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# Evaluation of ESF funded Apprenticeships 2015 to 2019: Final Report

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# SHELL Evaluation of Apprenticeships 2015 to 2019: Final Report

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Views expressed in this report are those of the researchers and not necessarily those of the Welsh Government

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## Abbreviations

<b>Abbreviation</b>	<b>Full term</b>
CITB	Construction Industry Training Board
EDMS	European Data Management System
EPF	(ESF) Economic Prioritisation Framework
EPS	Employer Perspectives Survey
ESF	European Social Fund
ESW	Essential Skills Wales
EU	European Union
JCP	Jobcentre Plus
LLWR	Lifelong Learning Wales Record
LMI	Labour Market Intelligence
NEET	Not in Education, Employment or Training
NTfW	National Training Federation for Wales
NUTS	Nomenclature of Territorial Units for Statistics
RSP	Regional Skills Partnership
SHELL	Skills, Higher Education and Lifelong Learning
SO	(ESF) Specific Objective
SSC	Sector Skills Council
STEM	Science, Technology, Engineering and Mathematics
WBL	Work Based Learning
WEFO	Welsh European Funding Office
WG	Welsh Government
UK	United Kingdom

## Glossary

Term	Definition
Apprenticeship	A framework for Work Based Learning, consisting of a number of qualifications which taken together provide skills and qualifications appropriate for a job role or roles. This is delivered to a paid employee, via a combination of learning in the workplace and via a training provider. Being an apprentice means that you have a job that includes gaining recognised qualifications and essential skills whilst you are working and earning a wage.
Apprenticeship Levy	The Apprenticeship Levy is a UK-wide levy on employers that came into effect in April 2017. Employers with an annual pay bill of £3 million or more are obligated to pay the Levy, which corresponds to 0.5% of an employer's pay bill.
EDMS	European Data Management System; a database which brings together information required for drawing down European funding in Wales (see Annex B for more detail)
ESF	European Social Fund; an EU investment fund supporting education- and employment-related projects across the EU.
ESW	Essential Skills Wales; a suite of qualifications designed to assess the range of skills that learners need for successful learning, employment and life. They provide a single ladder of progression, spanning six levels and comprising qualifications in number, communication, digital literacy and employability.
LLWR	Lifelong Learning Wales Record; a database which records details of all Welsh Government-funded Further Education learning taking place in Wales, including Work-based Learning such as apprenticeships (see Annex B for more detail)
RSP	Regional Skills Partnerships; a group of three regional bodies within Wales, including representation from government, employers and learning providers, tasked with identifying regional skills needs.
WBL	Work Based Learning; employees carrying out training leading to recognised transferable qualifications in a workplace context, with employer consent and/or involvement, including apprenticeships

## 1. Executive Summary

### Background

- 1.1 In 2015, Welsh Government secured funding from the European Social Fund (ESF) to support part of the delivery of its Apprenticeship Programme which includes four ESF operations across Wales for January 2015 to March 2019, since extended to 2023. Funding was awarded to four projects under two ESF Specific Objectives (SO) 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 These objectives are sub-divided into two European Union-designated NUTS<sup>1</sup> regions: West Wales and the Valleys, and East Wales. Performance against these objectives is assessed relative to targets set for the Apprenticeship Programme in the ESF Business Plans (January 2015, regularly revised). For targets relating to total number of apprentices, absolute targets are set, in terms of number of enrolments. Targets for participation in apprenticeships among sub-groups, or for outcomes of apprenticeships, are expressed in terms of percentages of apprentices. It should be noted that this report's findings therefore focus on apprentices funded by the ESF programme, and the data and findings exclude apprentices that are not funded by ESF initiatives.
- 1.3 The report sets out the findings from an evaluation of the Apprenticeship Programme, covering Apprenticeships taking place between January 2015 and March 2019. The aim of the evaluation was to assess the effectiveness, efficiency and impact of the Programme over that period. The focus of the evaluation was on the performance and impact of the Programme, with some review of design and delivery processes. This report summarises how the Programme performed in practice, how well learners, providers, employers and stakeholders think it has been delivered, and the impact it has had on them.

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<sup>1</sup> 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 evaluation is based on a range of information sources, including primary research with learners, training providers and stakeholders, as well as secondary data, summarised in Chapter 2 of the report. Stakeholders taking part in this primary research included public bodies, training federations, third sector organisations, and representative bodies for training providers and employers, as well as Welsh Government policy officials.

## **Programme Design: Administration and Commissioning**

- 1.5 Policy on apprenticeships in Wales was last updated in February 2017, in the Apprenticeships Skills Policy Plan<sup>2</sup> ('*Aligning the apprenticeship model to the needs of the Welsh economy*'). A summary of Welsh Government policies at the time of writing is provided in Chapter 3.
- 1.6 Overall, the process for commissioning the 2015-2019 Apprenticeships Programme was commonly seen by stakeholders and providers taking part in qualitative interviews as robust, fair and transparent, albeit lengthy and resource-intensive. Uncertainty around the bidding process was, however, acute for providers where apprenticeships made up a large proportion of their overall business.
- 1.7 Providers also had concerns regarding the introduction of some new initiatives. The implementation of Essential Skills Wales (ESW) was particularly criticised. The in-depth interviews with providers suggested that many found fitting the changes to working practices into budgets designed before the introduction of ESW difficult.

## **Programme Design: Structure and Duration**

- 1.8 The employer survey showed positive views on apprenticeship structure and duration; three-quarters (75%) of employers felt that the structure and length fitted their needs. Many employers taking part in the in-depth interviews were in favour of the approach of apprenticeships leading to accredited qualifications, in order to guarantee that apprentices had been adequately trained and to enable them to progress onto more advanced roles within the business. Learners interviewed generally said that the structure and length fitted their needs.

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<sup>2</sup> Welsh Government. (2017). [\*Apprenticeships Policy Plan: Aligning the Apprenticeship model to the needs of the Welsh economy\*](#). February 2017.

## **Programme Design: Subjects, Levels and Curriculum**

- 1.9 Generally, employers surveyed were satisfied with the range of subject areas and levels available (73%), and with the content of frameworks (76%). Most felt the move towards more STEM apprenticeships was positive for the Welsh economy, but businesses not offering STEM subjects were concerned that apprenticeships they offer might be deprioritised.

## **Programme Design: Welsh-medium and bilingual apprenticeships**

- 1.10 Stakeholders and, to a lesser extent, providers were highly supportive of the policy of introducing and encouraging Welsh-medium and bilingual apprenticeships. Employers interviewed were fairly positive, although those most interested were customers or clients who spoke the language, and awareness of the existence of qualifications delivered through the medium of Welsh seemed limited.

## **Programme Design: Apprenticeship Levy<sup>3</sup>**

- 1.11 Overall, stakeholders felt that the UK Government Apprenticeship Levy Tax had increased employer demand for apprenticeships. Some providers were concerned about tension between the demands of levy-paying employers, and their contractual obligation to deliver a focus on priority routes and move away from Level 2 provision.

## **Programme Design: Areas for Improvement**

- 1.12 Some stakeholders felt a key improvement would be to facilitate better apprenticeship progression routes by connecting apprenticeships across levels. This would encourage apprentices, employers and providers to see the Programme more holistically and view it in a similar way to academic qualifications. Some other stakeholders and providers interviewed felt that by working with careers advisors, school pupils and more widely with young people and parents, a parity of esteem between apprenticeships and university could be achieved.
- 1.13 Providers' priorities, when surveyed, were more around the administration of the Programme; by far the most popular response when asked what improvements they would like to see was a reassessment of the design of ESW requirements (30%).

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<sup>3</sup> The Apprenticeship Levy is a UK-wide levy on employers that came into effect in April 2017. Employers with an annual pay bill of £3m or more pay the Levy, which corresponds to 0.5% of an employer's pay bill.

### **Programme Delivery and Implementation: Partnerships and Promotion**

- 1.14 Overall, relationships between organisations involved in the delivery of the apprenticeship Programme are viewed positively. Stakeholders were satisfied with the structures which have evolved (or been created) to facilitate communications between organisations delivering apprenticeships.
- 1.15 Some stakeholders felt the Welsh Government could be doing more to strengthen its relationship with employers. Employer-provider relationships were strong; however, getting employers engaged with the Programme in the first place remained a challenge.
- 1.16 In the qualitative interviews, employers commonly said the only information source they consulted about apprenticeships was local training providers. While employers seemed well-informed about what they needed to do to help their current apprentices, there was evidence of knowledge gaps among some employers in terms of the range of apprenticeships available, verified by stakeholder interviews.
- 1.17 Providers commonly felt the Welsh Government should do more at a national level to promote apprenticeships to all audiences. However, some stakeholders were quite critical of providers in this area and felt they should take more responsibility for the promotion of apprenticeships.

### **Programme Delivery and Implementation: Provider performance**

- 1.18 Nearly three-quarters (72%) of employers were positive about their main apprenticeship provider, rating them 4 or 5 out of five at a headline level. Overall, the vast majority of apprentices surveyed were satisfied with their training provider (88%) and employer (85%).
- 1.19 Stakeholders within and outside Welsh Government who were interviewed for the research had mixed views on training providers. Although most of these respondents felt, overall, that training providers met the needs of the Programme, some believed that areas of provision – the quality of teaching and employer engagement – were inconsistent.

### **Programme Delivery and Implementation: Barriers to delivery**

- 1.20 Most employers (86%) felt it was likely they would continue to provide apprenticeships in the future, with nearly two-thirds of these employers (64%) stating it is likely they would *increase* the number of apprenticeships they provide.

- 1.21 Just over a quarter of training providers said they had encountered barriers in achieving gender equality (27%), recruiting more apprentices with disabilities or learning difficulties (12%) or from ethnic minorities (14%). More than half of employers (56%) reported that they had an imbalance by gender among apprentices; usually they felt this was due to the nature of the sector/industry (49%). Far fewer mentioned difficulties employing apprentices with disabilities or learning difficulties (12%). Nearly half of these (48%) stated this was because apprentice roles at their organisation were not suitable for individuals with disabilities.
- 1.22 Many training providers (66%) had encountered barriers to delivering apprenticeships through the medium of Welsh or bilingually, usually attributed to a shortage of Welsh speaking staff (60%). Some stakeholders argued that learning providers were not creating enough opportunities for bilingual learning, based on a misconception of low demand. Findings from employer interviews imply that awareness may be limited among this group, with many responding to questions as if Welsh-medium or bilingual apprenticeships were not already available.

### **Programme Performance:**

- 1.23 In general, stakeholders and employers were satisfied with the way in which the programme was performing. Targets not met at a total level related to gender balance and the proportion of learners with a work-limiting health condition or disability, each by a small margin. The separate SO1 and SO2 targets for younger learners were missed by large margins; however, this is largely due to the introduction of all-age Apprenticeships, which was not anticipated at the time targets were set. Nevertheless, it is notable that the absolute number of learners aged 19 to 24 has been in decline since 2015, and the number aged under 19 has increased by only 9%.
- 1.24 It is likely that this reduction in younger learners has some relationship to the targets on volumes of apprenticeships in Strategic Operation 1 in both East Wales and West Wales and the Valleys being missed by significant margins. This Strategic Operation consists primarily of learning at Level 2 (82% of all apprenticeships in SO1), programmes which tend to be more likely to be taken by younger learners. The reduction in Level 2 apprenticeships seen among learners under 25 is not being compensated for by any increase in use of Level 3 apprenticeships among the same group.

- 1.25 In general, however, the programme was perceived as good value for money for both stakeholders and employers, although complex administrative structures detracted from this for some employers and providers.
- 1.26 Some providers felt there should be more geographical and sectoral nuance in the targets set. It could be argued that some targets (Black, Asian, Minority Ethnic participation, and Welsh-medium apprenticeships in particular) might need adjustment to take into account the demographic composition of the area which the target applies to.
- 1.27 In terms of potential for improvement, the wide variation in terms of performance by Sector Subject Area suggests that initiatives dedicated to individual sectors may be productive. Further research may be justified into the detailed reasons why the reduction in people aged under 25 taking Level 2 Apprenticeships is not being significantly counterbalanced by an increase in uptake of Level 3 Apprenticeships among the same age group.

### **Programme Impacts: apprentices**

- 1.28 Most employers who took part in the employer survey felt the Programme had had a broadly positive impact on the apprentice(s) they had employed (86%). Most apprentices surveyed in the ESF Participants Survey for Wales were also positive about the improvement to their situation, for example in terms of improved confidence in their abilities (85%), as well as improved career progression (76%).
- 1.29 This was backed up by the benefit cost analysis using income and employment data from LEO, which indicated a strong benefit to cost ratio for the Programme (1.48 to 1.59, depending on the assumptions used) relative to non-apprenticeship provision (the ‘counterfactual’), even on a very short (two year) time horizon<sup>4</sup>. The impacts of the Programme according to this analysis included a 29 % point increase in the job entry rate relative to other provision (the ‘counterfactual’), and, in the first year after completion, an increase of 119 days in employment and £7,866 in earnings.
- 1.30 There were some areas for improvement; some apprentices interviewed were frustrated by having to complete ESW elements of their course, in that they felt they had learned little they did not already know. This may relate to the difficulties training providers reported with the process for accrediting prior qualifications.

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<sup>4</sup> Data limitations mean that we can currently only assess outcomes for just two years after an apprenticeship has been completed; with time, the assessment of longer-term impacts will become possible.

## **Programme Impacts: Employers**

1.31 For employers, the ability to shape apprentices to meet changing business needs and address skills gaps were the most positive impacts of the Programme. The majority of employers in the quantitative survey reported positive impacts for themselves (76%) and the wider sector (65%). If the Apprenticeship Programme did not exist, most employers felt they would be able to find alternative ways to recruit and train current and prospective employees, although none of those interviewed in the qualitative discussions believed this would be a better option.

## **Programme Impacts: Skills**

1.32 In terms of overall desired impact, the two ESF operations fundamentally aim to improve skills in the workforce at two levels:

- **Specific Objective One** – To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills, and
- **Specific Objective Two** – To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level.

1.33 Although generally positive, some stakeholders felt the reduced funding of Level 2 apprenticeships had compromised the first aim, while progress on the second had improved since 2015 with all-age apprenticeships and the focus on higher levels. Results from the ESF Participants Survey for Wales of apprentices also suggest that the Programme is supporting these aims in practice. Most apprentices (82%) stated they had acquired job-specific skills as a result of their course.

1.34 A number of apprentices participating in in-depth interviews suggested they had already learnt skills their apprenticeship provided through their prior experience. Some, however, were pleased that the Programme confirmed their knowledge, and drew confidence from this. They also felt that it was useful in itself to gain a qualification recognising their pre-existing skills.

1.35 Stakeholders, employers and training providers were asked the extent to which the Programme had made learning accessible to a broader cross-section of society. Although most were positive, few felt they could give a definitive opinion.

1.36 The Programme was also felt to have a positive impact on the wider Welsh economy, in terms of raising the skills levels of people who have low or no skills and increasing the number of people in the workforce who have job-specific skills, although stakeholders found this difficult to evidence in concrete terms.

## 2. Introduction

- 2.1 This report details findings from the 'Evaluation of apprenticeships 2015-2019' research project, undertaken by IFF Research. It is part of a wider set of evaluations of projects funded by the European Social Fund (ESF) taking place within the Welsh Government (WG) Skills, Higher Education and Lifelong Learning (SHELL) Directorate.
- 2.2 The aim of the evaluation was to assess the effectiveness, efficiency and impact of the 2015 to 2019 Apprenticeships Programme for the period January 2015 to March 2019. The focus of the evaluation was on the performance and impact of the Programme, with some review of the Programme design and delivery processes.

### Background

- 2.3 In 2015, the Welsh Government secured ESF funding to support the delivery of its Apprenticeship Programme across Wales for the period of January 2015 to March 2019, since extended to 2023. The funding has been awarded under the following ESF Specific Objectives (SO) in Priority Axis 2 (Skills for Growth)<sup>5</sup>:
- **Specific Objective One (SO1)** – To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills;
  - **Specific Objective Two (SO2)** – To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level.
- 2.4 The Apprenticeships Programme comprises the delivery of apprenticeships across the NUTS2 regions (West Wales and the Valleys, and East Wales) under four separate Welsh European Funding Office (WEFO) Operations:
- 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;
  - 80720 – Apprenticeships East Wales – Specific Objective 2.
- 2.5 The function of apprenticeships is wide-ranging. They provide technical skills, knowledge, on-the-job training and, for some, a route to employment. They can be

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<sup>5</sup> [Welsh European Funding Office. \(2016\). Guidance on Indicator Definitions, Data and Evidence Requirements: ESF: Priority 2: Skills for Growth. April 2016.](#)

taken at different levels: Level 2 (foundation apprenticeships), Level 3 (apprenticeships), and at Level 4 and above (higher apprenticeships).

- 2.6 Apprenticeships are delivered through a ‘framework’ of qualifications. These frameworks have three core components: vocational competency qualification assessments, Technical Knowledge qualifications, and Essential Skills Wales (ESW) qualifications. These cover number, communication, digital literacy, and employability, and can be offered between Entry Level 1 and Level 3 in accordance with the requirements of the framework and the apprentice’s existing qualifications.
- 2.7 Employers employ apprentices directly, and are responsible for on-the-job training, support and pay. Approved training providers deliver the apprenticeship framework and manage the apprentice’s training and assessment Programme.
- 2.8 The Apprenticeship Programme forms part of the Welsh Government’s Work Based Learning 4 (WBL4) contract. A network of training providers has been appointed to deliver the Apprenticeship Programme as part of the WBL4 contract. A new commissioning process, to appoint providers from 1 April 2021, was underway during the period in which this research was carried out.

### **Evaluation Methodology**

- 2.9 The evaluation had two main phases: interim and final. The interim evaluation phase took a formative approach and focused primarily on Programme performance to date and how delivery worked in practice. The final evaluation phase, by contrast, looked more closely at the impacts and future of the Programme from the perspective of key stakeholders: apprentices, employers and training providers. This report summarises both phases.
- 2.10 The evaluation comprised a number of research elements, as follows:
  - **Scoping interviews with WG and WEFO stakeholders (conducted in March to April 2017)**. Prior to the interim phase of the evaluation, five telephone in-depth interviews were conducted with key WG officials and senior stakeholders involved in the design and delivery of the Programme with a view to establishing the scope of the research project. Details for these interviews were supplied by Welsh Government to ensure institutions involved in the policy direction of the Programme were consulted.
  - **Consultations with key stakeholders (conducted in July to August 2017)** comprising 10 telephone in-depth interviews with key stakeholders to better

understand Programme delivery. The discussions were conducted with four representatives from lead training providers of varying sizes (later analysed as training providers rather than stakeholders), as well as stakeholders from public bodies, training federations, third sector organisations, and representative bodies for training providers and employers. Interviews explored: the role of these organisations in relation to the design of the Programme; their relationship with other key stakeholders; and their views on the performance of the Programme against Operation Plan objectives and targets. The sample for this element of the project was supplied by Welsh Government.

- **In-depth interviews with employers of apprentices (conducted in August 2017)** consisting of 20 qualitative in-depth interviews with employers participating in the Programme. These interviews explored the role of employers, their experience of the Programme and the impact it had on the business. The sample was sourced from a UK-wide public sector-commissioned study (the Employer Perspectives Survey (EPS)) which gathers information about apprenticeship usage and employer willingness to participate in further research. Employers of different sizes from a range of sectors were sampled.
- **Consultation with officials from Welsh Government-related agencies (conducted in October 2017)** comprising eight telephone in-depth interviews with officials involved in Programme development and implementation (e.g. representatives of Regional Learning and Skills Partnerships). These interviews focused on officials' views of Programme delivery, recent changes to apprenticeship policy, and the future of the Programme. The sample for these interviews was supplied by Welsh Government.
- **Quantitative survey of training providers (conducted between May to June 2018)** comprising a census survey of apprenticeship training providers in Wales and their sub-contractors. In total, 73 organisations responded. The questionnaire focused on commissioning, sub-contractor relations and future plans, administrative processes, relationships with WG and other key organisations, employer outreach, barriers to delivery (generally and to specific groups), measurement of performance, and perceived impacts of

apprenticeships on wider society. The sample for these surveys was provided by Welsh Government.

- **In-depth interviews with training providers (conducted between February to March 2018)** comprising 10 telephone in-depth interviews with employees of Training Providers taking the lead on apprenticeship contracts in Wales. These interviews focused on their views on Programme delivery, perceived impact of the Programme, challenges to delivery and best practice, and relationships with Welsh Government and associated organisations such as Regional Skills Partnerships (RSPs). Together with the earlier stakeholder interviews with training providers, this brought the total number of in-depth interviews with lead providers to 14, around three-quarters of the 19 providers holding contracts for the 2015-19 Apprenticeship Programme in Wales. The sample for these interviews was provided by Welsh Government.
- **Quantitative survey of employers of apprentices (conducted in November 2018)** consisting of 400 telephone surveys lasting 20 minutes with employers participating in the Programme, plus a pilot survey of 25 telephone surveys (which were not used for analysis). These surveys covered business demographics including Welsh language usage in the workplace, reasons for choosing apprenticeships, awareness of different types of apprenticeship, Programme design, Programme implementation, barriers to apprentice recruitment from specific groups, impact of the Apprenticeship Levy, future plans for apprenticeships and Welsh Government support. The sample for these surveys was sourced from a selection of learning providers, with reference to LLWR data.
- **In-depth interviews with apprentices (conducted in January to February 2019)** consisting of ten interviews with apprentices, using contact details gathered with consent for survey recontact from the ESF Participants Survey for Wales. These interviews focused on specific issues, including decision to take an apprenticeship, entry to the apprenticeship (focusing on verification of prior qualifications), apprenticeship content, Essential Skills Wales, Welsh-medium apprenticeships, impact of the apprenticeship on career prospects, and barriers to participation affecting specific groups.

2.11 The evaluation also included analysis of official Welsh Government statistics, as well as data from other research, as follows:

- **Desk-based review (ongoing throughout the research)** of Welsh Government policy documents on apprenticeships. This included key documents produced at the outset of the research that focused on issues such as aligning apprenticeships to the needs of the Welsh economy, as well as key policy documents produced since.
- **ESF Participants Survey for Wales re-analysis (from surveys conducted in January to August 2018)**; this wider ongoing multi-wave survey focuses on satisfaction, outcomes and impacts of training funded by the European Social Fund in Wales. In total, 4,809 apprentices were surveyed in two waves through the first eight months of 2018. This re-analysis of early results (fully weighted) focused exclusively on apprentices leaving provision funded by the European Social Fund in Wales. A module of apprenticeship-specific questions was included in the survey; these questions were designed in collaboration between the ESF Participants Survey for Wales and Apprenticeships Evaluation in Wales teams at Welsh Government and IFF Research.
- **Analysis of management information and official data (conducted in April to -July 2020)**, sourced from the LLWR (Lifelong Learning Wales Record) managed by Welsh Government, and EDMS (European Data Management System) managed by WEFO. Data from these sources was merged and analysed as the key source for quantitative assessment of Programme performance against ESF and Welsh Government targets. The most recent verified data available at the time of writing provides information from April 2015 to July 2019 inclusive.
- **Impact analysis (conducted in January to May 2019)**, a formal Impact Analysis and Cost Benefit Analysis, using Welsh Government and UK Government data to consider the impact of the Apprenticeships Programme in Wales on apprentices' employment situation and incomes, in comparison to those taking other routes through post-compulsory education and training (the 'counter-factual' group). The analysis was carried out using data from LEO, a

data linking initiative allowing Welsh Government learning data to be connected to UK Government data on employment and incomes.

### **Logic model and theory of change**

- 2.12 A logic model for the Programme was established following the scoping interviews and a review of the background documentation. It functions as a means of testing the logic behind apprenticeships – specifically the assumptions made in the design of the Programme – and is the foundation on which much of the evaluative work rests. The logic model highlights a broad Theory of Change (a pathway of cause and effect) for the Programme and enables us to establish whether the Programme is being delivered as intended. A graphic representation of the logic model can be found in Annex A.
- 2.13 The logic model comprises the following:
- The situation that the Programme is attempting to address or Programme rationale.
  - The inputs or resources that are required to facilitate the Programme's operation.
  - The activities that comprise support on the Programme.
  - The outputs (immediate achievements of the Programme).
  - The outcomes (medium-term outcomes resulting from the outputs).
  - The longer-term impact of these outputs on the individual, employer and wider society.
- 2.14 To test the Theory of Change behind the Programme the following questions were considered:
- Does the rationale for the Programme still hold? Has it changed?
  - Are resources available and being used as planned?
  - Are activities delivered as planned and to agreed standards?
  - Are the 'right' people taking up the Programme? What factors are affecting starts and participation?
  - Is the Programme making a difference? Is the impact as expected or are there unintended effects? At what cost?

2.15 The Logic Model and Theory of Change were used to provide a framework for the conclusions in this report, and to assist in provision of recommendations.

### **Research questions**

2.16 As stated above, the aim of the evaluation was to assess the effectiveness, efficiency and impact of the 2015 to 2019 Apprenticeships Programme for the period January 2015 to March 2019. The focus of the evaluation was on the performance and current and future impact of the Programme operations, with some review of the Programme design and delivery processes.

2.17 These aims were underpinned by a series of more detailed objectives, as set out in the Invitation to Tender, and subsequently amended. All of these are addressed in this report, as outlined below:

- Assess the performance of the Apprenticeships Programme against its stated aims and objectives, as set out in the final, agreed operation plans, for the period under review. This is explored in the Programme Performance chapter.
- Assess the extent to which the targets, as set out in the final agreed operation plans, have been met. This includes a review of participation by defined characteristics as outlined in the operation plans and a review of progress against targets for each operation. Each relevant target is tested in the Programme Performance chapter.
- Review whether and how well the Programme and its four operations listed above support the delivery of key Welsh Government and WEFO priorities, including the Well Being of Future Generations Act, WEFO's Strategic Objectives, and the Welsh Language Strategy (Cymraeg 2050). This is explored throughout the report, but particularly in the Programme Design and Conclusions sections.
- Review the design, management and implementation of the Apprenticeships Programme, to assess its suitability in supporting the achievement of the Programme aims and objectives. This includes a review of the barriers that participants and delivery bodies have faced and how these have been overcome. This is explored particularly in the Programme Delivery and Implementation and Programme Performance sections.
- Assess the impact of the Apprenticeships Programme on those taking part, including where possible a comparison to a counter-factual cohort and analysis by sector of employment. This is covered in the Programme Impact section.

- Assess the impact of the Programme on employers of apprentices; this is also covered in the Programme Impact section.
- Assess the likely impact of Wales and UK policy change, including the Apprenticeship Levy, on the Programme and make recommendations on how the Apprenticeships Programme can support/accommodate these developments, and vice versa. This is covered throughout the report, but particularly in the Programme Design section and recommendations.
- Review whether and why there are any differences in performance and effect across different sectors or levels of learning and to understand if any approaches adopted by providers affects a higher performance for different groups. Differences in performance are covered in the Programme Performance section, and in terms of specific provider activities, in the Programme Delivery section.
- Assess whether the Programme has provided value for money. This is assessed via the impact assessment and cost-benefit analysis, included in the Programme Impact section.
- Assess the contribution that the Apprenticeships Programme makes in addressing the cross-cutting themes (CCT) as set out by WEFO (Equal Opportunities and Gender Mainstreaming, Sustainable Development and Tackling Poverty and Social Exclusion)<sup>6</sup>. Specifically:
  - The effectiveness of the Programme in taking forward the equality and diversity challenges around gender stereotyping, participation by age, ethnic minority community groups and disabled persons. Performance in these areas is assessed in the Programme Performance section.
  - How the Programme has performed against the delivery of CCT aims, objectives and commitments, as well as CCT related indicators, including what worked well and what did not work, problems identified and how these were addressed. There is some coverage of this in the Programme Impact section, although the design of the research did not allow for all elements of CCT aims to be considered in detail.
  - How, and to what extent, the Programme has provided opportunities for participants to use and develop their Welsh language skills in the workplace. This is considered in detail in the Programme Design and Delivery sections, and also within the Programme Performance section of the report.

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<sup>6</sup> Welsh European Funding Office (2018) [\*Cross Cutting Themes: Key Document: European Social Fund: Integrating the Cross Cutting Themes across the 2014-2020 European Structural Funds\*](#). October 2018.

- Make recommendations for future policy development based on lessons learnt from the evaluation.

### **3. Programme Design**

#### **Key findings**

- The process for commissioning the 2015-19 Apprenticeships Programme was commonly seen as robust, fair and transparent, if lengthy and resource-intensive. Providers found the process difficult where an apprenticeship contract was a large proportion of their overall business.
- In total, 18% of providers were not very or not at all confident about the continued financial viability of providing apprenticeships.
- Providers found the introduction of some new initiatives difficult, especially WEST (Wales Essential Skills Toolkit) and Essential Skills Wales (ESW).
- Providers welcomed the planned shift to electronic rather than paper-based systems, but the streamlining of these systems was a concern.
- In general, the structure and duration of apprenticeships suited employer needs, and employers and learners were generally positive about the balance between work and provider-based learning.
- Many employers taking part in the qualitative interviews were in favour of the approach of apprenticeships leading to an accredited qualification.
- Most employers (76%) were satisfied with the content of frameworks they used, and most apprentices interviewed agreed with this view.
- While all audiences agreed with the goal of increasing Welsh-medium and bilingual delivery of apprenticeships, employers' awareness of the existing offer seemed limited.
- Stakeholders felt that the Apprenticeship Levy had increased net demand for apprenticeships in Wales. Some providers felt a tension between demand from levy-paying employers and contractual requirements to focus on priority routes and move away from Level 2.
- Improvements were sought by stakeholders to progression routes between apprenticeships, and by stakeholders and providers to promotion of apprenticeships among careers advisors, young people and parents.

- 3.1 This chapter sets out what the Apprenticeship Programme is trying to achieve, and how its aims have changed over time. It also synthesises opinion on the Programme's design gathered from stakeholders, employers and providers and apprentices interviewed or surveyed during the course of the research.
- 3.2 It features findings from quantitative surveys with:
- 4,809 apprentices (from the ESF Participants Survey for Wales);
  - 400 employers; and
  - 73 training providers, including sub-contractors.
- 3.3 And in-depth interviews with:
- 19 stakeholders and officials;
  - 10 apprentices;
  - 20 employers; and
  - 14 lead training providers.

## **Programme Aims**

- 3.4 Welsh Government priorities and objectives for the Apprenticeship Programme are set out in the Apprenticeship Skills Policy Plan<sup>7</sup>, published in February 2017, which was informed in part by the labour market intelligence contained within the 'Working Futures 2012-22' report. The ESF Economic Prioritisation Framework (EPF)<sup>8</sup> ensures that these priorities reflect the wider investment context and that EU-funded projects (including ESF-funded apprenticeships) are not designed in isolation.
- 3.5 At a headline level, the government's Apprenticeship Programme strategy is driven by a desire to meet the demands of the Welsh labour market and grow the economy in key sectors. An increasing emphasis on vocational skills has emerged over successive governments, along with the recognition of the importance of skills for national competitiveness, raising productivity and efficiency.
- 3.6 This desire is reflected in the 2017 strategy, 'Prosperity for All', and the 2016-21 'Taking Wales Forward' programme for government, which suggest government can

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<sup>7</sup> Welsh Government (2017) [\*Apprenticeship Policy Plan: Aligning the Apprenticeship Model to the needs of the Welsh Economy. February 2017.\*](#)

<sup>8</sup> Helps guide the use of EU funds 2014–2020. The EPF describes the existing and wider investment context so that EU projects are not designed in isolation. The EPF captures the major existing investments and growth areas in Wales. Applicants seeking funding should be able to demonstrate how they will improve what already exists in Wales as set out in the EPF.

deliver greater social, cultural and economic prosperity in Wales by tackling inequality of opportunity, supporting people to fulfil their ambitions and creating an environment within which businesses can flourish. These highlight the essential role of apprenticeships in this process: by stimulating the development of a more creative, highly skilled and adaptable workforce, apprenticeships will be vital for future prosperity in the nation.

- 3.7 At an individual level, apprenticeships can have a positive influence on the apprentices, and on the organisations involved. Employers are able to shape their business and build for the future by employing apprentices. It may also be more cost-effective to train an apprentice than hire pre-skilled staff, leading to lower overall training and recruitment cost.<sup>5</sup> For apprentices, apprenticeships play an important role in tackling youth unemployment and increasing the likelihood of successful school-to-work transitions.<sup>9</sup> For those already in the workforce, enhancing existing skills may improve career prospects and social mobility.
- 3.8 To this end, the Welsh Government has committed to creating at least 100,000 all-age apprenticeships. Additionally, a greater focus on apprentices being able to undertake learning and training in their chosen language has increased the role of Welsh-medium and bilingual apprenticeships within the government's apprenticeship strategy. Welsh government has set targets for the delivery of bilingual Apprenticeships for childcare, construction and agriculture, monitored on a monthly basis with individual providers<sup>10</sup>. Separately, targets are also set for percentages of Welsh-medium and bilingual Apprenticeships by ESF, as discussed in Chapter 5.

### **Apprenticeship policy**

- 3.9 These overarching aims have largely remained consistent over the time period covered by this evaluation. There have, however, been significant shifts in how these aims are expressed in apprenticeship policy over 2015-2019.<sup>11</sup>
- 3.10 One key policy development came in August 2016 with the introduction of an **all-age Apprenticeship Programme**. Although people of all ages have long been able take part in the Programme, it became a focus of the Welsh Government's apprenticeships policy in the 2015-19 period of the programme, particularly for those

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<sup>9</sup> Welsh Government (2017) [\*Apprenticeship Policy Plan: Aligning the Apprenticeship Model to the needs of the Welsh Economy. February 2017.\*](#)

<sup>10</sup> Welsh Government (2017) [\*Apprenticeship Policy Plan: Aligning the Apprenticeship Model to the needs of the Welsh Economy. February 2017.\*](#)

<sup>11</sup> Apprenticeship targets are discussed further in Chapter 5.

trying to enter or re-enter the labour market.<sup>12</sup> Apprenticeship starts for those aged 16 to 19 will, nevertheless, continue to be a priority area for Welsh Government.

- 3.11 In the 2017 policy statement, '*Aligning the apprenticeship model to the needs of the Welsh economy*', Welsh Government outlined its intention to channel apprenticeships funding towards "the jobs of tomorrow, which will require higher levels of competence than in the past." This includes important decisions to prioritise funding for delivery of apprenticeships at Level 3 and above, to encourage progression to higher and degree levels, and to encourage apprenticeships in science, technology, engineering and mathematics (STEM) occupations.
- 3.12 To stimulate this shift, delivery of apprenticeship frameworks at Level 2 in non-priority subject areas<sup>13</sup> has been capped at 10 per cent of provider contracts for entrants aged 20 and above, although apprentices who intend to progress to Level 3 are exempt, where this is evidenced in the apprentice's Individualised Learning Plan.
- 3.13 The role of Regional Learning and Skills Partnerships (RSPs) has also evolved as a result of changes to apprenticeship policy. RSPs undertake analysis to identify emerging trends in the labour market but will be required to work more closely with employers to understand existing skills shortages (particularly Apprenticeship Levy paying employers). They will also be asked to prioritise demand to meet the allocated budget for apprenticeships.
- 3.14 The commissioning process has also undergone significant change over the 2015-19 period. Previously, the Welsh Government held contracts with numerous individual providers but since 2015, apprenticeships in Wales have been delivered by a network of 19 'lead' training providers – who subcontract their provision to other training providers – which has streamlined and reduced the administrative cost of the commissioning process.
- 3.15 The remainder of this chapter discusses the perceived impacts of these changes from the perspective of WG officials, stakeholders and employers.

### **Commissioning Process**

- 3.16 Overall, the process for commissioning the 2015-2019 Apprenticeships Programme was commonly seen as robust, fair and transparent, albeit lengthy and resource-

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<sup>12</sup> Welsh Government (2017) [\*Apprenticeship Policy Plan: Aligning the Apprenticeship Model to the needs of the Welsh Economy\*](#). February 2017.

<sup>13</sup> Business and Administration, Customer Service, Retail and Hair and Beauty

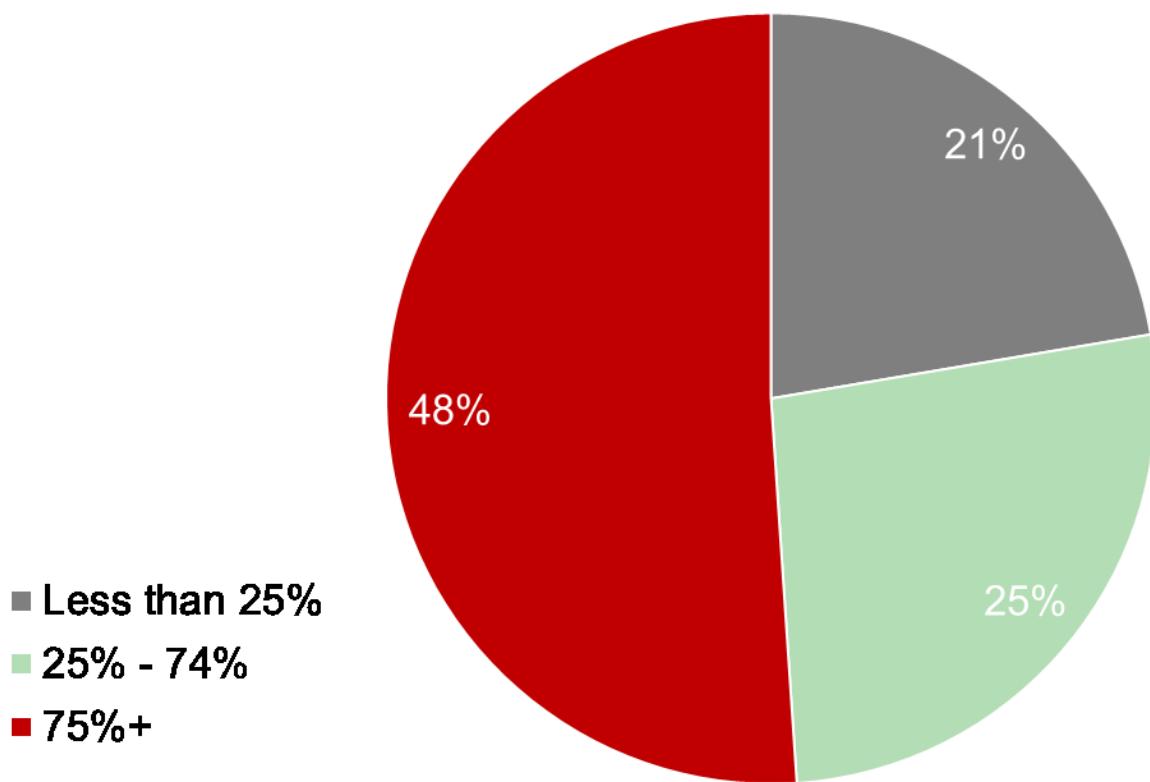
intensive. More than half of providers surveyed (55%) agreed that '*the contracting process means the right type of apprenticeship provision is available.*'

- 3.17 The move to appointing a smaller number of lead providers has been a difficult transition for some providers. Some commented in in-depth interviews that the uncertainty around the future likely shape of WG commissioning (in terms of number and size of contracts advertised), as well as the process of bidding for contracts itself, had made planning forward and investing for the future problematic. This was particularly the case where apprenticeship contracts were a significant part of their overall business and potentially awarded as a result of a single bid.
- 3.18 As shown in Figure 3.1, for nearly half of providers (48%), their apprenticeship contract(s) account for more than three-quarters of the organisation's total revenues. For almost a fifth of providers (18%) their apprenticeship contract(s) account for 100% of revenues and thus if the organisation did not win a tranche of apprenticeship provision contracts it would cease to exist.
- 3.19 It is worth noting that this is especially likely to be the case for larger providers with 500 or more starts in the January 2015 to May 2018 period<sup>14</sup>; for 71% of these providers the apprenticeship contracts account for three-quarters or more of their revenues, although this figure should be treated as indicative due to the small sample size (24).

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<sup>14</sup> This was the time period covered by the latest LLWR/EDMS data available at the time of the provider survey.

**Figure 3.1 Proportion of providers' revenue that comes from apprenticeship provision in Wales**



*Provider Survey A3: Percent of organisation's revenue that comes from apprenticeship provision in Wales  
Base: All providers (73); 500+ starts (24)*

- 3.20 There were mixed views on the reduction of the number of contracts with providers to 19 lead contractors in 2015, replacing 24 during the previous contracting period (2011-15) and 94 in the period before that (2007-11).<sup>15</sup> Stakeholders (including providers) who participated in in-depth interviews felt that while the process of managing contracts was now less resource-intensive for Welsh Government, it was trickier for providers who might need to manage sub-contractors as a result. According to the survey of providers, most providers who already sub-contract intend to increase the extent to which they sub-contract provision in future (53%), while only 10% intend to decrease their use of sub-contractors.
- 3.21 A minority of providers (in the provider survey) had some doubts about the ongoing financial viability of providing apprenticeships at their organisation; in total 18% were not very or not at all confident (see Figure 3.2). The majority, however (73%), remained confident. All those with doubts about financial viability had fewer than 500

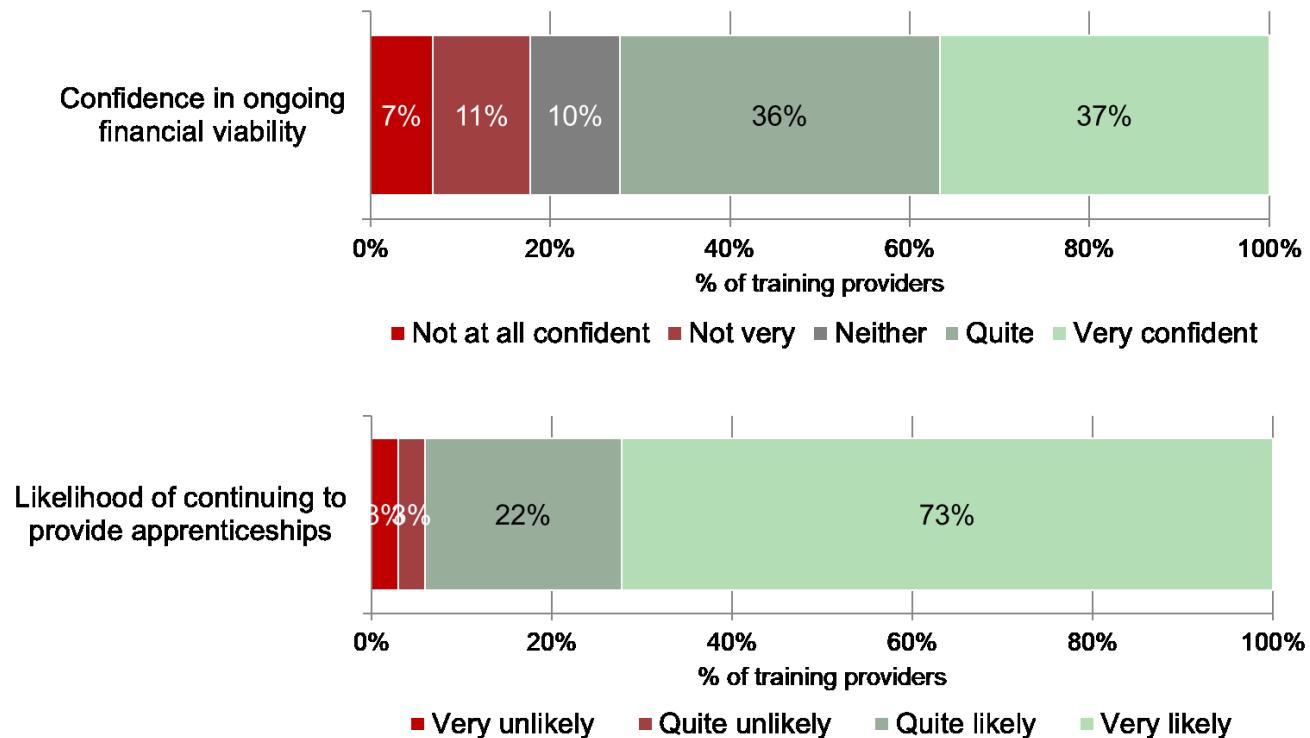
<sup>15</sup> Twenty providers were originally commissioned, but one has subsequently relinquished its contract.

apprentices in the January 2015 to May 2018 period. The provider in-depth interviews also suggested that there were some concerns in this area:

*“[Our] funding rates [per apprentice] haven’t increased over the last seven years, but our cost base has increased.”*

#### Lead training provider

**Figure 3.2 Provider confidence in ongoing viability, and plans to continue providing apprenticeships**



*Provider survey: G1 How confident are you with regards to the ongoing financial viability of providing apprenticeships at your organisation?*

*Base: All providers (73)*

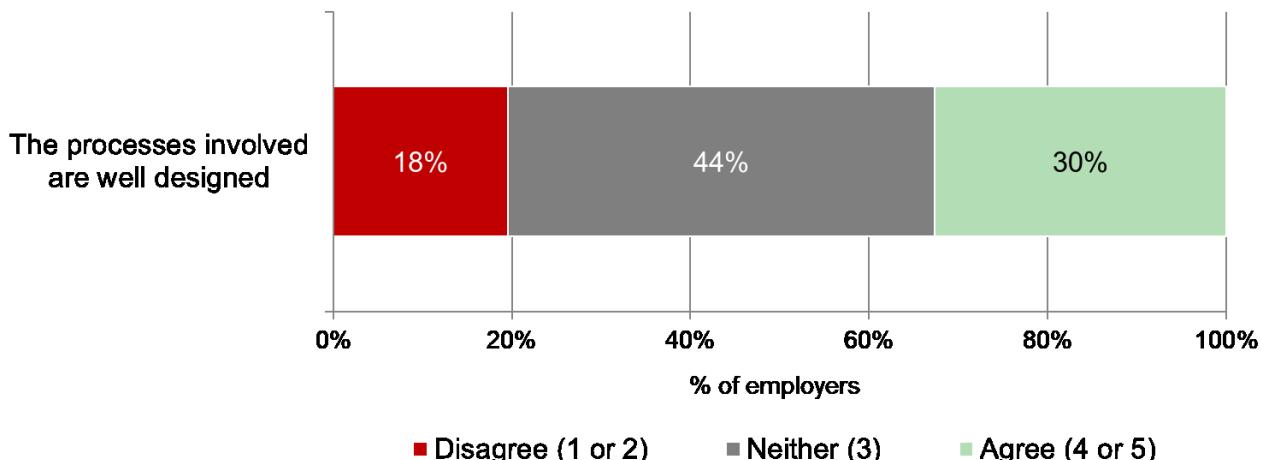
*Provider survey: G2 How likely are you to want to (subject to procurement) continue providing apprenticeships after this wave of the Apprenticeships Programme in Wales finishes?*

*Base: All providers (73)*

## Administration

- 3.22 More providers were positive about the design of the contracting processes involved in apprenticeships (30%) than were negative (18%), as shown in Figure 3.3, although the largest proportion (44%) were neutral.

**Figure 3.3 Provider view on contracting processes involved in the provision of apprenticeships**



*Provider survey: B6: Regarding delivery of Welsh apprenticeships, to what extent do you agree or disagree that the processes involved [in contracting] are well designed?*

Base: All providers (73)

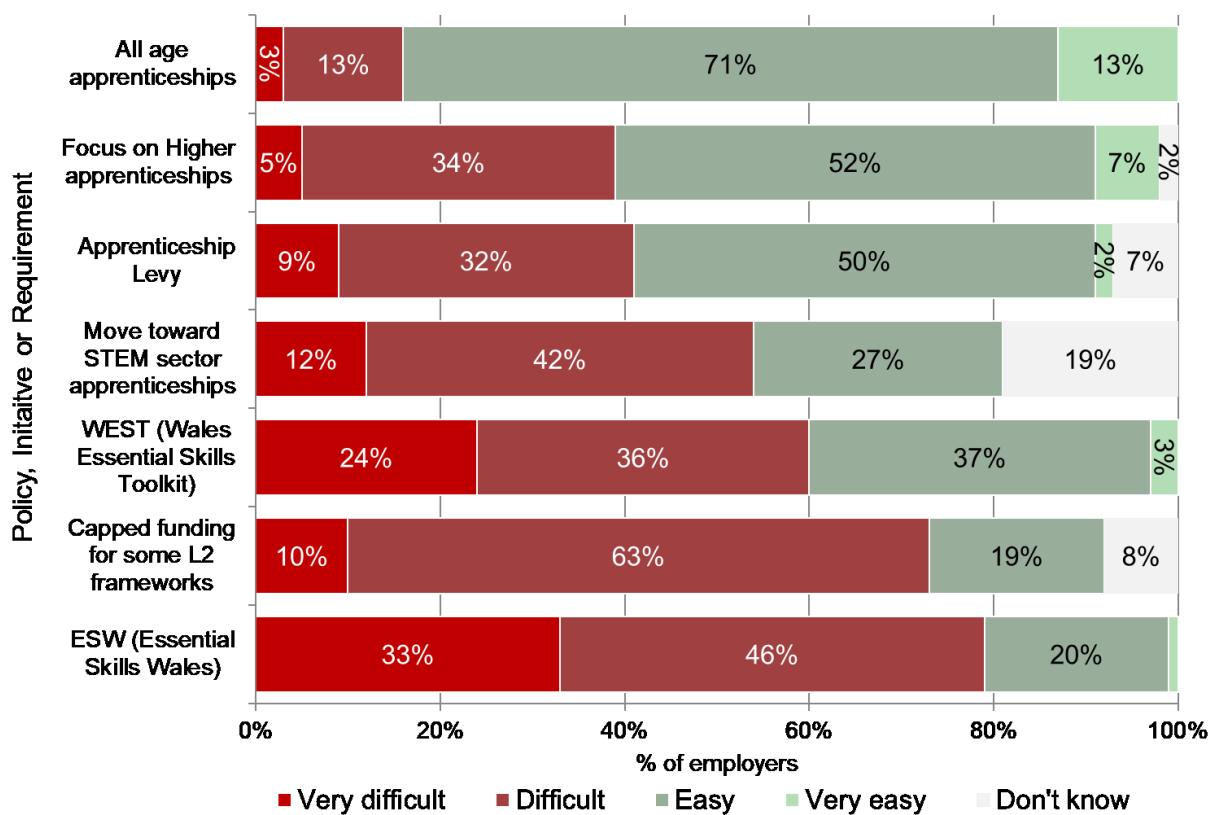
- 3.23 Where providers had concerns, these typically related to the introduction of new initiatives, such as Essential Skills Wales (ESW), the capping of funding for some Level 2 frameworks or the Wales Essential Skills Toolkit (WEST). When asked specifically about implementation, rather than agreement or disagreement with the policy itself, the providers surveyed often felt some specific policies or qualifications were hard to implement, as shown in Figure 3.4.
- 3.24 The implementation of ESW was particularly criticised; most (79%) providers surveyed said it had been either difficult or very difficult to implement. A similar proportion (73%) said that capping funding for some Level 2 frameworks had been difficult to implement; however, far fewer than for ESW said it had been very difficult (10%).
- 3.25 Difficulties regarding implementing of ESW were also mentioned in the in-depth interviews, especially by non-college providers; while most did not object to the principle, many found fitting the changes to working practices into budgets designed before the introduction of ESW difficult:

*[The introduction of ESW qualifications] caused major issues: they weren't funded at the right level, and [they] were designed for delivery in colleges not delivery in the workplace... We've had to requalify staff; we've had to invest in IT equipment".*

### Lead training provider

- 3.26 Another provider felt that the system for assessing Essential Skills around the time apprentices start their apprenticeship<sup>16</sup> (Wales Essential Skills Toolkit, or WEST) was overly complex, and perceived that this could lead to delays in enrolments – although it is not a requirement for apprentices to complete this before they enrol.
- 3.27 The move toward STEM sector apprenticeships (54%) and WEST (52%) were each also felt by a majority of survey respondents to be difficult to implement. A minority found higher apprenticeships (39%) and the introduction of the Apprenticeship Levy (41%) to be difficult to adjust to. In contrast, the vast majority found implementing all age apprenticeships easy or very easy (84%; 16% found it difficult or very difficult).

**Figure 3.4 Provider views on the level of difficulty of implementing various apprenticeship related policies / requirements**



Provider survey: D3: How easy or difficult would you say implementing [policy name] has been?

Base: All providers who felt that each policy applied to them: All age apprenticeships (69); Capped funding for some Level 2 frameworks (59); Focus on higher apprenticeships (56); Move toward STEM sectors (52); Introduction of Apprenticeship Levy (44); ESW (70); WEST (70)

<sup>16</sup> Providers are required to assess the Essential Skills of an apprentice within 61 days of the apprentice starting their programme.

3.28 The introduction of WEST was seen take a lot of time to implement – as it is a lengthy process for some apprentices – and providers felt that end-users of the Programme (i.e. employers) did not necessarily view the associated skills as imperative to the job.

3.29 Several providers commented that the administration involved in recruiting apprentices and delivering apprenticeships felt excessive, as a result of a combination of factors.

*“Reduce the administrative burden, so we can focus much, much more on teaching and learning”.*

**Lead training provider**

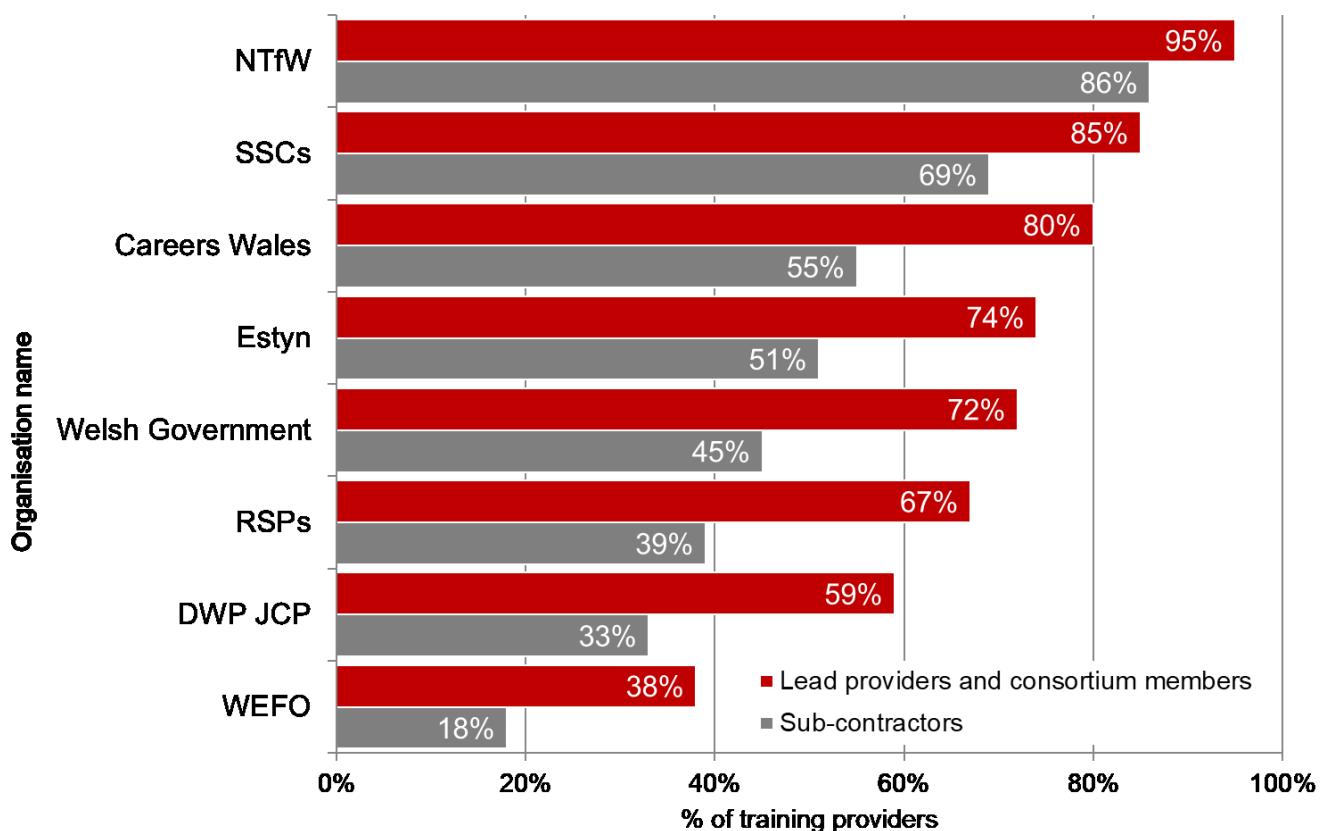
*“The size of our learner files is ridiculous. There must be a better way of recording how learners are doing.”*

**Lead training provider**

3.30 Providers welcomed the planned shift to electronic rather than paper-based systems, but the streamlining of these systems was a more critical concern. Several providers specifically mentioned in qualitative discussions the level of paperwork required for ESF eligibility criteria, one mentioning a situation where they had to enrol apprentices without ESF funding because of practical difficulties gathering evidence for proof of residency requirements, and other mentioning delays to enrolments.

3.31 One aspect of apprenticeship administration which providers felt worked generally well was communication between the organisations involved. A majority of lead contractors had contact regarding apprenticeships with a range of organisations, as shown in Figure 3.5. Substantially fewer had contact with each organisation among sub-contractors. Fewer than half (45%) of sub-contractors delivering apprenticeships, for example, had been in direct contact with WG staff regarding apprenticeships in the 12 months leading up to the survey.

**Figure 3.5 Provider contact with government organisations regarding apprenticeships**



*Provider survey C3: Which of the following organisations have you directly communicated with, in person or via email, regarding apprenticeships in the last 12 months?*

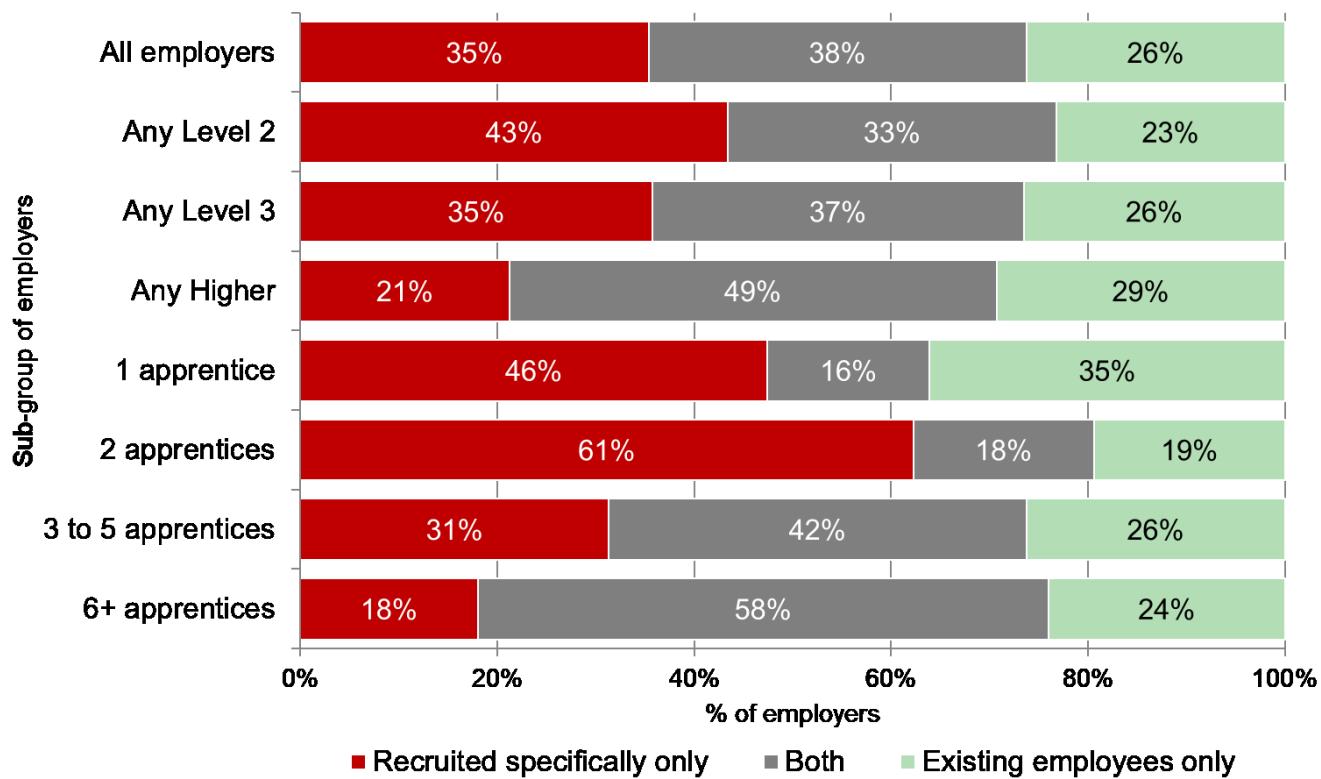
*The full term for each of the acronyms cited in the chart can be found in the 'Abbreviations' section at the front of this document.*

*Base: All sub-contractors (49); All lead providers / consortium members (38)*

### Structure and Duration

- 3.32 The employer survey indicates that a majority of employers with apprentices (73%) provide apprenticeships to new recruits, while two-thirds (64%) provide them to existing employees. There is considerable overlap here; more than a third (38%) do both. More employers said that they provide apprenticeships only to new recruits (35%) than only to existing employees (26%).
- 3.33 As shown in Figure 3.6, employers with a smaller apprenticeship offering (those with one or two recruits) tend to be much more likely to offer apprenticeships only to new recruits. Employers providing higher apprenticeships are slightly more likely to offer apprenticeships to existing employees than new recruits.

**Figure 3.6 Whether apprentices were recruited specifically or existing employees**



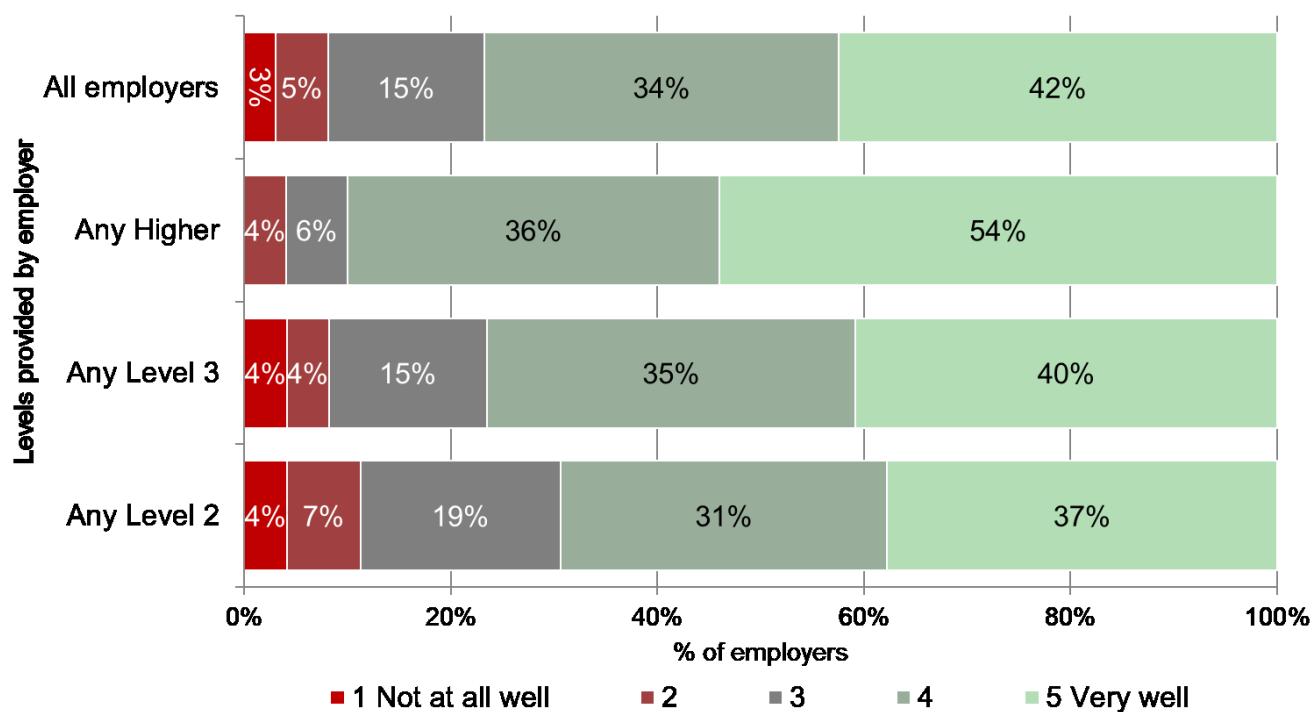
*Employer Survey B1: Whether apprentices recruited were new staff or existing employees*

Base: All employers (396); Any Level 2 (181); Any Level 3 (182); Any higher (78); 1 apprentice (69); 2 apprentices (72); 3 to 5 apprentices (122); 6+ apprentices (91).

- 3.34 It is important to note that even though most employers interviewed in the research had fewer than ten apprentices (78%), most apprentices are employed by employers with a larger apprenticeship offering. This means that among apprentices, the overall balance between new recruits and existing employees is quite different to that shown in Figure 3.6 for employers. In the ESF Participants Survey for Wales, the majority of apprentices (74%) were already employed by the same employer prior to the decision being taken to start the apprenticeship, and only a quarter (25%) were new recruits.
- 3.35 The employer survey showed widespread positive views on apprenticeship structure and duration; three-quarters (75%) of employers felt that the structure and length fitted the needs of their business, rating them highly (four out of five or higher) on this measure. Around two-fifths (42%) rated them five out of five. Those offering higher apprenticeships were the most satisfied (90%) with the structure and length, and those offering Level 2 the least (69%), although satisfaction was high across the board. The smallest apprentice employers, with 2 to 4 staff, were less likely than other apprentice employers to say that the apprenticeship structure and length fitted their organisation's needs (64%).

- 3.36 Employers interviewed in-depth were unanimously positive about the balance between work and provider-based learning. An example of what worked well was the 'day release' feature of many courses, as they are able to organise their business function around the designated day of the week that apprentices attend the provider's premises.
- 3.37 All employers spoken to in the in-depth interviews considered the duration of apprenticeships suitable for their business and appropriate for the qualifications being undertaken. A few employers also mentioned that the structure of apprenticeships – a greater focus on classroom-based work at the start of the Programme and more time in the workplace towards the end – was intuitive and logical.
- 3.38 Some employers taking part in the qualitative interviews were in favour of the approach of apprenticeships leading to an accredited qualification, in order to guarantee that apprentices had been adequately trained and to enable them to progress onto more advanced roles within the business. The design of assessment processes was not mentioned by any employer as a problem.

**Figure 3.7 How well apprenticeships' structure and length fits the needs of employers, overall and by levels provided**

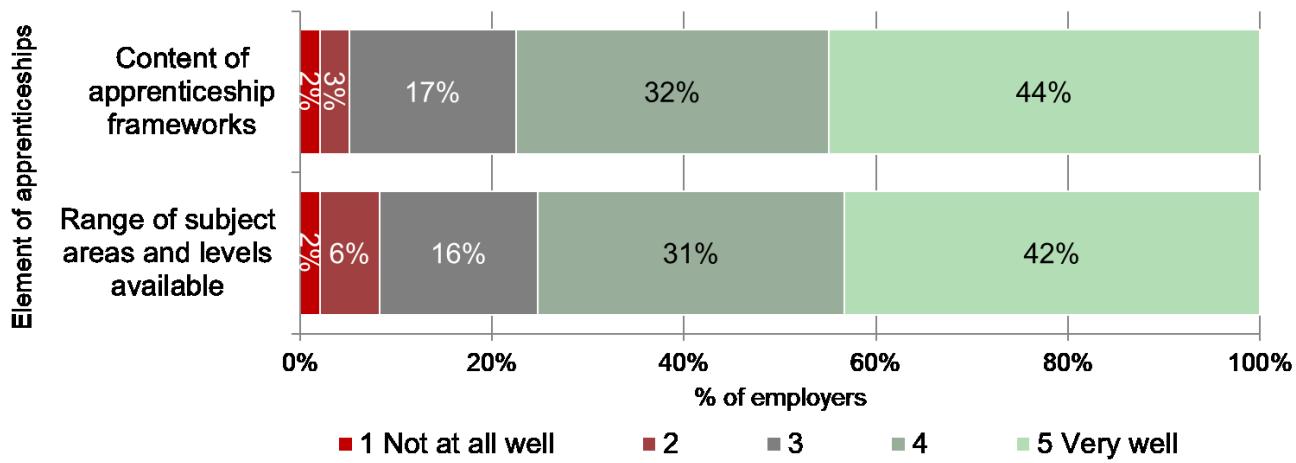


*Employer Survey B8\_3. Overall, how well do you feel the following aspects of apprenticeships fit the needs of your business: The structure and length of apprenticeships, including where and when learning takes place?*  
 Base: All employers (396); Any Level 2 (181); Any Level 3 (182); Any higher (78); 2 to 4 staff (67)

- 3.39 Learners interviewed for the research generally said that the structure and length fitted their needs, and the ability to earn at the same time as training was a major attraction for the Programme from an apprentice perspective.
- “I was getting taught stuff in the classroom that I was using and putting into practice on a daily basis at work.”*
- Learner, Level 3, Painting and Decorating, West Wales and the Valleys
- 3.40 The few apprentices who did raise concerns in the qualitative research mentioned specific instances where there were very few off-the-job training sessions, or where due to communication issues the employer asked them to carry out tasks which they had not been trained in yet. However, this might be considered less a matter of design and structure and more a matter of implementation. None mentioned issues regarding inappropriate course length and few mentioned difficulties with the structure or timing of training, despite prompting.
- ### **Subjects, Levels and Curriculum**
- 3.41 The Apprenticeship Programme is designed to cover a wide range of subject areas and occupations. Stakeholders generally felt that the range of subjects available was appropriate, but some – particularly in rural areas – pointed out that certain subjects were only provided in one or two places in Wales, making it difficult for apprentices to access provider-based training (sometimes, employers said apprentices needed to stay overnight).
- 3.42 Generally, employers surveyed were satisfied with the range of subject areas and levels available (73%). In contrast few were dissatisfied on this measure (8%; see Figure 3.8). This suggests that there might be limited scope for additional apprenticeship frameworks to be introduced. However, it should be remembered that the employers surveyed are all current or recent users of apprenticeships. Employers without a relevant apprenticeship for their business would therefore be unlikely to have been surveyed, and so this should be seen more as a measure of opinion among existing apprenticeship customers.
- 3.43 Employers taking part in qualitative interviews were positive about the range of subjects and curriculum available. They also generally felt that providers knew what was required to be fully proficient in a particular occupation, and so most employers trusted their expertise in this area. This enabled employers to offer apprenticeships in a range of disciplines and subject areas to support their business’ development.

- 3.44 Several employers reported that they had used the Apprenticeship Programme to facilitate recruitment in areas of their business that were experiencing rapid growth. There was some evidence that employers were looking to expand their offering in the future to support emerging business needs.
- 3.45 Employers using apprenticeships were also generally very satisfied with the content of frameworks. Around three-quarters (76%) were satisfied on this measure. In contrast, 5% were dissatisfied (see Figure 3.8). This indicates that, generally, frameworks are keeping pace with the requirements of their existing base of customers. Most apprentices taking part in qualitative interviews agreed with this view; none interviewed raised concerns about content irrelevant to their job, although a minority were dissatisfied regarding the inclusion of ESW qualifications in the apprenticeship.

**Figure 3.8 How well apprenticeship availability and content suits employers**



*Employer Survey: B8\_1 Overall, how well do you feel the following aspects of apprenticeships fit the needs of your business: content of the apprenticeship frameworks you've used since 2015*

*Employer Survey: B8\_2 Overall, how well do you feel the following aspects of apprenticeships fit the needs of your business: The range of subject areas and levels available?*

*Base: All employers (396)*

- 3.46 Looking at the process of introducing new frameworks, the survey of providers showed that, among those that had introduced a new framework or level of apprenticeship, 76% had encountered challenges.
- 3.47 Common challenges encountered by providers, according to the quantitative survey of providers, included design of apprenticeship frameworks (24% of all providers introducing a new framework or level), low employer demand or awareness (15%), initial funding or start-up funds (13%), ESW content (11%), or lack of information about the new framework (9%). There were a wide range of other disparate issues specific to particular situations mentioned by 5% or fewer providers; lack of Welsh course materials or curricula was mentioned by two providers (4%).

3.48 Generally, employers felt the move towards more STEM apprenticeships was a positive thing for the Welsh economy, but the impact of this shift was dependent on the business' provision of STEM-related apprenticeships. Businesses in technical industries felt they would benefit from the shift because it would be likely to increase government investment in STEM. Conversely, businesses not offering apprenticeships in STEM subjects were concerned that apprenticeships they offer might be deprioritised by the government. There was a more fundamental concern that their business could be excluded from the Programme altogether. They were worried about the level of funding they would receive from Welsh Government in the future.

### **Welsh-medium and bilingual apprenticeships**

- 3.49 Promoting Welsh language usage in apprenticeships is central to Welsh Government's apprenticeship strategy<sup>17</sup>, and part of the wider strategy for promoting the usage of the Welsh language, most recently via the More than just words Action Plan<sup>18</sup>. Stakeholders noted that Welsh Government had been specific and deliberate in encouraging Welsh-medium apprenticeship provision and bilingual programmes. It is also central to several project indicators within the WEFO cross-cutting theme of Equal Opportunities and Gender Mainstreaming, as WEFO see this as an important means of promoting opportunity for all, by providing people with the choice to live their lives through the medium of Welsh or English.<sup>19</sup> This includes the ambition to achieve one million Welsh speakers by 2050<sup>20</sup>.
- 3.50 Some providers taking part in qualitative interviews mentioned that they felt apprentices might be reluctant to consider provision in Welsh because for social integration reasons they would not want to be taught separately to a potentially larger group learning in English. However, there were challenges relating to implementation, which some providers felt to be the more important limiting factor, which will be discussed later in this report.
- 3.51 Learners were generally positive about the concept of Welsh-medium apprenticeships, but some of those who spoke Welsh did say that they did not want

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<sup>17</sup> Welsh Government (2017). [Apprenticeship Policy Plan: Aligning the Apprenticeship model to the needs of the Welsh economy](#).

<sup>18</sup> Welsh Government (2019). [More than just words – Action Plan 2019-2020](#).

<sup>19</sup> Integrating the Cross-Cutting Themes across 2014-2020 European Structural Funds – European Social Fund

<sup>20</sup> Welsh Government (2017): [Cymraeg 2050: Welsh language strategy](#).

to study in Welsh. Reasons given included feeling that their level of written or oral fluency in Welsh was insufficient to study in Welsh.

- 3.52 Employers interviewed were fairly positive about the idea of providing Welsh-medium or bilingual apprenticeships. The employer survey carried out for this evaluation suggests that 36% of employers of apprentices consider it commercially very important or quite important (14% and 21% respectively) for staff to be able to communicate in Welsh. In contrast, 40% consider it not very important, and 24% not at all important.
- 3.53 Taken together, this would suggest that employer views are not a limiting factor - even though few apprenticeships are currently carried out bilingually or in Welsh. However, as discussed later in the report, awareness of the fact that Welsh-medium apprenticeships already exist appeared limited amongst employers. Many employers responded to in-depth interview prompts about Welsh-medium apprenticeships as if they believed they were an unimplemented idea, rather than a product that was already available to them now. In addition, few employers were actively seeking increased Welsh-medium provision; only 4% spontaneously suggested this as an improvement to apprenticeships in the employer survey.
- 3.54 The delivery of Welsh-medium and bilingual apprenticeships is further discussed in the following chapters.

### **Cross-border policy differences**

- 3.55 Apprenticeships in Wales are devolved, although the Apprenticeship Levy applies across the whole of the UK. In recent years, policy has diverged somewhat in England and Wales, with different funding structures, qualifications and curricula in operation in the two nations. One stakeholder did mention that this complicated matters for employers and apprentices in border regions. In these cases, a provider located in England might be nearer and more practical to access and as such employers did sometimes use English providers for Welsh apprentices despite the funding disadvantages.<sup>21</sup>
- 3.56 One stakeholder suggested that differential apprenticeship reform across the UK had caused significant challenges, with cross-UK directives such as the Levy showing:

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<sup>21</sup> This route would require the full cost of the Apprenticeship to be met by the employer and/or Apprentice, since no subsidy would be available.

*“Very little understanding that apprenticeships are a devolved issue and the effect and impact it will have on employers, particularly who operate across all four nations of the UK”.*

Stakeholder

- 3.57 Another stakeholder commented that pan-UK employers face new challenges in creating staff development Programmes that use apprenticeships across all four nations, due to the differences that have recently emerged, such as those between ‘standards’ and ‘frameworks’.<sup>22</sup>
- 3.58 Overall, however, this was not a problem for providers or employers interviewed, despite specific prompting to discuss this issue, and it did not feature among challenges frequently mentioned in any surveys conducted.

### **UK Government Apprenticeship Levy**

- 3.59 The 2017 Apprenticeship Policy Plan<sup>23</sup>, outlined how the impact of the **Apprenticeship Levy** would be managed in Wales. The Levy was introduced by the UK Government in April 2017 but has had impacts across Welsh Government policy., The Levy applies to all UK employers, and employers with an annual pay bill of £3 million or more have to pay the Levy (at 0.5 per cent of their pay bill).
- 3.60 In Wales, funds raised from Levy payments are treated as part of the Welsh Government’s block income from HM Treasury; no direct correlation should be made between the Levy and the available budget for the delivery of Apprenticeships. This is different to the position regarding the Apprenticeship Levy in England, where employers have an online account to spend funding individually allocated to their business (the quantity of which is linked to their Levy payments) on apprenticeship training. The Welsh Government currently has no plans to introduce a digital voucher system.
- 3.61 Despite this, both stakeholders and providers both felt the Apprenticeship Levy, has fuelled increased employer interest in apprenticeships.
- 3.62 Stakeholders noted that the Levy was likely to have a significant impact on delivery of apprenticeships in Wales as a result of increasing employer awareness of the

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<sup>22</sup> Department for Business, Innovation and Skills (2015) *English Apprenticeships: Our 2020 Vision*.

<sup>23</sup> Welsh Government (2017) [Apprenticeship Policy Plan: Aligning the Apprenticeship Model to the needs of the Welsh Economy](#). February 2017.

Programme. One stakeholder commented that their own organisation's finance director had become interested in apprenticeships since the introduction of the Levy:

*"There's much more awareness and engagement from businesses that might not have been involved in the process or the system before ... [it's] significantly raised the expectations from employers, because they're paying".*

Lead training provider

*"How can you say no to a levy-paying customer, when they've paid all this money in?"*

Lead training provider

- 3.63 Providers taking part in the in-depth interviews also felt that the Levy was likely to significantly impact on their delivery of apprenticeships. They found themselves dealing with levy-paying large employers whose expectations of the Programme were significantly raised. Providers reported that these employers were taking more of a hands-on role. Related to this, providers were concerned about balancing the demand from levy-paying employers with what they were contracted to deliver: an increased focus on priority routes and a move away from Level 2 apprenticeships:

*"They're paying a levy, but yet we're saying there could be restrictions on the number of learners you can actually put through that route because it's not a [WG] priority."*

Lead training provider

- 3.64 Other providers stated that the impact of the Levy at their institution had been to increase higher level provision, since this type of apprenticeship was of interest to employers seeking to spend levy funds on apprenticeships for existing employees, and was particularly attractive to the public sector. One provider had seen a significant impact on their work, especially on the types of apprenticeship in demand:

*"It's probably why we're doing more higher apprenticeships than we've ever done before."*

Lead training provider

- 3.65 There was some evidence from those taking part in employer in-depth interviews that the Levy was making them reconsider their apprenticeship offering, with a view toward expanding their portfolio of apprenticeship routes. A minority of employers were concerned that the Apprenticeship Levy would in practice mean that they would

provide fewer apprenticeships because they would be less able to afford the cost following levy payments. Overall, however, in the employer survey, only 12% of employers with more than ten employees noted any impact of the Apprenticeship Levy on their work (although this increased to 25% among those with 50 or more employees), and around two-thirds (63%) of those who did report an impact increased their apprenticeship activity.

- 3.66 This apparent difference between the scale of impact reported by providers and employers might be explained by the fact that the levy is only paid by a small minority of employers operating in Wales. In order to pay the levy, a business must have an annual payroll of more than £3 million. This accounts for only a small minority of employers of apprentices and thus a small minority of survey respondents. However, as a result of their size, this minority of employers does have a substantial impact on apprentice employment and thus on the experience of providers.

### **Improvements**

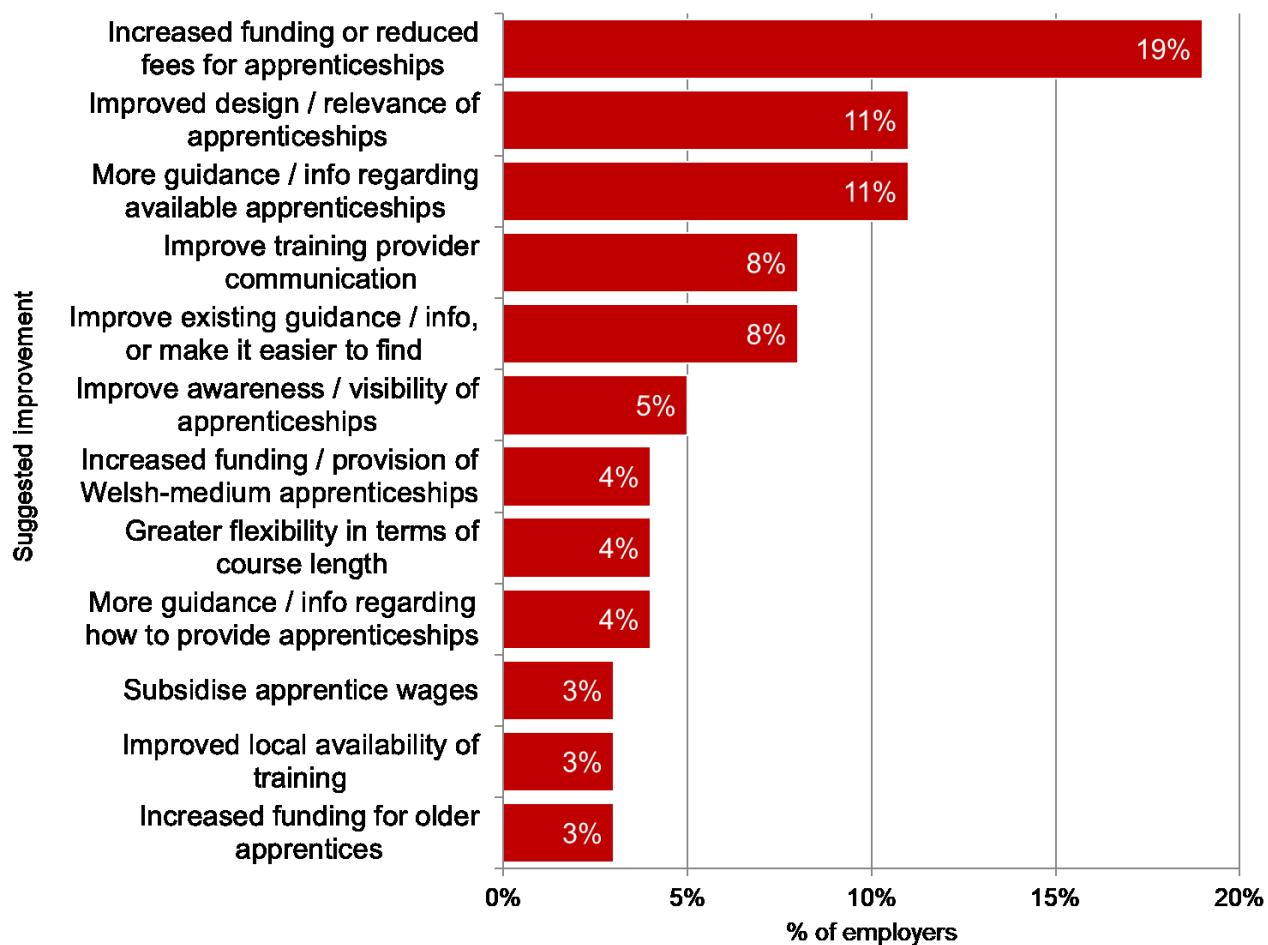
- 3.67 In terms of areas for improvement in Programme design, stakeholders made a range of suggestions.
- 3.68 Some felt that by working with careers advisors, school pupils and more widely with young people and parents, a parity of esteem between apprenticeships and academic routes could be achieved. This was a key area of improvement for stakeholders because they felt awareness of apprenticeships and what they involve tended to be low amongst young people:

*“You speak to young people; they don’t necessarily know what an apprenticeship is”.*

Stakeholder

- 3.69 Some key areas for improvement were spontaneously mentioned by employers, as shown in Figure 3.9. There were: increased funding for apprenticeships (19%), improving design and relevance of frameworks (11%) and more information and guidance (11% felt they wanted more). A further 8% did not want any additional guidance but felt existing materials should be improved. Improved training provider communication was mentioned by 8%, and a further small proportion (5%) felt apprenticeships should be publicised more. More than 5% of employers did not mention any issue.

**Figure 3.9 Improvements suggested by employers to the Apprenticeships Programme (spontaneous)**



*Employer survey: E9. What, if anything, could Welsh Government or apprenticeship training providers do, to better support you in your role as an employer who hosts apprentices?*

*Base: All employers (396). Issues mentioned by 2% or fewer not shown.*

- 3.70 Providers' priorities, when surveyed, were more around the administration of the Programme; by far the most popular response when asked what improvements they would like to see was a reassessment of the design of ESW requirements, or their removal (30%). Others wanted to see more employer-led apprenticeships (8%), additional funding (8%), reduced paperwork generally (8%), redesigned entry requirements for apprenticeships (5%) or more flexibility in framework design (5%).

### **Summary**

- 3.71 Both stakeholders and employers from a variety of sectors found the structure of apprenticeships relevant and appropriate, and felt it suited the needs of their business.
- 3.72 The shift in focus toward STEM apprenticeships and higher apprenticeships was broadly welcomed by stakeholders, employers and providers, with some concerns about those subjects and levels deprioritised as a result. In particular, some

providers and stakeholders were concerned that reducing provision at Level 2 could have unintended consequences – excluding individuals with weaker pre-existing skill levels – and may conflict with employers seeking to increase apprenticeship activity to achieve what they perceive as ‘value from their Levy payments’. All Age apprenticeships were widely welcomed by all audiences.

- 3.73 The impact of the Levy was felt to have been limited by most employers. However, responses from providers and stakeholders suggested that the impact had been larger at a structural level, because of the influence it had on the behaviour of a small number of large employers. Providers welcomed the additional apprenticeship volumes which they believed had arisen as a result of the Levy, but had experienced some challenges in coping with the increase in volumes and change in nature of employer demand and in reconciling this with their contractual requirements, in particular the reduction in funding for specific types (either level or subject area) of apprenticeship.
- 3.74 Stakeholders and employers were happy with the range of subjects and curriculum offered and with the drive to provide Welsh-medium and bilingual apprenticeships. However, a few areas of improvement were identified. When prompted to suggest improvements, employers most often suggested that more funding would be justified or that information resources should be increased or improved. Interest in fundamental changes to apprenticeship structure was limited, and mainly found among providers.
- 3.75 Providers found the design of apprenticeships more problematic in some specific areas. Many had found the changes accompanying the 2015-2019 Programme challenging. Some commented in qualitative interviews that the uncertainty around the future likely shape of WG commissioning (in terms of number and size of contracts advertised), as well as the process of bidding for contracts itself, had made planning forward and investing for the future problematic. This was particularly the case where apprenticeship contracts were a significant part of their overall business and potentially awarded as a result of a single bid.
- 3.76 The introduction of Essential Skills Wales was a frequently-mentioned concern among providers, especially among private sector providers, in terms of the design of the qualifications and particularly the administrative processes. The fact that the change was subsequent to budgets being agreed for their work on the 2015-2019

Programme also added to the challenge. It was, however, not something raised as a particular issue by employers.

- 3.77 Although initiatives to move apprenticeship paperwork online were welcomed by most, providers in particular felt that further efforts still needed to be made to streamline bureaucracy. Paperwork they viewed as relating to ESF was frequently mentioned by providers in connection with this.

## 4. Programme Delivery and Implementation

### Key findings

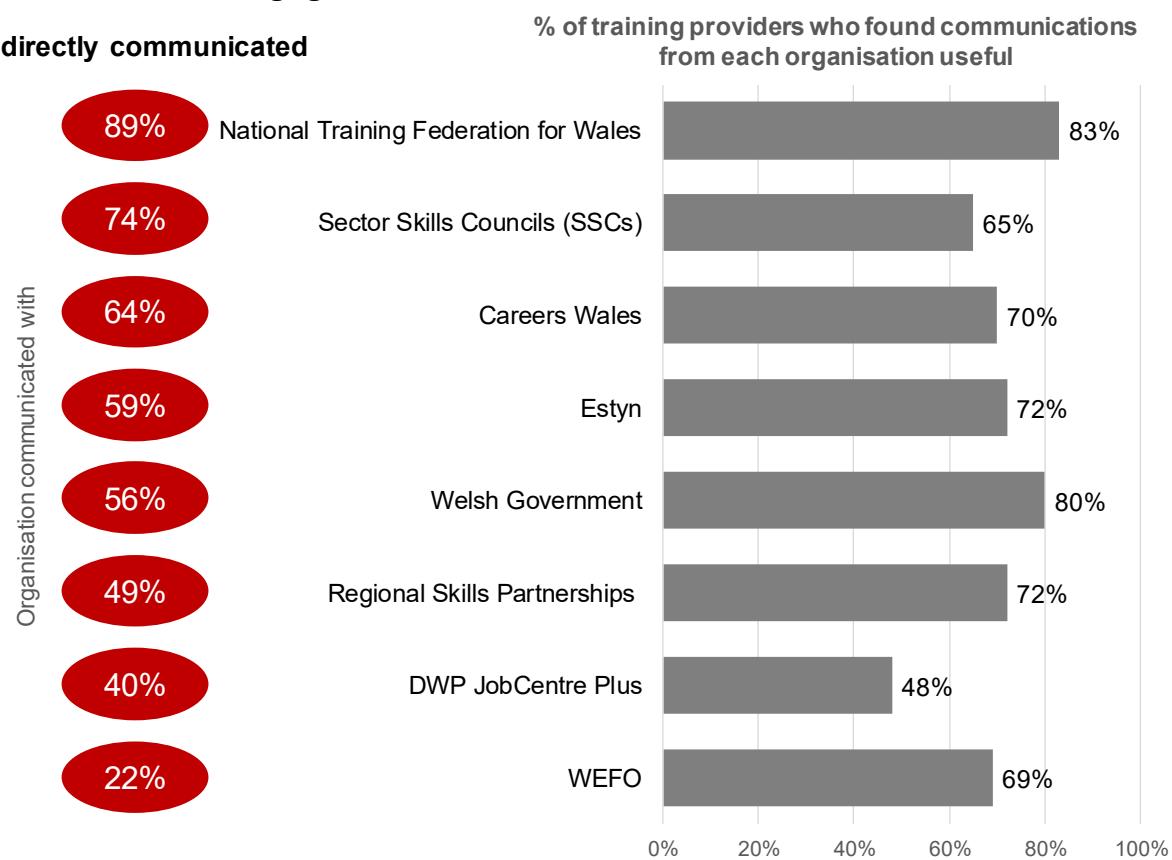
- Most employers (86%) felt it was likely they would continue to provide apprenticeships, with nearly two-thirds (64%) stating it was likely they would increase the number of apprenticeships they provide.
- Relationships between organisations involved in the delivery of the Apprenticeship Programme were viewed positively across all audiences.
- While employer-provider relationships were strong, getting employers engaged with the Programme in the first place remained a challenge. Stakeholders felt employers and potential apprentices were not aware of the wide range of subject areas covered by apprenticeships.
- Most sub-contracted providers and those in a consortium were satisfied with the support from their lead provider (86%), despite many describing targets set by their leads as challenging to meet (88%).
- Providers commonly felt the Welsh Government should do more to promote apprenticeships. However, some stakeholders were quite critical of providers and felt they should take responsibility for this area.
- Nearly three-quarters (72%) of employers were positive about their main apprenticeship provider, rating them 4 or 5 out of five at a headline level.
- The ESF Participants Survey for Wales showed that most apprentices were satisfied with their training provider (88%) and employer (85%).
- More than half of employers (56%) reported a gender imbalance among their apprentices; usually they felt this was due to the nature of the sector or industry (49%). Fewer mentioned difficulties employing apprentices with disabilities or learning difficulties (12%), or from ethnic minorities (3%).
- Many training providers (66%) mentioned barriers to delivering apprenticeships through the medium of Welsh or bilingually, generally due to a shortage of Welsh speaking staff, but also due to limited awareness of their availability among both employers and learners.

- 4.1 This chapter covers Apprenticeship Programme delivery and implementation. It draws on findings from surveys carried out with training providers, employers, and apprentices (the latter from ESF Participants Survey for Wales) and qualitative interviews with these audiences and officials, wider stakeholders and employers, as well as a review of management information data. It sets out findings and views on partnership working, the availability of information about apprenticeships, provider performance, as well as exploring what's working well and challenges for delivery.
- 4.2 It features findings from quantitative surveys with:
- 4,809 apprentices (from the ESF Participants Survey for Wales);
  - 400 employers; and
  - 73 training providers, including sub-contractors.
- 4.3 And in-depth interviews with:
- 19 stakeholders and officials;
  - 10 apprentices;
  - 20 employers; and
  - 14 lead training providers.

### **Partnership working**

- 4.4 Overall, relationships between organisations involved in the delivery of the Apprenticeship Programme were viewed positively across all audiences.
- 4.5 Providers were asked which key organisations involved in apprenticeships they had directly engaged with in the previous 12 months and, where they had engaged, how useful these communications were. As shown in Figure 4.1 and discussed in Chapter 3, providers had most often directly communicated with National Training Federation for Wales (NTfW), and communication with this organisation was reported to have been useful for 83% of respondents to the provider survey.
- 4.6 The only organisation where fewer than half of providers (48%) felt communications had been useful was DWP JobCentre Plus.

**Figure 4.1 Proportion of providers communicating with organisations and usefulness of this engagement**



*Provider Survey C3: Which of the following organisations have you directly communicated with, in person or via email, regarding apprenticeships in the last 12 months? (directly communicated) Base: All providers (73)*

*Provider Survey C4: How would you rate the usefulness of communications you receive from [organisation]? (viewed useful) Base: All providers communicating with [organisation] (as shown on each row)*

- 4.7 Overall, stakeholders were satisfied with the structures which have evolved (or been created) to facilitate communications between organisations delivering apprenticeships, and felt communication between the organisations that mattered for apprenticeship strategy and delivery, through Regional Skills Partnerships and industry representative organisations, was positive and productive.
- 4.8 Stakeholders and providers valued regular meetings with these organisations, especially where they received advance information and where they were able to provide feedback to Welsh Government. In particular, the relationship between the National Training Federation for Wales (NTfW) and Welsh Government was seen as strong and collaborative.
- 4.9 Stakeholders viewed the Welsh Government as strongly supporting the effective provision of apprenticeships, for instance through the provision of relationship, or contract, managers who meet with providers regularly, and the co-development of specific frameworks that suit provider and employer needs.

- 4.10 Some stakeholders felt Welsh Government could be doing more to strengthen its relationship with employers. In particular, they felt that smaller employers lacked clear and concise guidance around how to take on apprentices. One employer body commented that Welsh Government could act in a top-down way, or change requirements at a relatively late stage, which had an impact on relationships with businesses. One apprenticeship provider commented that changes in the structure of apprenticeships had resulted in unnecessarily complex administrative procedure which had caused delays to the delivery of their contract.
- 4.11 Nearly four-fifths of employers (79%) only worked with one or two providers. In general, it was felt that a strong relationship between employers and their provider was critical to the success of the Apprenticeship Programme. While employer-provider relationships were strong, getting employers engaged with the Programme in the first place remained a challenge.
- 4.12 In some cases, stakeholders and employers felt that this was because providers relied on a handful of larger employers for a regular, reliable stream of apprenticeship enrolments, and were therefore less incentivised to engage with smaller businesses. Some stakeholders representing employers questioned whether the lead contractor model negatively impacted providers' level of engagement with employers. They suggested that commercial or third sector work-based learning providers are potentially quicker and more responsive to employers than colleges, something which the respondents attributed partly to colleges' large size. However, one college noted it was now offering a wider range of courses than previously, as well as working with micro-providers.

### **Working with sub-contractors and other training providers**

- 4.13 Training providers generally reported good relationships with each other. In the survey, most sub-contracted providers and those in a consortium were satisfied with the support from their lead provider (86%), despite many describing targets set by their leads as challenging to meet (88%). In qualitative interviews, one sub-contracted training provider said they had a very good relationship with their lead contractor and said the lead had effectively guided them 'through the apprenticeship maze'. When describing the support provided to sub-contractors, leads talked about regular scheduled support visits, development and compliance days to share best practice, and the dissemination of useful resources to ensure consistency across

their delivery. One lead provider explained the importance of thinking of sub-contractors as part of their business:

*"We consider their learners to be our learners; we treat them very much as another department in our organisation."*

### **Lead training provider**

- 4.14 According to sub-contractors (who made up 74% of all providers spoken to), lead providers were most likely to set targets for, or routinely monitor, them on the following aspects of their provision: 'quality of teaching' (98% of sub-contractors reported being either routinely monitored or having had targets set by lead providers), 'framework completion rates' (96%); 'learner retention rates' (96%); 'use of Welsh language in training' (96%); and 'recruitment of apprentices' (93%). They were least likely to be monitored, or have targets set, by lead providers on the following aspects of their provision: 'recruitment of employers' (61%); 'delivery of WEFO sustainable development training' (70%); and the 'gender of learners' (78%).
- 4.15 Qualitative interviews also provided evidence of how training providers outside of contractual relationships have been working together collaboratively. One respondent, for instance, noted an arrangement where two providers did not recruit in each other's geographical area but referred learners to each other if one did not provide the apprenticeship a learner requested. Some providers also mentioned that they had shared benchmarking information with each other to inform their delivery strategy.

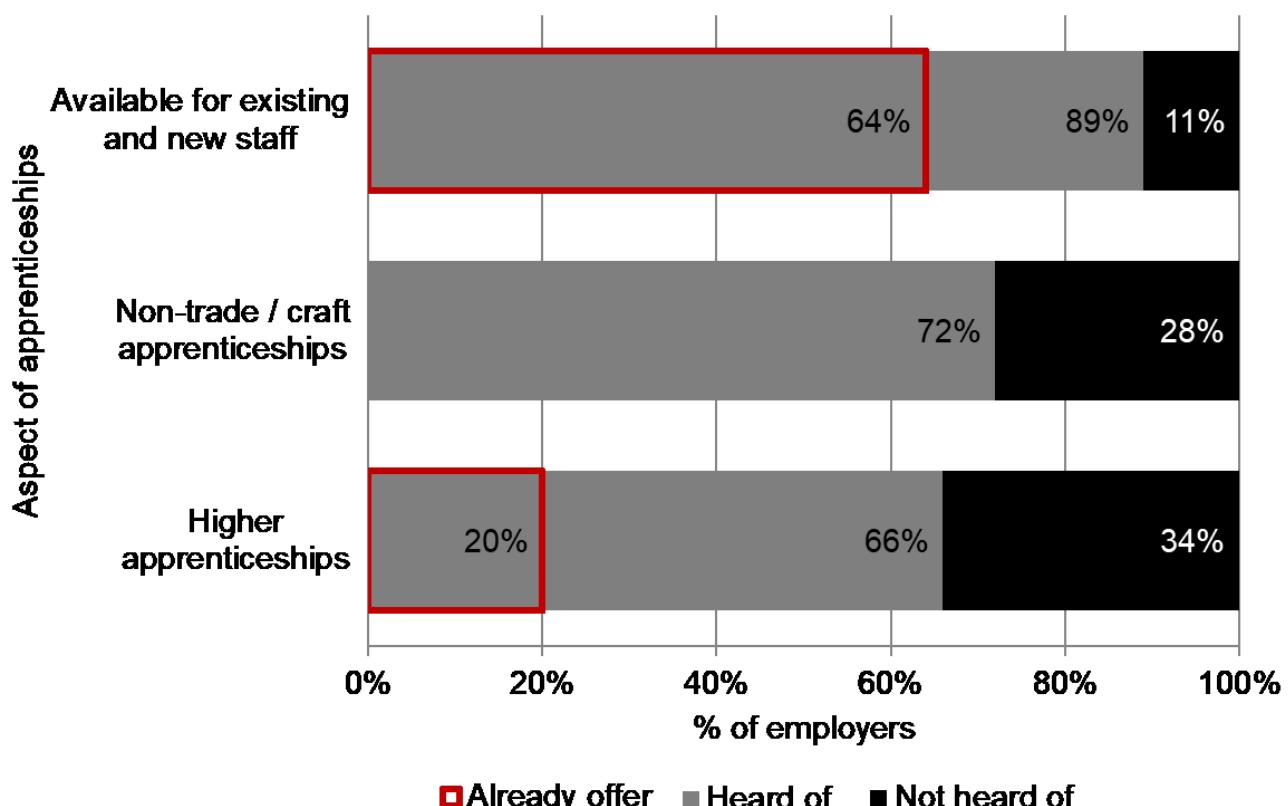
### **Advertising and promoting apprenticeships**

- 4.16 Most providers had engaged in a range of activities to increase employer involvement with apprenticeships in the 2017/2018 academic year. The vast majority had organised or attended an event promoting apprenticeships (92%), arranged one-to-one meetings or phone calls with key large employers (86%) or organised telephone, email or leaflet campaigns targeting employers they hadn't previously worked with (85%). However, encouraging employer participation was often thought of as a challenge. Fifteen percent of providers who had introduced a new apprenticeship framework cited employer demand or awareness as a challenge during this process.
- 4.17 In the qualitative interviews, employers commonly said the only information source they consulted about apprenticeships was local training providers. Those that

gathered information from elsewhere mentioned Welsh Government (WG), Sector Skills Councils (e.g. CITB, the Construction Industry Training Board), local authorities, Careers Wales and the CBI.

- 4.18 Most employers surveyed felt it was clear from the outset what they needed to contribute to an apprentice's programme (81%) and what training providers needed to contribute (81%), but there was evidence of knowledge gaps among some employers in terms of the range of apprenticeships available. As shown in Figure 4.2, more than a quarter of employers were not aware that apprenticeships in non-trade / craft subjects were available (28%), and just over one-third had not heard of higher apprenticeships (34%). More positively, around nine in ten were aware that apprenticeships are available for existing staff as well as new staff (89%)

**Figure 4.2 Proportion of employers that have heard of different apprenticeship types / options**



*Employer Survey B7: Whether employers had heard of the following types of apprenticeships on offer  
Base: All employers (396)*

- 4.19 These findings support the views of some stakeholders interviewed, who believed that employers or potential apprentices were not aware of the wide range of subject areas covered by apprenticeships, and that they tended to associate them more with 'traditional' areas such as skilled trades occupations.

*“There’s still a perception issue … people are working on outdated stereotypes that might not be particularly helpful… apprenticeships are available in all sorts of industries now.”*

### **Stakeholder**

- 4.20 According to some stakeholders, this, compounded by the introduction of the Levy, meant that more employers than in previous years were attempting to start apprenticeships with insufficient knowledge and information, and unsure of how best to go about organising the process.
- 4.21 Furthermore, in-depth interviews revealed that, for a handful of employers, information was not felt to be available in adequate detail, specifically information on funding, key dates and deadlines in relation to apprenticeship start dates and recruitment. One employer thought WG should produce a written guide to apprenticeships. However, this already exists, suggesting that some employers may be assuming information and support is not available, and therefore do not actively seek it out.
- 4.22 It is also important to remember that the employers interviewed and surveyed for this research were drawn from the minority of employers with current apprentices; stakeholders and providers suggested that awareness in the wider community of employers was much lower, and often commented on the problem of the small percentage of<sup>24</sup> employers in Wales who have or offer apprenticeships.
- 4.23 Learners who were employed were most likely to have heard about the Apprenticeship Programme through their employer (69%), whereas learners who were not employed were most likely to hear about it from a family member or friend (19%). Other sources amongst all learners included family member or friends (9%), schools/careers teachers (9%), an apprenticeship training provider (5%) and college/university (4%).
- 4.24 The role of employer is particularly central for apprentices who were already employed by the employer and where the apprenticeship was offered to develop and formalise their skills. This was the most common route into an apprenticeship; in the ESF Participants Survey for Wales, the majority of apprentices (74%) were already

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<sup>24</sup> Employer Perspectives Survey (2016) statistics show that 15% of employers in Wales have or offer Apprenticeships, compared to 19% in England and 15% in Scotland.

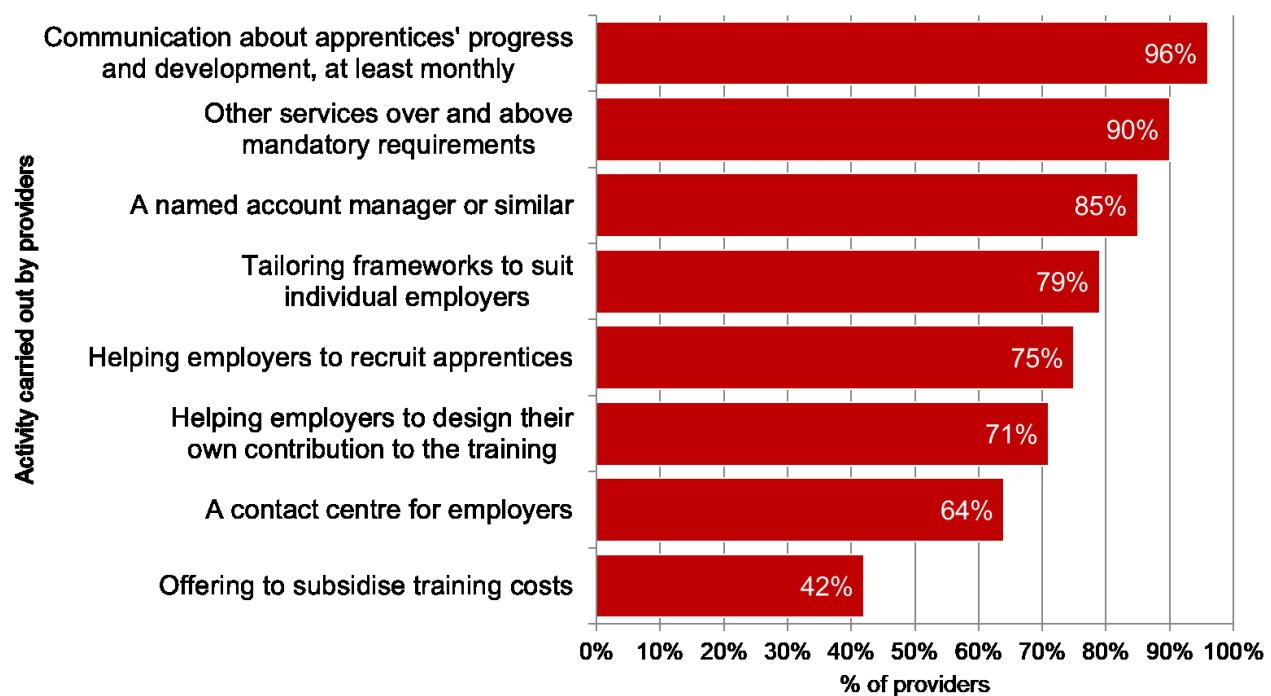
employed by the same employer prior to the decision being taken to start the apprenticeship.

- 4.25 Most apprentices in the ESF Participants Survey for Wales survey (74%) were existing employees, while a quarter (16%) were specifically recruited as an apprentice. Where they did recruit new staff, there was also a greater tendency for employers to do at least some recruitment for apprentices themselves (55%) than do any recruitment through a training provider (24%).
- 4.26 When done externally, employers tended to recruit apprentices through colleges and training providers. They felt this minimised the administrative burden and was likely to ensure high-quality candidates that had been hand-selected by providers. This highlights the importance of the provider-employer relationship.
- 4.27 A minority of employers, from various sectors, adopted a more intensive approach to advertising for apprentices, using their own channels (website, social media pages) and third-party websites (including the Careers Wales website).
- 4.28 In the main, employers in qualitative interviews seemed content with their approach to recruiting apprentices. This was principally on the grounds of the quality of apprentices they had recruited. In the employer survey, more than three-quarters (78%) rated the quality of apprentices they had recruited as good. Employers were also pleased with the number of responses they received to their adverts and the ease of the recruitment process. The minority of employers who were not happy with the channels they were using wanted more feedback from apprentices and providers to help them improve their recruitment strategy.
- 4.29 Providers commonly felt the Welsh Government should do more at a national level to promote apprenticeships to all audiences, pointing out that publicity campaigns reaching a wide audience (outside their existing base of employer customers for whom they had contact details, or who attended events) was beyond their financial or organisational capacity. However, some stakeholders were quite critical of providers in this area and felt they should take more responsibility for the promotion of apprenticeships, and they should do more to reach out to both employers and apprentices. One stakeholder suggested that successful and substantial expansion of the Programme would depend on much-improved outreach to school-age children and their parents.

## Training Provider performance

- 4.30 Nearly three-quarters (72%) of employers were positive about the apprenticeship provider they use for the majority of their apprenticeships, rating them 4 or 5 out of five at a headline level. In comparison, 8% reported negative experiences. Some reasons given for more negative views on training providers include poor support being given to the apprentice by training staff / assessors, poor communication with the employer, and examples of insufficient levels of knowledge in the subject area.
- 4.31 Training providers offer a range of services to employers they work with, with the vast majority offering 'monthly communication about an apprentices' development' (96%), 'other services above mandatory requirements' (90%) and 'a named account manager' (85%), see Figure 4.3. All training providers offer their employer network at least one type of service.

**Figure 4.3 Proportion of training providers offering services to client employers**



*Employer Survey C5: Which of the following services do you offer to all or most client employers?*  
Base: All providers (73)

- 4.32 In qualitative interviews, employers were very positive about providers' knowledge of the industry and their communication with employers.
- 4.33 Although most employers were complimentary about communication from their training providers, there were examples of poor experiences. Most employers were able to monitor the development of and goals for the apprentices under their guidance, as well as being able to adapt course start dates and the assessment

process. Nevertheless, a minority of employers said there was an issue of promptness of responses, general unresponsiveness and a lack of reliability when it came to contacting employers at agreed times.

- 4.34 Employers also mostly felt that providers had the requisite skills and knowledge to deliver frameworks that meet the needs of the apprentice and support the employer.

*“I think they’re pretty good. The [training staff] are quite knowledgeable and they know the industry, and they know where we’re coming from, which is always a good thing.”*

**Employer, 100+ employees, construction**

- 4.35 That said, there were instances where employers felt the content of the off-the-job training was outdated:

*“Our industry has become so advanced in the last 10 years; technical colleges are struggling to keep up with the modern motor vehicle. They go to college to get their qualifications but if you ask where learners get their experience and the knowledge, they would get that from the workplace.”*

**Employer, <10 employees, motor vehicle mechanics**

*“The IT, although it’s really good in terms of your basic IT qualification, your Service Desk and 2nd line support, things like that, our IT department would love the IT framework to be more up-to-date than it is.”*

**Employer, 100+ employees, Public Services**

- 4.36 A few employers talked about the flexibility of training providers and frameworks, but views around this were varied. Although Programme dates were arranged around the academic year in most cases, employers generally felt this was reasonable. Employers accepted that providers generally work to an academic year schedule and did not seem to oppose this. In instances where the scheduling of the apprenticeship was not entirely compatible with the business, it was employers who typically adapted to the providers’ situation.

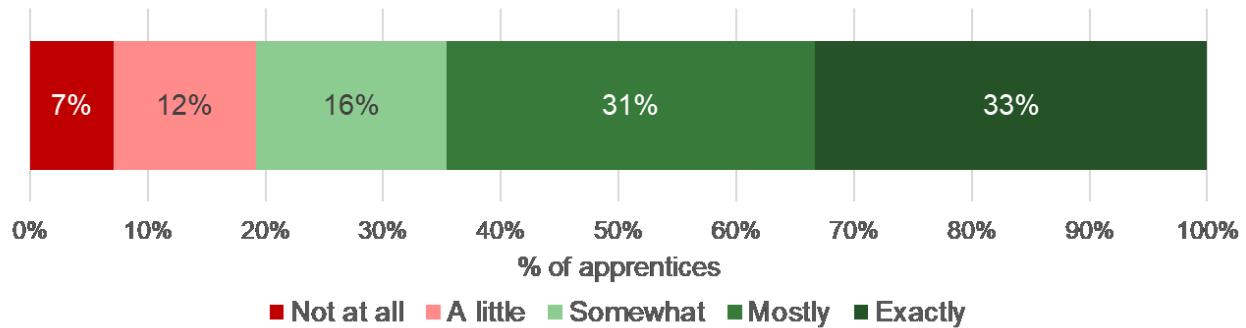
- 4.37 A minority of employers mentioned that the flexibility around start dates was important for their business in determining whether delivering an apprenticeship would be practical, especially amongst private sector employers. In these instances, the employer’s ability to negotiate start dates with the provider was dependent on the strength of their relationship.

- 4.38 A couple of employers confirmed that they could adapt the content of the Apprenticeship Programme to suit specific aspects of their business operation, for example where apprentices were based in very specialist business departments (such as in certain manufacturing companies). However, one employer did feel that training providers should do more to tailor the skill-set provided to the specific workplace.
- 4.39 Where employers had asked to alter the duration of an apprenticeship – which seems, in the main, to be dependent on the situation of individual apprentices – training providers were often flexible and agreed to their requests.
- 4.40 In terms of learning structure, employers appreciated why the day that employees were released for classroom learning generally had to be fixed; but this did not prevent it becoming an issue in cases where employers struggled with staffing. Managing the balance between classroom and work-based learning was contingent on good communication between the provider and employer.
- 4.41 Stakeholders and Welsh Government-related agencies had mixed views on training providers. As discussed in the qualitative interviews, although most of these respondents felt, overall, training providers met the needs of the Programme, some believed that areas of provision – the quality of teaching and employer engagement – were inconsistent across providers, although no overall regional pattern has been observed. Stakeholders were non-specific regarding the detail of issues they had encountered regarding teaching quality.
- 4.42 Some stakeholders felt there were considerable differences between the stronger and weaker providers. For example, one stakeholder felt providers could be prone to focusing excessively on the needs of a handful of very large employers with which they were already working with, at the expense of the needs of smaller employers locally.

### **Learner experience**

- 4.43 As shown in Figure 4.4, nearly two-thirds of apprentices felt their apprenticeship either mostly (31%) or exactly (33%) matched their expectations. In contrast, around one in five felt the apprenticeship did not match their expectations not at all (7%) or only a little (12%). Likelihood to feel the course did not at all match expectation increased with age, from 6% among 16 to 17-year-olds to 9% for those aged 55+.

**Figure 4.4 Extent to which apprenticeship met apprentice expectation**



*ESF Participants Survey for Wales G20: How much did your apprenticeship match the expectations you had before you started?*

Base: All apprentices (4,263)

- 4.44 Results from the ESF Participants Survey for Wales showed that most apprentices were satisfied with their training provider (88%) and employer (85%). Furthermore, similar proportions felt satisfied with the support they received from their provider and their employer to deal with problems and challenges (87% and 85%, respectively) and with this support more generally (88% and 85%, respectively). Levels of satisfaction did not differ by level of apprenticeship.
- 4.45 In qualitative interviews, apprentices –those studying Level 2 apprenticeships – were particularly complimentary where training provider teachers/tutors had been patient and supportive when they were struggling:
- “I’m dyslexic and the way they put things out; the way they explain and help you makes you feel comfortable”*
- Learner, Level 2, Construction, West Wales and the Valleys
- “They were very patient with me, and they coaxed things out of me rather than giving me the answers... they encouraged me a lot.”*
- Learner, Level 2, IT apprenticeship, East Wales
- 4.46 Similarly, apprentices described employers as supportive where they had taken time to show them how to do things, creating learning opportunities and being flexible. However, some apprentices, across a range of all of the levels, did have a less positive experience, with this more common when the employer had been sourced by the provider:

*“I didn’t feel like an apprentice, I felt I was back to being a Saturday girl. I wasn’t doing hair; I was sat on reception and answering the phone and I would watch.”*

Learner, Level 2 Hairdressing apprenticeship, East Wales

### **Barriers to delivery**

- 4.47 Most training providers feel the targets they are working to are challenging to meet; 88% of sub-contract providers felt this way about targets set by their leads, and 95% of lead providers said the same of targets set by Welsh Government and the European Social Fund / WEFO.

#### *Diversity*

- 4.48 A minority of training providers felt that they had encountered barriers in achieving gender equality (27%), recruiting more apprentices with disabilities or learning difficulties (12%) or from ethnic minorities (14%). That said, these proportions are likely to represent a view that, once relevant individuals have applied, there are few barriers to hiring them – this is opposed to recognising a need to address diversity issues at the root (e.g. proactively targeting harder-to-reach groups) and facing challenges in this.
- 4.49 More than half of employers (56%) reported that they had an imbalance by gender in terms of the apprentices they have hired (i.e. they report hiring more females than males, or vice versa); usually they felt this was due to the nature of the sector/industry (49%) and the number of applications received (45%).
- 4.50 Far fewer felt they had encountered difficulties employing apprentices with disabilities or learning difficulties (12%), though nearly half (48%) stated this was because apprentice roles within their organisation were not suitable for individuals with disabilities and a quarter (25%) said that disabled applicants didn’t have the requisite skills / qualifications.
- 4.51 A very small minority (3%) encountered barriers employing apprentices from ethnic minorities.

Performance against diversity-related targets is explored in the next chapter.

#### *Welsh-medium apprenticeships*

- 4.52 Two-thirds of training providers (66%) had encountered barriers to delivering apprenticeships through the medium of Welsh or bilingually. These providers generally attributed this to a shortage of Welsh speaking staff (60%). This was

followed by a view that apprentice attitudes (33%) and employer attitudes (19%) acted as a barrier. At least one in ten also mentioned the lack of availability of course materials in Welsh (15%) and frameworks not always accommodating this (10%).

- 4.53 In qualitative interviews, providers affirmed that they were committed to delivery in Welsh or bilingually but faced a series of obstacles to delivering learning through the medium of Welsh. They suggested that the lack of demand they saw from apprentices came from not wanting to learn in a separate setting to friends and colleagues; and another suggested that apprentices were concerned about being penalised as a result of poorer Welsh writing skills. However - as indicated in the survey - the key issue that emerged among providers was a shortage of teaching staff and particularly assessors sufficiently fluent in Welsh.
- 4.54 One provider also felt that low awareness of the option of Welsh-medium use in apprenticeships among apprentices and parents was an issue. Findings from employer interviews imply that awareness may also be limited among this group, with many responding to questions as if Welsh-medium apprenticeships did not exist.
- 4.55 Some stakeholders argued that learning providers were not creating the appropriate opportunities for bilingual learning - something they believed was based on a misconception of low demand. For example, some questioned the commitment of training providers to offering Welsh-medium provision in practice, noting that some had few lecturers with the ability to teach in Welsh. Training providers, however, did mention that it was more costly to recruit lecturers and assessors with strong Welsh language skills, due to competition with other potential employers for these skills.

*Employer barriers to continuing or increasing apprenticeship delivery*

- 4.56 Most employers (86%) felt it was likely they would continue to provide apprenticeships in the future, with nearly two-thirds of these employers (64%) stating it was likely they would *increase* the number of apprenticeships they provide.
- 4.57 The most common reason for not continuing or expanding their apprenticeship offer was the size of the business (46%), with these employers not feeling they could accommodate or needed any more apprenticeship staff; this is a particular issue for those with 2 to 4 employees (60%). This was followed by barriers with funding (14%), being deterred by the quality of applicants (10%) and the nature of the business, e.g. they have a seasonal workforce (10%).

## **Summary**

- 4.58 In general, apprentices, employers and wider stakeholders were fairly satisfied with the delivery of the Apprenticeship Programme and how it is working in practice.
- 4.59 Working relationships between organisations involved in delivering apprenticeships tend to be positive and the structures in place to support communication between these organisations were felt to have worked well, with Welsh Government viewed as strongly supporting the effective provision.
- 4.60 Sub-contractors and those in a consortium felt supported by their lead provider. There is also evidence of training providers outside of contractual relationships working collaboratively.
- 4.61 Training providers undertook a range of activities to engage and inform employers about apprenticeships. Indeed, employers in qualitative interviews commonly said providers were their only source for this information. Although employers generally report being content with the quality and quantity of information, there is evidence of gaps in their awareness of the range of apprenticeships available, especially in relation to non-trade/craft apprenticeships and higher apprenticeships. There was also evidence that some employers are unaware of the information and guidance already available to support them delivering apprenticeships. Stakeholders felt further efforts were needed to improve employer awareness, both from providers and Welsh Government.
- 4.62 Learners who were employed prior to their apprenticeship were far more likely to have heard about apprenticeships from an employer than any other source, although previously unemployed learners were most likely to have heard about opportunities through friends and family. Related to this, most apprentices were employed by the employer prior to the apprenticeship, rather than being recruited into the role.
- 4.63 The majority of employers were very satisfied with the training provider(s) they engaged with, rating 4 or 5 out of 5. In the minority of cases where areas for improvement were identified, these tended to focus on better / more effective communication and ensuring that course content was up-to-date with modern practices in the relevant sector.
- 4.64 Most apprentices were positive about their apprenticeship experience – usually the apprenticeship met expectations and they felt supported by both their employer and training provider. Lack of support or employers failing to create effective learning opportunities tended to underlie less positive experiences.

- 4.65 Training providers did not tend to experience barriers in achieving gender equality, in recruiting more apprentices with disabilities or learning difficulties, or from ethnic minorities.
- 4.66 Training providers were more likely to have experienced barriers to delivering the apprenticeship Programme through Welsh-medium or bilingually than not. They tended to attribute difficulties to a shortage of Welsh speaking staff, although some also talked about low awareness and demand among potential apprentices and their parents. Findings from employer interviews also imply there is an awareness gap among this audience that needs to be addressed.

## 5. Programme Performance

### Key findings

- Apprenticeship volumes exceed ESF targets overall, but fall short in SO1.
- Achievement rates exceed ESF targets, except for at Level 4, and in Hair and Beauty and Business, Administration and Law sector subject areas.
- Take-up of Higher Apprenticeships has declined since 2015/16, and take-up of STEM Apprenticeships remains static.
- Most diversity targets are met by the ESF programme at an overall level, except participation among those with a work-limiting disability or health condition and gender, each by a narrow margin. Gender participation varies widely by subject area and level.
- Welsh-medium participation meets ESF targets at an overall level, but subject area results show potential for improvement in specific areas.
- Generally, stakeholders and interviewees felt that the programme was strong in terms of offering value for money.

- 5.1 This chapter assesses the performance of the Apprenticeship Programme since April 2015, based on both stakeholder perceptions and performance data. The data used was derived from the LLWR, on which all apprenticeships in Wales are recorded and learner characteristics and learning outcomes monitored. This was combined with EDMS data to enable matching apprenticeships to the four ESF Specific Objectives.
- 5.2 The data used was the latest available at the time of analysis in June 2020. It contains data which covers the period from April 2015 to July 2019. Data for the period January to March 2015 was not available for this research.
- 5.3 Performance is assessed here against targets set for the Apprenticeship Programme in the ESF Business Plans (January 2015, regularly revised). It should be noted that the data used to compile this report therefore exclude apprentices that are not

funded by ESF initiatives. The results are therefore not comparable with other figures, including official statistics, published by WG covering the same period.

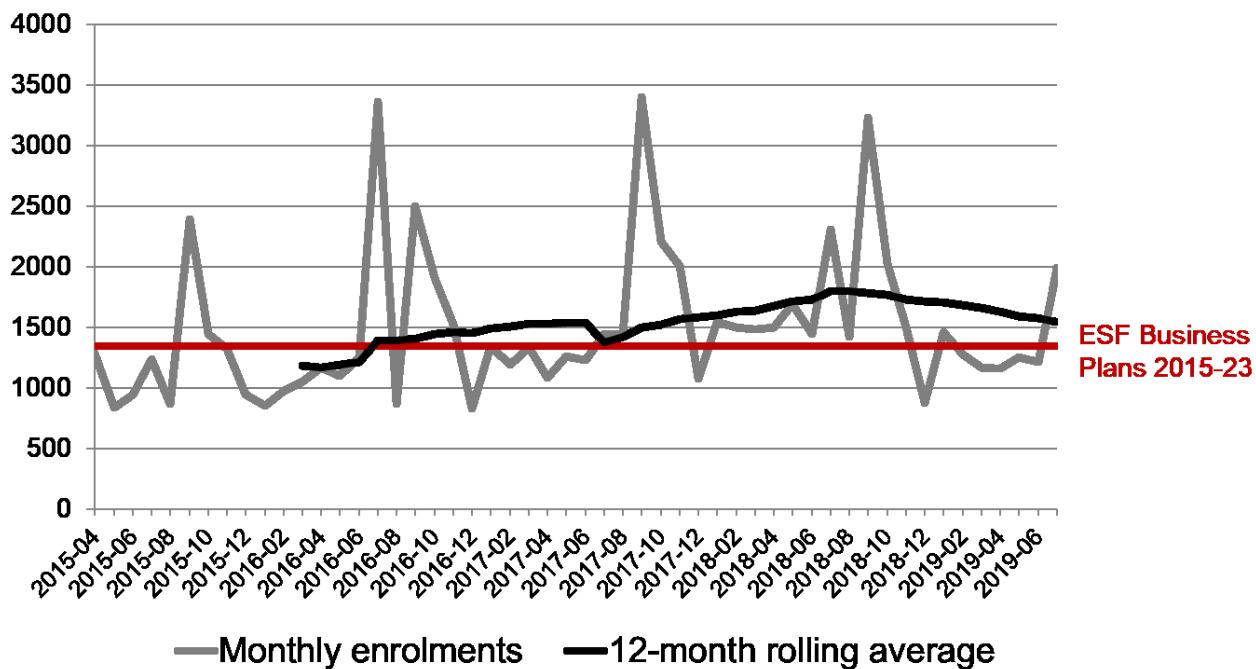
### **Apprenticeship volumes**

- 5.4 The ESF Business Plans set out a target of 158,523 apprenticeship starts in the period January 2015 to December 2023, including all apprentices already on Programmes which would have been eligible for ESF funding on 31<sup>st</sup> December 2014. This is equivalent to 155,037 apprenticeships in the April 2015 to December 2023 period assessed here, or 1,346 starts per month<sup>25</sup>.
- Overall, interviewees were positive about Apprenticeship Programme delivery. Some did, however, suggest that Programme targets were challenging in the context and some officials felt that overall delivery numbers were not where they needed to be. Some attributed this to ambitious targets, although some others mentioned that similarly stretching overall targets have been achieved before.
- 5.5 The Apprenticeship Programme performed strongly relative to ESF Business Plans, averaging 1,495 new ESF-funded starts per month, 11% above the calculated target of 1,346 per month which would be needed to achieve the target by the end of 2023. If this trajectory were continued, the overall target would be achieved by a significant margin.
- 5.6 Figure 5.1 shows Apprenticeship enrolments by month from April 2015 to July 2019. There was considerable month-to-month variation, with a peak each September at the start of the academic year. The peak in July 2016 related to the introduction of the all-age apprenticeships programme, as providers were allowed to enrol an increased number of older apprentices at that point.
- 5.7 Since January 2015, the ESF Business Plan target has been exceeded in most months. The 12-month rolling average also shown on Figure 5.1 shows a slowly increasing trend from 2016 to 2019.

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<sup>25</sup> Due to the absence of data for 31<sup>st</sup> December 2014, the number of apprentices already on-programme at that date was estimated from the number on-programme at 31<sup>st</sup> March 2015 in order to arrive at the 1,346 monthly target, by extrapolating from the difference between March and January figures in all subsequent years (an average difference of 4.2%).

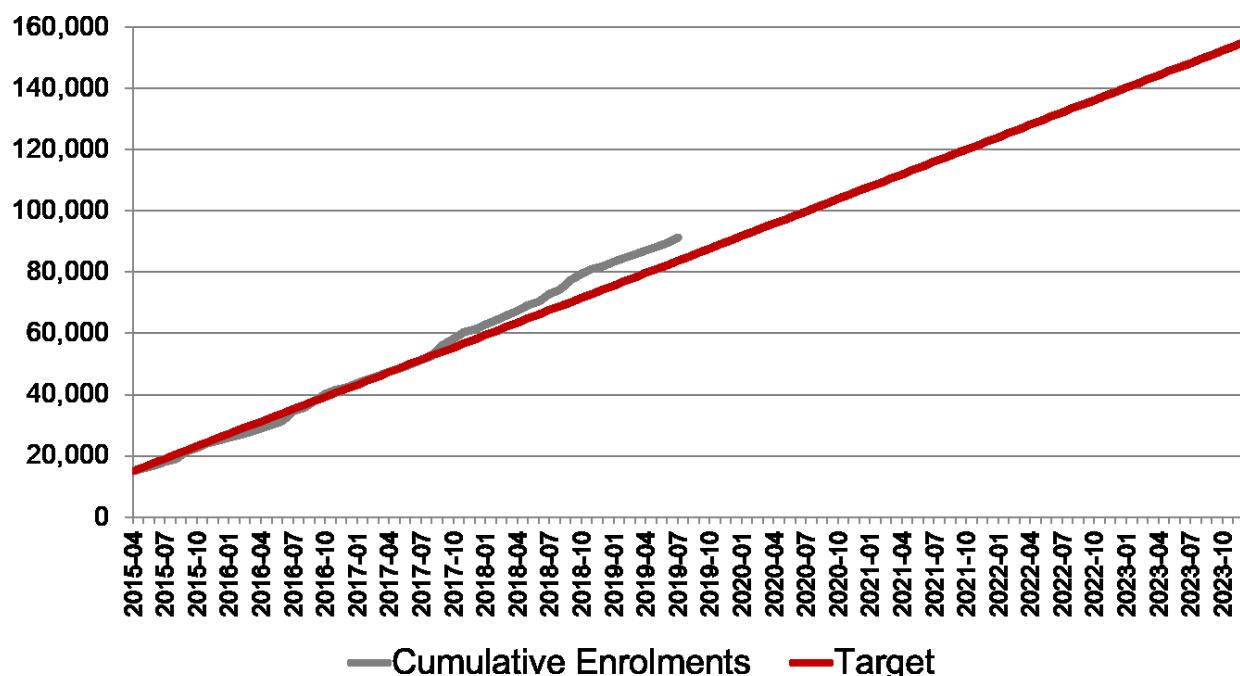
**Figure 5.1 Overall apprenticeship delivery, expressed in terms of enrolments per month, relative to ESF target**



*Information presented in this chart is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.*

5.8 Figures 5.2 and 5.3 shows progress toward the overall Programme target set out across the ESF Business Plans. For the period April 2015 to July 2019, the cumulative number of ESF-funded apprenticeships started (a total of 91,425) was nine per cent above the total of the ESF Business Plan targets for the same period (about 83,700).

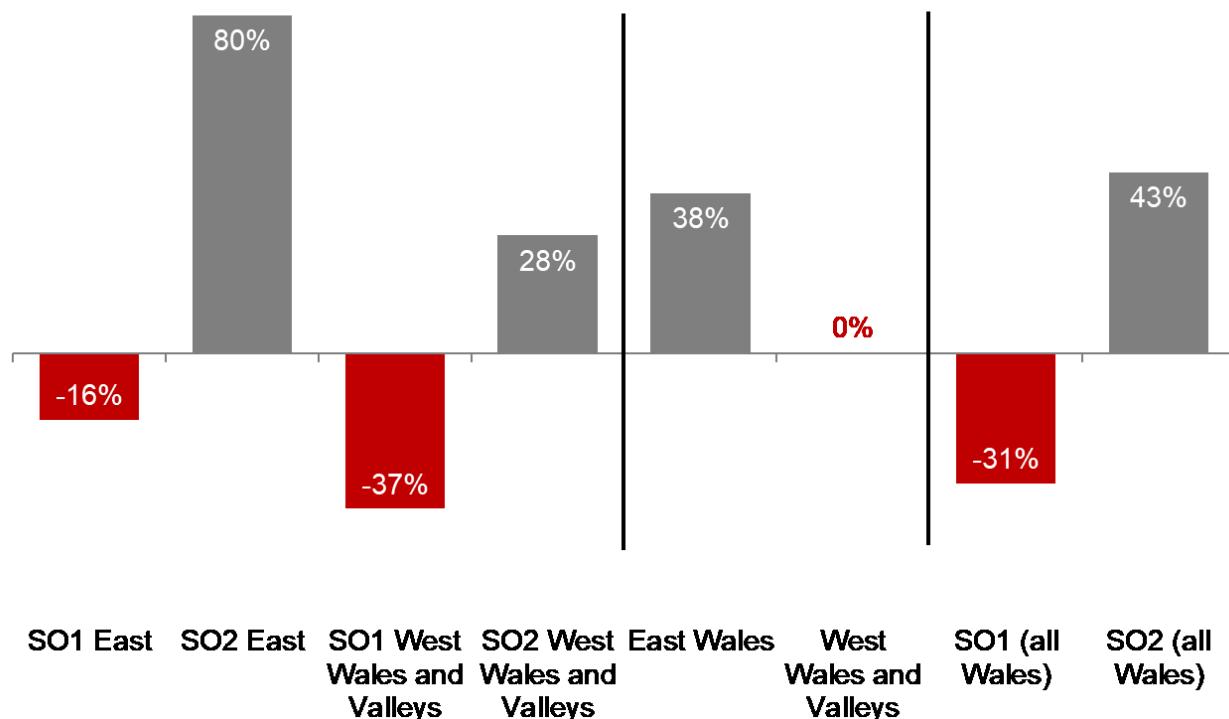
**Figure 5.2 Volume of apprenticeships: progress toward ESF Business Plan targets**



*Information presented in this chart is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.*

- 5.9 As Figure 5.3 shows, there was substantial variation across the four operations; SO2 operations substantially out-performed targets in terms of absolute number of apprenticeships started (43% above target), while SO1 operations did not (31% below target).
- 5.10 This reflects changes in the distribution of types of apprenticeship in Wales. As discussed in Chapter 3 of this report, WG has sought to focus resource toward apprenticeships at Level 3 and above, which tend to be classified within SO2.
- 5.11 The target was on track to be met in both East Wales and West Wales and Valleys; however, the target was only reached by a very small margin (less than 1%) in West Wales and the Valleys.

**Figure 5.3 Volume of apprenticeships: comparing average number of starts per month with ESF Business Plan targets for each ESF Specific Operation**

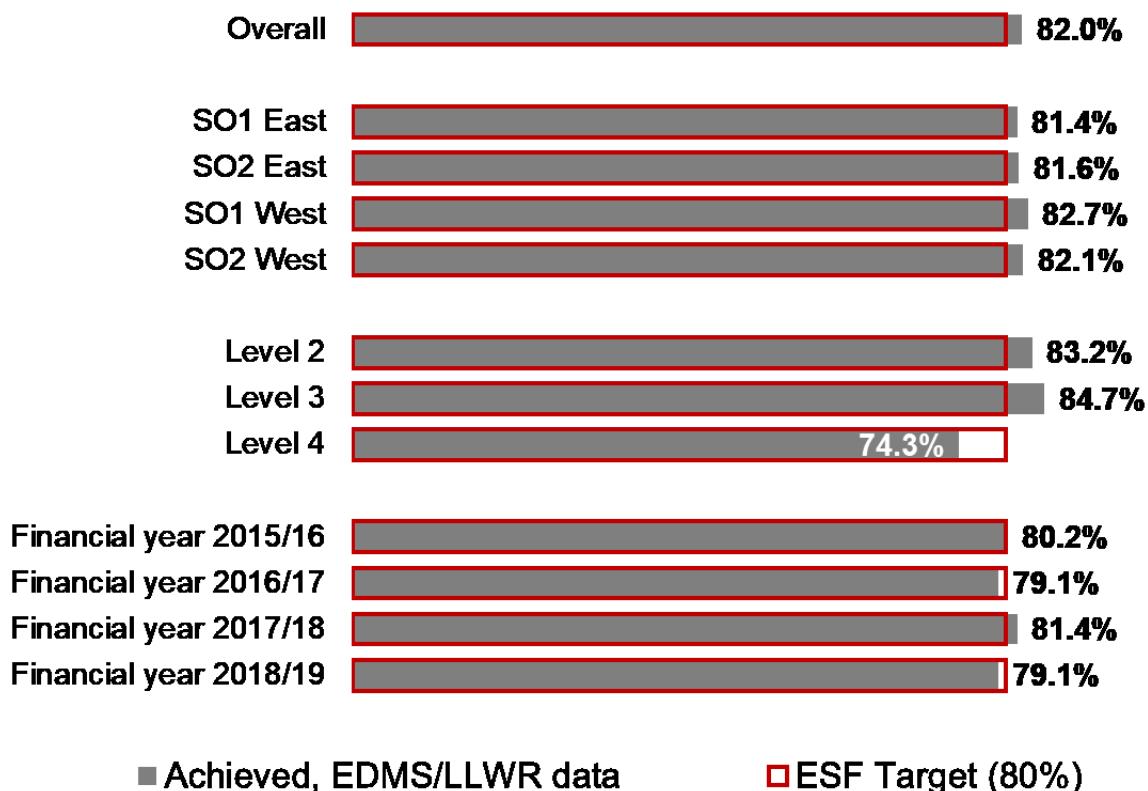


*Information presented in this chart is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.*

## Apprenticeship frameworks achieved

- 5.12 Performance in terms of framework achievement rates was much more even across the four areas of operation, with all operations across Wales showing an achievement rate<sup>26</sup> of between 79.5 and 81.8 per cent. All were above the ESF Business Plan target of 80%, except SO1 East which was marginally below at 79.5%. This is shown in Figure 5.4.
- 5.13 By level, achievement rates appeared lower for Level 4 than Levels 2 and 3. This was noted in the interim report in 2017; however, at that time it was unclear if this was due to the relatively recent introduction of many of the Higher Apprenticeship frameworks. It seems, however, that the lower achievement rate persists; the reasons for this have been a subject for research by Estyn.<sup>27</sup>
- 5.14 Achievement rates were identical between male and female learners, at 81.1% for each. Achievement rates were higher in STEM subjects, at 84.1%.

**Figure 5.4 Target: Framework achievement rates**



*Information presented in this chart is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.*

<sup>26</sup> The achievement rate is calculated as the number of successfully achieved apprenticeships as a percentage of the total number of apprenticeships which have ended (either successfully or unsuccessfully), during the period April 2015 to July 2019, with various exclusions detailed in Annex A.

<sup>27</sup> [Estyn \(2018\). Higher Apprenticeships in work-based learning. September 2018.](#)

5.15 Achievement rates varied by subject area, as shown in Table 5.1, using the standard Sector Subject Area (SSA) classification developed by the WG. Two areas stand out as having much lower achievement rates: Hair and Beauty (79.3%) and Business, Administration and Law (76.5%). Apprentices in all other subject areas have exceeded the ESF target of 80% over the period studied.

**Table 5.1: Achievement rates by Sector Subject Area, April 2015 to July 2019**

Sector Subject Area (SSA)	Achievement rate
<b>1 Health, Public Services and Care</b>	81.9%
<b>3 Agriculture, Horticulture and Animal Care</b>	84.0%
<b>4 Engineering and Manufacturing Technologies</b>	84.2%
<b>5 Construction, Planning and the Built Environment</b>	83.4%
<b>6 Information and Communication Technology</b>	84.7%
<b>7a Retailing and Customer Service</b>	81.7%
<b>7b Hair and Beauty</b>	79.3%
<b>7c Hospitality and Catering</b>	80.3%
<b>8 Leisure, Travel and Tourism</b>	84.5%
<b>9 Arts, Media and Publishing</b>	82.8%
<b>13 Education and Training</b>	84.6%
<b>15 Business, Administration and Law</b>	76.5%
<b>Average</b>	<b>81.1%</b>

*Information presented in this table is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.*

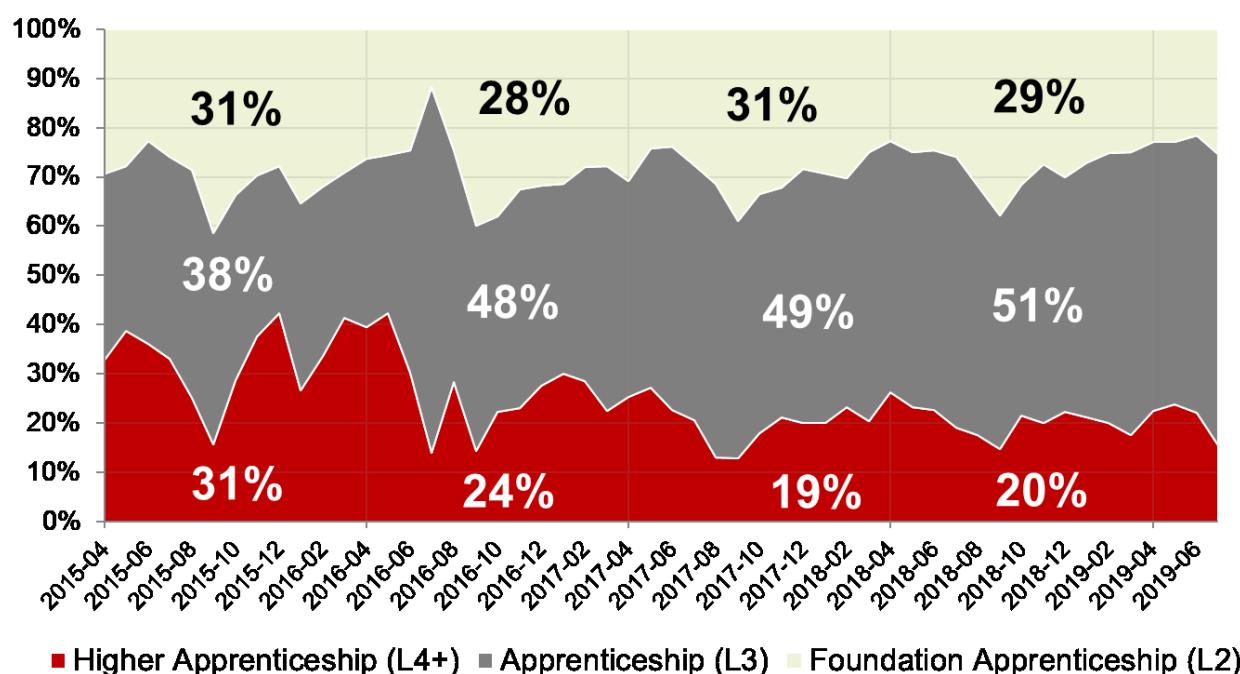
5.16 Stakeholders generally spoke positively about achievement rates across the Welsh Apprenticeship Programme, feeling that there had been considerable improvement relative to previous years, although one did question the quality of learning being achieved behind the numbers.

5.17 However, looking at trends over time in the data, achievement rates have remained broadly static, fluctuating around the 80% target level, rather than increasing or decreasing, as shown in Figure 5.4.

### Higher Levels and STEM subjects

- 5.18 The data shows that take-up of Higher Apprenticeships comfortably exceeds targets for this in ESF Business Plans. These suggest that ten per cent of SO2 learners should be studying at Level 4 or above, but more than double this (22 per cent) have done so to date. SO1 participants were originally anticipated to be studying exclusively at Level 2, but, in practice, 3 per cent studied at Level 4 or above; within SO2, 29 per cent of those participating studied at Level 4 or above.
- 5.19 The data suggests, however, that recruitment to Higher Apprenticeships is declining both as a proportion of apprenticeships and in absolute numbers. Despite policies emphasising the promotion of Higher Apprenticeships, the number of Higher Apprenticeship enrolments as a proportion of total enrolments during the 2015-19 period has decreased after an initial surge in 2015/16. In 2018/19, just 20 per cent of enrolments were at Level 4 or above (3,976 apprenticeships), compared to 31 per cent in 2015/16 (4,382 apprenticeships).
- 5.20 The shift has instead been toward Level 3 enrolments, which have increased steadily from 38 per cent in 2015/16 to 51 per cent of all enrolments in 2018/19.

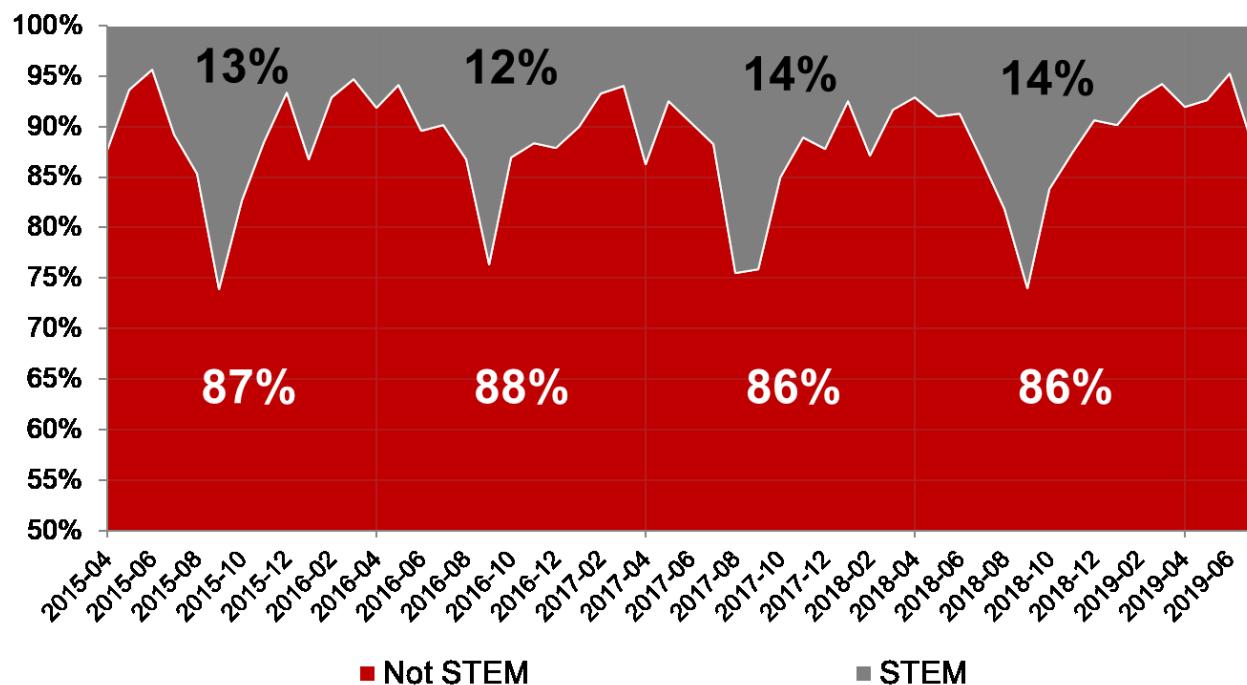
**Figure 5.5 Percentage of apprenticeship enrolments at each level, over time**



Information presented in this chart is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.

- 5.21 Several providers and stakeholders identified a conflict between the overall target for increasing numbers of apprenticeships and the planned shift toward delivering a larger proportion of apprenticeships at Level 4 or higher. They cited the complexity and cost of delivering higher level qualifications (as these are longer, more advanced qualifications) as barriers to increasing the number of apprenticeship enrolments in conjunction with framework level shift.
- 5.22 Also outlined in the Apprenticeships Policy Plan was a shift toward provision of apprenticeships in STEM sectors.<sup>28</sup> This planned increase cannot be clearly seen in the data, however, with recruitment broadly static, at 13 per cent of apprenticeships in STEM subjects in 2015/16 and 14 per cent in the 2018/19 financial year.
- 5.23 As with higher-level apprenticeships, STEM enrolments tend to coincide with the start of the academic year, with enrolment peaking each September, for example at 26 per cent of all enrolments for the month of September 2019.

**Figure 5.6 Percentage of apprenticeship enrolments in STEM sectors, over time**



Information presented in this chart is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.

- 5.24 Although very low, the proportion of female learners enrolling on STEM apprenticeships is rising. In the 2015/16 financial year, 6 per cent of STEM enrolments were female, shifting to close to 11 per cent in 2016/17 and remaining at that level since. However, this still indicates a large gender imbalance in take-up of

<sup>28</sup> Apprenticeships in STEM sectors are those in the fields of: science, technology, engineering and mathematics.

these apprenticeships, with 89 per cent of recruits to STEM apprenticeships in 2018/19 being male.

### **Use of apprenticeships**

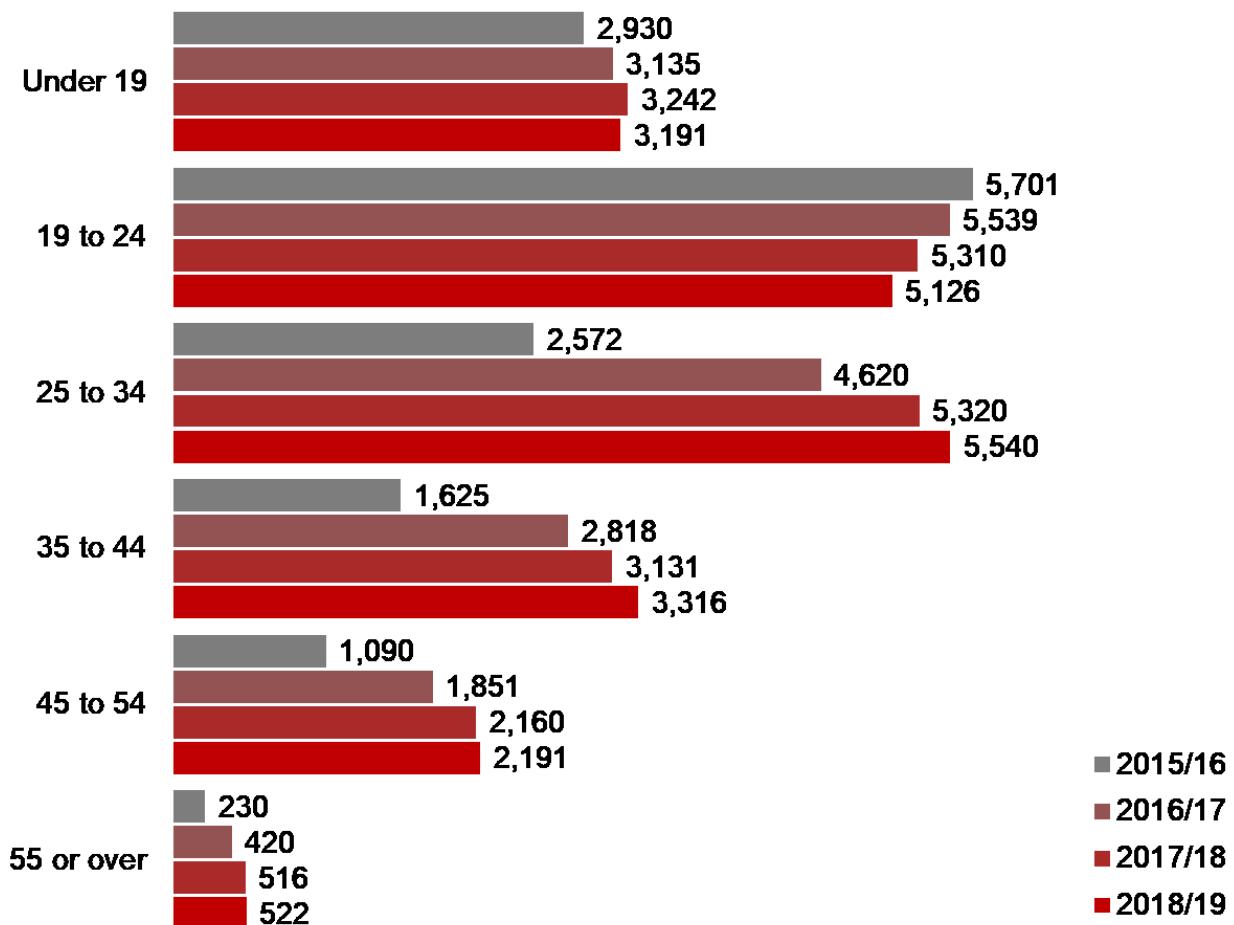
#### *Apprenticeships for new and existing staff*

- 5.25 Employers predominantly use Apprenticeships to employ new staff, although they may also use them with existing staff at the same time. They use apprenticeships to employ new staff for a variety of reasons. Some mentioned the desire to refresh their workforce, whereas others viewed employment of apprentices as a means of growing their business specifically.
- 5.26 Many employers were training apprentices to manage emerging business needs and suggested the scheme would help prepare apprentices to integrate within their business. Familiarising apprentices with processes and ways of working was important to businesses, particularly if these apprentices were young, at the start of their careers, as it was generally considered more difficult to do this with those recruited from other organisations.

#### *All-age apprenticeships*

- 5.27 Since 2016, Welsh Government has allowed apprenticeships to be made available to learners of all ages.
- 5.28 The performance data indicates substantial progress has been made in promoting all-age apprenticeships. As shown in Figure 5.7, there has been a sustained increase in enrolments from older age groups, with those aged 25-34 and 35-44 seeing the greatest increases, more than a doubling of apprentice numbers in absolute terms.
- 5.29 However, there has been an absolute decrease in the number of apprentices in the 19 to 24 age bracket starting apprenticeships over the April 2015 to July 2019 period. The absolute number of Under 19s has increased by 9%. This shows that the increase in apprenticeship delivery from 2015 is in large part due to the introduction of all-age apprenticeships. Some stakeholders felt that demographic change was a factor in these trends, but parity of esteem with traditional academic routes was also mentioned as a key factor.

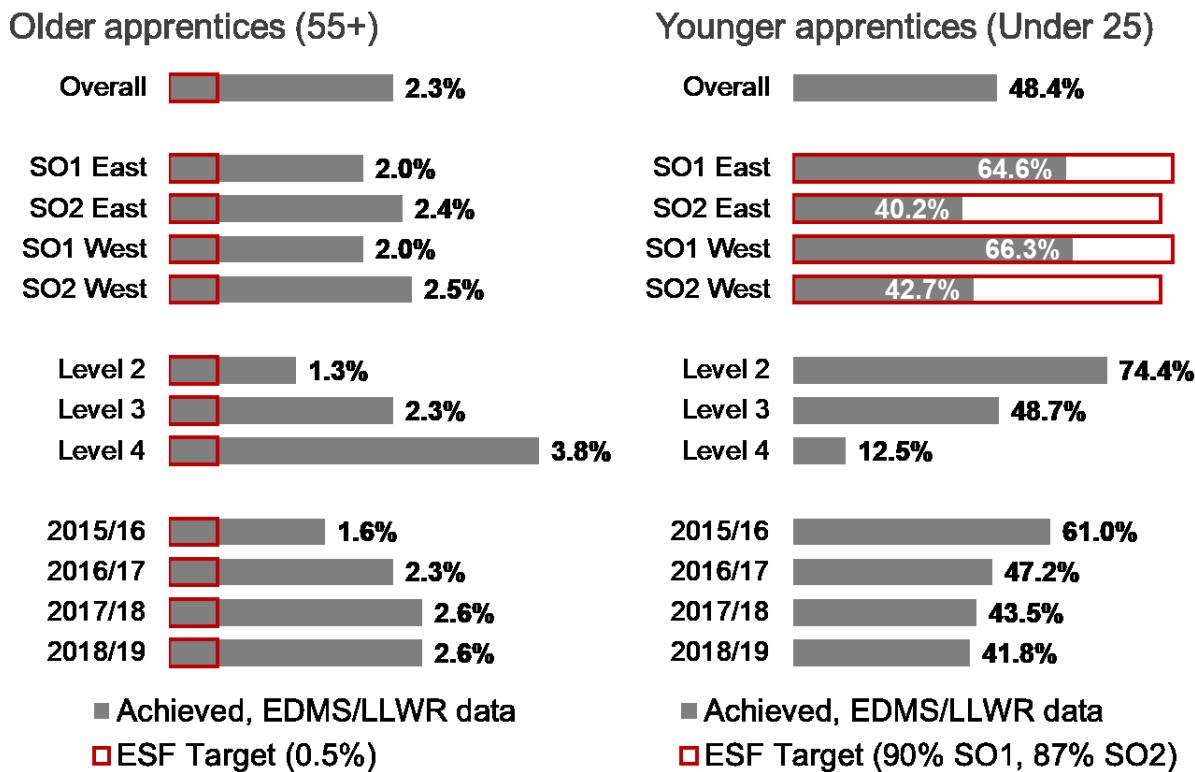
**Figure 5.7 Absolute number of apprenticeship enrolments in each age group, over time (red indicates absolute decrease in numbers)**



*Information presented in this chart is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.*

- 5.30 This trend, although intentional, challenges ESF business plan targets; each operation has a target of either 87 per cent (SO2) or 90 per cent (SO1) of participants being under 25. These targets are some way off being met, particularly for SO2 East, where 40.2 per cent of apprentices are under the age of 25. Figure 5.8 shows the same information in terms of percentages of learners enrolled on apprenticeship programmes, as required for ESF business plan targets.
- 5.31 However, due to the All-Age Apprenticeship Programme's introduction after targets were set, the target for reaching older learners (taken to be aged 55+) has been surpassed by a large margin (2.6 per cent of enrolments in the 2018/19 financial year (and 2.3 per cent across the programme overall), as opposed to a target of 0.5 per cent).

**Figure 5.8 Percentage of apprenticeship enrolments among older and younger apprentices, compared to ESF Business Plan targets**

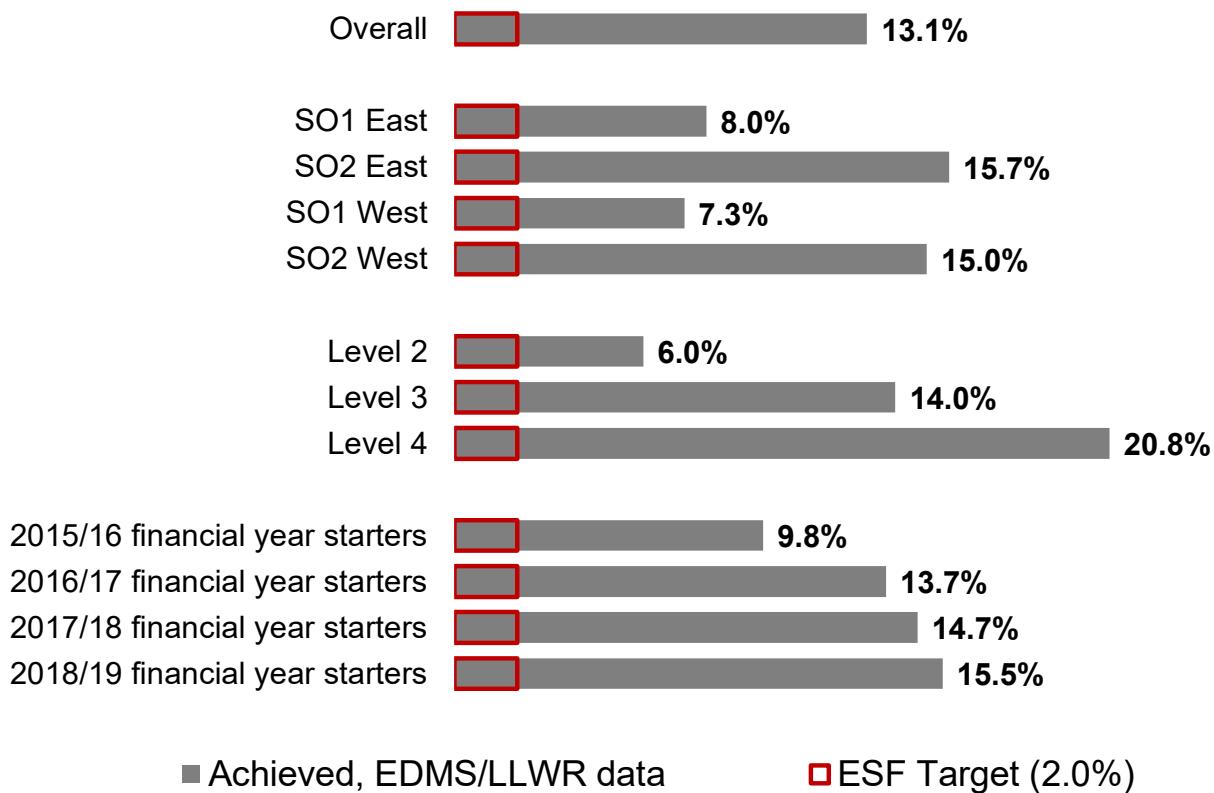


Information presented in this chart is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.

### Care responsibilities

- 5.32 The target for recruiting learners who have care responsibilities at home (e.g. to a family member) has been substantially exceeded: 13.1 per cent of apprentices stated that they had childcare responsibilities compared to a target of just two per cent, as shown in Figure 5.9. This has increased year on year from 9.8 per cent in the 2015/16 financial year to 15.5 per cent in the 2018/19 financial year. Learners at higher levels (level 4 or above) are particularly likely to have care responsibilities (20.8 per cent, compared with 6.0 per cent at level 2).
- 5.33 The ESF target is specifically for learners with childcare responsibilities rather than other care responsibilities, so progress toward this target is shown in Figure 5.9. However, it is worth mentioning that LLWR data indicates that 13.9% of learners had more broadly defined care responsibilities. These are defined as being a primary carer for one or a combination of children (under 18), disabled adult/adults, or a person/persons over the age of 65.

**Figure 5.9 Target: Learners stating they have childcare responsibilities: by year, operation and level**

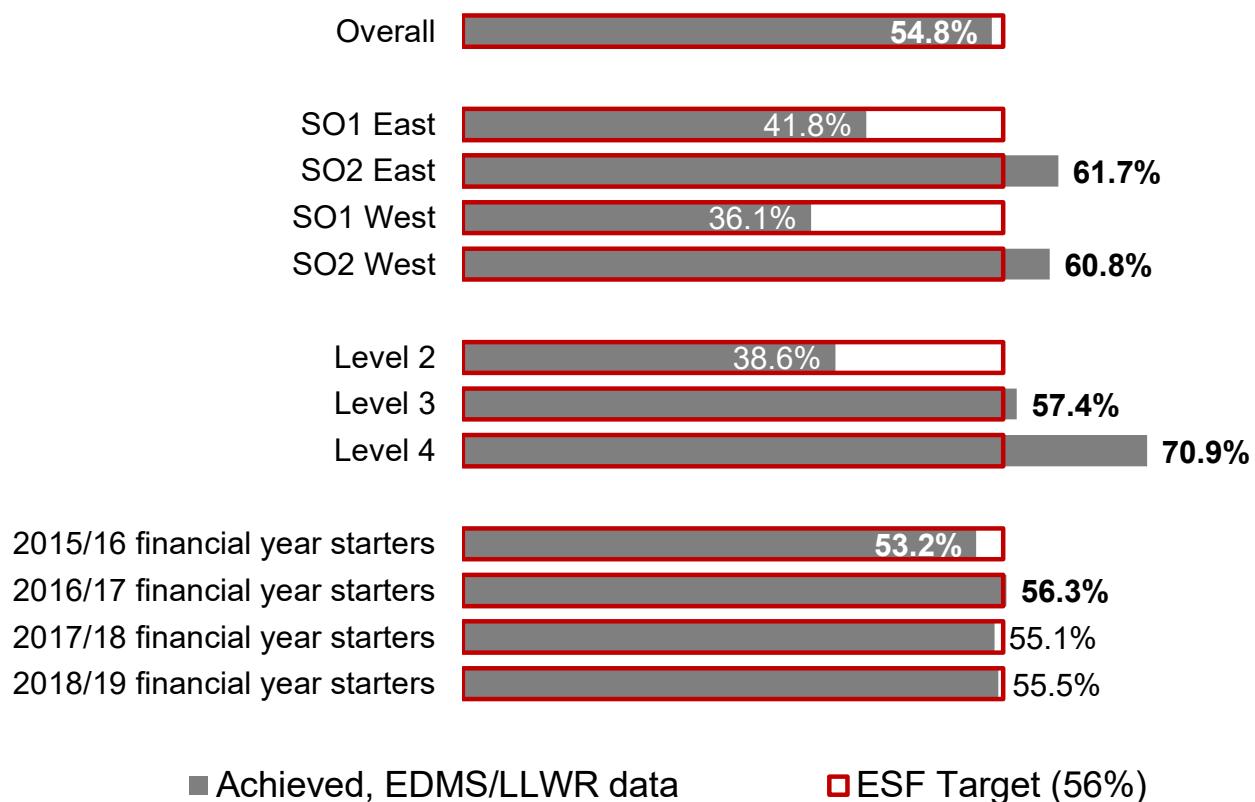


*Information presented in this chart is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.*

### Diversity

- 5.34 ESF Business Plans include targets for apprenticeship enrolments for various protected characteristics such as gender, ethnicity and disability.
- 5.35 Performance data showed that the Programme was close to meeting its ESF target of 56 per cent of participants being female, with an overall 54.8% being female across the April 2015 to July 2019 period, as shown in Figure 5.10.
- 5.36 Although the SO2 and especially Higher Apprenticeship elements of the Programme comfortably exceeded targets, SO1 and Level 2 fell short of the target for female learners. The data did, however, indicate there was a general upward trend over time towards more female participants on the programme.

**Figure 5.10 Target: Learners identifying as female: by year, operation and level**



*Information presented in this chart is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.*

- 5.37 In the in-depth interviews, two stakeholders noted large gender differences in Apprenticeship take up by sector, with more women apprentices in areas such as care, childcare, playwork and teaching.
- 5.38 Apprenticeships data does show wide disparities by subject area in terms of gender balance, as shown in Table 5.3. Apprenticeships in Engineering and Manufacturing Technologies and Construction, Planning and the Built Environment remain strongly male dominated (in excess of 90% in both cases), while Apprenticeships in Health, Public Services and Care, Hair and Beauty and Education and Training remain strongly female dominated (in excess of 80% in all three cases).
- 5.39 Employers in male-dominated industries generally reported that they continued to receive applications mainly from men and had not observed any long-term trends towards gender balance in the composition of their applicants. *"The guys that we've had have all been male. I suppose because it is welding fabricating and machining that we're looking for. There are not many girls who tend to go for that type of work anyway."*
- 5.40 In general, the interviews suggested that these gender imbalances operate on a wider basis than the apprenticeship system, and will therefore require wider action

on a wider scale to create change. Gender mainstreaming – making apprenticeships of all levels and sectors accessible to both genders – was felt to be a particular challenge by stakeholders, due to gender stereotyping (from employers, learners and their families), and the misconception that Apprenticeships are predominantly manual and so focused on typically ‘male’ roles.

- 5.41 That said, some stakeholders felt they had seen a positive change in this respect, for example through Regional Learning and Skills Partnerships working directly with employers to promote female participation in traditionally male occupations. One provider mentioned an increase in the proportion of women apprentices in plumbing apprenticeships.

**Table 5.3: Achievement rates by Sector Subject Area, April 2015 to July 2019**

Sector Subject Area (SSA)	Female	Male
<b>1 Health, Public Services and Care</b>	85.4%	14.6%
<b>3 Agriculture, Horticulture and Animal Care</b>	41.9%	58.1%
<b>4 Engineering and Manufacturing Technologies</b>	9.5%	90.5%
<b>5 Construction, Planning and the Built Environment</b>	3.3%	96.7%
<b>6 Information and Communication Technology</b>	48.1%	51.9%
<b>7a Retailing and Customer Service</b>	59.5%	40.5%
<b>7b Hair and Beauty</b>	89.1%	10.9%
<b>7c Hospitality and Catering</b>	51.6%	48.4%
<b>8 Leisure, Travel and Tourism</b>	42.5%	57.5%
<b>9 Arts, Media and Publishing</b>	52.1%	47.9%
<b>13 Education and Training</b>	82.4%	17.6%
<b>15 Business, Administration and Law</b>	64.2%	35.8%
<b>Average</b>	<b>54.8%</b>	<b>45.2%</b>

*Information presented in this table is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research. Table shows the proportion of those enrolling who successfully complete the apprenticeship.*

- 5.42 Gender balance also varies substantially by level of Apprenticeship; over the April 2015 to July 2019 period, nearly three quarters of Higher Apprenticeships (70.9% of

those at level 4 or above) were taken by female learners, while more than half (61.4%) of Level 2 apprenticeships were taken by male learners. This cannot be wholly explained by sectoral differences in levels used, which although significant are not as large as the differences shown by gender.

**Table 5.4: Gender balance by level of apprenticeship**

Framework Level	Female	Male
<b>Level 2</b>	38.6%	61.4%
<b>Level 3</b>	57.4%	42.6%
<b>Level 4 or above</b>	70.9%	29.1%
Average	<b>54.8%</b>	<b>45.2%</b>

*Information presented in this table is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.*

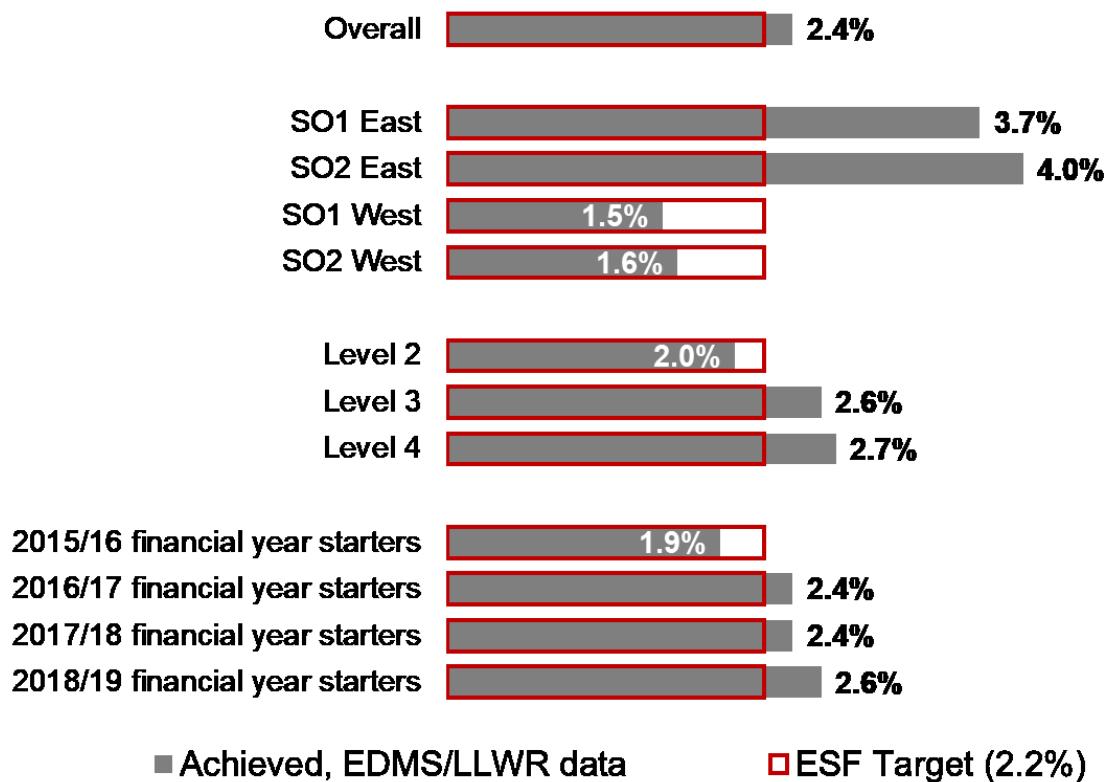
- 5.43 ESF Business Plans also set a target for 0.5 per cent of learners to be female and part time; in total 12.4 per cent of apprentices were female and stated that they worked 16 to 29 hours per week during their apprenticeship, indicating that this target is being comfortably exceeded, across all operations.
- 5.44 Figure 5.11 shows that, overall, targets for the proportion of apprentices with a ethnic minority communities background were exceeded slightly by both operations. However, the target appears low when viewed in context; it remains significantly below the estimated ethnic minority communities population of Wales, at 5.4% at September 2019<sup>29</sup>. Positively, over time ethnic minority communities participation in apprenticeships has been slowly increasing, from 1.9% of all apprentices enrolling in the 2015/16 financial year, to 2.6% in 2018/19, exceeding the target but not in line with the population profile of Wales. The percentage of ethnic minority communities learners enrolling did not vary by gender.
- 5.45 The ethnic minority communities targets for the West Wales and the Valleys region, however, are consistently missed, while those in the East region are consistently exceeded by a wide margin. This is largely because the ethnic minority communities population of Wales is heavily concentrated in the East region, and yet the targets are set at the same percentage level for both regions. It may be appropriate for

<sup>29</sup> ONS Annual Population Survey (2019), accessed via StatsWales.

future rounds of target-setting to customise ESF targets to the population profile of the geographical area served.

- 5.46 The achievement rate for ethnic minority communities apprentices was 84.2% across the April 2015 to July 2019 period, higher than average.

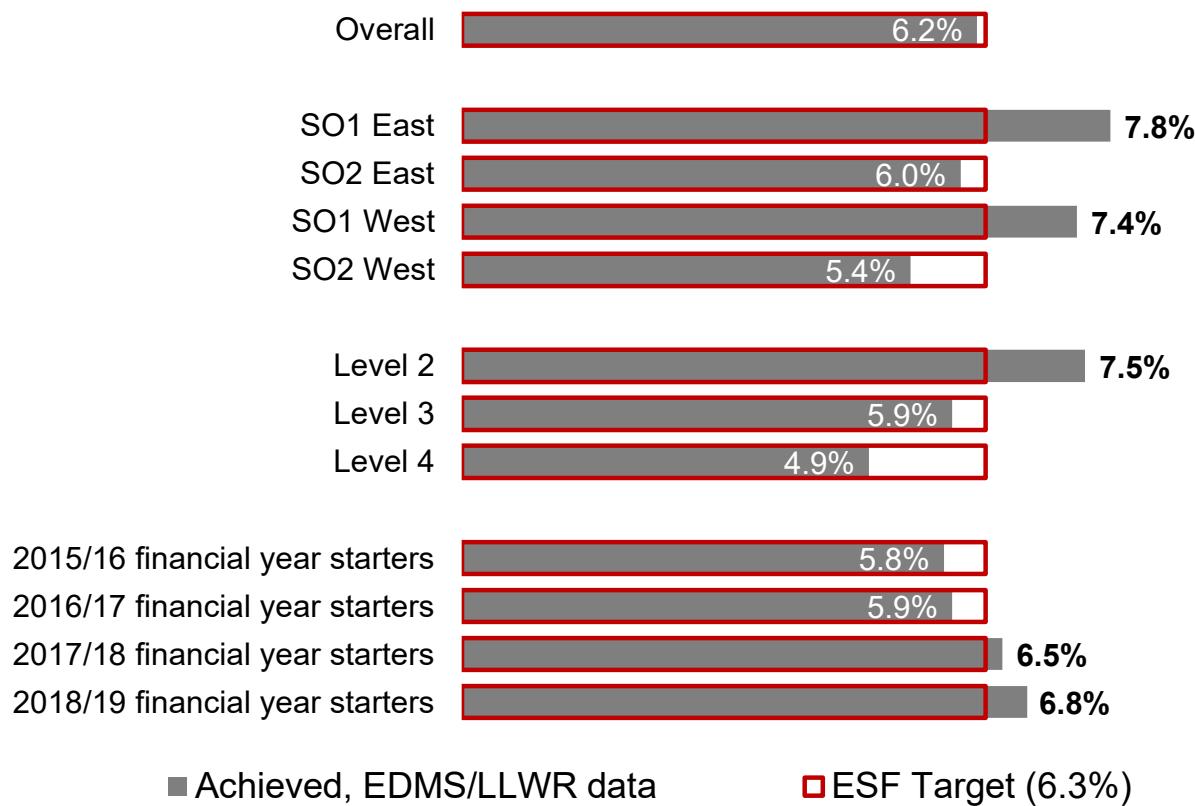
**Figure 5.11 Target: learners self-identifying with an ethnicity categorised as Black, Asian or minority ethnic: by year, operation and level**



*Information presented in this chart is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.*

- 5.47 The Business Plans also set targets for recruitment of learners with a disability or work-limiting health condition; results are shown in Figure 5.12. This target was not achieved over the April 2015 to July 2019 period, but only by a very narrow margin (6.2 per cent of learners reported a disability or work-limiting health condition, compared to a target of 6.3 per cent). The time series, however, shows a continuing upward trend, making it likely that the target will be achieved by the end of the programme.

**Figure 5.12 Target: learners reporting a disability or work-limiting health condition by year, operation and level**



*Information presented in this chart is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.*

- 5.48 The statistics suggest that targets on diversity are largely being met, and increasingly so in many cases. However, individual employers interviewed did not feel the diversity of candidates applying for Apprenticeships at their organisation was widening over time. They tended to suggest that this was due to the nature and recruitment appeal of the industry they worked in as a whole, rather than their individual actions as an employer. Further, employers who have received applications from a wider range of individuals didn't necessarily see this as a recent change.
- 5.49 A minority of employers did explicitly state that they had seen an increase in the diversity of apprentices applying for positions within their organisation. They felt that the lower cost of undertaking an Apprenticeship compared to a degree encouraged a wider range of candidates to apply.

### **Welsh-medium Apprenticeships**

- 5.50 The data indicates that the programme is meeting targets for Welsh-medium learning. In total, 4.6 per cent of apprenticeships during the April 2015 to July 2019 period were Welsh-medium or bilingual according to the definition used for ESF

purposes.<sup>30</sup> The target of 4.5 per cent was therefore achieved, although year-on-year trends show some significant fluctuations which may risk the target being missed in 2023 by a small margin (see Figure 5.13). Although the target for Welsh-medium and bilingual apprenticeships is being achieved, just 0.3 per cent of enrolments consisted of all components taught and assessed only in Welsh.

- 5.51 The percentage of Welsh-medium and bilingual apprenticeships varied widely by region, and was considerably higher in West Wales and the Valleys (6.8 per cent) than East Wales (0.9 per cent). This pattern reflects the distribution of daily Welsh speakers by region within Wales, although the proportion of Welsh-medium and bilingual apprenticeships in both regions was lower than the proportion of daily Welsh speakers (19.1 per cent are daily Welsh speakers in West Wales and the Valleys, and 11.1 per cent in East Wales).<sup>31</sup>
- 5.52 However, the percentage of bilingual and Welsh-medium language apprenticeships was by far the highest among learners based in Ynys Môn (49.7 per cent) and Gwynedd (48.1 per cent) which are the only areas where a majority of daily Welsh speakers is found in the population (53.4 per cent and 65.1 per cent respectively<sup>32</sup>). Performance relative to the percentage of daily Welsh speakers is much stronger in these areas than others.
- 5.53 Providers in areas with lower percentages of daily Welsh speakers typically stated that there was little learner demand for more Welsh-medium and bilingual provision, even though some stated they had made efforts to promote it to learners. However, providers did not say there was *no* demand. It may be more that demand was perceived to be insufficient to warrant separate provision given the small number of learners. This perceived need for a minimum number of learners might explain why the percentage of Welsh-medium provision lags the percentage of daily Welsh speakers in the population to a greater extent in areas where the percentage of daily Welsh speakers is low.
- 5.54 The ESF Business Plan target is set at 4.5 per cent for all regions and operations. It may be worth considering that targets could be tailored to the demographic make-up

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<sup>30</sup> For an apprenticeship to be Welsh-medium, we have defined this as at least one component of the apprenticeship must have at least a significant amount of teaching and assessment taking place in Welsh, including written materials. This is derived from information held regarding teaching and assessment of apprenticeship components held on the LLWR. For more information see Annex B.

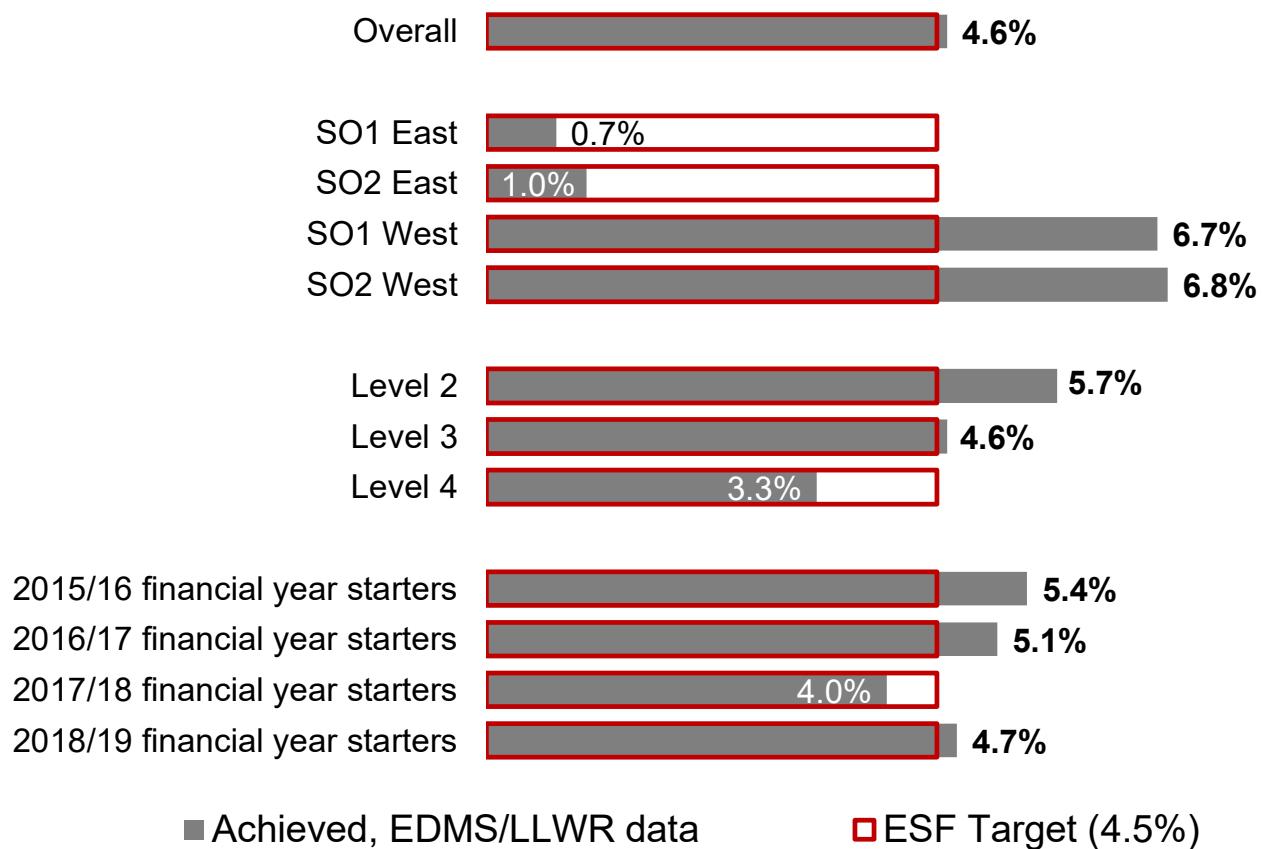
<sup>31</sup> Annual Population Survey (2019), Ability to speak Welsh by local authority and year, accessed via StatsWales.

<sup>32</sup> Annual Population Survey (2019), Ability to speak Welsh by local authority and year, accessed via StatsWales.

of the regions covered to ensure they challenge providers in areas with more Welsh speakers, for example by defining targets relative to the percentage of daily Welsh speakers in the working age population in the local authority where delivery takes place.

- 5.55 The achievement rate for bilingual or Welsh-medium and bilingual apprenticeships was 85.0 per cent across the April 2015 to July 2019 period, higher than the average for all apprenticeships of 81.1 per cent.

**Figure 5.13 Apprenticeships: reported by providers as being delivered in Welsh-medium or bilingually by year, operation and level**



*Information presented in this chart is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.*

- 5.56 The use of Welsh-medium or bilingual apprenticeships is also concentrated in particular subject areas; it is widespread in Information and Communication Technology (20.6%) and Education and Training (15.3%), but rare in Agriculture, Horticulture and Animal Care (0.9%), as shown in Table 5.5. This may suggest that there are opportunities to increase Welsh-medium usage by targeting specific sectors.

**Table 5.5: Bilingual or Welsh-medium Apprenticeships by Sector Subject Area, April 2015 to July 2019**

Sector Subject Area (SSA)	Welsh or Bilingual
<b>1 Health, Public Services and Care</b>	3.7%
<b>3 Agriculture, Horticulture and Animal Care</b>	0.9%
<b>4 Engineering and Manufacturing Technologies</b>	5.3%
<b>5 Construction, Planning and the Built Environment</b>	4.8%
<b>6 Information and Communication Technology</b>	20.6%
<b>7a Retailing and Customer Service</b>	5.0%
<b>7b Hair and Beauty</b>	5.7%
<b>7c Hospitality and Catering</b>	4.3%
<b>8 Leisure, Travel and Tourism</b>	7.7%
<b>9 Arts, Media and Publishing</b>	4.4%
<b>13 Education and Training</b>	15.3%
<b>15 Business, Administration and Law</b>	3.3%
Average	<b>4.6%</b>

*Information presented in this table is based on EDMS/LLWR management data, as of July 2019. Analysis was conducted by IFF Research.*

### **Value for Money**

- 5.57 Officials felt that the Apprenticeship Programme made a positive economic contribution to Wales, evidenced by the high proportion of apprentices in employment following completion of their apprenticeship, and the broad upskilling of the workforce for employers and within broad sectors.
- 5.58 In the main, employers felt that the Apprenticeship Programme had enabled them to upskill their workforce (either through existing or new employees), and therefore represented value for money. They commented that the employment opportunities created by the Programme were '*worth the cost*' of the Programme, as learners were contributing to the wider economy through their work, and the money they earned and spent locally. Employers also recognised the importance of Apprenticeships as

a route into employment and felt this was preferable in some ways to university, as apprentices don't incur the same level of debt as many students, and they gained workplace specific skills.

- 5.59 Nevertheless, a small number of employers commented that money was being wasted in administrative costs; this money was 'lost', rather than going to the organisations which run the Programme. Some providers also had concerns about inefficient administrative processes put in place, particularly around the certification and assessment of basic skills.

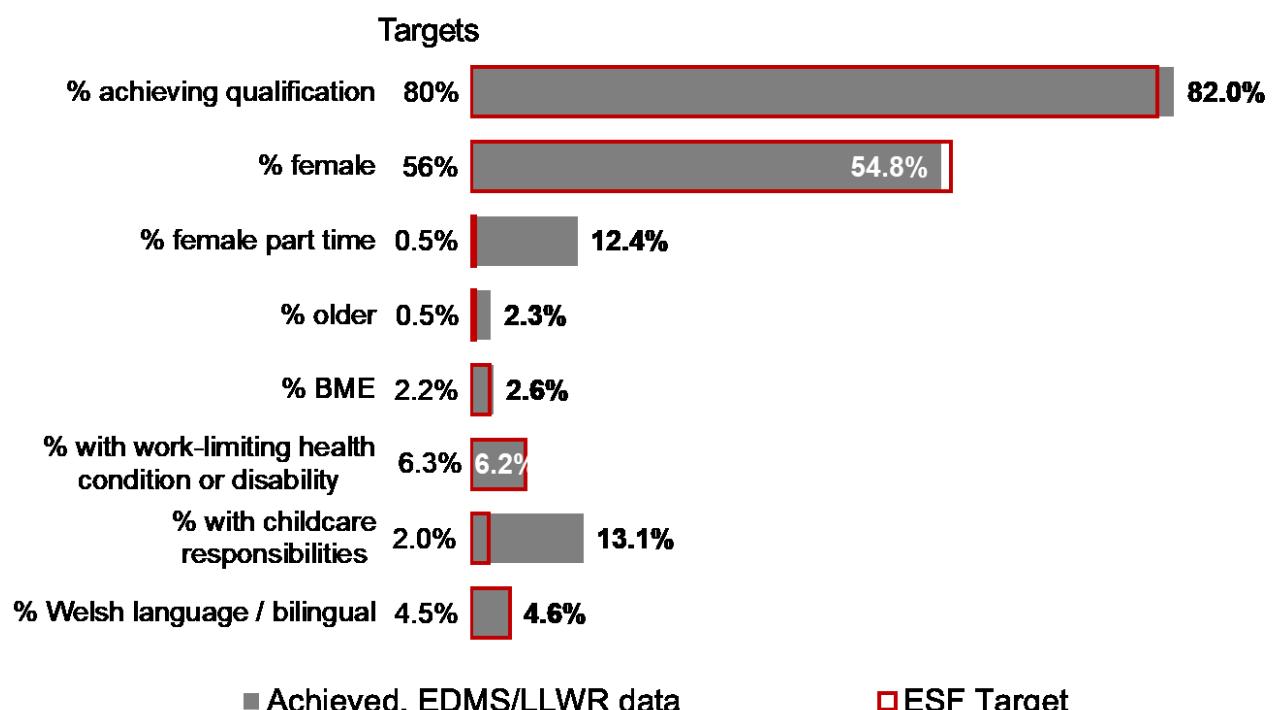
### **Suitability of targets and metrics**

- 5.60 Performance for each of the ESF Specific Objectives relating to Apprenticeships in Wales is assessed relative to targets set for the Apprenticeship Programme in their individual ESF Business Plans (January 2015, regularly revised). For targets relating to total number of apprentices, absolute targets are set, in terms of number of enrolments; these vary for each Specific Objective. Targets for participation in apprenticeships among sub-groups, or for outcomes of apprenticeships, are expressed in terms of percentages of apprentices. In practice, all four ESF Business Plans contain identical percentage targets.
- 5.61 Some stakeholders taking part in the qualitative interviews called for greater consideration in terms of regional and sector variation in the design of targets; they felt that if Welsh Government did more to respond to the variation between sectors and resulting needs for the workforces, resources could be channelled more successfully.
- 5.62 One participant in the qualitative interviews argued that the main focus for judging the Programme should be on outcomes (e.g. maintenance of sustained employment) rather than the achievement of an Apprenticeship framework. Another felt that funders needed to take a more pragmatic approach, and take greater account of the fact that issues outside provider control (such as the wider economic context) could influence completion rates and outcomes. One participant in the qualitative interviews also suggested that the general direction of programme monitoring needed to place greater emphasis on qualitative judgement (including, non-specifically, the quality of the work of providers - which is inspected by Estyn and considered as part of contract performance monitoring).

## **Key areas for improvement in performance**

- 5.63 Figure 5.14 summarises progress toward key Programme-wide percentage targets. As can be seen, in certain areas the Programme has comfortably exceeded targets (including recruiting older learners, learners with childcare responsibilities and female part time learners, ethnic minority communities learners). However, in other areas targets are either narrowly met (Welsh-medium) or nearly met (gender balance, percent with a work-limiting health condition or disability). Overall, delivery of volumes of apprenticeships remains strong relative to targets overall, but it is important to note (although not an ESF target) that there are reducing volumes of apprenticeships being started by those aged 19 to 24, as identified earlier in this chapter.
- 5.64 Although the perception among stakeholders was that the Programme was performing least well in terms of targets relating to diversity, access to learning and Welsh-medium provision, performance was better in these areas than the views of interviewees would perhaps suggest. In particular, participation among ethnic minority communities groups is showing consistent improvement over time.
- 5.65 In terms of both gender and Welsh-medium, clear differences in participation can be seen by subject area, suggesting that sector-specific measures might be useful for driving up participation among these groups.

**Figure 5.14 Programme-wide percentage targets from business plans: summary of outcomes**



## **Summary**

- 5.66 In general, stakeholders and employers were satisfied with the way in which the programme was performing. Targets not met at a total level related to gender balance and the proportion of learners with a work-limiting health condition or disability, each by a small margin. The separate SO1 and SO2 targets for younger learners were missed by large margins; however, this is largely due to the introduction of all-age Apprenticeships, which was not anticipated at the time targets were set. Nevertheless, it is notable that the absolute number of learners aged 19 to 24 has been in decline since 2015, and the number aged under 19 has increased by 9%. This means that the increase in the scale of the Apprenticeships programme relates almost exclusively to the introduction of all-age Apprenticeships.
- 5.67 It is likely that this reduction in younger learners has some relationship to the targets on volumes of apprenticeships in Strategic Operation 1 in both East Wales and West Wales and the Valleys being missed by significant margins. This Strategic Operation consists primarily of learning at Level 2 (82% of all apprenticeships in SO1), programmes which tend to be more likely to be taken by younger learners. The reduction in Level 2 apprenticeships seen among learners under 25 is not being compensated for by any increase in use of Level 3 apprenticeships among the same group.
- 5.68 In general, however, the programme was seen as good value for money for both stakeholders and employers, although complex administrative structures detracted from this for some employers and providers.
- 5.69 Some providers felt there should be more geographical and sectoral nuance in the targets set. It could be argued that some targets (ethnic minority communities participation, and Welsh-medium apprenticeships in particular) might need adjustment to take into account the demographic composition of the area which the target applies to.
- 5.70 In terms of potential for improvement, the wide variation in terms of performance by Sector Subject Area suggests that initiatives dedicated to individual sectors may be productive. In particular, while gender balance is on-target for the programme as a whole, within each Sector Subject Area it remains highly variable. Employers and providers taking part in qualitative interviews felt that the gender balance of their intake largely reflected the gender balance of applicants and/or the wider sector in

which they operated. It is clear, however, that to change gender balance will require going beyond this. Further research into the reasons why the reduction in people aged under 25 taking Level 2 Apprenticeships is not being significantly counterbalanced by an increase in uptake of Level 3 Apprenticeships among the same age group could be justified.

## 6. Programme Impacts

### Key findings

- Employers interviewed were generally positive regarding impacts of the programme on their apprentices (86%)
- Results in the ESF Participants Survey for Wales also suggest positive labour market progression, for example in terms of improved learner confidence in their abilities (85%), and improved career progression (76%)
- A benefit cost analysis using income and employment data from LEO indicated a strong benefit to cost ratio for the Programme (1.48 to 1.59, depending on the assumptions used) relative to non-apprenticeship provision (the ‘counterfactual’), even on a very short (two year) time horizon. Data limitations mean that we can currently only assess outcomes for just two years after an apprenticeship has been completed; with time, the assessment of longer-term impacts will become possible. The impacts of the Programme according to this analysis included a 29 %-point increase in the job entry rate relative to other provision (the ‘counterfactual’), and, in the first year after completion, an increase of 119 days in employment and £7,866 in earnings.
- The majority of employers in the quantitative survey reported positive impacts for themselves (76%) and the wider sector (65%).
- For employers interviewed in-depth, the ability to shape apprentices to meet changing business needs and address skills gaps were the most positive impacts of the Programme.
- A number of apprentices participating in in-depth interviews suggested they had already learnt skills their apprenticeship provided through their prior experience. Many in this group, however, still saw positives in terms of having a useful qualification and in terms of building confidence.

- 6.1 This chapter sets out perceived impact of the Programme on participating apprentices and employers, as well as wider societal and economic outcomes. It features findings from quantitative surveys with:
- 4,809 apprentices (from the ESF Participants Survey for Wales);
  - 400 employers; and
  - 73 training providers, including sub-contractors.
- 6.2 And in-depth interviews with:
- 19 stakeholders and officials;
  - 10 apprentices;
  - 20 employers; and
  - 14 lead training providers.
- 6.3 This section also presents findings relating to the counterfactual impact assessment. This compares the earnings and employment outcomes of individuals who have participated in the Apprenticeships Programme with those who participated in other learning programmes or courses (referred to as the “counterfactual” group). The analysis is based around a series of regression models constructed using the Longitudinal Education Outcomes (LEO) dataset developed by the UK and Welsh Governments.

## **Impacts on apprentices**

### **Immediate and long-term impacts**

- 6.4 During the in-depth interviews with employers, a number of positive impacts of the Programme on their apprentices were identified. These can be separated into the immediate impacts and longer-term impacts of the Programme.
- 6.5 Immediate perceived impacts included skill development, and the opportunity to ‘earn whilst you learn’; the longer-term perceived impacts were more focused on the increased possibility of sustainable employment and opportunities for progression within the business or the wider industry.

*It's hard for them [apprentices] to get jobs but this gives them a way of getting into an industry, learning a skill and still staying in education plus giving them a salary.*

*They're getting a qualification at the same time as earning, so I think it's a good thing.*

#### **Training Provider**

- 6.6 Results from the ESF Participants Survey for Wales of apprentices suggest positive labour market progression. The vast majority (86%) of apprentices who were unemployed or 'inactive' in the job market before enrolling on the Apprenticeship Programme were in employment six months after leaving. Across all apprentices, over two-fifths (43%) had an improved labour market situation six months after leaving. An improved labour market situation was defined as having moved from precarious to stable employment; from underemployment to full employment; to a job requiring higher competencies, skills or qualifications; or received a promotion, within six months of leaving the Programme. This issue is further explored in the Impact Assessment and Cost Benefit Analysis.
- 6.7 There was also evidence of staff progression within the business from the apprentice in-depth interviews. Apprentices typically attributed their progression to their participation in the Programme, as the skills they had gained increased the possibility of promotion. Findings from the ESF Participants Survey for Wales of apprentices also support this; over a third (37%) of apprentices who completed their course said that they had been promoted within six months of leaving (and the vast majority – 85% – of those who were promoted felt that the course had helped them to achieve this to some extent).
- 6.8 These findings, showing the value of the Programme to individuals who have been out of work, were further supported by qualitative evidence from discussions with stakeholders. They believed that the Apprenticeships Programme created opportunities for individuals who might otherwise be unable to secure employment by providing them with a marketable and transferable qualification.

*[Apprenticeships provide] a fantastic opportunity for work experience, for nurturing skills and developing confidence, particularly among people who have experienced job loss and rejection after rejection.*

#### **Stakeholder**

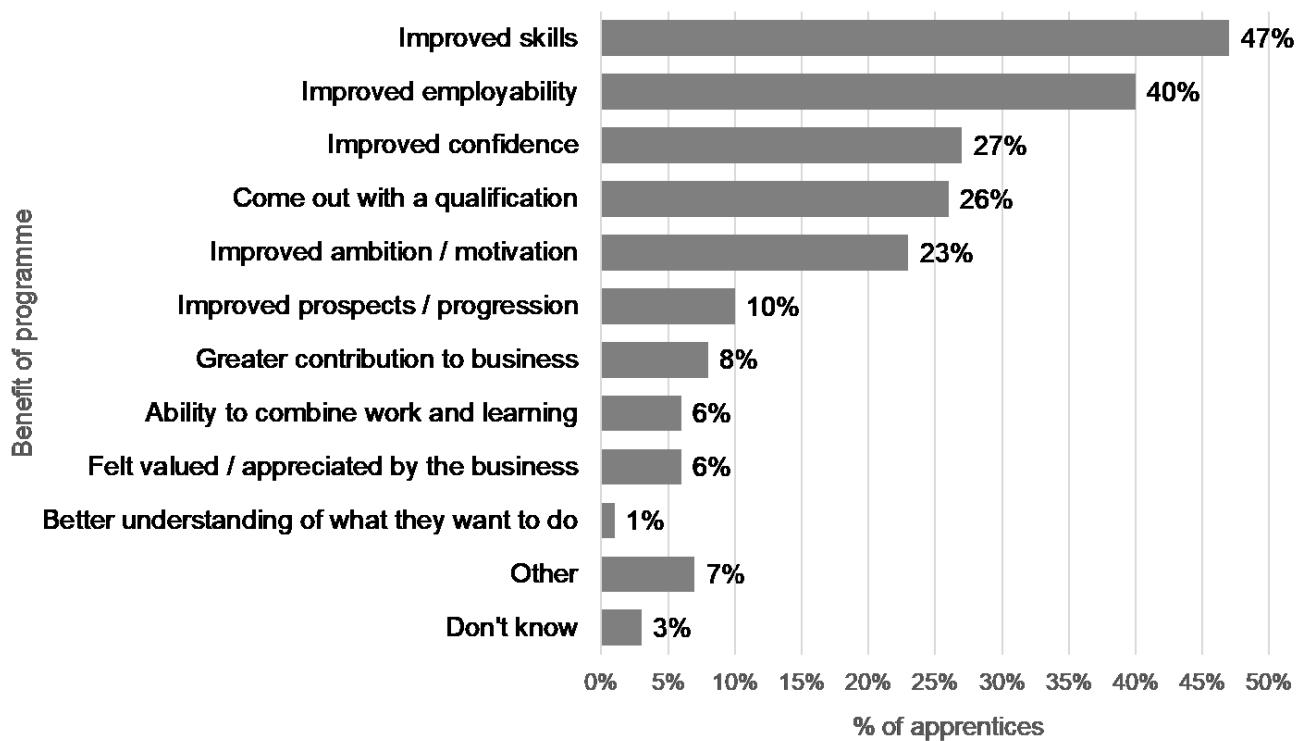
- 6.9 Reinforcing these findings further, most employers who took part in the employer survey felt the Programme had had a broadly positive impact on the apprentice(s)

they had employed (86%). This was significantly higher amongst employers who employed apprentices at Level 3 or higher level (89%) than at Level 2 (82%).

## The impact of the Programme on soft and hard skills

6.10 Employers who felt the Apprenticeship Programme had had a positive impact on their apprentices were asked what the main impacts had been. They were most likely to say it had improved apprentices' practical skills (47%) and their employability (40%). As Figure 6.1 shows, these hard outcomes were considerably more likely to be mentioned than softer outcomes such as improved confidence (27%) and improved ambition or motivation (23%).

**Figure 6.1: Employers' views on the impact of the Programme on the apprentices they employ (spontaneous)**



*Employer survey: D4. Why has the Programme been positive for the apprentices you've employed?*  
Base: All employers who felt the Programme had been positive for their apprentices (339)

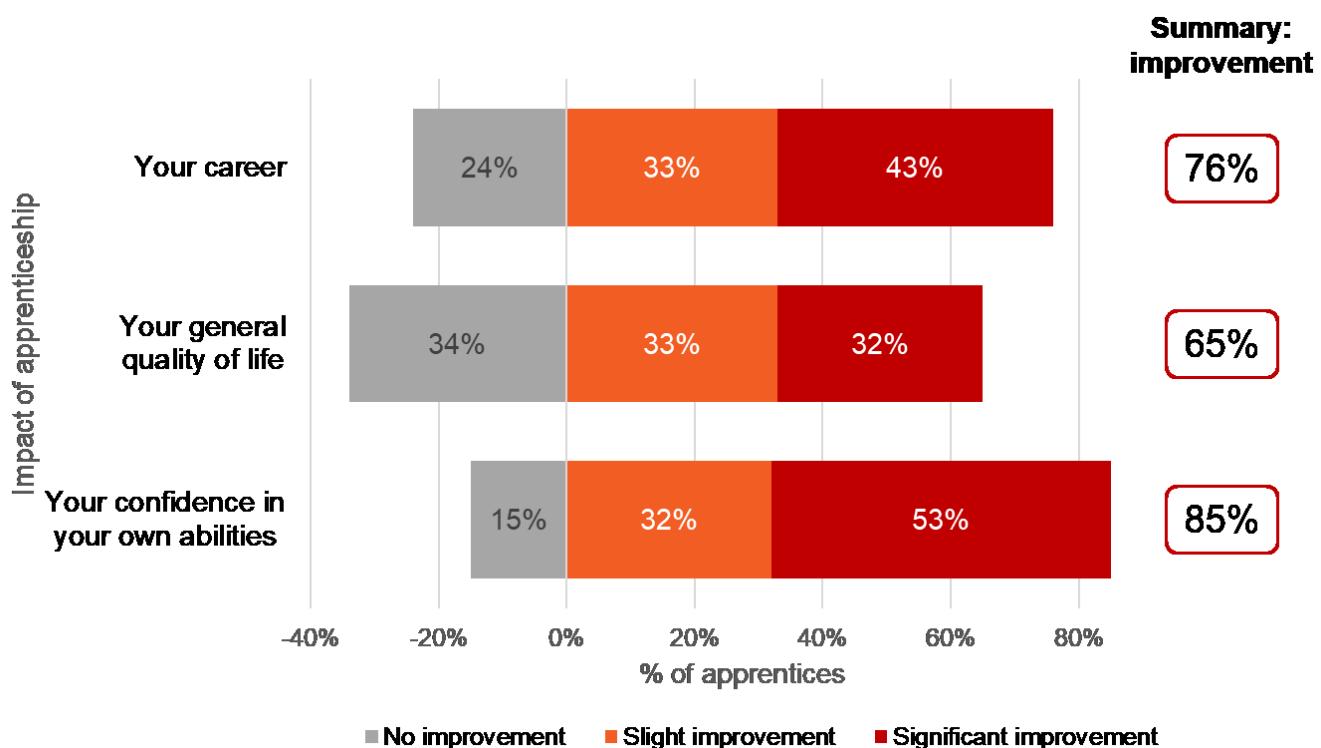
6.11 At the qualitative stage, where soft skills were mentioned, it was often in relation to increasing levels of self-esteem and determination to succeed in the role. There was a sense among employers that undertaking an apprenticeship could be a character-building, confidence-enhancing experience for apprentices:

*It motivates them to want to achieve. It motivates them to want to make the standard; that's certainly positive.*

*I think it [the Programme] has [impacted on soft outcomes], particularly [in terms of leadership. [Apprenticeships] allow the individual to grow and learn and acquire skills which they can put into practice, where they wouldn't have the opportunity otherwise.*

- 6.12 Most apprentices surveyed in the ESF Participants Survey for Wales felt both soft and hard skills had improved as a result of their apprenticeship, although they were somewhat more likely to mention benefits relating to the former such as improved confidence in their abilities (85%) than benefits relating more to the latter such as improved career progression (76%) (see Figure 6.2).

**Figure 6.2: Learners' views on the impact of their apprenticeship on their career, quality of life and confidence in their own abilities**



*ESF Participants Survey for Wales: G19. Would you say your apprenticeship has caused a significant improvement, slight improvement or no improvement at all in... [iteration text]?*  
Base: All apprentices (4,263)

- 6.13 Younger apprentices (those between 16 and 17 years old at enrolment) were significantly more likely than older apprentices (those aged 55 years or older) to say their apprenticeship had had a significant impact on their career (86% and 58% respectively). The same was true of the other two measures (general quality of life and confidence in their own abilities), suggesting the Programme had had a more profound impact on younger apprentices than older ones. This was corroborated by the outcomes of in-depth interviews with apprentices; although not dissatisfied as such, older apprentices tended to have a less positive view of the extent to which they had learned additional useful skills.

- 6.14 Most commonly this perception of not learning additional skills was attributed to the apprenticeship being taken to formally accredit long-standing but informally learned skills, for example because an employer's policy or an industry-wide standard might require skills to be accredited for an employee to take on certain tasks, regardless of prior experience.
- 6.15 Some stakeholders interviewed felt that apprenticeships compared favourably to purely academic routes, in that leavers of the Programme had a well-rounded set of skills for the workplace. They felt that by providing work experience alongside a qualification, apprentices develop soft skills through being part of a workforce – skills that are transferable to any job, regardless of whether they continue a career in the same sector.

### **Areas for improvement**

- 6.16 A minority (13%) of employers taking part in the quantitative survey felt the impact of the Programme on apprentices had been neutral (9%) or negative (4%). Of this group, the most common reason for saying this was that apprentices they had employed had left the organisation during or after their apprenticeship (24%). A fifth (20%) of these employers felt the training provided was not suitable for the apprentice, and a slightly lower proportion (16%) felt the training provided was too basic or not relevant to their business. Logically, this might also impact on the apprentice's employability at other workplaces in future.
- 6.17 Some apprentices interviewed in-depth were also frustrated by having to complete Essential Skills Wales (ESW) elements of their course (their frustration being they felt they had learnt very little from these elements). During the interviews, these apprentices, typically older apprentices who had prior experience in their field, said more could be done to take into account accredited prior learning and experience. This could be related to the difficulties training providers reported with the design of the process for accrediting prior qualifications, discussed in Chapter 3.

*I had an NVQ level 5 in leadership and management, and I had spent years managing a budget in excess of £500,000, and I was expected to undertake level 1 Communications and English. I can understand why that was done, but it would have been better if there had been some accredited prior learning taken into account.*

**Learner**

*That was the biggest frustration from everyone on the course, I actually had a head teacher who teaches Essential Skills Wales Level 2 who still had to do the course, it was ridiculous.*

**Learner**

- 6.18 However, others, typically younger apprentices who had been out of education for an extended period of time, felt the ESW elements of their course served as a helpful reminder or refresher as they may have been out of education for a period of time.  
*It was fine really; it was just more kind of a reminder because I had been out of education for about five years.*

**Learner**

### **Counterfactual impact assessment**

- 6.19 This section presents findings relating to the counterfactual impact assessment. This compares the earnings and employment outcomes of individuals who participated in the Apprenticeships Programme with those who participated in other learning Programmes or courses (referred to as the “counterfactual” group). This analysis uses the Longitudinal Education Outcomes (LEO) dataset developed by the UK Government. The methodology is based around a series of regression models<sup>33</sup>. An important preparatory step was to ensure that the groups compared were similar, other than their use of Apprenticeships. Individuals in both Apprenticeship and counterfactual groups have similar characteristics and prior earnings and employment histories: both groups undertook learning in Wales at the same level (the counterfactual group being outside an Apprenticeship), and for both groups their learning finished before 31<sup>st</sup> March 2016. Age, gender, ethnicity and learning difficulties and health problems were also taken into account. Data was available for Level 2 and Level 3 apprentices, so the comparison group contained those

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<sup>33</sup> Regression models are statistical tools for estimating the relationship between a dependent variable and a range of explanatory variables which are believed to explain its behaviour.

undertaking Level 2 and Level 3 learning outside of an apprenticeship, with Level 2 apprentices matched to level 2 non-apprentices and Level 3 apprentices matched to Level 3 non-apprentices.

### **Counterfactual impact assessment – regression analysis**

- 6.20 In the impact assessment, the impact of the Apprenticeship Programme was measured on six specific outcomes, selected on the basis of relevance and availability of data. These were:
- Job Entry (logistic regression)
  - Three-month job sustainment (logistic regression)
  - Earnings in the financial year following that in which the Apprenticeship participation ended, “earnings year plus one” (linear regression)
  - Earnings in the financial year two years after that in which the Apprenticeship participation ended, “earnings year plus two” (linear regression)
  - Days in employment in the financial year following that in which the Apprenticeship participation ended, “days in employment, year plus one” (linear regression)
  - Days in employment in the financial year two years after that in which the Apprenticeship participation ended, “days in employment, year plus two” (linear regression)
- 6.21 The impact of participating in the Apprenticeships Programme and the impact of local labour market conditions on the above outcomes following completion of an Apprenticeship is explored below.
- 6.22 Table 6.1 shows a summary of the estimated impact, or “treatment effect” of participating in the Apprenticeships Programme on each of the six outcomes listed above. All these treatment effects are substantial and statistically significant. For example, the estimated impact of participation in the Apprenticeship Programme on earnings in the year after the apprenticeship was completed is close to £7,900. This means that those who participated in the Apprenticeship Programme earned, on average, £7,900 more over that period than those in the counterfactual group. The full results of this analysis are shown in Annex C.

**Table 6.1: Estimated impact of the Apprenticeships Programme on each outcome**

<b>Outcome</b>	<b>Impact of the Apprenticeships Programme</b>
<b>Increase in the job entry rate</b>	29 percentage points
<b>Increase in the 3-month job sustainment rate</b>	30 percentage points
<b>Earnings increase, year plus one</b>	£7,866
<b>Earnings increase, year plus two</b>	£6,375
<b>Additional days in employment, year plus one</b>	119.3
<b>Additional days in employment, year plus two</b>	118.2

- 6.23 Two local authority-level variables were also included in the analysis, to ensure the analysis took into account influence of local labour market or neighbourhood conditions on these outcomes. These were:
- the local employment rate, and
  - gross weekly earnings for 2018.
- 6.24 Table 6.2 shows the estimated impact of either a 10 percentage point increase in the local employment rate or a 10 percentage point increase in the level of local wages, where these are statistically significant. For such a large increase in the local employment rate these impacts, although statistically significant, are trivial in size. And a 10 percentage point increase in the general level of wages in a local authority area has a modest impact on yearly earnings in the first year after completion of an apprenticeship; the £357 increase being equivalent to around 5% of the Apprenticeship Programme impact (roughly £7,900).
- 6.25 Local labour market or neighbourhood conditions, then, only have a modest impact on outcomes from the Apprenticeships Programme.

**Table 6.2: Estimated impact of a 10 percentage point increase in the local employment rate or wage levels**

Outcome	Impact of a 10 percentage point increase in local employment rate	Impact of a 10 percentage point increase in local wage level
<b>Increase in the job entry rate</b>	< 0.1% points	Not significant
<b>Increase in the 3-month job sustainment rate</b>	< 0.1% points	Not significant
<b>Earnings increase, year plus one</b>	Not significant	£357
<b>Earnings increase, year plus two</b>	-£4	Not applicable
<b>Additional days in employment, year plus one</b>	Not significant	Not significant
<b>Additional days in employment, year plus two</b>	Not significant	Not significant

### **Cost-Benefit analysis**

6.26 This section presents findings relating to the cost-benefit analysis of the Apprenticeships Programme. This cost-benefit analysis relies on a combination of data supplied by the Welsh Government, including the LEO data described above, and estimates made to fill gaps in that data. The estimates used are outlined below;

- Cost data for February 2018 to March 2019
  - estimated based on supplementary delivery cost data and staff cost data provided by the Welsh Government for the periods August 2017 to July 2018 and February 2018 to September 2018 respectively.
- Non-direct wage costs of employing apprentices
  - estimated based on a study undertaken for the Department for Education covering England<sup>34</sup>.

<sup>34</sup> [Frontier Economics and CFE Research \(2016\), “Costs and behaviours in the 16 to 18 apprenticeship system”, a report for the Department for Education.](#)

- 6.27 Cost-benefit analysis calculates the costs and benefits of an activity to society. The relevant costs include those falling on government, individuals and employers, all of which are taken into account, as described in above. All costs are adjusted to allow for inflation.

- 6.28 As the impact assessment assesses the outcomes for Apprenticeships against the alternative (Level 2 or 3 learning as appropriate in Further Education), the potential costs of this alternative learning need to be taken into account. The cost of this alternative provision has been estimated using two different approaches:
- Based on data from the Auditor General for Wales (AGfW)<sup>35</sup>.
  - Based on the costs of provision in England<sup>36</sup>.
- 6.29 Again, these costs figures were adjusted for inflation to put them in real terms
- 6.30 In addition, a stress test was undertaken with no allowance made for the costs of any alternative learning. This stress test effectively treats the cost benefit analysis as if the impact assessment had been undertaken on a policy off basis. Logically, this implies an assumption that either the alternative learning had zero impacts on labour market outcomes (as would be the case with a policy off comparison) or that these outcomes could be obtained at zero cost (again policy off has no costs). Hence, this stress test is not intended to be a credible estimate of the value for money of the Apprenticeships programme but rather as a challenging test of the programme's value for money given the uncertainties surrounding the costs of the counterfactual alternative learning provision.
- 6.31 The economic benefits of the Programme are based on its estimated impacts on earnings over two years, and five years. There may also be additional non-employment benefits of the Programme, such as health improvements, or reductions in criminal activity; but these could not be quantified on the basis of the available information and are therefore excluded. In all scenarios, the earnings figures are adjusted for inflation.
- 6.32 With the Programme costs, costs to employers, alternative counterfactual costs, costs to individuals, and Apprenticeship Programme benefits having been calculated, the standard metrics for value-for-money for the overall Programme can be calculated. These are the net present values (NPVs) and the benefit to cost ratios (BCRs).

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<sup>35</sup> Taken from Auditor General for Wales (2017), "[Welsh Government oversight of further education colleges' finances and delivery](#)", Wales Audit Officer.

<sup>36</sup> Frontier Economics and CFE Research (2016), "[Costs and behaviours in the 16 to 18 apprenticeship system](#)", a report for the Department for Education.

- 6.33 In order to calculate NPVs of the various costs, and Programme benefits, these are discounted<sup>37</sup> back to a common base year, in this case 2014/15. We use the 3.5% real discount rate as per the Treasury Green Book guidance.
- 6.34 The overall NPV of the Apprenticeship Programme is then equal to the difference between the NPV of the Programme benefits, minus the costs falling on individuals, and the NPV of the net costs of the Programme. In turn, the NPV of the net costs of the Programme is equal to the NPV of the gross Programme costs plus the costs falling on employers minus the NPV of the alternative counterfactual costs (see row 5 of Tables 6.3 & 6.4).
- 6.35 The Programme's benefit to cost ratios (BCRs) are another way of expressing how the Programme's benefits and costs compare and are equal to the Programme benefits divided by the Programme's net costs. For a Programme's benefits to outweigh its costs, and so for it to represent value-for-money, the overall NPV should be positive and the BCR should be above one.
- 6.36 Tables 6.3 and 6.4 show the NPVs of the cost estimates, the benefit estimates and the resulting overall Programme NPVs and BCRs for the two-year, and five-year time horizons respectively. Each column represents a different scenario for how the costs of the alternative counterfactual learning have been estimated – from AGfW, provision in England, and the stress test.
- 6.37 As shown, in all scenarios tested<sup>38</sup> and across both time periods, the estimated overall Programme NPVs are positive, and the BCRs are above one. This includes the stress test scenario. The estimated counterfactual costs based on the AGfW data on the one hand and estimates for English FE provision on the other are alternatives and there is no clear reason for one to be the preferred estimate over the other.

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Discounting in this way allows us to compare costs and benefits occurring over different periods of time and with different relativities in different years on a consistent basis. Discounting is based on the notion of time preference – that in general people prefer to receive benefits now rather than later.

<sup>38</sup>

**Table 6.3: Apprenticeships Programme Net Present Values (NPVs) and Benefit to Cost Ratios (BCRs) accounting for costs of alternative provision using two different approaches, Two-Year Time Horizon**

Counterfactual Cost Estimates	AGfW	Provision in England	Stress Test
<b>NPV Programme Costs</b>	£335,927,483	£335,927,483	£335,927,483
<b>NPV Employer Costs</b>	£1,070,785,180	£1,070,785,180	£1,070,785,180
<b>NPV Counterfactual Costs</b>	£323,937,350	£246,820,789	-
<b>NPV Net Costs</b>	£1,082,775,312	£1,159,891,873	£1,406,712,662
<b>NPV Benefits (net of in-work costs)</b>	£1,717,068,955	£1,717,068,955	£1,717,068,955
<b>Overall Programme NPV (NPV Benefits – NPV Net Costs)</b>	£634,293,643	£557,177,082	£310,356,293
<b>Benefit to Cost Ratio</b>	1.59	1.48	1.22

**Table 6.4: Apprenticeships Programme Net Present Values (NPVs) and Benefit to Cost Ratios (BCRs) accounting for costs of alternative provision using two different approaches, Five-Year Time Horizon**

Counterfactual Cost Estimates	AGfW	Provision in England	Stress Test
<b>NPV Programme Costs</b>	£335,927,483	£335,927,483	£335,927,483
<b>NPV Employer Costs</b>	£1,070,785,180	£1,070,785,180	£1,070,785,180
<b>NPV Counterfactual Costs</b>	£323,937,350	£246,820,789	-
<b>NPV Net Costs</b>	£1,082,775,312	£1,159,891,873	£1,406,712,662
<b>NPV Benefits (net of in-work costs)</b>	£2,764,850,443	£2,764,850,443	£2,764,850,443
<b>Overall Programme NPV (NPV Benefits – NPV Net Costs)</b>	£1,682,075,130	£1,604,958,569	£1,358,137,780
<b>Benefit to Cost Ratio</b>	2.55	2.37	1.97

- 6.38 The estimates of the Programme's NPV and BCR are higher for the longer five-year time horizon. The most conservative option assumes that the impact lasts for just two years in line with the period for which we can model impacts. This is likely to be a conservative assumption because existing research suggests that Apprenticeships have impacts over a number of years. While it is difficult to know exactly how long

the impacts of the Apprenticeship Programme might last, a five-year time horizon, based on existing research, would appear a more reasonable assumption. Hence, it may be reasonable to conclude that the NPV of the Programme lies in the range £1,604 million to £1,682 million and that the BCR is between 2.37 and 2.55 over this time period.

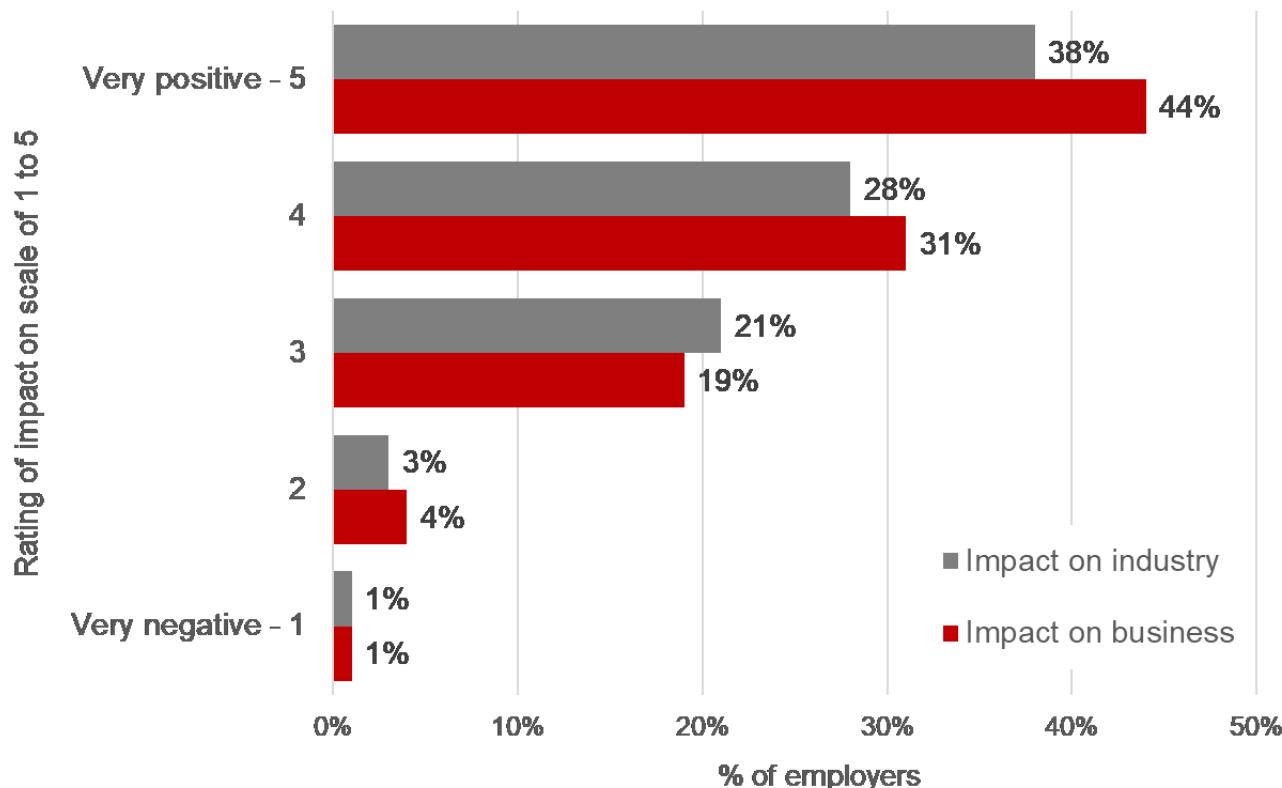
## Impacts on employers

### Impacts on individual employers vs. industry-wide impacts

- 6.39 In the in-depth interviews, stakeholders felt that the main benefit of apprenticeships for employers was in improving employers' ability to address skills gaps within the business and develop talent according to company needs. Additionally, the following sentiment was common among employers interviewed:
- "The company is getting better trained individuals who are meeting the company's needs, because they're training in-house."*
- 6.40 Supporting this, employers recognised the importance of the Apprenticeships Programme for bringing new ideas to their organisation, and smaller businesses often said it was beneficial in the process for succession planning.
- "We're in a situation where we can't recruit very much at all, so you could say that we could get quite stagnant, because we're not going to have that new blood coming in... The Apprenticeship [Programme] delivers that for us."*
- 6.41 In in-depth interviews, stakeholders and training providers felt that the Apprenticeship Programme was beneficial to businesses across Wales, because it facilitated the upskilling of young people entering the labour market, which meant that employers would find it easier to recruit people with the skills they needed. Some highlighted individual sectors (such as the Care sector) where skill levels, particularly of transferable skills, had increased as a direct result of the Programme.
- "[Without the Programme] employers would carry on recruiting people as they needed to, but only training them in what they wanted, not in the wider [qualifications] that apprenticeships provide to individuals... they [apprentices] wouldn't have the ability to transfer their skills to other employers."*
- 6.42 The majority of employers in the quantitative survey reported positive impacts for themselves (76%) and the wider sector (65%), although significantly more mentioned the former (see Figure 6.3 for a fuller breakdown). This may, however,

reflect more a lack of knowledge of the Programme's impact at the industry level amongst individual employers.

**Figure 6.3: How employers rated the impact of the Programme on their business & the wider industry**



*Employer survey: D1\_1 and D1\_3: What impact, if any, would you say being able to provide apprenticeships has had since 2015 on [your business or your industry]. Don't know responses not shown.  
Base: All employers (396).*

- 6.43 Employers were more likely to report a positive impact on their business if they had employed three to five (82%) or six or more (85%) apprentices since January 2015. Those who had employed one (58%) or two (69%) apprentices were less likely to say this.

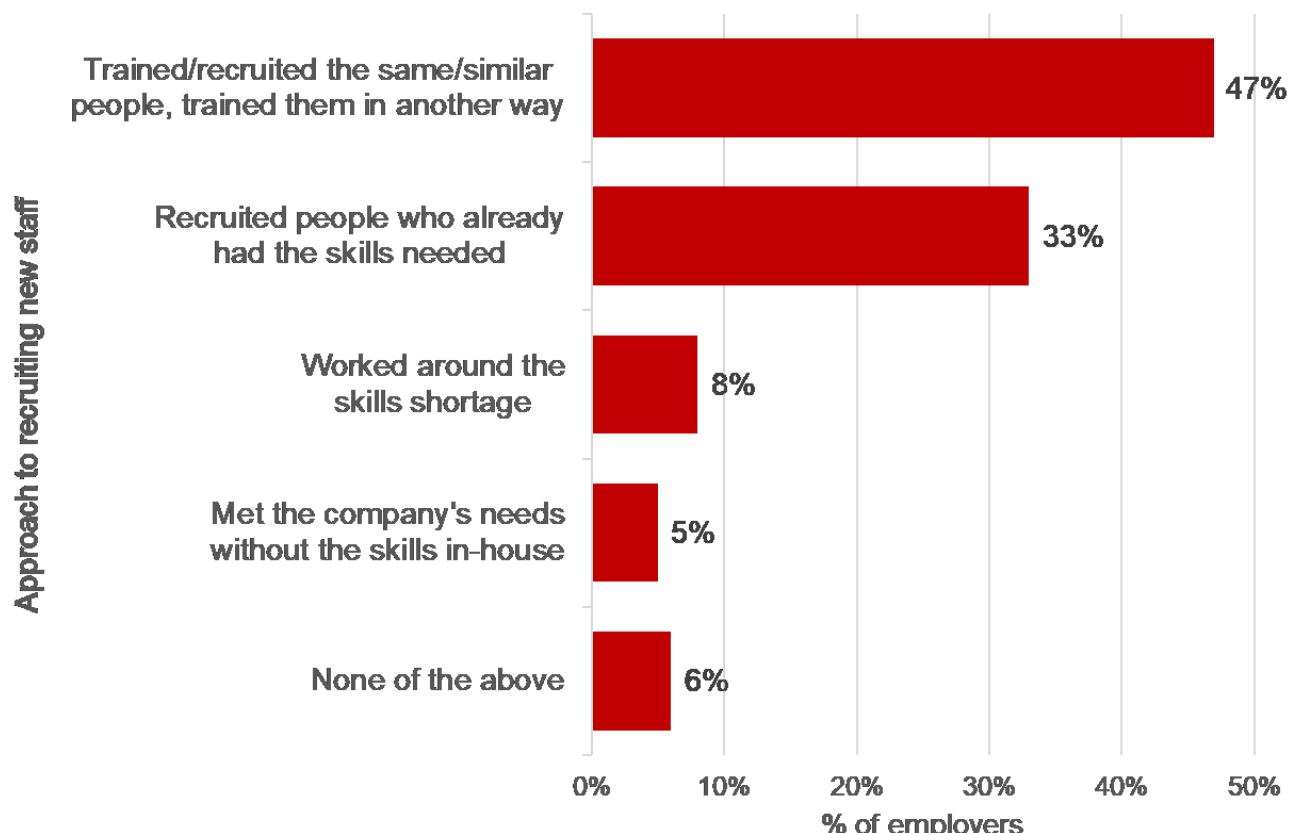
### **Employers' motivations for using the Programme**

- 6.44 Most employers were positive about the impact of the Apprenticeships Programme on their business, for example saying that the Programme had enabled them to recruit people to address shortages of skilled employees, or to improve skills in the workforce, thus increasing productivity. During in-depth interviews, a handful said that their involvement had not *directly* improved business productivity, for example due to the time and cost of training. In these cases, they generally did however, recognise the importance of new talent in bringing wider momentum to the business. This suggests that many employers view the impact of the Programme holistically, looking beyond short-term productivity and financial benefits.

- 6.45 In discussing the benefits of the Programme, employers frequently reported that they had altruistic reasons for involvement in the Programme. It was common for them to consider the benefits of the Programme to the local economy, for young people with previously poor employment prospects, or for individual members of their staff. Others considered it a duty, as a ‘responsible’ contributor to the local economy, to upskill people.
- 6.46 Where employers did raise issues relating to the financial benefits of the Programme, these were:
- the subsidy of apprenticeship frameworks relative to other training;
  - lower labour costs; and
  - support with recruitment costs.
- 6.47 In relation to the funding of frameworks, employers recognised that the Programme enabled apprentices to gain an accredited set of skills through subsidised, high-quality training, in contrast to training developed in-house which is often limited in scope and may lack the rigour and structure of a formal qualification. For employers, then, the Apprenticeship Programme presented an opportunity for them to develop their staff and facilitate progression within the business.
- 6.48 A small number of employers highlighted the significance of the Programme in reducing their labour costs by enabling them to decide if an apprentice was suitable for them before employing them on a full wage.
- 6.49 Some employers also discussed how providers (and the Apprenticeship Matching Service) alleviate the administrative burden of recruitment and training for employers. This meant that recruitment processes were much less labour/resource-intensive, for example, without the costs of advertising vacancies directly.
- 6.50 If the Apprenticeship Programme did not exist, most employers felt they would be able to find alternative ways to recruit and train current and prospective employees, although none of those interviewed in the qualitative discussions believed this would be a better option. They would have used in-house training programmes to train existing staff and new recruits, recruited young people and partnered them with fully qualified existing members of staff to gain experience, or they would have replaced apprentices with skilled recruits.
- 6.51 The findings from the employer interviews were supported by the employer survey. As shown in Figure 6.4, if the Programme did not exist, employers said that they

would be most likely to have trained or recruited staff via other means (47%) or attempted to recruit people with pre-existing skills (33%). Employers who used the Programme to train existing employees were almost twice as likely as those who recruited new employees to start an apprenticeship to say they would have trained or recruited the same staff via different means (60% and 33% respectively).

**Figure 6.4: Approaches employers would have taken to recruiting new staff without the Apprenticeships Programme (prompted)**



*Employer survey: B4. If the apprenticeships had not been available, which of these do you think would have been the most likely to happen? Would you have... [iteration text]. Don't know responses not shown.*  
*Base: All employers (396)*

6.52 Evidence from discussions with apprentices indicated that employers were benefiting in other ways from the Programme. Apprentices frequently stated how their involvement in the Programme had helped them to improve their job performance and efficiency in carrying out their role, which would ultimately make businesses more competitive and could also support employers to address skills shortages within the business.

*"I've looked after two departments on my own and I am a competent warehouse colleague, I can drive a forklift. So many more opportunities have opened up within the organisation... both departments I have looked after have improved, they've*

*improved in sales and improved in the way they are run, the course has played a big part in that.”*

**Learner**

*“It made my role easier; I was the trainer for quite a lot of things that we have to do throughout the year and so it [the apprenticeship] helped me organise myself better.”*

**Learner**

- 6.53 These findings were further supported by the ESF Participants Survey for Wales, which surveyed apprentices. The vast majority (86%) of apprentices who were in work said they had been able to use skills learnt on the course, which suggests that employers are benefitting from the skills developed by apprentices.

### **Areas for improvement**

- 6.54 Among stakeholders taking part in qualitative interviews, the potential impact of the Programme on employers was often felt to be limited by the fact that only a minority of employers in Wales engage with it<sup>39</sup>. This view was supported in discussions with training providers, who also recognised that few employers were engaged with the Programme. While, as discussed in Chapter 4, training providers do engage with employers in a variety of ways, and provide various services to them, it remains unclear the extent to which in practice training providers are willing to reach out to less engaged employers who do not, for example, attend training fairs. Stakeholders interviewed were often sceptical of the extent to which this was occurring. Training providers interviewed sometimes felt wider promotional activity would be better carried out at a national level.
- 6.55 Many training providers taking part in qualitative interviews did, however, recognise that the introduction of the Apprenticeship Levy is helping to drive employer engagement, although this would of course only affect large employers who pay it.
- “Employers are now definitely more aware of vocational educational routes, and don’t see, you know, degree subjects as the only qualification.”*

**Training Provider**

- 6.56 Few other ways to improve the impact of the Programme on employers were identified by those interviewed or surveyed in any strand of the research, largely

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<sup>39</sup> Employer Perspectives Survey (2016) statistics show that 19% of employers in England have or offer Apprenticeships compared to 15% in Wales and Scotland.

because most of those interviewed felt the Programme was already performing well for those employers engaged with it. One suggestion, from an employer-representative body, was that there needed to be a more demand-led approach to apprenticeship provision, with “the market and business” deciding priority areas, sectors and skills rather than Welsh Government.

- 6.57 Additionally, during discussions, some employers echoed the frustrations of stakeholders and felt that more could be done to advertise courses and make them more appealing to students looking at choices for learning post-16.

*I just think advertise more. I've been a governor of a School for 32 years and a chairman of a community centre and I know the young boys and girls there, they don't know anything about these apprenticeships, and as far as they're concerned, they're going nowhere.*

**Employer**

*I don't think it's seen as the option because a lot of young adults are choosing university over apprenticeships and I think that's wrong because... I think the university system in some ways is not ideal for a lot of students and it leads to a lot of frustration later on.*

**Employer**

- 6.58 Others mentioned that the impact of the Programme on them could be greater if they were better able to determine whether apprentices entering employment had the desire to work in the industry. They suggested this could be achieved through a trial period or by improving the recruitment processes.

*The Programme is about trying to ensure that you get people wanting to have proper interest in the job, rather than just applying for anything and they have no idea what they are coming into.*

**Employer**

### **Employers' future plans**

- 6.59 The vast majority (86%) of employers taking part in the employer survey were planning to continue offering apprenticeships and of this group, almost two-thirds (64%) were planning to increase their offering (equivalent to 55% of all employers). Although there were no significant differences in the likelihood of continuing to offer apprenticeships by region, employers in West Wales & the Valleys (71%) were

significantly more likely than those in East Wales (57%) to say they were likely to increase their provision.

- 6.60 This may reflect the difference in how positive they felt the impact of the Programme had been on their business (82% in West Wales & the Valleys compared to 76% on average<sup>40</sup>).
- 6.61 Of the minority (15%) of employers who were not likely to continue, or increase, their apprenticeship offering, the most common reason given for this was the size of the business (46% said they were unable to accommodate, or do not require, apprentices in future). This was over three times more likely to be mentioned by employers than funding (14%), the quality of applicants (10%) or the nature of the business (10%).

## Impact on skills

### Success in meeting ESF Specific Operation goals

- 6.62 In terms of overall desired impact, the two ESF operations fundamentally aim to improve skills in the workforce at two levels:
- **Specific Objective One –** To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills, and
  - **Specific Objective Two –** To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level.
- 6.63 Overall, key audiences (stakeholders, employers and apprentices) did believe the Apprenticeship Programme had positive impacts regarding both objectives.
- 6.64 Stakeholders held varying views on which of the two was being met more effectively; some felt the reduced funding of Level 2 apprenticeships compromised the first aim, while progress on the second had improved markedly since 2015 with the move to higher apprenticeships and promotion of apprenticeships to a wider age range of apprentices.
- 6.65 Apprentices were more likely to report the soft skills (communication, delegation, teamwork, ambition) they had gained during their time on the Programme than the hard, job-specific, technical skills. Technical skills development was more likely to be

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<sup>40</sup> Only 74% of employers in East Wales were positive about the Programme's impact on their business, but this was not statistically significantly lower than the proportion of employers who said the same about West Wales & the Valleys (82%).

mentioned by apprentices on traditional apprenticeship routes such as carpentry and painting & decorating.

*Before I started at the removals company I hated going to work; I was always late; now I am always early and on time...my work ethic had gone from zero to fifteen...it has given me a spring in my step.*

**Learner**

*When I started, I was quite shy and didn't really talk; as the months went on my confidence grew...it helped me talk to customers and respond in the correct way.*

**Learner**

- 6.66 Furthermore, results from the ESF Participants Survey for Wales of apprentices suggest that the Programme is supporting these aims in practice. More than eight out of ten apprentices (82%) stated they had acquired job-specific skills related to a particular type of job as a result of their course.

### **Areas for improvement**

- 6.67 As discussed previously, some employers (16%) taking part in the employer survey felt the training provided to their apprentices overall was too basic. This was corroborated by some apprentices during qualitative discussions. Amongst apprentices already in employment, a number suggested they had already learnt the skills through their prior experience and were using the Programme to accredit existing skills.
- 6.68 This may in part, explain why some apprentices questioned the additionality of the frameworks (i.e. whether the apprenticeship they undertook built upon their existing skills and knowledge).

*I didn't learn anything that I hadn't learnt off previous courses and suchlike. It [the apprenticeship] didn't change the way I work in any way... it didn't introduce me to doing anything different to what I was already doing.*

**Learner**

- 6.69 Some of these apprentices, however, were pleased that the Programme confirmed their knowledge, and they drew confidence from this. They also felt that it was useful in itself to gain a qualification recognising their pre-existing skills.

## **Making learning more accessible, and Prosperity for All**

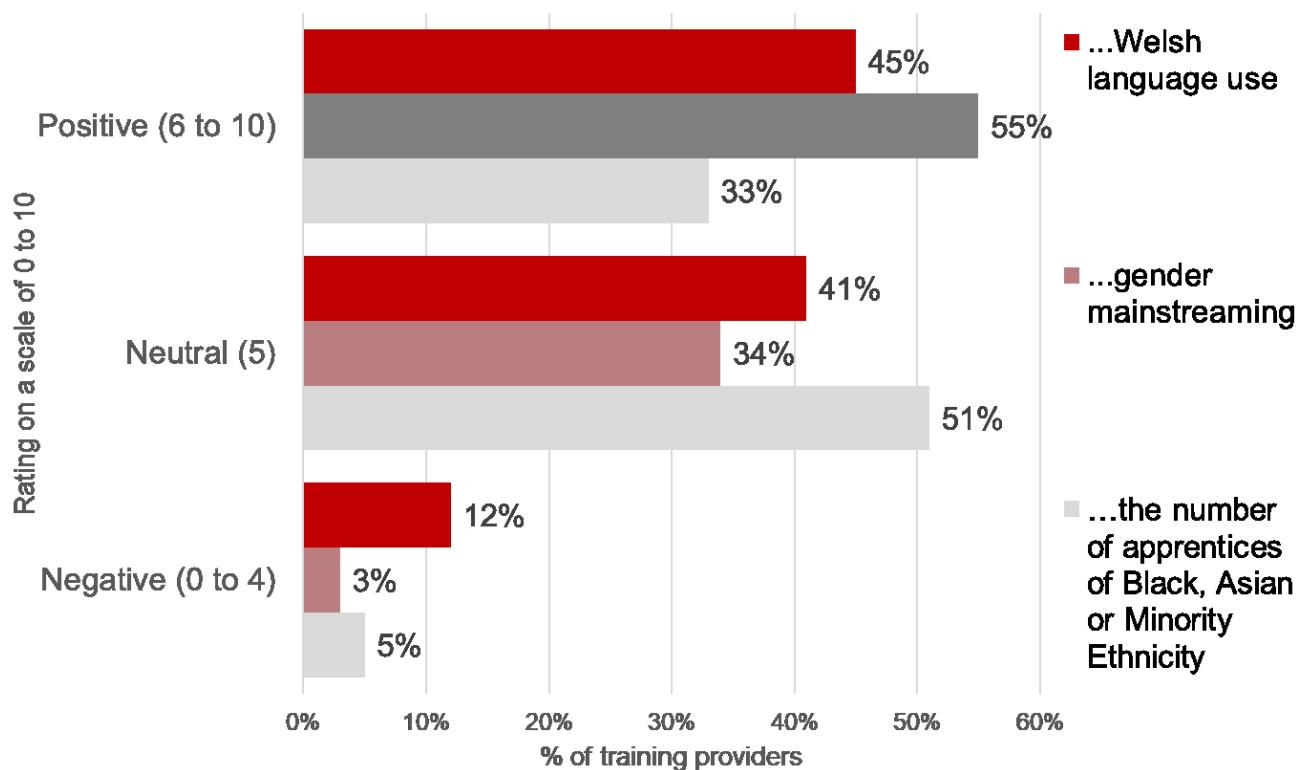
- 6.70 Stakeholders, employers and training providers were asked the extent to which the Programme had made learning accessible to a broader cross-section of society.
- 6.71 Stakeholders interviewed felt that, while the Programme was “on the right track”, there was limited data available. When stakeholders felt able to comment, this was most often about the increase in the representation of over-50s in the Programme and they recognised the value of expanding the Programme to include degree-level apprenticeships. Some employers and stakeholders argued that apprenticeships are a debt-free alternative to a degree course and therefore would appeal to a broader cross-section of society:

*[Apprenticeships are] not just [about] getting a job and trained for that but getting lasting skills that give you earning potential and employability, without the attached cost of University.*

### **Stakeholder**

- 6.72 One provider interviewed said that they had made specific efforts to recruit young people from rural areas and from disadvantaged backgrounds, where opportunities were more limited.
- 6.73 Among employers interviewed in-depth, most felt the Programme attracted apprentices with a range of academic abilities, although there was recognition that although the Programme itself is ‘open to all’, recruitment from particular groups was limited and highly industry-dependent (i.e. traditional manual industries such as construction were still struggling to recruit female apprentices).
- 6.74 In the provider survey, respondents were asked whether the Apprenticeship Programme had impacted the following in a positive or negative way:
- Increasing the use of Welsh language in the workplace;
  - Promoting gender mainstreaming in all sectors; and
  - Increasing the representation of apprentices from ethnic minority communities groups on Programmes.
- 6.75 As Figure 6.5 shows, providers were fairly positive about the Programme’s contribution to making learning more accessible in each of these areas, although they were least positive in relation to the ethnic minority communities objective and most positive in relation to the gender mainstreaming objective.

**Figure 6.5: Training provider opinion of the Apprenticeship Programme's role in increasing or promoting Welsh language, gender mainstreaming and proportion of Black, Asian, Minority Ethnic apprentices**



Provider survey: F1\_X. How positive or negative an impact would you say the Welsh Apprenticeship Programme since 2015 has had on... [iteration text]. Don't know responses not shown.

Base: All providers (73)

6.76 Although many training providers believed the Programme was having a positive impact on making learning accessible, and a wider range of individuals were learning about the Programme than previously, the main weak point was often felt to be promotion to apprentices and, importantly, their parents:

*[the] Apprenticeship Programme does offer opportunities for all; I really do believe that. It's just about making people aware of these opportunities.*

Training Provider

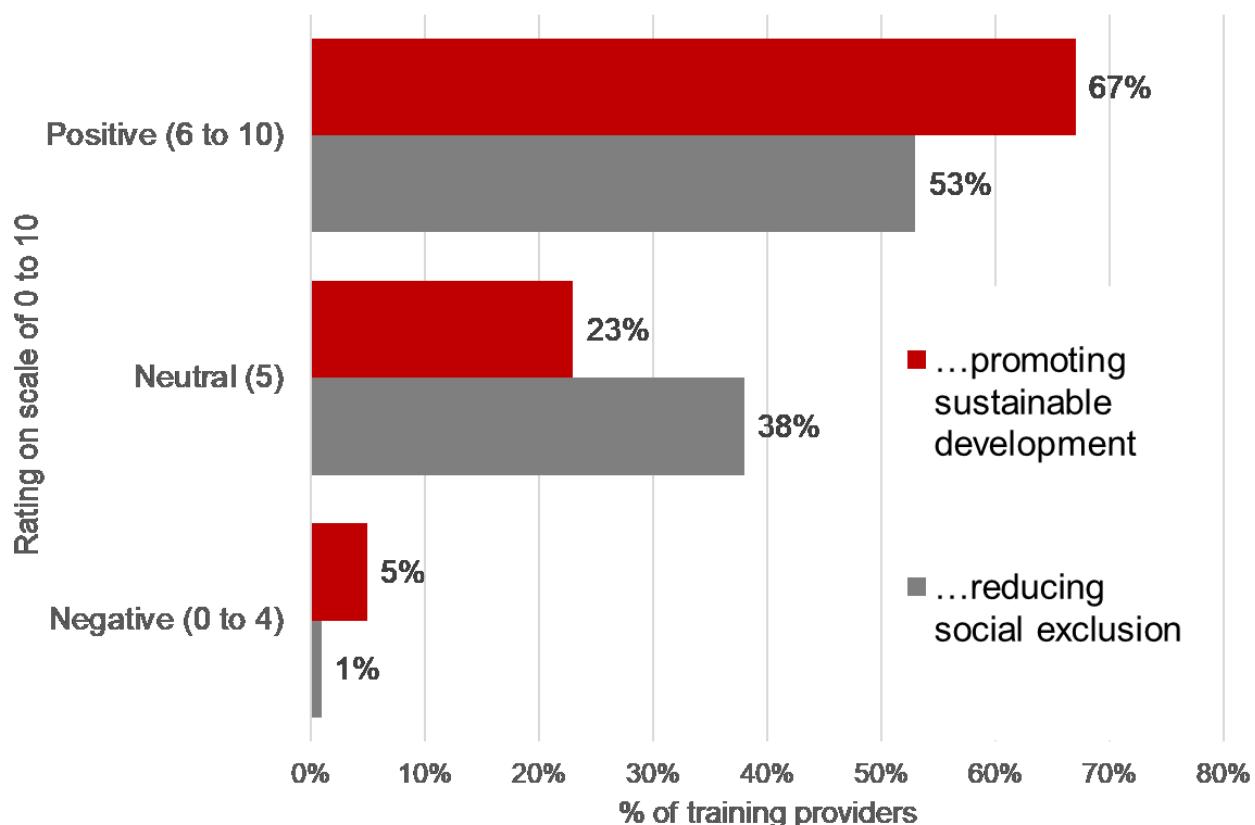
## **Sustainable Development**

- 6.77 The definition of sustainable development used in the topic guides and surveys for this project was left open, and most interpreted the phrase in terms of sustainable *economic* development. Stakeholders from government agencies felt that the apprenticeship model contributes to sustainable development.
- 6.78 As apprentices are contributing to regional economies through employment whilst learning, apprenticeships were felt to make a greater contribution in terms of sustainable development than individuals doing a full-time college or degree course. Other stakeholders felt that the Programme was helping to stem the ‘brain drain’ from Wales, by giving people employment and enabling them to contribute to the Welsh economy.
- 6.79 This latter point was reiterated in the employer discussions. A couple of employers commented on positive outcomes of the Programme for sustainable development in terms of their local economy, suggesting that the Programme is likely to mean more money will be spent within local areas and that young people are more likely to seek and find employment in Wales rather than moving out of the country to work.
- 6.80 As part of the provider survey, respondents were asked how positive or negative they felt the impact of the Apprenticeships Programme had been on promoting sustainable development and separately on reducing social exclusion.
- 6.81 As Figure 6.6 shows, providers were on average more positive about the Programme’s impact on sustainable development than social exclusion, with two-thirds (67%) reporting that they felt the Programme had a positive impact on promoting sustainable development, and just over a half (53%) saying that in their opinion it had been positive for reducing social exclusion<sup>41</sup>.

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<sup>41</sup> The phrase ‘reducing social exclusion’ was undefined in the survey of providers, left for providers to define.

**Figure 6.6: Training providers' view on the Apprenticeship Programme's role in promoting sustainable development and reducing social exclusion**



Provider survey: F1\_X: How positive or negative an impact would you say the Welsh Apprenticeships Programme since 2015 has had on... [iteration text]. Don't know responses not shown.  
Base: All providers (73)

- 6.82 Some employers consulted in in-depth interviews also mentioned benefits of the Programme for the wider Welsh economy. Through their work with apprentices, which they felt was helping apprentices to add value to businesses across the country, employers felt this would result in a more competitive and prosperous nation:

*We are happy just to increase that skills capability... even if it's helping them [the apprentice] with what they need to do to get into university; we'll do all that just as a part of being an employer in the area. [It's] not necessarily [about apprentices] coming to [work for] us.*

**Employer**

## Tackling Poverty

- 6.83 Key audiences (employers, training providers and stakeholders) were asked to consider whether the Programme had alleviated poverty in Wales. They generally reflected on similar ideas as before – interviewees felt that activities which help to

promote learning and employment were inherently likely to help reduce poverty, although they admitted these views were not based on hard data.

- 6.84 Typically, employers were positive about the Programme's role in tackling poverty, based on it being an opportunity to earn which they otherwise would not have. Stakeholders were more pragmatic and acknowledged the presence of in-work poverty.

*[On] an apprenticeship route, a learner starts off on the apprenticeship minimum wage, which is really low. Some people, who live on their own independently, can't afford to come on an apprenticeship, really... It doesn't [sometimes] pay for a learner to come on an apprenticeship. They do need to look at that in a bit more detail.*

#### Employer

- 6.85 There was some evidence from the apprentice discussions that the Programme was helping to tackle poverty insofar as it had resulted in full-time work for apprentices and pay rises and greater job security for others. Indeed, almost nine in 10 (87%) of the apprentices who took part in the survey who were unemployed or inactive before their apprenticeship were in employment six months after completing their apprenticeship. This is further supported by the outcomes of the Cost Benefit Analysis earlier in the chapter.

*Having been told that they can't afford to lose me, and I am one of the best colleagues in the store, I think my job security is pretty good, it [the apprenticeship] has helped.*

#### Learner

## Summary

### *Areas of greatest impact*

- 6.86 In general, stakeholders and employers both felt that apprenticeships were having a positive impact on both apprentices and employers, in a range of ways. This was backed up by the benefit cost analysis using income and employment data from LEO, which indicated a strong benefit to cost ratio for the Programme (1.48 to 1.59, depending on the assumptions used) relative to non-apprenticeship provision (the 'counterfactual'), even on a very short (two year) time horizon. The impacts of the Programme according to this analysis included a 29% increase in the job entry rate relative to other provision (the 'counterfactual'), and, in the first year after completion, an increase of 119 days in employment and £7,866 in earnings.

- 6.87 For employers, the ability to shape apprentices to meet changing business needs and address skills gaps were the most positive impacts of the Programme. For apprentices, the greatest impact was around enhanced skills and employability, which was beneficial for their career and for the business within which they were situated.
- 6.88 Although employers could conceive of alternatives they could use if the Programme did not exist, none felt these would be preferable, either for employer or apprentice.
- 6.89 The Programme was also widely felt to have a positive impact on the wider Welsh economy, in terms of raising the skills levels of people who have low or no skills and increasing the number of people in the workforce who have job-specific skills, although stakeholders found this difficult to evidence in concrete terms.

*Areas where impact could be increased*

- 6.90 Opinions varied regarding the Programme's weaknesses in terms of impact. Some felt that the reduction in Level 2 apprenticeships meant that going forward there would be less impact on those with few or no skills. This was particularly mentioned by employers within industries that rely on a steady stream of Level 2 apprenticeships or training providers working with those industries.
- 6.91 Promoting the Programme was widely agreed to be an area in which improvements in the Programme's impact could be achieved. It was felt by many that the limiting factor on the apprenticeship Programme was not so much with design or delivery, but with awareness among employers and potential recruits which has ramifications for widening participation within the Programme. Stakeholders sometimes felt training providers were performing poorly in this area; training providers agreed there was a problem, but they sometimes felt the initiative would be better taken at national level.

## **7. Conclusions**

7.1 This chapter brings together the findings presented in previous chapters, and assess the extent to which the Programme is being delivered as intended and achieving the anticipated outcomes.

### **Logic Model**

7.2 The Logic Model, first produced for the Interim Report for this evaluation, and building on the Theory of Change outlined in the Inception Report, has been used as the guiding framework for evaluating the Apprenticeships Programme in Wales. This chapter uses the Logic Model to structure conclusions regarding successes and shortcomings in the Programme. This is followed by recommendations for future improvements.

### **Situation: Programme Design**

7.3 The key goals for the Apprenticeship Programme in Wales, in relation to meeting the demands of the Welsh labour market, growing the economy in key sectors, and tackling inequality of opportunity and supporting people to fulfil their ambitions. The evaluation has found that these were appropriately addressed by the Programme design; comment on the practical The design of the Programme and the policies influencing its design are described in more detail in Chapter 3, but key points are:

- **Jobs of tomorrow will require higher levels of competence than in the past** and this has been addressed through measures to incentivise providers and employers to make more use of Level 3 and Higher Apprenticeships than in 2015.
- **Skills shortages in growth sectors and emerging job categories** have been addressed by the increased focus on STEM sector apprenticeships.
- **Relatively low participation of 16 to 19 year olds in apprenticeships;** although the introduction of all-age apprenticeships favoured apprentices aged over 19, the policy envisaged an increase in absolute numbers of apprentices aged 16 to 19.
- **Under-representation of equalities groups in apprenticeships, and presence of gender stereotyping** has been addressed to a certain extent through improvement of information for all, improving apprentice recruitment mechanisms for employers, and the implementation of measures associated

with the WEFO cross-cutting themes. Progress has been made but more could be done.

- **Government commitment to achieve 100,000 all-age apprenticeships over five years** is addressed through creating incentives for employers to increase apprentice recruitment, including through the Apprenticeship Levy as well as provider promotion and broader campaigning.

## **Inputs and Activities: Programme Delivery and Implementation**

### *Delivery Structures*

7.4 The delivery of appropriate structures (Welsh Government and WEFO oversight, Regional Skills Partnerships, and delivery of funding through commissioning) is a key input for the Apprenticeships Programme. In general, the administrative structures around apprenticeships were viewed positively, with some notable exceptions, as follows:

- **Employers and learners were very positive** about the general design of apprenticeships, in terms of structure, length, provider delivery and the provision of accredited qualifications, feeling that the Programme design fitted their needs.
- A majority of providers **felt the commissioning process was fair** although they had reservations about the approach. While the practice of awarding single, large contracts was felt to bring some efficiencies, it also created substantial risk for providers heavily reliant on apprenticeship income, and some felt that it disadvantaged smaller providers.
- Providers and stakeholders generally felt that the bodies involved in Apprenticeship provision worked well together, and **the Regional Skills Partnerships (RSPs) were reported to be performing well.**
- Providers were **very positive regarding the implementation of the All-age Apprenticeships policy**, with only 16% finding this difficult.
- **The move toward STEM and Level 3 or Higher Apprenticeships** was viewed positively, but businesses not offering STEM subjects were concerned that apprenticeships they offer might be deprioritised.

### *Working with employers*

- 7.5 While employers interviewed who use apprenticeships were satisfied with the delivery of the Programme in general terms, it remains the case that a minority of employers in Wales use apprenticeships:
- **Employers commonly said the only information source they consulted about apprenticeships was their training provider.** While employers seemed well-informed about what they needed to do to help their current apprentices, there was evidence of knowledge gaps among some employers in terms of the range of apprenticeships available, verified by stakeholder interviews.
  - Providers commonly felt the **Welsh Government should do more at a national level to promote apprenticeships** to all audiences. However, some **stakeholders felt providers should take more responsibility for the promotion of apprenticeships**, and they should do more to reach out to both employers and apprentices.
  - The Apprenticeship Levy has been a **significant driver for more large employers to become involved** with the Programme. Some providers felt employer demand due to the Levy pulled in a different direction to Welsh Government funding priorities, with some employers seeking large volumes of Level 2 apprentices in non-STEM subjects.

### *Undertaking initial assessments of prior learning and basic skills*

- 7.6 Although they agreed with the underlying aims, the **implementation of revised Essential Skills Wales (ESW) qualifications was widely felt to be flawed by a majority of providers** and identified as a key area for improvement. The **associated implementation of Wales Essential Skills Toolkit (WEST) was also criticised**. These criticisms focused on additional administrative work not included in the contracts at bidding stage, and on short notice changes to requirements.
- 7.7 Apprentices also mentioned needing to study ESW topics which they were already very familiar with, in part due to the issues providers had with verifying prior qualifications of their learners. Anecdotally, providers reported that this had led to higher dropout rates among their learners (due to frustration of retaking classes).

## *Delivery of apprenticeships*

- 7.8 In general, employers and learners were satisfied with the practical delivery of apprenticeships.
- **Few concerns were reported by employers of apprentices regarding the availability of suitable frameworks and levels**, or regarding the design of frameworks.
  - **Employer-provider relationships were strong**; nearly three-quarters of employers were positive about their main apprenticeship provider.
  - **Stakeholders and Welsh Government-related agencies interviewed had mixed views on training providers**. Although most felt, overall, that training providers met the needs of the Programme, some believed that the quality of teaching and employer engagement were inconsistent across the provider base.
  - **Learners overall felt supported by training providers**, but some apprentices interviewed felt support from their employer had been poor; this was most commonly where the employer had been sourced by the training provider, rather than the initiative coming from the employer.
  - Across the board the principle of providing Welsh-medium and bilingual apprenticeships was welcomed. However, **providers found the delivery was challenging**; many felt demand was limited from learners and employers and found it difficult to source suitably skilled Welsh-speaking teaching staff and assessors. Employer awareness of the existence of Welsh-medium options seemed weak.

## **Outputs: Programme Performance**

- 7.9 During the course of this phase of the evaluation there were some changes made to the ESF funding eligibility criteria for apprentices. This means there are discrepancies between the figures included in this report and those in the interim evaluation report<sup>42</sup>. The Programme has performed well on most ESF targets; the target for numbers of apprenticeship starts is on track to be exceeded overall (by 11 per cent as of July 2019), although this is primarily due to the strong performance of Specific Operation 2 (43 per cent above target). In comparison, Specific Operation 1

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<sup>42</sup> [Interim evaluation report of the Apprenticeship programme in Wales](#)

(focusing on lower skill levels) is below numeric targets by nearly a third (31 per cent below target).

- 7.10 The target for successful completions of apprenticeship frameworks was also exceeded at an overall level, with 81.1 per cent of participants completing the full apprenticeship framework, although this was lower for Higher Apprenticeships (74.3 per cent).
- 7.11 Almost two-thirds of participants (63.8 per cent) used Essential Skills Wales qualifications (covering communication, numeracy and ICT), above the ESF target rate.
- 7.12 There has been expansion of Level 3 framework enrolments, and the ESF target for the proportion of enrolments at Level 4 or above (10 per cent) is being substantially exceeded (22 per cent). However, participation at Level 4 or above did decrease over the 2015-19 period (22 per cent, compared to 31 per cent in 2015/16). In relation to skills progression, stakeholders interviewed during the evaluation suggested more could be done to facilitate movement between apprenticeship levels through established progression pathways.
- 7.13 Largely due to the implementation of the All-age Apprenticeships policy there has been a substantial reduction in the proportion of learners undertaking apprenticeships who are aged under 25 (from 61 per cent in 2015/16 to 42 per cent in 2018/19). However, even taking into account increases year-on-year in apprenticeship provision, there has been an absolute decrease in the number of apprentices in the 19 to 24 age bracket starting apprenticeships, and the number of Under 19s has remained broadly static.
- 7.14 The ESF targets for recruitment of female learners working part-time and participants with childcare responsibilities were exceeded by a wide margin – 13.1 per cent of all participants on the Programme had childcare responsibilities (compared with a target of 2.0 per cent); and 12.4 per cent were female and working part time (compared with a target of 0.5 per cent). This too is likely to relate to the introduction of All-age Apprenticeships, as older apprentices are more likely to fall into these groups.
- 7.15 The Programme is also performing well in relation to the participation of under-represented groups. The Programme is comfortably exceeding its targets in relation

to participation among older learners<sup>43</sup> (2.3 per cent vs. 0.5 per cent target) and at a national level among ethnic minority communities learners (4.8 vs. 2.2 per cent target). These findings positively reflect the all-age policy design and future of the programme.

- 7.16 The target for the proportion of female learners was, however, missed by a small margin (54.8 vs. the target of 56.0 per cent). This may relate to this target being made more challenging to meet by a shift toward STEM sector apprenticeships, which remain male-dominated, although generally female learners are more likely to take Higher Apprenticeships, also a WG policy priority. Although the Apprenticeship programme was not proven by this research to be exacerbating gender imbalances, it is a lever through which these imbalances could be at least partially tackled. Gender imbalance within specific subject areas therefore remains an area where further action within the Apprenticeship Programme should be prioritised.
- 7.17 Targets have also been met at a national level for the provision of Welsh-medium and bilingual apprenticeships, with provision particularly strong in regions where the Welsh language is already widely spoken.
- 7.18 It is worth noting that some targets (ethnic minority communities learners, Welsh and bilingual apprenticeships) were missed at a regional level. However, this is primarily because targets were set nationally, without taking into account variation in demographic characteristics of populations in different parts of Wales.

### **Outcomes: Programme Impacts**

#### *Increased levels of income and reduced poverty*

- 7.19 Most apprentices surveyed in the ESF Participants Survey for Wales felt both their soft skills and technical skills had been improved, had greater confidence and had experienced career progression.
- 7.20 The counterfactual impact assessment carried out for this study suggests that apprentices' perceptions are well founded. This analysis identified a substantial net impact on incomes for those successfully completing an Apprenticeship framework; **the estimated impact of participation in the Apprenticeship Programme on earnings in the year after the apprenticeship was completed is close to £7,900.**

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<sup>43</sup> This is undefined in the literature, but is assumed to be 55+, according to the ESF definition.

- 7.21 This positive impact on income can be considered positive for tackling poverty, which is particularly relevant as many training providers reported that apprentices often came from less economically-advantaged backgrounds. More than half of providers felt that the Programme actively reduced social exclusion.
- Promoting a skilled workforce, competitiveness and investment*
- 7.22 ESF-funded apprenticeships have delivered an average of 17,950 apprenticeship starts per year over the Programme period, 81 per cent of which led to a completed apprenticeship with a vocational qualification attached. Given that employers interviewed were generally satisfied with the qualifications and skill outcomes of apprenticeships, it is clear that apprenticeships make a significant contribution to the promotion of a skilled workforce.
- 7.23 The two ESF operations fundamentally aim to improve skills in the workforce at two levels:
- **Specific Objective One (SO1)** – To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills, and
  - **Specific Objective Two (SO2)** – To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level.
- 7.24 Of these two, it seems likely that SO2 is being more effectively met, with SO1 seeing lower volumes of apprenticeships than originally intended, as a result of the shifting focus of the Apprenticeship Programme toward Higher Apprenticeships, and the implementation of the All-age Apprenticeships initiative. Some providers and employers pointed out that the reduction funding for Level 2 apprenticeships meant that going forward there would be less impact on those with few or no skills.
- 7.25 In relation to the impact on competitiveness and investment in Wales, the Cost Benefit analysis carried out for this study found a Benefit:Cost Ratio of between 2.37 and 2.55 over a five year time period, strongly supporting the view that the Apprenticeships Programme has significant economic benefits for Wales. Employers rated Apprenticeships very positively for the economic impact on their own businesses, and only slightly less so for the impact on their wider industrial sectors.
- 7.26 There is some qualitative evidence to suggest that, in the absence of the Apprenticeships Programme employers, would have sourced training for their staff in other ways but that the Apprenticeships Programme provided a superior method of doing so. This indicates that a future apprenticeships programme could reasonably

be expected to ask for co-funding or an employer contribution, to maximise the value of government investment.

*Promoting a thriving Welsh language*

- 7.27 The Programme exceeded its targets regarding provision in Welsh-medium and bilingually. Generally, provision of this type was in geographical areas of high Welsh language usage. There is evidence that the Programme could contribute more in this area.
- 7.28 Although all groups interviewed were supportive of bilingual and Welsh-medium apprenticeships in principle, providers encountered significant difficulties in delivery. These especially related to difficulties recruiting suitably skilled training staff and assessors with Welsh language knowledge. Many providers believed demand was low; however, this research suggests that relatively few employers were aware of the availability of this type of Apprenticeship.

*Reduced inequality by gender, ethnicity and disability*

- 7.29 Most providers believed that the Programme promoted gender mainstreaming (55%), many more than believed it promoted increased ethnic minority communities participation (33%). Although the Programme met or came close to all diversity targets, and providers felt that the Programme made real efforts to reduce gender imbalances, many stakeholders felt more could be done. Although the gender imbalance in Apprenticeship provision as a whole is not large, this does not apply at a sector level. Individual employers tended to blame these imbalances on the nature of their sector – a factor they saw as largely beyond their control.
- 7.30 This related to wider concerns regarding insufficient promotion of Apprenticeships to both learners and employers, which many providers and stakeholders felt would help to broaden the appeal of Apprenticeships beyond those employers and groups of learners already involved, increasing both the number and diversity of apprentices.

## **8. Recommendations**

- 8.1 The evaluation found clear strengths of the 2015-19 Apprenticeships Programme design and delivery, leading to a strong cost:benefit ratio, clear benefits for learners and employers alike, and strong performance against most ESF targets. The evaluation also identified several recommendations for improvement. The recommendations made in this report were made to reflect the findings as presented in the report at the time the research was conducted. Given the time that has elapsed between some of the primary research and the final report, a number of these recommendations have already been implemented, others are not relevant at the time of publishing or have been rejected. A procurement exercise for the new Apprenticeships framework is currently in process.

### **Design: Level 2 Cap and Employer Demand**

- 8.2 A tension was identified between the employer-led selection of apprenticeship frameworks incentivised by the Apprenticeship Levy, and the Welsh Government drive for Higher Level and STEM Apprenticeships. Providers were unsure how to handle situations where employers sought Level 2 courses where funding had been capped, and would benefit from guidance from Welsh Government in this area.

### **Design: Level 2 Cap and Progression Pathways**

- 8.3 Providers were also concerned that the capping of funding for Level 2 courses was deterring some learners, leaving them without a route to a Level 3 apprenticeship. Those intending to progress to Level 3 are not subject to the capping of funding, but the level of commitment required of employers and apprentices to take advantage of this exception to the funding cap led to providers interviewed reporting that it was little used. In the light of the decline in participation among younger learners outlined in Chapter 5 of this report, and the shortfall in Apprenticeship starts in Specific Operation 1, this arrangement may need some refinement and clarification by Welsh Government, in consultation with training providers and/or their representatives.

### **Design: Flexibility in Commissioning**

- 8.4 Some Apprenticeship providers are highly dependent on apprenticeship income, making the ‘all-or-nothing’ tendering process high risk for these organisations. Concerns among successful providers related to changing requirements after

commissioning which added unanticipated costs. Therefore going forward, changes to requirements need to be communicated as early as possible and the impact of the changes on providers should be fully realised and accounted for to reduce risk of reduced delivery capacity among providers.

### **Design: ESW and WEST**

- 8.5 Providers found ESW (Essential Skills Wales) and WEST (Wales Essential Skills Toolkit) difficult to implement. They also hoped for a more extensive transition to digital methods of keeping records regarding Apprentices. It might be helpful for Welsh Government to review the design of these elements of the Programme with a view to decreasing burdens on providers.

### **Design: ESF Targets**

- 8.6 ESF targets had a number of shortcomings for the assessment of performance of the Apprenticeship Programme, which could usefully be addressed in future programmes:

- **A lack of regional adjustment for demographics** meaning that (for example) targets for participation among Black, Asian and Minority Ethnicities were not challenging in regions where larger percentages of the population were Black, Asian or Minority Ethnic, but unreasonably high in regions where smaller percentages of the population were Black, Asian or Minority Ethnic.
- **A lack of updating over time with policy change** meaning that the targets did not take into account the All-age Apprenticeship Programme, meaning that some percentage-based targets (e.g. percentage of younger learners) could not be achieved even if the numbers of younger learners were increasing rapidly.
- **More ambitious targets for some aspects** meaning that targets the Programme is exceeding by some margin (such as part-time female apprentices, and apprentices with childcare responsibilities) can reflect the high enrolments among these groups.

- 8.7 Future Programme target-setting should use numeric targets rather than percentages where targets relate to overall delivery of a type of apprenticeship, because the introduction of competing policies (e.g. All-age Apprenticeships) may otherwise conceal the true level of progress made on particular targets. Equalities

percentage targets should make use of regional demographic information, rather than national averages.

### **Implementation: Employer awareness**

- 8.8 In practice, apprenticeship take up is restricted to a small proportion of employers in Wales. Increased employer involvement is particularly important for the promotion of Higher Level apprenticeships which, although on target, have not shown the increase in enrolments envisaged by Welsh Government over time.
- 8.9 Stakeholders felt that providers needed to make greater efforts to engage with employers outside their regular customers. Providers felt that Welsh Government needed to make greater efforts to promote Apprenticeships to disengaged employers. Both are desirable ways to increase employer participation in the scheme, and suggest the need for a co-ordinated strategy to promote Apprenticeships to the majority of employers in Wales currently disengaged with the Programme.

### **Implementation: Welsh language delivery**

- 8.10 Although the Programme met Welsh language targets at a headline level, providers outlined difficulties in finding suitably skilled staff with both the niche technical knowledge that may be required *and* Welsh language skills. The research suggests this is the key barrier to expansion.
- 8.11 Linked to low employer engagement, if providers consider demand for Welsh language apprenticeships to be low, their incentive to invest in language tuition for staff, or higher salaries for staff with Welsh language skills, is reduced. Employer awareness of Welsh language apprenticeship availability could therefore be a specific focus of wider efforts to raise employer take up, as outlined above.

### **Implementation: Gender imbalance**

- 8.12 Female participation in Apprenticeships is particularly weak in STEM and Construction sector apprenticeships. Employers and providers both reported that this was largely due to the distribution of applications received from potential learners. This would suggest that effort is best focused at a school level, in promoting these types of occupations to female learners. This may be best delivered integrated with wider efforts to reduce gender inequality in these occupations, for example working with Sector Skills Councils, with whom training providers already report a good working relationship.

- 8.13 Male participation in Apprenticeships, on the other hand, is weak in Retail and Education sector apprenticeships, and at Higher levels. This suggests that while male participation might be encouraged by a similar school-based approach to that outlined above, there is also a need to promote Higher Apprenticeships and Level 3 to Level 4 progression to potential male learners and their employers.

## Annex A – Apprenticeships Programme Logic Model

<b>Situation</b>	<b>Inputs</b>	<b>Activities</b>	<b>Outputs</b>	<b>Outcomes</b>	<b>Impacts</b>
Jobs of tomorrow will require higher levels of competence than in the past	Oversight and advisory role of Welsh Government and WEFO	Work with employers (including self-employed) to encourage them to offer new apprenticeship opportunities	Skills progression: 100% of participants with no or low skills accessing Level 2 training (Foundation Apprenticeship) 90% of participants with existing Level 2 accessing Level 3 training (Apprenticeship) 10% of participants with existing Level 3 accessing Level 4 training (Higher Apprenticeship)	Improved transitions from education to high quality employment	Skilled workforce with technical and job specific skills at intermediate and higher level in emerging job categories and growth sectors
Skills shortages in growth sectors and emerging job categories	Strategic advisory role of Regional Skills Partnerships, Wales Employment and Skills Board	Undertake initial assessments, including of prior learning and of basic skills	Participation of under-represented groups: 56% of participants female 0.5% of participants older 2.2% of participants ethnic minority communities 6.3% of participants with work-limiting health condition or disability	Reduced barriers to (re-)engagement with work and learning	A thriving Welsh language – one million Welsh speakers by 2050
Relatively low participation of 16 to 19 year olds in Apprenticeships	Programme funding comprising Welsh Government, ESF and matched funding	Discuss framework options linked to learners' job roles and suitability	Apprenticeships for education leavers: 90% of apprentices aged under 25	Improved opportunities for individuals to continue learning through the medium of Welsh	Increased levels of income/reduced poverty for individuals
Under-representation of equalities groups in Apprenticeships, presence of gender stereotyping	Quality assurance through Quality Framework, Estyn inspection system, Provider Audit and Governance regime, and annual provider Self-Assessment Reports	Undertake health and safety assessments	Flexible working opportunities: 2% of participants have childcare responsibilities 0.5% of participants female and working part-time	Improved access to apprenticeships for all ages	Global competitiveness for the Welsh economy
Government commitment to achieve 100,000 all-age Apprenticeships over five years	LLWR data collection, EDMS reports	Operate the qualifications accreditation process involving on-the-job assessments to a defined industry standard	Qualifications: 80% of participants achieving a qualification within the lifetime of the ESF operations	Greater financial security and earning power for individuals	Increased businesses investment in Wales
	Delivery inputs including partnership working, local knowledge and expertise of delivery partners, existing infrastructure to support delivery and 'in-kind' contributions	Arrange or deliver underpinning technical knowledge for the learners (technical certificates / college courses – as required by individual apprenticeship framework)	Completions: 80% of leavers completing the full apprenticeship framework	Improved health and well-being	Reduced inequality by gender, ethnicity, disability
	Equality Champion, Welsh Language Champion	Provide Essential Skills Wales qualifications (as required by the framework) covering communication, numeracy and ICT		Increased employer engagement in apprenticeships	
	Network of training providers	Support apprentices through completion and ensure next step options are considered		Increased employer involvement in shaping learning to meet their needs	
				Strong regional collaboration across learning institutions, training providers and RSPs	

## **Annex B – Calculation of targets**

### **Overall Inclusions and Exclusions**

All apprenticeships eligible for ESF funding, in SO1 or SO2. Apprenticeships not eligible – are not included in any data shown unless otherwise stated (e.g. for purposes of judging progress toward overall WG aims, as opposed to ESF targets).

We use the time period covered by the LLWR/EDMS extract we have been sent for overall targets (April 2015 to July 2019). For year-on-year comparisons, data is shown for April to March years ending in 2019; seasonal variation means that data for the later part of 2019 would be misleading to show. Data for January to March 2015 is not available, and therefore targets for absolute numbers of apprenticeships have been modified to exclude this period, as described in the main text of the report (in Chapter 5).

ESF target calculations include apprentices who were on Programme at 31st Dec 2014, the day prior to the Programme starting, as specified in the ESF Business Plans.

The data includes a small number of respondents not living in Wales prior to their apprenticeship (and a small further group with no postcode who are likely to be – going by the apprenticeship title – at sea).

However, all apprenticeships are taking place with employers located within Wales.

Progress toward numerical (rather than percentage) targets has been judged relative to a notional steady trajectory toward any final target by the Programme end date of December 2023; it is assumed that any changes in end date will not affect the per-month target.

### **Target: Participants Supported**

This is calculated simply from the total number of framework entries on the LLWR extract who are eligible.

### **Target: Completions**

This target is a percentage, calculated by dividing the number of participants completing a qualification (LP41 = 1) by the total number of participants, excluding those:

- Transferring to another provider (LP41 = 12)
- Deaths (LP41 = 5)
- Made redundant (LP41 = 16)
- Stopped within 8 weeks ( $LP55LPEndDate - LP73LPStartDate \leq 8$  weeks)

### **Target: Female Participants**

- The percentage of female participants (LN16 = 'F')

### **Target: Older Participants**

- The percentage of participants aged 55 and over at the start of provision (LP73 Start Date and LN15 Date of Birth indicate an age at start of 55 or over)

### **Target: Black, Asian, and Minority Ethnic Participants**

- The percentage of participants identified as being in an ethnic minority (LN17 Ethnicity = 21 to 80).

### **Target: Participants with a work limited health condition or disability**

- The percentage of participants identified as having a disability or learning difficulty (LP30 ≠ 91) or a long-term health condition (LP56 = 1).

### **Target: Female participants working part-time**

- Female participants, defined as above
- Part time hours are defined as 16 to 29 hours per week, inclusive

### **Target: Childcare responsibilities**

- Childcare – any childcare mentioned at LP80 – used for ESF targets
- Care – any care mentioned at LP80 – used for Welsh Government monitoring

### **Target: Participants aged under / over 25**

- The percentage of participants aged under / over 25 at the start of provision (LP73 Start Date and LN15 Date of Birth combined indicate an age of less than 25 / more than or equal to 25)

### **Target: Participants accessing basic skills qualifications**

- This uses LA47 qualification type. Any course containing a qualification with LA47 = 99, is included in this target.
- We also have statistics for ESW course participation, based on course titles, but this is preliminary and requires verification that courses have been correctly identified.

### **Target: Participants accessing Level 2/3/4+ training**

- Any framework identified as Level 2, 3 or 4 based on LP17.

### **Target: STEM Sector**

- Any sector codes (LP66) where labels start with “Engineering” “Manufacturing” or “Construction – building service engineers”

### **Target: Welsh-medium usage**

- ESF Business Plans are non-specific regarding the definition of Welsh-medium usage in apprenticeship frameworks. However, after consultation with Welsh Government, an apprenticeship framework is considered to be bilingual for the

purposes of this research if at least one component of it recorded on the LLWR has/had significant Welsh usage, which must include both teaching and assessment. An apprenticeship framework is classed as Welsh-medium (as opposed to bilingual) only if all components of it are/were taught and assessed exclusively in Welsh, according to LLWR data.

## Annex C – Full Impact Assessment Regression Results

Variable	Job Entry (logistic)	3 month Job Sustain-ment (logistic)	Earnings, year plus one (linear)	Earnings, year plus two (linear)	Days in employ-ment, year plus one (linear)	Days in employ-ment, year plus two (linear)
(Intercept)	0.071	-0.481	4843.26**	-1472.76	194.20**	-47.10
Treatment	2.001**	1.853**	7865.83**	6375.00**	119.28**	118.19**
Level 2 learning	-1.202**	-1.113**	-8177.82**	-175.03	-87.42**	35.89**
Level 3 learning	-1.196**	-1.026**	-5809.19**	382.88	-74.07**	27.05**
Male	0.057	-0.026	2670.01**	1021.46**	-9.91**	-11.55**
No learning difficulty	0.474*	0.486*	1782.58**	1858.78**	40.94**	45.13**
No Health problem(s)	0.630**	0.576**	1782.83**	620.05*	36.93**	8.34
Age at start	-0.040**	-0.031**	48.89**	96.00**	-1.50**	1.09**
Living in West Wales and the Valleys	-0.074	-0.071	-553.37**	-773.05**	-8.57**	-13.03**
Black Ethnicity	-0.324	-0.291	-2389.93**	-2033.09*	-36.04*	-38.73*
Asian Ethnicity	0.107	0.052	985.63	634.55	8.41	-0.58
Mixed Ethnicity	-0.458*	-0.483*	-752.42	1026.51	-26.26*	10.70
Other Ethnicity	-0.618	-0.427	-524.73*	-1775.64	-8.96	-13.51
Ethnicity Not Known	-0.557**	-0.435*	-1788.61**	-317.37	-28.58*	-7.18
Local gross weekly earnings	0.000	0.000	8.67**	2.71	0.04	0.02
Local employment rate	0.022**	0.023**	-21.34	-41.32*	0.30	-0.13

Note: \* = coefficient statistically significant at the 5% level, \*\* = coefficient statistically significant at the 1% level.