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ELWa PAPER TO EDUCATION AND LIFELONG LEARNING COMMITTEE 11/01/06

THE ROLE OF WORK-BASED LEARNING

1. Work-based learning (WBL) is a bridge between education and work that allows people to "learn while earning". A national system of WBL ensures that learners are competent not only for the firm that employs them, but also have skills and knowledge with wider currency in the labour market. WBL includes provision from level 1 through to level 4, for young people and adults, and for both employed and unemployed learners. Traditionally, however, WBL is associated with the revival of the apprenticeship tradition and the development of intermediate skills (levels 2 and 3). More than two-thirds of contracted WBL provision is at this level.

2. ELWa's range of work-based learning programmes aim to:

- Provide a broad range of competence-based skills and knowledge to enhance employability and career progression
- Enable participants not in employment to acquire skills and work experience
- Help provide employers with a workforce that has the skills and knowledge to compete in the global economy

OVERVIEW OF WORK-BASED LEARNING PROGRAMMES

3. From August 2004 distinct youth and adult WBL programmes were merged into a single 'all-age' portfolio comprising:

- **Skillbuild** (formerly known as 'Preparatory Learning for Young People' and 'Employability Training for Adults')
- **Skillbuild Plus** (formerly known as 'Skillbuild NVQ level 1 for Young People' and 'Occupational Skills training for Adults')
- **Foundation Modern Apprenticeships** (FMAs, formerly 'National Traineeships')
- **Modern Apprenticeships** (MAs)
- **Modern Skills Diploma** (MSD, formerly 'Modern Skills Diploma for Adults')

4. **Skillbuild** is aimed at unemployed learners who are vocationally unfocused, lack confidence, have poor motivation or basic skills, and comprises:

- The identification of learning barriers that prevent the learner immediately accessing vocational learning at NVQ level 1 and above;
- The identification and addressing of a basic skills need; and
- Learning opportunities which provide learners with the breadth and flexibility of skills they need to enable them to better participate in the workforce and society at large.

5. **Skillbuild Plus** has two strands since August 2005: learning opportunities for both non-employed and employed learners. During the contract year 2004/05, Skillbuild Plus was aimed only at the unemployed. Skillbuild Plus (non-employed) comprises:

- Occupational learning to NVQ level 1 for young people who must be endorsed by Careers Wales
- Occupational learning to NVQ 1 or 2 or 3 for individuals in receipt of learning allowances paid through the Department of Work and Pensions.

Skillbuild Plus (employed status) is a programme for employed learners to undertake basic skills qualifications and core key skills at level 1. There is no requirement for young people to be endorsed by Careers Wales.

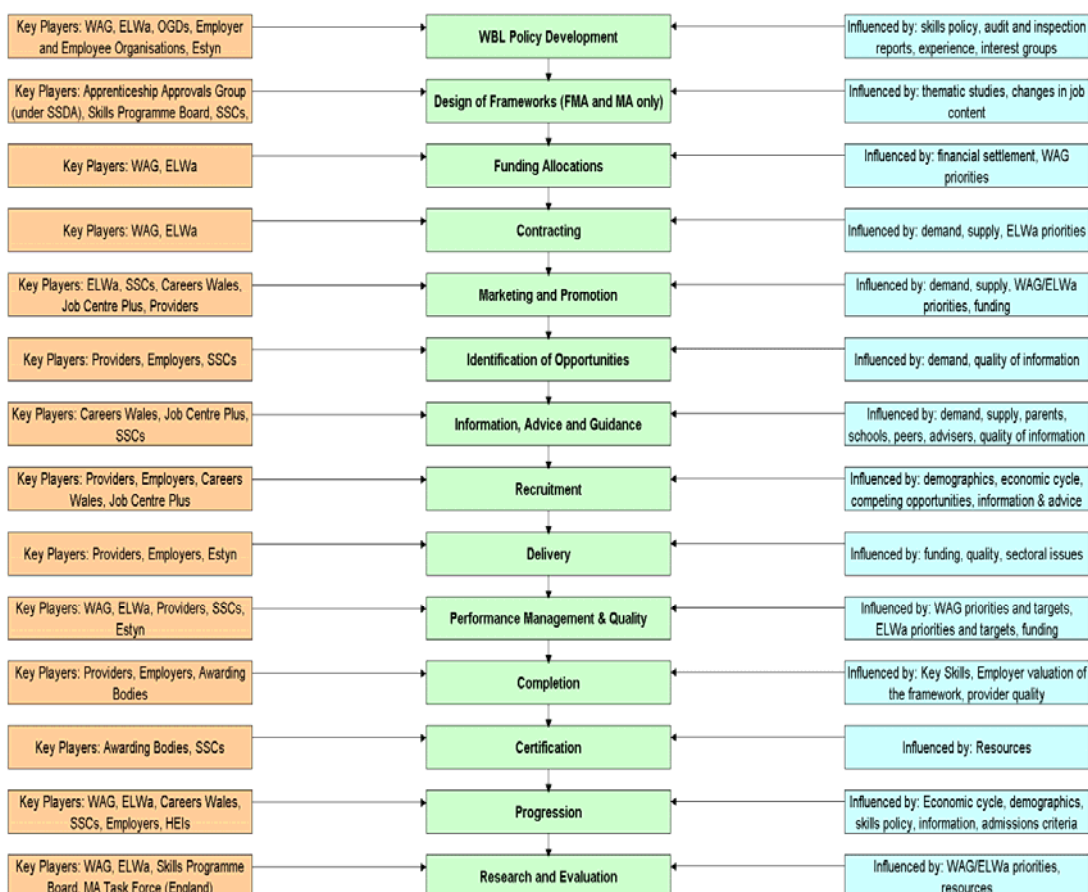
6. Maximum durations of funding (MDEF) apply to all adult learners and the Skillbuild Plus employed status programme. However, for unemployed young people i.e. those that are identified in the guarantee/extended guarantee group, Careers Wales can endorse for the length of time required for the learner to complete their Individual Learning Plan (ILP) as agreed under the programme of learning they have entered.

7. **Foundation Modern Apprenticeships (FMAs)** are employment-based programmes at level 2. **Modern Apprenticeships (MAs)** are similar in structure and involve learning to level 3, but unlike FMAs are only open to employed status learners. Both FMAs and MAs are based on frameworks devised by the relevant industry Sector Skills Councils. Frameworks include some combination of paid employment (or a placement plus training allowance on the FMA), an NVQ, a Technical Certificate accrediting underpinning knowledge, and Key Skills certification.

8. **Modern Skills Diploma (MSD)** is an employment-based programme at level 4. As with the MA it is only open to employed status learners. Entrants to this programme would normally be expected to already hold technician and/or people management positions. Under current transitional arrangements, learners will usually follow an existing MA framework at NVQ level 4. Learners may, however, follow the alternative MSD option of an MA framework plus an ELWa approved knowledge based qualification at level 4 (from Section 96 of the Learning Skills Act 2000).

THE DELIVERY CHAIN

9. The delivery of WBL provision involves at least fourteen separate functions and a large number of organisations play roles in creating policy, overseeing content, managing, funding, delivering and quality assuring provision. For most of these organisations, the delivery of WBL is not their sole or even primary purpose.



10. One of the key distinguishing features of workforce development in the UK is the relative marginality of the Government-supported training infrastructure.¹ Only 1 in 25 employers in Wales have hosted trainees participating in WBL programmes.² The pivotal role in the WBL system is actually played by training providers. These organisations receive public funding to supply a range of services – especially off-the-job training and assessment – to firms that employ or provide placements for learners on WBL programmes.

BUDGET

11. In Financial Year 2004-05 ELWa allocated £104.5 million to WBL (including £9.5m ESF funding available from August 2004). The total figure represented 23.5 per cent of ELWa's Learner Provision budget. Of the total contracted provision for

¹ Coleman, S and Keep, E (2001) 'Background Literature Review for PIU project on Workforce Development'.

² Wiseman, J, Roe, P and Boothby, D (2003) 'Evaluation of Modern Apprenticeships and National Traineeships in Wales'. Bostock Marketing Group.

2004-05, 15.6 per cent was Preparatory Learning, 13.9 per cent Skills Learning, 30.6 per cent FMAs, 35.5 per cent MAs, and 4.1 per cent MSDs (see table overleaf).

August 2004 – July 2005 contracted volumes (£million)

	Preparatory Learning		Skills Learning		Foundation Modern Apprenticeship		Modern Apprenticeship		Modern Skills Diploma	All programmes
	GE	UA	GE	UA	16-18	19+	16-18	19+	All ages	
Start payments	3.2	0.8	1.2	0.8	1.3	2.5	0.6	2.2	0.4	13.1
On programme payments	4.0	0.5	7.6	0.9	17.1		18.7		2.4	51.3
Outcome payments	5.0	2.0	2.4	1.1	9.6		14.0		1.2	35.4
Total	12.3	3.3	11.2	2.7	30.6		35.5		4.1	99.9

Note: Figures do not tally due to rounding.

GE – guarantee group, UA – unemployed adults

PARTICIPATION

ENROLMENTS ON WBL PROGRAMMES

Cumulative Learners in Academic Year 2003/04 2004/05

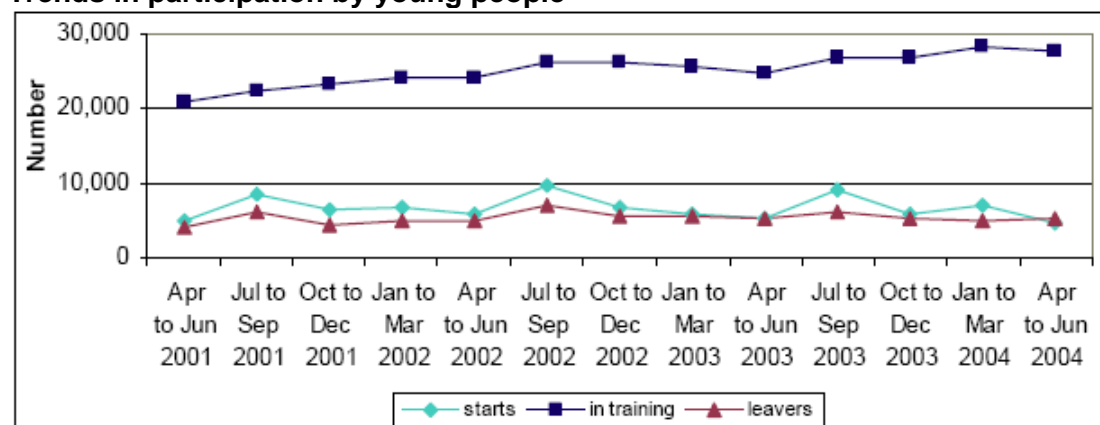
Modern Apprenticeships	18,950	21,260
Foundation Modern Apprenticeships	19,125	25,305
Modern Skills Diploma	2,165	2,680
Other WBL Programmes	14,790	17,915
TOTAL	55,030	67,160

In training on Reference Date 01/12/2003 31/07/2004 01/12/2004 31/07/2005

Modern Apprenticeships	12,235	13,400	13,090	13,430
Foundation Modern Apprenticeships	11,395	11,525	11,635	14,735
Modern Skills Diploma	1,470	1,500	1,595	1,645
Other WBL Programmes	6,195	6,180	4,745	5,335
TOTAL	31,295	32,605	31,065	35,145

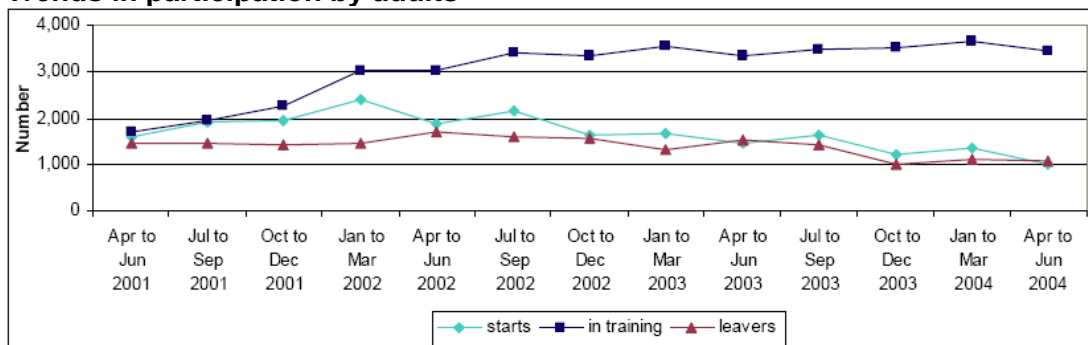
Source: Further Education, Work -based Learning and Community Learning First Releases

Trends in participation by young people



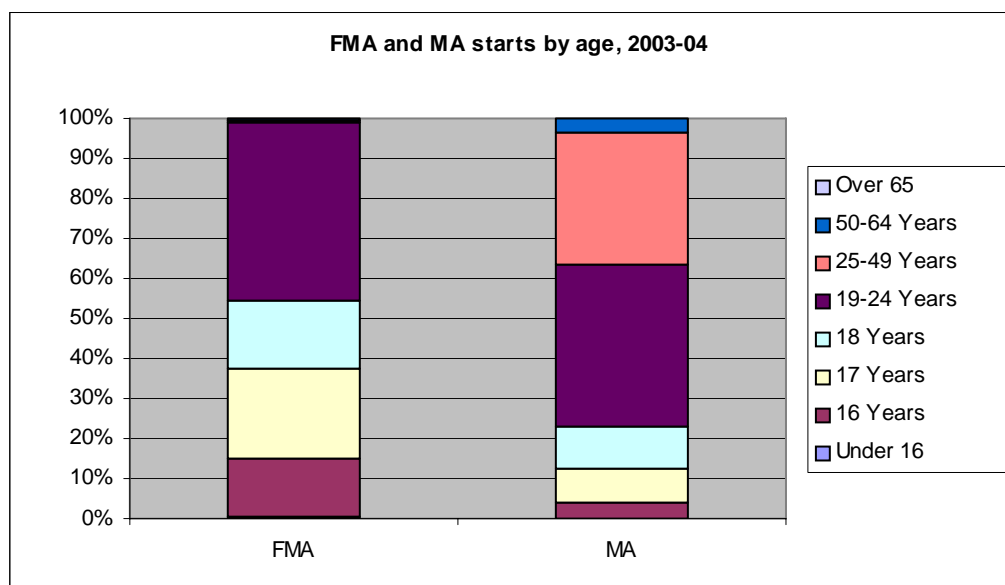
12. At the end of June 2004, just over 27,500 young people in Wales were on training courses. 48 per cent (13,095) were on MAs, 41 per cent (11,160) were on FMAs and 11 per cent (3,055) were on Skill Build. There were 2,850 more young people in training at the end of June 2004 than at the end of June 2003, and 6,600 more than at the end of June 2001.

Trends in participation by adults



13. At the end of June 2004, 3,370 adults in Wales were on training courses. 44 per cent (1,485) were on Modern Skills Diplomas and 31 per cent (1,060) were on Skills Training. There were 1,670 more adults in training than at the end of June 2001. Since September 2002, the figure has remained at broadly the same level.

14. Although the total number of learners on WBL programmes has grown in recent years, the nature of the participants has changed since the 1980s. Traditionally, apprenticeship and similar programmes were aimed at young people, especially school leavers. However, WBL now has relatively low, fluctuating 'market share' of the Year 11 cohort – between 7 and 9 per cent. To some extent this has been compensated for by growing interest in WBL from adults. In 2003-04 over-18s comprised over 70 per cent of starts on the MA programme and nearly 50 per cent on the FMA.



COMPLETION RATES

15. Low completion rates have been a perennial problem affecting the FMA and MA programmes. In 2004-05, 29 per cent of learners on the FMA and 21 per cent of those pursuing the MA completed their full frameworks. Completion rates are higher in England: 35 per cent of Apprentices (equivalent to FMA) and 33 per cent of Advanced Apprentices (equivalent to MA) completed their frameworks in 2004-05. In Scotland completion rates for MAs are higher still, standing at 54 per cent in 2003-04 (there is no equivalent of the FMA in Scotland).

16. In many European countries with a strong apprenticeship tradition completion rates are substantially greater than those in any part of the UK: in Germany and France around 75-80 per cent, in the Netherlands and Denmark in the range 65-70 per cent. However, most of these countries have social systems and labour market regulations that are much more favourable to participation in, and completion of, apprenticeships than the historic 'voluntarist' approach to workforce development in Britain.³

17. There are substantial differences between completion rates in different sectors of the economy. In only three occupational areas (agriculture, business administration and leisure, sport and travel) did over a third of leavers on the FMA programme complete their full framework in the period 2001-03. On the MA programme, only two occupational areas, agriculture and engineering, had over a third of leavers completing their full framework.⁴ Equally, survey evidence suggests that employers in certain sectors place more emphasis upon full frameworks than others, with completion valued more in construction, engineering, travel and Early Years than retail, IT or accountancy.⁵ Overall more than half of early leavers from the MA programme, and over a third from the FMA, remain with the same employer beyond the cessation of their programme.

Occupational area	% of leavers completing their full framework
Agriculture	FMA – 49 MA – 47
Construction	FMA – 10 MA – 33
Engineering	FMA – 26 MA – 42
Manufacturing	FMA – 17 MA – 25
Business Administration	FMA – 34 MA – 30
Retail and Customer Services	FMA – 8 MA – 1
Leisure, Sport and Travel	FMA – 55 MA – 4
Hospitality	FMA – 19 MA – 15
Hair and Beauty	FMA – 30 MA – 21
Health, Care and Public Services	FMA – 16 MA – 26
Media and Design	FMA – 0 MA – 0

Source: Estyn (2004)

³ West, J (2005) 'Improving Completion Rates in Apprenticeship: A Comparative and Numerical Approach'. DfES/Apprenticeships Task Force.

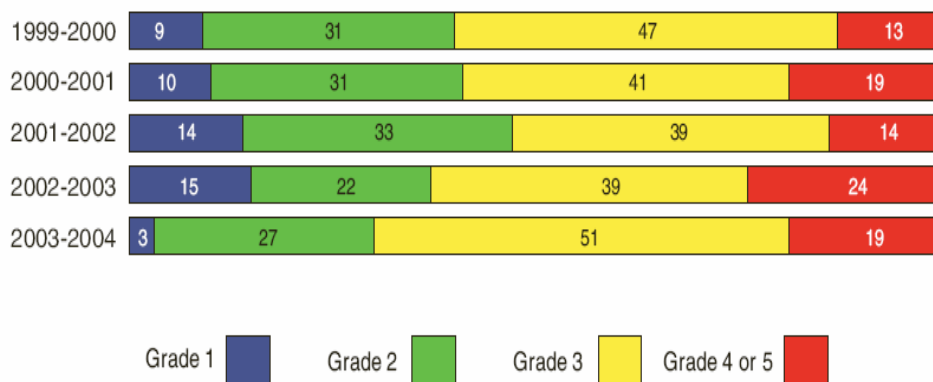
⁴ Estyn (2004) 'Barriers to completion of full training frameworks by learners in work based training.' Cardiff: Estyn.

⁵ IFF Research (2000) 'Modern Apprenticeships: exploring the reasons for non-completion in five sectors.' Nottingham: DfES.

QUALITY

18. The Estyn Annual Report 2003-04 noted “standards in WBL are a cause for concern”, highlighting that only about 30 per cent of work is good or very good (Estyn grades 1 and 2), compared to 20 per cent which is poor (grades 4 and 5).⁶

Percentage of classes



In charts where percentages have been rounded to the nearest whole number, they might not add up to 100.

Grade 1: Good with outstanding features

Grade 2: Good features and no important shortcomings

Grade 3: Good features outweigh shortcomings

Grade 4: Some good features but shortcomings in important areas

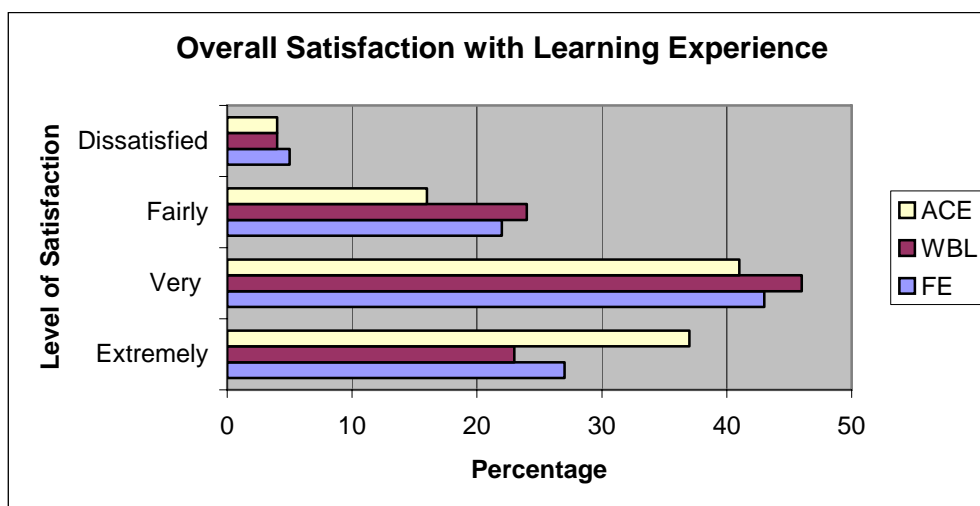
Grade 5: Many important shortcomings

19. Estyn has identified that much general provision, and the leadership and management of many providers, is unsatisfactory. Planning and assessment are often poor, and over three-quarters of providers do not collect or analyse enough information on the progress of their trainees. However, Estyn found that resources are adequate in the vast majority of providers, and that accommodation is generally good at both workplaces and training centres.

LEARNER SATISFACTION

20. Learners appear very satisfied with their experience of WBL. ELWa's National Learner Satisfaction Survey, conducted in 2003, discovered that around seven in ten participants were extremely or very satisfied with their learning experience; most felt that their training had helped them achieve their objectives and levels of dissatisfaction were very low (4 per cent). The experience of learners in WBL compares well with their peers in FE and Adult Continuing Education.

⁶ Estyn (2005) 'The Annual Report of Her Majesty's Chief Inspector on Education and Work-based training in Wales 2003-2004'. Cardiff: TSO.



21. Those who were dissatisfied with their experience mainly cited reasons such as the programme not being what they expected. Even non-completers appear satisfied with their experience of WBL; in one study, despite not finishing, more than three quarters enjoyed their training and felt they learnt a lot and over half said it helped them in their career.⁷

KEY ISSUES

22. International benchmarks show that the characteristics common to countries with successful apprenticeship* systems include⁸:

- programmes with clear structures, often jointly regulated by employers and unions;
- high levels of participation, with learners drawn from a wide ability range;
- clear obligations related to off-the-job learning, which is integrated with the education system;
- trainee wages at a relatively low level compared to conventional employees, which makes the provision of places economic for firms; and
- good and accessible information about occupations and apprenticeship places.

23. The legal and institutional context in Wales and the UK as a whole makes it impractical or even undesirable to emulate all of these features. Nevertheless some elements of a potentially successful WBL system are already in place and in some ways – for example the accessibility of its “all-age” programme – Wales has distinctive strengths.²⁴ Research demonstrates that Wales is not necessarily ‘locked into’ poor WBL performance as a result of its industrial mix, socio-demographic profile, the state of the labour market or competition from full-time education. For all these factors the relationship with outcomes is weak or non-existent.⁹ This evidence reinforces the view that the main challenge for WBL is to improve the management,

⁷ IFF Research (2000) ‘Modern Apprenticeships: exploring the reasons for non-completion in five sectors’. Nottingham: DfES.

* Work-based learning in Wales includes a broader range of provision than apprenticeships. In England, the term ‘apprenticeship system’ is sometimes used to embrace all of the former work-based learning for young people (WBLYP) including pre-apprenticeship programmes such as Entry to Employment.

⁸ MAAC (2001) ‘Modern Apprenticeships: the way to work’. Report of the Modern Apprenticeship Advisory Committee (‘The Cassels Report’). Nottingham: DfES.

⁹ West, J (2005) ‘Improving Completion Rates in Apprenticeship: A Comparative and Numerical Approach’. ATF.

delivery and communication of the programmes.²⁵ The Skills and Employment Action Plan 2005 noted that more needs to be done to improve the quality of work-based learning, engage companies and ensure parents, teachers and careers advisors are aware of the Modern Apprenticeship route, so they can give impartial and accurate guidance. The Plan also highlighted the need to increase the numbers progressing to Modern Apprenticeships through Skillbuild and Foundation Modern Apprenticeships and link these programmes to the “Combined Apprenticeship” route being developed within the 14-19 Learning Pathways.

CURRENT INITIATIVES

Apprenticeship Blueprint

26. WAG, ELWa and ACCAC have worked with SSCs, sector bodies and partners in England including DfES, LSC and QCA to create a new ‘blueprint’ to guide the future design of apprenticeships in Wales and England. The blueprint defines the roles and responsibilities of key agencies and outlines both the essential components of a programme and areas where sectoral flexibility can be applied.

Provider Performance Review

27. The first Provider Performance Review (PPR) has been completed and feedback sent to providers on 10 November 2005. The outcomes of the review will be used to drive up quality and standards where they are considered to be below satisfactory. This means that where providers have been identified as giving rise to some or serious concerns, ELWa will be requiring action to address these concerns immediately with a view to demonstrating an improvement over the course of the next 6 months.

28. PPR outcomes also allow ELWa to target support for those providers who need it most. In addition to ongoing support from Learning Provision teams, soon-to-be-appointed Performance Improvement Advisers will be directed towards those providers who have been identified as having greatest need of support.

29. The Learning Provision teams are now arranging feedback meetings with providers. In December 2005 ELWa started a full evaluation of the first Provider Performance Review, which includes an examination of the PPR criteria, process and identification of how they can be strengthened.

WBL Improvement Plan

30. The Minister for Education and Lifelong Learning has asked ELWa to work with officials at WAG to prepare an improvement plan for WBL by the end of January 2006. The objectives for the work-based learning improvement plan are to:

- *Raise Awareness* –
 - Re-brand and communicate the constituent programmes of WBL;
 - Improve the availability and dissemination of accurate and useful information on WBL opportunities for individuals, employers, parents and advisers; and
 - Establish WBL as a credible choice for young people of all abilities.
- *Build Capacity* –
 - Increase employer participation to generate more work-based learning opportunities; and
 - Create ‘safety net’ arrangements to give individuals security of placement, or other opportunities should a placement be terminated.

- *Create Learning Pathways* –
 - Ensure that the programmes support common objectives with Jobcentre Plus provision; and
 - Develop proposals to increase learner progression.
- *Raise standards and attainment* –
 - Increase completion rates; and
 - Improve quality ratings.

31. Work on the improvement plan is assisted by an ELWa National Council advisory 'sounding board' with representatives from provider groups including the Association of Learning Providers, National Training Federation and Fforwm, chaired by Lord Ted Rowlands. Operational oversight of the project is being coordinated by the Assembly's Skills Programme Board, which includes staff from different WAG departments, ELWa, ACCAC and SSSA. Meetings have also been held and submissions obtained from Careers Wales and Jobcentre Plus.