Executive Summary

1. Background

1.1 In 2015 the Welsh Government secured ESF funding to support the delivery of its Apprenticeship Programme across Wales for January 2015 to March 2019. The funding was awarded to four projects under two ESF Specific Objectives in Priority Axis 2 (Skills for Growth):

- Specific Objective 1 (SO1): To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills;

- Specific Objective 2 (SO2): To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level.

1.2 The Apprenticeships Programme objectives are sub-divided into two European Union NUTS2\(^1\) regions: West Wales and the Valleys, and East Wales. A group of providers has been appointed to deliver the Programme as part of the Welsh Government’s Work Based Learning 4 (WBL4) contract.

1.3 This report sets out the findings of an interim evaluation of the Apprenticeship Programme, which focuses on performance and delivery to date.

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\(^1\) NUTS2 (Nomenclature of Territorial Units for Statistics Level 2) regions are geographical areas identified by the European Union (EU), and used for planning and monitoring many EU initiatives.
Methodology

1.4 The Welsh Government commissioned IFF Research to evaluate the Apprenticeship Programme in Wales 2015-2019. This interim evaluation report is based on:

- Consultations with key stakeholders, including Welsh Government officials, officials at Welsh and UK government affiliated agencies, charities, employer organisations and providers.

- In-depth interviews with employers of Apprentices.

- A desk-based review, which built on the literature review undertaken for the 2011-14 Work Based Learning evaluation and included recent policy documents relating to the 2015-19 Programme.

- Analysis of management information and comparison against targets and aims for each ‘operation’\(^2\), and policy. This drew primarily upon data extracted from the EDMS (European Data Management System) and LLWR (Lifelong Learning Wales Record) systems.

Findings

Programme Design

1.5 The Welsh Government's Programme for 2016 to 2021 'Taking Wales Forward' commits to creating at least 100,000 quality all-age Apprenticeships. In addition, it emphasises Welsh Language and bilingual Apprenticeships. The 2017 strategy, ‘Prosperity for All’, identifies Apprenticeships helping Wales to develop a more creative, highly skilled and adaptable workforce. The Apprenticeship Programme is driven by the desire to develop skills, meet the demands of the Welsh labour market and grow the economy in key sectors.

1.6 There have been significant shifts in the direction of Apprenticeship policy over the 2015 to 2017 period, including:

- the introduction of the all-age Apprenticeship Programme;

- a WG commitment to increase the number of apprentices aged 16 to 19 at all levels and in all sectors;

- prioritising funding for delivery of Apprenticeships at Level 3 and above

- prioritising science, technology, engineering and mathematics (STEM) subject areas;

\(^2\) The four Welsh European Funding Office (WEFO) Operations are: 80817 – Apprenticeships West Wales & the Valleys - Specific Objective 1; 80719 – Apprenticeships West Wales & the Valleys - Specific Objective 2; 80818 – Apprenticeships East Wales – Specific Objective 1; and 80720 – Apprenticeships East Wales – Specific Objective 2.
• the introduction of the UK-wide Apprenticeship Levy;

• changes to the role of the three Regional Learning and Skills Partnerships (RSPs), empowering them to identify specific skill priorities for their region through the publication of annual Skills Plans.

1.7 The move in focus toward STEM apprenticeships and Level 3 and higher apprenticeships was broadly welcomed by stakeholders, employers and providers. However, there was some concern about the cap being applied as part of this policy, to Level 2 apprenticeships for learners aged 20 and over in non-priority sectors\(^3\), of 10 per cent of all starts per provider. Some providers felt there was a perceived risk of excluding those learners whose prior learning does not allow them to start at Level 3, and thus reducing recruitment for Level 3 courses which are often accessed via learner progression from Level 2. In fact, an exemption exists where there is an evidenced commitment from the outset in the learner’s Individualised Learning Plan to continue to Level 3; but use and/or awareness of this exemption did not appear to be widespread among those interviewed.

1.8 Since 2015, Apprenticeships in Wales have been delivered through a network of 19 lead providers with sub-contractors, whereas before a much larger number of direct contractors were involved. Some providers had found the 2015-19 commissioning process challenging, finding it time-consuming and resource-intensive. Providers and employers agreed further efforts needed to be made to streamline bureaucracy.

**Programme Delivery and Implementation**

1.9 Employers and wider stakeholders were fairly satisfied with the delivery of the Apprenticeship Programme and how it is working in practice, although provider quality (particularly in terms of teaching quality and engagement with employer needs) was seen as variable. Employers were generally content with the quantity and quality of information they had received about the Programme from providers and Welsh Government. However, providers reported that some employers and prospective learners continue to hold inaccurate beliefs about apprenticeships, for example assuming that they are only available for traditional trades, or that they are aimed at young school leavers as an inferior alternative to university.

1.10 Identified delivery challenges included:

• Improving the promotion of apprenticeships to potential learners, parents and employers, and correcting any misperceptions;

• Ensuring more consistent quality across training providers (particularly in terms of teaching quality and engagement with employer needs);

• Unlocking practical barriers to increasing provision of Welsh Language apprenticeships, including staffing and raising employer awareness;

\(^3\) Business and Administration, Customer Service, Retail, and Hair and Beauty
Improving provider-employer relationships, especially with smaller employers.

Programme Performance

1.11 There have been a number of relevant plans since 2015, two of which are considered here:

- ESF Business Plans: a target of 158,523 apprenticeships over the period January 2015 to December 2023 (approximately 1,300 new starts per month, taking into account apprentices already on Programme on 31st December 2014)

- Apprenticeship Policy Plan, February 2017: a commitment to 100,000 apprenticeships before June 2021 (equating to approximately 1,900 new starts per month; this WG commitment does not take into account apprentices already on Programme).

1.12 Overall, the Apprenticeship Programme performed strongly relative to ESF Business Plans, averaging 1,636 new starts per month, although it fell slightly short of target (by 10%) in SO1 West Wales and the Valleys. The overall level was a little below the target set in the Apprenticeships Policy Plan. However, the figures used in this report exclude apprentices that are not funded by ESF initiatives; the impact of this will be considered further in the final report.

1.13 Performance by target varied, but was generally positive:

- The Apprenticeship achievement rate (the number of successfully achieved apprenticeships as a percentage of the total number) was 82 per cent, just above the ESF target achievement rate of 80 per cent. This target was met for all SOs, and for all Apprenticeship levels except level 4 (74 per cent); however, as discussed later in the report, this may be the result of a relatively recent increase in starts at this level rather than reflecting a real lower likelihood of successful framework achievement. Stakeholders generally spoke positively regarding achievement rates;

- By age group the programme comfortably exceeded the target for recruitment of older apprentices, but missed all targets for the percentage of participants being under 25 by a wide margin, both as a result of the introduction of the all-age apprenticeships programme;

- The target for recruiting learners who provide childcare (2.0 per cent) was exceeded by a wide margin, again due to the introduction of the all-age apprenticeships programme: 13.4 per cent stated that they had childcare responsibilities;

- The Programme was meeting the target of 56 per cent female enrolments overall, although it fell short in both SO1 programmes and at Level 2, while exceeding the target

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4 14.1% of learners stated that they had care responsibilities, more broadly defined to include caring for adults as well as children; however, ESF Business Plan targets relate solely to childcare.
comfortably for both SO2 programmes and for higher apprenticeships at Level 4+.

Stakeholders commented on gender disparities in particular sectors;

- Targets for the proportion of apprentices with a BME background (2.2 per cent) were set equally for all operations. This target was met overall (2.6 per cent of learners). Targets were strongly exceeded across both operations in the east of the country, but not reached in West Wales and the Valleys;

- The target for learners reporting a disability or work-limiting health condition (6.3 per cent) was not reached (5.6 per cent of learners were in this category) except for Level 2 apprenticeships and SO1 programmes (all 6.7 per cent). Time series data suggests there may be progress towards the target.

- The target for bilingual and Welsh language apprenticeships\(^5\) (4.5 per cent) was exceeded by a narrow margin (4.6 per cent), but showed wide geographical variation, with just 0.3 per cent of apprenticeships bilingual in SO1 East Wales and 0.8 per cent in SO2 East Wales. It was also missed for higher apprenticeships (Level 4+) (3.4 per cent).

1.14 Interviewees in some parts of Wales did report significant challenges around Welsh Language and bilingual Apprenticeship uptake. There was disagreement among stakeholders and providers regarding the limiting factors on Welsh Language apprenticeship delivery; however, some areas were identified as important by stakeholders, such as a shortage of teachers and assessors with appropriate language skills.

1.15 In general, stakeholders and employers were satisfied with the way in which the Programme was performing, although some providers felt there should be more geographical and sectoral nuance in their contractual targets.

**Programme Impacts**

1.16 At the interim evaluation phase, impacts are only those perceived by employers, stakeholders and officials. The final phase will involve a net impact assessment and cost-benefit analysis.

1.17 Overall, stakeholders and employers felt the Apprenticeships Programme was having a significant impact on apprentices and employers.

1.18 Positive impacts for employers included meeting business needs and enhancing the skillset of their employees. Employers also mentioned altruistic motivations; many saw the apprenticeship offer as having positive social value. For learners, career progression and skills development were important, as was the opportunity to earn money whilst learning.

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\(^5\) A full definition of Welsh language and bilingual apprenticeships, for the purposes of this report, is contained in Annex B.
The Programme was also widely felt to have a positive impact on the wider Welsh economy, although this was difficult to evidence in concrete terms. Stakeholders reported that the main limiting factor on the apprenticeship Programme was awareness among employers and potential recruits.

Conclusions

The overall aims and rationale for the Apprenticeships Programme have been consistent over the 2015-2017 period. The key themes of creating a highly skilled workforce to meet the needs of business whilst also enabling individuals to fulfil their potential, are still widely considered to be valid and important for Wales as a whole.

Employers from a variety of sectors reported finding the structure of apprenticeships helpful, and that they suited the needs of their business. Most were happy with the content in terms of range of subjects and curriculum offered.

The shift in policy focus toward STEM apprenticeships and Level 3 and higher Apprenticeships was broadly understood and welcomed, but concerns remain about those subjects and levels deprioritised as a result. In particular, the potential that reducing provision at Level 2 could exclude (sometimes vulnerable) groups with weaker pre-existing skill levels, and conflict with the priorities of employers seeking to claim back levy funds.

Findings suggest that performance on the absolute numbers and levels of apprenticeship starts (relative to targets) may need to increase rapidly to achieve the stretching goals set for the Programme.

The relationship between employers and providers comes across clearly as a critical element for the success of the Programme. Overall providers were viewed positively but there was acknowledged to be significant variation between providers and, in some cases, a need to be more creative in engaging with a broader pool of potential employers.

The promotion and awareness of apprenticeships is also crucial for Programme success and an area cited as one requiring additional emphasis. This includes addressing stereotypes of Apprenticeships and ensuring parity of esteem with academic routes. Findings also suggest a need for awareness-raising amongst employers of the Welsh and bilingual Apprenticeship offer.

There is a strong perception that Apprenticeships have a positive impact on both apprentices and employers. The Programme was also widely felt to have a positive impact on the wider Welsh economy and society, although this was difficult to evidence in concrete terms at this stage.

\[\footnote{A cap is now applied to Level 2 apprenticeships for learners aged 20 and over in non-priority sectors (Business and Administration, Customer Service, Retail and Hair and Beauty), of 10% of all starts per provider. An exception to this limit is made where the learner’s intention to progress to Level 3 is clear from the outset and evidenced within the learner’s Individualised Learning Plan.}\]