Aligning the Apprenticeship model to the needs of the Welsh economy

February 2017
Foreword

Apprenticeships are an essential ingredient of economic success and a vital tool in building a stronger, fairer and more equal Wales. Through enabling more people to achieve their full potential and raising skills levels to meet employer needs we can drive productivity and prosperity in our economy and create more resilient communities. Our investment in skills is an investment in the future of our country, our businesses and our people.

The production of our Apprenticeship Policy and its five year Action Plan sets out how Apprenticeships will support the Welsh Government’s aim to deliver more and better jobs through a stronger, fairer economy. Over the last few years the Welsh Government has developed a strong track record of working with our social partners in business and trade unions to create Apprenticeships that are recognised across the UK and Europe for their quality and standard. Our goal is to build upon what we have already achieved so that the benefits of the programme can be realised by a broader range of employers and individuals across Wales. That is why we have made a commitment to 100,000 Apprenticeship places over the next five years.

Wales in the 21st century is diverse and complex and our programmes need to respond accordingly. We need to support people when they need it most, and equip services to respond to challenges, such as an ageing population, a changing climate, new technologies and globalisation. The issues we face can only be tackled through new ways of working, including joined-up programmes which reinforce and build upon what people and communities are doing for themselves. We have already commenced planning arrangements to mobilise Apprenticeships in support of commitments outlined in Taking Wales Forward focussing on areas such as: Housing, Transport, Childcare, Culture and Tourism, Health and Social Care. This will also provide assistance to help reform the skills of the Welsh public sector, to help build a united, connected and more sustainable Wales.

Apprenticeships, together with our new Employability Programme will support individuals of all ages to get the skills they need to enter the labour market and, importantly, progress through it into higher skilled work. This is part of our commitment as a Welsh Government to creating better jobs closer to home.

As a government we are committed to developing a culture in Wales where recruiting an apprentice becomes the norm for employers, giving individuals access to high quality job opportunities and skills. We will be starting our work on this across the Valleys Taskforce area.

We know that the jobs of tomorrow will require far higher levels of competence than in the past. To meet this challenge Apprenticeships will need to integrate more effectively into the wider education system and economic fabric of Wales. Stronger co-operation between academic and vocational education, and the way in which these systems work together is required. This approach will facilitate high quality employment opportunities within local communities.
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throughout Wales. We will intensify our focus on technical and professional sectors and outline clearer path into Apprenticeships from schools, this will send a strong message about the value of Apprenticeships and vocational education in supporting younger people into sustainable employment and self-employment. Apprenticeship routes need to be a credible alternative to the academic route and young people need to be given the opportunity to experience the benefit that a vocational career pathway will bring.

The introduction of the Apprenticeship Levy is creating a new stimulus for Apprenticeship places in both the public and private sectors. In Wales, employers are keen to understand how they can realise the benefits of this new UK Government driven employment tax. The Apprenticeship programme has been designed to meet the needs of both levy and non-levy paying employers and Apprenticeship places are readily available in priority areas through our Apprenticeship provider network. We have been working closely with employers and are actively encouraging businesses to come forward and recruit through our Apprenticeship programme in technical and professional areas, through a series of marketing and communication events.

Employers are expecting to directly influence the design of the learning they receive through the Apprenticeship programme. We recognise that the whole Apprenticeship system must be more flexible and responsive to the ever and more rapidly changing need of industry. We intend to use the Wales Employment and Skills Board as the vehicle to assist us with new Apprenticeship developments in this area.

Our policy presents challenges and opportunities – all-age provision, the expansion of higher level skills and greater employer engagement in specific areas of the economy. I encourage employers, providers and supporting bodies to work together to create a stronger Apprenticeship programme and to help us provide the next generation of apprentices of which we can continue to be proud of.

As a final point, our Apprenticeship programme benefits from the European Social Fund (ESF) in both West Wales and the Valleys and East Wales. The vote to leave the EU is bound to create uncertainty for employers, training providers and other interested parties. However, the First Minister for Wales has made it clear that we should negotiate continued participation, on current terms, in major EU programmes until the end of 2020.

Julie James AM
Minister for Skills and Science
Executive Summary

Wales has developed a highly successful Apprenticeship programme, one built in partnership with Welsh businesses and with a strong focus on quality. The programme is highly valued by both employers\(^1\) and apprentices and our framework success rates are consistently over 80%. However, changing demand from employers and learners as well as the introduction of the Apprenticeship Levy by the UK Government means there is now a need to revisit how the programme in Wales will operate, and to consider how it should develop further to meet the changing needs of the Welsh economy; both now and in the future.

‘Looking forward’ data projections tell us that between 2004 and 2024, the proportion of those in employment who need to be qualified at Credit and Qualifications Framework for Wales (CQFW) levels 4-6 is projected to almost double from 22 per cent to 40 per cent. By 2024 it is projected that over half (51 per cent) of those in employment in Wales will hold qualifications at level 4 or above. This is in contrast to around a quarter in 2004 (28 per cent).

Historically, many of our Apprenticeships have been delivered at entry level (Level 2) supporting large parts of the foundational economy across Wales, with relatively smaller numbers across our knowledge and technical based economy (Level 3-6). If the balance of the programme remains unchanged then many more Apprenticeships will be offered in areas where there are limited benefits in terms of wage returns and career progression. There is also a risk that the programme will make a limited contribution to our future economic growth in terms of higher level qualifications and skills.

\(^1\) An independent evaluation found the majority of employers were satisfied with their Apprenticeships experience saying it was likely that they would offer Apprenticeships in the future: [www.gov.wales/statistics-and-research/evaluation-work-based-learning/?lang=en](http://www.gov.wales/statistics-and-research/evaluation-work-based-learning/?lang=en)

UK Commission for Employment and Skills, Working Futures projections for employment change by occupation, 2010–2020

In response to these challenges and informed by the consultation on Apprenticeship development in 2015, our delivery priorities for Wales for 2016 to 2022 are to:

- **Address acute skill shortages** – develop Apprenticeships, particularly in growth sectors and emerging job categories, in line with priorities determined by Regional Skills Partnerships.

- **Introducing an all-age approach.** In August 2016, we introduced our approach to all age Apprenticeships, particularly for those trying to enter or re-enter the labour market. Within that approach we intend to increase the up-take of Apprenticeships amongst 16-19 year olds, focusing on the transition of school leavers into high quality employment opportunities.

- **Jobs and growth** – ensure the programme improves its contribution towards higher level skills – focusing on Apprenticeships at level 3 and above, where returns tend to be higher and where the greatest success is seen in delivery by other European countries. We will continue to monitor the effectiveness and relevance of Foundation (level 2) Apprenticeships to determine whether a new approach is required to meet the skills requirement for entry level jobs.

- **Quality and Benchmarking** – improve performance measures, currently the success of the Apprenticeship programme is measured through framework success rates. In future there will be a greater focus on success through the achievement of meaningful and sustainable employment. Skills competitions held around the world showcase and inspire world-class excellence in skills and introduce youth to a variety of skilled careers. Our work on skills competitions will help us benchmark our apprentices against other UK Nations and international skills.

- **Improving Access, Equality and Equity of opportunity** – We are supporting people into employment who are new to the workplace as well as placing a renewed focus on progression in the workplace through access to higher quality training opportunities. We will continue to ensure that those groups currently under-represented are given equal opportunities to benefit from our programme and we have appointed an equality champion specifically to take this work forward. In terms of access all learners and employers need to know what provision they can access, when recruitment takes place and how long the programme takes. The digital interface to support employers to find providers and apprentices will be improved.

- **Deliver Apprenticeships in Welsh** – opportunities to undertake an Apprenticeship through the medium of Welsh or bilingually will be strengthened, ensuring all learners have the opportunity to maintain and develop their Welsh-language skills.

- **Develop skill pathways** – integrate Apprenticeships into the wider education system. Creating stronger co-operation between academic education and vocational education and looking at the way in which these systems work together to deliver a combined comprehensive offer for Apprenticeships. The outcome of the Diamond Review will support developments in degree level Apprenticeships. To achieve this
step change on the programme, a greater emphasis will be placed on partnership working; including schools, colleges, work-based learning providers and the higher education sector.

• Establish a new system for framework review and development – to ensure that Apprenticeships are designed to meet employer needs and are responsive to industry changes.

Central to Apprenticeship planning is our commitment to create a minimum of 100,000 all-age Apprenticeships over this current Assembly term as well as promoting and enhancing earning and learning routes across the post 16 sector that embrace academic and vocational learning.

What will be the impact of these changes?

By the end of this Assembly term the Apprenticeship programme will have been aligned to meet the changing needs of the economy in Wales.

The Welsh Government will have delivered:

• Improved performance measures for Apprenticeships, including measures of employment outcomes.

• Clearer pathways into Apprenticeships for 16-19 year olds where opportunities/vacancies are openly promoted by employers to attract the best candidates.

• Increased awareness of Apprenticeships by young people, parents and schools.

• Increased numbers of apprentices taking higher-level Apprenticeships, particularly in STEM subjects and/or priority sectors.

• Evidence of a shift in delivery to higher value Apprenticeships with successful progression, completion and sustainable employment outcomes.

• Increased integration and alignment between Apprenticeships and further education delivery in technical and vocational subject areas for 16-19 year olds, with evidence of progression and efficiency in the use of resources between these sectors.

• Strong regional collaboration across learning institutions, training providers, employers and regional skills partnerships to deliver the skills that employers need.

• More learners using Welsh within their learning and contributing to the Welsh Government’s vision of a million Welsh speakers by 2050.

A minimum of 100,000 people will have started an Apprenticeship with the opportunity of gaining sustained employment and self-employment at the end and ultimately supporting their career development into the future.
The benefits of Apprenticeships

1.1 Apprenticeships offer considerable benefits to society and the economy above and beyond improving employment prospects for young people and adult learners. They provide people with the opportunity to develop job-related competences, technical skills, numeracy and literacy skills and self-esteem. They also play an important role in helping to tackle youth unemployment. The latest figures show that approximately 18 per cent of people aged 16 to 24 are unemployed in Wales. Many of these young people find difficulty in gaining employment due to a lack of skills.

1.2 Apprenticeships are also our main vehicle for ‘earn as you learn’ training: Apprentices are employed and their employer is committed to providing access to training and in-work support. Employers are responsible for providing appropriate on the job training, support and paying the apprentice for the duration of the Apprenticeship. A network of training providers work with employers to deliver training for apprentices through the work-based learning (WBL) contracts sourced by Welsh Government.
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1.3 Skills that are developed through Apprenticeships contribute to higher value-added economic activity. They are good for growth and social mobility. There is evidence that during the course of a lifetime, apprentices receive higher earnings and the economy benefits significantly through increased Gross Domestic Product (GDP). A National Audit Office (NAO) study has calculated that Apprenticeships provide an average return of £18 per £1 spent on them by Government.3

1.4 Training apprentices is an effective means of meeting both current and future skills demands. Employers who train apprentices have the opportunity to shape the skills they gain to match those they require and helps them to incorporate and embed their organisational values into the training received by the individual, which can in turn lead to better staff retention.4

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2 National Audit Office, Adult Apprenticeships (February 2012)

3 This return is based on the additional wages subsequently achieved by adult Apprentices (18 per cent average increase for Level 3 Apprentices and 11 per cent average increase for Level 2 Apprentices) factored over an estimated working life and an estimate of the value of additional productivity to employers which is not paid out as wages.

4 Department for Business Innovation and Skills, BIS Research Paper Number 67, Employer Investment in Apprenticeships and Workplace Learning: the Fifth Net Benefits of Training to Employers Study (May 2012)
2.1 We know that the jobs of tomorrow will require higher levels of competence than in the past and our Apprenticeship programme needs to meet that challenge and support economic growth. Between 2004 and 2024, the proportion of those in employment who are qualified at Credit and Qualifications Framework for Wales (CQFW) levels 4-6 is projected to have almost doubled from 22 per cent to 40 per cent (Figure 1). Similarly, the proportion of those in employment qualified to levels 7-8 is also projected to almost double, from 6 per cent to 11 per cent (albeit most of this increase was seen between 2004 and 2014). This means that by 2024 it is projected that over half (51 per cent) of those in employment in Wales will hold qualifications at level 4 or above. This is in contrast to around a quarter in 2004 (28 per cent).

2.2 The opposite effect can be seen for those holding no qualifications. Whilst 13 per cent of those in employment in Wales held no qualifications in 2004, this is projected to fall to just 2 per cent in 2024. Similarly the proportion of those in employment qualified to level 1 is projected to decline from 18 per cent to 9 per cent. A small decline is projected for the proportion in employment qualified to level 2, whilst there is relatively little change in the proportion qualified to level 3.
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2.3 Looking at individual levels of qualification (Figure 2) reveals that it is CQFW level 6 that is the main driver behind the projected increase in QCF level 4-6 between 2014 and 2024. A small increase is expected for QCF level 5, although a slightly larger increase is expected for QCF level 4. Small increases are also projected for QCF levels 7 and 8 between 2014 and 2024.

2.4 To drive up the average skills level, we need our Apprenticeship provision to be more flexible; flexible enough to be accessible to all, regardless of individual circumstances, whilst also accommodating the time and business constraints which are characteristic of many Small and Medium sized Enterprises (SMEs).
What does Apprenticeship delivery look like in Wales

3.1 Apprenticeship learning is defined through ‘frameworks’ which specify the qualifications and training that must be achieved to earn an Apprenticeship certificate. In 2014/15 there were 19,500 people starting the programme and over 48,000 apprentices in training. There are over 120 Apprenticeship frameworks (some at multiple levels) which are government funded covering a wide range of skills, trades and occupational areas by sector.

3.2 Currently each framework must contain competency and technical knowledge qualifications; and at least two Essential Skills qualifications (or recognised proxy qualifications).

3.3 Currently the majority of Apprenticeship delivery is through entry level Foundation Apprenticeships (Figures 4-6). The majority of apprentices are following Foundation Apprenticeships at level 2 (45 per cent); 39 per cent on level 3 Apprenticeships; and 16 per cent on Higher Apprenticeships (Figure 3).

5 Further Education, Work-based Learning and Community Learning in Wales, 2014/15, Statistics for Wales, First Release: (March 2016)
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3.4 The majority of Apprenticeships are delivered in management, business administration and in the public health and care sector (Figure 4).

3.5 Higher Apprenticeships were first introduced in 2011 and enrolments have grown rapidly since. Delivery is predominantly in the social care and management sectors, although there has been some growth in technical occupations which we would like to see expanded.
Our Delivery Priorities for Apprenticeships

4.1 The Welsh Government is committed to delivering a minimum of 100,000 quality Apprenticeships during this Assembly term, available to people of all ages, with the opportunity of gaining sustained employment and self-employment. Employees will be able to access and engage in high quality training across a range of sectors that will drive the knowledge based economy. To ensure the programme remains relevant and effective to the longer term need and requirement of the Welsh Economy, the following guiding themes have been identified:

Addressing Skill Shortages

4.2 Too few Apprenticeships are in sectors where skills shortages are acute. In 2014/15, only 3 per cent of apprentices were in IT and telecoms, while only 8 per cent were in engineering. Regional Skills Partnerships will be instrumental in understanding the skills need and demand across Wales. They will be required to work with employers to better understand the skills shortages and skills issues (particularly Apprenticeship Levy paying employers) they will be asked to prioritise demand so it can be met within the allocated budget for Apprenticeships.

Regional Skills Partnership – South West and Central: www.rjp.org.uk;
The Learning, Skills and Innovation Partnership (LSkIP) for South East Wales: www.lskip.wales;
The North Wales Economic Ambition Board: www.northwaleseab.co.uk
Introducing an all-age Apprenticeship programme

4.3 In August 2016 we introduced the all-age Apprenticeship programme where people of all ages can benefit from the opportunities offered by Apprenticeships, particularly those trying to enter or re-enter the labour market.

4.4 Older workers are healthier and more active than in previous generations and that means many of them will be working longer than a generation ago. We recognise the specific barriers that face many people over 50 who are trying to re-enter the labour market and the role of people over 50 have in mentoring younger workers and passing on their skills and knowledge and that is why we have moved to an all-age programme and have instigated the development of a new master craft person programme – covered in section 4.12

4.5 Apprenticeships should provide routes into a career; improving life chances for more people from all backgrounds. Nonetheless, too many young people struggle to get a foothold in the labour market. Prioritising Apprenticeship starts aged 16-19 will provide opportunities for higher earnings and career progression that reaches beyond those young people who select the academic option at 16. Research undertaken by the Sutton Trust and Social Mobility and Child Poverty Commission support this approach. Providing additional Apprenticeship opportunities for young people aged 16-19 years old will support social mobility, enhance life chances and help maintain engagement of those who are at risk of being not in education, employment or training (NEET).

4.6 Action will be taken to increase Apprenticeships in Science Technology Engineering and Mathematics (STEM) occupations; improve the quality of information available to 16-19 year olds to aid post-16 choice; improve progression from the All-age Employability programme onto Apprenticeships; and develop opportunities to progress onto higher level or degree Apprenticeships for those aged 19 years old and above.

Jobs and growth – developing higher level skills

4.7 Across the UK there is set to be an additional 3.6 million jobs in medium–skilled occupations by 2022. Entry level Apprenticeships provide limited benefits to the labour market and the future economy is likely to be increasingly characterised by growth in jobs that require higher level qualifications and skills.

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8 UK Commission for Employment and Skills, Working Futures projections for employment change by occupation, 2010–2020
4.8 The skills content of an Apprenticeship is set at a level to meet the future skills needs of the Welsh economy. Entry level (Foundation Apprenticeships) should normally be achieved en route to completing an Apprenticeship; there should be automatic progression to an Apprenticeship. In future years the focus will be on delivering Apprenticeships at level 3 and above, where returns tend to be higher, putting in place a phased reduction in entry level Apprenticeships in non-priority sectors⁹.

4.9 We continue to recognise the value of entry level skills as a useful platform to higher achievement and that they can be the appropriate level for some occupations, for example, those in social care and the certain sectors in the construction industry. The economy needs trained people in these sectors as well as those in technical occupations which may require a higher skill level. We are also exploring if there are more appropriate interventions to support the skills at entry level more generally outside of the Apprenticeship brand.

4.10 We intend to support growth in Apprenticeships at higher levels. We will review this content to ensure they continue to meet emerging skill shortages in technical and highly skilled occupations that will drive productivity, such as engineering and IT. The initial focus will be on those sectors identified as priorities by Regional Skills Partnerships. Since higher level apprenticeships were introduced in 2011, we have been investing significantly in their development and expansion. In 2014/15 Higher Apprenticeships accounted for 16 per cent of apprentices in training. Despite this success, occupational coverage needs to be extended, for example, into the construction industry and the STEM sectors. This year we have prioritised the review of existing Higher Apprenticeship frameworks to ensure they are relevant and attractive to employers, for example, we have added Higher National qualifications to frameworks in the engineering sector which employers value. Ensuring that these Apprenticeships include qualifications that employers both recognise and value will encourage up-take within the sector.

4.11 Providers and universities will need to increasingly work together to deliver flexible courses; different sectors, employers and occupations may require different study modes, for example, online or virtual learning; block release; day release; blended learning (combining classroom and digital methods); and learner cohorts that include apprentices as well as other student types. In addition, better collaborative working between universities and providers that offer apprenticeships at different levels for the same occupation area will allow employers to access a comprehensive progression framework for their staff.

⁹ Non-priority sectors/areas are currently: Business Administration, Customer Service, Retail and Hair and Beauty.
4.12 Colegau Cymru, working in partnership with the Welsh Government, is exploring the benefits of establishing a Master Craftsperson standard for apprentices who achieve a high level of technical expertise. Master Craftsperson standards are already recognised in many European countries, varying from on one hand qualification on successful completion of their Apprenticeship to a maximum of 10 years’ post-Apprenticeship experience. This is then followed by a varied training period for the Master Craftsperson before exams can be taken. This ranges from 0 to 3 years and we hope that the Master Craftsperson standard will be embraced by industry across Wales and in turn will boost the skills of our apprentices.

4.13 We also intend to develop alternative routes into and through higher level skills with Apprenticeships that contain degree level qualifications. Apprentices following a Degree or Masters qualification could divide their time between university study and the workplace as they would be employed throughout the duration of the Apprenticeship. We will be looking to test a range of new Welsh Apprenticeships (that include Degree level qualifications) developed in conjunction with employers, sector bodies, Sector Skills Councils (SSCs), Further Education and Higher Education Institutions across Wales.
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4.14 Our Public services are essential in maintaining functions related to education, fire services, waste management, social services and healthcare; but do not traditionally recruit apprentices to meet their workforce needs. We will work with public sector organisations on their workforce planning, to encourage a greater up-take of apprentices, specifically within Local Authorities, the NHS and the ‘blue light’ services.

Quality and Benchmarking

4.15 The programme is highly valued by both employers and apprentices and our framework success rates are consistently over 80 per cent. Our last learner survey found that more than 90 per cent of apprentices thought that their overall experience was ‘good’ or ‘very good’. However, we recognise that we need to do more.

4.16 Apprenticeship delivery is inspected by Estyn and is subject to ongoing monitoring by the Welsh Government. We are aware that, while the overall programme outcomes are good, providers need support to improve some aspects of delivery, including literacy and numeracy teaching; the quality of marking and feedback; and upskilling trainers and assessors to support and challenge every learner to achieve their potential.

4.17 To help build capacity in the work-based learning sector, a dedicated Head of Quality has been appointed by the National Training Federation for Wales (NTfW) (the representative body for work-based learning providers in Wales). Their role involves co-ordinating continuing professional development for the sector, sharing good practice, and developing a clear vision of what excellent work-based learning looks like. Further opportunities will be provided by the registration of work-based learning practitioners with the Education Workforce Council from April 2017, which will provide, for the first time, comprehensive information on the workforce, levels of qualifications, and development needs.

4.18 Our measures of success should be linked to the core purpose of Apprenticeships, that is, getting people into meaningful employment. The National Assembly’s Enterprise and Business Committee Inquiry into Apprenticeships has recommended that we ‘publish the number of apprentices that progress into employment at the end of their Apprenticeship, according to destination sector.’ In taking this forward, we have an agreement in principle from the UK Government to take part in their data linking programme

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10 An independent evaluation found the majority of employers were satisfied with their Apprenticeships experience saying it was likely that they would offer Apprenticeships in the future: [www.gov.wales/statistics-and-research/evaluation-work-based-learning/?lang=en](www.gov.wales/statistics-and-research/evaluation-work-based-learning/?lang=en)


in England. Known as the Longitudinal Education Outcomes Study (LEOS), it matches learner records to the Department for Work and Pensions’ data on employment, earnings and benefits, giving a more comprehensive picture of learners’ destinations than has previously been possible. We are working with UK Government colleagues to agree details of our involvement and intend to undertake a pilot in Spring 2017, which will lead to an ongoing programme of data linking to enable us to monitor learners’ progress and destinations.

4.19 Skills Competitions offer apprentices a chance to challenge, benchmark and raise their skills by taking part in competitions across a range of sectors. They allow apprentices to develop and showcase their skills at a UK and world level, improve self-confidence and self-esteem. They increase their motivation, raise aspiration and help young people to prepare mentally and technically for their chosen career. We will continue to work to ensure Apprenticeships feature highly in Skills Competitions across Wales.

4.20 Consideration will also be given to the way we record and monitor Welsh-medium and bilingual learning to enable a better comparison between the medium of learning and the language skills available for use in the workplace.

4.21 As part of our work with the European Alliance for Apprenticeships, we will share best practice and promote the benefits of Apprenticeships at a European level, whilst also allowing us to benchmark our performance at an international level.

Improving Access, Equality and Equity of opportunity

4.22 Apprenticeships need to be as straightforward as possible for individuals and employers to access. Employers need to know what provision they can access, when people can be recruited and how long the training takes. To support this objective, we will streamline and improve our on-line Apprenticeship Matching Service\(^{14}\) to provide better support for employers and providers advertising Apprentice vacancies.

4.23 We will continue our marketing and communications strategy for Apprenticeships, encouraging new apprentices and employers through celebrating achievements and the benefits of Apprenticeships widely. We will build awareness of the opportunities the programme has to offer to employers of all sizes. This includes employers who are likely to create more Apprenticeships as a result of the Apprenticeship Levy and small businesses crucial for growth, who are more likely to hire younger apprentices.

4.24 Individual initiatives include:

- Celebrating achievements of individuals and employers through the National Apprenticeship Week in March each year; sharing the pride and success of apprentices that achieve demonstrating the difference that Apprenticeships can make to both business and to individuals;

- National Apprenticeship Awards celebrating the success of individual apprentices and businesses of all sizes at both a regional and national level;

- Making available to employers information on Higher Apprenticeships and the benefits they can offer along with clear guidance on what type of employees would benefit most from them, and any funding/support available;

- Continued and increased involvement of professional bodies in the promotion of Higher Apprenticeships and how these complement the professional qualification routes available; and

- To encourage greater engagement in vocational learning in schools, we are piloting the ‘Have a Go’ initiative. ‘Have a Go’ events in schools and colleges involve young people trying out new skills through a range of interactive activities. This will help open up vocational pathways, including Apprenticeships. We are encouraging Apprenticeship training providers to organise and participate in ‘Have a Go’ events. Even though this initiative is currently being piloted, we are already experiencing high demand from schools and colleges in the South Wales region. We will be extending the pilot later this year into Mid and North Wales.

4.25 Equality in relation to Apprenticeships needs to be seen in a wider employment context to ensure we address issues of engagement and support for disadvantaged groups. Having a diverse workforce with people from different racial, educational and social backgrounds and a diverse age range opens up a wealth of possibilities and helps to encourage creativity and foster innovation. Our workforce and working patterns are changing. Our working population is getting older, and increasing numbers of women and people from different cultural and ethnic backgrounds are entering the workforce. Valuing diversity is becoming increasingly important for businesses and as such Apprenticeships.

4.26 Support for apprentices is available through the Welsh Government's Additional Learning Support arrangements, which are available where a learner has a learning difficulty or disability and needs additional support to achieve success through the programme.
In order to address equality issues on the programme we have appointed an Equality Champion to work with our providers and under represented groups within the community – to take forward action to help disadvantaged people overcome the barriers they encounter on our Apprenticeship programme. Officials have been working on a range of actions to support disadvantaged groups into Apprenticeship places. These include:

- Development of a toolkit and bespoke Equality and Diversity training for our WBL network in response to a review carried out by the Equality and Diversity Champion;
- Promotional work, case studies utilising various channels including social media;
- A new case load approach working with Remploy to proactively recruit their clients into Apprenticeships and
- Using our ‘Have a Go’ initiative in schools to enable young people to try out activities and eradicate the gender stereotypes around sectors which currently exist.

People need to be able to undertake learning and training opportunities in English or Welsh and in recent years we have seen growth in take up of Welsh medium and bilingual Apprenticeships. The Programme for Government, Taking Wales Forward, states that we will be working towards one million people speaking the Welsh language by 2050. Apprenticeships for many provides a bridge between statutory education and the workplace and a key period in which language skills need to be maintained. For older learners who return to learning or developing their skills further, it provides an opportunity to re-gain confidence in their language skills.

15 www.govwales/about/programme-for-government/?lang=en
4.29 Over time more organisations will have to adhere to the Welsh Language Standards and as a result, the demand for a workforce where individuals can work bilingually will increase. This is having an immediate effect on the public administration and the health sectors and is adding to the current demand for Welsh language skills within the early years and childcare sectors. Apprenticeships can support the development of the workforce to meet this demand through the delivery of Welsh medium and bilingual learning, supporting individuals to maintain and develop the language skills they have learned during statutory education for use in the workplace.

4.30 To support further up-take we have introduced targets for the delivery of bilingual Apprenticeships for childcare, construction and agriculture occupations where the Welsh language can be vital to delivering effective services. Performance will be monitored on a monthly basis and providers will be challenged where targets are not being met. Furthermore, we will be considering how to incrementally set challenging targets in other areas to support our ambition for a bilingual Wales. Consideration will also be given to the way we record and monitor the Welsh medium and bilingual learning to enable a better comparison between the medium of learning and the language skills available for use in the workplace.

Developing sustainable skills pathways – integrating Apprenticeships into the wider educational and economic system

4.31 The UK education system is geared towards delivering qualifications rather than employability. Vocational learning is often seen as the ‘second best’ option due to the institutional structures that have shaped the UK education system and labour market. There are defined and well understood academic pathways that support young people from age 14 through GCSEs, A’ levels and into university. For those people who are not intending to go to university, the pathway is less clear. Information on the benefits of going to college or starting an Apprenticeship is relatively poor. For many it is far safer and easier to choose the university route.

4.32 Potential apprentices, parents and employers have to have clear and readily available information on the opportunities that are available to them, particularly young people leaving school who just have information on sixth form and higher education options. To support this we will simplify and improve the interface between employer and learner, making it easier for employers and training providers to market Apprenticeships themselves.

4.33 Apprenticeship opportunities need to be as straightforward as possible for individuals and employers to access. Employers need to know what provision they can access, when people can be recruited and how long the training takes. To support this objective, we will streamline and improve our
on-line Apprenticeship Matching Service to provide better support for employers and providers placing vacancies.

4.34 We will also be creating stronger co-operation between academic education and vocational education and looking at the way in which these systems work together to deliver a combined comprehensive offer for Apprenticeships. Academic and vocational delivery within an Apprenticeship will lead to the highest levels of educational attainment. Schools, Colleges, Universities and employers need to be a more overt part of the mechanism for delivering Apprenticeships.

4.35 The Universities and Colleges Admissions Service (UCAS) are planning to implement UCAS tariff points for Apprenticeships in May 2017. They are looking to allocate tariff points for level 3 Apprenticeships. This development potentially provides a route for apprentices into full-time higher education at a time of their choosing. It could also strengthen the route into Apprenticeships, including those with a degree qualification.

4.36 The Diamond review provides opportunities to develop stronger and more effective co-operation across education sector, which will support the expansion of higher-level skills; including the Higher Apprenticeship offer. It will support the introduction of employment led Apprenticeship provision and access to the system will be based on alignment with Welsh Government priorities which are based on economic need.

Proposals to fund the delivery of this approach will be brought forward during 2017.

4.37 Similarly Apprenticeships need to be better integrated with further education courses and to address this we will be working to adapt Apprenticeship frameworks and further education learning programmes to create a system of integrated pathways.

Establishing a new system for framework review and development

4.38 To be more responsive to the often rapidly changing employer needs we will be revising systems to develop framework learning content, to ensure that we have Apprenticeships designed to meet employer needs and responsive to industry changes. Involving stakeholders in the design, delivery and assessment of Apprenticeships is essential to having a responsive programme where the offer is visible and accessible. Apprenticeship design will be informed through recommendations from Regional Skills Partnerships, labour market information and sector reviews carried out by Qualifications Wales. The Wales Employment and Skills Board will expand its remit to consider Apprenticeship developments, they will also advise on Apprenticeship framework developments with the aim of delivering a maximum of 30 high performing Apprenticeship frameworks to drive forward the Welsh economy.
4.39 Apprenticeship qualifications are underpinned by National Occupational Standards (NOS), which are developed in consultation with employers through sector representative bodies (including SSCs) which operate across the UK. NOS provide a detailed specification of the knowledge, skills and competences required for a job role. They are a fundamental part of the quality of Apprenticeships in Wales and valued by employers and our training providers.

4.40 The key benefit of NOS is that they are designed by employers to provide a blueprint for a job role. NOS are intended to be flexible enough to meet the needs of businesses of all sizes and in a variety of locations. Depending upon the specific requirements of the occupation, NOS can either be used to provide a high level overview of general competence required within a post, or they can provide more granular detail to allow the employers who desire so, to drill down to narrower areas of occupational competence they deem essential for a specific job role. The UK Government is no longer mandating the use of NOS within the vocational qualifications system in England, however, employers in England can continue to use NOS if they wish. The Devolved Administrations remain fully committed to retaining NOS as a shared common basis upon which to ensure parity for Apprenticeship systems across the UK.

4.41 At this point in time, Wales remains committed to maintaining qualifications as key components of Apprenticeships frameworks. Professional or regulated qualifications facilitate portability for learners within and across organisations, sectors, regions and nations and provide a quality benchmark for employers, determining whether an apprentice is competent. For apprentices they provide evidence of competence and knowledge which will support their career aspirations.
5.1 The Apprenticeship Levy is a UK Government employment tax that is due to come into force in April 2017. It will be applied across the whole of the UK. The Levy is expected to create demand across the public and private sectors.

5.2 The Welsh Government will be consulting annually with employers, directly and through Regional Skills Partnerships to better to understand the demand the levy will create and how this demand might be met. During 2017 we will be asking Regional Skills Partnerships to consult widely and comprehensively with levy paying employers to ensure they are fully represented as part of the skills assessments they produce annually and as such influence the provision on offer.

5.3 With Apprenticeship frameworks on offer across a broad range of job areas we are encouraging employers to come forward and recruit via our programme, particularly in technical and professional areas. We recognise that there is a need to strengthen the engagement processes with employers so they have better access to information on Apprenticeships in Wales. An employer information pack on Welsh Apprenticeships and the levy will be produced together with supporting on-line tools. A new customer facing function will provide employers with detailed advice on how they can access Apprenticeships that meet our priorities. There has been significant engagement with employers and representative bodies, such as the CBI. To date we have received in excess of 200 levy enquires and officials are working closely with employers, unions sector bodies and social partners to ensure that they understand our approach to apprenticeships in Wales. To support this we are working strategically with key public and private sector bodies such as local authorities and Welsh anchor companies.

5.4 The Apprenticeship information Pack can be downloaded from www.gov.wales/topics/educationandskills/skillsandtraining/apprenticeships/the-apprenticeship-levy/?lang=en

16 www.gov.wales/topics/businessandeconomy/how-we-support-businesses/anchor/?lang=en
Transition and implementation

6.1 Development of the Apprenticeship system will be achieved through a phased transition over the next five years which is set out in the Action Plan in Annex A. It is intended that the Action Plan is updated on an annual basis to ensure the approach remains responsive and in tune to the changing economic environment.

6.2 Given the changes to the Apprenticeship model, we will monitor and evaluate the impact to ensure the programme meets our objectives and whether we need to strengthen and refine policy as we implement. In particular we will measure the impact of reforms in a number of areas, including gender, age and ethnicity of apprentices. Key indicators include benefits to learners and employers, particularly in terms of productivity; progression into employment following completion; and apprentice satisfaction.

6.3 Core to our approach has been contributing towards sustainable development goals; Apprenticeships have a significant impact on economic and social well-being and the creation of a stronger sustainable Apprenticeship model will improve lives outside of the immediate educational and career benefits. Annex B outlines those broader benefits.
Implementing change over five years

Aligning our Apprenticeship model with the needs of the Welsh economy.

First Year – 2016-17
During this first year we will be introducing a number of measures to re-focus delivery and the reach of the programme.

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<th>Actions – What are we doing?</th>
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## Actions – What are we doing?

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<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>The Wales Employment and Skills Board, supported by the three Regional Skills Partnerships, working to align post-16 skills provision with intelligence, thereby strengthening the link between the needs of employers in each region and skills supply.</td>
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<tr>
<td>2</td>
<td>Pilot the delivery of degree level activity provide opportunities for progression from schools and Apprenticeships at level 3.</td>
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<td>3</td>
<td>Work with public sector organisations to create a range of Public Service workforce programmes to drive modernisation, efficiencies and improvements across the sector; through the application of improved workforce skills. This will include the publication of specific Apprenticeship plans for Local Authorities, the NHS and the ‘blue light’ services.</td>
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<tr>
<td>4</td>
<td>Consider the introduction of a Pre-Apprenticeship trial to encourage young people to take up Apprenticeships and support employers in providing Apprenticeship for young people.</td>
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<tr>
<td>5</td>
<td>Work with countries across the EU via the European Alliance for Apprenticeships to learn from best practice in terms of Apprenticeship systems.</td>
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<tr>
<td>6</td>
<td>Improve engagement actions with under-represented and/or protected groups (age, gender, BME and disabled people) on the programme.</td>
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<td>7</td>
<td>For better tracking, progression and intelligence improve data sharing between schools and post-16 education providers, in particular considering the needs of children who are looked after and care leavers.</td>
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<td>8</td>
<td>Increase the opportunities for under-represented groups.</td>
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<td>9</td>
<td>Potential introduction of a Master Craftsperson standard for construction.</td>
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<td>10</td>
<td>Increased focus on Skills Competition as a key mechanism to benchmark Apprenticeship success in Wales.</td>
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<tr>
<td>11</td>
<td>Conduct an annual review of the Apprenticeship Action Plan.</td>
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**Annex A**

### Second Year – 2017-18

The second year will see revision of our planning approach for skills delivery to ensure that the intelligence produced by Regional Skills Partnerships in their annual Regional Plans influences future prioritisation of funding. A new system for the development of Apprenticeship Frameworks and Standards in Wales will be introduced.
## Third Year – 2018-19
Evidence of shifts in the pattern of delivery; expansion of provision in key sectors; outcomes of sector reviews feeding into contracted delivery and framework reviews.

<table>
<thead>
<tr>
<th>Actions – What are we doing?</th>
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<tbody>
<tr>
<td><strong>1</strong> Formalise service levels agreements and protocols between schools and post-16 institutions to facilitate the smooth transition from school to post-16 education for children who are looked after.</td>
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<tr>
<td><strong>2</strong> Continuing to improve input from the Regional Skills Partnerships into Apprenticeship delivery and the influence on shifting delivery to priority sectors.</td>
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<tr>
<td><strong>3</strong> The Wales Employment and Skills Board will consider how Apprenticeship programmes in priority sectors can be expanded.</td>
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<td><strong>4</strong> A greater proportion at higher levels and in STEM delivery.</td>
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<td><strong>5</strong> Proportionate growth of Apprenticeships at Higher level and the reduction of Foundation Apprenticeships.</td>
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<tr>
<td><strong>6</strong> Continued Apprenticeship expansion including STEM and higher level Apprenticeships.</td>
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<tr>
<td><strong>7</strong> Implementing equality plans informed by recommendation from the Equality Champion – expected to increase participation from under-representative groups, the reach of programme into communities and the proportion of Apprenticeships at higher levels and in STEM for these groups.</td>
</tr>
<tr>
<td><strong>8</strong> Potential introduction of a Master Craftsperson construction.</td>
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<tr>
<td><strong>9</strong> Annual review of the Apprenticeship Action Plan.</td>
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</table>
**Fourth Year – 2019-208**
System consolidation and evaluation; consideration of whether any legislative changes are required and whether an appropriate legislative vehicle is available to support integration between post-16 routes, in particular the further education institution offer and Apprenticeships.

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### Fifth Year – 2020-21
The programme model and delivery better aligned to the needs of the economy; improved reach into under-represented groups and communities; both clearer pathways into Apprenticeships and broader awareness of the benefits.

A minimum of 100,000 people will have started an Apprenticeship with the opportunity of gaining sustained employment and self-employment at the end and with the prospect of future career development.

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<th>Actions and Outcomes – What are we doing?</th>
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## Meeting Our Sustainable Development Goals

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<th>Well-being Goal</th>
<th>Apprenticeship Activity</th>
<th>National Indicators and Measures</th>
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<tr>
<td>A Prosperous Wales</td>
<td>Delivering skills at higher levels and providing a strong alternative to traditional higher education that supports tackling poverty through increasing earnings and engaging young people. Taking a <strong>long-term</strong> view through strengthening of routes into employment from school over the next 10-25 years. <strong>Preventing</strong> young people either becoming NEET or starting vocational FE programmes that will not provide work-based opportunities and training. Taking an <strong>integrated approach</strong> to Apprenticeship development where Apprenticeship attract industries; maintain industries; equip people; provide choices; provide an alternative to traditional university. Encouraging <strong>collaborative working</strong> across HE and FE to expand training into new sectors. Creating alternative routes to employment that do not necessarily involve studying at university.</td>
<td>Evidence which helps quantify the achievement of a Goal • Improved productivity: Monitor changes in productivity relative to the UK – Wales’ productivity is currently 83.7% of that in the UK(^\text{17}). This is based on GVA per hour worked for 2014. • Percentage of people in education, employment or training, measured for different age groups (NEET): Achieve a reduction in level of young people 19-24 who are NEET compared to the overall UK level by 2017(^\text{18}). • Employment rate: Changes in the employment rate relative to the UK – Wales is currently 3.7% lower than the UK(^\text{19}).</td>
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| A Resilient Wales | Developing and delivering Apprenticeships in the environment sector which support the Wales’ capacity to adapt to change. | • Increased delivery of Apprenticeships in the environment and natural resources sector |
| A Healthier Wales | Apprenticeships generate better health outcomes. Education is an important social determinant of health. Improving educational outcomes amongst the most disadvantaged groups has the potential to make a positive impact on health inequalities. Evidence suggests that those who achieve a higher level of educational attainment are more likely to engage in healthy behaviours and less likely to adopt unhealthy habits. | Percentage of adults with qualifications at the different levels of the National Qualifications Framework (NQF):• An estimated 10% of working age adults in Wales reported having no qualifications, the same as in 2014. • 76% of working age adults in Wales held at least level 2 qualifications compared with 77% in 2014. • 57% of working age adults in Wales are qualified to the level 3 threshold, the same as in 2014. • The proportion holding Higher Education or equivalent level qualifications (NQF level 4 or above) was 36% compared with 35% in 2014. |
| A More Equal Wales | Supporting diversity in Apprenticeships and access for all. Apprenticeships providing transferable skills, so that apprentices train for more than a single job. Higher and degree Apprenticeships widening access to the professions. Provide clearer routes into Apprenticeships for care leavers. Participation of under-represented groups to increase and the opportunities for under-represented groups to continue to be improved | • Care Leavers: Increase the proportion of care leavers in education, employment or training at age 19 to 54% by 2017. • Increasing Apprenticeship starters who are women and extending positive representation across all sectors. • Increasing the proportion of apprentices from BAME backgrounds. |

| **A Wales of Cohesive Communities** | Apprenticeship supporting SMEs in community settings which in turn supports the viability and growth of communities. | • Data from the Employer Perspectives Survey suggests that there is room for Apprenticeships to develop further beyond the current 13% of employers engaged with the Apprenticeship programme, especially among smaller employers.  
• Just over two-fifths of participants (61%) are from Convergence areas of Wales. |
| **A Wales of Vibrant Culture and Thriving Welsh Culture** | Apprenticeship programmes delivered bilingually or in the Welsh language which supports both promotes and supports Welsh usage in the workplace. | Targets for the delivery of bilingual Apprenticeships within the following occupational sectors:  
• Childcare  
• Construction  
• Agriculture |
| **A Globally Responsible** | Raise performance and deliver better outcomes for Wales through linking performance and funding for delivery.  
The UK Government’s Apprenticeship Levy is raising demand for Apprenticeships and wider development opportunities.  
Providing business with capability people for training in technical and difficult to fill occupations.  
Apprenticeships delivered in those sectors where there is evidence need. Training providers targeting businesses in areas where there are evidenced sector shortages.  
Careers advice and school subjects informed by sector shortages. | • Qualifications: Percentage levels of higher qualifications held by working age adults |

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21 *Evaluation of Work-Based Learning Programme 2011-14: Apprenticeships – Revised (SOCIAL RESEARCH NUMBER: 30/2016) (29/06/2016)*  

22 *Source: Annual Population Survey*  