

## Report summary

# Ensuring quality in apprenticeships

## A survey of subcontracted provision

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Apprenticeships have taken on a key role in the government's strategy to develop the skills of the workforce and to promote the growth of the nation's economy. In 2010–11, 457,200 young people and adults started an intermediate, advanced or higher apprenticeship.

This survey investigated the quality of apprenticeship programmes, with a particular focus on subcontracting arrangements. Since the introduction of minimum contract levels in 2011, many providers of apprenticeship training have had to join consortia or find a lead contractor to secure funding for their training.

Ofsted conducted survey visits in May 2012 to 17 subcontractor providers. During these visits, 110 apprentices and 40 employers were interviewed and at least one lead contractor was interviewed on each occasion. Evidence was also gathered from seven inspections of further education and skills providers that were taking place at the time of the survey and an analysis of inspection reports published since September 2011. In addition, an online survey of just over 500 apprentices was carried out to give an overview of learners' views on their experience of apprenticeships.

The most effective subcontracting arrangements seen in the survey were between subcontractors and other like-minded independent learning providers working as part of a consortium or training group. In these circumstances, the arrangements had improved their offer and added value to the experience of their apprentices. A true delivery partnership existed, with savings on shared services and a common vision of offering high-quality apprenticeship training.

Inspectors found that although some lead contractors legitimately regarded subcontracting as a way of meeting the needs of employers or expanding their training offer where they did not have the expertise themselves, others clearly saw it as a way of generating income for doing little work. Managers from three of the lead contractors interviewed could not give coherent reasons for selecting partners as subcontractors.

Subcontractors who were not part of a training group or consortium were unhappy at what they perceived as poor value for money for the management fees charged by lead contractors. Of the 45 lead contractor fees charged to subcontractors in the survey, just around half were above the maximum of 15% of the contract value that was the expectation of the Skills Funding Agency for the 2011–12 contract year. All but three of the subcontractors visited held more than one contract with different lead contractors. There was little relationship between the management fees that lead contractors charged and the quality of the service and support they provided. Subcontractors rightly felt that the higher fees were not justified. These fees were often described by the main contractor as a premium for 'risk' for new subcontractors, even if subcontractors had a track record of high-quality performance.

In several cases in the survey, the lead contractors had a history of barely satisfactory performance in delivering apprenticeships themselves. The size of their existing contracts, rather than the performance of lead contractors in delivering apprenticeships, appeared to be the main factor in allowing them to expand their provision through taking on more subcontractors.

All the lead contractors interviewed had some form of due diligence in their choice of subcontracted partners. However, too much of the lead contractors' monitoring of their subcontracted provision was insufficiently rigorous. Lead contractors placed too great an emphasis on auditing paperwork at the expense of quality assuring and improving provision. For every good example of observation of different parts of the apprenticeship training process, there was another example of a lead contractor where little or none took place, or where those carrying out the assessment were not suitably experienced to make relevant judgements. One subcontractor, based over 100 miles from its lead contractor, had carried out only one observation of training in 15 months.

Too many apprentices did not have real and sustained employment during and after their apprenticeship. This applied to a quarter of the apprentices in the subcontracted providers visited and just over a third of those who responded to the online survey. There were examples of apprentices, particularly younger ones, being used as inexpensive labour during their training and then being discarded as employees to be replaced by new apprentices.

Apprenticeship frameworks in different vocational areas at the same level varied widely in the demands on learners, including the time required to complete them. Too much of the apprenticeship training encountered was too short to embed properly the employment and technical skills being developed by apprentices. The areas where apprenticeships were delivered quickly commonly included information technology (IT), retail, leisure, customer service and business administration. Areas such as construction, engineering and hairdressing were delivered over longer periods and were more likely to include traditional and better quality training, often delivered off-the-job. The subcontractors visited were generally working towards extending the duration of all apprenticeships to at least a year by August 2012.

The 110 learners interviewed during the survey visits were mostly positive about their experience as apprentices. The highest levels of satisfaction were associated with the programmes that involved greater amounts of traditional off-the-job teaching. Around half of the apprentices in the subcontracted provision visited did not receive regular training away from the workplace. Logs of 'guided learning hours' were being kept to show how the apprenticeships were being delivered wholly in the workplace. Inspectors felt that such programmes were focused too much on the assessment of apprentices rather than on the delivery and quality of their learning. Many of these apprentices were being trained in isolation and missed out on the benefits of mixing with other apprentices from different employers to give them a broader experience and share experiences of work.

Most of the employers interviewed were actively involved in some aspects of the training and assessment of their apprentices and three quarters had some previous knowledge of the training provider. However, neither the employers nor the apprentices interviewed had a clear understanding of the role of lead contractors and their responsibility for ensuring the quality of the learning programme.

## Key findings

- The introduction of the minimum contract levels for 2011–12 has meant that several hundred smaller providers have needed to subcontract their funding, or lose the ability to continue providing apprenticeships. In reality, for the subcontractors visited in the survey, this has imposed a cut on their funding of between 10% and 35%.
- Of the 45 lead contractor fees charged to subcontractors in the survey, just under half (22) were above the expectation of the Skills Funding Agency that a maximum fee of 15% be levied for the 2011–12 contract year. There were several examples of lead contractors who charged the most being responsible for poor monitoring and support.
- The most effective partnerships were between subcontractors and other like-minded independent learning providers. The arrangements had improved their offer and added value to the experience of apprentices.
- All the lead contractors interviewed had some form of due diligence in their choice of subcontracted partners. However, too many of the lead contractors did not adequately quality assure the work of their subcontractors or add value to the experience of their apprentices. There was too much emphasis on auditing paperwork rather than quality assuring and improving provision.
- Data show that too many lead contractors do not have a history of high success rates in their own apprenticeship provision. Several of the lead contractors interviewed did not have sufficient expertise internally in work-based learning to lead others on monitoring and improving subcontracted provision.
- Too many apprentices interviewed in the survey did not have real and sustained employment. This applied to a quarter of the apprentices interviewed in the

subcontracted providers visited. Just over a third of the 500 apprentices responding to an online survey did not consider themselves to be holding a permanent job during their apprenticeships.

- Some of the apprenticeship training encountered was too short to embed the skills being developed by apprentices. This was encountered most frequently in provision in IT, retail, leisure, customer service and business administration.
- Where provider staff, learners or employers are dissatisfied with an aspect of training there is currently no obvious point of contact to report concerns to. One lead contractor described approaches from dubious parties wanting to act as subcontractors, but said there was no obvious body to refer their concerns to.
- The 110 learners interviewed during survey visits were mostly positive about their experience as apprentices. The highest satisfaction levels were associated with the programmes that involved greater amounts of traditional off-the-job teaching. Apprenticeships that were delivered wholly in the workplace generally focused too much on the assessment of apprentices, rather than their learning. Too much emphasis was being placed on apprentices completing their learning through using workbooks and online resources.
- Several examples were seen of good resources being held by lead contractors that were not shared to benefit their subcontractors' apprentices.
- Around four fifths of the employers interviewed were actively involved in some aspects of training and assessing their apprentices. Around half felt they had been asked their views on training at some stage by the subcontractor. However, 38 of the 40 employers interviewed had little understanding of the role of lead contractors in the arrangements for training their apprentices.

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