

Apprenticeships: developing skills for future prosperity

How well do apprenticeships meet the needs of young people, their employers and the economy?

In his 2013/14 Annual Report for further education and skills, Her Majesty's Chief Inspector raised concerns about the apprenticeships on offer in this country. He was particularly critical of the low number of apprentices aged 16 to 24, the limited new skills developed by many apprentices and the mismatch between identified skills shortages and the apprenticeships on offer.

The Chief Inspector commissioned this survey to look into the quality of apprenticeships under the current frameworks so that the findings can be used to inform the government reforms underway.

Age group: 16 to 25+

Published: October 2015

Reference no: 150129



Corporate member of
Plain English Campaign
Committed to clearer communication

361

The Office for Standards in Education, Children's Services and Skills (Ofsted) regulates and inspects to achieve excellence in the care of children and young people, and in education and skills for learners of all ages. It regulates and inspects childcare and children's social care, and inspects the Children and Family Court Advisory and Support Service (Cafcass), schools, colleges, initial teacher training, further education and skills, adult and community learning, and education and training in prisons and other secure establishments. It assesses council children's services, and inspects services for looked after children, safeguarding and child protection.

If you would like a copy of this document in a different format, such as large print or Braille, please telephone 0300 123 1231, or email enquiries@ofsted.gov.uk.

You may reuse this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence, write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

This publication is available at www.gov.uk/government/organisations/ofsted.

Interested in our work? You can subscribe to our monthly newsletter for more information and updates: <http://eepurl.com/iTrDn>.

Piccadilly Gate
Store Street
Manchester
M1 2WD

T: 0300 123 1231
Textphone: 0161 618 8524
E: enquiries@ofsted.gov.uk
W: www.ofsted.gov.uk

No. 150129

© Crown copyright 2015



Contents

- Executive summary** **4**
- Key findings** **7**
- Recommendations** **8**
- Main findings** **9**
 - The quality of apprenticeships 9
 - What makes a successful apprenticeship? 10
 - Provision that devalues apprenticeships 13
 - Why apprenticeships can fail to add value for employees aged 25 and over 15
 - Range and availability of apprenticeships 16
 - Recruitment onto apprenticeships 18
 - The impact of successful apprenticeships 22
 - Employers investing in employees 25
 - Leadership and strategic oversight 26
 - Evaluating the impact of apprenticeships 29
 - Summary 31
- Notes** **31**
- Annex A: Background information** **35**
- Annex B: List of providers visited in the survey** **37**

Executive summary

Apprenticeships have, over time, provided employees with the training and hands-on experience required to succeed in highly regarded, skilled occupations. Traditionally, these have been in crafts such as masonry and carpentry and, more recently, in the engineering and technology industries. Since 2010, an increase in government funding has seen more than two million apprenticeships taken up. However, this surge in numbers has been mainly in sectors such as customer service, retail, administration and care. Unfortunately, these apprenticeships have not sufficiently matched the skills needed by our nation.

In recent years, inspectors have seen too much weak provision that undermines the value of apprenticeships, especially in the service sectors and for learners aged 25 and over. This survey report evaluates the quality of apprenticeships under the existing frameworks and the benefits they bring to apprentices, their employers and to the economy. It is not an evaluation of revised apprenticeships under the government's reform programme. The findings reaffirm many of the concerns set out in the Chief Inspector's Annual Report 2013/14 and make it clear that too many apprentices still do not receive sufficiently high-quality training.¹

The survey is based on evidence collected specifically for this report by Her Majesty's Inspectors from visits to 22 providers, including colleges and independent learning providers. These catered for 19,000 apprentices. Further evidence was collected from an additional 23 routine inspections of further education and skills providers between January and April 2015 and from interviews and questionnaire responses by nearly 300 employers and 900 apprentices. Inspectors looked at apprenticeship provision across a wide range of employment sectors.

Inspectors found that in a third of the 45 providers visited, apprenticeships did not provide sufficient, high-quality training that stretched the apprentices and improved their capabilities. Inspectors observed, for example, apprentices in the food production, retail and care sectors who were simply completing their apprenticeship by having existing low-level skills, such as **making coffee, serving sandwiches or cleaning floors**, accredited. While these activities are no doubt important to the everyday running of the businesses, as apprenticeships they do not add enough long-term value to the individual companies or tackle skills shortages effectively.

Some learners on low-level, low-quality programmes were unaware that they were even on an apprenticeship. As suggested by some learners during the survey, a question needs to be asked: **are these apprenticeships worthy of the name?**

¹ *Ofsted Annual Report 2013/14: further education and skills*, Ofsted, December 2014; www.gov.uk/government/publications/ofsted-annual-report-201314-further-education-and-skills-report.

The weaker provision was characterised by a lack of collaboration between providers and employers to plan apprenticeships that gave apprentices the skills they needed. Apprentices' English and mathematics skills were often poorly developed. As well as stifling the career opportunities of these apprentices, this low-quality provision undermines the status of apprenticeships and devalues the brand. Employers and providers involved in poor quality, low-level apprenticeships are **wasting public funds and abusing the trust placed in them by government and the apprentices.**

High-quality apprenticeships were typically found by inspectors in industries that have a long-established reliance on employing apprentices to develop their future workforce. These include the motor vehicle, construction and engineering industries. Most of the apprentices in these sectors were aged 16 to 24. They gained considerable new skills, added value to individual businesses' productivity and contributed to economic growth. As identified by the recent Sutton Trust report, in the best examples, apprentices go on to command salaries better than those of graduates completing degree-level courses at middle-ranking universities.²

The government's ambition to boost the number of apprenticeships is commendable and has the potential to raise the profile and position apprenticeships as a direct route to greater business productivity. However, the recent growth in numbers has not focused enough on the priorities that benefit employers or the economy. **This is particularly the case for small and medium enterprises (SMEs), which comment about the burden and lack of support from weaker providers in arranging and administering training.**

There are still not enough apprenticeships providing the advanced and associated professional-level skills needed in the sectors with shortages. In addition, **quality is likely to be further undermined if employers are allowed to underfund their contributions to apprenticeships**, as some of those in this survey were doing. This is resulting in a lack of off-the-job training, particularly for apprentices aged 19 and over.

There are still far too few 16- to 18-year-olds starting an apprenticeship. Recruitment onto apprenticeships for young people in this age range has remained static for more than a decade. Interviews with apprentices and evidence from secondary school inspections in 2014/15 showed that schools' poor promotion of apprenticeships is depriving pupils and their parents of information about the full range of options available through the apprenticeship route. **Secondary schools are still not doing enough to promote apprenticeships to young people.** Inspectors found that careers advice and guidance were not sufficiently detailed and too few pupils experienced high-quality work experience as part of their compulsory education.

² *Levels of success – the potential of UK apprenticeships*, Sutton Trust, October 2015; www.suttontrust.com/researcharchive/levels-of-success/.

Inspectors also found that many schools did not do enough to develop pupils' readiness for work by ensuring that they had the skills and attitudes that employers value. Around three-quarters of the employers responding to the survey questionnaire reported difficulty in recruiting younger apprentices and frequently cited weak employability skills for rejecting applicants. The exceptions included apprenticeships in the aerospace, financial and engineering industries. These sectors had a large number of applications and proved what is possible when apprenticeships are highly valued and promoted well.

In too many of the further education and skills providers visited, progression through the apprenticeship route was weak. In these providers, traineeships appeared to be having little success in fulfilling their primary role of being a stepping-stone to an apprenticeship. Apprenticeships generally were poorly promoted and too few young people in these providers progressed from level 2 apprenticeships, or other vocational training, to advanced apprenticeships. The number of disabled apprentices and those with special educational needs was particularly low, as is the case nationally.

Only 13 of the 22 providers visited by inspectors for this survey had a clear rationale for the apprenticeship provision they offered. Very few providers had easy access to coherent and up-to-date information to enable them to plan apprenticeship provision to meet local, regional and national priorities on economic growth, skill shortages or youth employment rates. Furthermore, most of the providers and employers did not evaluate the long-term impact of training on individual apprentices through subsequent promotion, increased earnings or the financial returns on the investment made by the employers.

Inspectors found that the quality of information made available to providers by local enterprise partnerships (LEPs) varied considerably. While not as weak in colleges, all but one of the independent learning providers had little contact with LEPs to support strategic planning for their apprenticeship provision.

It is clear that significant government reforms to apprenticeships are underway and these have the potential to make a significant difference to the quantity of apprenticeships available. As yet, however, it is too early to evaluate fully their impact across the country. Future reforms must focus on raising the quality, rigour and profile of all apprenticeships and not on simply increasing the numbers of apprentices. Employers, particularly SMEs, must be involved in developing apprenticeship programmes that add value to their business. Growth in apprenticeships should concentrate on the industries that have the strongest demand for a skilled workforce. Schools and colleges should do more to promote apprenticeships to young people as a route into a well-paid career in a skilled occupation. Finally, schools and colleges must ensure that all young people develop the personal and social skills that are valued by employers.

Key findings

- **The quality of the apprenticeship provision reviewed during this survey was too variable and often poor.** Some apprenticeships were of a high quality and provided young people with good training that enabled them to develop new skills and knowledge in specialist vocational areas. However, too much provision was weak and failed to provide sufficient training to develop substantial new skills.
- **The growth in apprenticeships in the last eight years has not focused sufficiently on the sectors with skills shortages.** Excessive growth in the number of apprentices in service sectors and accrediting the established skills of people who have been in a job for some time have both become accepted practice, regardless of the value of these apprenticeships to the economy.³
- **Leaders of the apprenticeship provision reviewed did not focus sufficiently on improving the quality and impact of apprenticeships.** Only half of the 22 providers visited for this survey had effective strategies for assuring the quality of apprenticeships and meeting the skills needs of local employers. Typically, providers did not assess the value of their apprenticeships to individual learners, businesses and the economy, and the quality of subcontracted apprenticeships was not monitored closely enough.
- **Employers did not make sufficient contributions to the costs of apprenticeships.** Too few of the employers interviewed indicated that they paid the contribution expected from them for the costs of training apprentices. As a result, a large majority of apprenticeships for those aged 19 and over were underfunded, which contributed towards their lack of off-the-job training.
- **Small- and medium-sized enterprises were not sufficiently involved in apprenticeships.** New Trailblazer apprenticeships are dominated by large employers. Small companies are not involved enough in developing the new frameworks or in taking on apprentices. They told inspectors that they fear that a burden of bureaucracy, currently managed by the training provider, would fall on them and this deters them from taking on an apprentice.
- **The most effective apprenticeship provision was for those aged 16 to 24 in skilled technical and professional industries.** The highest quality provision was found in sectors that have a long-established history and association with apprenticeships, such as the engineering, motor vehicle and construction sectors. Typically, apprenticeships in these sectors provide an effective stepping-stone to higher salaries, promotion and further learning.
- **Apprentices aged 25 and over often received too little training while at work or during off-the-job learning sessions.** Apprenticeships for those

³ Between 2006 and 2014, the number of apprentices in business administration and law, retail, and health and care increased by over 200%. Over the same period, the number of apprentices in construction, planning and built environment, engineering and information technology increased by only 33%; www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships.

aged 25 and over, especially at employer providers and in the retail and care industries, focused too much on accrediting existing skills to achieve the apprenticeship rather than developing substantive skills and advancing careers. Some learners were unaware that they were on apprenticeship programmes.

- **Young people still face too many barriers to becoming apprentices.** Schools and colleges are not promoting apprenticeships sufficiently to young people and their parents. Young people are not being taught the necessary practical and employability skills, and some employers are reluctant to invest in developing these. As a result, too few young people, particularly the most able and those who have special educational needs and/or disabilities, become apprentices.

Recommendations

The government should:

- build on the reforms already underway and ensure that planned growth in apprenticeships:
 - substantially enhances apprentices' skills and prospects for long-term employment through good-quality training
 - prioritises young people aged 16 to 24 through better promotion of the benefits of apprenticeships
 - focuses on the industries that have the strongest demand for a skilled workforce and contribute to economic growth
 - enables SMEs to be involved fully in planning and delivering apprenticeships while ensuring that they get effective support and are not burdened by additional bureaucracy
- promote traineeships and other vocational training that develops employability skills as a direct progression route into apprenticeships
- make available information to providers about local and national skills priorities and hold them to account for the extent to which their provision meets these
- hold providers to account for the value their apprenticeships add to their apprentices' careers, evidenced by progression to higher-level training, increased responsibility at work and improvements in earnings.

Schools and further education and skills providers should:

- provide impartial careers guidance about apprenticeships to all pupils and their parents, including to those pupils expected to achieve high grades at GCSE
- provide courses, including traineeships, for students aged 16 to 18 that allow them to transfer onto an apprenticeship during an academic year

- prepare students to move into work by ensuring that they develop the personal and employability skills that employers value, including communication, team-working, problem-solving and decision-making skills, and a positive attitude to work.

Providers of apprenticeships, including employer providers, should:

- ensure that apprenticeship provision is of a high standard and enables apprentices to develop increasingly complex skills that lead towards the advanced- and higher-level skills needed by employers
- provide sufficient off-the-job training for apprentices to develop and practise substantive new skills that prepare them for long-term employment in their industry
- ensure that they have the teaching expertise and resources to help their apprentices develop the knowledge and skills in English and mathematics needed for their jobs and careers
- promote apprenticeships to disabled people and/or those with special educational needs and ensure that trained staff support them
- enter into appropriate subcontracting arrangements for apprenticeships that meet the skills needs of a region or national industry. They should closely monitor the quality of this provision and take swift action to tackle poor performance.

Employers should:

- agree with the provider their contributions to the apprenticeship such as time, resources and funding for training
- ensure that apprenticeships do more than simply assess apprentices' existing skills
- consider the benefits of taking on an apprentice to create employment opportunities for local young people in their industry, improve productivity and ensure that they pass on their skills and experience.

Ofsted should:

- ensure that inspections focus on evaluating the impact of apprenticeships on enhancing the nation's skills set.

Main findings

The quality of apprenticeships

1. The quality of the apprenticeships seen by inspectors during this survey varied considerably. One of the most important factors that affected apprentices' experience was the amount and quality of training they received. The best programmes gave apprentices the training that they needed to prepare them

for long-term employment. In contrast, the weakest apprenticeships provided too little high-quality training and so failed to prepare the apprentices for sustained employment in their chosen industry.

2. Inspectors identified a marked difference between the quality of apprenticeships, according to the sector and the age of the apprentice.
3. Sectors with an established tradition of apprenticeships typically had:
 - a higher proportion of apprentices aged 16 to 24 than those aged 25 and over
 - apprenticeships that provided substantial training at the beginning of an apprentice's career
 - employers and providers who collaborated well to plan and coordinate training
 - apprentices who indicated to inspectors that they had enhanced their chances of sustained employment.
4. Inspectors found much of the weaker provision in sectors where providers and employers had little previous experience of apprenticeships. The weakest apprenticeships were often in the care, customer service, administration and retail sectors. These sectors tended to have:
 - a higher proportion of apprentices aged 25 and over
 - apprenticeships that frequently involved little or no formal training
 - apprentices who said they had not always developed new skills that prepared them for long-term employment. Indeed, some of these learners were unaware they were even on an apprenticeship programme.

What makes a successful apprenticeship?

5. The best apprenticeships focused on developing the careers of apprentices while simultaneously improving their skills, developing their understanding and increasing their knowledge. The most successful apprenticeships seen were for young people aged 16 to 24, especially in motor vehicle, engineering and construction – sectors that have historically relied on apprenticeships for their future skilled workforce. Younger apprentices working in these sectors told inspectors that their apprenticeships were enabling them to forge a new career, with increasingly challenging tasks as their apprenticeship progressed.
6. Inspectors observed some common characteristics in the very best providers visited, as set out below.

Planning the most appropriate apprenticeships for learners

- Before starting their apprenticeship, learners had a clear understanding of how it would provide new skills and a route into a career in their chosen industry.
- Employers took a prospective apprentice on work experience for a short period before confirming the apprenticeship.
- Learners completed a probationary period or traineeship before starting their apprenticeship. During this period, the provider, employer and learner ensured that the proposed apprenticeship was appropriate and established how it would support the apprentice's career.
- The provider, employer and apprentice agreed realistic and challenging timescales for each stage of the apprenticeship.

Case study: a provider and employer jointly planning a high-quality apprenticeship

An engineering company has worked for many years with a training provider, PETA Limited (Group Training Association), to ensure that PETA understands the company's business well. PETA identifies potential apprentices and, if they are not yet ready to become an apprentice, gives them the necessary training, particularly in the personal and employability skills valued by the employer.

PETA compiles a shortlist of candidates who are ready for employment for the employer to interview. Once appointed, apprentices attend off-the-job training for six months to learn clearly defined engineering and personal and social skills. For the remainder of the apprenticeship, PETA teaches fundamental principles of engineering and the employer takes responsibility for training the apprentices using highly sophisticated manufacturing equipment in the workplace. Learner progress is frequently reviewed in meetings with the employer, and PETA regularly evaluates whether it can do more to meet the changing needs of the employer.

Training and assessment in high-quality apprenticeships

- Apprentices developed skills at work and during off-the-job training away from the workplace with other apprentices. The providers and employers sequenced this training well so that apprentices could carry out tasks at work that were progressively more challenging.
- Apprentices received progress reviews at appropriate intervals with their training provider, mentor and/or employer. This tripartite review identified planned actions to enable the apprentice to make further progress.
- Well-qualified teachers assessed apprentices' English and mathematics skills when they started their apprenticeship. Using this information, teachers

provided lessons, resources and assessments to develop the English and mathematics skills the apprentices would need at work.

Case study: an employer values the insight and expertise of its apprentices

In the past, a digital design company had paid market researchers to improve the targeting of their products.

The company recognised the potential value of fresh young talent in the industry and worked with the provider, Hackney Community College, to develop a new apprenticeship framework to meet the growing needs of the creative digital industry. The employer has developed its in-house expertise and reduced its market research costs.

Case study: an apprentice attends off-the-job training to develop new skills and knowledge

A company specialising in manufacturing fire safety doors needed a carpenter who could work to precise specifications and produce components with a high level of accuracy.

The provider, Herefordshire and Ludlow College, worked closely with the employer to identify the skills the apprentice carpenter should have to produce work of a high enough standard. The college then trained the apprentice to complete work to the required standard. The apprentice practised producing components in the provider's workshop before using these newly honed skills to make fire safety doors in the workplace.

Skills development in high-quality apprenticeships

- Apprentices learned new skills and employers ensured that apprentices were given work that allowed them to apply these skills in the workplace.
- Apprentices developed relevant skills in English and mathematics, in a vocational context, that they could use and apply at work.
- Over the duration of their apprenticeship, apprentices were taught increasingly complex skills to prepare them for a higher level of training or progression to jobs with greater responsibility and pay.

Case study: apprentices develop new and more complex skills

A company employed an administration apprentice to carry out basic office tasks that supported colleagues' work. While these tasks would have been sufficiently challenging for the apprentice to pass their apprenticeship framework, the employer and the provider, Cambridge Regional College, recognised that the apprentice had the potential to contribute more to the business. They identified the more complex skills

the apprentice needed and focused their training on developing these. By the end of the apprenticeship, the apprentice could design work rotas, take minutes, deal with customer enquiries and produce complex documents.

Progression in high-quality apprenticeships

- Apprentices progressed into higher-level apprenticeships or jobs with higher pay or responsibility, either with the same employer or with another employer.
- Providers tracked the progression of apprentices on completion of their apprenticeship.
- Providers and employers assessed the value that the apprentices added to the business.

Case study: apprentices progress onto a higher-level qualification or the next step in their career

An engineering employer working closely with a training provider, PETA Limited (Group Training Association), strongly believes that nurturing and developing its own staff provides them with employees who can best add value to the company. Apprentices are encouraged to progress and achieve higher-level qualifications. They are employed and supported to progress from level 2 to level 4. Many supervisors and managers started as apprentices, including two senior managers, one of whom is now in charge of manufacturing and the other in charge of engineering design.

7. Apprentices at 14 of the 22 providers visited for this survey received appropriate training that prepared them well for long-term employment. These apprentices were competent to do their job but also developed new knowledge and transferable skills successfully, including English and mathematics, and their work was valued by their company.

Provision that devalues apprenticeships

8. Currently, non-Trailblazer apprenticeships are achieved by completing the suite of qualifications that make up the apprenticeship framework. National guidance states that all apprentices should develop 'the new skills and underpinning theoretical understanding they need for their job roles, future employment and progression'.⁴
9. Inspectors found that four of the eight independent learning providers and four of the 10 colleges they visited provided too little training for their apprentices, especially those aged 25 and over. While they developed skills that helped them

⁴ *Statement on apprenticeship quality, SFA 2013'*
<http://traineeships.apprenticeships.org.uk/partners/policy/apprenticeship-delivery-models.aspx>.

in their immediate job, apprentices did not get the opportunity to practise and embed substantive new skills that would improve the standards of their work or help them to progress in their industry. Because they were passing their apprenticeships, apprentices appeared to be successful, but these programmes tended to add little value to the apprentice or business.

10. Inspectors identified common features in weak apprenticeship provision that failed to provide apprentices with sufficient training and devalued the apprenticeship brand. These are set out below.

Selecting inappropriate candidates for apprenticeships

- Some apprentices had been doing the job for more than a year and were not even aware that they were on an apprenticeship.
- The job did not require the apprentices to develop skills throughout the apprenticeship and did not have the potential to lead to long-term employment.
- The employer and provider did not consider possible adjustments that could enable more disabled young people and those with special educational needs to become apprentices.

Training and assessment in weak apprenticeships

- Apprentices received little or no off-the-job training.
- Apprentices received no teaching in English and/or mathematics.
- Employers expected the apprentices to complete all their work for their apprenticeship in their own time.
- Apprentices' skills were assessed in the workplace, with little or no relevance to recent training received.

Skills development in weak apprenticeships

- Apprentices acquired very limited new skills – just enough to reach the minimum standards for their qualifications.
- Apprentices did not receive any guidance in the workplace and were not given the opportunity to practise and develop their skills.

Progression in weak apprenticeships

- Apprentices had no change in their employment as a result of the apprenticeship and did not progress into further training.
- Apprentices did not develop skills that added value to the business.

11. Weak apprenticeship provision blurs the distinction between apprenticeships and other forms of training including induction, training for an immediate business need and accrediting prior skills and knowledge. Most apprentices in

these providers met the requirements of the individual qualifications within their apprenticeship, but they were not all given the opportunity to develop new knowledge and skills, or skills that helped them to secure their future in their chosen industry.

12. In seven of these weaker providers, inspectors found apprenticeships that fell short of the national requirements.⁵ In these providers, employers were using apprenticeships, and so by definition using public money, to:
- train seasonal short-term contract workers who were not being prepared for long-term employment
 - assess their employees' skills to meet the requirements of the qualifications in the apprenticeship framework, but not to extend their skills or prepare them for higher-level jobs
 - provide low-level training that did not enable the employees to develop sufficient new skills for their job and future career
 - provide a short induction for new employees into the company
 - provide a fixed-term job with no prospect of long-term employment, such as an internship or a job with no progression, filled by a new apprentice each year.

Why apprenticeships can fail to add value for employees aged 25 and over

13. Inspection evidence over the last four years has shown that when Train to Gain was withdrawn in 2011, too many providers were slow to adjust to delivering apprenticeships. Many of these providers simply assessed their employees' competence to do their job and failed to adapt their provision to train apprentices for long-term employment. In a few of the providers visited for this survey, staff who had previously been assessors still had not undertaken development activity to become trainers or been replaced with appropriately qualified and experienced trainers.
14. Weaker provision with a high proportion of apprentices aged 25 and over had some common characteristics, including:
- providers not making sufficient efforts to recruit younger apprentices
 - older, unqualified employees being more skilled than younger employees and therefore easier and quicker to assess and qualify
 - weak leadership and management, leading to an insufficient focus on checking and improving the quality of apprenticeships

⁵ *Statement on apprenticeship quality*, SFA 2013;
<http://traineeships.apprenticeships.org.uk/partners/policy/apprenticeship-delivery-models.aspx>.

- a lack of suitably qualified and experienced trainers and poor oversight of subcontractors
 - employers who lacked commitment to the underlying principles of apprenticeships, and did not invest sufficiently in the off-the-job training needed to raise apprentices' skills
 - providers being too quick to sign up apprentices aged 25 and over without ensuring that the employer and employee both fully understood the purpose of the apprenticeship and agreed that this was the most appropriate programme for the learner.
15. The quality of provision varied considerably in this age group, mainly in the employer-providers sampled.⁶ Where senior managers in employer-providers understood the value the apprenticeships added to their business, they ensured that their apprenticeships were of the highest quality. In the motor vehicle and tourism industries, for instance, inspectors routinely found that trainers and managers designed high-quality apprenticeships that added value to the business.
16. Some of the weakest provision observed was also in employer-providers, where managers lacked a commitment to the apprenticeship. This mainly affected apprentices aged 25 and over and in the food and drink, and care industries. These employers did not expect apprentices to develop skills beyond those required for their immediate job. Apprentices were less motivated to complete their apprenticeship and were frequently in low-skilled jobs that had a high turnover of staff. These jobs were not suitable employment for an apprentice. Some of the apprentices spoken to suggested that 'apprenticeship' was an inappropriate description for the minimal training they were receiving.

Range and availability of apprenticeships

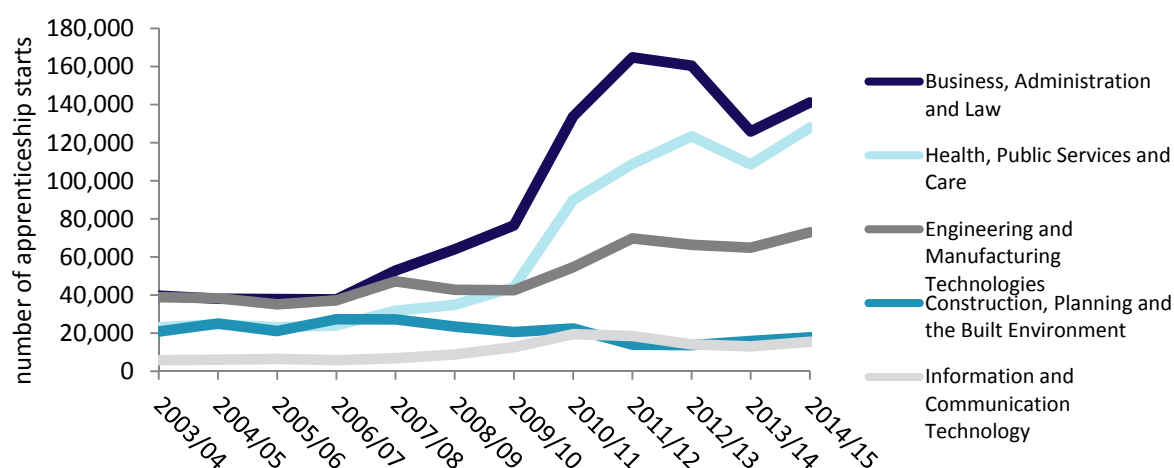
17. The survey found that providers were not sufficiently held to account for the range of provision offered and its impact on the local economy. The growth in apprenticeship numbers has not been effectively monitored to ensure that apprenticeship places meet national or local skills needs. The providers sampled did not have clear points of reference, such as readily accessible labour market information and national and local skills strategies, to ensure that they developed new apprenticeships in priority sectors.
18. Inspectors found that the quality of information provided by LEPs also varied considerably. About half of the colleges visited used information about local employment well, especially where representatives from local industry were on their strategic board. However, all but one of the independent learning

⁶ Employer-providers are employers that hold a contract for government funding of the apprenticeships they deliver to their staff.

providers had little contact with LEPs to support the strategic planning for their apprenticeship provision.

19. The providers' rationale for the apprenticeships they provided for learners aged 16 to 24 was generally much more specific than for those aged 25 and over. This was the result of better links with employers to identify employment and training opportunities for young people. However, recruitment was not sufficiently based on local business need. Providers' managers reported that they had increased the number of their apprentices based on who they could recruit rather than what the economy needs.
20. Nationally, the number of apprentices starting an apprenticeship since 2009/10 has almost doubled in business, administration and law and nearly tripled in health and care. Over the same period, in IT and engineering, the increase was at a lower rate, and in construction, the number declined. It was in these three sectors that inspectors found a demand from employers not being met.

Figure 1: Apprenticeship starts by sector subject area (tier 1)⁷



21. Inspectors found that providers recruiting apprentices across a wide geographic area faced greater challenges in meeting local employment needs than those that mostly recruited in their local area.
22. Of the nine providers – including three outstanding employer-providers that specialised in one or two specific vocational areas – six managed the national development of apprenticeships well. They had long-standing methods of training and supervising apprentices that took account of the wide geographical distribution of their apprentices. However, most of the providers that recruited

⁷ FE data library: apprenticeships, Skills Funding Agency and Department for Business, Innovation and Skills, September 2015; www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships. 2014/15 starts based on provisional data.

apprentices in various industries across a wide geographical area had relatively little knowledge of the employment market in each locality. Very few of them took effective action to target their recruitment at industries most in need of apprentices. As a result, the range of apprenticeships available to learners was restricted.

Recruitment onto apprenticeships

Barriers to young people progressing from school onto an apprenticeship

23. The number of 16- to 18-year-old apprentices has been consistently low for the last 10 years. At a time when the number of apprentices aged 25 and over has risen sharply, the last decade has seen the proportion of apprentices aged 16 to 18 fall from half to only a quarter of all apprentices. Inspectors identified common barriers to recruiting apprentices in this young age group.

- The continued poor promotion of apprenticeships in schools restricted students' access to reliable information. The apprentices interviewed by inspectors reported that they had typically been determined, resilient and resourceful enough to find out for themselves the opportunities available to them and to overcome the barriers repeatedly placed in their way. They relied heavily on advice from family and friends.
- Poor advice in schools led to a small number of apprentices interviewed initially starting an A-level course that they felt had delayed their career. There is clearly still a misconception that apprenticeships are not for young people with a good academic record. This is not helped by the prevalence of apprenticeships that just provide low-level vocational training.

Apprentices' views

'Because we were "bright" we had to be very determined to resist the pressure from our teachers to take A-levels.'

'My school told me that the only way to become a design engineer was to do A-levels. I took A-levels and dropped out after the first year and then did an apprenticeship; I am now studying for a higher apprenticeship in engineering.'

- The inflexibility of the academic year frustrated some employers because the vacancies they wanted to fill did not always coincide with the end of school and college courses.
- Too few learners were on traineeships to bridge the gap between school and an apprenticeship.⁸

⁸ In 2013/14, 10,400 learners started a traineeship. Provisional figures for 2014/15 indicate this number will increase, with 15,100 estimated to have started between August 2014 and April 2015. *Further education and skills: statistical first release*, Skills Funding Agency and Department for

- Too often, schools did not promote apprenticeships to young people and denied providers access to do so.
24. All the providers visited reported that they were either prevented from offering information about apprenticeships to students in at least some of the schools in their area or that school-leavers rarely had sufficient knowledge of apprenticeships. It is clear from this evidence and Ofsted's previous report on careers guidance that many young people in schools do not receive sufficient information about apprenticeships. Those who do often perceive apprenticeships as inferior to academic study.⁹ Indeed, findings from our 2013 career guidance report still stand today:

‘Vocational training and apprenticeships were rarely promoted effectively, especially in schools with sixth forms. The A-level route to universities remained the “gold standard” for young people, their parents and teachers.’¹⁰

25. A few of the apprentices interviewed told inspectors that current rules on child benefit and child tax credits could be a barrier. Apprentices aged 16 to 24 said that they were still financially reliant on parents. Child benefit for young people aged 16 to 18 is available to parents whose child remains in approved education or training, but not if a young person becomes an apprentice. Parents can also claim child tax credits for a 16- to 18-year-old in approved education, but not if they are on an apprenticeship. While the apprentices interviewed said that they had overcome these barriers, there is a serious risk that the current rules encourage young people to opt for full-time education or training rather than an apprenticeship.

Recruitment of apprentices aged 19 and over compared with 16- to 18-year-olds

26. Nationally, considerably more 16- to 18-year-olds apply for apprenticeships than those aged 25 and over, but far fewer become apprentices.¹¹ Approximately 40% of the 19,000 learners on apprenticeships at the providers visited were aged 25 and over, whereas only 29% were aged 16 to 18. Most of these older apprentices were already employed in jobs that were converted to apprenticeships. Inspectors identified that meeting recruitment targets was

Business, Innovation and Skills, September 2015; www.gov.uk/government/statistics/learner-participation-outcomes-and-level-of-highest-qualification-held.

⁹ *Going in the right direction*, Ofsted, 2013, page 4; www.gov.uk/government/publications/careers-guidance-in-schools-going-in-the-right-direction.

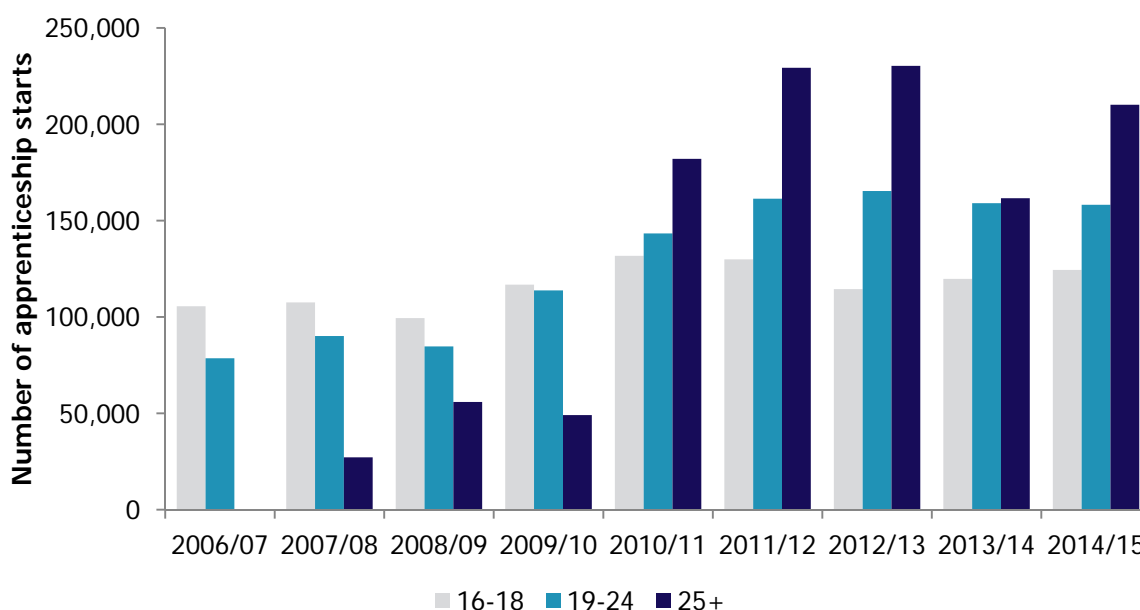
¹⁰ *Going in the right direction? Careers guidance in schools from September 2012*, Ofsted, September 2013; www.gov.uk/government/publications/careers-guidance-in-schools-going-in-the-right-direction.

¹¹ Under 19s made 56% of applications but only 27% of starts; 25+ made 7% of applications but 37% of starts. *Learner Drivers*, p.17, report by Institute for Public Policy Research for the Local Government Association, June 2015.

often the priority for providers. In these cases, providers preferred to recruit an employee who required little training onto an apprenticeship, rather than seek out and convince employers in a skills shortage area, such as IT, that their business would benefit from a three- or four-year advanced or higher apprentice.

27. Figure 2 shows how the number of apprentices has increased since 2005, particularly those aged 25 and over.¹² The chart also shows how the number of apprentices aged 16 to 18 remained reasonably static over the same period.

Figure 2: Number of apprenticeship starts, by age of apprentices



2014/15 starts are based on provisional data.

Recruitment of disabled employees or those with learning difficulties to apprenticeships

28. Too few disabled people or those with learning difficulties become apprentices. In all further education and skills providers in 2013/14, over 16% of learners disclosed a learning difficulty or disability compared with only 8% of apprentices.¹³ Only one of the providers in our survey demonstrated that they had supported an apprentice with dyslexia to pass their functional skills test while one other had made adjustments for a disabled apprentice. However,

¹² FE data library: apprenticeships, Skills Funding Agency and Department for Business, Innovation and Skills, September 2015; www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships. 2014/15 starts based on provisional data.

¹³ FE data library: apprenticeships, Skills Funding Agency and Department for Business, Innovation and Skills, September 2015; www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships.

such examples of providers and employers encouraging disabled people or those with learning difficulties to succeed on an apprenticeship were rare.

Traineeships provide a useful step to apprenticeships, but are not yet meeting their potential

29. In his 2013/14 Annual Report for further education and skills, Her Majesty's Chief Inspector noted that successful traineeships helped learners progress to apprenticeships. The report said that when traineeships included carefully chosen work placements, 'trainees became highly confident and self-assured...and [improved] their personal confidence and motivation.'¹⁴
30. Traineeships are an increasingly popular programme designed to prepare learners aged 16 to 24 for employment with training.¹⁵ However, too few providers offer them – under two thirds of the 18 providers in our survey who were able to offer traineeships did so. In these providers, progression from traineeships into apprenticeships was good, with half the learners with known destinations moving onto apprenticeships. However, too many providers did not have adequate systems for tracking the destination of their learners on traineeships, with nearly a third of trainees' destinations being unknown.

Preparing young people for employment

31. Schools and providers need to do more to instil basic attitudes and behaviours required by employers in all their learners. When asked why they did not recruit more 16- to 24-year-old apprentices, nearly a quarter of employers who responded said that young people did not have the basic skills, attitudes and behaviours required for work. Additionally, the employers interviewed frequently said that they were reluctant to take a young apprentice straight from school. Two factors dominated their rationale for this.
 - They believed too many 16-year-old school leavers lacked personal presentation and communication skills, or gave the impression at interview that they were immature and unreliable.
 - They recognised that employing an apprentice required a significant investment in time to train them in the generic employability skills and did not feel they could afford this.
32. A quarter of employers who responded to the questionnaire did not see these as barriers. Inspectors found that some employers recognised that school leavers were not the 'finished article' and welcomed the chance to train them in

¹⁴ *Ofsted Annual Report 2013/14: further education and skills report*, Ofsted, 2014, p.22
www.gov.uk/government/publications/ofsted-annual-report-201314-further-education-and-skills-report

¹⁵ Traineeships were introduced in 2013 and can be offered to 16- to 24-year-olds who do not have a full level 3 qualification. Training providers offering traineeships must be judged to be good or outstanding by Ofsted.

their company's practices and values. Others recognised the long-term benefits of investing in well-trained apprentices. In these companies, employers and providers worked closely together to ensure that apprentices developed skills that would add value to the business. They acknowledged that it took considerable time and effort in the early stages of an apprenticeship, but that this paid off as the apprentice developed and contributed to the long-term sustainability and effectiveness of the company.

33. Most of the 16- to 24-year-old apprentices that inspectors interviewed were proud that they were on an apprenticeship. They were typically ambitious and believed that their apprenticeship would secure them long-term employment in their chosen industry. They thought an apprenticeship was a better route into their career than other options, including university.

The impact of successful apprenticeships

34. In industries such as motor vehicle, engineering and construction, apprenticeships are a well-established route into long-term employment in a skilled occupation. Employers invest time and resources to enable young people to join their industry. In turn, the young people know that they must invest time and effort to work and study as they begin a new career. Inspectors found examples of excellent apprenticeships in other industries including accounting, finance, food processing and production, and equine.
35. The most important difference between successful and weak apprenticeships was the provision of good-quality training, both off the job and at work. Another crucial aspect was how well the provider and employer worked together to ensure that this training was well coordinated and enabled the apprentices to advance in their chosen career.

Benefits to apprentices

36. The advantages of being in training while at work were clear to all the apprentices that inspectors interviewed when sampling good-quality apprenticeships. They said that they enjoyed the combination of developing practical skills, underpinning knowledge and background information through training, both at the provider and at work, with the direct experience of real-life pressures of the business. These apprentices recognised that they had learned practical new skills and they were able to apply them at work. Inspectors found that this worked best when:
 - the provider engaged with the employer to ensure that the on- and off-the-job training was carefully sequenced with each apprentice's planned duties at work
 - rigorous assessments and constructive feedback by both the provider and the employer enabled the apprentice to understand what they had achieved and what they needed to do to improve further
 - experienced colleagues acted as mentors

- providers taught a wide range of occupational skills and knowledge that went far beyond those required for the apprentices' immediate job
- employers contributed well to planning the apprenticeship, often through additional training at work
- employers provided projects in the workplace that went beyond the apprentices' current job role and prepared them well for more responsibility or promotion.

37. The good-quality apprenticeships that inspectors observed also enabled apprentices to develop wider employability skills that prepared them well for a sustained career. Inspectors found that they often developed these through the daily routine of being at work and having to learn how to be effective in a commercial or business environment. The skills, behaviours and attitudes these apprentices developed included:

- high standards of personal effectiveness, including attendance, punctuality, personal presentation and behaviour
- high standards of safe working practices
- the ability to tackle problems and work with others to come up with solutions
- the ability to work independently, but also to gauge when to seek advice from more experienced colleagues
- an understanding of customers' needs and to balance these with the needs of businesses and the requirement to meet commercial deadlines, where appropriate
- the ability to carry out tasks involving skills in English, mathematics and the use of technology accurately and to high standards
- a willingness to reflect on their own performance and work to agreed development targets.

Case study: effective skills development through training

An independent learning provider in Plymouth, Skills to Group Limited, had recently invested heavily in developing a training centre for construction apprentices.

Apprentices attended training in these facilities one day a week or they were released by employers for blocks of time. The skills they learned and practised during their time in the training centre enabled them to work faster on-site. The brick-laying apprentices, for example, improved the quality of their work because of frequent feedback from the watchful expert trainer. They learned from mistakes and practised hard to ensure that the standards of work they produced when they returned to the workplace were high. As a result, they could tackle challenges on site such

as constructing a wall in a confined space, tiling uneven walls and calculating an estimate for a job.

Employers clearly benefited from the apprentices' training. The chances of mistakes while working for a customer were reduced and the apprentices quickly became more independent workers, needed less supervision and contributed more to the business.

Benefits to businesses

'(We) feel we're giving a worthwhile opportunity to apprentices whilst receiving the benefit of their support after good training.'

38. Inspectors consistently found that the best providers evaluated the business case for an apprenticeship and the value it added to an employer's business. This started with employers and providers ensuring that the apprenticeship met a business need, for example succession planning and supporting business expansion.
39. Employers, particularly SMEs, benefited from the support of providers while setting up and managing the apprenticeship. Provider support included:
 - producing a suitable job description with the employer
 - ensuring that the employer understood the commitment they would need to make, such as releasing the apprentice for training, providing a mentor, agreeing a schedule of work and paying, as appropriate, for the apprenticeship
 - identifying the value the apprentice would add to the business over a period of time
 - preparing candidates for writing their application and attending an interview as part of a traineeship or course
 - carrying out initial assessments on candidates
 - presenting a shortlist of employable candidates to the employer
 - involving the employer in reviews of the apprentice's progress
 - ensuring that off-the-job training developed vocational, personal and English and mathematics skills that the apprentice could quickly apply at work
 - providing training and qualifications tailored to the specific needs of the business, often above and beyond what was demanded by the apprenticeship framework.

Case study: employer and provider planning for the future

A luxury car manufacturer recognised the need to invest in younger people to replace older, experienced workers in future years. Working closely with the manufacturer, a training provider, Total People, set up a

specialised training centre to enable apprentices to develop skills in producing trim and using wood, both essential features in the cars being made.

The company supported its highly experienced engineers to become 'master trainers'. These trainers work closely with the trainers at Total People to pass on to the apprentices the specialist skills that are essential in creating the high-quality product required by customers.

Employers investing in employees

40. The government provides funding for apprenticeships for 16- to 18-year-olds but employers are expected to pay a contribution towards the costs for apprentices aged 19 and over. The amount varies but is clearly defined in guidance to employers.¹⁶
41. During our survey, inspectors identified that, too often, employers failed to contribute the expected proportion or to contribute at all to the funding for apprentices aged 19 and over. This often meant that the providers reduced the training, and therefore the quality of the apprenticeship, in order to make it economically viable.

Employers contribute to the costs of apprenticeships

Exeter College, an outstanding provider, spent many years establishing a good reputation with local employers in the construction, engineering and logistics industries. The college provided very high-quality training, worked closely with employers to design training programmes and allowed employers to pay their contribution over an extended period. The college only signed up apprentices and employers that demonstrated a strong commitment to the apprenticeship. Employers believed it was reasonable to be expected to pay for the high-quality training the college provided.

42. Some of the most successful apprenticeships seen, notably in engineering, motor vehicle and construction, were in providers where employers made a considerable financial commitment and had a formal role in overseeing the operations of the provider.

Case study: employers paying for high-quality apprenticeships

An engineering company paid an annual membership fee to secure access to a wide range of training options and other member benefits with a provider, PETA Limited (Group Training Association) and, in particular, also bore the cost of apprentices attending training full time for the first six months of their apprenticeship. Senior managers of the company met regularly with PETA to review the skills that apprentices were developing

¹⁶ Employ an apprentice; www.gov.uk/take-on-an-apprentice/employer-grants-apprentices.

and contributed to the strategic direction of PETA through a non-executive board. Such a relationship ensured that PETA was held to account for the quality and range of the apprenticeships.

43. Group Training Associations (GTAs) provide a very successful model for collaboration between employers and providers. They were set up over 40 years ago, primarily within the engineering industries, as training providers funded partly by subscription and controlled by a board of senior executives from the companies they serve. This has become a model of industry/provider partnership resilient to policy changes and has responded very effectively to the training demands of industry.
44. Training companies that are members of GTA England generally provide high-quality training. Of the 23 GTAs that were inspected between January 2010 and April 2015, 21 (91%) have been judged good or outstanding for overall effectiveness. This compares with 79% of the 386 other independent learning providers inspected that were judged good or better over the same period.

Leadership and strategic oversight

Governance and curriculum planning

45. The success of an apprenticeship relies on employers and providers' senior leaders, including governors, setting high standards.¹⁷
46. Good governance in providers is crucial in establishing strong apprenticeships because it provides a line of accountability for the quality of provision and outcomes for the apprentices. Inspectors found that the best apprenticeships were in providers where the apprenticeship provision fitted comfortably into the strategy for work-based learning agreed by college governors or those in other types of providers with a similar role. In these providers, governors held managers to account for the quality of apprenticeships by scrutinising quantitative and qualitative measures, including:
 - data on apprentices' progress, performance and progression into employment or further study
 - feedback from employers and apprentices
 - engagement with SMEs and local businesses.
47. They ensured that the apprenticeships offered were adapted so that they clearly met local or national priorities.

¹⁷ The term 'governors' is used here to describe any non-executive body with strategic oversight of provision or, in the case of employer providers, an executive board that sits above the management of the apprenticeship provision. In smaller providers, they would be senior managers with an identified governance role.

48. Only half the providers visited focused well on ensuring that their apprenticeships were aligned to local and national priorities for skill development and economic growth. This was the case in six of the 10 colleges and four of the 12 independent learning providers and employer-providers. The providers that were most effective in implementing well-designed strategies for developing apprenticeships also had the highest quality provision. At these providers, the governors or leaders had the sustainable future of specific industries at the heart of their apprenticeships and they understood the industries they served well.
49. In less successful providers, governors did not insist on managers producing a strategy for developing apprenticeships. Frequently, their provider worked across a large geographical area – over 16 LEP regions in one case – without gaining sufficient understanding of the different regional employment priorities or any local skills shortages. Governors did not hold managers to account for the extent to which they understood and met economic priorities. Where strategies existed in less successful providers, governors used them to focus mainly on the financial outcomes of the apprenticeship provision rather than the quality and impact of the provision.

Case study: the impact of improved governance

Before 2014, a college developed apprenticeship provision outside of its region. The performance was poor. Governors had not been party to agreeing the college's strategy for apprenticeships and were unaware of the poor performance. Once they identified and decided to tackle the underperformance, governors:

- agreed a new strategy for apprenticeships that aligned provision to meet local and regional labour market needs and reduced subcontracting
- recognised and accepted the governing body's past failings in not giving apprenticeship provision sufficient attention
- changed governors' behaviour from passively receiving information to actively holding the senior team to account and challenging both the strategy and performance
- immediately introduced more accurate, clearer management reports on the performance of the apprenticeship programmes provision.

Managing subcontractors

50. Inspectors found two of the providers visited were successfully training apprentices to meet local skills shortages by subcontracting provision in engineering to specialist providers. The apprentices and employers benefited from good-quality specialist training in their local area. However, successful subcontracted provision was a rarity. Inspectors found that the success of apprentices in approximately a quarter of the providers visited was negatively affected by it.

51. When inspectors identified poor-quality apprenticeships in subcontracted provision, they found that these apprenticeships were typically not central to the provider's strategy and were not managed and monitored adequately. Providers' management systems, including performance review, self-assessment and action planning for improvement, often did not cover subcontracted provision sufficiently well. Furthermore, providers were frequently slow to improve the quality of apprenticeships offered by subcontractors.
52. The Skills Funding Agency (SFA) does not currently publish data on the performance of subcontractors' apprenticeships in the way that it publishes similar data for other subcontracted courses. As a result, there is no overview of the quality of apprenticeships in subcontractors. There is also no way of comparing the quality of these to the providers' own apprenticeships, monitoring the extent to which they are meeting local needs or evaluating their impact on apprentices' careers.

SME involvement

53. Too few SMEs offer apprenticeships. Nationally, only 16% of SME employers had an apprentice or offered an apprenticeship in 2014 – an increase of only one percentage point compared with 2012. Apprenticeships were considerably more common in companies employing more than 25 staff.¹⁸
54. Nonetheless, during this survey inspectors found SMEs using apprenticeships effectively to train their staff. These employers said that apprenticeships:
 - developed new talent to deliver growth and plan for succession of older employees – this was particularly important for employers who were unable to recruit suitably qualified and experienced staff
 - developed employees who are committed to the company's values and ethos
 - introduced new ideas and new ways of working as a result of the off-the-job training
 - ensured that learners develop high standards of safe working practices
 - led to apprentices developing new skills more quickly than other members of staff
 - improved their employees' communication skills
 - reduced turnover of staff because apprentices felt valued by the employer investing in their training.

¹⁸ *UK Commission's Employer Skills Survey 2014*. UKCES, 2014, Tables A 5.2a and 5.2b, pp.149-150; www.gov.uk/government/publications/employer-perspectives-survey-2014.

55. Employers from SMEs mostly had only a small number of apprentices, typically one or two, and managed the apprenticeship alongside their other responsibilities. Larger employers mostly had more apprentices and an infrastructure to support and manage them. Because of the time required to manage the apprenticeship, SMEs valued providers who:
- established a formalised two-way agreement that showed how both the training provider and the employer were going to contribute to the apprentice's development
 - worked hard to establish and maintain a relationship with the employer – SMEs were happy to provide repeat business to such providers but quick to move to another provider when relationships deteriorated
 - helped them to produce a job description that clearly demonstrated that the role was suitable for an apprenticeship
 - shortlisted a suitable range of candidates for the apprenticeship
 - visited the employer frequently, particularly those with an apprentice who could not attend a training centre for off-the-job training, to ensure that the apprenticeship was meeting the needs of the business.

Trailblazers

56. The Trailblazer apprenticeships that inspectors saw were of a high quality. They included substantial off-the-job training and very strong alliance between training providers and employers.
57. Providers involved in developing Trailblazer apprenticeships generally felt positive about the relevance of standards to each industry. However, employers working with three quarters of the providers interviewed by inspectors were not aware of the changes to apprenticeships resulting from Trailblazers. Indeed, none of the SMEs interviewed by inspectors was involved in developing the Trailblazers. Those that were aware of the Trailblazers felt they were too dominated by large employers. Most of the SMEs interviewed indicated that they valued the relationship with their training provider and did not want additional responsibilities for the organisation and bureaucracy of an apprenticeship.

Evaluating the impact of apprenticeships

58. In general, the providers visited did not know enough about the impact of their apprenticeships on their company or the careers of their apprentices. All the providers collected information about whether an apprentice stayed in employment on completion of their apprenticeship. However, three quarters of them did not fully evaluate whether their apprenticeships helped employees progress in their careers. Most of the providers did not collect information about whether their apprenticeships equipped an employee to work in a skilled occupation, obtain future employment or take on additional responsibilities.

59. As a result, not all providers were able to:
- demonstrate to young people the value of becoming an apprentice to their career and income
 - demonstrate that public money is being well spent
 - demonstrate to the 84% of employers who do not have an apprentice how their business can benefit from an apprenticeship
 - ensure that senior managers and governors evaluate the impact of their strategy for meeting local and regional skills needs.
60. Two employer-providers and two independent learning providers evaluated the impact of apprenticeships well for the individual and the employer. They used this information effectively to demonstrate a cost-benefit of the apprenticeship to the business and the progress that the apprentices made in the company.

The economic benefits of apprenticeships

A hospital trust analysed the impact of recruiting young apprentices to lower level roles in the hospital. It found that salary costs overall had reduced, but the quality of work and progression from low-level jobs to higher level jobs had increased. As a result, the board and chief executive plan to increase the number of apprentices in the trust.

An engineering employer has clearly identified the value of apprenticeships to its 'bottom line'. Its training provider uses this analysis to promote the economic and social benefits of apprenticeships to employers and potential apprentices.

These examples mirror BIS research findings, which suggest that apprenticeships add financial value to businesses and the payback period for the cost of an apprenticeship is between six months and four years, depending on the sector and level of the apprenticeship.¹⁹

61. Inspectors did not find a clear national strategy for targeting government funding to the specific apprenticeships that are likely to have greatest impact on providing sustained employment, reducing specific skills shortages and developing local economies. Consequently, the systems for holding providers and employers to account for the value that their apprenticeships add to the individual or to the economy are not sufficiently rigorous.
62. Too few apprentices progress from level 2 to level 3. Approximately just one in five made this progression across the providers visited. Providers' data showed that:

¹⁹ *Employer investment in apprenticeships and workplace learning: the fifth net benefits of training to employers study*, BIS research paper number 67, May 2012, p. 16.

- over two thirds of level 3 apprentices remained in their job once they completed their apprenticeship – a slightly higher proportion than for level 2 apprentices
- level 3 apprenticeships had the greatest impact on improving an apprentice's career – approximately one in 10 level 3 apprentices gained promotion with the same employer, as opposed to one in 25 level 2 apprentices.

Summary

63. At their best, apprenticeships are an effective method for developing a new employee's required skills and knowledge when they embark on their career. These good apprenticeships can meet the skills needs of a business and tackle local skills shortages. The good practice, such as that identified in this survey, must form the basis of the apprenticeships offered in the future so that they are targeted towards recruiting 16- to 24-year-olds into jobs that add value to their careers and to their employer's business.

Notes

The aim of this survey, as indicated by Her Majesty's Chief Inspector's 2013/14 Annual Report, was to identify the benefits of apprenticeships to employers, individuals and the economy. For the initial phase of this work, inspectors reviewed the available data and evidence on apprenticeships. This included scrutiny of qualification success rate reports, outcomes of further education and skills inspections between the 2013/14 and 2014/15 academic years, Ofsted's previous survey reports on apprenticeships and other external research. This generated a number of key research questions:

1. What evidence is there that current apprenticeships lead to: improved skills and job progression for apprentices; improved productivity and workforce capacity for the employer; and skills shortages being filled – locally and nationally?
2. What works well, and not so well, in current apprenticeships, including the new apprenticeships in Trailblazers, and why; what are the underlying principles that lead to apprenticeships succeeding or failing?
3. What are the most important influences on the range and availability of apprenticeships and are sufficient young people (aged 16-18 and 19-24) taking apprenticeships?
4. How has the quality of apprenticeships changed in the last two years?
5. Are employers prepared for, and willing to take on, the responsibilities in the new model of apprenticeships?

To answer these questions in more depth, inspectors carried out fieldwork through visits to 22 further education and skills providers. Data were used to identify providers that featured a high prevalence of apprentices and the providers visited were purposively selected from this sub-sample. They were also selected to include a range of differing geographical contexts (large urban areas, coastal communities,

rural settings and regions with significant growth in employment or considerable decline) to capture the variation in the quality of provision. In total, 10 of the providers visited were further education colleges, eight were independent learning providers, three were employer providers and one was an adult and community learning provider. This sample featured a slight bias towards providers judged to be good or outstanding for overall effectiveness.

During the visits, inspectors interviewed 106 managers, 30 stakeholders (including representatives of LEPs), 108 teaching and support staff and 89 employers. They also held discussions with 188 apprentices, mostly in focus groups of between three to 10 apprentices. The views of a further 709 apprentices and 204 employers (who were or had previously employed an apprentice) from the 22 providers visited were also collected via an online and paper-based questionnaire. Inspectors reviewed documents including self-assessment reports, strategic plans, action plans, data on apprentices' outcomes and individual learning plans to further validate the quality of the apprenticeships in these providers.

Inspectors corroborated the findings from the visits alongside evidence from 23 routine further education and skills inspections that took place between January and March 2015. This sample featured a slightly higher proportion of independent learning providers and was biased towards weaker provision, including providers that had been judged inadequate at this inspection. An additional interview with one provider was used to identify a specific example of good practice. The judgements from 330 section 5 inspections of secondary schools in 2014/15 were also reviewed to identify the quality of careers guidance students are currently receiving.

Questionnaire for employers

A questionnaire was sent to employers with apprentices at the 22 training providers visited by inspectors. 204 employers responded to this questionnaire. This questionnaire asked the following questions:

- Why do you recruit and train apprentices? (four options for answer plus free text)
- How well do the current arrangements for training apprentices meet your requirements? (five-point scale for answer)
- What do you see as the main barriers to increasing the number of apprenticeships for 16- to 24-year-old apprentices? (free text answer)
- How well prepared are you for the new arrangements for apprenticeships which are commencing in 2016? (five-point scale for answer)
- What are your views on the new arrangements that are proposed? (free text answer)
- Do you have any further comments including the extent, if any, of contact you have with the local enterprise partnership (LEP)? (free text answer)

Questionnaire for apprentices

A questionnaire was sent to apprentices at the 22 training providers visited by inspectors. Responses were received from 709 current apprentices. The questionnaire asked the following questions:

- Overall, how would you rate the general careers advice you received at school or college? (five-point scale for answer)
- How did you find out about apprenticeships in general? (eight options for answer plus free text)
- If you were you told about apprenticeships at your last school or college how helpful was the advice you received? (five-point scale for answer)
- How much did the advice you received about apprenticeships at school or college influence your decision to take up an apprenticeship? (four-point scale for answer)
- What were you doing before you started your apprenticeship? (six options for answer plus free text)
- If you were already in your current job, how long had you been there before you started your apprenticeship? (three options for answer)
- How did you find your apprenticeship? (nine options for answer plus free text)
- What is the level of your apprenticeship? (four options for answer)
- Which sector best fits your job? (13 options for answer plus free text)
- How long will your apprenticeship last? (five options for answer)
- What age group were you in when you started your apprenticeship? (three options for answer)
- Who is responsible for your training at work? (four options for answer)
- When did you last learn a new skill or carry out a new task at work? (five options for answer)
- Have you improved the standard of your written English since starting your apprenticeship? (five options for answer)
- Have you improved the standard of your mathematics skills since starting your apprenticeship? (five options for answer)
- In a typical month, how many days do you undertake formal training away from your workplace? (four options for answer)
- How much opportunity have you had to take extra qualifications, or learn additional skills, that will enhance you career prospects after your apprenticeship? (four options for answer)
- Are you on target to complete your apprenticeship? (four options for answer)

- Have you ever been asked to do something at work that you did not feel sufficiently trained or prepared for? (three options for answer)
- Have you been told about the full range of options available to you once you have completed your apprenticeship, for example, the jobs you can do, the opportunities to progress to a higher level of training? (two options for answer)
- What will your apprenticeship lead to? (10 options for answer plus free text)

Research publications feedback

We are interested in finding out how useful you have found this publication.

Are you thinking of putting these ideas into practice; or already doing something similar that could help other providers; or are you just interested? We would welcome your views and ideas. Complete our survey [here](#).

Annex A: Background information

Until 2010, the previous 25 years had seen little investment in apprenticeships. In 2005, the then government introduced Train to Gain as a means to provide training for employees who lacked qualifications, largely through national vocational qualifications (NVQs). Inspections found that the take-up of this provision was very high, as was the achievement of NVQs, especially at level 2. In 2011, the public funding for this provision was withdrawn. Funding remained available to train employees, but these learners were required to complete an apprenticeship framework that included a substantial amount of training alongside the completion of an NVQ.

Apprenticeships are offered in a wide range of business sectors, with over half in business, administration and law, and health and care. The chart below shows the number of apprentices aged 16 to 23, and 24 and over who left their programme in 2013/14 according to business sector areas.²⁰

SSA Tier 1	Number of 2013/14 leavers	Number of 2013/14 leavers aged 16-23	Number of 2013/14 leavers aged 24 and over
Business, Administration and Law	114,810	56,440	58,360
Health, Public Services and Care	84,140	34,910	49,230
Retail and Commercial Enterprise (includes hairdressing)	77,320	43,860	33,460
Engineering and Manufacturing Technologies (includes motor vehicle)	50,120	34,550	15,570
Leisure, Travel and Tourism	12,220	9,020	3,210
Construction, Planning and the Built Environment	11,960	10,610	1,360
Information and Communication Technology	10,580	7,200	3,390
Agriculture, Horticulture and Animal Care	5,870	4,450	1,410
Education and Training (mostly teaching assistants)	5,750	1,590	4,160

The purpose of apprenticeships is to equip employees for sustained employment by providing them with:

- substantial and sustained on-the-job and off-the-job training when starting a skilled occupation
- high levels of competency in this occupation to current industry standards
- significant new knowledge and understanding relevant to the industry that will prepare them for future progression and responsibility

²⁰ SFA: national success rates tables 2013 to 2014, Skills Funding Agency and Department for Business, Innovation and Skills, July 2015; www.gov.uk/government/statistical-data-sets/sfa-national-success-rates-tables-2013-to-2014.

- transferable employability skills, such as problem solving, communication, self-management and effective participation
- skills in English and mathematics that relate to apprentices' role at work, as well as a qualification.²¹

Currently, providers are paid by government to deliver apprenticeships to 16- to 18-year-olds. In 2011, the Wolf report on vocational education recommended that the employers of apprentices aged 16 to 18 should be eligible for payments and that funding of apprenticeships should be reviewed to drive out expenditure on 'brokerage or middleman' activities that do not add value.²²

In 2012, the Richard review²³ recommended the redefining of apprenticeships so that they were targeted only at those who were new to a job or role that requires sustained and substantial training. It emphasised the need to focus on what the apprentice can do when they complete their training and freeing up the process by which they get there. The report also recommended that:

- recognised industry standards should form the basis of every apprenticeship
- all apprentices should reach a good level in English and mathematics before they can complete their apprenticeship
- government funding must create the right incentives for apprenticeship training; the purchasing power for investing in apprenticeship training should lie with the employer
- groups of smaller employers should be helped by government bodies to become direct providers of training, possibly through encouragement of GTAs.

The government has responded by introducing a comprehensive reform of apprenticeships that is being trialled through Trailblazers. The reformed apprenticeships are expected to have fewer and simpler standards that have been designed by employers and include assessment by an end test.²⁴

²¹ For further information about the purpose of an apprenticeship see: *Future of apprenticeships in England: implementation plan*, BIS/13/1175, 2013; www.gov.uk/government/consultations/future-of-apprenticeships-in-england-richard-review-next-steps.

and

Statement on apprenticeship quality, SFA 2013;

Apprenticeship Trailblazer quality standard, SFA 2015

<http://traineeships.apprenticeships.org.uk/partners/policy/apprenticeship-delivery-models.aspx>.

²² *Review of vocational education: the Wolf report*, Department for Education and Department for Business, Innovation and Skills, September 2014; www.gov.uk/government/publications/review-of-vocational-education-the-wolf-report.

²³ *The Richard review of apprenticeships*, Department for Business, Innovation and Skills, November 2012; www.gov.uk/government/news/the-richard-review-of-apprenticeships.

²⁴ www.gov.uk/government/publications/apprenticeship-reforms-progress-report

By June 2015, 129 new apprenticeships had been approved and an estimated 300 apprentices were enrolled on Trailblazer apprenticeships in the motor vehicle, energy and utility, and life and industrial science sectors. This compares with an estimated 776,500 apprentices enrolled on other apprenticeships under current framework arrangements.²⁵

Annex B: List of providers visited in the survey

Provider	Local authority
Blackpool & The Fylde College	Blackpool
Blue Training (UK) Limited	Oldham
Bury College	Bury
Cambridge Regional College	Cambridgeshire
Cheyne's Training	Croydon
City of Wolverhampton College	Wolverhampton
Exeter College	Devon
Hackney Community College	Hackney
Herefordshire and Ludlow College	Herefordshire
Hoople Limited	Herefordshire
Keits Training Services Limited	Hertfordshire
Kensington & Chelsea College	Kensington and Chelsea
Mercedes-Benz UK Limited	Milton Keynes
Nestor Primecare Services Limited	Suffolk
Newham College of FE	Newham

²⁵ www.gov.uk/government/statistics/learner-participation-outcomes-and-level-of-highest-qualification-held
and
www.gov.uk/government/collections/apprenticeship-standards.

PETA Limited	Portsmouth
Poultec Training Limited	Norfolk
Riverside Training limited	Herefordshire
Rochdale Training Association Limited	Rochdale
Skills to Group Limited	Devon
South Essex College of Further and Higher Education	Southend on Sea
Toyota (GB) PLC	Nottingham

List of providers from which additional information from routine inspection was captured for the survey

Provider	Local authority
Aspiration Training Limited	Worcestershire
Avanta Enterprise Limited	Westminster
Broadland District Council	Norfolk
Bolton College	Bolton
Central Training group	London Borough of Islington
County Training Limited (Shropshire)	Shropshire
Focus Training (SW) Limited	Plymouth
Herbert of Liverpool (Training) Limited	Liverpool
ID Training	Newcastle upon Tyne
John Laing Training	Hertfordshire
LIGA (UK) Limited	Oxfordshire
lookfantastic Training Limited	Brighton and Hove
PERA Training Limited	Leicestershire

Select Service Partner UK Limited	Camden
ShIPLEY College	Bradford
The Apprentice Academy Limited	Manchester
The Training and Recruitment Partnership Limited	Manchester
The Virtual College	Bradford
Thomas Cook Group UK Limited	Peterborough
Total People (subsequently managed as part of The Manchester College)	Cheshire East
Training Strategies limited	Liverpool
Wakefield College	Wakefield
Weir Training Limited	Surrey
Wigan and Leigh College	Wigan