

## Y Pwyllgor Menter a Busnes

---

Lleoliad:  
Ystafell Bwyllgora 3 – y Senedd

---

Dyddiad:  
Dydd Iau, 24 Mai 2012

---

Amser:  
09:15

---

Cynulliad  
Cenedlaethol  
Cymru

National  
Assembly for  
Wales



I gael rhagor o wybodaeth, cysylltwch â:

**Siân Phipps**  
Clerc y Pwyllgor  
029 2089 8582  
[enterprise.committee@wales.gov.uk](mailto:enterprise.committee@wales.gov.uk)

---

### Agenda

---

Cyfarfod preifat cyn y prif gyfarfod (09.15 – 09.30)

#### 1. Cyflwyniad, ymddiheuriadau a dirprwyon

#### 2. Ymchwiliad i brentisiaethau yng Nghymru – Sesiwn dystiolaeth (9.30 – 10.15) (Tudalennau 1 – 10)

Papur 1

Gyrfa Cymru

Trina Neilson – Prif Weithredwr

Shirley Rogers – Cyfarwyddwr Rhanbarthol

#### 3. Ymchwiliad i brentisiaethau yng Nghymru – Sesiwn dystiolaeth (10.15 – 11.00) (Tudalennau 11 – 21)

Papur 2

Ffederasiwn Busnesau Bach Cymru

Iestyn Davies – Pennaeth Materion Allanol

Wayne Davies –

#### 4. Ymchwiliad i brentisiaethau yng Nghymru – Sesiwn dystiolaeth (11.00 – 12.00) (Tudalennau 22 – 49)

Papur 3

e-skills UK

Peter Shishton – Rheolwr Cymru

Mel Welch – Rheolwr Llwybrau

Papur 4

Cyngor Gofal Cymru

Roberta Hayes – Cyfarwyddwr Dysgu a Datblygu

Jacky Drysdale – Rheolwr Cyflenwad Dysgu Addysg Bellach

Papur 5

Sgiliau Ynni a Chyfleustodau (Cymru)

Aled Davies – Rheolwr Cymru, Sgiliau a Chyfleustodau

Helen White – Rheolwr Prentisiaethau

## Enterprise and Business Committee

APP07

### Inquiry into Apprenticeships

#### Evidence from Careers Wales

Careers Wales welcomes the opportunity to comment on Apprenticeships Wales.

#### The terms of reference

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

#### Key issues

- How effective is employer involvement in the apprenticeship system in Wales? Has this changed as a result of the current economic circumstances? Are employers able to find sufficient numbers of young people with the skills and aptitudes that they require? Do relationships between employers and training providers work effectively? Are apprenticeships still limited to certain sectors?
  - Careers Wales has seen a rise in the number of employers expressing interest in apprenticeships but this is not uniform across Wales or sectors. To date 545 apprenticeships have been advertised via AMS with 81% of the employers being SMEs employing less than 50 employees. However, it is often the larger employers that tend to recruit year on year.
  - From our work with SMEs it is sometimes apparent that they can struggle to identify the future skills needed by their industry.
  - Training provision is not always available locally and this combined with travel time and in some areas limited travel options limit the opportunities for the employer and the employee.
  - Further marketing campaigns and communication strategies which are joined up across the network of key players illustrating the benefits to employers, including success stories, would help to increase understanding of apprenticeships and the benefits they bring to business to help increase employer demand.

- The current economic climate has contributed to the increase in the number of employers interested in apprenticeships. It is a cost effective way to recruit. The lower National Minimum Wage (NMW) and Young Recruit's Programme (YRP) make apprenticeships an attractive offer.
- Due to challenges of the current economic climate and the impact on employment, employers have more choice than ever when it comes to recruiting apprentices due to the availability of people with higher qualification levels, skills and experience hence increasing the average age of recruits. However, less young people are entering apprenticeships after leaving school at 16, opting for FE and return to sixth form as an alternative route. This is evidenced through the destination statistics of school leavers produced by Careers Wales.
- At recent meetings with large national employers it was suggested they are inundated with good quality applications e.g. last year Scottish Power had 800 applicants for 10 posts in North Wales. However, more locally and with SMEs this is not always the case, especially depending on the time of year that they advertise. The more rural SME's without good transport links struggle to fill apprenticeships.
- Training providers generally have effective employer engagement strategies that have a range of aims – including securing opportunities for traineeships level 1 and 2 training and Apprenticeships. However, there are a number of considerations that might mitigate against an employer taking on an apprentice and lead them take a young person on lower level training instead:

Financial reasons – the costs of taking on and training an apprenticeship

Understanding the benefits of recruiting at apprenticeship level as opposed to taking them on at a lower level and progressing them through to apprenticeship as appropriate

Knowing what they want and need to develop the business and willingness to make a long-term commitment

An understanding of how flexible an apprenticeship might be (e.g. shared apprenticeship) and how it can be achieved

- Employers generally work well with providers once they have established a working relationship
  - There are concerns about the availability of qualifications in new sectors and lack of training provision in some areas e.g. print industry, finance/accounting. We have employers wishing to recruit apprenticeships where qualifications aren't available locally e.g. Laboratories, carpet flitters, roofers.
  - Apprenticeships are often more limited by employer's lack of knowledge of funding or understanding of how to set up an apprenticeship.
- **Do social enterprises make effective use of apprentices?**

- YRP is not available to organisations that are publically funded and this may have an adverse effect on recruitment
  - Social enterprise sometimes look for an approach where apprentices can tap into a variety of occupational areas, however, there is no framework for this catch all approach and enterprises may decide to work on a different basis
- **Has the number of apprentices employed by local authorities, and the public sector generally, increased or decreased? Should the public sector be recruiting more apprentices?**
- There has been no discernible change to the numbers of apprenticeships available in the Local Authorities or the public sector. Public sector organisations should be taking the lead in recruiting more young people however Careers Wales has noted that sometimes the bureaucracy involved in gaining agreement internally, developing policies/strategies and agreeing the linkages to training providers can slow the whole process down. Guidance to public sector employers regarding the % of vacant posts to be filled via apprenticeship may help to support recruitment of more young people.
- **The Welsh Government is encouraging Community Benefits clauses in public sector contracts which can be used to promote the employment of trainees and apprenticeships. Is this an effective mechanism for increasing the numbers of apprentices?**
- Yes, we have seen an increase in the number of apprenticeship opportunities arising from clauses in public sector contracts, some (but not all) contractors have been pro-active in contacting Careers Wales to help recruit young people into these opportunities. This practice should be extended and normalised into public sector contracts. It may be helpful to include this clause in subcontracting arrangements.
  - There is a need for some standardisation here so that employer/WBL provider and apprentices all understand what is on offer
- **What is the average profile of an apprentice, for example age, gender, employment sector? Is this profile changing and, if yes, what are the reasons for this? The National Training Federation for Wales reports that the average age for an apprentice is 26. What are the reasons for this? Are apprenticeships generally successful from the perspective of the apprentice? Have apprenticeship completion rates changed in recent years? In practice, are apprentices guaranteed a job at the end of the apprenticeship?**

- The average age has certainly increased. The traditional notion of an apprentice at age 16 is no longer a reality reflecting the higher staying on in education rates at 16 now reaching 85% of the leaver cohort. Employers are able to recruit higher qualified and skilled apprentices or even convert current employee's e.g. operative roles to higher level training.
  - The apprenticeship NMW applies to all ages in 1<sup>st</sup> year and therefore an employer can afford to take a more experienced person on.
  - Apprentices are frequently existing employees who are offered training by their employer and not the image in the minds of the public of the 16 year old school leaver recruited to undertake a 4 year apprenticeship
  - NTFW average age 26 is based on those currently enrolled on apprenticeship framework rather than the age of those actively seeking.
  - Providers often approach employers with staff in post and covert to apprenticeships with the majority of employees being over 19. This is an easy way to meet targets
  - Traditional gender trends are still recognisable.
  - Apprentices are not always guaranteed a job further complicated by the current economic climate.
  - Apprentices are generally positive about the training particularly in well-established routes like construction and mechanics where qualifications completed have industry recognition
- **Do Careers Wales and Jobcentre Plus provide effective support for people wanting to find apprenticeships? Does the new Apprenticeship Matching Service, run by Careers Wales, work effectively?**

The Apprenticeship Matching Service is hosted on careers wales .com and we support the facilitation of the site.

- Careers Wales effectively support and place young people into opportunities in education, employment or training. We offer a comprehensive range of support services to young people seeking work-based learning and apprenticeships. This includes:
  - Impartial careers, information, advice and guidance to support the development of career management and employability skills, including job search and interview skills
  - Expert knowledge of the local and national economy and current availability of apprenticeships.
  - Strong links with JCP, employers and WBL providers
  - School-based provision which includes information and careers guidance in relation to:

- options, career choices, appropriate routes (including apprenticeships) and labour market opportunities
  - raising awareness of careerswales.com, the Apprenticeship Matching System, Jobs Growth Wales and other opportunities
  - We undertake Skills Health Check Assessments to help young people to become more vocationally focused and understanding / demonstrate their readiness to take up an apprenticeship or other employment opportunities
  - We maintain regular contact with young people seeking apprenticeships and assist them with their career planning and jobs search
  - We take a proactive approach to marketing Apprenticeships, careerswales.com and the Apprenticeship Matching Service
  - We support the application and search process providing mediated support for young people to access AMS
- AMS generally works effectively and the majority of training providers and their consortium members are using it well. Feedback is generally positive from employers and clients and applicants are successful in getting into apprenticeships
  - AMS was established to be an unmediated tool but this is not the case as employers have requested support. Employers vary in their confidence levels of using IT for recruitment. We have examples of employers who have stated they're willing to use the AMS but did not open the application forms. Particularly small employers find this difficult and state they do not have the time to go through the AMS process without our support.
  - AMS does not suit all employers preferred methods of recruitment
  - In some cases whilst employers are logging vacancies they are not always using AMS as their preferred method of recruitment. Many vacancies logged on AMS are subsequently filled outside the system. This could be because employers are uncertain about the system or that they recruit to an apprenticeship or vacancy in a variety of ways some of which are informal. Apprenticeships are also being filled through progression from a level one work based learning route and are not advertised on AMS. Similarly providers are converting existing employees of companies to apprentices outside of AMS.
  - 539 employer records have been created between 1.6.10 -31.3.12 and 1629 individuals have applied for apprenticeships advertised.
- **Why do young people decide to be apprentices? What factors influence their decision?**

- Young people don't decide to be apprentices they identify a career and investigate routes available, working with their careers adviser to identify the suitable pathway for them.
- The school leaving date remains for most 16/17 year old unchanged ;however as employers can recruit and apprentice at any time there is no longer a ' recruitment period' running up to school leaving by any employers other than national organisations so there is no promotional impetus to encourage young people or their parents to make timely submissions
- There are a number of reasons why a young person might choose to be an apprentice and many factors influence this decision. These include:
  - Access to impartial careers information, advice and guidance from Careers Wales to support career planning and application to chosen route
  - An important consideration is whether they feel confident that it is a realistic option when compared to the staying on in education. In this context, confidence can be gained from there being sufficient opportunities in their locality and in their chosen occupational routes.
  - Entry requirements and whether they feel they can achieve them.
  - The timing of the opportunities. Young people (and their parents) plan their next steps from Year 11, 12 and 13 throughout the year. Being able to see the Apprenticeship opportunities they can apply for in advance (as with school, college and HE) can be a major factor in whether they apply for an Apprenticeship (instead of or alongside other options)
  - Training, qualifications and career opportunities are a major consideration and understanding these is crucial for both young people and parents
  - The type and reputation of the employer is often seen as an important consideration.
  - Financial considerations: particularly important when you consider the economic climate and developments in HE funding (and the associated cost). Training/learning without debt of HE in the current economy makes the chance of paid apprenticeships an attractive option
  - AMS, hosted on careerswales.com, offers employers, training providers and young people seeking Apprenticeships an opportunity to view all WG-funded Apprenticeships and has links to other vacancies and larger employers who run their own apprenticeship schemes.

- **Are apprenticeships an attractive option for young people of all abilities or are apprenticeships seen as a second best option compared with higher education? Are attitudes changing and if yes, what are the reasons for this?**



- Apprenticeships are still not viewed by many including young people, teachers and parents as comparable to Higher Education or to studying within the FE or sixth form environment
  - In general academically able young people and their parents and those from some ethnic minority groups appear to value higher education more than they do apprenticeships. This is often down to a belief that remaining in school or FE will lead to better employment prospects.
  - School culture does not always support academically able young people to consider an apprenticeship as a career. The issue is one of perception of teachers, young people and parents, they are not sure an apprenticeship offers comparable career progression opportunities when compared to staying on in school, FE or progressing to HE. The increased vocational choice in schools and the pressure on school sixth forms to attract numbers also influences the schools attitudes to apprenticeships. More young people are therefore remaining in education on a vocational route but are not necessarily progressing onto an apprenticeship on leaving vocational education.
  - Trade apprenticeships (which are traditionally male dominated) do have more parity with HE than the less traditional apprenticeships and this is down to the quality of provision. Time served apprentices are valued by employers however in other routes you can do a level 2 foundation apprenticeship in less than six months and the time served element is missing. This leads to questions over quality and appropriateness of the route. Apprenticeships are also compared to education based qualifications when the ultimate aim is to develop a skill set including developing the person and that takes time.
  - Anecdotal evidence suggests attitudes to apprenticeships are changing especially at age 18 when young people balance the costs of financing a degree compared to an opportunity to start earning whilst learning.
  - Strategies to increase the number of apprenticeships, systems for ensuring they are available at the right time and effective marketing are all part of the solution to give more able young people and their parent's confidence to apply for apprenticeship opportunities
  - With the impending launch of JGW, there is an opportunity to promote a wider range of opportunities to young people and work with employers to convert a significant percentage of JGW opportunities into apprenticeships.
- **Are apprenticeships fully understood by those who have most influence on the choices of young people for example parents/carers, careers teachers in schools, teachers generally? Is there too much complexity and choice of programme?**
- As apprenticeships in recent years have largely been taken up by adults already in the workplace, opportunities for young people to apply for apprenticeship vacancies have been limited.

- Often those with influence (as stated above) are reluctant to promote apprenticeships until there is an opportunity in place. By the time an opportunity is advertised, young people who may be well suited to the opportunity will have their career plans in place. As a result employers may not always be seeing the best possible applicants for the post. As funding priorities have now changed to the younger age group, there is a lot of work required to re-educate the influencers on what is (or may be) now available and realistic for young people. This is a chicken and egg scenario.
  - It would appear that some schools are reluctant to recognise apprenticeships as a realistic option for brighter pupils. The post 16 learning/training environment can be complex and competition amongst providers is not always helpful e.g. increase in the number of schools offering vocational options (sometimes without experienced tutors /equipment). This has increased the number of pupils opting to remain in the safe environment of school rather than making a more suitable career decision e.g. apprenticeship.
  - Marketing and awareness raising needs to improve to embrace all key influencers. Apprenticeships should be promoted as one of the Pathways a young person can take to achieve a Degree.
  - There is complexity in the system which can confuse e.g. recruitment process sometime employer recruits other times it is through a work based learning, different levels of qualifications are not always understood provider, different levels not always understood e.g. level 3 in hairdressing does not directly relate to level 3 in aircraft engineering
  - Parents frequently do not understand for example how both a plasterer and a professional engineer(with a degree) can both have started as an apprentice
- **How effective is Welsh Government policy on apprenticeships? How does its policy of apprenticeships fit into its wider economic and skills strategies?**
- Careers Wales believes policy is beginning to make an impact. The Young Recruits funding in addition to the apprentice minimum wage makes apprenticeships a realistic option for employers in the current economy. Finance is an important influence for people when making a career choice. Apprenticeships offer the opportunity to continue with learning, gaining recognised qualifications whilst being able to earn .Apprenticeships offer opportunities for those young people better suited to practical environment and work based learning
  - There is a need however, for greater flexibility on response to local need in terms of routes. Often the challenge is the lack of 'on the job' experience on the ground locally to enable the skills development to happen. Do we need to revert back to training centres, or increase the capacity for colleges to engage more students?

- The Cwmni Prentis Menai is a good model but Coleg Menai took a risk in undertaking this function.
  - Planning appears to be on historic data. Providers continue to train apprentices in routes that may not meet labour market demand e.g. hairdressing is a saturated market yet excess of 800 apprenticeships are funded in this route.
  - Welsh Government has an enormous task ahead to promote Apprenticeships –they need to be seen as one of the Pathways a young person can take to achieve a Degree. Marketing is Key.
  - Establishing of standards and framework takes a long time. From the point a SSC announces they are working with WG learning providers and employers to introduce new routes to that being piloted and made available can take years.
- **Education and training, including apprenticeships are devolved matters, but employment law is not. Do young people have sufficient rights and access to apprenticeship training? If not, how could the situation is improved?**
    - They have the right to access apprenticeships, minimum wage and support AMS. However there are not enough training routes, flexibility or enough opportunities
- **Are the Sector Skills Councils (SSCs) promoting and supporting apprenticeships effectively? How does the capacity of SSCs affect their performance in this area?**
    - This varies considerably across sector, some like Construction Skills are effective on the ground promoting and engaging with local employers.
    - SSCs are represented on local planning groups but their impact is often minimal.
    - Practice of shared apprenticeships need to be encouraged. SSC should be the agencies to do this bringing likeminded employers together to share costs and benefits
    - There is a good website if you know where to find it. Many sector frameworks are not available in wales
- **Is European funding being used to support apprenticeships effectively?**
    - This is questionable and is inequitable across Wales determined by ESF status, competitive areas are at a considerable disadvantage
    - More funding needs to be made available directly for employers (especially SMEs) to be able to employ young people and create apprenticeship opportunities. It would be a great incentive for an employer to take someone on Jobs Growth Wales followed by further employment support costs to progress them in to an apprenticeship

opportunity if the young person was suitable. However the bureaucracy , number of organisations involved and the lack of understanding about linkages between various schemes and projects together with criteria and conditions mean SMEs in particular are unlikely to benefit

- A major consideration for employers (especially SMEs) is the cost of taking on an apprenticeship and the commitment to training. Financial support, properly targeted and administered, could be an important element of a wider strategy

■ **Are there examples of good practice apprenticeship systems in other countries that Wales can learn from?**

- The parity of esteem of vocational training and apprenticeships with academic study in countries such as Belgium and Germany is to be applauded.
- Appropriate investment in vocational learning and training in these countries with high quality learning venues, provision and support. Young people view these options as a first choice not a second option to academic study or as a choice when failing to achieve grades for academic progression.

---

# Enterprise and Business Committee

---

Inquiry into  
Apprenticeships in  
Wales

---

30<sup>th</sup> April 2012

---





## **Inquiry into Apprenticeships in Wales**

### **The Federation of Small Businesses in Wales**

FSB Wales is the authoritative voice of small businesses in Wales. With 10,000 members, a Welsh Policy Unit, two regional committees and 12 branch committees, FSB Wales is in constant contact with small businesses at grassroots level. It undertakes a monthly online survey of its members as well as an annual membership survey on a wide range of issues facing small business.

FSB Wales is an integral part of the Federation of Small Businesses, the UK's largest campaigning pressure group promoting and protecting the interests of the self-employed and owners of small firms. Formed in 1974, it now has 200,000 members across 33 regions and 194 branches.

This submission takes a broad approach to the terms of reference and examines the issues at hand with examples from a broad section of the FSB Wales membership. The submission is based on ongoing engagement with FSB Wales members and in depth research carried out for the purpose of responding to this inquiry.

### **Executive Summary**

Whilst many of the macro-economic levers that could stimulate the Welsh economy are the responsibility of the UK Government; FSB Wales believes that the skills agenda is one of the most potent tools available to the Welsh Government. The Wales Employment and Skills Board (WESB) note that:

*“Skills are critical to employment and they enable communities and families to exploit new opportunities. Skills certainly have a critical role in supporting economic development, but the supply of, and planning for, skills has to be driven by real demand”<sup>1</sup>*

Providing a strong supply of skills and matching this supply with the demands of employers in Wales would increase productivity and enable Wales' small businesses to be competitive in the global economy. This is especially true in the case of apprenticeships that have traditionally provided a strong emphasis on workplace learning under the leadership of employers. A recent FSB Wales member survey showed that only 11% of small businesses surveyed in Wales had taken on an apprentice in 2010, highlighting the need for help and encouragement for small businesses to consider apprentices a viable option<sup>2</sup>.

FSB Wales believes that the barriers for small businesses wishing to take on apprentices should be removed by creating meaningful incentives that would provide real benefit. Employer engagement should be at the heart of apprenticeship strategies, with the benefits to businesses considered at every stage. FSB Wales believes that this will lead to meaningful employment for both the apprentices and small businesses.

---

<sup>1</sup> WESB. 2010. *Moving Forward: Foundations for Growth* [Online]. Available at: <http://wales.gov.uk/docs/dcells/publications/100623volume1en.pdf> (accessed 23rd April 2012).

<sup>2</sup> Federation of Small Businesses. 2011. *Raising the Standards: an FSB skills survey* [Online]. Available at: <http://www.fsb.org.uk/policy/assets/skills%20report%20final.pdf> (accessed 24<sup>th</sup> April 2012).



FSB Wales also believes that the benefits of vocational study, such as apprenticeships, should be clearly highlighted to pupils in Wales from a young age. It is vitally important that the balance between vocational and academic study is addressed in order to achieve parity. This should also be reflected in the quality of apprenticeships.

Finally, the recent FSB Wales *Voice of Small Business* member survey highlighted how 12% of members in Wales believed that recruiting staff was a barrier to success<sup>3</sup>. FSB Wales would welcome any moves by the Welsh Government to provide support to small businesses in the recruitment process, noting a WESB report which states that; “[t]here is evidence that SMEs find recruitment expensive and initiatives which minimise employer costs are more likely to be successful”.<sup>4</sup>

## Methods Statement

The research undertaken to inform this submission was based on in-depth qualitative interviews with 20 individual members of the Federation of Small Business in Wales. The interviews took place between late March and mid April 2012 and were followed up by further telephone interviews and submissions via email. A representative cross section of FSB Wales members were interviewed across Wales. Questions were designed to elicit information from FSB Wales members on issues around skills policy, with a specific section dealing with apprenticeships. FSB Wales hopes the Enterprise and Business Committee finds this submission informative.

FSB Wales were assisted in this research exercise by Positif Politics; however the opinions cited are solely those of the Federation of Small Businesses.

## Apprenticeships in Wales

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

As highlighted in the executive summary, skills are critical to economic development in Wales<sup>5</sup>. FSB Wales acknowledges the Welsh Government’s Economic Renewal Programme (ERP) and its sectoral approach. However, the skills mismatch in Wales has an effect on all sectors of the Welsh economy and the skills agenda should address the Welsh economy in its entirety. The recent UK Commission on Employment and Skills (UKCES) skills audit for Wales highlights the damaging impact of skill mismatches on the Welsh economy and suggests that:

---

<sup>3</sup> Federation of Small Businesses. 2012. ‘*Voice of Small Businesses’ member survey* [Online]. Available at: <http://www.fsb.org.uk/wales> (accessed 20th April 2012)

<sup>4</sup> WESB. 2009. *Employment Programmes in Wales: Barriers to Success and Best Practice from an Employer Perspective* [Online]. Available at: <http://wales.gov.uk/docs/dcells/publications/090821employmentprogrammesen.pdf> (accessed 23rd April 2012).

<sup>5</sup> WESB. 2010. *Moving Forward: Foundations for Growth* [Online]. Available at: <http://wales.gov.uk/docs/dcells/publications/100623volume1en.pdf> (accessed 23rd April 2012).



*“An effective response, however, also requires that individuals pursue skills and qualifications that employers really do need which is dependent on the effective transmission of intelligence about opportunities in the labour market.”<sup>6</sup>*

Respondents to the FSB Wales survey reinforced this point, noting that the Welsh Government should support the Welsh economy by ensuring that the skills provided accurately reflect local economies and the labour market. One respondent stated:

*“I think that the Welsh Government should be looking to support Welsh businesses, to do this young people must be ready to enter the Welsh workplace – the Government should ensure young people are trained to work in the jobs that are available.”*

Many FSB Wales respondents feel that the Welsh Government’s best method of supporting small businesses is to increase the skills and training of employees. This will increase productivity and profitability of small business, an assertion that is also supported by academic literature on skills and training<sup>7</sup>. FSB Wales welcomes moves towards greater availability of Labour Market Intelligence to the Welsh Government and would like to reiterate the importance of matching the supply of skills with demand. This is best achieved through employer engagement and FSB Wales notes the UKCES report that identifies deficiencies in Labour Market Intelligence in Wales that was *“limited by a lack of current employer survey data on skills deficits, with the most recent data source, the Future Skills Wales survey of 2005, being six years old”<sup>8</sup>*.

FSB Wales notes that the UK Government is currently piloting an Employer Ownership of Skills project that would allow employers to design and deliver their own training solutions<sup>9</sup>. Reflecting on this, FSB Wales urges the Welsh Government to examine methods of working that would allow small businesses to create solutions to small business skill problems.

## **2. Is the current apprenticeship system meeting the current and future skills needs of employers in Wales? If not, what needs to be improved?**

FBS Wales believes that more attention is needed in linking up the needs of employers with skills provision in Wales. By aligning the needs of businesses in Wales with the provision of skills, small businesses will be able to recruit the talent they need to grow their businesses. The Sector Skills Councils have a large role to play in informing the Welsh Government’s Economic Renewal Programme to determine employer needs.

There is a general consensus amongst FSB members that there are too many different qualifications available that are not always useful to the labour market and that there is a failure of the education

---

<sup>6</sup> UKCES. 2011. *Skills for Jobs. The National Strategic Skills Audit for Wales 2011 – Volume 1: Key Findings* [Online]. London; UKCES. Available at: <http://www.ukces.org.uk/assets/ukces/docs/publications/nssa-wales-2011-executive-summary.pdf> (accessed 23rd April 2012).

<sup>7</sup> Delbridge, R. *Et al.* 2006. *The Organisation of Productivity: Re-thinking Skills and Work Organisation*. London; The Advanced Institute of Management Research.

<sup>8</sup> UKCES. 2011. *Skills for Jobs. The National Strategic Skills Audit for Wales 2011 – Volume 1: Key Findings* [Online]. London; UKCES. Available at: <http://www.ukces.org.uk/assets/ukces/docs/publications/nssa-wales-2011-executive-summary.pdf> (accessed 23rd April 2012).

<sup>9</sup> UKCES. *Employer Ownership of Skills – Pilot* [Online]. Available at: <http://www.ukces.org.uk/employeroownership> (accessed 30th April 2012).





system to adequately address issues around literacy and numeracy; which is reflected in Wales' PISA rankings<sup>10</sup>. FSB Wales members also frequently report difficulties in obtaining younger staff that have the soft skills necessary in the work place. Issues referenced by members include punctuality, workplace awareness and a positive attitude towards work.

*“Employability skills do not feature in compulsory education and they should – this is what employers are interested in, specific training for work can be given on the job. The careers/work experience system is broken – the work experience system needs to be more robust and make clearer what employers require”.*

A number of members said that a qualification that demonstrated basic literacy and numeracy would be beneficial, though others felt that it would be better if they could be sure this was included in the current systems of qualifications. In essence, many of our respondents felt that rather than adding new qualifications, the Welsh Government should seek to reform or fix the existing methods of assessment.

However, one respondent noted that “[a] qualification that reflected employer expectations would be very welcome”. This reflected wider concerns that the present system of qualifications is not providing employees with adequate skills to reflect the needs of their business. Amongst a core group of respondents there was a general consensus that apprenticeships were a good way of training people in the unique skill sets that their businesses require. FSB Wales members were generally concerned that the education system is not providing the skills that businesses are most in need of.

With regards to the benefits of taking on an apprentice, one respondent said:

*“Yes, apprentices are great for me, I can train people to my specific needs and get good workers at the end. I will always consider apprentices as I need them.”*

This willingness amongst small businesses to employ apprentices is largely reflected in FSB Wales survey data which highlights that less than half of members would be willing to take on an apprentice with a wage subsidy, 22% with an upfront payment and 15% with an organisation that would help with the administration and HR aspects<sup>11</sup>.

FSB Members are keen that local training providers and the wider education system are able to accurately reflect the needs of local businesses, this will be particularly important in order to ensure that apprenticeship and skill frameworks are best placed to help small and medium sized enterprises in Wales. Members' comments on this were as follows:

*“[S]chools should work with local business to see where there are job opportunities and train people to fill the jobs.”*

---

<sup>10</sup> Bradshaw, J., Ager, R., Burge, B. and Wheeler, R. 2010. *PISA 2009: Achievement of 15-Year-Olds in Wales* [Online]. Slough: NFER. Available at: <http://www.nfer.ac.uk/nfer/publications/NPDZ02/NPDZ02.pdf>

<sup>11</sup> Federation of Small Businesses. 2011. *Raising the Standards: an FSB skills survey* [Online]. Available at: <http://www.fsb.org.uk/policy/assets/skills%20report%20final.pdf> (accessed 24<sup>th</sup> April 2012).



*“Schools and colleges should work more closely with local businesses, there should be more use made of ‘work experience’ to show children the world of work. Businesses should work with schools and colleges in deciding what to teach (or which way to teach some subjects).”*

*“Schools should have local business people/leaders on their boards of governors, local authorities should work with local business people and the local authorities and schools should have more freedom in setting curriculums.”*

FSB Wales believes that this could be achieved by ensuring that the structure of training consortia enables the needs of businesses in their local economies to be heard and this should be linked to the improvement of Labour Market Intelligence available to the Welsh Government. The role of small businesses in informing provision should be considered closely as part of the ongoing discussions around the School Standards and Organisation (Wales) Bill, particularly around increasing small business representation on school boards of governors.

### **3. With increased priority on apprenticeships for 16-24 year olds, are apprenticeships an attractive option for young people?**

FSB Wales believes that the perception of apprenticeships needs to be altered. Apprenticeships need to be considered a valuable alternative to university and full time further education and highlighted as a path to a successful career. Many respondents to the survey advocated further promotion of apprenticeships from an earlier age amongst young people. There was also a desire to promote the high quality employment that can be obtained through apprenticeships – many indicating that trades such as plumbing are often relatively highly paid occupations. For this to happen it is vital to preserve the quality of apprenticeship frameworks. The Welsh Government could consider actively promoting vocational qualifications as a viable alternative to academic study.

FSB Wales feels that the duration and branding of apprenticeships should be reflective of quality. FSB Wales would caution against any extension of the apprenticeship branding without necessary consideration of the quality an apprenticeship should provide<sup>12</sup>. There is also a need to ensure that Careers Wales and the work experience system are properly engaged to promote the benefits of workplace learning from a young age.

### **4. Do the systems for establishing Apprenticeship Standards and Frameworks and recruiting apprentices work effectively?**

Although most of the survey respondents were aware of the route to take on an apprentice, few were aware of the systems for establishing Standards and Frameworks. FSB Wales members indicate that many employers find the process of working with Careers Wales and Jobcentre Plus overly complex and bureaucratic. This is a concern for FSB Wales members, particularly when taken in the context of comments raised in the WESB report titled *Employment Programmes in Wales: Barriers to Success and Best Practice from an Employer Perspective* stating that “[t]here is evidence that SMEs

---

<sup>12</sup> Keep, E. and James, S. 2011. ‘Employer Demand for Apprenticeships’. *Rethinking Apprenticeships* [Online]. London’ Institute for Public Policy Research. Available at: [http://www.ippr.org/images/media/files/publication/2011/11/apprenticeships\\_Nov2011\\_8028.pdf](http://www.ippr.org/images/media/files/publication/2011/11/apprenticeships_Nov2011_8028.pdf) (accessed 26th April 2012).



*find recruitment expensive and initiatives which minimise employer costs are more likely to be successful”.*<sup>13</sup>

Some respondents indicated that they felt that it was not systematically in the interest of Careers Wales and Jobcentre Plus to provide them with the person most suited to the job, but rather to generate good results for statistical purposes. This is a discouraging finding and clearly remedial work must be undertaken to ensure that providers and statutory agencies are working effectively together to ensure that people are placed in the environment most suited to them and that they are also catering for the needs of small businesses in Wales. FSB Wales believes that ensuring the requirements of small businesses are met in the recruitment process will lead to greater outcomes in terms of sustainable jobs for apprentices.

The responses below highlight FSB Wales members’ perception of this issue:

*“My experience has been bad; they send me the first person available rather than helping me look for someone suitable.”*

*“Fairly good, they’re helpful and get the job done, though they can be a bit slow.”*

*“Some experience of working with Jobcentre Plus and Careers Wales, they’re often unhelpful and often seem like they’re just there to churn through paperwork”*

*“Extremely poor, our experience is as a provider or Work-based learning etc who understand the system. Hard to imagine the experience of being an employer and looking to engage.”*

*“Quite good, but there’s lots of paperwork which takes up lots of time and puts me off dealing with them.”*

*“We work with Careers Wales, we give work experience to school students, they are generally good to deal with.”*

A number of respondents pointed to the need to ensure high quality delivery of teaching in vocational qualifications and apprenticeships. Many suggested that this could be achieved by ensuring that workplace learning was a key component of vocational qualifications, or ensuring that teachers and instructors had links to industry and areas in which employment may be gained.

---

<sup>13</sup> WESB. 2009. *Employment Programmes in Wales: Barriers to Success and Best Practice from an Employer Perspective* [Online]. Available at: <http://wales.gov.uk/docs/dcells/publications/090821employmentprogrammesen.pdf> (accessed 23rd April 2012).



**5. How effective is employer involvement in the apprenticeship system in Wales? Has this changed as a result of the current economic circumstances? Are employers able to find sufficient numbers of young people with the skills and aptitudes that they require? Do relationships between employers and training providers work effectively? Are apprenticeships still limited to certain sectors?**

As highlighted previously, there was a great deal of concern amongst survey respondents that the present system of qualifications does not sufficiently demonstrate to employers that young people are able to carry out basic tasks or have appropriate skill sets. In particular, respondents were concerned that levels of literacy and numeracy amongst school leavers were inadequate. FSB Wales notes that this was often raised as a specific concern by those who take on apprentices, that they often find that remedial literacy and numeracy classes are needed.

The survey also highlighted that many employers said they had limited, or no experience of working with training providers in their area and that they also had limited and often poor working relationships with Jobcentre Plus and Careers Wales, as mentioned above. FSB Wales would like to see a strengthening of the role of employers in this respect and would urge the Welsh Government to use sensible language between training providers and employers to ensure that objectives are understood.

**6. Do social enterprises make effective use of apprentices?**

*Not Applicable.*

**7. Has the number of apprentices employed by local authorities, and the public sector generally, increased or decreased? Should the public sector be recruiting more apprentices?**

*Not Applicable.*

**8. The Welsh Government is encouraging Community Benefits clauses in public sector contracts which can be used to promote the employment of trainees and apprenticeships. Is this an effective mechanism for increasing the numbers of apprentices?**

FSB Wales welcomes community benefit clauses in public sector contracts, particularly those that seek to protect the supply chain by ensuring sub-contractors are paid for their services within reasonable time periods. However, the use of community benefit clauses should not act as a deterrent to small businesses that would otherwise be able to succeed in winning public sector contracts. FSB Wales would encourage procurement officers to make the process of tendering for public sector contracts as accessible as possible for small businesses. Where community benefit clauses are in place for larger firms, small businesses should be able to benefit from apprentices via schemes such as shared apprenticeships. This would provide a viable alternative to small businesses that would otherwise be unable to hire apprentices.



## 9. Do Careers Wales and Jobcentre Plus provide effective support for people wanting to find apprenticeships?

As noted above, many respondents reported significant issues with working with Job Centre Plus and Careers Wales. Many felt that their relationship with these statutory bodies was restricted by paperwork and that often they [the statutory bodies] were seeking to ‘tick boxes’ rather than provide a high quality service. FSB Wales believes that the Welsh Government should, where possible, seek to ensure better working relationships between Careers Wales, Jobcentre Plus and employers. One respondent commented:

*“There needs to be more clarity on expectations and access; equal weighting to academic programmes – more educator awareness and engagement with apprenticeships early in schooling. More pupil awareness of the offering available.”*

## 10. How effective is Welsh Government policy on apprenticeships? How does its policy of apprenticeships fit into its wider economic and skills strategies?

In looking at apprenticeships in the wider context of the economic and skills strategy, FSB Wales believes that the starting point of any measures relating to skills should ensure that levels of literacy and numeracy are of the highest possible standard. The recent PISA results highlighted many of the issues facing Wales’ education system and a strong and early emphasis on literacy and numeracy will facilitate the development of other skills later on<sup>14</sup>.

FSB Wales members are of the view that the Welsh Government should be gearing its programmes to equip young people to enter the workplace but also to ensure that provision of skills is linked with demand. FSB Wales notes that policy on apprenticeships in England has focused largely on increasing the number of apprentices trained, often resulting in a decline in the quality of apprenticeships offered and a broadening in the definition of the term. FSB Wales notes that the current Welsh Government Programme for Government highlights “*number of apprenticeship opportunities available through the Young Recruits programme*” as a core objective<sup>15</sup>. It is vitally important that the opportunities for businesses involved in apprenticeships are also reflected in measuring the success of this policy objective. This would mean ensuring that increasing apprenticeship numbers does not exacerbate the existing skills mismatch.

There was also a great deal of interest and encouraging levels of knowledge of, Welsh Government support for businesses that take on apprentices or who are engaged in training. Schemes such as Jobs Growth Wales, Pathways to Apprenticeship and the Young Recruits programme were seen as a positive way to reinforce the economy and provide people with work opportunities. There was however some caution with regards to the Shared Apprenticeship scheme, particularly around administration costs. Generally, there was a sense amongst many of the respondents that this scheme would not work well as employers may compete to take on the apprentice once the scheme

---

<sup>14</sup> Bradshaw, J., Ager, R., Burge, B. and Wheeler, R. 2010. *PISA 2009: Achievement of 15-Year-Olds in Wales* [Online]. Slough: NFER. Available at: <http://www.nfer.ac.uk/nfer/publications/NPDZ02/NPDZ02.pdf>

<sup>15</sup> Welsh Government. 2011. *Programme for Government: 2011-16* [Online]. Available at: <http://wales.gov.uk/docs/strategies/110929fullen.pdf>



was over, building on a distinct sense from many respondents that they take on apprentices in order to train people specifically to work in their company.

**11. Education and training, including apprenticeships are devolved matters, but employment law is not. Do young people have sufficient rights and access to apprenticeship training? If not, how could the situation be improved?**

The committee may want to consider the FSB UK wide skills paper titled *Raising the Standard: An FSB Skills Survey* that deals with issues around employment and health and safety laws and their effects on small businesses. In particular, the FSB response to Lord Young's recommendations on the burden of health and safety requirements will be of interest.

**12. Is European funding being used to support apprenticeships effectively?**

There was no real demonstrable knowledge of how EU funding is used amongst survey respondents. However there was support for it being used for the skills agenda. However, one respondent pointed to the need to coordinate funding programmes to avoid competing priorities.

*They've [The Welsh Government] already maxed out that avenue of funding. But it needs to be better coordinated - there are some projects in conflict with each other or competing with each other and this doesn't help matters. (FSB member, training provider)*

The Welsh European Funding Office (WEFO) has previously stated that adverse labour market conditions in Wales account for approximately 35 per cent of the GVA gap per head between Wales and the UK<sup>16</sup>. FSB Wales believes that remedying these adverse labour market conditions should be the express aim of the European Social Fund during the 2014-20 period. It is essential that apprenticeships form a key aspect of this funding. Significant progress could be made by ensuring that businesses are actively involved in setting the priorities for European funding, including by incentivising small businesses and helping them with the demands of taking on an apprentice.

## Conclusion

FSB Wales believes that the skills agenda can make a real difference to the competitiveness of small businesses in Wales. It is vitally important that the skills agenda is aligned to the needs of businesses in order to ensure that the provision of apprenticeships reflects a real demand amongst employers. FSB Wales also believes that the Welsh Government should strive to reduce the barriers, both financial and non-financial, to recruitment amongst small businesses. This could include incentivising small businesses to recruit as well as supporting them through the recruitment process. Finally, FSB Wales believes that the imbalance of esteem between vocational and academic study needs to be addressed in order to create apprenticeships as a positive alternative to academic study.

---

<sup>16</sup> WEFO. 2009. *Operational Programme for the European Social Fund 2007-13* [Online]. Available at: <http://wales.gov.uk/docs/wefo/publications/convergence/esfoperational/090911esfconvergenceen.pdf> (accessed 5th April 2012).



**Contact:**

Federation of Small Businesses  
WALES OFFICE  
1 Cleeve House  
Lambourne Crescent  
Llanishen  
CARDIFF CF14 5GP

Telephone: 029 2074 7406  
Email: [policy.wales@fsb.org.uk](mailto:policy.wales@fsb.org.uk)  
Web: [www.fsb.org.uk/wales](http://www.fsb.org.uk/wales)

**The Federation of Small Businesses**

The FSB is non-profit making and non-party political. The Federation of Small Businesses is the UK's **largest campaigning pressure group** promoting and protecting the interests of the self-employed and owners of small firms. Formed in 1974, it now has **200,000 members across 33 regions and 194 branches**.

**Lobbying**

Our lobbying arm - led by the Westminster Press and Parliamentary office - applies pressure on MPs, Government and Whitehall and puts the FSB viewpoint over to the media. The FSB also has Press and Parliamentary Offices in Glasgow, Cardiff and Belfast to lobby the devolved assemblies. Development Managers work alongside members in our regions to further FSB influence at a regional level.

**Member Benefits**

In addition, Member Services is committed to delivering a wide range of high quality, good value business services to members of the FSB. These services will be subject to continuing review and will represent a positive enhancement to the benefit of membership of the Leading Business Organisation in the UK.

**Vision**

A community that recognises, values and adequately rewards the endeavours of those who are self employed and small business owners within the UK

The Federation of Small Businesses is the trading name of the National Federation of Self Employed and Small Businesses Limited. Our registered office is Sir Frank Whittle Way, Blackpool Business Park, Blackpool, Lancashire, FY4 2FE. Our company number is 1263540 and our Data Protection Act registration number is Z7356876. We are a non-profit making organisation and we have registered with the Information Commissioner on a voluntary basis.

**Associate Companies**

We have two associated companies, FSB (Member Services) Limited (company number 02875304 and Data Protection Act registration number Z7356601) and NFSE Sales Limited (company number 01222258 and Data Protection Act registration number Z7315310).

# Eitem 4

## Enterprise and Business Committee

APP20

### Inquiry into Apprenticeships

Evidence from e-skills UK

## Inquiry into apprenticeships in Wales

### e-skills UK response

e-skills UK welcomes the Enterprise and Business Committee inquiry into Apprenticeships in Wales.

e-skills UK is the Sector Skills Council for Business and Information Technology<sup>1</sup>. We are responsible for UK IT standards and qualifications and cover software, internet, computer gaming, IT services, telecommunications and business change.

Our response provides a summary of key messages using the Terms of Reference for the Inquiry as guidance and addresses the key issues individually. We have only answered those key issues where we feel we our knowledge and experience can add value. This input is substantiated by supporting annexes, referenced in the response.

e-skills UK would be happy to provide further information to the Inquiry on Apprenticeships and our supporting work in Wales.

#### Contents

<b>Key messages for the Inquiry into apprenticeships in Wales .....</b>	<b>2</b>
<b>Key Issues .....</b>	<b>4</b>
<b>Annex A: e-skills UK Overview .....</b>	<b>10</b>
<b>Annex B: Summary of IT &amp; Telecoms sector in Wales .....</b>	<b>11</b>
<b>Annex C: Information and Communication Technology Apprenticeships Overview</b>	<b>12</b>
<b>Annex D: Pathways to Apprenticeships (Wales) .....</b>	<b>13</b>
<b>Annex E: Sector Managed Apprenticeships .....</b>	<b>14</b>
<b>Annex F: e-skills UK programmes and activities in Wales .....</b>	<b>16</b>
<b>Annex G: e-skills UK Employer Board Wales .....</b>	<b>18</b>

*All data is sourced from e-skills UK Technology Insights 2011 unless otherwise specified.*

---

<sup>1</sup> See Annex A for more information on e-skills UK.



## Key messages for the Inquiry into apprenticeships in Wales

---

*This section summarises key messages from e-skills UK, the Sector Skills Council for Business and Information Technology to the Inquiry.*

We believe there is greater potential to use the apprenticeships system to better support the Welsh economy and economic renewal priority sectors. IT Apprenticeships are currently under utilised in Wales, but employer demand for Apprenticeships is growing to address current and future skills issues and fulfil growth potential. We want to help Apprenticeships to become as popular a route into IT as graduate entry is today, turning around the current under-representation of Apprentices in IT.

Employer demand in Wales is frustrated by three main factors: lack of availability of suitable programmes; lack of awareness; and difficulties with the process. We suggest the following are key development areas to improve Apprenticeship take up and effectiveness in Wales:

- > Development of suitable programmes to meet employer and individual demand
- > Increased awareness amongst individuals, employers and partners to expand take up
- > Improved systems and processes to ensure Apprenticeships work effectively

### Development of suitable programmes

The following programmes are suggested as areas for development in Wales, based on our experience of good practice from elsewhere, to meet the needs of employers in the IT & Telecoms sector.

- > **Level 3 Apprenticeships** - development of suitable Level 3 Apprenticeships is crucial to engaging more employers in the sector in Wales and providing progression places for successful Pathways to Apprenticeships students. Employers in the sector need to see much greater progression through Apprenticeships to meet their skills needs which are predominantly level 3 and higher.
- > **Sector Managed Apprenticeships** are key in driving up employer engagement, delivery standards and in increasing take up through better matching of suitable individuals and employers. A sector managed apprenticeship model encompasses greater sector involvement, raising awareness of the benefits to employers and of apprentice opportunities. Raising standards of delivery to meet employer needs goes beyond the statutory delivery standards making Apprenticeships fit for purpose in the eyes of employers, and raising the credibility of IT apprenticeships with Welsh employers
- > **Higher apprenticeships** are increasingly required in Wales to meet employer demand for higher skills levels in the workforce. Furthermore HAs promote Apprenticeships as a viable routes for individuals who don't want to take the HE route at age 18, without excluding them from higher education.

These programmes also address the issues of awareness and process.

### Increasing awareness

Increasing awareness is vital to raise individual and employer engagement and uptake of with Apprenticeships in Wales.

**Employers** - There is significant opportunity to expand use of Apprenticeships in both small and large businesses. There is a need to:

- > Strengthen links between employers and FE and training providers, building on the cases of good practice in Wales.
- > Make information more accessible to employers, particularly for those large employers outside of the industry itself who could take on an IT apprentice (for example those in the public sector).
- > Involve employers more heavily in Apprenticeships through models such as the Sector Managed Apprenticeships so that Apprenticeships gain credibility in the sector, leading to greater availability of Apprenticeship places.

**Individuals** - Apprenticeships in the IT & Telecoms sector are now rightly promoted as an effective route to a high paying professional career in a growing sector. We need to build on interest in the sector and apprenticeships. Awareness and uptake amongst individuals needs:

- > More and better careers guidance, based on labour market intelligence and information about available Apprenticeships.
- > Focus on encouraging more mature and female apprentices in the sector.
- > Parents, teachers and careers advisors to promote relevant further study and a career path in IT.
- > Greater promotion of the sector as high growth and high skill with excellent earning potential and career prospects through industry backed materials.
- > Relevant qualifications and apprenticeship pathways that are valued by industry and delivered by quality higher and further education providers.

### Improving the process

The standards and Apprenticeship frameworks are based on labour market intelligence and extensive employer consultation and we strongly recommend this continues to be the case. The development and maintenance of the standards and frameworks in Wales is now under threat due to the change in commissioning under Universal Services. Specific funding is now required for e-skills UK to continuously review the Apprenticeship frameworks and develop the Higher Apprenticeships in Wales.

Improved systems and processes are key to ensuring Apprenticeships in the sector in Wales work effectively supporting expanding provision as well as raising delivery standards. In terms of the current system we feel that:

- > Priority sectors, such as ICT, should be able to benefit through enhanced funding adult apprenticeships, particularly where experience is required.
- > Funding needs to be a) of reduced complexity to avoid confusion amongst employers b) made more flexible to respond to changes in employer demand c) reflective of the resources and complexities of delivery.
- > The current system creates competition between training providers and educational institutions that prevents effective partnership working to the detriment of the sector.

## Key Issues

This section sets out evidence from e-skills UK in response to the key issues posed by the Inquiry.

**How effective is employer involvement in the apprenticeship system in Wales? Has this changed as a result of the current economic circumstances? Are employers able to find sufficient numbers of young people with the skills and aptitudes that they require? Do relationships between employers and training providers work effectively? Are apprenticeships still limited to certain sectors?**

**IT Apprenticeships are currently under utilised in Wales**, despite the need for new recruits to fulfil growth potential in the sector. Recent survey data from the UKCES concluded that, across the UK, only 2% of employers in the IT industry across the UK currently have staff undertaking Apprenticeships, compared to 5% for all sectors<sup>2</sup>. The sector in Wales is very much at the start of building up demand for IT professional Apprentices.

**Employer demand for Apprenticeships is growing to mitigate current and future skills issues**

ICT is an economic renewal priority sector in Wales, contributing 5% (in excess of £1.2billion) to Wales GVA and employing nearly 40,000 people. More than one in ten (13%) of employers in Wales with IT & Telecoms professionals report gaps in their skills. Furthermore growth in the sector is predicted to grow strongly to 2019 with employment in the IT industry expected to grow nearly five times faster than average employment growth in Wales. Over 3,000 new entrants to the IT & Telecoms workforce are needed in Wales each year to meet projected growth and replacement requirement. (See Annex B)

Demand for Apprentices in the sector is growing but employers in the sector need to see much greater progression through Apprenticeships to meet their skills needs which are predominantly level 3 and higher. 44% of IT & Telecoms professionals working in Wales hold a degree level qualification compared to 26% of all workers across Wales. However, just 24 Level 3 IT professional apprenticeships were delivered by 5 providers in 2011/12. Higher Apprenticeships in Wales could be considered for funding, particularly for high skilled, high value sectors such as IT & Telecoms

**Employer demand in Wales is frustrated by three main factors: lack of availability of suitable programmes; lack of awareness; and difficulties with the process.**

There are just five providers of IT professional Apprenticeships in Wales as Training Providers have typically concentrated on traditional routes such as engineering and construction.

IT user Apprenticeship delivery in Wales is more widespread leading to our focus in on encouraging employers and training providers to provide IT professional apprenticeships. We would welcome the move from 'IT user' apprenticeship to 'IT Applications Specialist' which is designed to help and support people new to roles in which they use IT intensively.

As yet, there are few established **training provider-employer relationships** in the sector and a high level of resource/involvement is required to provide placements and jobs for apprentices. Provision of the Level 3 IT professional Apprenticeship in Wales is particularly limited with 24 certificates issued in 2011/12. (see Annex C)

However, where employers *are* involved this produces good results. Examples of this include Acorn working with EADS to develop a small apprenticeship scheme, and Swansea ITEC developing relationships with employers who are looking for L3 learners.

The low level of employer engagement with IT apprenticeships has increased with the Pathways to Apprenticeships project e-skills UK is running this year (see Annex D). The pathways programme has leveraged employer interest with increase in numbers of employers offering work experience and looking at the opportunities for Level 2 apprenticeships.

Large employers in the sector in Wales including BT, Logica and the NHS have shown strong interest in IT professional apprenticeships as a result of the Pathways to Apprenticeship programme. The continuing growth of the sector, gender imbalance and the decline in take up of IT related courses in school and HE, mean that employers are facing a shrinking

<sup>2</sup> UKCES, UK Employer Perspectives Survey 2010, January 2011

recruitment pool and are looking for alternative recruitment sources such as Apprenticeships.

**Interest is growing in the Level 3 apprenticeships** and we believe there is opportunity to increase both employer demand and training provision in this area to meet the needs of the sector. Our Sector Priority Fund bid to Welsh Government is seeking to engage increasing numbers of employers in apprenticeship pathways

One of the issues is in **take up amongst small businesses**. There are more than 112,000 IT & Telecoms workplaces in Wales –two thirds of existing employees (67%) are based in small or medium sized companies. However, the current economic climate makes it even harder to engage with employers, particularly SMEs who are cautious about taking on new apprenticeship commitments.

Across the UK we find that **Apprenticeship delivery** is not as consistent as employers would like. The Sector Managed Apprenticeship (GIF funded in England, see Annex E) is setting out to provide a good quality standard with technical training and skills profiles for apprentices that are fit for purpose in the eyes of employers. We see programmes such as this and the Pathways to Apprenticeships as key to increasing the credibility of IT apprenticeships in Wales with Welsh employers.

We also believe the funding system is complex and employers in Wales find it difficult to navigate. It is notable that training providers with IT Apprenticeship contracts currently get a higher funding rate for delivering IT User apprenticeships than IT professional apprenticeships. This is as unhelpful and not in line with the increased resources and training hours necessary to deliver the Professional apprenticeship. A change to funding rates would help increase the provision of IT professional apprenticeships..

**Has the number of apprentices employed by local authorities, and the public sector generally, increased or decreased? Should the public sector be recruiting more apprentices?**

Data collected by e-skills UK does not show the extent of IT professional and IT user apprenticeships in the public sector. However, we know that the public sector in Wales is a big employer generally (over one third of the workforce work in Public Administration, Education & Health) and also employs a significant proportion of IT professionals. Over 9,000 IT & Telecoms professionals work in the public sector equating to 36% of all IT & Telecoms professionals employed in Wales and 2% of the total public sector workforce<sup>3</sup>.

IT user apprenticeships are also particularly appropriate to many public sector workers.

Additionally, the public sector is sometimes one of the main employers in rural areas and so can offer good training opportunities in areas where there are fewer IT companies. Therefore we believe the public sector has a role to play in raising the number of IT apprentices where there are job opportunities. NHS and Local Authority involvement in IT apprenticeships would benefit North Wales in particular.

**The Welsh Government is encouraging Community Benefits clauses in public sector contracts which can be used to promote the employment of trainees and apprenticeships. Is this an effective mechanism for increasing the numbers of apprentices?**

We would suggest that there probably needs to be more than promotion of recruitment. We understand that the inclusion of apprenticeship schemes in contracts works very well in construction where contracts come with stipulated apprenticeship recruitment numbers but this may not be appropriate for all sectors or for small contractors.

<sup>3</sup> e-skills UK analysis of Labour Force Survey, 2011

**What is the average profile of an apprentice, for example age, gender, employment sector? Is this profile changing and, if yes, what are the reasons for this? The National Training Federation for Wales reports that the average age for an apprentice is 26. What are the reasons for this? Are apprenticeships generally successful from the perspective of the apprentice? Have apprenticeship completion rates changed in recent years? In practice, are apprentices guaranteed a job at the end of the apprenticeship?**

IT apprentices tend to be quite young however we believe that this is due to funding favouring 16-24 year olds and the nature of apprenticeships in Wales being FE based which attracts school leavers predominantly.

Whilst young apprentices are encouraged in a in a sector where the proportion of the workforce in the sector aged 16-29 has fallen from 32% in 2001 to 19% in 2009, employers tell us that they would also welcome more mature apprentices.

The sector is also missing out on a large proportion of the talent pool, with only 18% of IT professionals in the workforce being female. This situation is replicated in IT related education and also in Apprenticeships where we estimate that just 11% of Apprentices are female. e-skills UK has met with Chwarae Teg and is formulating a Memorandum of Understanding to work together, promoting IT careers to female pupils and women throughout Wales.

There are good completion rates for IT apprenticeships with over 80% of leavers attaining the full apprenticeship frameworks at Levels 2 and 3 in 2010/11<sup>4</sup>.

**Do Careers Wales and Jobcentre Plus provide effective support for people wanting to find apprenticeships? Does the new Apprenticeship Matching Service, run by Careers Wales, work effectively/**

We have not seen much evidence that employers and colleges in the IT sector are engaged with the matching service. The service could be better publicised to employers and potential apprentices. There is also a role for SSCs in brokering apprenticeships and the "Sector Managed Apprenticeships" (see Annex E) illustrates how this might work in Wales. Currently the "IT Talent" pool model offers managed access to prospective apprentices who apply to over-subscribed schemes in large companies.

e-skills UK has good relationship with Careers Wales and work with them on several projects. As the L3 IT apprenticeships are developed we would be keen to work with Careers Wales further to develop referral and recruitment systems. This would also be a good opportunity to work with JobCentre Plus.

**Why do young people decide to be apprentices? What factors influence their decision?**

**Are apprenticeships an attractive option for young people of all abilities or are apprenticeships seen as a second best option compared with higher education? Are attitudes changing and if yes, what are the reasons for this?**

We believe attitudes are changing in both young people and employers. The economic climate and HE fees may have impacted on the numbers now looking at Apprenticeships but IT professional apprenticeships can be seen as a really unique opportunity for young people who are often attracted to Apprenticeships due to the opportunity to earn as they learn.

Young people also recognise that employers (in the IT sector in particular) are looking for experience as well as qualifications and apprenticeship work experience is seen as valuable in a competitive job market.

<sup>4</sup> Source of data: Lifelong Learning Wales Record reported in SDR 56/2012 National Comparators for Further Education and Work-Based Learning: 2010/11, April 2012

The rapid rise in salary for trained IT people will make this seem a really good choice of career - median gross weekly earnings of IT & Telecoms professionals in full time employment at £590 per week are 34% more than the overall median figure for workers in Wales.

Neither do Apprenticeships have to be taken at the exclusion of Higher Education. Our approach is to promote progression routes to further encourage Apprenticeships for those who don't want to take the HE route at age 18, without excluding them from higher education. For example this works through progression to a L3 apprenticeship and a Higher Apprenticeship. This benefits both the individual and also the sector, where the majority of the current workforce is highly skilled and progression to higher skills levels is encouraged.

**Are apprenticeships fully understood by those who have most influence on the choices of young people for example parents/carers, careers teachers in schools, teachers generally? Is there too much complexity and choice of programme?**

We would suggest that rather than too much complexity and choice of programme, there is a lack of information getting through to those who have most influence on choices of young people.

e-skills UK undertakes extensive careers attractiveness work to address this, based on sector LMI and working with Careers Wales. In order to encourage young people, parents, teachers and careers advisors to consider relevant further study, Apprenticeships and a career path in IT we need to:

- > Promote the sector as a high growth, high skill sector with excellent earning potential and career prospects for young people and adults.
- > Ensure that IT-related qualifications and curriculum in Wales are valued by industry and delivered by quality higher and further education providers.
- > Continue to strengthen links between employers, universities, FE and training providers
- > Ensure teachers and lecturers have access to relevant CPD in order to deliver an industry endorsed curriculum.
- > Develop apprenticeship pathways with colleges and employers as a viable alternative to higher education.
- > Incentivise schools, colleges and universities to deliver qualifications relevant to the priority sectors including ICT.

**How effective is Welsh Government policy on apprenticeships? How does its policy of apprenticeships fit into its wider economic and skills strategies?**

We would like to see greater Government support and directed funding for Apprenticeships in priority sectors including ICT.

In terms of expanding Apprenticeship provision we would like to see:

- > Small companies and those new to Apprenticeships benefit from the quality of programme usually only available to large organisations.
- > The creation of a more cost effective delivery model, leveraging experience, existing investment and willingness to invest further for the good of the sector.
- > An increase in the attractiveness of Apprenticeships to prospective recruits, enabling easier recruitment for employers through the creation of an IT Apprentice Talent Pool for the sector in Wales.

There is clear demand for Level 3 Apprenticeships but the restrictive funding system is inhibiting development. For example we believe the current funding system:

- > restricts FEIs from offering more courses as funding has already been allocated, taking out the flexibility to respond to changes in employer demand.
- > is complex and not very transparent to those working in the system or employers
- > creates competition between training providers and educational institutions that prevents effective partnership working to the detriment of the sector.
- > could benefit priority sectors through funding adult apprenticeships, particularly where experience is required.



### **Are the Sector Skills Councils (SSCs) promoting and supporting apprenticeships effectively? How does the capacity of SSCs affect their performance in this area?**

e-skills are the Publishing Authority for Welsh Apprenticeship frameworks in the Business and Information Technology sector.

In our role as an SSC e-skills UK maintains the National Occupational Standards and Apprenticeship Frameworks for the sector and have operated an ongoing programme of continuous development to ensure they both meet employers' needs. To 31<sup>st</sup> March 2012 this was part of our core work funded by our strategic funding. From April 2012, this is no longer the case as development and maintenance of NOS and Apprenticeship frameworks now comes under Universal Services (US) funding.

In Wales this means e-skills UK will no longer be able to continuously review the Apprenticeship framework nor develop Higher Apprenticeships unless specific US project, or alternative, funding can be obtained. There is therefore a danger that the existing framework will not meet changing employer needs and the demand for a higher apprenticeship framework may not be met.

e-skills UK is currently working on three specific apprenticeship development projects that may be of interest to the inquiry. These projects are creating innovative pathways to IT careers, attracting talented candidates from a range of sources and diversifying recruitment.

#### **Pathways to Apprenticeships programme (See Annex D)**

The Pathways to Apprenticeships (PtA) programme in IT is currently running in 10 colleges across Wales and has attracted 120 learners in its first year. The programme is a 12-month college-based course that allows learners to "fast-track" and gain at least one vocational Level 2 IT qualification that gives them the skills and knowledge to take on a full apprenticeship at level 3. The e-skills UK PtA Manager has met with all 12 participating colleges to monitor the delivery of the programme and support with regard to delivery issues. Good relationships have been established and e-skills UK will continue work with Welsh Government, and employers and providers to develop MA options for pathways graduates.

However, there is significant disjoint between the PtA and full apprenticeship availability – the PtA programme is generating potential Apprentices but there is a lack of training provider and employer places for them.

We are currently seeking funding for the development of Level 3 Apprenticeship, building on the success of Pathways to Apprenticeships, through the Sector Priority Fund. Funding to support the engagement of a large number of employers is vital for the success of this.

#### **The Sector-managed Apprenticeship programme (See Annex E)**

The sector managed apprenticeship programme aims to create a step change in the uptake of apprenticeships in the IT sector through a new model of Apprenticeship recruitment and delivery This Growth and Innovation Fund project shows how employers can take the lead in promoting apprenticeships in their own sector. It involves working in partnership with a range of employers to create a sector-managed apprenticeship – in other words, an apprenticeship that will be managed by a major technology company with years of experience in apprenticeships, thus giving other employers the benefit of a large organisation's expertise on delivery. e-skills UK, with employers, is developing the content and approach, and to ensure the apprenticeship is relevant, appealing and accessible to employers in the sector.

#### **Higher level apprenticeship programme**

We are continuing to develop an already established higher level apprenticeship programme to act as an alternative to traditional graduate recruitment. This apprenticeship scheme will allow employers to attract talent at an early age, and make it possible for a larger number of employers to recruit at this level. We are currently working with employers to define the requirements and technical content in order to establish a national programme of excellence.

Our strategic objective to “Inspire future talent” aims to motivate talented students to pursue IT & Telecoms related careers, and better prepare all young people for work in a technology-enabled world. We work with schools and colleges, through the following programmes to develop the pipeline of talent:

- > **Make IT Happy** – the competition (in partnership with PITCOM) for primary schools encourages students to explore the possibilities of IT and the internet.
- > **Computer Clubs for Girls** – the award winning CC4G inspires female students to think about technology and IT careers by engaging them on subjects close to their hearts. In Wales clubs are supported by sponsors (Employers, Local Authorities and HEIs) who fund and provide support for the clubs.
- > **Behind the Screen** - the ‘Behind the Screen’ curriculum project is addressing the curriculum and delivery issues with ICT in schools. EADS is helping to develop course material based on data management. This work is planned to happen in the spring of 2012 and will include schools and awarding bodies.
- > **Big Ambition Wales** - the EIF funded BigAmbition Wales project reaches out to 14-19 year olds encouraging them to follow IT related education and careers. The website achieved over 13,500 hits by mid February.

More information on these programmes can be found in Annex F.

#### Is European funding being used to support apprenticeships effectively?

ESF funding has been used to deliver the Pathways to Apprenticeships programme in Wales.

Following on from the success PTA in IT project, we are pleased to have been able to submit an expression of Interest for the Sector Priority Fund, to extend the Level 3 Apprenticeship in Wales. More information about this bid is provided in Annex D.

#### Are there examples of good practice apprenticeship systems in other countries that Wales can learn from?

Yes, we believe that the work we are undertaking in England in Sector Managed Apprenticeships is a good example of how employers in the sector can come together to expand apprenticeship take up, provision and raise standards. Please see Annex E for more detail.

In addition e-skills UK has undertaken an employer matching service in Northern Ireland that pairs up potential apprentice employers with employers who already provide apprenticeships so they can share best practice, for example on in-house training and on appropriate training providers.

We would suggest it is worth looking at the Apprenticeship systems used in Europe and Australia. These work well as they are well-established and highly promoted educational choices.

- > In Australia, apprentices can begin aged 14 with the consent of the employer - this gives them increased experience and an alternative to staying within mainstream education. There are government supported Apprenticeship Centres, as opposed to varied training providers and awarding bodies, which makes it easier to distribute and manage funding and employers.
- > In Germany, Apprenticeships are part of the dual education system and are often a pre-requisite to both many jobs and also Higher Education courses. The vast majority of people complete apprenticeships before going on to University and are seen as experts in their field.

The key points to learn from would seem to be the emphasis placed on availability and the promotion of apprenticeships as a way of gaining expertise as well as tying in with HE courses.



## Annex A: e-skills UK Overview

---

*This annex provides background information on e-skills UK, the Sector Skills Council for Business and Information Technology.*

As the SSC for Business and Information Technology, e-skills UK works on behalf of employers to ensure the UK has the technology skills it needs to succeed in a global digital economy.

Our work covers software, internet, computer gaming, IT services, Telecommunications and business change. e-skills UK takes the lead on the IT-related skills needs of business leaders and managers and of individual workers in all sectors (IT users).

We are an employer-led, not-for-profit company, and were rated as 'outstanding' in the re-licensing review of all SSCs by the National Audit Office (NAO) and UKCES. We bring together employers, educators and government to address the technology-related skills issues no one party can solve on its own and provide advice, services and programmes that have a measurable impact on IT related skills development in the UK. The membership of the Employer Board for Wales can be found in Annex F.

Our [strategic plan for Wales](#) sets out a coherent skills strategy that enables the nation to create the skills needed for a digital economy and to derive maximum benefit from the power of technology to transform competitiveness and productivity. We work with partner organisations to deliver on three strategic objectives to ensure Wales is world class in delivering maximum value from technology both in business and in society more widely:

- > **Inspire future talent:** Motivate talented students to pursue IT-related careers and better prepare all young people for work in a technology-enabled world.
- > **Support IT professionals:** Develop the IT professional skills pool as the best in the world for deriving business benefit from technology.
- > **Increase digital capability:** Trigger increased investment in the IT capability of all individuals and businesses in every sector.

Delivery on these objectives is underpinned by employer engagement across the sector, authoritative research, a continually developing sector qualifications and learning strategy and effective strategic partnerships.

e-skills are the Publishing Authority for Welsh Apprenticeship frameworks in the Business and Information Technology sector.

In our role as an SSC e-skills UK maintains the National Occupational Standards and Apprenticeship Frameworks for the sector and have operated an ongoing programme of continuous development to ensure they both meet employers' needs.

## Annex B: Summary of IT & Telecoms sector in Wales

---

*This annex sets out the background to the IT & Telecoms sector in Wales.*

### Technology is key to Wales and the rest of the UK's economic revival

- > The IT & Telecoms industry contributes 5% (in excess of £1.2 billion) of Wales total GVA and is recognised as a priority sector. Nearly 40,000 people are employed in the sector in Wales, and within that, 30,000 in IT & Telecoms occupations.
- > ICT is an economic renewal priority sector in Wales and the Software, Computer Games and Electronic publishing industries are also considered to be part of the Creative industries priority sector in Wales.
- > Technology is the key ingredient for global competitiveness in the private sector and for efficiency in the public sector.

### The importance of IT employment, growth and current demand

- > Overall 39,000 people work in IT & Telecoms in Wales. 16,000 people are directly employed in the IT & Telecoms industry itself and 23,000 people work in IT & Telecoms professional roles in other sectors of the economy.
- > Globalisation means that IT & Telecoms work in Wales is increasingly focussed on higher value, highly skilled roles. Growth in the sector is predicted to continue strongly to 2019 with employment in the IT industry expected to grow at 1.21% per annum, nearly five times faster than the predicted average employment growth for Wales
- > Over 3,000 new entrants to the IT & Telecoms professional workforce are needed in Wales each year to meet projected growth and replacement requirements.  
  
Demand for entrants to the sector continues with around 900 advertised vacancies in Wales each quarter, predominantly for Development, Design and Support roles. Across the UK, the propensity for skills shortages is intensifying as the shortfall between the number of 'ready candidates' in the IT & Telecoms labour market and the number of advertised positions continued to increase<sup>5</sup>.
- > Around 1 in 10 (13%) Welsh companies with IT & Telecoms professionals report gaps in their skills, most often in their technical and business skills. Requirements are predominantly for intermediate and higher level skills.

### Education supply

- > Whilst IT related Higher Education remains an important source of talent for the sector's labour force requirements, the pipeline of future talent is compromised by issues related to IT education.
- > In particular, the uptake in schools and colleges and lack of IT apprentices and the pervasive gender imbalance across IT education and in the sector remains, restricting the available labour pool.

---

<sup>5</sup> e-skills UK, e-skills bulletin Quarterly Labour Market Review Q1 2011, 2012.

## Annex C: Information and Communication Technology Apprenticeships Overview

*This annex provides a brief overview of Information and Communication Technology Apprenticeships in Wales.*

e-skills are the Publishing Authority for Welsh Apprenticeship frameworks in the Business and Information Technology sector.

In our role as an SSC e-skills UK maintains the National Occupational Standards and Apprenticeship Frameworks for the sector and have operated an ongoing programme of continuous development to ensure they both meet employers' needs. To 31<sup>st</sup> March 2012 this was part of our core work funded by our strategic funding. From April 2012, this is no longer the case as development and maintenance of NOS and Apprenticeship frameworks now comes under Universal Services (US) funding.

### IT, Software, Web and Telecoms Professional

The apprenticeship programme for IT, Software, Web & Telecoms Professionals is flexible enough to accommodate almost any IT job role, including technical support, software and web development. The frameworks cover the technical, business and interpersonal skills needed for each IT role at 3 levels:

Level 2 – Apprenticeship (Foundation Apprenticeship in Wales)

Level 3 – Advanced Apprenticeship (Modern Apprenticeship in Wales)

Level 4 – Higher Apprenticeship

### IT User

The apprenticeship programme for IT users in Wales is available at Levels 2 and 3 and is designed to help and support people new to roles in which they use IT intensively. The frameworks include an integrated competence and knowledge qualification and learners have to complete the ITQ Diploma. This framework is now IT Application specialist in England.

### Apprenticeships in Wales: supporting data

In the year April 2011 to March 2012, 54 Apprenticeship certificates were issued by e-skills UK for IT professional Apprenticeships in Wales and 623 for IT user. Whilst the number of IT user apprenticeships increased on the previous year, IT professional apprenticeships declined, although encouragingly there were more at Level 3. The breakdown of the data is as follows:

	IT Professional				IT User		
	Level 2	Level 3	Total		Level 2	Level 3	Total
April 2010 - March 2011	60	7	67		461	157	618
April 2011 - March 2012	30	24	54		439	184	623

Five training providers were registered as supporting IT professional apprentices in Wales in 2011/12: Acorn Learning, CADCentre (UK) Ltd, Deeside College, Pathways Training and Swansea ITEC Ltd.

## **Annex D: Pathways to Apprenticeships (Wales)**

---

*This annex provides an overview of the PTA programme in Wales and forward plans for L3 Apprenticeship progression.*

### **Pathways to Apprenticeships in IT (2011/12)**

The Pathways to Apprenticeships programme in IT is currently running in 10 colleges across Wales and has attracted 120 learners in its first year. The programme is a 12-month college-based course that allows learners to “fast-track” and gain at least one vocational Level 2 IT qualification that gives them the skills and knowledge to take on a full apprenticeship at level 3. Learners study a varied curriculum, concentrating on a mixture of technical and business skills and the framework also has a heavy emphasis on work experience and the additional employability skills these placements can offer learners.

The IT programme is part of a wider Pathways to Apprenticeships project, which is ESF funded until 2014 and has been successfully running in Wales since 2009. The programme was set up by the Welsh Government in response to recent economic downturn; the rise of unemployment in the UK, especially amongst young people; combined with the decline in apprenticeships being offered by employers.

In terms of vocational routes, Pathways to Apprenticeships has 10 participating colleges in Wales with 120 learners, enabling learners who wished to pursue the apprenticeship route to obtain valuable knowledge and skills in their chosen vocational area, while apprenticeship funding and models were developed to increase apprenticeship provision with employers.

The Pathways to Apprenticeship Programme has built up capacity and a pool of talent at level 2, ready to move on to level 3 apprenticeships. There is a clear demand, both from employers, educational institutions and learners in Wales for an Apprenticeship in IT at Level 3 in order to accelerate growth and the economic contribution of new recruits.

### **Sector Priority Fund Round 2 EOI**

e-skills UK is hoping to take this forward through a Sector Priority Fund Round 2 project to develop and deliver a Level 3 Apprenticeship in IT Professional programme for Wales, for delivery starting in the 2012/13 academic year. This funding would be allocated to approved apprenticeship providers, and could possibly be used to subsidise employers in a model similar to that of the Young Recruits Programme.

As the official issuing authority for the IT sector apprenticeship frameworks, e-skills UK, in consultation with employers, FEIs and other training providers, would adapt the existing Level 3 Apprenticeship framework, to reflect current skills gaps and match employer need. This framework would be endorsed by e-skills UK as an SSC and delivery would take place within FEIs and with Private Training Providers (PTP) across Wales

- > This programme would create a pool of talent to sustain the IT sector, which in turn, contributes greatly to the Wales GVA and employment growth.
- > The programme would develop a much-needed Level 3 progression route for Level 2 PtA learners
- > Would provide FEIs with the chance to pilot L3 delivery and in the mean time, secure sustainable funding to continue delivery post SPFP funding
- > Meet identified skills gaps and employer needs and meet demand in growth of sector
- > Would secure partnerships between PTPs and FEIs who have long been in “competition” for funding
- > Creates jobs and skills in an identified priority sector in Wales

## Annex E: Sector Managed Apprenticeships

---

*This annex provides an overview of the Growth and Innovation Fund project "Sector Managed Apprenticeships" underway in England.*

### Background to the project: broadening the entry routes into IT

With over half a million new IT & Telecoms professionals needed in the next five years, working across all sectors of the economy, ensuring a ready supply of enthusiastic and well-educated recruits is critical. The graduate route will always be an important source, but as a result of recent changes in university entry, employers increasingly need to broaden their search if they are to find tomorrow's IT professionals.

IT apprenticeships are a recent success story for a growing number of employers of IT professionals - a carefully structured and delivered programme of IT technical learning and experience is now turning out high-quality employees in IT professional roles.

### Sector-Managed Apprenticeships – a Gold Standard

As the official body for publishing the IT apprenticeship frameworks, e-skills UK is working in partnership with a range of employers to create a set of innovative apprenticeship Gold Standards. These guarantee a rounded programme of technical and employability skills for young people – thus promoting the growth and sustainability of the IT sector.

The Sector-Managed Apprenticeship programme has been specifically developed to allow businesses of all sizes to offer high quality, innovative and up-to-date IT apprenticeships. At the heart of these apprenticeships are the e-skills Apprenticeship Gold Standards, designed by leading employers across the sector, and delivered by approved employers and training providers. The Sector-Managed Apprenticeship programme has received co-investment from the UK Commission for Employment and Skills through the Growth and Innovation Fund.

### Benefits for employers

For employers who have not embarked on an apprenticeship yet, this programme offers the assurance that the recruitment and learning of the apprentice will be fit for purpose and good quality, enabling the employer to focus on the integration of their apprentice within their business.

In addition employers benefit from:

- > A Gold Standard workbook which maps out progress throughout the apprenticeship giving both employer and apprentice clear standards for expected achievement.
- > A set of sector-defined tools that establish national benchmarks & standards of quality in IT professional apprenticeships, e.g.:
  - Best Practices (for apprentices and employers)
  - Target learning outcomes for technical and non-technical skills
  - An on-line monitoring and tracking tool for skills development
- > Additional on-line learning support through the National Skills Academy for IT subscription service

- > A programme of employer-led activities that bring apprentices from different employers together, to get a broader view of the IT sector and to form a professional network of apprentice IT professionals.

### **What does “Sector Managed” mean?**

The programme is a collaboration between e-skills UK, the National Skills Academy for IT, and a growing number of sector employers, with BT being a founding member and most prominent in its contribution.

**For apprentices** - The programme ensures that the delivery of IT professional skills and learning for IT apprentices is of the same high quality, no matter which employer provides it.

**For employers** - The experience of sector management for an employer will depend on their chosen route to offer apprenticeships. This can be broadly divided into large organisations and small organisations.

**For large organisations** with their own scheme and a number of apprentices being trained at the same time, the employer will be supported by the Sector Management Team in creating a programme that reflects best practice, is approved by the National Skills Academy for IT, and uses the sector created assets described in the benefits above.

**For small organisations** – the sector managed programme enables participation in a training programme offered by a training organisation that is approved by the National Skills Academy for IT. These training partners are known as Sector Managed Delivery Partners. This enables smaller organisations to offer an apprenticeship which mirrors schemes offered by large employers, but without the administration and management overhead.

### **The role of BT in Sector Managed Apprenticeships**

BT has been successfully providing award-winning IT and Telecoms apprenticeships for over 20 years. It has invaluable experience in recruiting top-quality candidates, and creating and managing development programmes that support technical apprentices in becoming fully productive professionals.

BT is a key member of the Sector Management Team, alongside e-skills UK and the National Skills Academy for IT. BT has contributed its body of knowledge, assets, and experience to the Sector Management Apprenticeship programme to help set the Gold Standard and benefits package.

BT takes an active role in managing the network of Delivery Partners, offering smaller organisations open entry to the Sector Managed Apprenticeship programme. BT is using its tried and tested management methods to ensure the Delivery Partners can successfully train IT apprentices into junior IT professionals.

## Annex F: e-skills UK programmes and activities in Wales

---

This annex provides an *overview of current e-skills UK programmes and projects in Wales.*

### ITMB

ITMB is helping to drive up the numbers of graduates in Wales with the right skills. The University of Glamorgan is newly delivering the employer-led e-skills UK Information Technology for Business Honours degree (ITMB) which provides students with the sophisticated skills they need to get ahead in the IT sector.

The students get the chance to regularly meet and network with industry leaders from over 60 leading organisations across the UK. Results from universities across the UK who have ITMB graduates show that the degree is delivering a greater number of graduates with skills that meet industry demand: Of the 195 graduates in 2011 (across the UK), 76% graduated with either a 2:1 or 1st class degree, compared to 51% of all computing students. 85% of the 2011 ITMB graduates were found to be employed and the further 15% were in further education within six months of graduation, compared to 13% of Computing graduates who were unemployed a year after graduation. Student satisfaction is high with 97% of current students saying they felt the course was preparing them well for their future career. 30% of students on the ITMB degree are female, more than double the average for computing courses in HE overall.

### ITMB Foundation Degrees

e-skills UK has worked with HEFCW and Welsh Universities having identified employer need for work based learning foundation degrees that mirror the ITMB Degree, blending business and technology skills. Two HEFCW regions secured funding to develop new ITMB foundation degrees and these are now in development.

### BigAmbition Wales

BigAmbition Wales is an EIF funded project. The BigAmbition careers programme has a strong emphasis on reaching 14-19 year olds, encouraging them to follow IT related education and careers. The website achieved over 13,500 hits by mid February 2012.

### Behind the Screen

The 'Behind the Screen' curriculum project (to address the curriculum and delivery issues of ICT in schools) continues with plans with EADS to develop course material based on data management. This work is planned to happen in the spring of 2012 and will include schools and awarding bodies.

### Computer Clubs for Girls (CC4G)

Schools running CC4G (Computer Clubs for Girls) in Wales are now being supported by sponsors who fund the cost of a school's CC4G license, sponsors provide employee volunteers to help run the clubs. Nine schools in Wales are being funded by 6 universities including Swansea Metropolitan and Glamorgan Universities and Swansea and Pembrokeshire local authority also fund 15 CC4G clubs. BT, HP and EADS also fund CC4G in Wales. The CC4G programme is specially focused on inspiring girls into IT.

### **Make IT Happy**

Is a competition for primary schools across the UK to encourage young people to show us how they use IT to contribute to a healthier life for students, the school community and even for those in the wider community. Twelve winning schools from across the UK will be awarded £1,200 each, and from these entries 3 overall winners will be chosen to receive additional cash prizes. All winners will be invited to attend an awards ceremony in June 2012 at the Houses of Parliament. This is third annual competition run in conjunction with PITCOM. Last year a Welsh school won the UK prize.

### **The Developing a Programming Pool (DaPP) Pilot Project.**

27 unemployed graduates were recruited to the pilot, a Welsh Government funded initiative that is a partnership between e-skills UK, University Wales Cardiff, Job Centre Plus and Careers Wales. Of the 27 participants who commenced on the programme, 11 have secured employment during the programme or within a month of completion; 4 have set up their own business, or are working for self; and a further 10 are having interviews, of which 7 are on second round interviews.

### **Pathways to Apprenticeships (see Annex D)**

In terms of vocational routes, Pathways to Apprenticeships has 10 participating colleges in Wales with 120 learners, enabling learners who wished to pursue the apprenticeship route to obtain valuable knowledge and skills in their chosen vocational area, while apprenticeship funding and models were developed to increase apprenticeship provision with employers.

### **National Skills Academy for IT**

The National Skills Academy for IT was launched in 2011 and has been created by employers to promote excellence in IT learning and development. Subscription to the Skills Academy provides instant access to online courses and resources that helps to boost IT Professionals careers prospects and solve everyday technical problems that employers encounter. It also provides access to training packages that meet skills that are in immediate demand by employers, such as .Net, JAVA etc. e-skills UK is working with Software Alliance Wales, embedding the NSA subscription offer within their European funded support programme for SME'S and IT professionals for convergence areas in Wales. Over 100 subscriptions have been utilised since November 2011.

### **Cyber security**

e-skills UK is working with Iestyn Pugh on the development of a possible cyber security qualification for SME'S in Wales. Security is a key driver of future skills needs in the sector. Discussions are at an early stage, but opportunity exists to work in partnership in developing a qualification that can be delivered through the e-skills UK National Skills Academy for IT. We have been asked to identify what parts of the NSA offer can be packaged to create an appropriate Cyber Crime offer for the SME market. We hope to take this project forward in near future.



## Annex G: e-skills UK Employer Board Wales

---

*This annex provides an list of the employers on the e-skills UK Board in Wales.*

Rick Cooper	Director of Alcatel University	Alcatel Lucent
Ronan Miles (Chair)	Director of BT collaboration	BT
David Edwards	Assistant Director University services	Cardiff University
Greg Jones	CIO	DFTSSC
Richard Sheppard	Director	Draig Technology
Mike Greenway	Commercial Director	EADS
Non Rhys	Policy officer	FSB
Charlie George	Account Executive	Fujitsu
Ian Clarke	Business Development Manager	General Dynamics
David Morgan	Marketing Director	HP Services
Jo Preece	Wales Manager	HPC Wales
Steve Richard	Policy Director Wales	Logica
Paul Uden	Head of Skills & Economic Affairs	Microsoft
Cenydd Burden	Head of EMEA Client Services Delivery	Mitel
Christine Bamford	Head of OD	NLIAH
Gwyn Thomas	CIO	Welsh Government

End of document

Contact: Peter Sishton

Date: 17 April 2012

E-mail: [peter.sishton@e-skills.com](mailto:peter.sishton@e-skills.com)

Phone: 07852 914105

Postal Address: e-skills UK, 1 Castle Lane, London SW1E 6DR

# Enterprise and Business Committee

APP16

## Inquiry into Apprenticeships

### Evidence from Care Council for Wales

#### Apprenticeships in Health and Social Care and Children's Care Learning and Development

#### Submission for the Enterprise and Business Committee for the Inquiry into Apprenticeships in Wales.

#### Background - Care Council for Wales

The Care Council for Wales (Care Council) is the regulatory body for the workforce in social work and social care. The Care Council has the statutory remit to register and regulate the social workers and social care managers and workers and regulates their education and training. It also has the remit for workforce development and planning.

The Care Council's primary responsibilities focus on improving public protection through:

- promoting high standards of conduct and practice in the workforce; and
- promoting high standards of training.

The Care Council is a modern regulatory body, set within the context of devolution and one which tackles public protection in a different way, with accountability to service users and carers. The Care Council membership has already made a reality of the full involvement of lay people, carers and the users of services in its governance and throughout all aspects of its work.

The membership of the Council, its Committees and its regional social care partnerships has provided the Care Council with a mechanism to work in partnership with the sector. This enables us to link with the public, independent and third sector. Our role in delivering the Sector Skills Council (SSC) remit for Wales has required us to have good employer engagement and information which we access at national and regional level. This approach has meant that standards, qualifications and practice guidance have been developed in partnership with the sector.

The Care Council works at a national, regional and local level with partners providing information and ensuring that the sector is aware of our actions and work with us in the initiatives we take forward. The Care Council has a key role to support the delivery of **'Sustainable Social Services: a framework for Action'**<sup>1</sup> in leading and driving the step

---

<sup>1</sup> Sustainable Social Services: A Framework for Action, Welsh Government, February 2011

change for confident competent practitioners, moving beyond minimum standards to a continuing professional education and learning model.

## **Introduction**

We fully support and endorse the apprenticeship scheme, policy and processes within Wales. The system is widely used by our sector for both recruitment, but specifically for the development training and retention of staff within a growth sector in Wales.

The social care sector in Wales supports 150,000 young, old, and disabled people every year to achieve their potential and help make them safe

The net expenditure on social services and social care is about £1.4 billion, with services being delivered by just under 70,000 people. There are around 1,800 regulated care settings. Whilst most social care in Wales is provided by private and independent organisations it is, on the whole, funded through the public purse and aims to meet public needs. The Early Years and Childcare workforce, which number around 19,000 provides the services in over 4,472 registered childcare day care settings and in over 76,769 childcare places.

The most recent Sector Skills assessment suggests that the workforce in the sector has continued to grow in a similar manner to previous years. The Social care element of the footprint in Wales has remained steady at 70,000, and the Early Years and Childcare workforce numbers around 19,000.

Although the sector workforce remains predominantly female, there is some evidence of a growth in male and minority ethnic workers.

The sector not only employs 7.2% of the total workforce in Wales but also enables the rest of the economy and local communities to function as family members can take up alternative paid employment and contribute to regeneration.

The most recent Sector Qualification and Learning strategy based on wide consultation with the sector has identified a range of learning needs which the Apprenticeship Frameworks can help to address; such as employability; basic/essential skills; extended communication skills; citizen centered approaches including respect and dignity; continuous professional development and higher level professional and leadership skills.

As a Sector Skills Council we are working with employers practitioners and service users to ensure the qualifications are modern and effective and there is access to high quality learning and development.

## **Details of our evidence.**

### **1. Some statistics on apprenticeships in our sector in Wales**

We have been working hard over the past two years to encourage more employers in our sector to use apprenticeships. We have printed and distributed information leaflets, attended

conferences, events and employers networks reaching over 750 people to raise awareness of apprenticeships and to support both the recruitment of new staff and the development of existing staff.

### 1.1 Number of Apprenticeships

In 2009-10 (the last year we have available data from LLWR) there were 19,570 learning activities being undertaken through work based learning for our sector. This included skills build (youth and adult), Modern Skills Diplomas for adults and the various components required for frameworks including technical certificates, essential skills/key skills and the NVQ component counted individually.

	<b>Health and Social Care</b>	<b>Children’s Care Learning and Development</b>
Apprenticeships in Skills for Care and Development learning areas 2010  (Work Based Learning)	<b>3450</b>  4290 technical certificates <sup>2</sup> 7355 NVQs	<b>2560</b>  2560 technical certificates 3600 NVQs
Manager’s level ‘apprenticeships’ through work based learning (MSD or flexible funding routes)	<b>670</b>	<b>440</b>

### 1.2 Average Profile of Apprentices.

Because our sector does use more apprenticeships to support workforce development than it does to recruit staff we do not have a typical apprenticeship profile. Information we do have gives the following picture;

**Gender:** The vast majority of apprentices in our sector follows the demography of the workforce and are female, although the numbers of male apprentices is rising very slowly it was 13.4% in 2009-10

**Age:** Our oldest Apprentice in 2011 was born in 1946 (65 years old) and our youngest in 1994 (17 years old). Of these a total of 1980 activities were undertaken by people under the age of 19; 4795 were people between 19 and 24; 12,595 were completed by people between 25 and 60 years old and 160 people over 60 years old. Our average age is around 38, which is significantly higher than in other sectors.

The profile of our apprenticeships has remained fairly steady since 2005, when we first started collecting data; however it is likely that this will change given the changes in school leavers and labour market figures current available.

<sup>2</sup> Some technical certificates were used as part of 14-19 work based learning programmes

With fewer young people leaving school and seeking employment in Wales we have had reports from some employers that they are having difficulty in recruiting apprentices. From our experience we believe that schools do not always have up to date information on apprenticeships and do not support this opportunity sufficiently to young people. See comments below on Careers Service.

### **1.3 Health and Social Care**

In 2011 we had 460 employers providing apprenticeships in Health and Social Care in Wales, this was a 15% rise in the number of employers using frameworks in 2010. There was a rise of 11.5% in the total number of apprenticeships completed. Data on apprenticeships has been done up to this point through a UK contract for both Health and Social Care and Children's Care Learning and Development.

We are keen to move to a position where the data for Wales is more easily accessed and specifically information on care (not combined health and care) and child care.

### **1.4 Early Years and Childcare**

There were at least 1,973 employers of EY&C workers in Wales<sup>3</sup> in 2012. As in 2010, none of those surveyed could be categorised as being anything but small (fewer than 50 employees) or micro-businesses (10 employees or fewer)<sup>4</sup>. Of these around 400 use apprenticeships to recruit new staff or train existing staff.

Recruitment problems across the sector continue to ease with fewer employers saying that it is difficult to find the staff that they need. In 2011, 35% said that they found it difficult to recruit compared with 44% in 2012 and 69% in 2005. Again, the general labour market conditions in Wales (unemployment has risen from 7.9% in 2005 to 9% at the end of 2011<sup>5</sup>) are likely to have an effect on how easy it is for employers to recruit the workers they need.

However, almost half of employers still said that it was not easy to recruit, and a significant number of employers reported difficulty in recruiting young people (16-18 year olds) to apprenticeship programmes.

Apprenticeships offer the chance to work and train at the same time and for many EY&C employers are an ideal way to recruit. There was mixed awareness of childcare apprenticeships amongst EY&C employers with 66% of full daycare employers aware of them, as opposed to just 30% of 'out of school' employers. Although we have no previous figures for this we believe this is a significant rise from last year. 37% of sessional care employers were aware of Childcare Apprenticeships in Wales and we are working to make

---

<sup>3</sup> Based on CSSIW registrations alone. There are likely to be additional settings that are unregistered because they operate for fewer than 2.5 hours per day or that are operated by schools. Figures exclude childminders as, even where two childminders work together, it is usually as a partnership rather than in an employer-employee relationship.

<sup>4</sup> There may be a number of organisations that operate multiple childcare settings that could have more employees in total.

<sup>5</sup> ONS LFS Headline Indicators. NomisWeb 2012

sure information about apprenticeships reaches all part of the sector, through existing networks, working with schools and careers services.

Since the numbers of young people staying at school post 16 has risen substantially, we do have reports from employers that they are finding it difficult to recruit young people especially 16-18 year olds to apprenticeship frameworks. This particularly affects the early years and child care workforce who historically have taken 16 year olds onto frameworks.

We have no empirical evidence to offer regarding the questions relating to employers having difficulty in recruiting young people, however we do have anecdotal reports that this is prevalent particularly in some areas of Wales (specifically Wrexham, Cardiff and Neath). We will be working with local and regional partners to try to raising the value and profile both of work in the sector and apprenticeships.

## **2. Completion Rates.**

Our completion rates have risen considerably since 2005 when we had a completion rate of around 15% to 2010 when the completion rates were in the high 70% around or above the national all sector average. Whilst this may be good news, there remain some questions raised by some employers of the quality of the training being provided. We believe it is not sufficient for Estyn inspections to be based around the very generic inspection criteria currently used, but more sector specific testing of quality needs to be undertaken. We are setting up a quality forum with partners to explore how we can develop more effective quality assurance systems in response to the proposals in the Social Services (Wales) Bill on regulation of social care training.

## **3. Employer Involvement**

Our apprenticeship frameworks are developed in close consultation with employers and learning providers in the sector and our last major development concluded in Autumn 2010. We are about to embark on a further full revision for completion by August 2012. We believe that the sector frameworks do meet the needs of employers and learners and provide an excellent opportunity for employers to recruit staff and contribute to retention by developing their existing staff. There has been an increase in the number of employers and the numbers of frameworks offered in our sector (see section 2 above).

## **4. Public Sector Apprenticeships.**

All Health Boards in Wales are involved (Cardiff and the Vale using most of the frameworks, but the other 6 health boards using only a small number) and 8 of the 22 local authorities (with Monmouth and Anglesey using the most frameworks, 6 other local authorities use a very small number (from 1-3)).

It is clear that there is some opportunity for local authorities to increase the uptake of apprenticeships in our sector (and other sectors) and we would welcome this development and the opportunity for Welsh Government to encourage this through some means. Our partners in England have been much more successful in doing this and in fact some local authorities make taking apprenticeships a requirement for firms who contract with local authorities to provide care service through the commissioning process and contract compliance system.

#### **5. Support to Apprenticeships from Careers Wales and Job Centre Plus**

The evidence we have from our employers is such that we do not believe these organisations are as aware of apprenticeships in our sector as they should be. The use of the Careers Wales Apprenticeship Matching Service would benefit from strengthening staff knowledge and understanding and in the information and support available to employers in particular. We are working through the Social Care Regional partnerships to provide support to careers services with information on the sector and through the Care Ambassador scheme. There is an opportunity next financial year to recruit people as Care Ambassadors who have come through the Apprenticeship route and can demonstrate what they have achieved.

#### **6. Welsh Government Policy on Apprenticeships.**

We welcome the policy on apprenticeships in Wales on the whole. The access to all ages is an enlightened policy objective, although for our sector the restrictions placed on learning providers through contract targets for younger participants isn't helpful. Learning providers do seem to be able to put many of their older people targets to our sector which we appreciate.

We welcome the way the SASW has been developed and implemented; learning from the many hitches experienced in England. Although the continued delay in issuing the final standards and implementing the 2009 Apprenticeship, Learning and Skills Act has not been helpful and having a clear and swift resolution to this would be welcomed, e.g. we await some clarification on the development of a Professional Framework to support workers in our sector to achieve a level 5 qualification while meeting the standards of the regulatory body.

#### **7. The Role of Learning Providers**

While the introduction of the draft Specification for Apprenticeship Standards, Wales in 2010 and the anticipated final version of these made clear that learning providers should not be recruiting apprentices directly but should be working in partnership with employers; this practice persists and is problematic for some employers.

The introduction of the traineeship system provides an entry route to apprenticeships, but it also means that learning providers have the existing relationship with these individuals and will try to influence employers to recruit these individuals rather than take on their own apprentice.

Many employers report difficulty in accessing learning providers support for their own apprentices, even when trying to involve learning providers from the start of their recruitment processes: challenges offered are lack of apprenticeship places on the contracts, timings are not flexible enough in some cases to meet the employer's timescales for new staff. This has also delayed the uptake of the Young Recruits programme in our sector.

In Autumn 2010 we completed a survey of all employers who had used apprenticeships in our sector in the previous 3 years. Over 70% of those employers who responded, were not aware that they had used apprenticeships; they thought they were offered 'free training' by the learning providers. Learning Providers are adamant that they fully discuss the apprenticeship scheme with employers, for some reason there is a mismatch in communication and we are working to develop an information booklet from employers in our sector about how to recruit apprentices, what to expect from learning providers, how to increase employer involvement in the process of selection of the components of the competence based qualifications to improve the learning from their apprentice and the business development needs of their businesses. It would be helpful to encourage or require through the apprenticeship learning contract with learning providers greater partnership working with employers in the recruitment and retention of apprentices.

An additional issue is that with the exception of Gwynedd and Mon, we have had reports from employers that accessing apprenticeships that can be supported / offered through the medium of Welsh is difficult. Given our sector's need to recruit, retain and train Welsh speaking staff to ensure the option of language choice is available in service this is an issue we would welcome support to address.



# Enterprise and Business Committee

APP21

## Inquiry into Apprenticeships

### Evidence from Energy & Utility Skills (Cymru)

#### Welsh Government Enterprise and Business Committee Inquiry into Apprenticeships

#### Introduction

1. We welcome the opportunity to provide written evidence to this inquiry to contribute to an increase in quality and employer engagement in the Apprenticeship programme.
2. This evidence is submitted by the Energy & Utility Skills (EU Skills) Group. Operating across England, Northern Ireland, Scotland and Wales, the group comprises EU Skills and, as a wholly owned subsidiary, the National Skills Academy for Power (the Skills Academy).
3. EU Skills is the Sector Skills Council (SSC) for the gas, power, waste management and water industries. EU Skills' purpose is to ensure that our industries have the skills they need now and in the future. As an employer-led organisation with a Board that demonstrates a wealth of experience in the sector, EU Skills has over 95 employer members with representation across the sector and its supply chain.

#### Background

4. The energy and utility sector is critical to the Welsh economy and has been identified as one of the priority sectors within the Economic Renewal Programme. Six employers from our sector have been identified as Anchor Companies under this programme, namely Centrica, Dŵr Cymru : Welsh Water, RWE Npower, Scottish and Southern Energy, Wales & West Utilities and Western Power Distribution.
5. As the UK is now a net importer of gas and with significant levels of electricity generating capacity due to close over the coming years, security of supply and affordability are critical to future economic growth. This situation, coupled with the continued drive towards a low carbon economy and higher than normal levels of retirements from the workforce expected over the next decade, presents a major challenge to employers - having to deliver huge capital investment programmes to ensure future energy demands can be met at the same time as the need for workforce renewal being, arguably, greater than ever.
6. Within Wales there are around 25,000 people working in the energy production and utilities sector, operating in approximately 900 businesses<sup>1</sup>. Total GVA generated by the sector in Wales in 2008 was £729million; representing 3.4% of the sector's total UK GVA and 1.6% of total GVA generated in Wales<sup>2</sup>.
7. The key drivers for skills development, and the employment of apprentice within the sector are:
  - a. Ageing Workforce - the sector is experiencing an ageing workforce which is forecast to worsen over the next 15 years. Subsequently, a skills deficit exists in craft and technical roles and significant extra investment in attracting and retaining skills, and the employment of apprentices to refresh the workforce.
  - b. Occupational Competence - given the safety critical nature of the sector.
  - c. Infrastructure and New Technologies – the replacement of ageing infrastructure and the introduction of new technologies is driving the need for significant investment and engineering and higher-level skills across the sector.
  - d. Regulatory Cycle - the five year regulatory cycle for the gas (transmission & distribution), power and water industries impacts on recruitment and skills development, with employers having to consider headcount targets over and above retention of key skills and expertise.
  - e. Carbon Emissions Reduction – the drive for a UK-wide reduction in carbon emissions to meet climate change commitments is impacting on the sector. The transition from burning gas and

---

<sup>1</sup> Labour Force Survey 2010, ONS

<sup>2</sup> Regional Accounts, ONS, 2010

coal to generate power towards the increased use of renewable and low carbon technologies (including nuclear and advanced waste treatment technologies) are driving the capability profile of the sector's workforce.

8. The ambition and business imperative for the energy, utility and environmental sector is to recruit the estimated 94,000<sup>3</sup> new recruits needed in the next five years (over 15% of the current sector workforce) to replace an aging technical workforce and, crucially, to enable the rapid introduction of new energy technologies to fulfil society's expectation of a 'green economy'. At least 8,000 new trainees will be needed.
9. Apprenticeships at level 2 and 3 are historically, and continue to be, a key mechanism of recruitment and training in the gas, power and water industries. The importance of Apprenticeships to the sector is demonstrated by employers below:

*"At Welsh Water, our business is built on growing talent from within...bringing Apprentices into the workforce has enabled us to succession plan for the future and grow our workforce, ensuring our very best standards of service continue to be delivered to our customers." Welsh Water, 2011*

### **EU Skills' Role in Apprenticeships**

10. EU Skills is the designated Issuing Authority for Apprenticeships with regard to occupations in electricity, gas and water supply, and waste management (also includes gas utilisation, recycling and waste water collection and treatment).
11. Issuing Authorities issue Apprenticeship frameworks in their sector against statutory requirements and a quality assurance development process. However, issued Apprenticeships are then judged against additional criteria established by the National Apprenticeship Service which determine whether they are fundable.
12. EU Skills has a dedicated qualifications department, and an apprenticeship manager who is responsible for developing and evaluating the quality and effectiveness of our Apprenticeship frameworks, and measures their success in helping employers meet their workforce development needs. This evaluation feeds into EU Skills' Apprenticeship strategy and provides evidence to influence external Apprenticeship policy where required.
13. All EU Skills developed frameworks are designed in partnership with employers following a robust consultation process with all relevant stakeholders across England and Wales to ensure a high quality, fit for purpose framework that meets the needs of employers and Apprentices in the job role, whilst aligning with government policy.
14. EU Skills has a Skills Director based in Wales responsible for engaging with Welsh Government, employers and providers to promote skills development and apprenticeships.
15. EU Skills produces marketing materials for employers to promote apprenticeships and also utilises two websites to promote apprenticeship schemes – [www.euskills.co.uk](http://www.euskills.co.uk) and [www.thinkpowersector.co.uk](http://www.thinkpowersector.co.uk).

### **EU Skills' Apprenticeships**

16. EU Skills has developed apprenticeship frameworks, at different levels, for each of its industries, the schemes currently available are:
  - a) Gas
    - Level 2 Foundation Apprenticeship in Network Construction Operations (Gas)
    - Level 3 Apprenticeship in Gas Utilisation
  - b) Power
    - Level 2 Foundation Apprenticeship in Power Transmission and Distribution
    - Level 3 Apprenticeship in Wind Turbine Operations and Maintenance

- Level 3 Apprenticeship in Power Generation
  - Level 3 Apprenticeship in Power Transmission and Distribution
- c) Water
- Level 2 Foundation Apprenticeship in the Water Industry
  - Level 3 Apprenticeship in the Water Industry
  - Level 4 Higher Level Apprenticeship in Utilities Network Planning & Management
- d) Waste
- Level 2 Foundation Apprenticeship in Sustainable Resource Management
  - Level 3 Apprenticeship in Sustainable Resource Management

17. Employers in our sector, particularly the Anchor Companies actively utilise the apprenticeship frameworks developed by EU Skills. For example, Wales and West Utilities have employed 85 apprentices in the last 5 years. However some of these companies, such as Western Power Distribution, deliver the apprenticeships themselves internally and do not use the services of a Welsh Government contracted Work Based Learning provider, as a result they do not access Welsh Government funding to support the delivery of apprenticeships.

18. The most recent apprenticeships frameworks developed by EU Skills for the sector are those in Sustainable Resource Management and Wind Turbine Operation and Maintenance during 2011. In the region of 100 apprentices in the waste management and recycling industry have been enrolled on the Sustainable Resource Management scheme to date and there significant additional demand for this scheme which has had only had a limited number of funded places available to date. Our Skills Director in Wales is currently working with a number of employers to establish the first cohort to work through the Wind Turbine Operation and Maintenance apprenticeship in September 2012.

### **Supplementary Information**

19. EU Skills would be pleased to discuss our sector, the apprenticeship frameworks we have in place and the issues we have identified in relation to their delivery should the committee desire.

**Aled Davies**

Energy and Utility Skills Group