the contracting criteria need to focus on the enablers of quality delivery, so the inspection regime needs to do the same. As well as the focus on teaching quality and quality assurance systems other questions have to be asked about the nature and quality of the support given to employers and learners. Simply saying “the outcomes have been achieved, therefore the learning must have happened” will do nothing to improve quality.
- 3.51 The final key player in all of this is the **government**, more specifically **BIS**. It is not unreasonable to expect that, if the “architecture” (frameworks, qualifications, funding, contracting and inspecting organisations, etc.) is in place, good quality apprenticeships will follow.
- 3.52 Unfortunately all the evidence is that this is not happening and the government, which is currently not getting a good return on its investment, needs to start demanding some improvement. The first step is to identify the problem and the signs are that the days are the short, sharp, cheap and far from cheerful apprenticeship are numbered. The

government needs to make it clear to anyone who will listen that its focus is now on quality, sustainability and value for money rather than simply chasing numbers.

- 3.53 But once this problem is addressed a bigger and more intractable one is revealed, namely a serious shortfall in employer demand for apprenticeships. It is no good any government announcing added funding for apprenticeships if there aren't the employers to take advantage of it.
- 3.54 Stimulating demand is a complex issue which requires addressing the issues raised in this submission and others as well. It will not be solved by quick fixes – platitudes such as “cut red tape” and “less regulation” are always brought out in these circumstances, but they have little or any relevance to the problem. Rather the government needs to charge its agencies and partners (NAS, SSCs) with responsibility for developing a comprehensive, evidence based strategy to increase radically employer participation in apprenticeships.

4. What could be done to improve the situation

- 4.1 For apprenticeships to be of a quality high enough to benefit both apprentices and their employers, there needs to be, first and foremost, clear leadership from **government** and **BIS** in particular.
- 4.2 This starts with recognising that there is a problem – simply standing up at conferences and celebrating the number of apprenticeships that have been completed is no longer enough, and I think this is now widely acknowledged. Not only does poor quality of learning supply represent a poor return on investment for the taxpayer, it also contributes directly to a reduction in demand from employers.
- 4.3 The government needs to set out clearly its vision, aspiration and expectations for apprenticeships and ensure that this message clearly gets through to employers, potential apprentices and learning providers. We have to move away from a situation in which apprenticeships are viewed as just another funding stream whereby a provider can retail some qualifications, or an employer can get their routine training costs funded.
- 4.4 It also needs to recognise the breadth and depth of the challenges associated with realising this vision. The overwhelming challenge is the relatively low number of employers willing and able to take on apprentices, a challenge which will not be addressed by simply reducing regulation or lubricating the process with a bit of extra money here and there.
- 4.5 BIS cannot do this alone. It should charge its agencies and partners, principally NAS and the SSCs, to come up with an evidence based, long term strategy that will “deliver the vision” of an apprenticeship system to rival that of Germany and other leading industrial nations. Such a strategy will require a thorough, in depth look at the factors that make for successful, sustainable, value added apprenticeships and conversely, the factors that produce the opposite.

- 4.6 Notwithstanding the results of this essential strategic review there are other measures that could be taken now to improve the situation.
- 4.7 The government should abolish Level 2, Intermediate apprenticeships and commission the design of new frameworks and programmes for those who need assistance into Level 2 occupations. Many Level 2 jobs simply don't have enough learning in them to justify an apprenticeship – it is difficult to see how 280 hours of genuine guided learning are required to reach a level of occupational competence in warehousing or retail for example.
- 4.8 In many jobs basic training in how to do the job, operate the equipment and complete the paperwork together with practice and good, supportive line management will be sufficient to achieve required competence. This is a perfectly acceptable learning model and one which is practised daily in workplaces across the country. It's just that it's not an apprenticeship and should not be treated or funded as such.
- 4.9 What is needed instead is a series of programmes to support those people (of any age) who are not ready to participate in the ubiquitous learning model described above. Such programmes, delivered to people either new to a job or hoping to start one, would include:
- Level 2 English and maths
 - Other employability skills
 - Practical training where appropriate
 - Underpinning knowledge/industry overview
 - Structured work experience
- 4.10 These would need to be designed on a fairly bespoke basis – different job roles will require different amounts of learning time and therefore funding. Similarly learner needs will vary widely – the design of the frameworks and the associated funding regime will need to be smart and flexible if such programmes are to deliver value.
- 4.11 English and maths should, in the spirit of the Wolf report, be set at Level 2 except in exceptional circumstances. It is important to raise aspiration and expectation and take this almost last chance to improve people's abilities in these areas.
- 4.12 As part of the drawing up of a strategy to improve radically apprenticeship quality and take up **Sector Skills Councils** need to look at the state of apprenticeships in their sector, identify the barriers to and opportunities for high quality apprenticeships and work with employers and others to come up with innovative approaches that will overcome the barriers and make the most of the opportunities. Such work involves more than discharging their statutory obligations around apprenticeship design, approval and administration – what is required is a more proactive approach than some SSCs are currently taking.
- 4.13 And those with **National Skills Academies** have an opportunity to work with the learning supply side to embed the spirit and practice of the Training Quality Standard. This would mean these academies offering sector employers holistic support for skills development, including apprenticeships, rather than just becoming state funded peddlers of "training solutions".

- 4.14 A major factor behind the failure of the current apprenticeship system to deliver quality value for money is the way contracts to deliver apprenticeships are awarded and the way adherence to the spirit and the letter of these contracts is audited. **NAS** and its associated agencies **SFA/YPLA** and **OFSTED** have the opportunity radically to overhaul the current system.
- 4.15 It was recently observed that there were 1000 pages of banking rules and regulations and the Royal Bank of Scotland did not break one of them as it collapsed so spectacularly in 2008. All that micro regulation could not uncover the fact that the bank's business model was fatally flawed.
- 4.16 There are parallels here with the world of training and development. The current contract awarding and auditing regime is not producing apprenticeships of the quality required. Before handing an apprenticeship contract to anyone NAS need to see their equivalent of the business model – how do you see your apprenticeships, how will you deliver them, what makes them special, who are your teachers, how will you work with the employers, why are you worthy of funding?
- 4.17 The inspection/auditing regime needs to reflect this, concentrating on the enablers of good apprenticeship delivery, rather than just the outcomes. A key enabler is adequate guided learning, and robust inspection of both the quality and quantity of this needs to be at the heart of any inspection framework.

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