

# 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 be 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.