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Welsh Government

## Consultation Document

# Aligning the apprenticeship model to the needs of the Welsh economy

Date of issue: 22 January 2015

Action required: Responses by 24 April 2015

# Aligning the apprenticeship model to the needs of the Welsh economy

**Overview** This consultation seeks views on the development of the apprenticeship model for Wales as part of the Welsh Government's commitment to rebalancing the economy and to expanding the delivery of higher-level skills.

**How to respond** Responses to this consultation should be e-mailed/posted to the address below to arrive by **24 April 2015** at the latest.

**Further information and related documents** Large print, Braille and alternate language versions of this document are available on request.

In the context of this consultation respondents should consider the policy actions outlined within the *Policy statement on skills* (2014). The statement can be accessed online at [www.wales.gov.uk/educationandskills](http://www.wales.gov.uk/educationandskills)

The consultation documents can be accessed from the Welsh Government's website at [www.wales.gov.uk/consultations](http://www.wales.gov.uk/consultations)

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## **Data protection**

### **How the views and information you give us will be used**

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about. It may also be seen by other Welsh Government staff to help them plan future consultations.

The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, though we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.

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## Ministerial foreword

The Welsh apprenticeship system has many strengths. It is a system that we can be proud of, as the quality of work-based learning in Wales is amongst the best in the United Kingdom. There are clear signs that apprenticeship outcomes are highly valued by learners and employers, especially as our success rates and quality of offer have improved significantly in recent years.

Nonetheless, we need to ensure that our investment provides us with the best possible value in terms of skills acquisition and that the programme has ongoing relevance for a new generation of young people growing up in a technological age. This needs to be balanced with the demands from employers to provide skills that help them build their businesses, whilst also acknowledging the ongoing financial constraints facing government.

The impact of apprenticeships should not be underestimated. Apprenticeships help young people to prepare for their work life by providing the employability skills that employers value alongside vocational qualifications and occupation specific skills. The Sutton Trust recognises that in countries such as Switzerland and Germany, whether you want to work in agriculture or banking, an apprenticeship is as much a vehicle of social mobility as a degree.

In tune with our Qualified for Life Education Improvement Plan for 3 to 19 year olds, we want to develop an apprenticeship model which is engaging and attractive to young people and which develops an independent ability to apply knowledge and skills. Similarly, apprenticeships play a critical role in the overall success of our work to boost youth employment as outlined in the Youth Engagement and Progression Framework.

We are committed to encouraging parity between vocational learning and other post-16 educational routes. We want apprenticeships to become a route to high value jobs and professions that is valued as an alternative to university for young people. Our apprenticeship programme needs to be held in high esteem, as must our university system.

Apprenticeships are good for business and the economy. The willingness and commitment of employers to offer opportunities to apprentices is key to the success of our programme. Its ability to meet employer needs must be an integral part of programme design. Like other countries we aspire to deliver a responsive and resilient system, that will support employers to develop and deliver apprenticeships that are innovative and industry focused.

To achieve this vision we are consulting with stakeholders to develop a stronger model for the future. Our *Policy statement on skills* demonstrates clearly that our economy will require a significant increase in higher level skills, particularly people trained to level 4 or above. We need to deliver a greater volume of higher level skills, focussed on the Science, Technology, Engineering and Mathematics (STEM) sectors. The design of the programme needs to support this and cover how employers can contribute to developing apprenticeships that meet their needs. This is an opportunity

to shape the future of our apprenticeship programme to create a more effective model that reflects employer needs and provides a skilled workforce for the future.

Your views will be used to inform our policy direction on apprenticeships in Wales, which will be published in the summer of 2015.

**Julie James AM**  
**Deputy Minister for Skills and Technology**

## Background to the consultation

The Welsh economy is going through a considerable transformation both in terms of the types of goods and services that are produced or provided by business, and the nature of employment and job opportunities. Our *Policy statement on skills*<sup>1</sup>, published earlier this year, sets out how we need to re-balance the economy and better meet the specific needs of business for a highly skilled workforce in order to be internationally competitive. We need to build a stronger STEM (Science, Technology, Engineering and Mathematics) offer and ensure that apprenticeships have market relevance. The jobs of tomorrow will require higher levels of competence than in the past and our apprenticeships programme needs to meet that challenge and support growth.

The apprenticeship landscape across the UK is also changing. The apprenticeship reform programme in England presents its own set of challenges, leading to uncertainties about apprenticeship framework development in the devolved nations under a model that has, up to now, relied on the strength of shared UK wide systems. We are keen to ensure that our apprenticeship system is compatible with other UK systems, so that apprenticeships are portable across the UK. Against this backdrop, we have opportunities to develop our model so that the content of apprenticeships strongly aligns with employer needs. Furthermore, subject to its establishment through the Qualifications Wales Bill, there could be potential for Qualifications Wales to have both a strategic and an operational role on apprenticeship design and development.

The future economy is likely to be increasingly characterised by growth in jobs that require higher level qualifications and skills. Our apprenticeship model needs to respond to that need. The current focus of apprenticeships is at level 2 and much of the delivery is for people aged 25 and over. Relatively few young people aged 16-19 are enrolled on an apprenticeship; and compared to other European economies fewer employers employ apprentices and those that do appear to be less involved in their design. Options for young people to start a level 3 apprenticeship in STEM areas are likewise limited in comparison to the more successful European countries. In response we are proposing to raise the profile of the programme; making all apprenticeships level 3 and above and further developing our higher apprenticeship offer. We also question the value of investing public funding to support existing employees, who are not in new roles, to enrol on apprenticeship programmes.

The *Framework for co-investment*, which sets out the principles for government and employer investment in skills, will be implemented from April 2015. Raising the level of investment in skills is an essential part of our drive towards a more internationally competitive skills system for Wales. If Wales is to close the gap with other parts of the UK in terms of employer investment in skills, it is important that we take steps to ensure that more employers are investing in the skills of their workforce. The co-investment framework aims to provide a strong foundation to shift the emphasis from a government-led approach to skills investment, to a system that is influenced and led by employers. The framework for co-investment will apply to the apprenticeship programme.

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<sup>1</sup> Welsh Government, Policy statement on skills (2014)

This consultation seeks the views of employers, apprentices, training providers and other stakeholders who are involved in the design and delivery of apprenticeships to help shape and inform the future of the apprenticeship programme in Wales.



## **Our vision for apprenticeships**

Our vision is to develop a responsive and resilient apprenticeship system, that will support employers to develop and deliver apprenticeships that are innovative and industry focused. The system needs to support economic growth, be responsive to the needs of the future economy, provide a range of skills that aid social mobility and ensure equality of opportunity. We want an apprenticeship programme that is highly regarded by employers, individuals and parents.

## What is an apprenticeship and why are they valued?

In recent years apprenticeships have become a key part of our education and skills system. They have been adapted on more than one occasion by successive UK governments to meet prevailing economic priorities. The Welsh Government's *Programme for Government*<sup>2</sup> places jobs right at the heart of what we do, and the apprenticeship programme plays a significant part in job creation and job retention in Wales. Together they provide young people and the existing workforce with technical skills, knowledge, on-the-job training and a route to employment and a career.

Apprenticeships are currently defined through 'frameworks' which specify the qualifications and training that must be achieved to earn an apprenticeship certificate. There were over 51,000 apprentices on the programme in 2013/14<sup>3</sup>, and more than 150 Welsh frameworks in place covering a wide range of skills, trades and occupational areas by sector.

Each framework must contain competency and technical knowledge qualifications; at least two Essential Skills Wales qualifications and instruction in an employee's rights and responsibilities. Apprenticeships operate at level 2 (foundation apprenticeships), level 3 (apprenticeships), and at level 4 and above (higher apprenticeships). Figure 1 outlines the shape of delivery by age and level for 2013/14.

Employers are responsible for providing appropriate on the job training, support and apprentice pay for the duration of the apprenticeship. A network of training providers works with employers to deliver training for apprentices through the work-based learning contracts issued by Welsh Government.

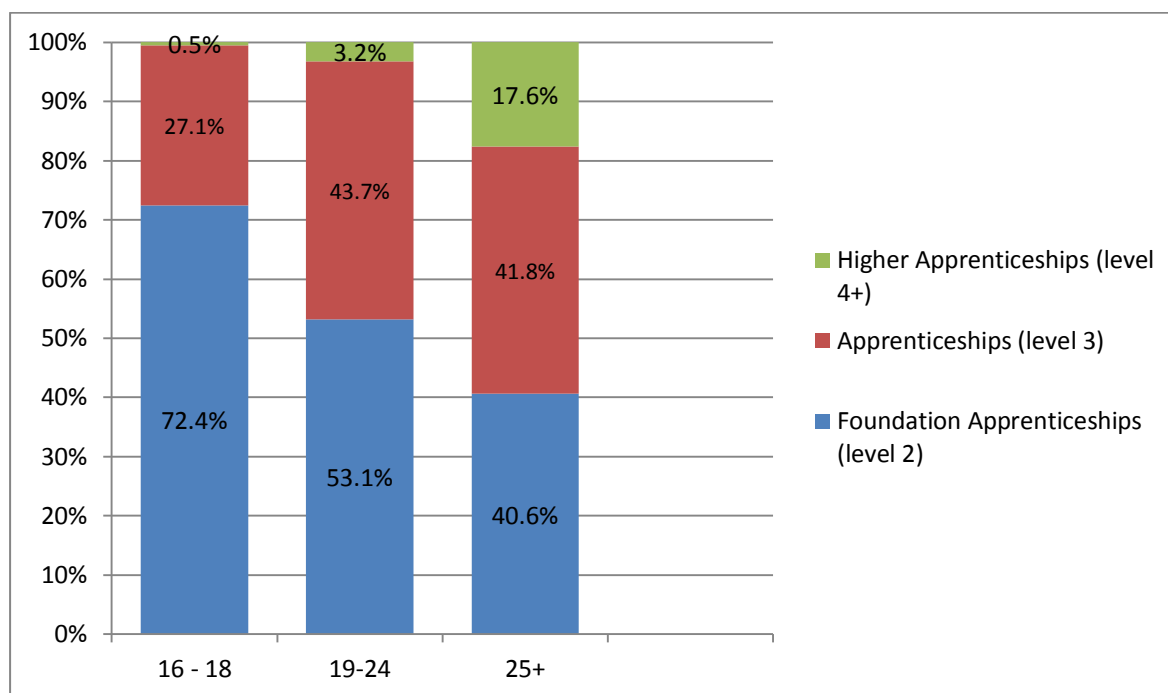
Apprenticeships offer considerable benefits to society and the economy above and beyond improving employment prospects for young people. Apprenticeships provide young people with the opportunity to develop job-related competence, technical skills, numeracy and literacy skills and self-esteem. They also play an important role in helping to tackle youth unemployment. The latest figures show that about 18% of people aged 16 to 24 are currently unemployed in Wales. Many of these young people will find getting a job difficult because of a lack of the skills that employers desire.

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<sup>2</sup> Welsh Government, Programme for Government  
<http://wales.gov.uk/about/programmeforgov/?lang=en>

<sup>3</sup> Provisional figures

Breakdown of percentage of apprentices by age group and level (Figure 1)



Source: Further Education, Work-based Learning and Community Learning in Wales, 2013/14 (provisional figures)

Skills that are developed through apprenticeships contribute to higher value-added economic activity. They are good for growth and for general welfare. There is evidence that during the course of a lifetime, apprentices receive higher earnings and the economy benefits significantly through increased GDP. A National Audit Office study<sup>4</sup> has calculated that apprenticeships give an average return of £18 per £1 spent on them by Government<sup>5</sup>.

Training apprentices is an effective means of meeting both current and future skills demands, and it is suggested that employing apprentices is more effective at meeting this objective than recruiting from the external labour market<sup>6</sup>. Employers who train apprentices also have the opportunity to shape the skills they gain to match those required by the company and to incorporate and embed their organisational values into the training of the individual, which can lead to better staff retention.

The Welsh Government's apprenticeship programme is among the best in the UK. Training providers across the country are achieving the highest standards for learners and there are clear signs that these efforts and ongoing improvements are highly valued by the people enrolled on these programmes. In 2012/13, the last year for

<sup>4</sup> National Audit Office, Adult Apprenticeships (February 2012)

<sup>5</sup> 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

<sup>6</sup> 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)

which official figures are available, the work-based learning framework success rate in Wales was 87% for apprenticeships and 85% for foundation apprenticeship programmes<sup>7</sup>.

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<sup>7</sup> Learner outcome measures for further education (FE), work-based learning (WBL) and adult community learning (ACL), <http://wales.gov.uk/statistics-and-research/learner-outcome-measures-further-education-work-based-learning-community-learning/?lang=en>

# Challenges for Wales

## Our delivery priorities

### Higher skills for a changing economy

Employment patterns for young people have shifted as the economy has moved from production and manufacturing towards service-based industries. The future economy is likely to be increasingly characterised by growth in jobs that require higher level qualifications and skills<sup>8</sup>. Across the UK there is set to be an additional 3.6 million jobs in medium–skilled occupations by 2022<sup>9</sup>.

Currently, the proportion of apprentices on foundation level 2 programmes is high, accounting for around 50% of all apprenticeship delivery (Figure 2). Meanwhile, those at higher levels (level 4 and above), which are considered as alternatives to university, make up 10% of apprentices. We anticipate that businesses will increasingly require skills at levels 3, 4 and 5 and the apprenticeship programme offer must reflect this need.

For some time it has been recognised that there has been an increasing reluctance by employers to take on school leavers. This, in part, has been due to the large pool of university graduates from which to recruit. Success in improving access to higher education has provided opportunities for many and increased social mobility. However, this has left many others at risk of being left behind. We need to ensure there is a stronger level 3 and higher apprenticeship offer in Wales for individuals who choose not to follow a traditional university route. Research has shown that higher apprentices can earn around £150,000 more over their lifetime, comparable to similar returns for the average graduate<sup>10</sup>.

We are already investing in the development of higher apprenticeships. Higher apprenticeships at level 4 and above were first introduced in 2011 and enrolments have grown rapidly since. In October 2014, there were 41 published higher apprenticeship frameworks, mainly in the Care, Management, Financial and Engineering sectors. However, occupational coverage needs to be extended, for example, to the construction industry and all of the STEM sectors.

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<sup>8</sup> UK Commission for Employment and Skills, Working Futures projections for employment change by occupation, 2010–2020

<sup>9</sup> Institute for Public Policy Research, Winning the Global Race? Jobs, Skills and the Importance of Vocational Education (2014)

<sup>10</sup> AAT and CEBR, University Education: Is this the best route into employment? (February 2013)

## Learners pursuing apprenticeships in Wales (Figure 2)

	Foundation Apprenticeships	Apprenticeships (Level 3)	Higher Apprenticeships
2011/12	18,895	15,785	280
2012/13	23,345	18,755	2,470
2013/14	25,385	20,890	5,345

Source: *Further Education, Work-based Learning and Community Learning in Wales, 2013/14* (provisional figures)

A report from the University of Greenwich into the progression of apprentices to higher education, suggests that in England 34.6% of learners completing a level 3 apprenticeship show an interest in pursuing a degree-level course<sup>11</sup>. However, very few actually progress to higher education.

Q1. How can apprenticeship progression be strengthened to provide clear routes into higher apprenticeships?

Q2. What delivery models would support expansion of higher apprenticeships, particularly in technical occupations?

### Commencing completion of an apprenticeship at level 3 and above

The Organisation for Economic Co-operation and Development (OECD) has commented that rising skill demands in member countries have made the completion of upper secondary education the minimum requirement for successful entry into the labour market and participation in lifelong learning<sup>12</sup>. Low skill levels are identified across the UK as one of the main reasons for its poor productivity compared to other countries. Lower level skills also limit employment opportunities and impact negatively on social inclusion. There is evidence that level 2 vocational qualifications can lead to lower earnings than if a learner had five good GCSEs at A\*-C<sup>13</sup>.

In most other northern European countries, apprenticeships are level 3 qualifications that last between two and five years. In Wales, the number of level 2 apprenticeships significantly outweighs those at level 3. Many of these level 2 apprenticeships are in service sector occupations (health and social care; customer service; business administration and hospitality), which are important to the social infrastructure of Wales.

We are considering commencing the completion of apprenticeships at level 3 and above and are seeking views on the feasibility of such an approach. We want to

<sup>11</sup> University of Greenwich, BIS Research Paper Number 107 Progression of Apprentices to Higher Education (2013)

<sup>12</sup> OECD, *Starting Well or Losing their Way? The Position of Youth in the Labour Market in OECD Countries* (2006)

<sup>13</sup> London Economics, Conlon, G and Patrignani, P, *Returns to BTEC Vocational Qualifications* (2010)

better understand the benefits for the economy and the potential impact on raising the profile of the programme for young people, parents and employers.

The proposal is that the standalone level 2 apprenticeship is discontinued and instead becomes a component of a level 3 apprenticeship.

If our proposed approach was to be adopted, an alternative programme would be developed for those employed people where a level 3 apprenticeship was neither suitable nor needed. A further consultation may be conducted on the structure and content of any new training programmes aimed at, what is currently, level 2 provision.

We are keen to explore how such a programme could operate and whether there is evidence for making exceptions for level 2 apprenticeships to remain in certain sectors (rather than offering a replacement training programme) where there are significant benefits for employers and apprentices alike.

Q3. Is the proposal to commence the completion of apprenticeship programmes at level 3 the best way to achieve the objectives of: raising skill levels of the workforce; providing viable alternative education routes to university; and improving the economic benefit of investing government money in apprenticeships?

Q4. How could level 2 provision be delivered outside of the apprenticeship model?

Q5. To help inform our assessment of the possible impact of these proposals can you foresee any particular impact on those with protected characteristics (within the meaning of the Equality Act 2010) and how they might be particularly affected by these proposals?

### **Up-skilling existing employees in new job roles**

The current apprenticeship programme in Wales allows individuals who have been employed for some time by an employer to enrol on an apprenticeship. Many of these employees may already be sufficiently proficient in their current job role. Training for both new and existing employees delivers benefits for learners, employers and the wider economy. However, if training activity would have taken place in any case, even in the absence of our subsidy, enrolling existing employees onto an apprenticeship programme would not be a good use of our investment. Such practice is not recognised as apprenticeship training in the best apprenticeship programmes in Europe.

Apprenticeships should equip individuals with the new skills and learning they need for their job roles and future employment and progression. On this basis, apprenticeships should be targeted at people who move into a new job or at individuals in an existing job where significant new knowledge and skills are required and can be acquired through an apprenticeship.

Currently, there is no data that tells us how many apprenticeships are started by individuals who are new to their role. The 2012 Apprenticeship Pay Survey found that

over 82% of apprentices in Wales worked for their current employer prior to enrolling on an apprenticeship. Of these apprentices 71% worked for their employer for over a year prior to enrolment<sup>14</sup>.

Limiting apprenticeships to a new job, or a new job role for existing employees, will help maximise the added value that government investment can provide. We are interested in understanding the impact of targeting government funded apprenticeship places at employees in new job roles.

Q6. What would be the impact of limiting government funded apprenticeship places to employees in new job roles?

### **Occupationally specific apprenticeships**

An apprenticeship is a programme of learning that enables an individual to gain the skills necessary to fulfil the requirements of an occupation. It should be a meaningful and relevant qualification that employers value. Employers should be assured that an individual who has achieved their apprenticeship has reached a level of occupational competence that enables them to undertake a job role, in a specific occupation. Apprenticeships must also be transferable, enabling individuals to gain employment with other employers, and therefore must contain transferable skills.

Apprenticeships were traditionally focussed on occupations that required individuals to acquire technical skills and knowledge to become professionally competent and qualified to practice. In recent years some apprenticeships have lost this focus in favour of more generic occupational definitions. For example, frameworks now exist in business administration, customer service and team leading. A lack of occupational focus can dilute the value of an apprenticeship because it does not guarantee that all apprentices who complete their programme can undertake specific job roles within the generic occupational area.

A system that focuses apprenticeships on occupational roles would lead to individuals reaching a level of occupational expertise that is respected by others and would provide employers with assurance that individuals are occupationally competent when they complete their apprenticeship. This would also increase the esteem and value of an apprenticeship as an alternative education route.

We are interested in understanding the impact of targeting government funding towards occupationally specific apprenticeships.

Q7. What would be the impact on employers and apprentices of moving the apprenticeship programme offer towards occupationally specific apprenticeships?

### **Essential Skills Wales**

The importance of Essential Skills in Communication, Application of Number and Digital Literacy is widely recognised. Attainment of these skills helps individuals build

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<sup>14</sup> BIS Research Paper Number 121, Apprenticeship Pay Survey 2012: Research Findings (October 2013)



self confidence, and employees who have these skills are more willing and better equipped to undertake further training. Employees who gain these skills increase their potential for success and progression.

Nevertheless, stakeholder engagement has reported that some apprentices can become frustrated and demotivated if they are required to undertake qualifications in Communication and Application of Number, particularly when they already hold qualifications in similar subjects at comparable levels.

We are interested in your views on the potential for proxy qualifications for the literacy, numeracy and digital literacy requirements within apprenticeship frameworks. Proxy qualifications are qualifications that assess the same knowledge and skills as aspects of Essential Skills Wales qualifications. As a result of this overlap, learners could potentially claim exemption from all or part of an Essential Skills Wales qualification assessment.

Q8. What issues have you encountered in relation to the delivery of Essential Skills Wales qualifications when apprentices already have comparable or higher level qualifications in similar subjects?

Q9. Do you think that proxies for Essential Skills Wales qualifications should be accepted within apprenticeship frameworks?

Q10. Which qualifications do you believe that it would reasonable to accept as proxies for particular Essential Skills Wales qualifications?

### **Welsh-medium apprenticeships**

The Welsh Government's *Welsh-medium Education Strategy*<sup>15</sup>, which was published in 2010, sets out the Government's vision of having an education and training system that enables an increased number of pupils and learners to undertake their studies through the medium of Welsh, so that they are able to use Welsh with their families, in the community and in the workplace. The Strategy includes a specific target to increase Welsh-medium and bilingual provision in further education and work-based learning.

A report on the current and future demand for Welsh language skills by employers within eight key sectors in Wales was recently published. This report contributes to our knowledge and understanding of the need for Welsh-language skills by employers and will enable the Welsh Government to plan future policy accordingly. The outcome is especially important for the post-16 sector; work based learning providers will need to ensure that learners are encouraged and supported to maintain and develop their Welsh language skills, so they can use the language in their future employment.

The report concluded that there was a lack of Welsh language skills in the Care and Agri-food sectors. We are looking to maximise learning opportunities through the medium of Welsh for apprentices, in accordance with levels of demand.

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<sup>15</sup> Welsh Government, *Welsh-medium Education Strategy* (2010)

Q11. How can Welsh Government encourage an increase in demand for Welsh-medium apprenticeship provision?

## System design and delivery

### Changing UK landscape

Employer involvement in the design and delivery of an apprenticeship curriculum is an essential part of any apprenticeship system. In England, the UK Government is reforming its apprenticeship programme and introducing new apprenticeship standards<sup>16</sup>. Apprenticeship standards will replace frameworks and will define the component parts of occupationally specific apprenticeships. The standards are being developed by groups of employers who operate in the same sector, the groups are known as ‘trailblazers’. Currently there are over 70 trailblazer groups developing apprenticeship standards, covering a range of occupations that are relevant to employers in England.

The key principle underpinning the English reform is that apprenticeship development and review originates and rests with employers. The intention is that employers will continue to develop and maintain apprenticeship standards.

Under current arrangements, apprenticeship frameworks for Wales (and until recently, England) are approved for development through the UK Commission for Employment and Skills (UKCES) Standards and Commissioning Board, who contract with individual Sector Skills Councils/Organisations (SSC/Os). SSC/Os submit proposals to UKCES to develop and maintain frameworks where they have evidence of need in a particular sector. Welsh Government is a member of the Board along with other devolved nations.

However, apprenticeship reform in England is re-shaping the focus of organisations such as SSC/Os, and leading to some uncertainties about what, up until now, has been a shared UK-wide system. In Wales, we will need to adapt our system to take account of the reforms.

The new English apprenticeship standards are being developed by employers, who outline the requirements for occupations in a sector. Employers will identify those requirements they can evidence as essential for an occupation. Standards may or may not include qualifications. Requirements could include professional registration or part of the requirement for license to practice. Approval of the new standards ultimately rests with the Department for Business, Innovation and Skills (BIS), after submission to an advisory panel.

In addition to the changes already outlined, there is an intention to put in place a single, graded assessment at the end of every apprenticeship in England. The expectation is that this will add value to apprenticeships and strengthen the demonstration of occupational competence on completion of an apprenticeship. In this context, end assessment will test the apprentice’s ability to put their knowledge and skills to use in solving work-place problems.

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<sup>16</sup> The Future of Apprenticeships in England: Implementation Plan, UK Government (October 2013) <https://www.gov.uk/government/consultations/future-of-apprenticeships-in-england-richard-review-next-steps>

The two academic years 2015/16 and 2016/17 will be a transition period for these reforms. The aim is for all new apprenticeship starts to follow the new standards from 2017/18. Against this background, the UK Government has ceased providing funding to the UKCES and SSC/O's for the development and maintenance of frameworks in England.

The *Policy statement on skills* makes reference to the Welsh Government's intention to continue to support the development and review of National Occupational Standards (NOS) as the basis for Adult Vocational Qualifications and Apprenticeship Frameworks. NOS are statements of occupational competence developed by employers for employers; they are sometimes referred to as the bedrock of the Vocational Education and Training (VET) systems across the UK. NOS are highly valued by the devolved administrations and many employers, as there is a shared view that these standards offer UK wide portability within an otherwise devolved education and skills landscape. A UK NOS Governance Group has recently been established to ensure that NOS continue to remain fit for purpose and meet the needs of the four nations.

Due to the ongoing divergence between the UK education and skills systems, including proposed changes to the three nation Qualifications and Credit Framework (QCF), the Welsh Government intends to continue to quality assure the qualifications taken by apprentices in Wales. This will ensure that these qualifications are considered to be of relevance and value to learners and employers within the appropriate sectors. We are considering if the Specification of Apprenticeship Standards for Wales (SASW) guidance will need to be amended so that only vocational qualifications that sit within the Regulated Pillar of the Credit and Qualifications Framework for Wales<sup>17</sup> are eligible for inclusion within apprenticeship frameworks in Wales.

We are interested in gathering the views of stakeholders about how the reforms will affect them and how Welsh Government might address any concerns.

Q12. What does the Welsh Government need to consider regarding the compatibility and portability of apprenticeships between the English and Welsh systems?

Q13. Are there aspects of the English reformed system which would further enhance the apprenticeship system in Wales?

### **The developing Welsh landscape**

The best apprenticeship systems are designed to reflect the needs of industry through a partnership approach. Involving stakeholders in the design, delivery and assessment of apprenticeships is essential to having a responsive programme where the offer is visible and accessible. We expect future growth to come from an increasing demand for, and investment in, priorities which are informed by employers.

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<sup>17</sup> Welsh Government, The Credit and Qualification Framework for Wales  
<http://wales.gov.uk/topics/educationandskills/qualificationsinwales/creditqualificationsframework/?lang=en>

Employers need to be able to clearly articulate their skills needs, and be given the opportunity to feed their needs into the design and development of skills programmes. In the Netherlands, for example, employers are heavily involved in helping to design and quality-assure training courses; offering work experience, as well as delivering their own apprenticeships and training<sup>18</sup>. In Northern Ireland, the establishment of a strategic advisory forum and sectoral partnerships aim to ensure that the provision and content of apprenticeships meet employer needs<sup>19</sup>.

The *Skills implementation plan*<sup>20</sup> sets out how Welsh Government will help Regional Skills Partnerships to support regional skills delivery. A key role for Regional Skills Partnerships will be to provide a mechanism to advise Welsh Government on future regional prioritisation of skills funding in line with employment and skills needs. Our ambition is to stimulate demand for employment and skills support by providing the flexibility to develop responses that are based on local and regional need. This will help us to align regional learning provision with wider strategic investments and growth opportunities, including the priorities identified by Enterprise Zones and City Regions.

Currently the allocation of funding for apprenticeship enrolments is based on industry sector data. There is an opportunity for Regional Employment and Skills Plans to replace the current methodology and to influence which apprenticeships Welsh Government supports on a cost neutral basis. Given that the three Regional Employment and Skills Plans are not expected until April 2015, the earliest opportunity to affect any change will be 2016/17.

Subject to its establishment through the Qualifications Wales Bill, there is potential for Qualifications Wales to have a future role in a strategic and operational capacity in relation to apprenticeships. The Welsh Government's consultation on proposals to establish Qualifications Wales<sup>21</sup> as the independent regulator and quality assurer of qualifications in Wales, showed strong support for the proposed new body to take on responsibility for apprenticeships and to be the 'gatekeeper' for apprenticeship frameworks in Wales. Furthermore, in its pre-legislative scrutiny of the proposed Qualifications Wales Bill, the National Assembly for Wales' Children, Young People and Education Committee stated in its recommendation that it 'agrees that Qualifications Wales could play an increasing role in the area of apprenticeship qualifications'.

If established, Qualification Wales' role could include the provision of independent advice to government on the development of new apprenticeships and the review of existing ones. Under such an approach, there is further potential for Qualifications

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<sup>18</sup> Paul Casey, UK Commission for Employment and Skills, *The Vocational Education and Training System in Netherlands* (2013)

<sup>19</sup> Department for Education and Learning, Northern Ireland, *Securing our success: The Northern Ireland Strategy on Apprenticeships* (June 2014)

<sup>20</sup> Welsh Government, *Skills implementation plan* (2014)  
<http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en>

<sup>21</sup> Welsh Government, *Our qualifications – our future*, Consultation on proposals to establish a new qualifications body for Wales (2013)  
<http://wales.gov.uk/consultations/education/our-qualifications-our-future/?lang=en>

Wales to be the designated Issuing Authority<sup>22</sup> for apprenticeships in Wales. This role is currently undertaken by SSCs, who ensure that frameworks meet the requirements set out in the SASW.

This role is congruous with proposed Qualifications Wales functions because many of the processes and requirements in the proposed functions of approval of qualifications can be applied to the role of issuing authority. However, it is recognised that it could distract from Qualifications Wales' core functions, especially during the early stages of establishing the proposed organisation.

The proposed functions of Qualifications Wales would allow it to have the expertise to provide expert advice to the Welsh Government on a range of topics. This could include advice in relation to policy on apprenticeships where it was similar with its proposed areas of expertise such as on qualifications and assessment. We propose this advisory function would be an informal one.

Q14. What would be the benefit of establishing employer panels to have a role in advising on the design and content of apprenticeships and informing demand annually at a sectoral level?

Q15. How could Qualifications Wales support the Welsh Government's aim to be more responsive to employer need and ensure that the content of apprenticeships has a high degree of labour market relevance?

We have asked a number of specific questions as part of this consultation. If you have any related issues which we have not specifically addressed, please include these with your response.

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<sup>22</sup> The Issuing Authority is the organisation(s) designated by the Welsh Government to issue Welsh apprenticeship frameworks

## **Next steps**

Responses to this consultation will inform the development of an implementation plan for apprenticeship development in Wales which will be published in the summer of 2015.