

National Assembly for Wales
Enterprise and Business Committee

Apprenticeships in Wales

October 2012



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National Assembly for Wales
Enterprise and Business Committee

Apprenticeships in Wales

October 2012



Enterprise and Business Committee

The Committee was established on 22 June 2011 with a remit to examine legislation and hold the Welsh Government to account by scrutinising its expenditure, administration and policy, encompassing economic development; transport and infrastructure; employment; higher education and skills; and research and development, including technology and science.

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The Committee's Recommendations

The Committee's recommendations are listed below in the order that they appear in this Report. All our recommendations are directed at the Welsh Government. Please refer to the relevant pages of the report to see the supporting evidence and conclusions.

The Welsh Government should:

Recommendation 1. Do more to convince employers, particularly small and medium-sized enterprises, of the importance and cost-effectiveness of apprenticeships as part of a more strategic approach to planning their medium and long-term skills needs. (Page 14)

Recommendation 2. Publish the number of apprentices that progress into employment at the end of their apprenticeship, according to destination sector. (Page 14)

Recommendation 3. Extend community benefits clauses in public sector contracts into subcontracting arrangements in order to promote the employment of trainees and apprentices, although taking note not to adversely impact on micro-businesses. (Page 15)

Recommendation 4. Work with employers to ensure that a significant percentage of Jobs Growth Wales opportunities are converted into apprenticeships. (Page 16)

Recommendation 5. Consider mainstreaming and ring-fencing funding for the Pathways to Apprenticeships programme into the proposed planning and funding system for post-16 education, with safeguards to ensure that the programme is relevant to economic needs and demands within local areas. (Page 17)

Recommendation 6. Encourage employers with well-established apprenticeship programmes to mentor and link up with small and medium-sized employers to advise them on apprenticeship schemes and share training provision. (Page 19)

Recommendation 7. Target funding at higher level apprenticeships in the most appropriate sectors to ensure that the right skills are being delivered to meet the needs of a vibrant, modern Welsh economy. (Page 21)

Recommendation 8. Review the effectiveness of the Apprenticeship Matching Service in meeting the information needs of both employers and potential apprentices. (Page 23)

Recommendation 9. Work at a UK level to ensure that sector skills councils have the capacity to tailor apprenticeship frameworks to meet changing employer demands and the demand for higher apprenticeship frameworks in Wales. (Page 24)

Recommendation 10. Publish the final version of the Specification of Apprenticeship Standards for Wales by the end of December 2012. (Page 24)

Recommendation 11. Encourage work-based and apprenticeship training providers to develop closer links with employers and schools to support the development of skills and aid progression into work-based training and/or employment. (Page 25)

Recommendation 12. Tackle problems of esteem and prestige with apprenticeships. This could include:

- a reconsideration of the apprenticeship product;
- clarification of people's understanding of the term "apprenticeship"; and
- more innovative ways of promoting and communicating an apprenticeship "brand" to young people. (Page 27)

Recommendation 13. Ensure all young people and their parents receive high quality advice about opportunities provided by apprenticeships well before pupils choose their options for GCSE and vocational courses, and encourage schools to promote apprenticeships as a viable alternative to higher education. (Page 30)

Recommendation 14. Consider how apprenticeship opportunities can be better coordinated, promoted and tailored to ensure that local priorities and needs are strategically met. (Page 31)

Recommendation 15. Consider the possibility of grants, including grants for essential travelling costs, being made available to apprentices so that young people from the lowest income households are not deterred from applying for apprenticeships because of the adverse impact on family allowances. (Page 32)

Recommendation 16. Identify and monitor gender disparity in apprenticeships, the reasons for those disparities, and explore the feasibility of setting targets for improving the recruitment of female apprentices in the economic priority sectors. (Page 34)

Recommendation 17. Provide gender equality training for careers advisers and teaching professionals to redress any stereotyping in the advice they give to young people. (Page 34)

Recommendation 18. Ensure that clearer guidance is provided for employers on how to recruit apprentices and what to expect from learning providers. (Page 35)

Recommendation 19. Review the effectiveness of the working relationship between Careers Wales, Jobcentre Plus and sector skills councils as part of its rationalisation of the apprenticeships system. (Page 36)

Recommendation 20. Review the effectiveness of sector-managed apprenticeships for expanding apprenticeship take-up and raising standards of provision. (Page 38)

Introduction

Aim of the inquiry

1. The purpose of this inquiry by the National Assembly's Enterprise and Business Committee was to explore whether the current system of apprenticeships in Wales is effectively serving the needs of the Welsh economy, the needs of employers and those of young people. The inquiry's full terms of reference are set out in Annex A.

2. Our inquiry built on work by our predecessor Committee in the Third Assembly, which scrutinised the Apprenticeships, Skills, Children and Learning Bill in early 2009, and recommended in its Legacy Report that:

“The Pathways to Apprenticeships scheme should be monitored to ensure young people who want to serve apprenticeships are provided with the opportunity, and that additional schemes are put in place wherever possible to prevent existing apprenticeships being curtailed.”¹

3. We were also aware that in May 2012 the House of Commons Public Accounts Committee published a report into Adult Apprenticeships in England. While the apprenticeships system is very different there, our inquiry's conclusions and recommendations have a similar echo.

4. We are very grateful to the many individuals and organisations that provided us with oral or written evidence, including the Deputy Minister for Skills, who responded so positively to our questions and suggestions during our scrutiny session on 30 May.

5. We are particularly grateful to Youth Cymru (previously known as the Welsh Association of Youth Clubs), who facilitated a series of focus groups and discussions with young people in order to feed in their views on apprenticeships.

6. We would also like to thank the National Assembly's Outreach team, who carried out 46 interviews² with a range of employers, apprentices, training providers, colleges and applicants and produced

¹ Enterprise and Learning Committee, Legacy Report Recommendation 28, March 2011

² The list of organisations approached by the Outreach team is listed in Annex B

a video of the main points. The video can be viewed via the following links:

<http://www.youtube.com/watch?v=sCuXCzCrFU4&feature=youtu.be>

<http://vimeo.com/43816814>

7. Our report has been structured according to the main issues that emerged from the evidence, and we hope the Welsh Government will respond positively to our conclusions and recommendations to improve policy in this area.

The policy background

8. An apprenticeship is:

“A competence based skill development programme, designed and endorsed by employers for their employees, which combines independently accredited work based learning, off the job training and relevant experience in the job.”³

9. Wales has an all-age apprenticeship system, which involves up-skilling the existing workforce as well as providing a route into employment for new entrants.

10. Apprenticeships “have been and continue to be a flagship programme for the Welsh Government.”⁴ Funding is available for individuals aged 16 or over who are capable of achieving a qualification from the Qualification and Credit Framework at Level 2 or above. Employers can apply for apprenticeship funding, either to take on a new starter or to train existing employees.

11. As part of its Programme for Government 2011-16, the Welsh Government made a commitment to increase apprenticeship opportunities for young people. Apprenticeship programmes will be focused on the priority sectors identified in the Government’s economic renewal programme, and allocations will support recruitment for those aged 16 to 24.

12. There are three levels of apprenticeship in Wales: foundation (modern) apprenticeships (equivalent to five good GCSE passes); (modern) apprenticeships (equivalent to two A-level passes); and

³ Association of Employment and Learning Providers

⁴ Welsh Government written evidence paragraph 5

higher apprenticeships / modern skills diplomas, which work towards work-based learning qualifications such as NVQ Level 4, or knowledge-based qualifications such as a Foundation degree. Higher apprenticeships were introduced in 2010 but only ten Higher Level Apprenticeship Frameworks had been developed by the end of December 2011. Modern skills diplomas are partially funded by the European Social Fund and aim to increase substantially the number of people undertaking apprenticeships in West Wales and the Valleys in growth sectors. Generally, apprenticeships take between one and three years to complete.

13. For all of these levels, the Welsh Government pays the external training costs and the employer pays the wages of the apprentice. A National Minimum Wage was introduced for apprentices on 1 October 2010 and is currently £2.65 an hour.

14. Training providers are usually a local college or specialist training organisation. Apprenticeships are designed mainly by the sector skills councils, and there are about 200 different types, known as “Apprenticeship Frameworks”.

15. The Welsh Government also funds a number of other apprenticeship-related programmes: the Pathways to Apprenticeships scheme, the Young Recruits Programme, shared apprenticeships and the Modern Skills Diploma. The Jobs Growth Wales programme, which was launched in April 2012, provides unemployed young people aged 16-24 with a job opportunity for six months paid at national minimum wage.

Trends in apprenticeships

Numbers

16. Welsh Government statistics show that in recent years, the number of apprenticeships in Wales has decreased:

Number of people on apprenticeship related work-based learning programmes

Academic year	Modern Apprenticeships	Foundation Modern Apprenticeships	Modern Skills Diploma
2006/07	19,820	30,465	2,880
2007/08	17,965	26,895	2,430
2008/09	17,365	24,510	2,075
2009/10	16,665	21,575	2,155
2010/11	16,450	21,035	2,115

Source: [StatsWales Report no: 024078](#) Welsh Government [accessed 26 September 2012]

17. The National Training Federation for Wales’s own statistics for 2010-11 showed an even further decline: 19,900 foundation modern apprenticeships (level 2), 16,215 modern apprenticeships (level 3) and 2,055 modern skills diploma (level 4).⁵ We note this substantial decline in the number of apprenticeships, and the far-reaching consequences it may have for Wales’s economic development, although we also note (paragraph 28) that completion rates for apprenticeships have improved of late.

18. In its written evidence, the Federation of Small Businesses Wales stated that only 11 per cent of small businesses surveyed in Wales had taken on an apprentice in 2010, which in FSB’s view showed “the need for help and encouragement for small businesses to consider apprentices a viable option.”⁶ FSB later told us that the main barriers to employers to taking on apprentices were time and money.⁷

19. On the other hand, FSB Wales expressed concern that any increase in the number of apprenticeships should not dilute the quality of the apprenticeships offered or “exacerbate the existing skills mismatch”⁸ within the Welsh economy.

⁵ NTfW written evidence paragraph 5

⁶ FSB Wales written evidence page 2

⁷ Record of Proceedings paragraph 150, 24 May 2012 (am)

⁸ FSB Wales written evidence page 9

20. Written evidence from e-skills, the sector skills council for business and information technology, stated that only 2 per cent of employers in the IT industry across the UK currently had staff undertaking apprenticeships, compared with 5 per cent for all sectors.⁹ e-skills also expressed concern that SMEs were cautious about taking on new apprenticeship commitments, especially in the current economic climate.¹⁰

21. CITB-ConstructionSkills Wales stated in its written evidence that:

“With demand for construction Apprenticeships growing unexpectedly this year and a cap on our contract with Welsh Government, at the end of the financial year we turned down employers wishing to take on Apprentices. CITB-ConstructionSkills was losing money on the contract, resulting in us planning to further restrict recruitment in 2012-13. At the end of the last financial year we had 70 Apprenticeship placements that we could not fund, primarily due to a reduction of 10% in our 2011-12 work-based learning contract.”¹¹

22. In contrast, Care Council for Wales commented that there had been a 15 per cent rise in the number of employers using apprenticeship frameworks between 2010 and 2011.¹²

23. In its written evidence, Careers Wales (now known as Career Choices Dewis Gyrfa) stated that it had seen a rise in the number of employers expressing an interest in apprenticeships “but this is not uniform across Wales or sectors.” It added that it was the larger employers that tended to recruit year on year.¹³ Careers Wales expanded on this point when giving oral evidence to us:

“If you take Cardiff as an example, a substantial number of apprenticeship vacancies are advertised by Careers Wales. For example, in 2008-09, perhaps 10% to 15% of our vacancies were apprenticeships in Cardiff and the Vale of Glamorgan.

⁹ e-skills uk written evidence page 4

¹⁰ e-skills uk written evidence page 5

¹¹ CITB-ConstructionSkills Wales written evidence page 5

¹² Care Council for Wales written evidence section 1.3

¹³ Careers Wales written evidence page 1

Now, it is around 70%. However, you would not find that in Powys, or in rural parts of north and west Wales.”¹⁴

24. Careers Wales thought that some of the confusion could stem from the definition of apprenticeships:

“It goes back to this issue of defining an apprenticeship, because if you are looking at the old trade apprenticeships, we would say that there is not necessarily an increase, but, overall, there may have been because administration training and customer care, for example, are now being called apprenticeships. Lots of things are being called ‘an apprenticeship’ now, for example, lots of training on the job.”¹⁵

25. Creative Skillset Cymru also reported an increase in apprenticeships in Creative and Digital Media in Wales (one of the priority sectors) by 50 per cent between 2011 and 2012.¹⁶

26. Careers Wales made another point that because apprenticeships have tended to be taken up by adults already in the workplace, opportunities for young people to apply for apprenticeship vacancies have been limited. Careers Wales also claimed that the current economic climate had contributed to an increase in the number of employers interested in apprenticeships as a cost-effective way to recruit. It wanted to see marketing campaigns and communication strategies, including success stories, to increase the understanding of apprenticeships and the benefits they bring to business to help increase employer demand.¹⁷

27. While the overall supply of apprenticeships may be declining, demand for places can be staggeringly high. Chwarae Teg’s written evidence quoted from GE in Nantgarw who reported nearly 900 applicants for just 25 apprenticeships.¹⁸ Written evidence from Bron Afon Community Housing reported that in 2011 it received 250 applications for 10 apprentice positions.¹⁹

¹⁴ Record of Proceedings paragraph 48, 24 May 2012 (am)

¹⁵ Record of Proceedings paragraph 40, 24 May 2012 (am)

¹⁶ Creative Skillset Cymru written evidence paragraph 1a)

¹⁷ Careers Wales written evidence pages 1-2

¹⁸ Chwarae Teg written evidence page 3

¹⁹ Bron Afon Community Housing written evidence page 2

28. Completion rates for apprenticeships are currently high. Statistics released on 5 April 2012²⁰ showed that 83 per cent of learners in apprenticeships and 81 per cent of learners on foundation apprenticeship programmes achieved the full apprenticeship framework in 2010-11, which is a substantial increase on previous years.

29. However, Chwarae Teg said that overall the proportion of women completing apprenticeships is in decline.²¹ CollegesWales attributed this pattern to a very high staff turnover in some sectors, such as the retail sector and the care sector - traditionally female dominated - which made it difficult to complete an apprenticeship. The pattern was therefore considered to be more characteristic of the sectors rather than of gender.²²

30. Our conclusion from this is that certain sectors need more assistance in recruiting and retaining apprenticeships than others.

Recommendation 1: the Welsh Government should

Do more to convince employers, particularly small and medium-sized enterprises, of the importance and cost-effectiveness of apprenticeships as part of a more strategic approach to planning their medium and long-term skills needs.

31. National Training Federation for Wales pointed out that there are no separate data that show the number of apprentices that progress into employment when they end their apprenticeship as destination figures are amalgamated with leavers across all work-based learning programmes.²³

Recommendation 2: the Welsh Government should

Publish the number of apprentices that progress into employment at the end of their apprenticeship, according to destination sector.

²⁰ National Comparators for Further Education and Work-Based Learning 2010/11

²¹ Chwarae Teg written evidence page 3

²² Record of Proceedings paragraph 210, 24 May 2012 (pm)

²³ NTfW written evidence paragraph 36

Community benefit clauses

32. Careers Wales commented that it had seen an increase in the number of apprenticeship opportunities arising from community benefit clauses in public service contracts (that is, making firms who are contracted by local authorities take on apprentices), and that some contractors had been proactive in contacting Careers Wales to help recruit young people into those opportunities.²⁴

33. FSB Wales also welcomed community benefit clauses in public sector contracts, particularly those that seek to protect the supply chain by ensuring sub-contractors are paid for their services within reasonable time periods. However, FSB Wales told us that it was too early to say whether public benefit through procurement was delivering on the apprenticeships skills side.²⁵

34. FSB warned against community benefit clauses acting as a deterrent to small businesses that would otherwise be able to succeed in winning public sector contracts.²⁶

35. Bron Afon Community Housing reported that it had written community benefit clauses into arrangements with contractors and up to December 2011, 15 jobs had been created and 288 people had received training as a result of its contracts.²⁷

36. The Welsh Government's written evidence stated that its Programme for Government includes a commitment to mainstream the use of community benefits clauses,²⁸ which we welcome.

Recommendation 3: the Welsh Government should

Extend community benefits clauses in public sector contracts into subcontracting arrangements in order to promote the employment of trainees and apprentices, although taking note not to adversely impact on micro-businesses.

²⁴ Careers Wales written evidence page 3

²⁵ Record of Proceedings paragraph 182, 24 May 2012 (am)

²⁶ FSB Wales written evidence page 8

²⁷ Bron Afon Community Housing written evidence page 3

²⁸ Welsh Government written evidence paragraph 29

Age

37. Wales's all-age apprenticeship system was welcomed by many witnesses to this inquiry.²⁹

38. Welsh Government statistics show that over half of apprentices (54 per cent) are aged 25 or above, although as the National Training Federation for Wales pointed out, this varies between occupational sectors and in recent years has shown a decreasing trend. The NTfW attributed this to the Welsh Government's contractual requirement for 2011-12 that no more than 50 per cent of apprentices should be 25 year or older.³⁰

39. The National Training Federation for Wales said that providers have received feedback that demand from young people tends to be aged 19-24 rather than 16-19 and that this is closely linked to increased rates of young people staying on in schools after the age of 16. NTfW also stated that demand for apprenticeship places exceeds supply,³¹ although CollegesWales told us that this was not the trend in some apprenticeships groups such as engineering where the sector struggles to find candidates with mathematics at GCSE grade C or above.³²

Recommendation 4: the Welsh Government should

Work with employers to ensure that a significant percentage of Jobs Growth Wales opportunities are converted into apprenticeships.

40. In its written evidence Colleges Wales emphasised the importance and success of the Welsh Government's Pathways to Apprenticeships, which is a one-year intensive college-based programme aimed at helping young people to gain the necessary baseline skills and qualifications to prepare them for the main apprenticeship programme.³³ Funding from the European Social Fund and the Welsh Government is due to end in 2014, so CollegesWales was keen for the funding to be continued.

²⁹ For example, Record of Proceedings paragraphs 23, 38 and 155, 16 May 2012

³⁰ NTfW written evidence paragraphs 24-25

³¹ NTfW written evidence paragraph 10

³² Record of Proceedings paragraph 217, 24 May 2012 (pm)

³³ CollegesWales written evidence page 4

41. We agree with witnesses and with our predecessor committee that Pathways to Apprenticeships is a worthwhile scheme. We also recognise that colleges need to be in a position to plan for the longer term.

Recommendation 5: the Welsh Government should

Consider mainstreaming and ring-fencing funding for the Pathways to Apprenticeships programme into the proposed planning and funding system for post-16 education, with safeguards to ensure that the programme is relevant to economic needs and demands within local areas.

The value of apprenticeships

42. Written evidence from the City & Guilds stated that the value of apprenticeships was a better trained workforce, a cost-effective way of training, individual salary uplift and returns across the business.³⁴

43. Airbus³⁵ told us that it recruited apprentices as part of its skills strategy because:

“We are looking to develop an offer of progression for existing employees, but also to bring new blood into the organisation.”³⁶

44. It was interesting to hear from Airbus that it preferred to grow its own employees rather than bringing in graduates because:

“We retain our apprentices for far longer than we retain our graduates. Our retention of graduates varies, but it is often quite poor. We find that they come to us to get work experience and then go off to other places.”³⁷

45. Kronospan,³⁸ winner of the 2011 Large Employer of the Year award at the Apprenticeships Awards Cymru, told us that:

“We need to ensure that we have people who have the skills that we need as a business so that we can continue to develop. No-one else is going to train them.”³⁹

46. It was also interesting to hear from Kronospan that its recruitment policy was not dependent on the economic climate:

“It does not matter how the business is performing - we have to be bringing apprentices through the system. These are good-quality people that we can absorb within the business.”⁴⁰

³⁴ City & Guilds written evidence paragraph 3

³⁵ Airbus, Broughton assembles the wings for all Airbus civil aircraft and employs 6,000 people, mainly in manufacturing and engineering

³⁶ Record of Proceedings paragraph 6, 16 May 2012

³⁷ Record of Proceedings paragraph 27, 16 May 2012

³⁸ Kronospan, Chirk specialises in wood based panel products and employs over 600 people

³⁹ Record of Proceedings paragraph 10, 16 May 2012

⁴⁰ Record of Proceedings paragraph 36, 16 May 2012

47. The Care Council for Wales stated that the apprenticeship system was widely used by the care sector for recruitment, but also for the development, training and retention of staff.⁴¹

48. We were very impressed with the evidence we heard from Airbus and from Kronospan, especially the close relationships they have both developed with feeder schools in their areas, with their supply chains and with providers in order to match skills requirements.⁴²

49. What concerns us, however, is that not all parts of Wales - rural areas in particular - have the benefit of private sector employers with such positive approaches to apprenticeships. In those areas, the role of the public sector is even more crucial in raising the number of apprentices and providing training opportunities.

Recommendation 6: the Welsh Government should

Encourage employers with well-established apprenticeship programmes to mentor and link up with small and medium-sized employers to advise them on apprenticeship schemes and share training provision.

Meeting the skills needs of employers

50. FSB Wales stated that its members believe that there are “too many qualifications available” and that the education system fails adequately to address issues around literacy and numeracy. Its members also frequently reported difficulties in obtaining younger staff that have the necessary soft skills and aptitude for the workplace (e.g. punctuality, workplace awareness and a positive attitude towards work).⁴³

51. Youth Cymru told us that training staff had commented that young people needed more help with “basic hygiene, timekeeping and literacy skills”.⁴⁴

52. Care Council for Wales also commented on problems in the care sector in recruiting young people who could make a bed or who could

⁴¹ Care Council for Wales written evidence page 2

⁴² Record of Proceedings paragraphs 88, 90 and 116, 16 May 2012

⁴³ FSB Wales written evidence pages 4-5

⁴⁴ Record of Proceedings paragraph 254, 16 May 2012

play creatively with children because they were more used to playing with electronic media.”⁴⁵

53. Forum of Private Business argued that:

“Small businesses believe that.[...]students are not trained in employability. 65% of respondents to our training and skills panel felt that a greater focus on employability skills would make them more likely to take on young people.”⁴⁶

54. We were concerned to hear from CollegesWales that further education colleges were acting as “a buffer in preparing young people for the world of work”⁴⁷ and having to fill gaps in young people’s literacy and numeracy skills. To our minds that is the role of schools and diverts resources away from other priorities.

55. There appeared to us to be a contradiction, however, in the argument from National Training Federation and ACT. On the one hand we were told by NTfW:

“Historically, the people who undertake such programmes are those who are low academic achievers, but we want to attract the high academic achievers.”⁴⁸

On the other hand, ACT said that it wanted “to use apprenticeships as a tool to reduce the NEET figure for 19 to 24-year-olds.”⁴⁹

56. At the other end of the skills spectrum, Airbus, e-skills and CollegesWales argued that more higher level apprenticeships were needed: for example, although 44 per cent of IT and Telecoms professionals working in Wales hold a degree level qualification (compared with 26 per cent of all workers), only 24 level 3 IT apprenticeships were delivered by five providers in 2011-12.⁵⁰

57. Airbus wanted to see “significant growth” in higher apprenticeships and for the Welsh Government to “market, support and introduce the level 6 apprenticeship framework to a wider

⁴⁵ Record of Proceedings paragraph 317, 24 May 2012 (am)

⁴⁶ Forum of Private Business written evidence page 4

⁴⁷ Record of Proceedings paragraph 152, 24 May 2012 (pm)

⁴⁸ Record of Proceedings paragraph 69, 24 May 2012 (pm)

⁴⁹ Record of Proceedings paragraph 70, 24 May 2012 (pm)

⁵⁰ e-skills written evidence page 4

audience, and where appropriate allocate a funding model to support.”⁵¹

58. Careers Wales also had the understanding that the priority in relation to the use of funding was with levels 2 and 3 and that there was limited funding available for level 4 and above.⁵²

59. Energy & Utility Skills (Cymru) referred to a skills deficit:

“There is a huge demand for higher-level skills. At the moment, there is a skills gap at that level, and there are some key drivers for higher-level skills. As the infrastructure ages and we move towards a low-carbon economy and need to embrace new technologies, employers need to have the skills to put these into place.”⁵³

60. National Training Federation for Wales agreed with the need to develop higher level apprenticeships, but told us that:

“The higher apprenticeships are reliant on the sector skills councils developing the higher apprenticeships. We are not in a position to deliver a higher apprenticeship if they have not been developed. Higher apprenticeships in many cases have not been developed. They have in some industries, but they are in the development process. They are not fit for purpose.”⁵⁴

61. We detect that there is currently a mismatch in supply and demand for higher level apprenticeships, and that there should be a more targeted approach to provision, such as through mapping apprenticeships with labour markets through LMI (Labour Market Information).

Recommendation 7: the Welsh Government should

Target funding at higher level apprenticeships in the most appropriate sectors to ensure that the right skills are being delivered to meet the needs of a vibrant, modern Welsh economy.

⁵¹ Airbus in the UK written evidence pages 3 and 7

⁵² Record of Proceedings paragraph 116, 24 May 2012 (am)

⁵³ Record of Proceedings paragraph 261, 24 May 2012 (am)

⁵⁴ Record of Proceedings paragraph 48, 24 May 2012 (pm)

Recruiting apprentices

62. The Apprenticeship Matching Service was launched in July 2011 and is an interactive website hosted by Careers Wales. It is intended to be an un-mediated site where employers can register apprenticeship opportunities for free and use the site to filter applications. Applicants can search through the apprenticeship vacancies and apply online.

63. In practice, Careers Wales said that the service tended to work effectively but it found it had to provide mediated support for both employers (particularly SMEs) and applicants.⁵⁵ The Service was also criticised by young people featured in the video produced by our Outreach team for being difficult to use.

64. There was also some criticism from Kronospan that the Apprenticeships Matching Service was poor and not as effective as Go Wales.⁵⁶ Kronospan therefore used its own direct local advertising, participation with local feeder schools and referrals from further education colleges as the main recruitment routes.

65. Similar concerns about the Apprenticeship Matching Service were made by ISA Training, Coleg Menai and the Care Council for Wales.⁵⁷

66. e-skills stated that it had “not seen much evidence” that employers and colleges in the IT sector were engaged with the Matching Service and that it needed to be better publicised to employers and potential apprentices.⁵⁸

67. CollegesWales told us that:

“We are too technology reliant. It is easy enough to say that something is on a website, but that is not sufficient or clear enough. There should be far more face-to-face contact.”⁵⁹

68. Comments made by Welsh Government officials supported this view:

“One-to-one communication has proven to be better, particularly with careers advice and guidance because there is

⁵⁵ Careers Wales written evidence page 5

⁵⁶ Kronospan written evidence page 2

⁵⁷ ISA Training written evidence paragraph 16; Coleg Menai written evidence paragraph 14; Care Council for Wales written evidence page 6

⁵⁸ e-skills written evidence page 6

⁵⁹ Record of Proceedings paragraph 228, 24 May 2012 (pm)

an element of hands-on diagnostics that is expected. Some of the online activities, the diagnostic tools, that we have used previously did not quite provide the level of advice and guidance that we had anticipated.”⁶⁰

69. We believe that it is still early days for the Apprenticeship Matching Service, but it would be advisable to consider improvements to the system.

Recommendation 8: the Welsh Government should

Review the effectiveness of the Apprenticeship Matching Service in meeting the information needs of both employers and potential apprentices.

Apprenticeship Frameworks

70. It concerned us to hear from employers that they had quite different experiences of working with their relevant sector skills council: Airbus had a close relationship, Kronospan none at all,⁶¹ while the Vale of Glamorgan Council told us that it did not even have a relevant sector skills council.⁶²

71. The Federation for Small Businesses Wales told us that:

“We do not seem to be hearing much about the sector skills councils providing the level of relationship that would be needed to identify need, particularly for the micro and the small business sector. So, our concern would be - and I raised this in the written submission - the quality of the relationship between the employer, the training provider and the intermediaries. That is the key to ensuring that there is successful skills development going on.”⁶³

72. In its written evidence, e-skills stated that changes to the funding of sector skills councils threatened its ability to undertake some parts of its role in future, such as continuously reviewing the apprenticeship framework, or developing higher apprenticeships.⁶⁴ In our evidence session with selected sector skills councils they told us that changes to

⁶⁰ Record of Proceedings paragraph 84, 30 May 2012

⁶¹ Record of Proceedings paragraphs 127-128, 16 May 2012

⁶² Record of Proceedings paragraph 175, 16 May 2012

⁶³ Record of Proceedings paragraph 127, 24 May 2012 (am)

⁶⁴ e-skills written evidence page 8

their core funding could impact upon their apprenticeship-related work.⁶⁵

73. We therefore welcome the Deputy Minister's remarks that he will maintain close relationships with the Alliance of Sector Skills Councils at a UK level "to ensure that the best deal can be done for Wales."⁶⁶

Recommendation 9: the Welsh Government should

Work at a UK level to ensure that sector skills councils have the capacity to tailor apprenticeship frameworks to meet changing employer demands and the demand for higher apprenticeship frameworks in Wales.

74. We also heard from the sector skills councils that they were still awaiting the final version of the Specification of Apprenticeship Standards for Wales (SASW), which sets out the minimum requirements to be met by all recognised Welsh apprenticeship frameworks.⁶⁷

75. The Welsh Government's website still displays the draft version of SASW and states that the final version will be available from October 2010 to take effect from April 2011. We therefore welcome the Deputy Minister's comment that the Welsh Government was "pretty close" to confirming the final framework.⁶⁸

Recommendation 10: the Welsh Government should

Publish the final version of the Specification of Apprenticeship Standards for Wales by the end of December 2012.

Off the job training and training providers

76. The Care Council for Wales raised a concern that although learning providers should not recruit apprentices directly but should instead work in partnership with employers, the practice still persisted:

"In Autumn 2010 we completed a survey of all employers who had used apprenticeships in our sector in the previous 3 years. Over 70% of those employers who responded were not aware that they had used apprenticeships; they thought they were

⁶⁵ Record of Proceedings paragraphs 240-243, 24 May 2012 (am)

⁶⁶ Record of Proceedings paragraph 38, 30 May 2012

⁶⁷ Record of Proceedings paragraphs 374-376, 24 May 2012 (am)

⁶⁸ Record of Proceedings paragraph 33, 30 May 2012

offered “free training” by the learning providers. Learning providers are adamant that they fully discuss the apprenticeship scheme with employers. For some reason there is a mismatch in communication.”⁶⁹

77. Wales TUC Cymru stated in its written evidence that:

“Welsh Government’s Pathways to Apprenticeship programme goes some way to ensuring the vital link between schools, FEIs and apprenticeships. However, evidence from affiliated unions suggests that more development work to improve this link and align the learning outcomes from schools and FE to fit with the skills and knowledge needed to undertake full apprenticeships is desirable. A more strategic approach similar to that of the pathways programme could be considered across a broader range of schools and FE programmes.”⁷⁰

78. Coleg Menai’s written evidence referred to the dedicated resource of Work Placement Officers who provide the key link between apprenticeship employers and training advisers and have proved effective in managing this relationship so allowing the work-based assessors to focus on delivery.⁷¹

Recommendation 11: the Welsh Government should

Encourage work-based and apprenticeship training providers to develop closer links with employers and schools to support the development of skills and aid progression into work-based training and/or employment.

⁶⁹ Care Council for Wales written evidence section 7

⁷⁰ Wales TUC Cymru written evidence paragraph 4.3

⁷¹ Coleg Menai written evidence paragraph 4

Barriers to apprenticeships

Abuse of terms and negative perceptions

79. National Training Federation for Wales commented that as there is a greater tradition of apprenticeships in sectors such as construction, engineering and hairdressing there is still some level of public perception of an “oily rag” apprenticeship stereotype that does not reflect the current situation.⁷²

80. Kronospan raised questions about the quality of some apprenticeships and said that apprenticeship was often “an abused term”.⁷³

81. Youth Cymru told us that from the discussions they had held with young people:

“Some had relatively negative attitudes that came from people having been taken on what was called an apprenticeship, but which was not really an official apprenticeship as such. As we say in the paper, the young people saw it as a rip-off: they work for a period for very little money, and then, after that period, someone else is taken on.”⁷⁴

82. In its written evidence Unite Wales also stated that:

“Unite is aware of young people taking up what are described as apprenticeship schemes only to become unemployed two years later when the scheme ends. This issue needs to be investigated and addressed.”⁷⁵

83. Youth Cymru made a point about peer pressure - some apprentices they had spoken to were finding it difficult to stay in formal schemes because their friends “had jobs that might not have any prospects but were paying them more at the time”.⁷⁶

⁷² NTfW written evidence paragraph 17

⁷³ Record of Proceedings paragraph 88, 16 May 2012

⁷⁴ Record of Proceedings paragraph 227, 16 May 2012

⁷⁵ Unite Wales written evidence page 1

⁷⁶ Record of Proceedings paragraph 251, 16 May 2012

84. The Federation of Small Businesses Wales also commented that:

“We esteem apprenticeships and apprentices less in terms of minimum wage than we do a site labourer of the same age. That is a fundamental flaw in how we value them.”⁷⁷

85. We are concerned that apprenticeships are not well understood or valued, particularly by those that might benefit from them most.

Recommendation 12: the Welsh Government should

Tackle problems of esteem and prestige with apprenticeships.

This could include:

- **a reconsideration of the apprenticeship product;**
- **clarification of people’s understanding of the term “apprenticeship”; and**
- **more innovative ways of promoting and communicating an apprenticeship “brand” to young people.**

Lack of awareness and poor advice

86. Youth Cymru highlighted a particular lack of understanding about apprenticeships among young people aged under 15:

“Those under 15 years of age had not even considered apprenticeships as an option, which means that when they make decisions at 14 years of age in terms of which pathways to follow at school, they do not think in terms of apprenticeships.”⁷⁸

87. Richard Wilkins, apprentice with Airbus and winner of Apprentice of the Year 2011 at the Apprenticeships Awards Cymru, told us that:

“I was toying with the idea of whether to go to university and, through Careers Wales, I stumbled across an opportunity to do an apprenticeship. I thought that it would be a good way of getting a degree and on-the-job experience.”⁷⁹ [Our emphasis.]

88. National Training Federation for Wales also argued that apprenticeships were not promoted sufficiently in schools or in the

⁷⁷ Record of Proceedings paragraph 215, 24 May 2012 (am)

⁷⁸ Record of Proceedings paragraph 228, 16 May 2012

⁷⁹ Record of Proceedings paragraph 12, 16 May 2012

media, and that there were different attitudes towards apprenticeships and work-based learning between 11-16 schools and 11-18 schools.⁸⁰

89. Careers Wales said:

“It would appear that some schools are reluctant to recognise apprenticeships as a realistic option for brighter pupils. The post 16 learning/training environment can be complex and competition between providers is not always helpful.[...].This has increased the number of pupils opting to remain in the safe environment of school rather than making a more suitable career decision e.g. apprenticeship.”⁸¹

90. The Federation of Small Businesses Wales commented on the need for young people to receive advice on vocational study such as apprenticeships from a young age.⁸² The importance of providing timely information about apprenticeship opportunities to enable young people and their parents to plan in advance was also mentioned by Careers Wales.⁸³

91. The fact that opportunities are not advertised at a sufficiently early stage in school was borne out by the video put together by the National Assembly’s Outreach team.⁸⁴

92. We are concerned that young people are not being made aware of the opportunities offered by apprenticeships sufficiently early in their education to make informed choices about their future careers. As National Training Federation for Wales commented, post-16 provision is a highly competitive market and “we should put individual learner need above institutional need.”⁸⁵

93. We therefore welcome the comment by the Deputy Minister that “more can be done” in this area and that he “will be looking at doing some more work to make sure that schools are aware of the value of apprenticeships for young people and are therefore in a better position to promote them.”⁸⁶

⁸⁰ NTfW written evidence paragraphs 49-50

⁸¹ Careers Wales written evidence page 8

⁸² FSB Wales written evidence page 3

⁸³ Careers Wales written evidence page 6

⁸⁴ <http://www.youtube.com/watch?v=sCuXCzCrFU4&feature=youtu.be>

⁸⁵ Record of Proceedings paragraphs 97 and 99, 24 May 2012 (pm)

⁸⁶ Record of Proceedings paragraph 7, 30 May 2012

94. Several witnesses expressed concern about the independence of the advice that school leavers received about apprenticeships. Airbus, for example, stated in its written evidence that:

“It is our opinion that some teachers do not fully understand how in-depth and challenging apprenticeships can be. Sometimes they view apprenticeships as a second best option compared with HE and as such could influence the learner to take A Levels rather than apply for apprenticeships.

“We have found that many of our apprentices have gone on to sixth form and have become disillusioned and then applied for our apprenticeships. This has resulted in only 10% of our intake being made up of direct school leavers whereas 60% are two or three years after they have left school.”⁸⁷

95. This view was borne out by the experience of the apprentices we spoke to from Airbus and from Kronospan, who told us they had been encouraged by teachers to apply to university, rather than to take up an apprenticeship.⁸⁸ The same point was made by Youth Cymru.⁸⁹

96. Careers Wales also highlighted the lack of understanding of apprenticeships by some parents:

“Parents frequently do not understand for example how both a plasterer and a professional engineer (with a degree) can both have started as an apprentice.”⁹⁰

97. CollegesWales referred to the importance of trying “to influence the influencers”, saying that “the statistics that we have from our research show that the influencers are the parents first, peer groups second and then the teachers”.⁹¹

98. We therefore welcome the Deputy Minister’s statement that the view that vocational qualifications are “somehow second-class” was “wrong” and “still far too prevalent”.⁹²

⁸⁷ Airbus written evidence page 4

⁸⁸ Record of Proceedings paragraphs 77-79, 16 May 2012

⁸⁹ Record of Proceedings paragraph 235, 16 May 2012

⁹⁰ Careers Wales written evidence page 8

⁹¹ Record of Proceedings paragraph 185, 24 May 2012 (pm)

⁹² Record of Proceedings paragraph 65, 30 May 2012

Recommendation 13: the Welsh Government should

Ensure all young people and their parents receive high quality advice about opportunities provided by apprenticeships well before pupils choose their options for GCSE and vocational courses, and encourage schools to promote apprenticeships as a viable alternative to higher education.

99. There are various ways in which apprenticeships are currently marketed, such as through the Welsh Government's website, Careers Wales website and apprenticeships website. It appeared that Careers Wales played a more proactive role in promoting apprenticeship opportunities to young people and recruiting apprentices for employers,⁹³ although the evidence supplied by Youth Cymru implied that the availability and quality of advice provided by Careers Wales was not consistent across all areas.⁹⁴

100. Youth Cymru also told us that it had received "positive feedback" from young people in relation to information and advocacy from their learning coaches".⁹⁵

101. We were also encouraged by the comment made by Jobcentre Plus in its written evidence that:

"We will continue to commit to developing our understanding and knowledge in order to encourage better take up."⁹⁶

102. Careers Wales also told us that it was concerned about level and quality of information available to support the guidance process in schools:

"We have superb further education prospectuses and a lot of information about the sixth forms, but there is only very little information that we can take into schools to try to show young people what is available out there with regard to apprenticeships, particularly work-based learning."⁹⁷

⁹³ Record of Proceedings paragraphs 12, 81, 162, 195 and 220, 16 May 2012

⁹⁴ Record of Proceedings paragraph 230, 16 May 2012

⁹⁵ Record of Proceedings paragraph 257, 16 May 2012

⁹⁶ Jobcentre Plus written evidence page 2

⁹⁷ Record of Proceedings paragraph 84, 24 May 2012 (am)

Recommendation 14: The Welsh Government should

Consider how apprenticeship opportunities can be better coordinated, promoted and tailored to ensure that local priorities and needs are strategically met.

Transportation

103. Youth Cymru told us that the cost, availability and timing of transportation in some areas were barriers to young people accessing apprenticeships. Lack of transport had featured in conversations Youth Cymru had held with young people in Haverfordwest and the top of the Neath Port Talbot valleys.

104. We were told by Careers Wales that small and medium-sized enterprises in rural areas without good transport links struggle to fill apprenticeships.⁹⁸

105. Even in urban areas, availability of transport can be an issue. Youth Cymru cited the example of a young man in Cardiff who had not been able to take up an apprenticeship because it would have involved his working shifts and there were no bus services that could get him to work at 5am or home after midnight.⁹⁹

106. There is a complex set of issues around transport that we realise will not be easy to solve, and we know from inquiries by other Assembly Committees over the years that transport has a major effect on young people's ability to access work, leisure and education opportunities.

Family finances

107. Anecdotal evidence from Youth Cymru suggested that because families ceased to receive child benefit if a young person became an apprentice, young people from poorer backgrounds were deterred from applying.¹⁰⁰

108. In its written evidence Working Links stated that:

“We see issues with the take up of apprenticeship schemes tied to means testing for benefits, and whilst this is not within the

⁹⁸ Careers Wales written evidence page 2

⁹⁹ Record of Proceedings paragraph 274, 16 May 2012

¹⁰⁰ Record of Proceedings paragraphs 231-234 and 244, 16 May 2012

powers of Welsh Government it is a key issue for increasing uptake, particularly amongst young people in deprived communities where there may be generational unemployment.”¹⁰¹

109. Child Benefit and Child Tax Benefit are stopped when a young person starts an apprenticeship with an employer. However, these benefits are not affected for those qualifying individuals who carry out “approved training” such as traineeships. This issue concerns us, although we realise it is an area of policy that is not devolved to Wales.

Recommendation 15: the Welsh Government should

Consider the possibility of grants, including grants for essential travelling costs, being made available to apprentices so that young people from the lowest income households are not deterred from applying for apprenticeships because of the adverse impact on family allowances.

Gender stereotyping

110. Youth Cymru told us that from its discussions with young people, it appeared that “young men were much more likely to be aware of apprenticeships as an option than young women”.¹⁰²

111. Interestingly, Welsh Government statistics show that the overall gender split of apprentices is 56 per cent female and 44 per cent,¹⁰³ although this varies significantly from sector to sector.

112. In its written evidence, Airbus stated that the profile of its new entry apprentices is still predominantly white, male and approximately 19 years of age. It has therefore set itself a target to recruit 25 per cent females for its future programme and is confident it will reach the target “in a relatively short timeframe”.¹⁰⁴

113. Kronospan told us that:

“We have not been successful in recruiting any females into what is a heavy process engineering environment. We have had a few applicants. Some have failed for academic reasons – they

¹⁰¹ Working Links written evidence page 4

¹⁰² Record of Proceedings paragraph 278, 16 May 2012

¹⁰³ Welsh Government written evidence paragraph 9

¹⁰⁴ Airbus written evidence page 4

have not achieved the required standard, and we will not compromise on that.”¹⁰⁵

114. Airbus made the point that the problem with attracting more women into engineering lies with the fact that so few take A Level physics.¹⁰⁶

115. Careers Wales told us the perceptions of young people need to be changed, and that this work should start when they are three or four years of age:

“With regard to this issue of stereotyping, my own view would be that the most effective activities are likely to be those that take place with young people at a very early age, rather than, for example, an event for 14-year-olds designed to promote girls into engineering.”¹⁰⁷

116. It was therefore disconcerting to hear that Careers Wales was cutting back on its work in primary school because of budget cuts.

117. e-skills also commented on the lack of women in its sector – only 18 per cent of IT professionals and just 11 per cent of apprentices are female.¹⁰⁸

118. Chwarae Teg’s written evidence to this inquiry called for greater efforts to encourage employers in the STEM industries (science, technology, engineering and mathematics) to increase diversity in apprenticeships.¹⁰⁹ We heard that it was working with e-skills under a memorandum of understanding to promote IT careers to female pupils and women throughout Wales.

119. On the other hand, there are other sectors that are predominantly female – such as hairdressing and the health and care sector. Written evidence from the Care Council for Wales stated that only 13.4 per cent of its apprentices in 2009-10 were male, and that the average age of its apprentices was 38, which is significantly higher than in other sectors.

¹⁰⁵ Record of Proceedings paragraph 51, 16 May 2012

¹⁰⁶ Record of Proceedings paragraph 45, 16 May 2012

¹⁰⁷ Record of Proceedings paragraphs 9-11, 24 May 2012 (am)

¹⁰⁸ e-skills written evidence page 6

¹⁰⁹ Chwarae Teg written evidence page 3

120. National Training Federation for Wales told us:

“We actually try to attract more males, as health and social care, childcare, and supporting teaching and learning in schools predominantly attract females. Most people think of attracting more female bricklayers and so forth, but we try to counter it the other way.”¹¹⁰

121. In its written evidence Chwarae Teg argued for gender disaggregated apprenticeship data to be collected and monitored and for the provision of informed careers advice that challenges stereotypes.¹¹¹

Recommendations 16 and 17: the Welsh Government should Identify and monitor gender disparity in apprenticeships, the reasons for those disparities, and explore the feasibility of setting targets for improving the recruitment of female apprentices in the economic priority sectors.

Provide gender equality training for careers advisers and teaching professionals to redress any stereotyping in the advice they give to young people.

Bureaucracy and complexity

122. Careers Wales said in its written evidence that “the bureaucracy, number of organisations involved and the lack of understanding about linkages between various schemes and projects together with criteria and conditions mean SMEs in particular are unlikely to benefit.”¹¹²

123. This view was echoed in interviews that the National Assembly’s Outreach Team carried out with employers.

¹¹⁰ Record of Proceedings paragraph 55, 24 May 2012 (pm)

¹¹¹ Chwarae Teg written evidence pages 2 and 6

¹¹² Careers Wales written evidence page 10

124. Careers Wales also stated:

“We have a very complex system that many people do not fully understand when it comes to how it works and how to access it.”¹¹³

125. The sector skills councils that we spoke to thought that it was the apprenticeships “landscape” that was complicated. Care Council for Wales told us that:

“I do not think that the schemes are complex, but the cumbersome business around the schemes is. It is about getting the right information at the right time, from the right people. Our experience is that the opportunities to do that are limited, patchy and inconsistent. A how-to-do guide for a small employer who wants to recruit an apprentice would be helpful, so that they know who they need to speak to in order to do that.”¹¹⁴

126. e-skills also commented that “the funding system is complex and employers in Wales find it difficult to navigate.”¹¹⁵

127. We see the advantages of producing a simple guide for SMEs on how to set up an apprenticeship, who to contact, how to access funding and so on.¹¹⁶ Current leaflets do not appear to be fully meeting this need.

Recommendation 18: the Welsh Government should

Ensure that clearer guidance is provided for employers on how to recruit apprentices and what to expect from learning providers.

128. FSB Wales commented that “many employers find the process of working with Careers Wales and Jobcentre Plus overly complex and bureaucratic”.¹¹⁷ Relationships with Jobcentre Plus were also criticised in the written evidence submitted by Forum of Private Business.¹¹⁸

¹¹³ Careers Wales: Record of Proceedings paragraph 34, 24 May 2012 (am)

¹¹⁴ Record of Proceedings paragraph 250, 24 May 2012 (am)

¹¹⁵ e-skills written evidence page 5

¹¹⁶ Record of Proceedings paragraph 199, 24 May 2012 (pm)

¹¹⁷ FSB written evidence page 7

¹¹⁸ Forum of Private Business written evidence page 4

129. We welcome the Deputy Minister's remarks that critics of the complexity of the apprenticeships system had "a fair point",¹¹⁹ and that:

"I do not think that it is unnecessarily complex, but there are grounds for looking at a rationalisation, certainly, and we intend to do that, to see whether we can simplify the system without having any impact on quality."

Recommendation 19: the Welsh Government should

Review the effectiveness of the working relationship between Careers Wales, Jobcentre Plus and sector skills councils as part of its rationalisation of the apprenticeships system.

Shared apprenticeships

130. Careers Wales referred to Cwmni Prentis Menai as a good model of where one organisation coordinates apprenticeships in an area by looking at the needs of the labour market and trying to prepare young people for the future. However, Careers Wales told us that good practice does not necessarily occur in all areas:

"What you have is a lot of work-based learning providers working to contract to Welsh Government, and it depends on the work-based learning provider in specific areas. We do not have that co-ordination and planning."¹²⁰

131. CollegesWales recommended that further education colleges could take on a more strategic role in improving the regional coordination of apprenticeships:

"Working closely with Regional Learning Partnerships and employer representative bodies, colleges could facilitate a common approach within the region for the priorities in the apprenticeships programme, ensuring it genuinely fits the needs of regional economies in Wales and has a proactive focus on anchor companies, regionally important employers and the Welsh Government's priority sectors."¹²¹

¹¹⁹ Record of Proceedings paragraph 4, 30 May 2012

¹²⁰ Record of Proceedings paragraphs 55-58, 24 May 2012 (am)

¹²¹ CollegesWales written evidence page 7

132. We were also interested to hear about the shared apprenticeship model, where the work experience element of the apprenticeship is shared between different employers so that students have an opportunity to sample a wider range of activities and the employers can pool their resources.

133. The model is currently being piloted in construction (80 apprentices) and engineering (90 apprentices). The construction model (Constructing Carmarthenshire Together) has been running since 2008 involving Coleg Sir Gâr, Carmarthen Construction Training Association Limited, ConstructionSkills, Carmarthenshire County Council and local construction companies.

134. FSB expressed some reservations about the shared apprenticeship scheme, saying that employers may compete to take on the apprentice once the scheme finished.¹²² However, it acknowledged that shared apprenticeships can provide a viable option to SMEs that would otherwise struggle to hire apprentices.

135. National Training Federation for Wales also supported the concept of shared apprenticeships although raised questions about who would be the lead employer.¹²³

136. CollegesWales told us that it had avoided the “auctioning session” (making apprentices available to the highest bidder) by working intensively with employers to determine what they could offer beyond simple pay rates. In addition, it had equated pay rates across the sector, so that no one employer could offer the apprentice a higher salary than the next.¹²⁴

137. e-skills also referred to its work with employers in England on developing “sector managed apprenticeships”. This is where an apprenticeship programme is managed by a major technology company (such as BT) in order to give other employers the benefit of its experience on delivery.¹²⁵

¹²² FSB written evidence page 9

¹²³ NTfW written evidence paragraph 8

¹²⁴ Record of Proceedings paragraph 203, 24 May 2012 (pm)

¹²⁵ e-skills written evidence page 8

Recommendation 20: the Welsh Government should

Review the effectiveness of sector-managed apprenticeships for expanding apprenticeship take-up and raising standards of provision.

Conclusions

138. Apprenticeships are essential for the recruitment, development, training and retention of the workforce in Wales, particularly in the current economic climate.

139. Apprenticeships and the skills agenda is an extremely potent tool available to the Welsh Government for stimulating economic development through supporting businesses and increasing the productivity of the workforce. It is therefore essential that the Government ensure the provision of a strong supply of skills that matches the demands of a growing Welsh economy.

140. We have expressed our concern that overall numbers of apprenticeships have been falling. Yet our inquiry has revealed a growing appetite for apprenticeships, and evidence that recent Government policy in this field appears to be making a positive impact. We welcome, for example, the creation of the apprenticeship unit within the Welsh Government,¹²⁶ and the fact that apprenticeship completion rates have increased in recent years.¹²⁷

141. We are concerned, however, that the potential and capacity of apprenticeships for supporting the Welsh economy is not being fully realised.

142. In the Government's eagerness to refocus resources on younger apprenticeships, we urge Ministers to heed the weight of evidence we received in favour of Wales's all-age apprenticeship programme.

143. We also believe the Welsh Government needs to break down the many barriers to apprenticeships that we have identified in this report. The apprenticeship system is, to our minds, quite complex and needs to be better explained and promoted. Still too many young people are not actively encouraged to embark on an apprenticeship pathway, and there is currently a mismatch between supply and demand in certain sectors and skills.

144. Although Careers Wales is going through a period of organisational and financial change, the provision of good quality and

¹²⁶ Record of Proceedings paragraph 104, 30 May 2012

¹²⁷ See paragraph 28

timely careers advice on apprenticeships is essential and must be protected and even extended.

145. The Government also needs to build on the many cases of good practice in Wales, and develop and market a distinctive apprenticeships “brand”. That should include developing a premium brand of apprenticeships - a “gold standard” - that would be on a par with the very best of Welsh universities.

146. There is also a job to be done in reducing the competition for young people between post-16 education and training providers. Individual learners should follow the best route for them, not what is best for the institution.

147. More fundamentally, however, there needs to be a culture change so that apprenticeships are held in higher esteem; they should be regarded as an investment rather than a cost. That requires a whole new approach to making apprenticeships appealing to employers, young people and their parents. To quote one of our witnesses, it will be a “long haul”.¹²⁸

148. We hope that the Welsh Government will respond positively to our report and recommendations and that it will lead to an improvement in the quality of apprenticeships and employer engagement in the apprenticeships system. Our vision is that apprenticeships will achieve their true potential as a high value learning pathway to a successful career and a skilled, productive workforce.

¹²⁸ Careers Wales: Record of Proceedings paragraph 28, 24 May 2012 (am)

Annex A – Inquiry terms of reference

Is the current apprenticeship system providing effective support to the Welsh economy?

- Is the current apprenticeship system meeting the current and future skills needs of employers in Wales? If not, what needs to be improved?
- With increased priority on apprenticeships for 16-24 year olds, are apprenticeships an attractive option for young people?
- Do the systems for establishing Apprenticeship Standards and Frameworks and recruiting apprentices work effectively?

Key issues

Issues that the Committee considered as part of these terms of reference included:

- how effective is employer involvement in the apprenticeship system in Wales? Has this changed as a result of the current economic circumstances? Are employers able to find sufficient numbers of young people with the skills and aptitudes that they require? Do relationships between employers and training providers work effectively? Are apprenticeships still limited to certain sectors?
- do social enterprises make effective use of apprentices?
- has the number of apprentices employed by local authorities, and the public sector generally, increased or decreased? Should the public sector be recruiting more apprentices?
- the Welsh Government is encouraging Community Benefits clauses in public sector contracts, which can be used to promote the employment of trainees and apprenticeships. Is this an effective mechanism for increasing the numbers of apprentices?
- what is the average profile of an apprentice, for example age, gender, employment sector? Is this profile changing and, if yes, what are the reasons for this? The National Training Federation for Wales reports that the average age for an apprentice is 26. What are the reasons for this? Are apprenticeships generally successful from the perspective of the apprentice? Have apprenticeship completion rates changed in recent years? In

practice, are apprentices guaranteed a job at the end of the apprenticeship?

- do CareersWales and Jobcentre Plus provide effective support for people wanting to find apprenticeships? Does the new Apprenticeship Matching Service, run by Careers Wales, work effectively?
- why do young people decide to be apprentices? What factors influence their decision?
- are apprenticeships an attractive option for young people of all abilities or are apprenticeships seen as a second best option compared with higher education? Are attitudes changing and if yes, what are the reasons for this?
- are apprenticeships fully understood by those who have most influence on the choices of young people for example parents/carers, careers teachers in schools, teachers generally? Is there too much complexity and choice of programme?
- how effective is Welsh Government policy on apprenticeships? How does its policy of apprenticeships fit into its wider economic and skills strategies?
- education and training, including apprenticeships are devolved matters, but employment law is not. Do young people have sufficient rights and access to apprenticeship training? If not, how could the situation be improved?
- are the Sector Skills Councils (SSCs) promoting and supporting apprenticeships effectively? How does the capacity of SSCs affect their performance in this area?
- is European funding being used to support apprenticeships effectively?
- are there examples of good practice apprenticeship systems in other countries that Wales can learn from?

Annex B – Video participants

The following organisations were contacted by the National Assembly's Outreach team for the production of the apprenticeships video:

ACO Training (Swansea)
Association of Voluntary Organisations Wrexham
Black Voluntary Sector Network
Bridgend CBC
Bridgend College
Careers Wales
Clasonic Kensai (Llanelli)
Cohesive Communications
Deli Rouge
Disability Wales
DRP Accountants
Equality and Human Rights Commission
Ethnic Youth Support Team (Swansea)
Federation of Small Businesses
Interlink RCT
Llandrillo College
Menai College
Murphy Oil Corp (Pembrokeshire)
Pembrokeshire College
Pennaf Housing Association
Progression Training
Rathbone
RWE Npower
TATA Steel (Port Talbot)
Working Links
Young Farmers

Annex C - Witnesses

The following witnesses provided oral (and written) evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions and accompanying written evidence can be viewed in full at: <http://www.senedd.assemblywales.org/ielIssueDetails.aspx?IId=3281&Opt=3>

16 May 2012

Mike McKenna	Chairman of Kronospan
Elliott White	Apprentice, Kronospan
Gary Griffiths	Head of Apprenticeships, Airbus in the UK
Richard Wilkins	Apprentice, Airbus in the UK
Allan Williams	Training & Development Manager, Vale of Glamorgan Council
Helen Mary Jones	Chief Executive, Youth Cymru

24 May 2012 am

Trina Neilson	Chief Executive, Careers Wales
Shirley Rogers	Regional Director, Careers Wales
Iestyn Davies	Head of External Affairs, Federation of Small Businesses Wales
Joshua Miles	Policy Adviser, Federation of Small Businesses Wales
Peter Sishton	Manager for Wales, e-skills UK
Mel Welch	Pathways Manager, e-skills UK
Roberta Hayes	Director of Learning and Development, Care Council for Wales
Jacky Drysdale	FE Learning Supply Manager, Care Council for Wales
Aled Davies	Wales Manager, Energy & Utility Skills (Cymru)
Helen White	Apprenticeship Manager, Energy & Utility Skills (Cymru)

24 May 2012 pm

Arwyn Watkins Chief Executive Officer,
National Training Federation for Wales
Andrew Cooksley Managing Director ACT
Helena Williams Corporate Development Director (Learning &
Development) Acorn Learning Solutions Ltd
Greg Walker Deputy Chief Executive, CollegesWales
Barry Liles Principal and Chief Executive,
Coleg Sir Gâr
Dafydd Evans Principal, Coleg Menai

30 May 2012

**National
Assembly's
Outreach team** <http://www.youtube.com/watch?v=sCuXCzCrFU4&feature=youtu.be>

Jeff Cuthbert AM Deputy Minister for Skills
Sam Huckle Head of Apprenticeship Policy,
Welsh Government
Owen Evans Director, Skills, Higher Education and Lifelong
Learning, Welsh Government

Annex D - List of written evidence

The following provided written evidence only to the Committee:

<http://www.senedd.assemblywales.org/mglIssueHistoryHome.aspx?Ild=3281>

Asset Skills

Richard Bertin, Councillor, Vale of Glamorgan

British Retail Consortium

Bron Afon Community Housing

Chwarae Teg

CITB-ConstructionSkills Wales

City & Guilds

Coleg Menai

Coleg Morgannwg

Creative Skillset Cymru

Diverse Cymru

W. Raymond Evans

Financial Skills Partnership

First4Skills

Forum of Private Business

FSG Tool & Die Ltd

Sherie A. Harding, Coleg Llandrillo

Hefcw

Institute of Historic Building Conservation

ISA Training Limited

Jobcentre Plus

Lantra

Skills for Justice

Unite Wales

Wales TUC Cymru

Working Links