

# MODERN APPRENTICESHIPS

## THE WAY TO WORK

The Report of the Modern  
Apprenticeship Advisory  
Committee

September 2001



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## FOREWORD

To: **The Rt. Hon. Estelle Morris MP**, Secretary of State for Education and Skills  
**Mr Bryan Sanderson CBE**, Chairman of the Learning and Skills Council

The Modern Apprenticeship Advisory Committee was appointed by the then Secretary of State for Education and Employment, the Rt. Hon. David Blunkett MP, in March this year. We were asked to report by the end of September advising the Secretary of State and the Learning and Skills Council on a three year action plan for the development, promotion and delivery of modern apprenticeships. This we now do.

The report must speak for itself, but I wish to say three things in submitting it.

First, the committee has had to work at speed to complete its task in time and this has placed limitations on the scope of our consultations and inquiries. We judge nevertheless that they have been fully adequate to our purpose, given the very extensive consultations already carried out earlier by the Department, the conclusions from which were published in March this year in *Modern Apprenticeships: Consultation Response*. We have had full access to the relevant papers.

Secondly, I speak for the whole committee in saying that we feel greatly indebted to our secretary John West and his assistant David Oatley, for whom constant demands and tight deadlines have been a way of life these last six months.

Thirdly, I record that the Committee has been united in its enthusiasm for the task given it. Timing is all. The creation of the Learning and Skills Council is being accompanied by action to strengthen the National Training Organisations and the emergence of the new Connexions Service. We believe that these events together provide a unique opportunity to establish modern apprenticeships on a lasting basis as a high quality way forward in the development of skills in this country, to the great benefit of employers and young people alike. We trust that our report shows how that opportunity can be seized.



**Sir John Cassels**, Chairman  
28 September 2001

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## GLOSSARY OF ABBREVIATIONS AND SPECIALISED TERMS

<b>AMA</b>	Advanced Modern Apprenticeship, requiring an NVQ at level 3.
<b>BTEC</b>	Business and Technology Education Council, a body which awards qualifications.
<b>Cohort</b>	A year group of young people. Usually they are described in terms of 'academic' age, i.e. '16 year-olds' refers to those whose 16th birthday fell in the previous academic year (between 1 September and 31 August).
<b>DfES</b>	Department for Education and Skills
<b>E2E</b>	'Entry to Employment', a new programme recommended by the Committee.
<b>FMA</b>	Foundation Modern Apprenticeship, requiring an NVQ at level 2.
<b>GCSE</b>	General Certificate of Secondary Education
<b>GNVQ</b>	General National Vocational Qualification, available at intermediate (level 2) and foundation (level 1). The Advanced GNVQ (level 3) has recently been converted to vocational A levels by splitting a previously two-A level equivalent syllabus into two.
<b>Initial Assessment</b>	The process of determining for a given individual, before or on entry to training, what qualification aims will be appropriate and what particular training interventions will be needed in order to achieve them.
<b>Key Skills</b>	Generic skills of: communication; application of number; information technology; working with others; improving own learning and performance; and problem solving. The first three require both evidence of actual application and the passing of external tests. Some GCSE and other existing qualifications act as 'proxies' to permit exemption from the tests or application elements, or both.
<b>LLSC</b>	Local Learning and Skills Council
<b>LSC</b>	Learning and Skills Council
<b>Modern Apprenticeship Framework</b>	A set of requirements drawn up by an NTO which need to be fulfilled for the recognition of training as a modern apprenticeship in the sector concerned.
<b>NTO</b>	National Training Organisation, a body recognised by the government as being competent to speak for an industrial or occupational sector on skill needs, both quantitatively and qualitatively.
<b>NVQ</b>	National Vocational Qualification, testing practical competence on-the-job.
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OFSTED</b>	Office for Standards in Education
<b>QCA</b>	Qualifications and Curriculum Authority
<b>Technical Certificate</b>	A qualification testing specialised occupational knowledge, directed – unlike NVQs – at off-the-job rather than on-the-job training.

# 1. INTRODUCTION

1.1 The Modern Apprenticeship Advisory Committee was appointed in March 2001 to advise the Secretary of State for Education and Employment, and the Learning and Skills Council (LSC), on an action plan 'for the development, promotion and delivery of modern apprenticeships'. Our full terms of reference are at Annex A, as is our membership.

1.2 We met five times during the course of our work. We were glad to receive papers and presentations on various aspects of modern apprenticeships from the Department for Education and Skills (DfES), the LSC, the Adult Learning Inspectorate, the Qualifications and Curriculum Authority (QCA) and the Connexions Service National Unit. We invited and received comments and representations from the organisations set out in Annex B, for which we are grateful. Our chairman and secretariat have visited a number of interested individuals and organisations, including local LSC offices, the Connexions Service, and employers and providers currently offering apprenticeship and

other work-based training. We have made extensive use of statistics and evaluation reports on modern apprenticeships produced by the DfES.

1.3 We commissioned two special pieces of work to inform this report. First, Dr Hilary Steedman of the Centre for Economic Performance of the London School of Economics prepared for us a report on apprenticeship in different European countries to enable us to discern what might be regarded as 'world class' standards. Second, we commissioned, through the Central Office of Information, both quantitative and qualitative studies of attitudes to modern apprenticeship on the part of employers, young people, parents, careers teachers and careers advisers together with professional advice on a marketing strategy. As well as informing this report, the results of this research have been passed to the DfES for future reference. These pieces of work together with the costs of our secretariat involved expenditure of some £250,000.

## 2. OVERVIEW

This report is primarily about delivery. It contains many detailed recommendations which are highlighted in bold in the sections that follow, and listed for ease of reference at the end of the report. We make no apologies for the number of recommendations. Successful implementation consists of doing many small things right. However, the scope and detail of the recommendations does mean that we need initially to set out what we want to achieve and why, and how the sections that follow will help to achieve it. This is what this Section does.

### An apprenticeship system

Apprenticeships build skills. They do so through incorporating three particular features which, together, distinguish them from most other forms of education and training. First, they involve on-the-job training, which gives trainees experience of the day-to-day pressures and conventions of working life. Second, they enable a young person to earn while learning. This is an enormously attractive feature to young people who do not want to study full-time and would otherwise not learn, and quite possibly not work either. Third, and linked to this, they closely involve employers; this gives individual firms an opportunity to fashion the training of apprentices to their own requirements, and gives apprentices the chance not only to train but also to engage in a continuing relationship with an employer.

These features of apprenticeship point to the advantages that a healthy national apprenticeship system brings. It boosts skill levels, particularly in the intermediate skills which have so often been lacking in this country. It helps new entrants to the labour market to find employers as well as learn skills; this is a particularly helpful feature when – as is the case in England – significant numbers of young people are at the margins of the labour market. And it provides a mode of learning as valid as full-time education but radically different from it in style, and so can retain in learning people who would otherwise drop out of it.

As we discuss in Section 3, recent reforms should mean that **we now have the makings of an**

**apprenticeship system which will compare well with leading international practice.** When implemented it will have the following principal features:

First, it will be understood as a national system by adhering to a clear and accepted **national framework** defining basic standards and capable of being readily understood by the people who use it.

Second, it will consist of an integrated mixture of specific occupational competence, underpinning vocational knowledge and general skills attested by widely recognised **diplomas at foundation and advanced level.**

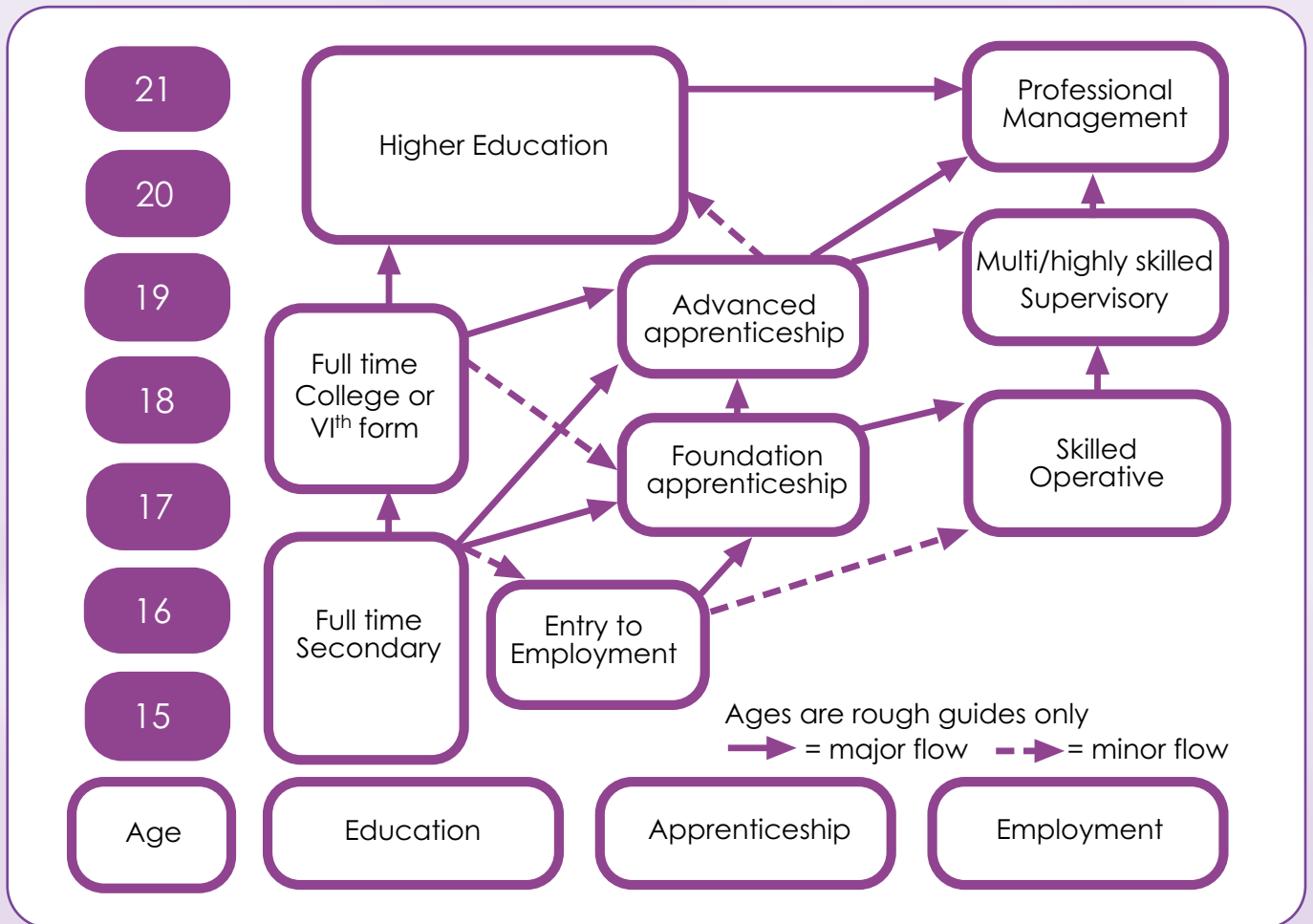
Third, it will be **led by employers**, both through their collective determination of the contents of apprenticeship in different sectors, and through their active participation individually in providing opportunities.

Fourth, it will **positively invite involvement** by helping employers to take part on the basis of well-defined support arrangements and by providing young people and their parents with straightforward information, together with expert assistance for those who need help before they can enter an apprenticeship.

Fifth, it will be **integrated within the national education system and the labour market**, forming a bridge between the two. It will encourage progression from secondary education through a clear entitlement to apprenticeship, and foster progression to higher education through curricular linkages to degrees as well as financial aid to individuals. At the same time it will be a major supplier of intermediate skills to the labour market. The diagram represents what we envisage.

Last, it will in time lead to **widespread participation by young people** in apprenticeships. We believe it realistic to aim to achieve within ten years an annual intake into apprenticeship of 35% of young people under 22. Success will strengthen our workforce skills where too often they have





been weak, and it will put us broadly on a par with many Continental countries with a respectable apprenticeship tradition.

The result of a truly national system on these lines will be:

- It will confirm apprenticeship as a **major route** for young people to further their aspirations for careers which make the most of their abilities while gaining a technical education which opens doors into higher education and professional work.
- It will involve the widest possible **range of participants** in the apprenticeship system: the young people involved will range from those needing help to establish themselves securely in the labour market to those already holding advanced qualifications who aspire to technician, professional and managerial occupations; the employers taking part will

range from firms with well established training systems to small firms which, while able to offer excellent opportunities for young people, will need considerable help in arranging a full apprenticeship programme; and professional support to the apprenticeship system will include advisors to young people in the Connexions Service, established FE colleges and specialist training organisations, with the voluntary sector providing its expertise, particularly in helping disadvantaged young people to access the system.

- It will be **widely respected**: by employers who will see apprenticeship as an essential mechanism for the long-term resourcing of their businesses; by young people and their parents who will see it as an attractive bridge to valued careers; and by government who will see the apprenticeship system as an essential element in ensuring a skilled and educated workforce.

There is much to do to bring this about. Above all, three inter-related problems, which we describe in Section 3, stand in the way: inconsistent delivery; poor management of the system; and lack of information for potential beneficiaries. We then go on, in Sections 4-10 to describe the system we propose, building on what already exists. We believe that, by providing consistency, simplifying administration and ensuring predictable financial support, this system will secure the enduring commitment of employers that is needed to generate a lasting supply of employer places.

## Building an apprenticeship system

There is at present a lack of clarity about the fundamental content that every apprenticeship should contain. This leads not only to inconsistency in delivery, but to inconsistency of expectation by young people and employers. In Section 4 we set out a **national framework for apprenticeship** which makes clear the basic content and expected durations of apprenticeship at the foundation and advanced levels, together with the commitments and responsibilities of the principal parties.

Much work is already in train on building the content of apprenticeship frameworks, following the government's reforms which were confirmed earlier this year. We make proposals for some minor adjustments in Section 5, stress the importance of capturing achievement in **widely recognised diplomas issued by NTOs** and make proposals for ensuring **progression routes to higher education**. We also point to the need for continuous improvement, led by the LSC, and identify **areas where immediate and sustained development work** is needed in order to address genuine problems which are causing difficulties with delivery.

Section 6 deals with the management of the apprenticeship system. The delivery system for apprenticeship is currently fragmented and ill-defined. The advent of the LSC offers major opportunities for establishing it on a clear and firm basis. We emphasise the **roles of the national and local LSCs in promotion and continuous**

**improvement**. We also recommend a structure for local delivery, building on what already exists, but with clearer delineation of the different modes of delivery, of the criteria that should apply to them, and of the funding methods suitable for each.

**Employers who take responsibility for arranging an entire apprenticeship programme** form an important and, we hope, expanding category; they should be offered flexibility of funding and simplicity of administration. But we recognise the need for **high quality support arrangements, through Apprenticeship Agents**, for employers – particularly small firms – who do not have the capacity to arrange all aspects of a programme. We propose two forms of Apprenticeship Agent: one offering clearly defined services for employers who wish to recruit apprentices but who need help in offering a full programme; and the other providing a more gradual transition for young people and employers who need time to build their mutual commitments.

Though we envisage an apprenticeship system which, like the best on the Continent, includes a wide range of young people of different ability, we recognise that help will be needed for some young people who are not able to cope with the demands of apprenticeship. In Section 7 we propose an **Entry to Employment programme**, with distinctive expertise and funding which would specialise in preparing young people identified as needing help either to enter an apprenticeship or, if this is not a realistic aspiration, to settle into other stable employment.

Our longer term aim of securing that 35% of young people progress through apprenticeship is translated in Section 8 into a more **immediate target for 2004 of 28%, or 175,000, young people entering apprenticeship between the ages of 16 and 21**. To achieve this in the next three years will require considerable effort from the LSC and others to secure the necessary capacity, which may require some 130,000 additional places with employers. The indications, though, are that these are obtainable; some of them in fact already exist within the system of work-based training, though not currently of full apprenticeship quality.

The establishment of consistent quality within a national framework and the expansion of places will enable the government, in our view, to **introduce an entitlement to an apprenticeship place for all 16 and 17 year-olds who have five or more GCSEs at A-G, including maths and English.** This threshold will be necessary to ensure that young people with an entitlement have the basic skills to cope with the new technical certificates, though those below this level will be able to qualify for the entitlement through the Entry to Employment programme. Those within the entitlement group who secure places as advanced modern apprentices either directly or after graduating from the Foundation Modern Apprenticeship should be entitled to funding. **This entitlement should be introduced in 2004.**

Our market research has shown that young people and their parents lack in-depth knowledge about modern apprenticeships. Nothing solid can be achieved without much improved **factual information about particular apprenticeships, the careers they lead to and local opportunities to participate.** We make detailed proposals for action in Section 9. **Employers – including, importantly, small firms – need to be engaged** in a far wider and deeper way than at present, through more easily accessible information, support by Apprenticeship Agents and the involvement of employer organisations. **Trade unions,** too, can make an important contribution to stimulating the supply of apprenticeship places. Drawing on professional advice, we make proposals for

**a major national marketing campaign over the next three years,** the cost of which is likely to be in the region of £16m (rather less than 1% of the cost of the programme). We also recommend more widespread celebration of success in apprenticeship, involving **award ceremonies, skills competitions, and explicit recognition for participating employers.**

Finally, arrangements will be needed to keep this action plan under review. In Section 10 we propose an **independent advisory board established by the Secretary of State and the LSC** to monitor progress against the plan and to suggest necessary adjustments to it, reporting periodically in public. Once apprenticeship is more firmly established, we suggest that the government should consider putting its principal institutions on a **statutory basis.**

We are conscious that the recommendations we make add up to **a formidable agenda** for the people and organisations that need to take action, particularly for the new Learning and Skills Council to whom the majority fall. We believe, though, that the LSC will relish and rise to this task; after all, one of the principal purposes of its creation is to bring together many of the previously disparate efforts in developing apprenticeship and post-16 education and training more widely. The building of an effective apprenticeship system in England is in our view precisely the kind of task for which it was established.

### 3. WHAT ARE WE TRYING TO DO, AND HOW ARE WE DOING?

#### What is apprenticeship?

3.1 Before we start to discuss apprenticeship, we need a working definition of what it is, and what distinguishes it from other forms of education and training. The following seem to us to be the characteristics of an apprenticeship, as a distinctive form of personal development:

- an employer agrees to train a person, using the practices, equipment and personnel of his or her enterprise in doing so;
- a mixture of on- and off-the-job learning is involved; and,
- the completion of apprenticeship leads to public recognition that the apprentice has achieved proficiency in a trade, profession or occupation.

This definition applies also to a number of forms of professional training in this country. That serves to emphasise the point that apprenticeship is closely allied to professional formation<sup>1</sup>. In practice apprenticeship tends to apply to the 'intermediate' skill levels at NVQs 2-4, but there is sense in seeing apprenticeship and professional formation as a continuum.

#### Why is apprenticeship desirable?

3.2 Our terms of reference do not require us to make the case for apprenticeship, and it is plain from the circumstances of the establishment of this committee that the government is convinced of the merits of apprenticeship and wishes to see it expand and prosper. We are in full agreement. It is worth stating briefly the main advantages of having a strong apprenticeship system as we see them:

- An apprenticeship system directly addresses the formation of intermediate skills within the economy – something that the Skills Task Force has shown to be a particular weakness. The task force found<sup>2</sup> that in the UK the proportion of 25-28 year olds holding vocational

qualifications at level 2 or above was one-third less than in France and Germany, and was two-thirds less than in Germany at level 3 and above. Not only does apprenticeship directly train people in the skills needed by individual firms, a national system of apprenticeship ensures that the skills are more transferable and less wholly firm-specific than would be the case if employers trained only for their own needs. Additionally, by giving widespread national recognition an apprenticeship system increases the motivation of individuals to gain these skills and to have the resulting mobility in a changing labour market. To develop relevant skills, it is clearly important that apprenticeship standards are closely aligned to the demands of industry.

- Apprenticeships ease the critical but often difficult process of transition between education and work for young people. In particular, they reduce the propensity for young people to suffer unemployment and consequent social dislocation in their early adult years. A recent OECD study shows that the youth to adult unemployment ratio remains low in countries with strong apprenticeship systems, such as Austria, Denmark and Switzerland, as the following table of ratios of youth to adult unemployment shows<sup>3</sup>.

Austria	1.6
Denmark	1.6
Finland	2.3
Norway	4.1
Sweden	2.2
Switzerland	1.7
United Kingdom	2.4
United States	3.0

<sup>1</sup> The OECD have noted that "while the French adjective "professional" and the German word "Beruf" include all types and levels of employment the English term "professional" relates only to upper level occupations and, in particular, the liberal professions."

<sup>2</sup> *Skills for all: Research Report from the National Skills Task Force, 2000, Table 4.2, p63.*

<sup>3</sup> OECD (2000) *From Initial Education to Working Life, Table 2.8.* Germany was not included in this study.

Aiding transition into the labour market underlines the need for apprenticeship places to be available to those who leave school with few qualifications as well as to those who are better qualified.

- Apprenticeship is a means of continuing education while in the labour market. Not only does this mean that young people can 'earn and learn', it also generates enthusiasm for learning as it is plain that this is relevant to immediate challenges at work and for future career development. Successful experiences in apprenticeship encourage people to undertake further learning during their working lives. To this end it is important that apprenticeship includes high quality formal learning and that this can lead on to higher levels of occupational and professional qualifications.

3.3 Apprenticeship has a long tradition in this country. It is plain from our market research (reported at Annex C) that its main characteristics and advantages are widely appreciated, even by many people who have no direct experience of it. This is a strong foundation on which to build, but also one which can be eroded if expectations are not fulfilled.

## International standards

3.4 Our terms of reference invited us to recommend how modern apprenticeships might 'match the standards set by leading nations world-wide'. Characteristics common to those European countries with the most successful apprenticeship arrangements are:

- high proportions of young people entering apprenticeship, drawn from a wide range of school leavers, including both low attainers and those with school qualifications equivalent to A levels;
- a clear structure to apprenticeship, with recognised durations, established by employers and unions collectively;
- a key role ascribed to employers, with mechanisms for them readily to take part, and services to support them in conducting apprenticeship;
- clear obligations and structures for off-the-job education and training, linked to the wider structure of upper secondary education, with written examinations contributing towards the award of apprenticeship qualifications;
- apprentice wages at a low level compared to those of adults, restricting the costs to firms, and allowing them economically to provide training; and
- good information about apprenticeship occupations and places, enabling most young people to find their own opportunities within a well-known system.

3.5 Clearly, with different institutions, traditions and social expectations in England not all of these characteristics can, or should, be replicated here. Nevertheless we consider that many can – and moreover that the necessary structures in this country either exist or are in prospect.

3.6 Under the original modern apprenticeship initiative and particularly with the developments announced by the government earlier this year<sup>4</sup>, we consider that many of the features of international best practice can now, in principle, be developed in Britain, including:

- arrangements whereby industry sectors collectively determine the content and standards of apprenticeships, through the National Training Organisations;
- the introduction of foundation modern apprenticeships which offers the prospect of including a far wider range of young people than was possible under the original 'advanced' programme on its own;
- the explicit inclusion of relevant technical education which is conducted off-the-job and subject to external assessment through the new technical certificates;

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<sup>4</sup> Contained in *Modern Apprenticeships, Consultation Document*, DfEE 2000 and confirmed in *Modern Apprenticeships, Consultation Response*, DfEE 2001

- measures to ensure the continuation of aspects of general education through demands for key skills within apprenticeship;
- means of supporting employers in the delivery of apprenticeship through networks of specialised agents familiar with the procedures; and
- means of advising young people about apprenticeship opportunities through the new Connexions Service.

If these aspects are made to work, and become generally accepted and understood, we believe that we can in time develop an apprenticeship system which stands comparison with those in leading nations. The challenge lies in implementation.

## Our current position

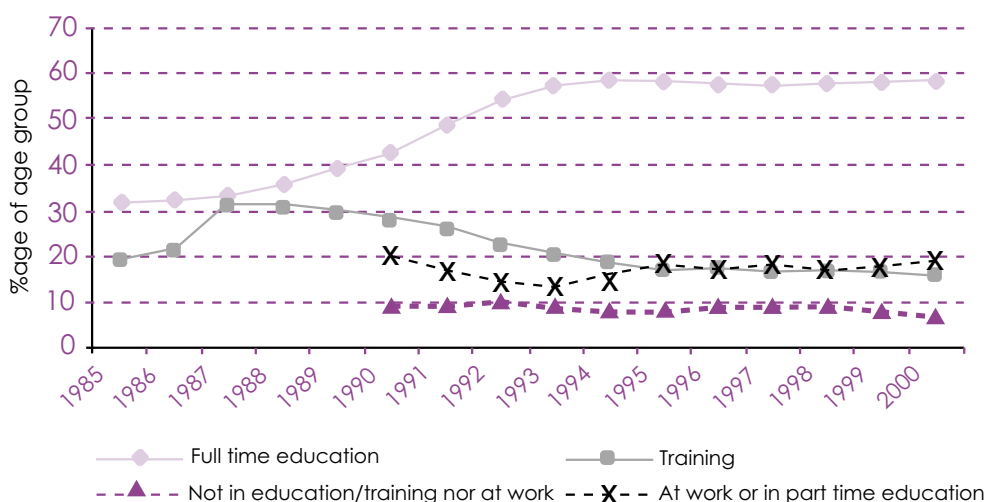
3.7 Despite our apprenticeship tradition, England does not currently have a strong apprenticeship system. It stood in danger of not having an apprenticeship system at all following the collapse of much of the previous system in the 1970s and 1980s. Wider than this, it is plain that there has been a long-term secular decline in the use of work-based learning as a component of immediate post-16 learning, as the chart shows:

In the chart 'training' is by no means synonymous with apprenticeship; it includes measures such as the Youth Training Scheme of the 1980s and training supported entirely by employers which we know is often limited in scope<sup>5</sup>.

3.8 As a proportion of the total numbers undertaking government-supported work-based training, modern apprenticeship has increased from 60% in March 1999 to 80% in March 2001. Overall, over a fifth of young people now enter a modern apprenticeship before the age of 22 (nearly half of whom undertake an AMA). Nevertheless, with the low base of work-based training as a whole, and the wide spread of ages at which individuals enter, there is a real sense in which apprenticeship remains marginal within our education and training system. In particular:

- Learning while working is a relatively rare experience for the typical teenager, undertaken by only about 1 in 6 at seventeen. This absence of a 'critical mass' is an important factor when it comes to offering apprenticeship to young people, who often start from the point of view that embarking on an apprenticeship is a rather unconventional choice within their peer group.

Participation of 17 year olds in education and training



<sup>5</sup> *Work-Based Training for Young People*, by Joan Payne (DfES Research Report RR276, 2001) shows that young people in employment and receiving training from their employers have limited courses (p. 27), usually not leading to a qualification (p. 47).

- Despite the introduction of modern apprenticeships in 1995, and the increase in the quality of training that this involved, work-based learning has not increased in terms of up-take amongst 16-17 year olds, even if there is growing interest by 18-23 year olds and their employers.
- The advent of modern apprenticeships has not noticeably affected the proportion of young people who do not participate in education and training and who are not at work, even at a time when jobs generally have been plentiful.

3.9 It is marginal in another sense. Only around half young people entering apprenticeship complete it, even in the limited sense of gaining the NVQ associated with it. The latest data show<sup>6</sup> attainment rates of 49% for advanced modern apprenticeships and 41% for the more recent foundation stream. We have been told that considerably fewer complete the full current model, including the required key skills, though no figures are kept on full completions.

3.10 To an extent non-completion results from changes of choice by young people, dissatisfaction by the young person with the employer or vice-versa, and from business or personal circumstances. However over a quarter of 'early leavers' remain with the same employer that originally offered the apprenticeship, and a further 20% go to different employers though doing the same kind of work<sup>7</sup>. The great majority of early leavers appear to have enjoyed their time on apprenticeship, thought they had learned a lot, and have secured employment. Despite these positive experiences, though, it seems that in many cases little value is attached, either by young people or employers, to the full apprenticeship. It appears to be a helpful vehicle to attain their ends, but marginal in terms of a recognised structure for training and the

completion of education. Indeed many young people and employers participating in apprenticeship have little notion of the requirements of the apprenticeship framework in the first place. It seems that in many cases participation by both the main parties is on a somewhat informal basis.

3.11 It does not have to be like this. In Germany some two-thirds of the age-group enter apprenticeships and the great majority complete them successfully. In Denmark about a third of young people enter apprenticeships and some 90% complete their programmes. In France recent reforms have reversed a long-term decline in apprenticeship numbers.

3.12 Since 1998, modern apprenticeships have been subject to inspection, along with more general work-based training funded by the government. There are clearly examples of very good practice, but too often inspectors uncover patently poor arrangements. Common problems with apprenticeships include weak initial assessment and induction; key skills tackled only at the end of courses (and therefore for early leavers often missed entirely); failure to take advantage of the opportunities for on-the-job training and assessment, often through poor liaison with employers who are not well informed about what is needed; and lack of information about, or interest in, achievement and completion rates. It is instructive that well over half of programmes inspected contained problems which were worrying enough to require re-inspection within a short period; it is even more instructive that as many as 90% had remedied these problems by the time of re-inspection.<sup>8</sup> Again, it clearly does not have to be like this; the lesson would seem to be that with good feedback and good management, problems can be rapidly resolved.

<sup>6</sup> DfES Statistical First Release 28/2001.

<sup>7</sup> *Modern Apprenticeships: Exploring the Reasons for Non-completion in Five Sectors*, IFF Research (DfEE Research Report RR217, 2000).

<sup>8</sup> *Reaching New Standards, Annual Report of the Chief Inspector 2000-2001*, Training Standards Council

3.13 Information about apprenticeship is chronically lacking throughout the system:

- Many NTOs do not know which providers of training are offering apprenticeships to their specifications – this means that they cannot communicate with them about updates of their frameworks, still less consult them.
- No-one, outside the network of providers, knows which employers are participating – this means that marketing efforts are hampered, recognition cannot be given, and communication needs to be indirect.
- Many apprentices do not even know that they are apprentices<sup>9</sup> – they can hardly act as champions, stick up for their rights, or be aware when they have or have not completed.
- Though 63% of young people aged 14-17 claim to be aware of modern apprenticeships, and a similar proportion of their parents, it is apparent from our qualitative research that few have a concrete idea of what is involved, or how to access a place. Much the same is true of employers. Only 28% of parents believed that the option of apprenticeship had been presented to their child.
- Nobody knows how many people complete apprenticeships, so that determining the extent of success or steering remedial action is not possible in any methodical manner.

There is also some confusion about the role of the organisations that provide assessment, off-the-job training and other services to employers and young people to facilitate apprenticeships. These organisations are commonly known as ‘training providers’, but as we say in Section 6, we believe that, so far as apprenticeships are concerned, they are more appropriately termed ‘agents’. Their role is to advise and assist the parties to the apprenticeship, not to act as independent principals. The term ‘agent’ avoids any misunderstanding vis-à-vis the role of employers who are, of course, the actual providers of apprenticeships.

## Conclusion

3.14 We have, therefore, the elements, either currently or shortly in prospect, of an apprenticeship system which will stand comparison with those in the rest of Europe. At its best, even now, it can and does result in attainment by young people of excellent standards. But currently it is frankly marginal to the national life. The reasons it is so are that it has been:

- inconsistently delivered;
- poorly managed; and
- poorly known about and understood.

These are all things which can be remedied, and the remainder of this report contains our recommendations for doing so.

3.15 The following three themes underlie our thinking in tackling these issues:

- A firmer notion of the essential elements of apprenticeship needs to be promulgated. This will aid public understanding and set helpful parameters around the management of the system. In the next section, therefore, we propose a *national framework for apprenticeship*.
- For similar reasons, there needs to be clearer understanding of the means for *delivering and supporting apprenticeships*.
- Accurate and useful *information about apprenticeship* needs to be widely disseminated, particularly to young people, their parents and advisers, and to employers.

These all concern building the national infrastructure for the delivery of apprenticeship. The advent of the Learning and Skills Council, with its unified national remit, means that reforms and improvements have the prospect of being systematically carried through. Though, in line with our terms of reference, we propose targets for participation in apprenticeship three years hence, we are all agreed that the task of establishing a truly modern apprenticeship system which makes the full contribution to national life of which it is capable will take a decade or more.

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<sup>9</sup> *Modern Apprenticeships: a survey report by the Training Standards Council, 2000, p10*



## 4. A NATIONAL FRAMEWORK FOR APPRENTICESHIPS

4.1 Apprenticeship is simple in concept. But it involves a wide range of parties: young people and those who advise them; employers and the agencies that support them; trade unions; institutions which provide relevant off-the-job training; national organisations concerned with setting standards and recognition; and also, of course, government as both funders and regulators of the system as a whole. Given this array of legitimate interests and interlocking roles it is important that there should be a clear national framework to define the parameters and essential content of the system. In this section, we first set out the essential points in such a framework, which we hope reflects much commonly accepted ground, and then discuss certain aspects which go a little beyond existing policy.

### The framework

4.2 **Policy and financial responsibility.** Ultimately policy and financial responsibility for the support of modern apprenticeships rests with the Department for Education and Skills as the government department responsible for the whole State education and training system in England. We recommend, however, that **the prime responsibility for developing, promoting and delivering modern apprenticeships should be assigned by the Department to the Learning and Skills Council (LSC), which should be accountable to the Department for its performance and should annually secure the support of the Department for its forward plans.**

4.3 **Continuous improvement.** The LSC and its 47 Local Learning and Skills Councils (LLSCs) will thus have a pivotal role in securing the success of modern apprenticeships. This will extend far beyond merely running an effective administrative machine: it will be concerned with the continuing improvement of quality judged not only by British but by international standards, with promotion (especially to employers and young people), with high quality delivery and with the wider effectiveness of arrangements both nationally and locally. **The LSC and the**

**LLSCs must be appropriately staffed and organised to carry out this role, which will require a positive attitude to innovation and a determination to learn continuously from both successes and weaknesses in implementation.**

4.4 **The national framework for modern apprenticeships.** Absolutely central to every successful apprenticeship is the relationship between each employer and apprentice. This has not always been understood since the introduction of modern apprenticeships and the time has come for **the LSC to establish a national framework for modern apprenticeships which will clarify their nature and strengthen the basic relationship between employer and apprentice. This will need to cover the following ground:**

**Apprenticeship agreement.** Every modern apprenticeship should involve a signed apprenticeship agreement between an employer<sup>1</sup> and an apprentice. Before signing the agreement employers should satisfy themselves of the ability of applicants to complete the apprenticeship successfully, and applicants should be fully aware of the commitment entailed by apprenticeship.

**Apprenticeship Agents.** The employer may seek the help of an Apprenticeship Agent registered with the LSC in carrying out responsibilities set out in the framework. Apprenticeship Agents should accept throughout an apprenticeship that their role is to advise and assist the parties to the apprenticeship, but not to act as independent principals.

**Probation.** The first eight weeks of apprenticeship should be regarded as a period of probation, and the apprenticeship agreement may be terminated by either party without notice or imputation of bad faith during that period.

**Individual training plan.** At the start of the apprenticeship the employer should agree

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<sup>1</sup> This may include employers acting collectively.

with the apprentice an individual training plan covering the period of the apprenticeship. The plan will provide for both on-the-job training with the employer and off-the-job learning arranged either by the employer or an Apprenticeship Agent.

**National Training Organisations (NTOs).** The requirements for entry to an apprenticeship and the attainments required for successful completion of an apprenticeship should be laid down by NTOs for the sectors in which apprenticeships are provided. NTOs should comply with the following requirements in relation to apprenticeships for which they are responsible.

a. **Foundation Modern Apprenticeships (FMAs).** Age of entry should be 16-19 (unless the Connexions or Employment Services have specifically endorsed older trainees as being able to benefit). Guidance on the attainment needed for acceptance for entry to an FMA should be a matter to be decided by the NTO. Normal duration of an FMA should be specified by the NTO, but the minimum duration acceptable for completion should be at least one year. The minimum standard for successful completion should be attainment of NVQ level 2 in the relevant occupation, plus satisfactory off-the-job attainments, i.e. key skills designated by the NTO (at least at level 1 in number and communication)<sup>2</sup> and the relevant technical certificate (or attainments accepted as equivalent or better by the NTO). Successful completion should secure the award of a Foundation Modern Apprenticeship Diploma by the NTO.

b. **Advanced Modern Apprenticeships (AMAs).** Age of entry, 16-24. Guidance on the attainment needed for acceptance for entry to an AMA should be a matter to be decided by the NTO. This should normally admit those who have successfully

completed a relevant FMA. The normal duration of an AMA should be laid down by the NTO, but the minimum duration acceptable for completion should be two years. The minimum standard for successful completion should be attainment of NVQ level 3 in the relevant occupation, plus satisfactory off-the-job attainments, i.e. key skills designated by the NTO (at least at level 2 in number and communication) and the relevant technical certificate (or attainments accepted as equivalent or better by the NTO). Successful completion should secure the award of an Advanced Modern Apprenticeship Diploma by the NTO. There should be provision for an accelerated option within the AMA, with a duration of not less than one year, for 18-24 year old entrants who have already attained the key skills laid down for AMAs in the occupation concerned.

**Flexibility in duration of modern apprenticeships.** The requirements in paragraphs (a) and (b) make possible some flexibility in the duration of apprenticeships. It is not intended that the minimum periods should automatically be regarded as the goal of fast learners. Longer periods may be desirable to ensure that learning is consolidated and made secure by practice. The opportunity can also be taken for a fast learner to increase the amount learned (and recorded in the apprenticeship diploma), for example by taking an additional NVQ (customer service is an obvious possibility) or learning a foreign language, and this should be encouraged. **For a slower learner, or for an apprentice who has to re-take a test, it should be possible for the period of apprenticeship to be extended by agreement between employer and apprentice (and, where there are funding consequences, the LLSC).**

**Equal opportunities.** There is already in existence a Modern Apprenticeships Equal Opportunities Action Plan, which was launched in June 2000.

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<sup>2</sup> We discuss key skills requirements at paragraphs 5.4 and 5.5.

**The national framework should affirm support for the plan and its implementation should be vigorously followed up by the LSC and LLSCs.**

There is a need to encourage and help members of ethnic minorities to take advantage of apprenticeship opportunities and also to break down often long-standing gender stereotyping that prevents young people from entering apprenticeships in occupations for which they have the necessary aptitudes.

**Registration with LLSCs and NTOs. Every apprenticeship should be registered by the LSC.** It is obviously necessary for each LLSC to keep accurate track of apprenticeships which it supports and for which it bears financial responsibility. Access to the register is necessary for the Connexions Service, which will wish to be sure how young people whom they have advised are progressing.

Apprenticeship Agents should also register the apprenticeships they support with the relevant NTOs. NTOs will wish to monitor the progress of the apprenticeships for which they are responsible and also to be able to notify employers of any changes in the requirements relating to apprenticeships in their sector. The national framework should make this clear.

**Higher education.** Finally, **the national framework should refer to the opportunities for apprentices to progress into higher education, whether immediately after or even during an advanced modern apprenticeship.** The development of Foundation Degrees will open up many new opportunities for able young people who have completed an advanced modern apprenticeship, and this needs to be widely known, not only by young people contemplating apprenticeships, but also by all who have the responsibility of advising them, including their parents.

## Commentary

4.5 This framework contains some features which extend beyond current policy, and we should offer our reasons for proposing these. All are in the interests of providing rather firmer structures than are currently established:

- There will be merit in establishing a nationally consistent probationary period. There would appear to be a range of practices at present, with the result that some apprentices on the FMA enter in a non-employed capacity, and continue in this manner for all or most of their apprenticeship. An accepted probationary period should make it feasible for apprentices to attain employed status after probation, enabling those for whom this may not be offered, or who determine that they are not suited to the occupation in question, to find an alternative position sooner rather than later.
- We propose an upper age limit of 19 for entry to the FMA. Young people without the entry requirements for an AMA will need to start on the foundation stage by that age if they are to have the prospect of progressing, and we doubt that an FMA on its own will be likely to add significantly to the attainment or prospects of young people beyond the age of 19. We envisage, though, that older trainees might enter if the Connexions or Employment Services specifically endorse that they would be likely to benefit.
- We propose minimum durations of one and two years respectively for completion of the FMA and the AMA, but NTOs can be expected to recommend longer periods as normal.
- We propose a specific option for accelerated AMAs for those over 18 who already possess the key skills required for a framework. This should encourage able young people leaving school or college at 18 to take an apprenticeship with the prospect of early access to a diploma, act as a spur to rapid skill acquisition by such people, and give them incentives to attain the necessary key skills earlier on.
- **Once apprenticeships for younger people are well established, the government should consider the case for opening AMAs to suitably qualified or experienced adults who would wish to undertake an apprenticeship to acquire the skills they need to secure or change their jobs.**

Other aspects and consequences of the framework are elaborated later in this report.

## 5. THE CONTENT AND CERTIFICATION OF APPRENTICESHIPS

5.1 Our terms of reference invite to us to make recommendations on how to increase the knowledge and understanding that young people gain as part of their modern apprenticeship, and how to ensure that the modern apprenticeship diploma is valued and relevant. In the course of our work we also noted a number of areas where development work in training methods was particularly needed.

Content of apprenticeship

5.2 The government has taken steps to increase significantly the amount of knowledge and understanding covered in apprenticeship. It has done this through the requirements for key skills, made considerably more rigorous through external testing, and for technical certificates embodying explicit vocational knowledge, again externally assessed, in each apprenticeship framework. As we say in Section 3, we consider that the successful implementation of these new elements will mean that apprenticeships in England will stand comparison with those in leading apprenticeship nations. We now make some remarks about each of the three qualification components of apprenticeship, the national vocational qualification (NVQ), key skills and the technical certificate.

5.3 In general NVQs give a satisfactory base of standards for the important on-the-job elements of apprenticeship. Naturally they need to be updated from time to time and this is an important task for NTOs. We are aware, though, that some large employers have on-the-job training and appraisal schemes which are built on the same principles as NVQs, but which are tailored to their own enterprises. We recognise that it is disruptive for such employers to have to train to a slightly different set of competences for that small minority of staff who are apprentices. We recommend therefore that **employers who have a direct contract with the LSC for modern apprenticeships should be able to train to their own scheme where this has been approved by the NTO as being at the same level, or more**

**demanding, than the NVQ required in the framework. Such 'approved schemes' should involve periodic external verification of systems and a sample of individual results in the same manner as an NVQ, conducted by an awarding body familiar with such procedures.** An individual would therefore be eligible for an apprenticeship diploma where he or she had been appraised under an approved scheme and gained the relevant technical certificate and key skills. Training under an approved scheme would not, however, result in the issue of an NVQ – firms considering an approach would need to consider whether the lack of an offer of an NVQ might constrain their recruitment of able young people. We would restrict this facility to firms with a direct contract of apprenticeship since these employers evidently wish to imbed apprenticeship into their long-term human resource management systems; companies which participate through an agent may not be able to make that commitment, and, with relatively few apprentices, the young people concerned may not be well served by being the only ones within a larger group who do not have an NVQ.

5.4 In devising their frameworks, NTOs determine which *key skills* to require. However, for an AMA the achievement of the level 2 key skills qualifications in communication and application of number is the minimum for any framework for those trainees who have not attained a grade C in GCSE in maths and English. The same should hold in respect of level 1 key skills for the FMA for trainees who have not gained a pass in GCSE maths and English (as we propose at paragraph 4.4). We recognise that in the case of the FMA this goes rather further than has so far been announced by the government, but we consider that for the future careers and active citizenship of young people entering the FMA it is important that these basic skills are attained. Of course, the great majority of young people will already have this level of attainment before they enter the FMA.<sup>1</sup>

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<sup>1</sup> *The Youth Cohort Study* shows that over three-quarters of entrants to the FMA have five or more passes at GCSE, including maths and English.

5.5 We are aware that a number of training providers are concerned about the demands being made for key skills, and particularly about the arrangements for external testing. Others claim that the so-called 'wider' key skills (working with others, improving own learning and performance, and problem-solving) should feature in frameworks, perhaps instead of the skills that do. Subject to the minimum thresholds set out in the national framework in Section 4, NTOs should be free to lay down which key skills, and at what level, are required for competence and career progression in their sectors. Without wishing to fetter their discretion in doing so, we would counsel that:

- In the light of the new and rigorous tests for key skills, NTOs might consider whether in some cases the current threshold for key skill attainment is calibrated too high, bearing in mind that many frameworks were established when assessment of key skills was entirely conducted by means of portfolios.
- Before making demands for the explicit certification for the 'wider' key skills (which will add to the assessment burden), NTOs might consider whether demands for these skills are in any case made within the NVQs and other requirements of their frameworks.
- Well designed technical certificates will themselves make demands for relevant key skills. Where an apprentice needs to undertake a technical certificate which clearly encompasses, and externally assesses, the skills of application of number or communication or both, it will not be reasonable to require them also to take a separate assessment. We therefore recommend that **where the QCA is satisfied, after proper scrutiny of the requirements of a technical certificate, that the qualification also assesses a particular key skill, young people who gain that technical certificate should be recognised as having also gained the key skill for the purpose of their apprenticeship framework and its related diploma.**

5.6 *Technical certificates* offer the prospect both of significantly upgrading apprenticeships and of forming a basis for able apprentices to progress

to higher education in a subject linked to their chosen occupation. Managing their implementation will be an important task over the next three years, and it will need to be carefully monitored. There are two aspects to this: first, ensuring that development work proceeds to time in designing the qualifications, together with the necessary supporting materials and training arrangements for the staff who will deliver them; and, second, ensuring that the courses leading towards them are actually available locally, since it will not be enough to assume that the current range of apprenticeship providers will generate or identify such courses on their own. To that end we recommend that:

- **The LSC and the QCA establish a mechanism using information from NTOs and awarding bodies to track the development of technical certificates in each sector, whereby they regularly notify LLSCs, colleges and Apprenticeship Agents of the prospective timetable for implementation in the various sectors.**
- **LLSCs assure themselves that the capacity will exist in colleges and other specialised learning providers to deliver courses leading to technical certificates in each framework offered in their areas. This should be done on an annual basis using the schedule of technical certificates anticipated for the following year.**

5.7 In many sectors there are well-established courses of vocational education which will, with minor adaptation, fulfil the aims of the technical certificate. In other sectors there is a firm notion of the vocational knowledge which underpins practice, and that will form the basis for the development of a technical certificate. But it may be that in some sectors, there is no such obvious basis. Rather than rushing to develop technical certificates 'out of thin air', we recommend that **NTOs which are in genuine doubt about what the contents of a technical certificate should be should consider nominating a relevant intermediate GNVQ or vocational A Level to act as a technical certificate until such a time as they have a solid basis for developing a more specialised qualification**, if indeed they find

that the GNVQ/vocational A level does not serve the purpose.

5.8 It is important that technical certificates within the AMA offer the prospect for successful students to progress to relevant higher education courses. **The QCA should encourage NTOs and awarding bodies to seek advice from higher education institutions with expertise in their sectors on what aspects might be incorporated into technical certificates in order to facilitate progression. In similar vein, the DfES should encourage higher education institutions developing foundation degrees to seek advice from relevant NTOs so that, where possible, the degree builds on qualifications earned through apprenticeship.**

5.9 Finally with regard to the content of apprenticeship, we have considered the case of able young people who quickly attain their technical certificate and key skills during the course of their programme, or indeed have already attained them before they enter, for example entrants aged 18 and above who had completed a technical certificate alongside a vocational A level while in full-time education. In such instances we would hope that they might start a higher education course – perhaps a foundation degree or a Higher National Certificate – on a part-time basis while undertaking the on-the-job training necessary for their NVQ. We therefore recommend that **the Connexions Service and Apprenticeship Agents should draw the attention of young people to opportunities for professional study in higher education related to their apprenticeships and that where young people have previously gained the relevant technical certificate and employers are willing to release them, the LSC should pay the necessary higher education tuition fees for the first year** as an alternative to funding the technical certificate to which the young person on apprenticeship would otherwise be entitled. If necessary, statutory powers should be secured to enable the LSC to fund higher education courses in this manner.

5.10 With the emergence of new industries and occupational specialisms, together with changes

in the skills demands within existing apprenticeship frameworks, it is important that these frameworks and their constituent qualifications should be kept under review by NTOs, both in the light of changes in business methods and of experience in implementing apprenticeships. Decisions about whether to generate a new framework to cover a small and specialised occupation will not be straightforward, and there should be no presumption that each and every occupation should eventually have an associated apprenticeship framework. Frameworks which have very small numbers of entrants each year are likely to present difficulties for quality assurance, and there will be problems in the economic delivering of technical certificates and NVQ assessments when numbers of trainees and employers are very small. Therefore, though there will be occasions when entire new frameworks are needed, in most cases NTOs should instead consider developing optional components within existing frameworks in order to accommodate small specialised occupations, making use of the core and option features of NVQs.

## Certification

5.11 We understand that the QCA will advise later in the year on the nature and delivery of the modern apprenticeship diploma, and so our recommendations on this matter will properly be subject to more detailed consideration by the QCA. However, it is clear from our market research that the prospect of meaningful qualifications is a very important incentive for those considering entry to modern apprenticeships. From the point of view of promotion and esteem, therefore, it is critical that the notion of an overarching diploma for apprenticeships becomes quickly known amongst young people and their parents, is simply styled to aid rapid national recognition, carries credibility within individual sectors, and is capable of representing the different attainments that trainees will gain during their apprenticeships. To achieve this, we recommend that:

- **The credential issued to mark completion of the FMA should be known as the 'Foundation**

**Modern Apprenticeship Diploma' and that for the AMA should be called the 'Advanced Modern Apprenticeship Diploma'.**

- **The diplomas should be issued by, or on behalf of, NTOs, indicating clearly the framework in which success has been gained, but otherwise conforming to a common format.**
- **The employer or Apprenticeship Agent should ensure that apprentices continuing beyond the probationary period are registered with the relevant NTO.**
- **The diplomas should record the NVQ, key skills and technical certificate gained as required in the NTO's framework, together with the name of the apprentice's employer; and further awards gained during the course of the apprenticeship should also be recorded.**

## Development work

5.12 The LSC is not just a planning and funding institution. It aspires, and needs to be, an organisation which actively facilitates good practice in post-16 education and training. In doing so, it can call on the services of bodies such as the Learning and Skills Development Agency, as well as its many experienced local officers and practitioners with whom the latter are in regular contact.

5.13 In our consideration of work-based learning for young people, we reached the view that **the LSC should take urgent action to identify, develop and disseminate good practice in the following areas:**

- **The development of individual learning plans and their subsequent follow-up.** Some agents devote considerable energy to good effect in customising a learning programme to the needs of a young person in the light of their particular employer, highlighting areas where skills can be developed as part of the job, and making arrangements to cover those areas where special inputs are needed. Other providers are content to generate a more or less standard 'plan' for all entrants. Development work is needed to pinpoint good practice, and to spread it.

- **The effective integration of key skills learning into apprenticeship programmes.** It is clear to us that the delivery of key skills is currently a major problem for providers of apprenticeships. At worst (which we deprecate) the skills are left to the end of programmes for financial reasons or because they are considered as 'difficult'. But there is genuine debate as to whether it is best to mount explicit programmes of instruction in the key skills, or whether, rather, the right approach is to highlight opportunities for gaining these skills during the activities that naturally arise during an apprenticeship programme. Urgent development work, building on the existing key skills development programme, is needed to find and disseminate high quality solutions to this problem.
- **The effective integration of work on technical certificates and their testing into apprenticeship programmes.** Similar issues are likely to arise with regard to technical certificates, and the LSC, through its development arms, should be alert to these with a view to having the capacity quickly to identify good practice in delivery and disseminate it throughout the system.
- **The accurate and sensitive assessment of young people for whom pre-employment training may offer a way forward into an apprenticeship or other employment.** As we discuss in Section 7, courses are needed to cater for people who need assistance before entering apprenticeship and also for those for whom apprenticeship is never likely to be a realistic option. Inspectors have generally questioned the expertise that exists in initial assessment, and nowhere is this more important than where there is doubt about what young people can be expected to achieve and what special help may be needed to help them to do so. Focussed work is clearly needed to draw on the best practice already available, and to experiment with new techniques. Again, the outcomes should be widely disseminated as soon as possible.

## 6. DELIVERY OF APPRENTICESHIPS

6.1 The methods of delivery of apprenticeship are currently extremely varied. This is not surprising since apprenticeship has, until this year, been managed by 72 Training and Enterprise Councils, each with their own funding arrangements and policies on delivery. While there is merit in a certain flexibility in delivery, there is an obvious need now for the LSC to establish a common approach throughout the country. In doing so, it will be vital to secure enduring employer commitment so that a lasting supply of high quality employer places is established. This will require not only consistent application of the national framework, but also simplicity of administration and predictable financial support.

6.2 In this section we discuss first the tasks that need to be undertaken by the LSC, at national and local level, and then the arrangements for providing apprenticeships through different modes of engaging employers. Finally we consider what information is needed to manage apprenticeship programmes and how it should be gathered.

### The LSC

6.3 **In order to carry out fully its responsibility for developing, promoting and delivering modern apprenticeships, we consider that the LSC:**

- **should develop, in consultation with NTOs and other partner organisations, a consistent long-term strategy for the development of modern apprenticeships;**
- **should lead national marketing campaigns dedicated to apprenticeship, supported by DfES and with the assistance of NTOs, ensuring that properly branded and accurate information is freely available throughout the system;**
- **should agree with LLSCs their plans and the funds available to support them;**
- **should monitor progress closely and investigate promptly areas, whether geographical or sectoral, where weaknesses appear, and develop action to remedy them;**
- **should lead the development and dissemination of high quality solutions to problems at critical points in the system;**

- **should monitor and promote equal opportunities within apprenticeship; and**
- **should foster throughout the system a culture of commitment to continuous improvement in the quality of apprenticeship as seen both by employers and by young people.**

6.4 Such activities involve each of the main operating directorates of the LSC, and it will be of critical importance that they act together. It is not our business to recommend organisational models within the LSC, but at the very least one senior officer should be identified as having the overall lead on apprenticeship, and mechanisms should be put in place to ensure that officers in the different commands meet periodically to co-ordinate their activities. We make recommendations later on the monitoring of the action plan.

6.5 The LLSC is the pivot for the delivery of apprenticeships. It is its task to 'make it happen'. Its task needs to go much further than funding. It needs to ensure that there are sufficient places, which means that it must both plan forward and actively promote. It needs to ensure that each of the parties to successful delivery – employers, off-the-job providers and Connexions – are in touch with each other and share accurate information. It needs to monitor progress against plans and to take remedial action when necessary. And it needs to promote continuous improvement in terms of quality, through regular reviews of providers (which we are encouraged to learn the LSC has already started), promoting the training of trainers, and ensuring that those providing apprenticeship are in touch with relevant national bodies and are given opportunities to share practice one with another. While it may sensibly delegate some of these tasks, there should be no doubt that the accountability for their successful conduct resides with the LLSC, and not with the 'provider'. **In order to conduct these tasks effectively, each LLSC should have a clearly designated senior officer, with a job title common to all LLSCs, responsible for apprenticeship, supported by staff specialising in quality improvement and marketing the programme. The local Council itself should**



**receive regular reports on apprenticeship, and its members should be encouraged to advise on promotion, and participate actively in it.**

## Providing apprenticeships

6.6 Until three years ago there was no national inventory of the organisations providing or facilitating apprenticeships, and we gather that both the LSC and the DfES have struggled to establish a clear picture of their budgets and places offered. We undertook work to classify these organisations by type, building on data held by the Adult Learning Inspectorate. There are some 1300 organisations concerned, a number offering programmes in more than one LSC area. Perhaps surprisingly, only 5% of places were accounted for by employers; the average number of places offered by each of these is just over 50. Chambers of Commerce and group training associations (organisations established by employers collectively and governed by them) account for a further 8% of places. Thus only a small proportion of apprenticeships are 'employer-led' in the sense that employers take the lead in establishing the full apprenticeship programme, either individually or through group arrangements which they control collectively.

6.7 The largest single group of organisations involved in the provision of apprenticeships are the private training providers, who account for nearly 50% of all places. These are private sector companies which do not directly employ apprentices themselves, but which provide a range of expert services to employers who do take on apprentices, services without which an employer would not feel able to shoulder the responsibilities which employing an apprentice involves. These organisations in some cases have business interests outside the provision of training services, but for most training is their main interest and source of revenue. Further Education Colleges account for 20% of all places (though colleges also provide off-the-job training for many other young people). Not-for-profit organisations (other than Chambers of

Commerce and group training associations) account for some 10% of apprenticeships.

6.8 These organisations operate in many different ways. Sometimes they invite applications from young people and then introduce them to participating employers; sometimes they seek employers with eligible young people already employed and invite them to join an apprenticeship programme. Some provide specialist off-the-job training themselves, while others steer apprentices to relevant courses in local colleges. Most are registered with awarding bodies such as City and Guilds and conduct or verify assessments towards NVQs during their visits to apprentices on employers' premises, but some procure this through a third party. Financial arrangements also vary widely. Each organisation receives a payment from the LSC in respect of each trainee, according to a published tariff<sup>1</sup>. But what is done with that money is up to the provider. The great majority expect employers to pay a wage to apprentices and to provide on-the-job training without subsidy. In general the costs of off-the-job training, recruitment services, periodic visiting and assessment and certification of NVQs are met by the provider, who may pay a third party to conduct some of these functions. In some cases employers are asked to meet some of these costs.

6.9 These arrangements, though admittedly providing for a great deal of flexibility, mean that:

- It is not possible to make a general statement to potentially interested employers about whether or not they will actually get a grant towards providing an apprenticeship.
- It is not possible to make a general statement to employers explaining exactly which services will be offered by a provider, and which of these they might need to pay for.
- Because providers offer different services, there is no clarity as to what functions particular providers are actually expected to perform. This may inhibit methodical quality review and development.

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<sup>1</sup> This is currently a simplification, since for the first year of operation the LSC has 'cushioned or damped' payments according to the tariff to limit rapid divergences from the training providers' previous budgets.

- There is an obvious financial incentive for providers to limit off-the-job training and frequent reviews, since – so long as inspectors do not pick up quality problems<sup>2</sup> – they will gain the full payment from the LSC in any case.
- Most important of all, there is a risk that providers will control the actual process of apprenticeship to such an extent that the relationship which is crucial to all apprenticeships – that between employer and apprentice – is to some degree undermined.

6.10 We have debated whether there is advantage in retaining the structure of training providers. At first sight other leading apprenticeship countries do not have such arrangements; the employers simply follow an on-the-job training syllabus, while releasing trainees on a regular basis for prescribed off-the-job courses, and for necessary skills and written tests. On closer examination, though, it becomes clear that many of the functions of the training provider in this country are in fact undertaken by statutory agencies on the Continent, whether the Chambers in German-speaking countries, or colleges in Denmark and the Netherlands. These functions include briefing and support for employers in conducting on-the-job training, the arrangement of off-the-job training and assessment of trainees.

6.11 Our conclusion is that the role performed by training providers is important, and that there would be little advantage in a major, and inevitably disruptive, change to place it on a statutory or wholly public sector basis, as is typical on the Continent. However we consider that **the LSC, over time, should seek to develop the provider structure, so as to make it clearer what functions are expected to be performed by each organisation, and to design funding regimes which reflect their roles.** This will aid public accountability and understanding by employers and young people as to what to expect from these organisations. Such a ‘migration’ should be

gradual and the outlines of models which we propose below will no doubt need adaptation in the light of experience.

6.12 The first category is that of employers individually or collectively undertaking to arrange apprenticeship programmes entirely themselves. In many ways this is the ideal model<sup>3</sup> and should be encouraged wherever possible. We propose earlier (paragraph 5.3) that employers with advanced in-house training programmes might substitute these for the NVQ with the agreement of the relevant NTO. The LSC has already devised arrangements whereby national employers can enter a central agreement to provide apprenticeships in many different areas of the country. **The LSC should seek further ways of offering simplicity of administration and flexibility of funding arrangements to employers capable of offering a full apprenticeship programme. Such employers should normally expect the costs of off-the-job training towards the technical certificate to be met by providers approved by the LSC for that purpose and drawing funding direct from the LSC, but should be able to opt instead for a set payment to include all off-the-job training which they would arrange.**

6.13 We are clear, however, that only a limited number of employers will be able, or will wish, to provide apprenticeships entirely on their own. For smaller employers particularly, the services of agents are needed to make the delivery of high quality apprenticeship programmes feasible. This role requires explicit recognition, and we recommend **that LSC should introduce a system of registering approved Apprenticeship Agents whose help an employer may seek in carrying out the responsibilities set out in an apprenticeship framework.** Agents should accept throughout an apprenticeship that their role is to advise and assist the parties to the apprenticeship, but not to act as independent principals (see paragraph 4.4).

<sup>2</sup> The inspection cycle is once every four years.

<sup>3</sup> This category earns, on average, better inspection grades than other providers.

6.14 We have in mind **two main types of Apprenticeship Agent: employer support agents**, whose prime function will be to provide apprenticeship services to support particular kinds of employer; and **programme-led agents**, whose prime function is to give young people initial apprenticeship training culminating in an apprenticeship agreement with an employer for each apprentice. Each would have rather different patterns of delivery, characteristics and criteria for recognition, and modes of funding. These build on, and give a structure to, the main models which already exist, but which are not clearly delineated or publicly understood.

6.15 The distinguishing characteristic of *employer support agents* would be that, acting on behalf of the LSC, they facilitate apprenticeship for employers who would not otherwise be able to participate. They might or might not provide elements of off-the-job training. **In terms of criteria for recognition, they should have:**

- **an identifiable group of employers in each occupation that they offer;**
- **an active stance to attracting further employers;**
- **a practice of fully briefing employers on the contents of apprenticeship and making their role and obligations clear to them;**
- **a regular and frequent system for keeping in touch with apprentices and their employers to assess progress and to revise plans; and**
- **a preparedness to refrain from working with employers who do not fulfil their obligations.**

**These agents should receive a set sum for the services they provide, namely promotion, recruitment of trainees, briefing of employers, helping to develop individual training plans, assessment and trainee support. The sum should be worked out with regard to typical costs of these activities; the costs together with the expected levels of service on which they are based should be published. The LSC should consider the merits of making incentive payments, through employer support agents, to employers whose trainees gain an**

**apprenticeship diploma. Courses leading to technical certificates, tuition in key skills, or higher education should be funded separately, with providers of such courses drawing funding from the LSC in the same manner as they would for students outside apprenticeship.**

6.16 *Programme-led agents* would operate quite differently. The rationale is as follows. There is clear demand from young people for specialised occupational training in colleges (at any time, some 50,000 under-19s are undertaking vocational courses other than GNVQs and BTECs at level 2), and in some cases this is constructively matched with relevant work experience. There is evidence that some students and their families, including particularly some from ethnic minorities, prefer a programme which is initially based in an educational setting. A combination of vocational education and relevant work experience is not distant from apprenticeship; indeed it would be hard to deny an apprenticeship diploma to someone who had gained a technical certificate and key skills in college and who subsequently took an NVQ while in employment. Such arrangements should be brought clearly into the scope of modern apprenticeship in England, though with clarity as to the mode of learning involved.

6.17 We believe that such an arrangement would suit some students who may be reluctant or initially poorly equipped to enter employment with a specific employer. It would also be likely to appeal to some employers who prefer rather more mature entrants who have gained a background in the occupation concerned before they enter employment in it, and to some employers who find it difficult to release trainees for off-the-job training.

6.18 A programme-led apprenticeship would start in a college or other institutional setting and young people would work for the technical certificate and lay the groundwork of key skills, perhaps with some more general vocational education and preparatory training towards the NVQ. Thereafter work experience, perhaps initially in a range of workplaces, would be followed by employment as an apprentice

towards the end of the programme, when the NVQ would be the major object of attainment. As well as the overall minimum periods for apprenticeship that we propose in Section 4, these programme-led arrangements would require a minimum of six months' employment as an apprentice in the case of the FMA and of nine months' employment for the AMA. A student would need to have a contract of employment with a specific employer before becoming eligible for an apprenticeship diploma.

6.19 This mode of apprenticeship might also be developed for some young people who specialise in a vocational subject before 16. They could start work towards a technical certificate and key skills needed for the FMA while still in compulsory education, progressing to the employment component after leaving school. This opens up the possibility of entering an AMA shortly after leaving school.

6.20 Programme-led agents would typically be Further Education Colleges or other providers capable of undertaking specialised off-the-job training in an institutional setting. **In terms of criteria for recognition they should:**

- **be able to offer training relevant to a wide range of occupations with supporting courses of general education;**
- **have the capacity for intensive support in key skills;**
- **have access to a wide range of local work placements;**
- **make regular contact with trainees during on-the-job spells;**
- **have a capacity for the initial assessment of trainees and continued pastoral support; and**
- **have extensive community links in order to be able to arrange periods of employment with public and voluntary organisations to complete on-the-job requirements not covered elsewhere.**

**These agents would draw down funding for the off-the-job elements, and receive a further grant for the procurement and support of on-the-job elements with employers.**

6.21 Programme-led apprenticeships have a further potential advantage. The evidence we have is that at present it is reasonable to think that the number of employers willing to offer apprenticeships can be expanded relatively easily to meet any likely demand. The advent of an entitlement to apprenticeship (discussed in Section 8) and also changes in market conditions could at some future time lead to shortages in particular areas or sectors. The existence of programme-led apprenticeship provision which can readily be expanded should help to overcome these; and in the last resort it might be open to the LSC to offer financial incentives to employers who provide extra places for the final period of on-the-job training.

6.22 Generally LLSCs should accept offers of places from employers who wish to, and who have the capacity to, contract direct for the whole of an apprenticeship programme, helping them through suggesting providers of off-the-job training and assessment services. These, however, are likely to constitute a minority of places. In planning the necessary number of apprenticeship places in their areas, LLSC will need to fashion a balance of employer support agents and programme-led agents, taking account of the occupations offered by each and existing agents of proven quality. We make no recommendations as to the relative intrinsic merits of employer support agents and programme-led agents, but the considerations that LLSCs should bear in mind in determining a balance will include the following:

- Employer support agents are likely to offer strengths where employers, including small firms, have traditions of training and positively wish to influence its nature.
- Employer support agents will generally be appropriate in sectors and areas where young people have made definite occupational choices and employers are keen to recruit young people at an early stage.
- Programme-led agents are likely to offer strengths where employers or young people desire an introduction to the relevant occupation and its underpinning vocational

knowledge before embarking on the on-the-job component.

- Programme-led agents will generally be appropriate where young people are initially unsure of occupational selection, and where employers prefer a gradual introduction to future employees.

Centres of Vocational Excellence in further education colleges are likely to be able to offer the basis for acting either as employer support agents (where they work in support of a set group of employers in the relevant occupation), or as programme-led agents (where they are recognised by local employers as providing a relevant initial training and in identifying suitable potential employees). Though there will be exceptions, in general LLSCs may well find it uneconomic to recognise both programme-led and employer support agents in the same location and for the same occupation.

## Management information

6.23 The task of the LSC in managing a coherent apprenticeship system, is a very sizeable one. It will need good management information, and it is very plain that at present this is lacking. The critical purposes that information will need to serve are:

- planning the necessary places each year in each locality, in conjunction with the Connexions Service;
- monitoring take-up, both overall and by different groups of young people;
- enabling LLSCs to keep track of the apprenticeships they support, through their registration with the LLSCs, as we recommend at paragraph 4.4;

- ensuring that young people are properly registered with NTOs;
- establishing where employer demand is weak, in order to inform marketing efforts; and
- measuring attainment within the system in order to address problems of quality and non-completion.

6.24 We are aware that the LSC is developing its approach to management information across all the different types of provision that it supports, and we have not attempted a comprehensive specification for apprenticeships. We would, however, recommend that the following elements, which are currently lacking, be incorporated:

- **There should be a common system throughout the country for the planning of apprenticeship places, with advance notification by the Connexions Service to the LLSC of the prospective number of young people who wish to enter apprenticeship, by locality and by occupational grouping, and notification by the LLSC to the Connexions Service of the number of available places in each locality, again broken down by occupation.**
- **Details of all employers participating in apprenticeship should be held by the LLSC, coded by locality and the frameworks they offer. This database should be available to NTOs and the Connexions Service.**
- **Records should be kept of the number of apprentices who complete their full apprenticeship as part of the LSC's individual student record system.**

## 7. PRE-EMPLOYMENT AND 'OTHER TRAINING'

7.1 Our terms of reference require us to report on arrangements for the phasing out of 'Other Training' following the Secretary of State for Education and Employment's announcement that no new entrants for this programme should start after September 2002.<sup>1</sup> Analysis of the provision known as 'Other Training' in the DfES categorisation shows that is aimed at two main groups: those undertaking some kind of preparatory training for entry to the labour market or apprenticeship, and those who seem capable of undertaking an apprenticeship, but for whom one is not available or who have not been steered towards one. We consider each case in turn.

### Pre-employment training

7.2 Not all young people leaving compulsory education are able to meet the demands of apprenticeship immediately, and in fact it proves an unrealistic aspiration for some even with further learning. Some 20,000 young people last year started programmes of work-based training aiming for qualifications at below NVQ level 2, it having been certified by Careers Services that this was the most appropriate aim for them. In addition, there are many other young people, notably within the group who are not in employment or training at all, who do not come forward or for whom there is no suitable programme, whom we would wish to assist into employment where possible by apprenticeship; many of them have low levels of prior attainment, social or behavioural problems which stand in the way of sustained participation, or limitations on their innate ability. Though with reforms to the compulsory education system the numbers of such young people may be expected to decline, they will still exist. Moreover the new demands within apprenticeship for key skills and technical certificates may present added problems for some of these young people.

7.3 For these reasons we have no doubt that programmes of training aimed at preparing young people for employment, whether or not in

apprenticeship, are needed; they currently exist, but are not clearly identified as such, with the result that there is often unhelpful obscurity as to what they aim to achieve and their distinction from apprenticeship itself. Their lack of a specific identity has also inhibited the specialist staff development that is undoubtedly required, and has meant that they have been funded in a similar fashion to other work-based programmes, with undesirable effects.

7.4 We consider that **there should be pre-employment provision to cater for those who are not ready to enter apprenticeship or other employment. It might be known as 'Entry to Employment' (E2E)**. These programmes would have the following features:

- They would undertake expert assessment of trainees referred to them, to determine what the barriers to entry into apprenticeship or other employment are and how best to resolve them (see our recommendation at paragraph 5.13).
- They would provide for each trainee a programme by means of which such problems can be addressed through, for example, life skills training, tuition in basic skills and judicious exposure to real working environments.
- They would assess on an ongoing basis, and in conjunction as necessary with the Connexions Service, whether a young person is ready to enter apprenticeship or other employment, and if so help to secure an appropriate place. In the case of young people progressing to apprenticeship the E2E provider might be asked by the Connexions Service to offer initial support (for example in basic skills or counselling), on a tapering basis.

7.5 E2E providers should be carefully selected by the LSC as organisations with whom it would engage on a long-term basis since this is an area which will require the building of considerable expertise. Providers should have the characteristics of: active links with local agencies able to access young people not able or willing

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<sup>1</sup> *Education into Employability: the role of the DfEE in the Economy*: January 2001.

to engage in employment; expertise in the assessment of young people with special needs or problems; the ability to build rapport with individual young people with a wide range of obstacles to employment and learning; linkages with local agencies able to give professional help with particular problems (for example housing problems); and the ability to foster relationships with local employers attuned to the needs of young people with difficulties in seeking or retaining regular jobs.

7.6 E2E providers should not be required to follow a common syllabus or pursue set qualifications for those referred to them, but **would offer a range of occupational and social training, selecting the most appropriate mix for each trainee. Basic skills (equating to GCSE passes at maths and English) should however be pursued with most young people who have not attained this standard.** Where providers judge it sensible to enter young people for NVQs at level 1 or 2 in order to build confidence and make young people familiar with the qualifications process, this should certainly form part of an individual's programme, but should not be required in every case.

7.7 We consider that E2E providers should be funded on a different basis than employers and agents offering apprenticeships where funding is largely dependent on the numbers actually in training; indeed, such providers should not be encouraged to recruit the maximum number of young clients and retain them as long as possible, as their main purpose is to secure transition for those most in need. Rather, **LLSCs should estimate the likely need for E2E provision in particular areas and fund the reasonable costs of the capacity required to accommodate this need, adjusting the capacity and necessary costs on a year-to-year basis** in the light of the numbers actually referred to E2E and progressing to apprenticeship or employment. The LSC should, over time, compare the costs, throughput and success rates of similar providers around the country and use such information as a benchmark for raising standards and adjusting costs.

7.8 Excellent specialist providers of this kind already exist, particularly in the voluntary sector. These providers will want to build on their expertise in reaching disadvantaged young people and engaging with them. They particularly need to develop a high level of expertise in initial and formative assessment. Tuition in basic skills is a further expert task for this client group. Since these providers will be comparatively few in number and may often be geographically isolated one from another, **the LSC should network with them to enable them to learn from each other's experience, develop curriculum approaches, and devote special attention to developing initial assessment techniques.**

7.9 Even with expert assessment and preparatory training, there will be many young people who are referred to E2E who will not be able to undertake a full apprenticeship; the evidence of other European countries as well as our own suggests that some 10% of all young people, and perhaps more, are likely to be in this category. It would be quite wrong in these cases for individuals to be entered for programmes which it was known that they would fail. **In the case of young people considered after assessment and/or initial training not to be capable of progressing to apprenticeship, the E2E provider should devise a programme designed to result in settled employment.** Such a programme might include progressively longer periods of work placement with employers who are ready to co-operate. If an NVQ would aid the aim of gaining employment then this should be pursued, but it should not be a requirement; there will be cases where different qualifications may be more appropriate, or where the pursuit of any formal qualification would constitute a diversion from the main task.

7.10 It is important that those referred to E2E have real problems which prevent them from taking up an apprenticeship or entering a job at once. And it is vital that only those who are genuinely considered incapable of undertaking an apprenticeship embark on training for employment only. For these reasons we recommend that **all young people undertaking**

**programmes with E2E providers should do so on the basis of a decision specifically endorsed by the Connexions Service. The Connexions Service should also specifically endorse later judgements that particular young people are not realistically likely to be able to undertake an apprenticeship.**

## 'Other Training' at Level Two and above

7.11 Some 36,000 young people started training last year outside apprenticeship frameworks with the aim of attaining NVQs at level 2 or above; half of them were not employed, but rather classed as trainees. In part this sector reflects the remains of the transition between Youth Training and Modern Apprenticeship, which has proceeded faster in some parts of the country than others, and the numbers in this 'residual' provision have reduced considerably recently, falling by two-thirds over the past two years. There are clear dangers, though, that this kind of provision, if it continues, will serve as a relatively easy, publicly subsidised, alternative to apprenticeships for those employers and young people wishing simply to escape the demands of a proper apprenticeship. If it remains, therefore, it could serve to undermine apprenticeships. In considering this sector we have been conscious of three main legitimate purposes which it might serve, and concerned to ensure that these are catered for in a different manner:

- To an extent it caters for those young people who are not equipped to undertake the key skills or technical certificate components of modern apprenticeships, but who are able to undertake an NVQ at level 2 or above. Such young people should be assisted by the E2E programme just described.
- In some areas it may provide for young people who, though able, are unable to find an apprenticeship place. We consider that the provision in Section 6 that we refer to as 'programme-led' will serve such people in a more satisfactory manner. Rather than simply enter a place of employment as a trainee, they should embark on a structured programme leading to key skills and the technical certificate while intensive efforts are

made to find them an employer, with the advantage that in the meantime they will have gained real skills.

- It may also provide some opportunities for the acquisition of a qualification for those in employment whose employers are reluctant – for whatever reason – to allow them to undertake an apprenticeship. While we would, of course, wish to try to convince any such employers of the merits of apprenticeship, we should face the possibility that they may not participate, and consider that in these circumstances it is better that the young person should have the opportunity of training towards a more limited qualification rather than none at all. **We therefore recommend that the LSC should provide a facility, through Apprenticeship Agents, to meet the assessment (but not the training) costs of NVQs at level 2 or above of young employees.**

## Timing

7.12 We believe that the proposals set out above, if acted upon promptly, should enable the LSC to meet the government's aim of phasing out 'Other Training' and replacing it with more suitable provision for entrants after September 2002. This timescale will, though, represent a particular challenge to the LSC, and there are likely to be a few instances where 'Other Training' has formed the basis of occupational training for sectors with no apprenticeship framework that employers consider relevant. It may take time for the LSC, working with such sectors and with the appropriate NTOs, to develop alternative apprenticeship arrangements, and it would not help the wider development of apprenticeship if such arrangements were prejudiced by undue haste. We therefore recommend that **the LSC National Office should urgently identify particular sectoral work-based training schemes for young people at present in force which it is unlikely to be possible to put on a satisfactory long-term basis before September 2002, and that the DfES should accept that in these cases support for work-based training short of apprenticeship should continue for a limited period.** We anticipate that such cases should be few and clearly identified as exceptional.



## 8. TARGETS AND ENTITLEMENTS

8.1 In the next section we propose a considerable marketing effort. To direct that, we need a sense of the scale of endeavour needed, and benchmarks as to success. Linked to targets is the idea of an entitlement to apprenticeship; the government has a manifesto commitment to introduce this<sup>1</sup>, and though we were not specifically invited to make recommendations on the nature of an entitlement, the matter is evidently closely tied to the establishment of overall targets for the modern apprenticeship programme.

### Targets

8.2 In establishing plans three years hence, which is our particular remit, we felt it necessary to consider on a rather longer time-scale what our hopes were for the eventual place of apprenticeship within the education and training system.

8.3 Over the long term success in developing modern apprenticeships would mean that all young people who have both the wish and the capability to undertake an apprenticeship successfully will do so. **A reasonable longer term target would be for 35% of young people each year to enter modern apprenticeships** – broadly the proportion of young people who do so now in Denmark and the Netherlands, though considerably less than that in Germany and Austria. If 35% of our young people entered apprenticeships before they were 22 by the year 2010, then – taking into account the increased size of the cohort of young people – we would expect over 230,000 new entrants to apprenticeship each year.

8.4 In Section 2 we depict a strong apprenticeship system (which participation at Continental levels would undoubtedly give us) combined with a sizeable full-time education stream to 18. Under such a system each young person who left school at the earliest possible age would take an FMA, leading either to skilled operative employment, or – if they were capable

and willing – to an AMA (some might obtain an AMA immediately). At the AMA stage they would be joined, at approximately the same age, by their peers who had continued in full-time education, but who were not immediately university-bound. Many of these would take the accelerated version of the AMA which we propose in Section 4. Graduates of the AMA would go to craft and supervisory jobs, or to technician and management posts, often undertaking a higher education course as part of the process.

8.5 This system would have the benefit that there would be a possibility of higher education for all, even for those who left full-time education at the earliest possible point. Our market research tells us that the possibility of entry to higher education is important for a very wide range of young people and their parents; indeed there have already been young people who have taken modern apprenticeships at 16 and progressed into higher education.

8.6 There is much to do to make this prospect a reality. Rather over 20% of young people at present enter modern apprenticeships at the age of 21 or under, i.e. around 140,000 per year, and the proportion completing successfully is very much lower. In our view it would be reasonable **to adopt a target for 2004 of 28% of young people entering apprenticeship before the age of 22, i.e. some 175,000 young people aged 16 to 21 entering a modern apprenticeship for the first time in the year beginning September 2004.** That would constitute a firm start consistent with reaching our longer term goal of 35%, or over 230,000 entrants, by 2010.

8.7 This target, amounting to a 25% increase in entrants in three years, will be challenging for the LSC, and will not be achievable without a determined promotional effort, which we describe in the following Section. If the current balance of re-entrants and older trainees is maintained, then room will need to be found for a further 45,000 recruits each year. And, assuming

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<sup>1</sup> *Ambitions for Britain: Labour's Manifesto 2001* stated that 'we will ensure there is an apprenticeship place for every young person who reaches the required standard'.

that our proposals for minimum durations for apprenticeship, combined with higher rates of completion, the effects of technical certificates and the LSC's new funding system add 20% to the average length of stay, then by the end of 2004 over 130,000 new apprenticeship places offering employed status will be needed, a 70% increase over the existing number. This will require a major effort to build capacity and we explain below how it might be achieved.

8.8 There are currently some 190,000 modern apprenticeship places with employed status. The first task in any attempt to increase up-take is to upgrade as many as possible of those work-based training places which are outside the apprenticeship system so that they provide good quality modern apprenticeships instead. That is essential both to make an attractive offer of demonstrable quality to young people and, as we argue, to prevent inferior alternatives from undermining apprenticeship. **We recommend therefore that efforts to September 2002 concentrate especially on the substitution of modern apprenticeship places for 'Other Training' at level 2 and above.** That will involve establishing around 36,000 new apprenticeship places.

8.9 The second task is to ensure that all apprenticeship places carry employed status (using the facility for probation we recommend in the national framework). The esteem this brings to young people and the commitment it demonstrates by employers have been important facets in establishing the original modern apprenticeship initiative, and it is important that this be carried through into FMAs, where currently a quarter of trainees do not enjoy employed status. Expanding apprenticeships through having more non-employed trainees on employers' premises would be likely to create suspicion by young people and parents that this is a temporary 'make-work' measure, and therefore to be self-defeating. The second major task therefore is **by September 2003 to ensure that all apprenticeship places have employed status.** This

will involve converting 27,000 places to employed status; it may well prove possible to persuade employers who have hitherto had non-employed apprentices to offer employed status in future, if it is clear that this is an accepted part of the national framework.

8.10 In this way around a half of the necessary places for the increase in participants that we propose for 2004 could be found from employers already participating in work-based training in one form or another. The other half would need to come from enhanced marketing efforts. We believe there is very considerable capacity and latent willingness amongst employers to offer apprenticeships. Currently only about 6% of all employers are involved in apprenticeship<sup>2</sup>, rising to a modest 17% of those with more than 25 employees. Over half of the employers involved only have one apprentice<sup>3</sup>. It is plain, therefore, that if even only one in ten firms took an apprentice, and if a proportion of the firms which already had an apprentice could be persuaded to take another, the number of places required could readily be met. It is also apparent that LSC areas differ considerably in the degree to which employers participate in the programme. Nationally there are just under ten modern apprenticeship places for each 1000 employees, but this proportion varies by area from over 15 to less than five. And it is far from the case that it is the most prosperous areas which have the largest number of places; indeed the area with the highest proportion of places is Merseyside, and London has the lowest. All this leads us to believe that there is considerable scope for increasing the number of available places, if suitable young people can be persuaded to take them up.

8.11 We have concentrated on the number entering apprenticeships. Obviously the number completing them is as important, if not more so. But as there are currently no national data on the numbers completing apprenticeships, other than that it cannot exceed the half or so who attain

<sup>2</sup> *Learning & Training at Work*, 2000, DfEE Research Report RR 269

<sup>3</sup> *Evaluation of Modern Apprenticeships: 1998 Survey of Employers* DfEE Research Report RR 94'.

an NVQ, there is no basis on which to set a future target. **However we recommend that a target for apprenticeship completions should be established by the LSC, in discussion with the DfES, when data becomes available** from the collection of completion statistics that we recommend in Section 6.

## Entitlements

8.12 **We recommend a basic entitlement to a modern apprenticeship place for young people aged 16 or 17 who have five GCSEs (at grades A to G) including maths and English. This entitlement should apply also to those assessed as suitable for apprenticeship as a result of an Entry to Employment course and who have attained the key skills of communication and application of number at level 1. This basic entitlement should come into force from September 2004.** While all efforts should be made to secure places in the occupations desired by young people, the entitlement could not realistically apply to the first choice of every young person.

8.13 We recommend a threshold of basic ability before the entitlement is triggered, because, particularly with the advent of technical certificates as part of apprenticeship, entrants will need to be able to undertake some theoretical study, and it would be both wasteful and cruel to entice young people into courses when it was clear that they did not have the basic ability to succeed. We note earlier that in Continental countries it is common that apprenticeships do not extend to some 10% or so of the most disadvantaged, and we should not expect apprenticeship to extend to absolutely all in this country, though the opportunity to attain the threshold through Entry to Employment courses will create a pathway into apprenticeship for young people who do not initially have the necessary basic qualifications. **All young people who are considered by the Connexions Service to need an E2E programme should be entitled to a place from September 2002.**

8.14 It would be wrong to bring in the entitlement to apprenticeship before employed apprenticeships are the rule; to do so would carry dangers of manifestly 'second class' places provided purely to meet a guarantee. We also think it would be wise to develop what we have called programme-led apprenticeships which will be more suitable for some of those who would be within the scope of the entitlement.

8.15 We would ideally wish to extend the basic entitlement to encompass the right to be found a place on the AMA for young people at 16 and 17 with higher-grade GCSEs. We do not, though, feel confident enough to do so, since we have yet to see the entrance requirements that NTOs have been asked to suggest, and – at the advanced level – it is likely that rather different abilities will be required in different occupations. However, **in 2004 the LSC should review the feasibility of an entitlement to a place on the AMA for 16 and 17 year olds with 5 good GCSEs including maths and English**, in the light of experience in moving towards the basic entitlement, and the guidelines on entrance requirements to the AMA that NTOs by then will have developed.

8.16 Even though we cannot at this stage recommend the guarantee of a place on the AMA, we do believe that the government and the LSC should make it clear that financial support will be available to underpin an AMA place gained by young people aged 16 and 17, and by those who enter an FMA at this age and 'graduate' successfully from it. We therefore recommend that **young people aged 16 or 17, and those young people who successfully complete an FMA at the age of 19 or earlier, should be entitled to financial support in an AMA should they secure a place with an employer. This entitlement, too, should obtain from September 2004.**

## 9. PROMOTION OF APPRENTICESHIP

9.1 In this Section we consider two aspects of the task of promoting apprenticeship – the provision of *factual information* about the nature of different apprenticeships and how to access them, and the task to be undertaken in *building the apprenticeship brand*. We also consider what should be done to promote the *celebration of achievement* in modern apprenticeships.

### Factual information

9.2 Though many people claim to have heard about apprenticeship it is evident from our market research that it is poorly known to any depth. This is true of employers, young people and – particularly – parents. Even some professional staff, such as careers teachers and careers advisers have difficulty in knowing what an individual apprenticeship actually consists of, or how to set about finding an apprenticeship opportunity. Very considerable effort needs to go into the provision of accurate and relevant factual information. We make no apology for the very detailed nature of a number of the recommendations that follow; this is specific and practical territory but it may well be that not only the weak take-up of apprenticeships but also the propensity for early leaving may be largely due to simple lack of information – studies show that modern apprentices have tended to follow rather circuitous routes in getting on to the programme<sup>1</sup>, and our market research shows that many young people have little idea about the length of commitment. Lack of information on the part of employers, too, may explain why some will take apprentices off training before completion – they may not have a firm notion of what completion entails. In short, better information will play a critical part in tackling the two main weaknesses of modern apprenticeship – early leaving and low participation.

9.3 The first task is to have readily available material describing what the different kinds of apprenticeship consist of. Some conscientious careers teachers are inhibited from recommending an apprenticeship simply

because, unlike full-time post-16 courses, they do not know what the 'syllabus' is. Parents, too, are understandably wary of encouraging their children to embark on something without a reasonably clear idea of what it involves. We therefore recommend that:

- **The LSC should commission from the NTOs a clear description, in a factual style and to a common format, of the contents of each framework in a manner which can be understood by interested teachers, Connexions Service personal advisers and employers. NTOs should also produce descriptions of their frameworks aimed at young people and their parents.**
- **These descriptions should be printed in a series of leaflets with a common house-style and also lodged on a central website managed by the LSC, and NTOs should display the descriptions on their websites.**
- **Stocks of the leaflets should be distributed to careers teachers, the Connexions Service, the Small Business Service and Apprenticeship Agents. Folders containing the series of leaflets should be distributed to school Careers Libraries.**

9.4 The idea of progression, both to higher education and up an occupational hierarchy is a powerful one among young people and their parents. It is encouraging that they do not, in the main, associate apprenticeship with a decision not to enter higher education, or as something for those who are not academic. It is important to build on these perceptions, and in order to do so **NTOs should produce simple descriptions of the career paths within their sectors, including details of wage rates and employment opportunities, and also routes to relevant higher education courses and professional development opportunities for those who might wish to pursue them after an apprenticeship.**

9.5 As well as information about what apprenticeship consists of, there needs to be

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<sup>1</sup> *Evaluation of Modern Apprenticeships: 1998 Survey of Young People*, DfEE Research Report RR 93, For example, this study found that over 20% of modern apprentices had been in employment without training before becoming involved with the programme.'

good local information about the actual opportunities which are available. Since employers are such an important part of the system, since knowledge about the involvement of a number of employers is likely to encourage others, and since young people and their parents are likely to be interested in the employers which offer apprenticeship, details of participating employers should be widely known. At paragraph 6.24, we recommend that all employers who offer apprenticeship places should be registered with the LSC, and that the LSC should code these places by framework and locality and distribute consolidated lists to the relevant Connexions Service offices. **The LSC should also support a system which includes a website where the vacancies offered by employers, their Apprenticeship Agents and frameworks offered can be viewed, with details as to how to apply for each one and links to the national information (described above) on the content of frameworks. The Connexions Service should publicise this website.**

9.6 Though, overall, participation in apprenticeship is relatively evenly balanced between young men and young women, there are stark imbalances in particular sectors (see Annex D), reflecting long-standing stereotypes held by parents, young people, employers and the existing workforce. Such stereotypes not only limit opportunities for young people, but also limit the supply of skills for employers. In certain sectors there have been commendable and sustained efforts to moderate these imbalances, and experience has shown that progress is, by the nature of the problem, likely to be slow. Nevertheless progress is both necessary and feasible. It is particularly important that information about these occupations, their working conditions, and about opportunities to progress within them is not left to word of mouth, which is often how stereotypes and prejudice is transmitted from generation to generation. And it is important that official agencies, which can help educate popular knowledge, should act together in a concerted manner, which is best

achieved, we consider, when focussed on particular problem areas. We therefore recommend that:

- **NTOs should ensure that, in sectors where there is currently a significant gender imbalance, leaflets and other publications should promote the participation of those who are currently under-represented, whether male or female.**
- **The LSC and the Connexions Service, acting jointly and where appropriate with a relevant NTO, should mount projects in identified sectors and localities designed to increase participation by under-represented groups.**

9.7 The Connexions Service is committed to bringing the option of a modern apprenticeship to the attention of each young person from 14 onwards. The recommendations we have made will enable it to back this up with solid information about frameworks, Apprenticeship Agents and employers involved so that young people and their parents are able to research things for themselves. In view of the fact that the transition from an educational setting to one of employment is inevitably something of "a step into the unknown" for young people, and the fact that entry to apprenticeship is sometimes not straightforward, **the Connexions Service should aim to ensure that a personal adviser speaks to each young person aged 15 who shows an interest in applying for apprenticeship the following year.**

9.8 In our market research a number of careers teachers pointed to the pressures in their schools to encourage young people to stay on in Sixth Forms, and many concerned with apprenticeship allege that schools do not give unbiased advice. In the light of a recent OFSTED study<sup>2</sup>, and in order to reflect new choices in 14-19 education and training, we understand that the Connexions Service National Unit is preparing a framework of standards and curriculum for careers education and guidance in schools. **We endorse this development and recommend that the**

<sup>2</sup> National Survey of Careers Education and Guidance, OFSTED, 1998

**adequacy and objectivity of advice be kept under review by the National Unit.**

9.9 Employers, too, need practical information as to how to get involved, and there needs to be clarity about referral routes for employers who express an interest. To that end:

- **LLSCs should actively promote themselves as the prime contact point for employers wishing to participate in apprenticeship, and should have a mechanism for speedily referring the employer to a relevant Apprenticeship Agent.**
- **The Small Business Service should issue information on apprenticeship to interested employers with whom it is in contact, and be in a position to advise on which Apprenticeship Agents could support the employer.**

9.10 Though it is probably unrealistic to expect NTOs to undertake direct information distribution to employers in their sectors, it is important that they keep track of those who are involved, and take the opportunity to explain the role and services of the NTO to them. We propose, at paragraph 6.24, that the LSC should arrange for NTOs to receive the details of the employers offering apprenticeships for which they are responsible. We also propose that:

- **NTOs should issue an initial welcome pack to new employers, briefly explaining the content of the framework, the role of the NTO in devising it, and the mechanisms for contributing to its revision. The pack should also describe the NTO's procedures for the registration of trainees, and for the issue of apprenticeship diplomas.**
- **NTOs should notify existing employers of any changes to the apprenticeship frameworks.**
- **The LSC should pay NTOs for this activity.**
- **LLSCs should require all Apprenticeship Agents supporting frameworks to register those apprenticeships with the relevant NTOs. NTOs should develop methods for consulting with**

**Apprenticeship Agents about reviews of their frameworks, and for notifying them when changes are made.**

## Branding and targeting

9.11 To inform our recommendations on branding and targeting, we commissioned advice from a team of marketing professionals through the Central Office of Information.<sup>3</sup> We outline below their proposals, with which we largely agree, on the branding and marketing of modern apprenticeships.

9.12 **There should be a major national marketing campaign, undertaken by the LSC and DfES jointly, to build the modern apprenticeship brand, add value to the currency of modern apprenticeships and increase take-up by young people and employers. The marketing campaign should run each year for three years, building up to the introduction of the entitlement in 2004.** We acknowledge that it will require substantial effort to put the campaign we propose in place in 2002. The initial awareness raising and image building element of the campaign should ideally start in January, and certainly no later than February 2002. This would require approval to be given around October 2001, so that the brand proposition can be developed into advertising and direct marketing proposals. Moreover, before launching such a campaign, the DfES and LSC will need to be confident that the necessary infrastructure is in place, particularly at local level, to cope with interest; it is essential that the structures and personnel exist to advise and support young people and employers, and that detailed information on frameworks and local opportunities is available and accessible. If this will not be the case, it may be necessary to modify the communications objectives and strategy in the first year. **The marketing campaign should, therefore, be synchronised and integrated with the implementation of improvements to the infrastructure that supports the delivery of modern apprenticeships.**

<sup>3</sup> The report from the marketing team, which included the Central Office of Information, BDDH and Naked Communications, has been presented to the DfES and LSC.

9.13 The advice we received proposed that **the main target audience for the marketing campaign should be 15 to 16 year olds who might otherwise: pursue an employment pathway (whether actively or because they do not know what else to do); pursue a training pathway but without a modern apprenticeship; or be unclear or undecided about their future and so stay on in education by default.**<sup>4</sup> These are the groups from which the greatest potential for recruitment appears to come. They can be divided into primary and secondary audiences. The primary audience is those who would make an 'active' choice, either for an employment or a training pathway, and who can be characterised as practical, purposive and independent. This primary audience was used to determine the brand positioning. The secondary audience is those who had passively drifted into employment or who were unclear or undecided, and who were characterised as being unsure, confused and worried about being 'boxed in'. It should be emphasised that although the national promotional campaign would be aimed primarily at these 15 and 16 year olds, young people should, of course, begin to receive information and advice about modern apprenticeships at a much earlier age.

9.14 In addition, we believe, that as part of the national marketing campaign, **the accelerated option for AMAs (which we propose at paragraph 4.4), should be promoted to those who stay on in full-time education, but who might well wish to enter an apprenticeship when they reach 18** and afterwards either remain in employment or proceed into higher education. This will enable apprenticeships to be presented as a product for the whole ability range, with two different routes to progress to AMAs. We believe it will help to raise the status of modern apprenticeships, particularly among those who joined at 16, who would know that, on reaching 18, they would be joined by their peers who had opted to stay in full-time education for a further two years.

9.15 **The marketing campaign should also reach and address:**

- **school and college teachers in general, careers teachers in particular, and Connexions Service personal advisers** who present information to, and advise, young people;
- **parents, friends, siblings and peers** who are key 'influencers' and who need to be positively informed about modern apprenticeships; and
- **employers** that are potential providers of modern apprenticeships.

9.16 **Modern apprenticeships should be defined and expressed as a single brand which should be used with all audiences and in a consistent way.**

We believe that the advent of the LSC and its local arms, and the introduction of the Connexions Service, provides an excellent opportunity to present this single brand and co-ordinate national and local marketing in a way that was not possible before.

9.17 The marketing team developed its advice on how modern apprenticeships should be branded by bringing together what modern apprenticeships offer and what the primary audience want, to create a focus on 'what you get', in particular the acquisition of the apprenticeship diploma. **Therefore, the brand message, which we recommend, emphasises that being a modern apprentice means earning a valuable and recognised qualification which gives young people a head start in their careers.** Modern apprenticeships offer a ladder of progression that gives structure, purpose and a real career opportunity. They deliver trained and qualified employees who have earned their success and are a real asset to the employers who support them. This is expressed, in the language of the primary audience, in the following brand positioning statement developed by BDDH:

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<sup>4</sup> The analysis of the target audience drew on the market research reported at Annex C, previous evaluations of modern apprenticeships, and other research recently conducted on the pathways that young people take from age 16, particularly DfEE Research Report 256 (2001), *Staying Away or Staying On? A Qualitative Evaluation of the Education Maintenance Allowance*, NCSR.

'Everyone needs a job. But not everyone wants to stay on at school to get one. They want a real job in the real world, right now. Modern apprenticeships are today's way of planning a successful career. You get paid from day one. You get trained while you work. You get a qualification at the end, and the flexibility to stay on or go back to college. You get a better chance and a better choice. You get a head start.'

9.18 The national marketing campaign should have a number of key elements. **It should address ignorance among all the audiences** and raise awareness so as to build the stature and image of modern apprenticeships. This should be achieved **through a high profile, 'above-the-line' promotional campaign using television and press.** It should also address the antipathy and apathy that exists among many young people. Young people need to believe that modern apprenticeships are worthwhile and are valued by their parents, peers and potential employers. They also need to be motivated to find out more about modern apprenticeships. This should be achieved **by targeting promotional activity at the key points when young people are thinking about their future** including during mock examinations, when they leave school, when they receive their results and when they take re-sits. **This should include creating an annual apprenticeship recruitment event** in late August and September, after examination results are received, to market apprenticeship opportunities in each local area using media such as the radio, local newspapers, magazines, cinema and Internet. Although young people will continue to join the programme throughout the year, developments such as the introduction of technical certificates are likely to lead to a more clearly delineated annual cycle of recruitment with an even greater concentration of starts in September. It is therefore sensible to make a substantial marketing effort at the time when these become available and many young people are looking for placements.

9.19 **The campaign should also seek to activate teachers, careers teachers and Connexions Service personal advisers** to promote modern

apprenticeships to young people for whom they are an appropriate option. The Connexions Service should be closely involved in planning promotional initiatives. **Direct marketing and the Internet should be used to engage these groups and provide them with the resources to advise young people about apprenticeships.**

9.20 **Co-ordinated efforts should be made to sign up employers by communicating the value of modern apprenticeship training to their businesses. Employers should be targeted through the press and specialist trade magazines. The DfES and the LSC should seek to engage employer organisations, including the CBI, trade associations and chambers of commerce as well as NTOs, to inform employers about apprenticeship and how they can participate.** There is also a range of other networks which could be used to promote modern apprenticeships to employers, including the new employer-led training networks which are focusing on helping small and medium sized firms to work together and meet their training needs. Those employers who take on modern apprentices should receive explicit and tangible recognition. **The creation of an identifiable 'marque' should be considered by the LSC as a means of doing this.**

9.21 Trade unions working jointly with employers can, and in many cases already do, make a major contribution to stimulating the supply of high quality apprenticeship places and to advising on quality and the nature of individual training plans. The growing network of union learning representatives have a vital role to play through their presence in the workplace, and we believe that they are an important audience for the supply of factual information about apprenticeship.

9.22 The shape of the campaign would be broadly the same in 2003 and 2004 as in the first year. However, once awareness targets had been reached, it would be necessary to change the broadcast messages to establishing the credentials of the brand. It should also be possible to diminish the amount of employer activity in years two and three, if substantial in-



roads are made with this audience in year one. However, we would expect the level of communication with young people and those that influence them to remain the same each year. The cost of the national advertising campaign would be about £6 million in 2002, and £16 million over three years. This is less than 1% of the total programme budget.

9.23 There may also be a need, especially in 2003 and 2004, for specific regional and sectoral campaigns. **The LSC should run special local marketing campaigns aimed at employers in areas which have a shortage of apprenticeship places. The LSC should also sponsor campaigns, usually through the relevant NTOs, in sectors which have a relatively weak up-take of apprenticeship, having undertaken a diagnosis of the causes.** Early candidates might be:

- sales assistants and representatives,
- financial and accounts clerks,
- information technology specialists,
- childcare workers, and
- health assistants,

all of whom are in occupations attracting considerable numbers of young people, each of which has a relatively low penetration of apprenticeship. There is also considerable potential for expanding modern apprenticeship places in the public sector including government departments, the health service and local government.

9.24 **NTOs should be able to propose specific marketing campaigns aimed at employers for funding by the LSC.** In determining the case for such funding, the LSC should have regard to the capacity of the NTO in question as well as the need for places in that particular sector.

9.25 In addition to these activities, **Apprenticeship Agents should be encouraged to promote apprenticeship to employers and young people who might join their programmes. In order to present a common 'brand' image, the LSC should issue a marketing guide for agents, supporting it with local briefing sessions and**

**information leaflets.** Such literature should always include references to the expected duration of apprenticeship, explain the role of the agent and include standard nomenclature and logo devices.

## Celebrating achievement

9.26 We believe that celebrating achievement is an important way of promoting modern apprenticeships and reinforcing their value. While many schools and colleges organise award ceremonies for their students, young people on modern apprenticeships often do not have such opportunities to celebrate their achievements. **LLSCs should therefore foster award ceremonies in their areas to celebrate the achievement of the apprenticeship diploma by each modern apprentice who completes his or her apprenticeship successfully.**

9.27 The charitable company UK SKILLS is uniquely placed to help celebrate achievement in modern apprenticeships, given its remit to help the UK raise its skills to world class levels and to support skills competitions and awards. Some sectors already celebrate modern apprenticeships, for example SKILLHOSPITALITY which has a Modern Apprentice of the Year competition. In response to an approach from us, UK SKILLS has suggested that:

- **It might publicise the achievements of modern apprentices at the World Skills competition.** For example, a video could be made of modern apprentices competing against the best in the world, which could be used to help promote modern apprenticeships in schools and colleges. Also, a special award could be made at the National Training Award ceremony to the apprentice who had achieved the most success at World Skills.
- **It might introduce a modern apprentice class at the National Training Awards, for both an individual and an apprentice training programme, from the 2002 competition onwards.** This could involve modern apprentice awards in key sectors, with the Modern Apprentice of Year chosen from the winners of the sector awards.

- **It might encourage the Further Education Skills Competition Council to give special attention to marketing modern apprenticeships and to develop modern apprentice classes within the many competitions that are held in Further Education Colleges.**
- **It might produce a special series of case studies about modern apprentices in skills competitions and awards.**
- **It might celebrate and showcase modern apprenticeships at the Skills Show 2002 in Manchester and at subsequent shows.** It is hoped that at least 80,000 young people will attend the 2002 show, many of whom will be looking for ideas about their future careers.

**We recommend that the DfES should support these initiatives,** which can contribute markedly to raising interest in, and enthusiasm for, modern apprenticeships.

## 10. IMPLEMENTATION OF THE ACTION PLAN

10.1 Annex E contains the principal recommendations of this report in the form of a suggested timetable. We do not consider that further debate about the underlying principles is necessary before implementation begins; rather, consultation with those affected should be undertaken as part of the implementation process. That said, the action plan will inevitably need to be adjusted as time goes on. In doing so it is important that the main elements do not become side-lined. Arrangements will need to be made to keep the plan under review and to monitor progress against it.

10.2 We recommend that **the LSC should set up an executive group charged with co-ordinating all aspects of apprenticeship, including the carrying forward of this plan.** As well as representatives from each of the relevant LSC operating divisions, that group might include at least one LLSC Executive Director, an officer of the NTO National Council, a representative of the QCA, and DfES officers concerned with young people's training policy and publicity. The group might be chaired by the senior LSC officer who has the overall lead on modern apprenticeships (suggested in Section 6). It might also be responsible for the formal approval of apprenticeship frameworks.

10.3 To give non-executive oversight of the operation, and to act as national 'champions' of apprenticeship, we recommend that **the Secretary of State, jointly with the LSC, should establish an advisory board on apprenticeship, with an independent chairman and not more than ten other members, composed partly of members drawn from organisations responsible for apprenticeship provision, and partly of**

**members with no such links but with relevant experience and interests. The advisory board should draw to the attention of the LSC Young People's Learning Committee issues that it considers significant, and should submit periodic reports on progress in apprenticeship provision to the Secretary of State and to the chairman of the LSC, and they should be published.**

10.4 In Continental countries apprenticeship is frequently enshrined in law. We have had different traditions in this respect, but it is no longer the case that apprenticeship operates entirely outside statute; for example the qualifications included in apprenticeship are regulated by the QCA as part of its statutory functions, and the funding of apprenticeship forms part of the LSC's statutory duty to provide proper facilities for young people to pursue education and training. While we would not recommend that all aspects of apprenticeship should be subject to statute law, we are attracted to the idea that the principal institutions of apprenticeship should have a statutory basis. That would lend status to this important component of the national education system, much of which is governed by law. It would also give a degree of confidence and surety to those who participate in apprenticeship, including not only employers, young people and their parents, but also NTOs and apprenticeship agents involved in delivery, that the main elements of the system would be maintained on a long-term basis. We recommend that **in three years' time the government should consider introducing legislation to establish and define the roles of the main institutions concerned with apprenticeship in England.**

## 11. SUMMARY OF RECOMMENDATIONS

This is a full list of our recommendations. The numbers in square brackets refer to the relevant paragraphs in earlier sections.

### A National Framework for Apprenticeships (Section 4)

1. The prime responsibility for developing, promoting and delivering modern apprenticeships should be assigned by the Department for Education and Skills (DfES) to the Learning and Skills Council (LSC), which should be accountable to the Department for its performance and should annually secure the support of the Department for its forward plans. [4.2] The LSC and the Local LSCs (LLSCs) must be appropriately staffed and organised to carry out this role, which will require a positive attitude to innovation and a determination to learn continuously from both successes and weaknesses in implementation. [4.3]

2. The LSC should establish a national framework for modern apprenticeships which will clarify their nature and strengthen the basic relationship between employer and apprentice. This will need to cover the following ground: [4.4]

- Every modern apprenticeship should involve a signed apprenticeship agreement between an employer<sup>1</sup> and an apprentice. Before signing the agreement employers should satisfy themselves of the ability of applicants to complete the apprenticeship successfully, and applicants should be fully aware of the commitment entailed by apprenticeship. [4.4]
- The employer may seek the help of an Apprenticeship Agent registered with the LSC in carrying out responsibilities set out in the framework. Apprenticeship Agents should accept throughout an apprenticeship that their role is to advise and assist the parties to the apprenticeship, but not to act as independent principals. [4.4]
- The first eight weeks of apprenticeship should be regarded as a period of probation, and the apprenticeship agreement may be

terminated by either party without notice or imputation of bad faith during that period. [4.4]

- At the start of the apprenticeship the employer should agree with the apprentice an individual training plan covering the period of the apprenticeship. The plan will provide for both on-the-job training with the employer and off-the-job learning arranged either by the employer or an Apprenticeship Agent. [4.4]
- The requirements for entry to an apprenticeship and the attainments required for successful completion of an apprenticeship should be laid down by National Training Organisations (NTOs) for the sectors in which apprenticeships are provided. NTOs should comply with the following requirements in relation to apprenticeships for which they are responsible: [4.4]

#### Foundation Modern Apprenticeships

(FMAs). Age of entry should be 16-19 (unless the Connexions or Employment Services have specifically endorsed older trainees as being able to benefit). Guidance on the attainment needed for acceptance for entry to an FMA should be a matter to be decided by the NTO. Normal duration of an FMA should be specified by the NTO, but the minimum duration acceptable for completion should be at least one year. The minimum standard for successful completion should be attainment of NVQ level 2 in the relevant occupation, plus satisfactory off-the-job attainments, i.e. key skills designated by the NTO (at least at level 1 in number and communication) and the relevant technical certificate (or attainments accepted as equivalent or better by the NTO). Successful completion should secure the award of a Foundation Modern Apprenticeship Diploma by the NTO.

#### Advanced Modern Apprenticeships

(AMAs). Age of entry, 16-24. Guidance on the attainment needed for acceptance for entry to an AMA should be a matter to be

<sup>1</sup> This may include employers acting collectively..

decided by the NTO. This should normally admit those who have successfully completed a relevant FMA. The normal duration of an AMA should be laid down by the NTO, but the minimum duration acceptable for completion should be two years. The minimum standard for successful completion should be attainment of NVQ level 3 in the relevant occupation, plus satisfactory off-the-job attainments, i.e. key skills designated by the NTO (at least at level 2 in number and communication) and the relevant technical certificate (or attainments accepted as equivalent or better by the NTO). Successful completion should secure the award of an Advanced Modern Apprenticeship Diploma by the NTO. There should be provision for an accelerated option within the AMA, with a duration of not less than one year, for 18-24 year old entrants who have already attained the key skills laid down for AMAs in the occupation concerned.

- For a slower learner, or for an apprentice who has to re-take a test, it should be possible for the period of apprenticeship to be extended by agreement between employer and apprentice (and, where there are funding consequences, the LLSC). [4.4]
  - The national framework should affirm support for the Modern Apprenticeships Equal Opportunities Plan and its implementation should be vigorously followed up by the LSC and LLSCs. [4.4]
  - Every apprenticeship should be registered by the LSC. [4.4]
  - The national framework should refer to the opportunities for apprentices to progress into higher education, whether immediately after or even during an advanced modern apprenticeship. [4.4]
3. Once apprenticeships for younger people are well established, the government should consider the case for opening AMAs to suitably qualified or experienced adults who would wish to undertake an apprenticeship to acquire the skills they need to secure or change their jobs. [4.5]

## The Content and Certification of Apprenticeships (Section 5)

### Content of apprenticeship

4. Employers who have a direct contract with the LSC for modern apprenticeships should be able to train to their own scheme where this has been approved by the NTO as being at the same level, or more demanding, than the NVQ required in the framework. Such 'approved schemes' should involve periodic external verification of systems and a sample of individual results in the same manner as an NVQ, conducted by an awarding body familiar with such procedures. [5.3]

5. Where the QCA is satisfied, after proper scrutiny of the requirements of a technical certificate, that the qualification also assesses a particular key skill, young people who gain that technical certificate should be recognised as having also gained the key skill for the purpose of their apprenticeship framework and its related diploma. [5.5]

6. The LSC and the QCA should establish a mechanism using information from NTOs and awarding bodies to track the development of technical certificates in each sector, whereby they regularly notify LLSCs, colleges and Apprenticeship Agents of the prospective timetable for implementation in the various sectors. LLSCs should assure themselves that the capacity will exist in colleges and other specialised learning providers to deliver courses leading to technical certificates in each framework offered in their areas. This should be done on an annual basis, using the schedule of technical certificates anticipated for the following year. [5.6]

7. NTOs which are in genuine doubt about what the contents of a technical certificate should be should consider nominating a relevant intermediate GNVQ or vocational A Level to act as a technical certificate until such a time as they have a solid basis for developing a more specialised qualification. [5.7]

8. The QCA should encourage NTOs and awarding bodies to seek advice from higher education institutions with expertise in their sectors on what aspects might be incorporated into technical certificates in order to facilitate progression. The DfES should encourage higher education institutions developing foundation degrees to seek advice from relevant NTOs so that, where possible, the degree builds on qualifications earned through apprenticeship. [5.8] The Connexions Service and Apprenticeship Agents should draw the attention of young people to opportunities for professional study in higher education related to their apprenticeships. Where young people have previously gained the relevant technical certificate and employers are willing to release them, the LSC should be enabled to pay the necessary higher education tuition fees for the first year. [5.9]

## Certification

9. The credential issued to mark completion of the FMA should be known as the 'Foundation Modern Apprenticeship Diploma' and that for the AMA should be called the 'Advanced Modern Apprenticeship Diploma'. The following arrangements should apply:

- The diplomas should be issued by, or on behalf of, NTOs, indicating clearly the framework in which success has been gained, but otherwise conforming to a common format.
- The employer or Apprenticeship Agent should ensure that apprentices continuing beyond the probationary period are registered with the relevant NTO.
- The diplomas should record the NVQ, key skills and technical certificate gained as required in the NTO's framework, together with the apprentice's employer; and further awards gained during the course of the apprenticeship should also be recorded. [5.11]

## Development work

10. The LSC should take urgent action to identify, develop and disseminate good practice in the following areas:

- the development of individual learning plans and their subsequent follow-up;

- the effective integration of key skills learning into apprenticeship programmes;
- the effective integration of technical certificates and their testing into apprenticeship programmes; and
- the accurate and sensitive assessment of young people for whom pre-employment training may offer a way forward into an apprenticeship or other employment. [5.13]

## Delivery of Apprenticeships (Section 6)

### The LSC

11. In order to carry out fully its responsibility for developing, promoting and delivering modern apprenticeships, the LSC:

- should develop, in consultation with NTOs and other partner organisations, a consistent long-term strategy for the development of modern apprenticeships;
- should lead national marketing campaigns dedicated to apprenticeship, supported by DfES and with the assistance of NTOs, ensuring that properly branded and accurate information is freely available throughout the system;
- should agree with LLSCs their plans and the funds available to support them;
- should monitor progress closely and investigate promptly areas, whether geographical or sectoral, where weaknesses appear, and develop action to remedy them;
- should lead the development and dissemination of high quality solutions to problems at critical points in the system;
- should monitor and promote equal opportunities within apprenticeship; and
- should foster throughout the system a culture of commitment to continuous improvement in the quality of apprenticeship as seen both by employers and by young people. [6.3]

12. Each LLSC should have a clearly designated senior officer, with a job title common to all LLSCs, responsible for apprenticeship, supported by staff

specialising in quality improvement and marketing the programme. The local Council itself should receive regular reports on apprenticeship, and its members should be encouraged to advise on promotion, and participate actively in it. [6.5]

## Providing apprenticeships

13. The LSC, over time, should seek to develop the provider structure, so as to make it clearer what functions are expected to be performed by each organisation, and to design funding regimes which reflect their roles. [6.11]

14. The LSC should seek ways of offering simplicity of administration and flexibility of funding arrangements to employers capable of offering a full apprenticeship programme. Such employers should normally expect the costs of off-the-job training towards the technical certificate to be met by providers approved by the LSC for that purpose and drawing funding direct from the LSC, but should be able to opt instead for a set payment to include all off-the-job training which they would arrange. [6.12]

15. The LSC should introduce a system of registering approved Apprenticeship Agents whose help an employer may seek in carrying out the responsibilities set out in an apprenticeship framework. [6.13]

16. There should be two main types of Apprenticeship Agent: employer support agents; and programme-led agents. [6.14]

- The criteria for recognition of *employer support agents* should be that they have:
  - an identifiable group of employers in each occupation that they offer;
  - an active stance to attracting further employers;
  - a practice of fully briefing employers on the contents of apprenticeship and making their role and obligations clear to them;
  - a regular and frequent system for keeping in touch with apprentices and their employers to assess progress and to revise plans; and

- a preparedness to refrain from working with employers who do not fulfil their obligations.

These agents should receive a set sum for the services they provide, namely promotion, recruitment of trainees, briefing of employers, helping to develop individual training plans, assessment and trainee support. The sum should be worked out with regard to typical costs of these activities; the costs together with the expected levels of service on which they are based should be published. The LSC should consider the merits of making incentive payments, through employer support agents, to employers whose trainees gain an apprenticeship diploma. Courses leading to technical certificates, tuition in key skills, or higher education should be funded separately, with providers of such courses drawing funding from the LSC in the same manner as they would for students outside apprenticeship. [6.15]

- The criteria for recognition of *programme-led agents* should be that they should:
  - be able to offer training relevant to a wide range of occupations with supporting courses of general education;
  - have the capacity for intensive support in key skills;
  - have access to a wide range of local work placements;
  - make regular contact with trainees during on-the-job spells;
  - have a capacity for the initial assessment of trainees and continued pastoral support; and
  - have extensive community links in order to be able to arrange periods of employment with public and voluntary organisations to complete on-the-job requirements not covered elsewhere.

These agents would draw down funding for the off-the-job elements, and receive a further grant for the procurement and support of on-the-job elements with employers. [6.20]

## Management information

17. The LSC should incorporate the following elements into its management information system for modern apprenticeships:

- There should be a common system throughout the country for the planning of apprenticeship places, with advance notification by the Connexions Service to the LLSC of the prospective number of young people who wish to enter apprenticeship, by locality and by occupational grouping, and notification by the LLSC to the Connexions Service of the number of available places in each locality, again broken down by occupation.
- Details of all employers participating in apprenticeship should be held by the LSC, coded by locality and the frameworks they offer. This database should be available to NTOs and the Connexions Service.
- Records should be kept of the number of apprentices who complete their full apprenticeship as part of the LSC's individual student record system. [6.24]

## Pre-employment and 'Other Training' (Section 7)

### Pre-employment training

18. There should be pre-employment provision to cater for young people who are not ready to enter apprenticeship or other employment. It might be known as 'Entry to Employment' (E2E). [7.4] It should be developed on the following basis:

- E2E providers should offer a range of occupational and social training, selecting the most appropriate mix for each trainee. This should normally include basic skills. [7.6]
- LLSCs should estimate the likely need for E2E provision in particular areas and fund the reasonable costs of the capacity required to accommodate this need, adjusting the capacity and necessary costs on a year-to-year basis. [7.7]
- The LSC should network with E2E providers to enable them to learn from each other's

experience, develop curriculum approaches, and devote special attention to developing initial assessment techniques. [7.8]

- In the case of young people considered after assessment and/or initial training not to be capable of progressing to apprenticeship, the E2E provider should devise a programme designed to result in settled employment. [7.9]
- All young people undertaking programmes with E2E providers should do so on the basis of a decision specifically endorsed by the Connexions Service. The Connexions Service should also specifically endorse later judgements that particular young people are not realistically likely to be able to undertake an apprenticeship. [7.10]

## 'Other Training' at Level Two and above

19. The LSC should provide a facility, through Apprenticeship Agents, to meet the assessment (but not the training) costs of NVQs at level 2 or above of young employees. [7.11]

## Timing

20. The LSC National Office should urgently identify particular sectoral work-based training schemes for young people at present in force which it is unlikely to be possible to put on a satisfactory long-term basis before September 2002, and the DfES should accept that in these cases support for work-based training short of apprenticeship should continue for a limited period. [7.12]

## Targets and Entitlements (Section 8)

### Targets

21. We propose the following targets for the development of modern apprenticeships:

- A reasonable longer term target would be for 35% of young people to enter modern apprenticeships by 2010. [8.3]
- The target for 2004 should be for 28% of young people to enter apprenticeship before the age of 22, i.e. some 175,000 young people aged 16 to 21 entering a modern



apprenticeship for the first time in the year beginning September 2004. [8.6]

- Efforts to September 2002 should concentrate especially on the substitution of modern apprenticeship places for 'Other Training' at level 2 and above. [8.8]
- By September 2003, all apprenticeship places should have employed status. [8.9]
- A target for apprenticeship completions should be established by the LSC, in discussion with the DfES, once data on which to base this becomes available. [8.11]

## Entitlements

22. There should be a basic entitlement to a modern apprenticeship place for young people aged 16 or 17 who have five GCSEs (at grades A to G) including maths and English. This entitlement should apply also to those assessed as suitable for apprenticeship as a result of an Entry to Employment course and who have attained the key skills of communication and application of number at level 1. This basic entitlement should come into force from September 2004. [8.12]

23. All young people who are considered by the Connexions Service to need an E2E programme should be entitled to a place from September 2002. [8.13]

24. In 2004, the LSC should review the feasibility of an entitlement to a place on an AMA for 16 and 17 year olds with five good GCSEs including maths and English. [8.15]

25. Young people aged 16 or 17, and those young people who successfully complete an FMA at the age of 19 or earlier, should be entitled to financial support in an AMA should they secure a place with an employer. This entitlement should obtain from September 2004. [8.16]

## Promotion of Apprenticeship (Section 9)

### Factual information

26. The following measures should be taken to make information about modern apprenticeships

readily available to young people, their parents and those who advise them:

- The LSC should commission from the NTOs a clear description, in a factual style and to a common format, of the contents of each framework in a manner which can be understood by interested teachers, Connexions Service personal advisers and employers. NTOs should also produce descriptions of their frameworks aimed at young people and their parents. Both sets of descriptions should be printed in a series of leaflets with a common house-style and also lodged on a central website managed by the LSC, and NTOs should display the descriptions on their websites. Stocks of the leaflets should be distributed to careers teachers, the Connexions Service, the Small Business Service and Apprenticeship Agents. Folders containing the series of leaflets should be distributed to school Careers Libraries. [9.3]
- NTOs should produce simple descriptions of the career paths within their sectors, including details of likely wage rates and employment opportunities, and also routes to relevant higher education courses and professional development opportunities for those who might wish to pursue them after an apprenticeship. [9.4]
- The LSC should support a system which includes a website where the vacancies offered by employers, their Apprenticeship Agents and frameworks offered can be viewed, with details as to how to apply for each one and links to the national information (described above) on the content of frameworks. The Connexions Service should publicise this website. [9.5]

27. There should be concerted action to address imbalances between the participation of young men and young women in particular sectors:

- NTOs should ensure that, in sectors where there is currently a significant gender imbalance, leaflets and other publications should promote the participation of those who are currently under-represented, whether male or female.

- The LSC and the Connexions Service, acting jointly and where appropriate with a relevant NTO, should mount projects in identified sectors and localities designed to increase participation by under-represented groups. [9.6]

28. The Connexions Service should aim to ensure that a personal adviser speaks to each young person aged 15 who shows an interest in applying for apprenticeship the following year. [9.7] The Connexions Service National Unit should keep under review the adequacy and objectivity of careers education and guidance in schools in the light of a published framework of standards and curriculum. [9.8]

29. The following measures should be taken to provide employers with information about modern apprenticeships and how to participate:

- LLSCs should actively promote themselves as the prime contact point for employers wishing to participate in apprenticeship, and should have a mechanism for speedily referring the employer to a relevant Apprenticeship Agent. [9.9]
- The Small Business Service should issue information on apprenticeship to interested employers with whom it is in contact, and be in a position to advise on which Apprenticeship Agents could support the employer. [9.9]
- NTOs should issue an initial welcome pack to new employers, briefly explaining the content of the framework, the role of the NTO in devising it, and the mechanisms for contributing to its revision. The pack should also describe the NTO's procedures for the registration of apprentices, and for the issue of apprenticeship diplomas. NTOs should notify existing employers of any changes to their apprenticeship frameworks. The LSC should pay NTOs for this activity. [9.10]
- LLSCs should require all Apprenticeship Agents supporting frameworks to register those apprenticeships with the relevant NTOs. NTOs should develop methods for consulting with Apprenticeship Agents about reviews of their frameworks, and for notifying them when changes are made. [9.10]

## Branding and targeting

30. There should be a major national marketing campaign, undertaken by the LSC and DfES jointly, to build the modern apprenticeship brand, add value to the currency of modern apprenticeships and increase take-up by young people and employers:

- The marketing campaign should run each year for three years, building up to the introduction of the entitlement in 2004. [9.12]
- The marketing campaign should be synchronised and integrated with the implementation of improvements to the infrastructure that supports the delivery of modern apprenticeships. [9.12]
- The main target audience for the marketing campaign should be 15 to 16 year olds who might otherwise: pursue an employment pathway (whether actively or because they do not know what else to do); pursue a training pathway but without a modern apprenticeship; or be unclear or undecided about their future and so stay on in education by default. [9.13] In addition, the accelerated option for AMAs should be promoted to those who stay on in full-time education, but who might wish to enter apprenticeship at 18. [9.14]
- Marketing should also reach and address: school and college teachers in general, careers teachers in particular, and Connexions Service personal advisers; parents, friends, siblings and peers of young people; and employers. [9.15]
- Modern apprenticeships should be defined and expressed as a single brand which should be used with all audiences and in a consistent way. [9.16] The brand message should emphasise that being a modern apprentice means earning a valuable and recognised qualification which gives young people a head start in their careers. [9.17]
- The campaign should address ignorance about modern apprenticeships among all the audiences through a high profile, 'above-the-line' promotional campaign using television and press. Promotional activity should also be targeted at the key points when young people are thinking about their future, including an annual apprenticeship recruitment event.

[9.18] The campaign should also seek to activate teachers, careers teachers and Connexions Service personal advisers by using direct marketing and the Internet to engage these groups and provide them with the resources to advise young people. [9.19]

- Co-ordinated efforts should be made to sign up employers by communicating the value of modern apprenticeships to their businesses. Employers should be targeted through the press and specialist trade magazines. The DfES and the LSC should seek to engage employer organisations, including the CBI, trade associations and chambers of commerce as well as NTOs, to inform employers about apprenticeship and how they can participate. The creation of an identifiable 'marque' should be considered by the LSC to recognise employers who take on modern apprentices. [9.20]

31. The LSC should run special local marketing campaigns aimed at employers in areas which have a shortage of apprenticeship places. The LSC should also sponsor campaigns, usually through the relevant NTOs, in sectors which have a relatively weak up-take of apprenticeship, having undertaken a diagnosis of the causes. [9.22] NTOs should be able to propose specific marketing campaigns aimed at employers for funding by the LSC. [9.23]

32. Apprenticeship Agents should be encouraged to promote apprenticeship to employers and young people who might join their programmes. In order to present a common 'brand' image, the LSC should issue a marketing guide for agents, supporting it with local briefing sessions and information leaflets. [9.24]

## Celebrating achievement

33. LLSCs should foster award ceremonies in their areas to celebrate the achievement of the apprenticeship diploma by each modern apprentice who completes his or her apprenticeship successfully. [9.25]

34. DfES should support the following initiatives which UK SKILLS has proposed to help promote modern apprenticeships:

- UK SKILLS should publicise the achievements of modern apprentices at the World Skills competition.
- There should be a modern apprentice class at the National Training Awards, for both an individual and an apprentice training programme, from the 2002 competition onwards.
- UK SKILLS should encourage the Further Education Skills Competition Council to give special attention to marketing modern apprenticeships and to develop a modern apprentice class within the competitions that will be held in Further Education Colleges.
- UK SKILLS should produce a special series of case studies about modern apprentices in skills competitions and awards.
- The Skills Show 2002 and subsequent shows should celebrate and showcase modern apprenticeships. [9.26]

## Implementation of the Action Plan (Section 10)

35. The LSC should set up an executive group charged with co-ordinating all aspects of apprenticeship, including the carrying forward of this plan. [10.2]

36. The Secretary of State, jointly with the LSC, should establish an advisory board on apprenticeship, with an independent chairman and not more than ten other members, composed partly of members drawn from organisations responsible for apprenticeship provision, and partly of members with no such links, but with relevant experience and interests. The advisory board should draw to the attention of the LSC Young People's Learning Committee issues that it considers significant, and should submit periodic reports on progress in apprenticeship provision to the Secretary of State and to the chairman of the LSC, and they should be published. [10.3]

37. In three years' time the government should consider introducing legislation to establish and define the roles of the main institutions concerned with apprenticeship in England. [10.4]

## ANNEX A: TERMS OF REFERENCE AND MEMBERSHIP

### Terms of Reference

To advise the Secretary of State and the Learning and Skills Council by the end of September 2001 on a three year action plan for the development, promotion and delivery of modern apprenticeships, and in particular to report on:

- (a) how best to promote modern apprenticeships to employers in different sectors;
- (b) how best to ensure that all young people for whom a Modern Apprenticeship is an appropriate choice can secure advice on and access to a high quality opportunity;
- (c) how best to ensure that the quality of modern apprenticeships fully matches the standards set by leading nations world-wide;
- (d) how to increase the knowledge and understanding that young people gain as part of their Modern Apprenticeship and how to ensure that the Modern Apprenticeship diploma is valued and relevant, taking account of the other opportunities available to young people for vocational study;
- (e) what targets should be set for achievement by September 2004;
- (f) future arrangements for implementing the action plan, including the phasing out from September 2002 of 'Other Training'.

### Members

Sir John Cassels, CB	(Chairman)
Paul Dermody	Chief Executive, De Vere Group plc
Helen Edwards	Chief Executive, National Association for the Care and Resettlement of Offenders
Ian S Ferguson	Chairman, Data Connection Ltd
Lord Layard	Co-Director, Centre for Economic Performance, London School of Economics
Frances O'Grady	Head of Organization and Services, Trades Union Congress
Denis Reay	Director, Human Resources, BT Wholesale
Jenny Rudge	Chief Executive, Connexions Cornwall & Devon
Robert Winning	Manager, UK Personnel, Shell International Ltd

### Assessors

John Allbutt	Department for Education and Skills
Martin Lamb	Learning and Skills Council

### Secretariat

John West	(Secretary)
David Oatley	(Assistant Secretary)

## ANNEX B: REPRESENTATIONS

The Committee held discussions with, or received comments from, the following organisations:

Adult Learning Inspectorate

Association of Colleges

Association of Learning Providers

Birmingham & Solihull Local LSC

Confederation of British Industry

Confederation of Group Training Schemes

Connexions Service National Unit

Distributive National Training Organisation

Equal Opportunities Commission

Hereford & Worcestershire Local LSC

London Chamber of Commerce and Industry Examinations Board

National Training Organisations National Council

Qualifications & Curriculum Authority

Small Business Council

Trades Union Congress National Training Network

UK SKILLS

## ANNEX C: MARKET RESEARCH

### Background

1. The report's recommendations on promoting modern apprenticeships have been informed by market research into the awareness and views of young people and their parents, teachers, careers advisers and employers. The research was commissioned on behalf of the Committee through the Central Office of Information and involved:

- a quantitative survey, undertaken by Continental Research, of the awareness and attitudes of the target groups towards modern apprenticeships;<sup>1</sup> and
- focus groups, organised by Stimulating World, which explored in more depth the knowledge of the target groups and their perceptions of the benefits and drawbacks of modern apprenticeships. Particular attention was given to the status of modern apprenticeships, attitudes to off-the-job training, and employer concerns about bureaucracy.<sup>2</sup>

This annex describes the findings of the market research.

### Awareness and knowledge of modern apprenticeships

2. The market research indicated that there was a relatively good level of general awareness: 75% of employers, 63% of young people (aged 14 to 17), 62% of parents, 89% of teachers and 94% of careers teachers were aware of modern apprenticeships. However, knowledge of the actual features and content of modern apprenticeships was often superficial. While many people could correctly identify some of the key features, this appeared to be the result of their general understanding of the concept of apprenticeship, rather than in depth knowledge of modern apprenticeships.

3. For example, the research indicated that while almost all young people (92%) were aware that modern apprenticeships involved training in

a specific occupation, they were often ignorant or uncertain about other elements. The survey found that over a quarter (27%) of young people were not aware that apprentices are paid while they are trained, and less than a third (31%) were aware of the likely duration. The focus groups revealed an even greater level of ignorance among some young people who assumed modern apprenticeship was a training scheme for manual jobs only, and were unaware that it involved achieving a recognised qualification or that it covered a wider range of sectors than traditional apprenticeships.

4. Parents also lacked in depth knowledge of modern apprenticeships and their perception was often shaped by familiarity with old style apprenticeships. Most thought modern apprenticeships were likely to involve acquiring a useful qualification (95% thought this was likely), involve earning while learning (93%) and lead to a job with good prospects (91%). However, it was clear from the focus groups that information on modern apprenticeships was not getting through to parents, and the survey found that only 28% believed that modern apprenticeships had been presented to their child as an option. Parents wanted more promotional activity aimed at them, including direct mailings rather than leaflets sent via their children.

5. Those advising young people also identified lack of information as a problem. 35% of careers advisers thought that information on modern apprenticeships was patchy and that they had to pull it together themselves, and 79% of teachers thought that lack of information was likely to be a barrier to take-up by young people, with 42% classifying it as a significant barrier. The focus groups revealed particular concerns among careers teachers in schools who, lacking detailed information on the content of frameworks and on local apprenticeship opportunities, did not feel confident about

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<sup>1</sup> The quantitative survey involved telephone interviews with: 500 14 to 17 year olds; 505 parents of 14 to 17 year olds; 103 careers advisers; 200 teachers and head teachers responsible for careers advice to pupils aged 14 to 17; and 501 employers from businesses of 20 or more employees.

<sup>2</sup> There were 17 focus groups: eight for 15 to 18 year olds, split by age, gender, GCSE achievement and post-16 routes; four for parents of 15 to 17 year olds, split by their children's age and GCSE achievement; three for careers advisers and careers teachers; and two for employers.

recommending modern apprenticeships to their pupils. Even careers advisers felt they have insufficient information on individual frameworks, as opposed to general literature, and that they did not always know what apprenticeship opportunities exist in their areas. A telling point from a focus group of young people currently on modern apprenticeships was that they entered without initial information on what they could expect to cover during the period of their apprenticeship.

6. Among employers awareness tended to increase with company size, and knowledge of the features of modern apprenticeship was understandably strongest amongst those whose companies had participated or were participating. Most employers were aware that modern apprenticeships involved training towards an NVQ (85% aware), Government support for the costs of training (75%), off-the-job training (72%) and an employment contract (67%). However, there was a demand for more information that went beyond general promotional literature and that described how employers could become involved and the level of commitment they would have to make.

7. A notable feature of all the focus groups was that when young people and parents were told about the main elements of modern apprenticeships they showed considerable interest and were eager to learn more. Even young people (and their parents) who were expecting to take A levels wanted to know about modern apprenticeships as they felt it could provide them with another option. A common theme was a desire for more detailed information, especially about the content of frameworks.

## Attractiveness of modern apprenticeships

8. The market research found that apprenticeships were seen as attractive by both employers and young people. Features that appealed to most employers included the young person undertaking useful work for the company (strongly appealing for 80% of employers

surveyed), securing the future skills of the company (77%), Government support towards the cost of the apprenticeship (74%) and training that led to a qualification (73%). Apprenticeship as an aid to the recruitment of young people (56%) was found to be less significant, though in the focus groups employers indicated that by taking on modern apprentices they could improve the image of their company as a good place to work.

9. For young people the most attractive features were getting a qualification (strongly appealing to 91%), proper training (90%), earning while learning (89%) and the prospect of a skilled job (89%). Careers advisers confirmed that these features were important to young people, although they thought that earning while learning (92%) was more important than the qualification (86%). The focus groups supported the survey findings. Being paid, achieving a recognised qualification and securing employment were particularly important for young people who were not expecting to perform well in their GCSEs. For higher achievers, the range of sectors, beyond traditional manual occupations, was also an appealing feature. Although the survey found that, among all young people, spending most of time in the workplace was less important than the other features (being strongly appealing to only 63%), the focus groups revealed that being in the adult world of work and gaining practical experience were particularly important for young people who did not enjoy school work and were considering, or already participating in, an apprenticeship.

## Off-putting features: deciding on a career

10. The survey found that there were few features of modern apprenticeships that were off-putting to more than about a quarter of respondents. The most frequently cited off-putting feature was having to decide on a career before starting – given the occupational nature of apprenticeship, this finding was not surprising, as a degree of commitment to a career path is probably inevitable. Just under a third of young people identified this as a particular problem, while 23% of careers advisers and 32% of teachers

thought it was likely to be a significant barrier to young people. 98% of careers advisers said they were likely to recommend apprenticeship to those who had firmly decided on a career or trade, with 79% being very likely to do so. 72% of teachers thought that modern apprenticeships were most appropriate for those who had made up their minds what they wanted to be.

11. The focus groups indicated that for those young people who did not know what career path they wanted to follow, staying on in education was often the default (and the easiest) option, even for those who were not achieving academic success or enjoying school life. These young people were often unconfident about their future, and staying on gave them another two years before making hard decisions about their career paths. They were also afraid that if they entered employment at 16 they would be stuck in a job they did not like and would be unable to move. For similar reasons, many parents and careers teachers were likely to encourage young people to stay on in education and keep their options open. This suggests that it will be important, as part of any marketing strategy, to overcome the perception that, by opting for modern apprenticeships, young people are tying themselves to a particular job and will not be developing transferable skills or able to progress.

## Status of modern apprenticeships

12. Although the survey indicated that the main features of modern apprenticeships were attractive to most young people and that there were few negative features, the focus groups revealed that apprenticeships were nevertheless regarded as a poor alternative to staying on in full-time education. They found that many young people who were not expecting to do well in their GCSEs had not considered the apprenticeship option and were intending to continue in education, even though many thought that they would not be able to cope with A levels. They believed that if they left school at 16 they would be at a disadvantage compared with those with A levels and they wanted to be convinced that apprenticeships

would help them to climb the careers ladder as easily as if they had A levels. Furthermore, they felt under pressure from parents, teachers and their peers to attempt A levels, and they thought that if they were to do an apprenticeship they would be going against the grain and become isolated from their friends in Sixth Forms or Further Education Colleges. The same issues arose in focus groups of high achievers who were expecting to perform well at A level and hoping to go on to higher education. They were particularly interested in higher level apprenticeships and the opportunities they might offer for progression to Foundation Degrees.

13. Young people who were considering a modern apprenticeship or already on the programme also expressed uncertainty about their status. They felt that their parents and friends did not understand what apprenticeship entailed, and they wanted modern apprenticeships to become more widely known and respected.

14. The views of parents reflected those of young people. The survey found that 60% of parents would encourage their children to do a modern apprenticeship if they wanted to do one, and only 6% would discourage them. However, in the focus groups, the majority of parents were keen for their children to stay on in education whether or not they were likely to achieve good grades at GCSE. They believed that A levels would give their children the opportunity to go to university or a better chance of getting a job, and were concerned about the currency of modern apprenticeships and NVQs.

15. Concerns about the status of modern apprenticeships were also found among careers advisers and teachers. On the one hand most of the careers advisers and teachers surveyed did not believe that modern apprenticeships were just for low achievers and those who were not academically minded. And just over half of the teachers disagreed with the statement that apprenticeships are suitable only for those who will not go to university. However, 73% of teachers thought the perceived status of modern apprenticeships was a barrier to take up (with



33% seeing it as a significant barrier), and 70% thought that the fact that staying on in education was increasingly the norm was a barrier (with 37% seeing it as a significant barrier). The focus groups found that, even though careers teachers in schools thought that modern apprenticeships could be valuable, particularly for those struggling with academic qualifications, there was considerable pressure from parents and pupils to recommend staying on in full-time education. Some careers teachers also pointed to pressures within schools to encourage young people to stay on in their Sixth Forms. This suggests that some careers advisers and teachers may feel constrained from promoting modern apprenticeships to young people even when they believe they are a suitable option.

### Off-the-job training and written tests

16. In view of concerns that have been expressed about increasing the taught element of modern apprenticeships, the market research looked at attitudes to off-the-job training and written tests. The survey found that 9% of young people thought that 'hard work studying and learning' (which, of course, could also include learning at the workplace) was a strongly off-putting feature, and that only 12% thought having to go to college was strongly off-putting. Furthermore, relatively few careers advisers thought that these features were likely to put off young people – 20% thought that hard work studying and learning would be off-putting and 18% going to college.

17. In the focus groups, more off-the-job training and written tests did raise some fears about 'going back to school' among those who were considering or already doing apprenticeships. However, they believed that the enhanced taught element was worthwhile as it would lead to tangible benefits and make them more attractive to future employers. As noted above, gaining recognised qualifications was found to be the most attractive element of modern apprenticeships for young people, and the introduction of technical certificates could help to assuage concerns about the status of

apprenticeships and the transferability of knowledge and skills. Those who had struggled at school would, however, expect to receive appropriate support.

18. Among the employers surveyed only 23% thought that releasing trainees for courses was a strongly off-putting feature of modern apprenticeships. In the focus groups, there was some initial scepticism among employers not currently involved in modern apprenticeships about the value of training away from the workplace, but on probing they admitted that day release was worthwhile if they received a well educated and trained employee in return.

### Employers' concerns about bureaucracy

19. The survey found that for employers the most off-putting feature of modern apprenticeships was the bureaucracy and red-tape involved which was rated as a strong factor by 54% of employers surveyed. However, those who had had experience of apprenticeship were less likely to cite this as an off-putting feature – 42% compared with 58% who had had no contact with the programme.

20. When bureaucracy was discussed in the focus groups, employers tended to accept that there would be a certain amount of paper work, although they wanted to be reassured that this would be kept to a minimum. They also accepted that they would lose some control over the trainee and that they would be inspected (in the survey only 24% said that external inspection was a significant off-putting feature). Indeed, they felt external monitoring was important to guarantee quality and protect them from accusations of exploiting young people. They also saw inspectors and external agents as a useful source of information and guidance. What was most important to employers was that there should be clarity about the level of commitment they would need to make, and that there was an identified person who could help them with the administration of the apprenticeship.

## Conclusions

21. Overall the market research suggests there is a relatively high level of general awareness of modern apprenticeships and that their key features are seen as attractive. However, the image of apprenticeships is rather vague, particularly compared with full-time education options, and there is a lack of in-depth knowledge about what they contain and how to access them. Even some careers advisers and teachers do not appear to have the facts and arguments to explain modern apprenticeships to young people and parents. This suggests there is a need both to connect people with the vision of modern apprenticeships and to provide them with more detailed information. There is also a need to counter some of the negative beliefs and feelings attached to apprenticeship. Some of these relate to perceptions that apprenticeships are available only in a limited number of male-dominated

manual occupations. But there is also a fear that if young people undertake modern apprenticeships they will be 'trapped' in a specific job, close down their career options and lose out in the long run to those with A levels.

22. The market research therefore suggests that promotional activity needs to fill the information gaps and present a positive image of apprenticeship. This would involve providing detailed information on the content of each framework (in a common format) and local apprenticeship opportunities. It also important that young people know that as they progress through their apprenticeship they will acquire valuable skills and qualifications which are useful beyond their immediate jobs, and that there are opportunities for further professional development and even entry to higher education.

## ANNEX D: PARTICIPATION BY FRAMEWORK AND GENDER

This table shows the significant imbalances in the participation of young men and young women across twenty selected sectors. It shows (a) the relative size of each sector in terms of the numbers in training as a proportion of all foundation or advanced modern apprentices, and (b) the proportion of young women in training. (For example, 13% of all advanced modern apprentices are in the engineering manufacturing sector, and 2% of advanced modern apprentices in this sector are female.)

Sector	Number in training as % of all on:		% of young women in:	
	AMA	FMA	AMA	FMA
Engineering Manufacturing	13	4	2	3
Business Administration	11	15	81	77
Customer Service	8	11	69	67
Construction	7	7	1	2
Motor Industry	7	4	1	2
Electrical Installation Engineering	7	#	1	*
Hotel & Catering	7	11	50	50
Health & Social Care	6	6	89	89
Hairdressing	6	10	93	94
Retailing	4	13	58	60
Childcare	4	3	98	96
Accountancy	3	1	61	58
Plumbing	2	1	1	1
Travel Service	2	#	89	84
Telecommunications	1	#	14	58
Information Technology	1	4	22	16
Heating, Ventilation, Air Conditioning & Refrigeration	1	#	1	1
Printing	1	#	7	9
Road Haulage & Distribution	1	#	14	18
Management	1	#	59	*

Data relate to numbers in training on 25 March 2001

# = less than 0.5%.

\* = not applicable

Source: DfES Work-Based Training for Young People Trainee Database

## ANNEX E: TIMETABLE FOR IMPLEMENTATION

The following is a suggestion, quarter by quarter, for a timetable for implementation of the main recommendations contained in the report over the next three years. We appreciate that proper project planning will be needed in order to confirm a precise implementation plan, but consider that if the dates below are not met, there will be likely to be difficulties in meeting the targets that we have proposed.

Period	Responsible Organisation	Items	Report Section
Quarter 4: 2001	LLSCs	Planning for apprenticeship programme for 2002/3 as part of local strategic plans, including capacity of colleges to deliver technical certificates due to come on stream in 2002	5
	DfES, jointly with LSC	Establish advisory board on apprenticeship	10
	LSC	Identify sectors involved in 'Other Training' where an apprenticeship framework is required and appropriate	7
Quarter 1: 2002	LSC	Commission development work on priority areas	5
	DfES and LSC	Launch of major national marketing campaign	9
	LSC, with relevant NTOs	Commission examination of problems of poor take-up in specific areas	9
Quarter 2: 2002	LSC	Formal establishment of national framework of apprenticeship, including rules for probation and templates for training plans and apprenticeship agreements	4
	LSC and NTOs	Website and series of leaflets available describing individual frameworks	9
	LSC	Issue marketing guide for apprenticeship agents	9
Quarter 3: 2002	LLSCs and NTOs	Apprentices and their employers to be registered with LSC and relevant NTO	4, 9
	LLSCs	Introduction of capacity for 'approved schemes' in sectors with technical certificates	5
	LSC	New funding arrangements for Apprenticeship Agents	6
	LSC	Recognition of Entry to Employment courses, with funding arrangements	7
	LSC	Facility for NVQ assessment costs of young employees not in apprenticeship to be met	7
Quarter 4: 2002	NTOs	NTOs have capacity to issue Apprenticeship Diplomas in sectors with technical certificates	5
	LSC	Full details of completed apprenticeships kept	6
	UK SKILLS	UK SKILLS introduce modern apprenticeship class in National Training Awards and in Skills Show 2002	9

Period	Responsible Organisation	Items	Report Section
Quarter 1: 2003	LSC	Common planning system for annual apprenticeship programme in LLSCs	6
	LSC	Website with employers, apprenticeship agents and descriptions of frameworks	9
Quarter 2: 2003	Connexions Service	Connexions personal advisers to contact each young person aged 15 who shows interest in apprenticeship	9
Quarter 3: 2003	LSC	Introduction of accelerated option within AMAs	4
	LSC	All apprenticeship places to have employed status	8
	LSC and Connexions Service	First annual recruitment event	9
Quarter 4: 2003	LSC	LSC to set targets for completed apprenticeships	8
Quarter 1: 2004			
Quarter 2: 2004			
Quarter 3: 2004	LSC	Introduction of entitlement to an apprenticeship place for 16 and 17 year-olds, and to financial support in an AMA for 16 and 17 year-olds and FMA completers at age 19 or earlier	8
Quarter 4: 2004	LSC	Review whether to introduce entitlement to AMA place for 16 and 17 year-olds	8
	DfES	Consider whether to place apprenticeship institutions on a statutory basis	10

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