

ELLS(2) 05-06(p4) Annex B

WORK-BASED LEARNING IMPROVEMENT PLAN

Background

1. The size and quality of the workforce are important drivers of economic performance and productivity growth. In 2004 the proportions of working age adults qualified to levels 2, 3 or 4 in Wales were slightly lower than the UK as a whole. Internationally, although the UK has a large number of highly skilled workers, it falls behind comparable countries in intermediate skills (levels 2 and 3), which are traditionally developed in large part through work-based learning and apprenticeship systems. Only 28 per cent of the UK's working age population having skills at apprenticeship, technical or craft level, compared with 51 per cent in France and 65 per cent in Germany.¹

2. This relatively poor performance is underpinned by the number of low or unskilled adults and a continuing flow of young people with low levels of skill into the workforce. 17 per cent of Welsh adults of working age have no qualifications; 24 per cent of young people in Wales reach the age of 19 without achieving a level 2 qualification² – the level currently identified as the minimum attainment requirement for sustained participation in the contemporary labour market. Without basic skills – literacy and numeracy – individuals cannot start to develop a career path and may be trapped in a cycle of low pay, unemployment or economic inactivity. Once on the development ladder, the chances of individuals accessing further training and moving on to better jobs are increased, although the personal benefits in higher earnings are still relatively low up to level 2.

3. The benefits to businesses, from having more productive workers, and to individuals, from a better chance of securing employment and higher earnings, suggest that both should have an incentive to invest in skills. However, this investment can be constrained by various types of market, Government and cultural failures:

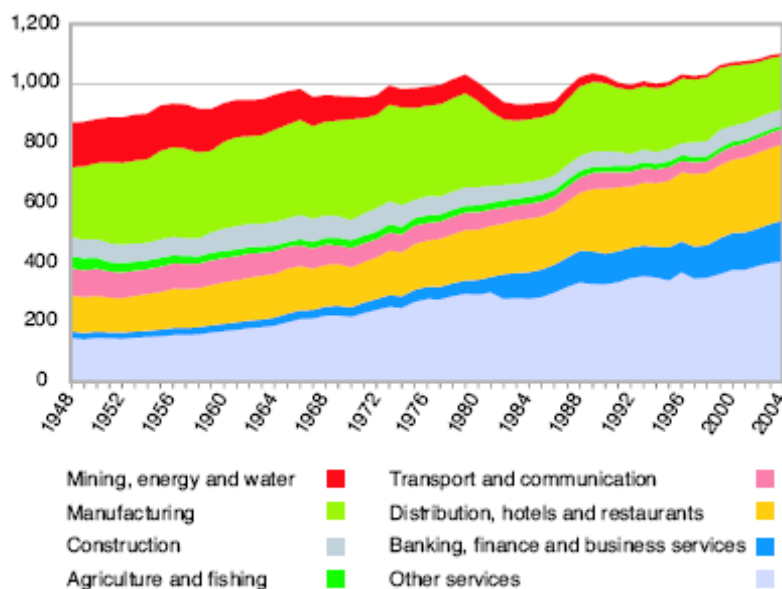
¹ Skills for Business/DfES (2004) Working Futures

² National Statistics, Labour Force Survey

- externalities that occur as firms cannot capture the full benefits of their investment in training (for example, in industries with high staff turnover);
- imperfect information that means employees and employers cannot correctly judge the benefits of training;
- financial and time constraints, particularly for the lower-paid and small organisations;
- UK employer networks and institutions are weak, limiting opportunities for collaboration and information sharing;
- Government funding mechanisms and institutions are complex and frequently changed; and
- the competitive strategy of many firms in some sectors is based on a low cost/low added value approach: such firms are unlikely to see any benefit in upskilling their workers.

4. The former employer-provided 'time served' apprenticeship system, strongly associated with heavy industry, collapsed in the 1970s and 1980s as the structure of the economy changed. In recent years the share of total jobs in the service sector has been rising while manufacturing employment is in decline and the extractive industries have virtually disappeared.³

Employee jobs in Wales, thousands



Source: Compiled from employer surveys

³ WAG (2005) 'Wales: A Vibrant Economy'.

The importance of work-based learning

5. Market failure and the prospect of high social returns are the rationale for public sector intervention in skills development. A strong and credible work-based learning system is part of the Government agenda for improving skills and is important for a number of reasons:

- it provides an opportunity for people to continue in learning while active in the labour market;
- it enhances the basic employability and generic skills of participants – an OECD study showed that the youth to adult unemployment ratio was low in countries with strong apprenticeship systems, such as Austria, Denmark and Switzerland⁴;
- it directly address the formation of intermediate skills (levels 2 and 3) and, in some cases, higher level skills as well; and
- a national system ensures that employees are competent not only for the firm that employs them, but also have skills and knowledge that is transferable and less firm-specific than if employers trained solely for their own needs.

Overview of Work-Based Learning programmes

6. 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

7. There is an important interface between WBL and the Assembly Government's 14-19 Learning Pathways policy, which aims to ensure that young people of all abilities have access to a significantly enhanced range of options including work-focused experience. Learning Pathways may include the WBL programmes.

⁴ OECD (2000) 'From Initial Education to Working Life', Table 2.8.

8. 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')

9. **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.

10. **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.

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

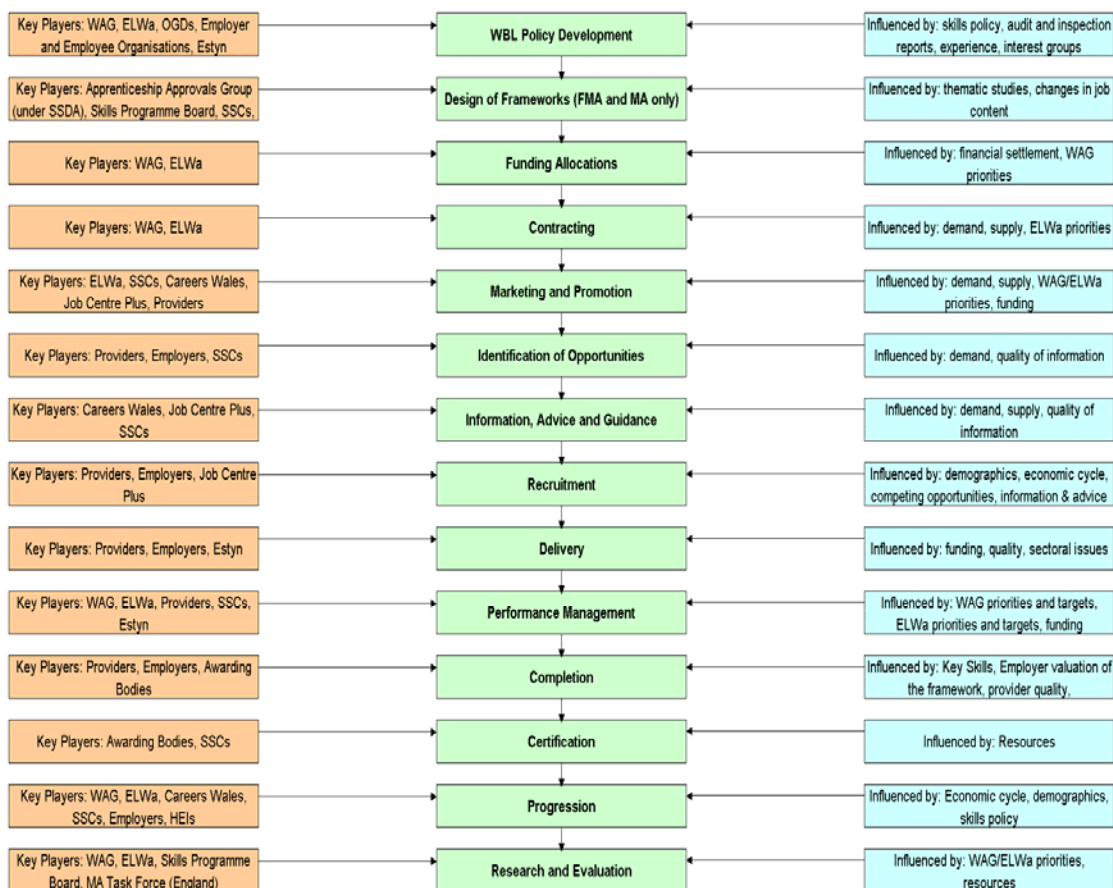
12. Maximum durations of funding (MDEF) apply to all adult learners and the Skillbuild Plus employed status programme. However, for unemployed young people i.e. those that are identified in the guarantee/extended guarantee group, Careers Wales can endorse for the length of time required for the learner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

13. **Foundation Modern Apprenticeships (FMAs)** are employment-based programmes at level 2 and **Modern Apprenticeships (MA)** are similar in structure but involve learning to level 3 and 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.

14. **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 NVQ framework plus an ELWa approved knowledge based qualification at level 4 (from Section 96 of the Learning Skills Act 2000).

The delivery chain

15. 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.



16. One of the key distinguishing features of workforce development in the UK is the relative marginality of the Government-supported training infrastructure.⁵ Only 1 in 25 employers in Wales have hosted trainees participating in WBL programmes.⁶ 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. There are currently about 115 providers of WBL in Wales. 14 per cent are local authorities, 20 per cent are further (and one higher) education institutions, and 66 per cent are private training companies.

Budget

17. 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

⁵ Coleman, S and Keep, E (2001) 'Background Literature Review for PIU project on Workforce Development'.

⁶ Wiseman, J, Roe, P and Boothby, D (2003) 'Evaluation of Modern Apprenticeships and National Traineeships in Wales'. Bostock Marketing Group.

per cent of ELWa's Learner Provision budget. After allowing for learner support costs, reimbursement of DWP for learning allowances, and funds set aside to support inward investment, total contracted provision for contract year 2004/05 was £99.9 million, of which 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 1). Ultimately volumes valued at £85.3m were delivered, of which 17.8 per cent was Preparatory Learning, 9.7 per cent Skills Learning, 34.6 per cent FMAs, 34.2 per cent MAs, and 3.3 per cent MSDs (see table 2). In 2005/06 ELWa has contracted £115.4 million to be spent on WBL. Improved flexibilities within the programmes are likely to maximise spend against contract, which will deliver a real terms increase of 32.1 per cent⁷, (see table 3).

Table 1: 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 may not tally due to rounding.

GE – guarantee group (16-18), UA – unemployed adults

Table 2: August 2004 – July 2005 delivered volumes (£million)

	Preparatory Learning		Skills Learning		Foundation Modern Apprenticeship	Modern Apprenticeship	Modern Skills Diploma	All programmes
	GE	UA	GE	UA				
Start payments	3.3	0.6	1.1	0.5	4.9	3.0	0.4	13.8
On programme payments	4.7	0.4	4.0	0.3	13.6	16.1	1.8	41.1*
Outcome	5.1	1.1	1.5	0.9	11.0	10.1	0.6	30.4*

⁷ Adjusted using GDP deflator of 2.38 per cent.

payments								
Total	13.1	2.1	6.6	1.7	29.5	29.2	2.8	85.3*

* £0.3m was allocated to bespoke provision, of which £0.2m was 'On Programme payments' and £0.1m 'Outcome payments'

Note: Figures may not tally due to rounding.

GE – guarantee group (16-18), UA – unemployed adults

Table 3: August 2005 – July 2006 profile of expenditure (forecast) (£million)

	Skillbuild		Skillbuild Plus		Foundation Modern Apprenticeship	Modern Apprenticeship	Modern Skills Diploma	All programmes
	GE	UA	GE	UA				
Start payments	3.9	0.6	1.4	0.8	6.1	3.5	0.6	16.8
On programme payments	7.0	0.6	5.4	0.7	21.3	18.9	2.5	56.3
Outcome payments	7.1	1.7	2.3	1.5	15.9	12.9	0.9	42.2
Total	18.0	2.9	9.0	2.9	43.3	35.2	4.0	115.4

Note: Figures may not tally due to rounding.

GE – guarantee group (16-18), UA – unemployed adults

Participation

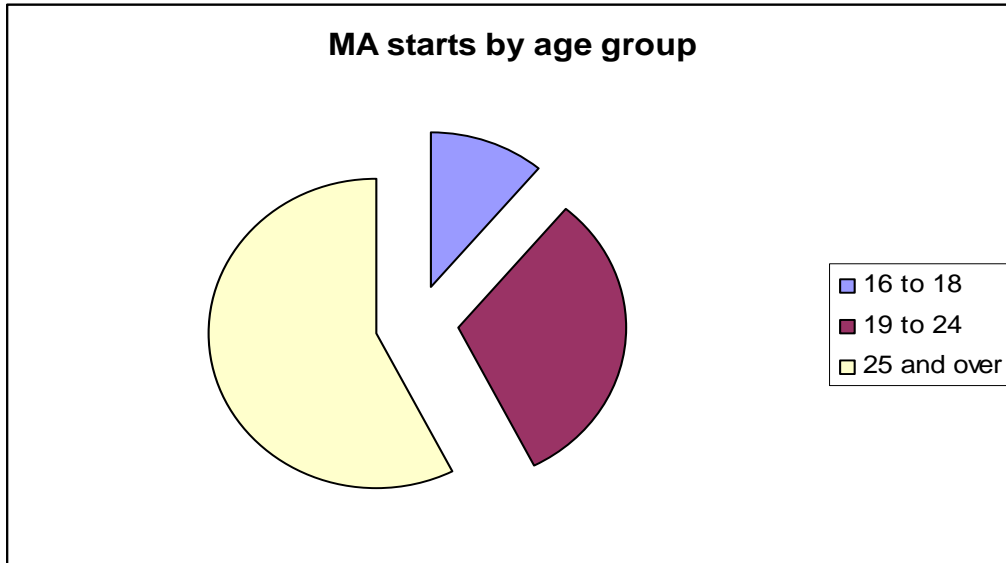
ENROLMENTS ON WBL PROGRAMMES

	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

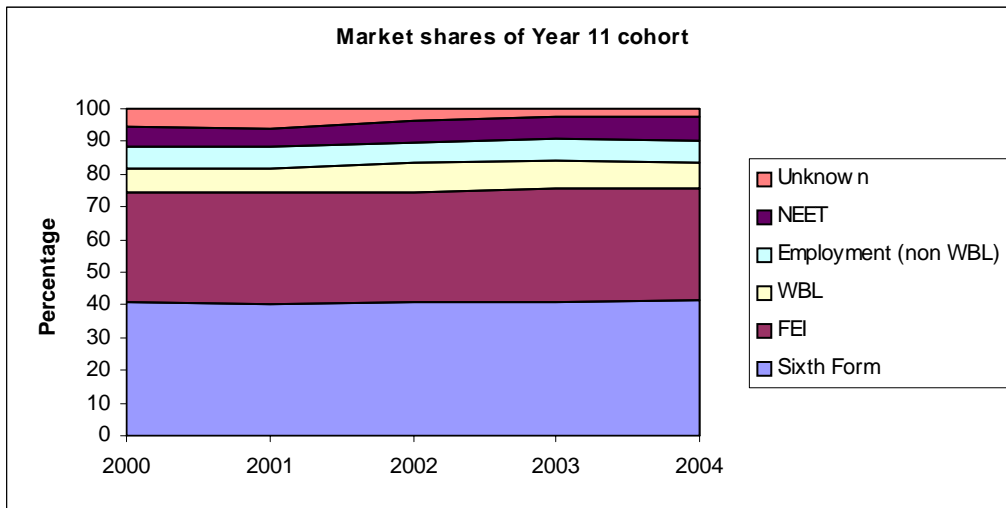
	In training on Reference Date			
	01/12/2003	31/07/2004	01/12/2004	31/07/2005
Modern Apprenticeships	12,235	13,400	13,090	13,430
Foundation Modern Apprenticeships	11,395	11,525	11,635	14,735
Modern Skills Diploma	1,470	1,500	1,595	1,645
Other WBL Programmes	6,195	6,180	4,745	5,335
TOTAL	31,295	32,605	31,065	35,145

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

18. Although the total number of learners on WBL programmes has grown in recent years, the nature of the participants has changed. Traditionally, apprenticeship and similar programmes were aimed at young people, especially school leavers. MAs and FMAs were created by the Government in the 1990s to help equip young people up to the age of 25 with relevant skills and provide employers with a consistent framework for training, although in Wales an All-Age Framework was introduced in August 2004. As the charts overleaf show, today 57.5 per cent of MA starts are aged 25 and over, and only 11.2 per cent are aged 16-18. Only 7 to 9 per cent of the Year 11 cohort now progress to WBL; the vast majority of young people stay on in full-time education.



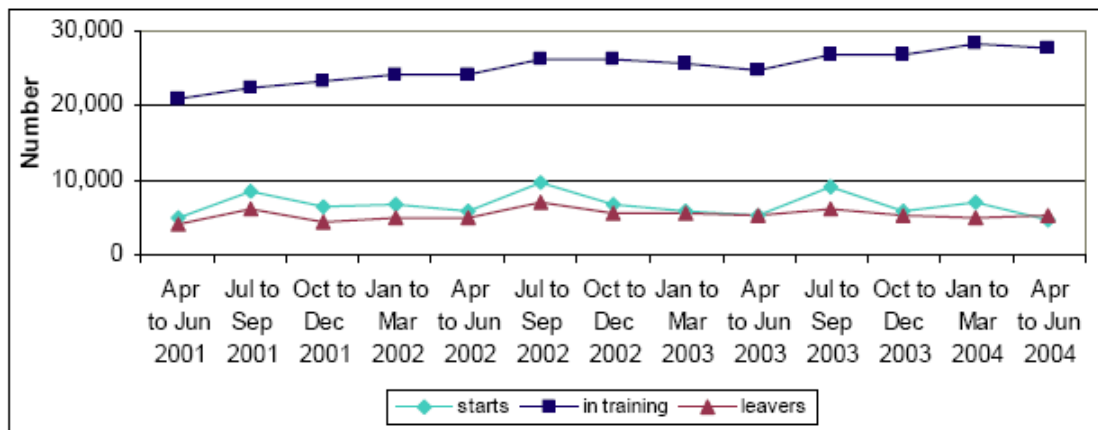
Data is from a sample of starts between February and July 2005



Source: Careers Wales

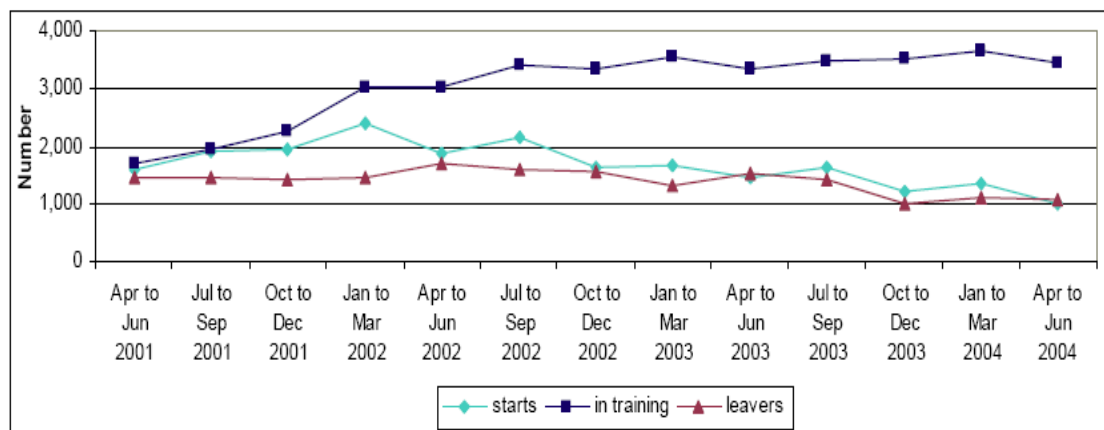
19. Despite WBL's low 'market share' of young people, total numbers in training have grown substantially in recent years. At the end of June 2004, just over 27,500 young people (under 25s) were on training courses in Wales. 48 per cent (13,095) were on MAs, 41 per cent (11,160) were on FMAs and 11 per 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 young people



20. At the end of June 2004 (before the introduction of the All-Age Framework for WBL), 3,370 adults (25 and over) were on training courses in Wales. 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.

Trends in participation by adults



Completion rates

21. 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. In part this is because of interaction with the labour market, which makes some element of drop out unavoidable (especially by young people who may not have settled on a long-term career choice).⁸ Another factor that may inhibit completion is programme design.

⁸ West, J (2005) 'Improving Completion Rates in Apprenticeship: A Comparative and Numerical Approach'. DfES/Apprenticeships Task Force.

FMA and MA are currently not qualifications in their own right. Rather, they are the achievement of a collection of qualification components, each requiring different assessment methods.

22. Completion rates are higher in England, where – apart from branding and the testing of Key Skills – programme design is identical. 35 per cent of English Apprentices (equivalent to FMA) and 33 per cent of Advanced Apprentices (equivalent to MA) completed their frameworks in 2004-05. However, WBL in England remains restricted to under-25s, and an element of non-completion in Wales may be a reflection of many older learners not requiring the full framework by virtue of their age and relevant experience. 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). However, Technical Certificates are non-mandatory in the Scottish MA, which may help the achievement of a higher completion rate - the new Apprenticeship Blueprint for England and Wales enables increased flexibility in the framework design, and SSCs and Sector Bodies may determine it more appropriate to certificate the knowledge element as part of the competence element rather than through a separate Technical Certificate as part of the framework review.

23. 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, the design, delivery and funding of programmes are very different in these countries, which generally 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.⁹

24. 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

⁹ West, J (2005) 'Improving Completion Rates in Apprenticeship: A Comparative and Numerical Approach'. DfES/Apprenticeships Task Force.

completing their full framework.¹⁰ 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.¹¹

25. 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. This may be evidence that, in the words of the Modern Apprenticeships Advisory Committee, “in many cases little value is attached either by young people or employers, to the full apprenticeship”.¹² The Credit and Qualifications Framework for Wales enables partial achievement to be recognised and the credit achieved accumulated and transferred to future learning; however all SSCs and Sector Bodies should encourage employers to use, recognise and value frameworks where they exist for their sector.

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

¹⁰ Estyn (2004) ‘Barriers to completion of full training frameworks by learners in work based training.’ Cardiff: Estyn.

¹¹ IFF Research (2000) ‘Modern Apprenticeships: exploring the reasons for non-completion in five sectors.’ Nottingham: DfES.

¹² MAAC (2001) ‘Modern Apprenticeships: the way to work’. Report of the Modern Apprenticeship Advisory Committee (‘The Cassels Report’). Nottingham: DfES.

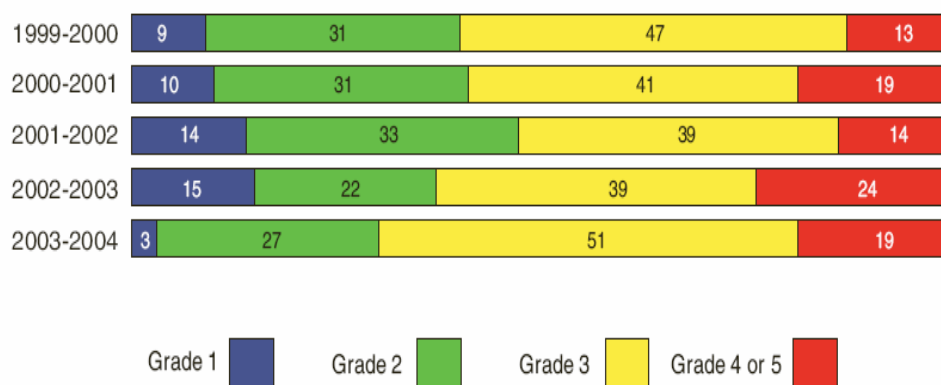
Health, Care and Public Services	FMA – 16 MA – 26
Media and Design	FMA – 0 MA – 0

Source: Estyn (2004)

Quality

26. 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).¹³

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

Source: Estyn (2005)

27. 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.

¹³ Estyn (2005) ‘The Annual Report of Her Majesty’s Chief Inspector on Education and Work-based training in Wales 2003-2004’. Cardiff: TSO.

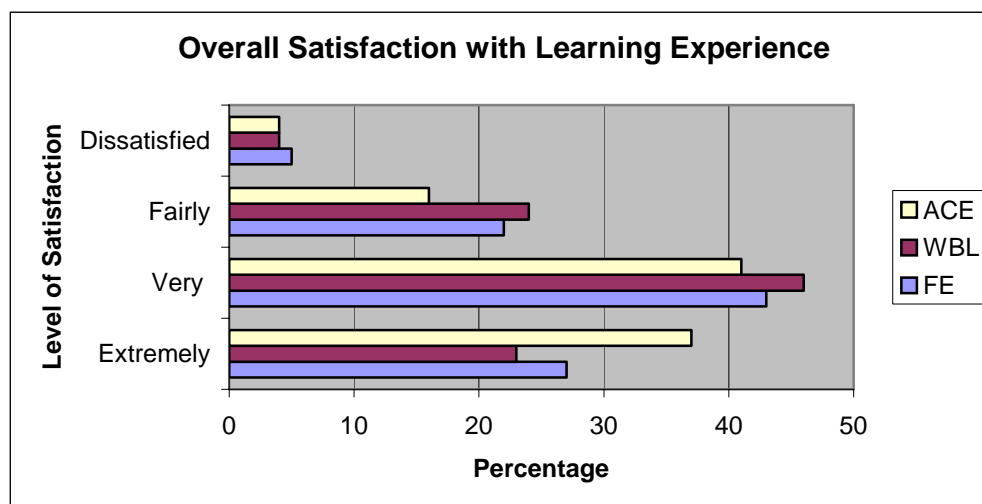
28. Moreover, the basis of measurement for WBL may disadvantage the sector. A whole apprenticeship framework consists of a number of elements (NVQ, Key Skills and Technical Certificate); while a learner may complete all except one of the components, this is recorded as a 'failure'. This may lead to a misleading judgement of the overall effectiveness of a provider, as demonstrated in the table below.

Elements of Apprenticeship Framework	Learner achievement [P – pass, F – fail]						Success rate
	Learner 1	Learner 2	Learner 3	Learner 4	Learner 5	Learner 6	
NVQ	F	P	P	P	P	P	83%
Key Skill 1	P	F	P	P	P	P	83%
Key Skill 2	P	P	F	P	P	P	83%
Key Skill 3	P	P	P	F	P	P	83%
Technical Certificate	P	P	P	P	F	P	83%
Framework completion?	No	No	No	No	No	Yes	17%

Source: David Jones, Deeside College

Learner satisfaction

29. Participants appear very satisfied with their experience of WBL. ELWa's National Learner Satisfaction Survey, conducted in 2003, discovered that around seven in ten learners in WBL 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 participants in WBL compares well with learners in FE and Adult Continuing Education.



30. 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.¹⁴

Employer satisfaction

31. Research conducted for DfES concluded that there are high levels of employer approval of MAs, with nearly 90 per cent expressing satisfaction, including 37 per cent very satisfied. Overall, there was little difference in levels of satisfaction by framework. However, employers were more likely to be satisfied with MAs which were in their core operations, rather than those in supportive or ancillary areas. Two factors appeared to have a greater influence over overall satisfaction with the MA: the amount of involvement in the training plan and the content of off-the-job training.

32. Employers also seemed confident that – where MAs are not restricted to existing staff – they were able to recruit apprentices of sufficient calibre, and that the content, standard and duration of training was appropriate. There were sectoral differences in perception of the importance of the whole framework, as noted earlier. Moreover Key Skills – especially Application of Number and IT – were regarded as irrelevancies by some, especially for the FMA.¹⁵

33. A study commissioned by ELWa revealed that participating employers had generally positive views of FMAs (at the time of the study, called National Traineeships) and MAs. There was relatively little support for fundamental change. Employers did not regard the administrative arrangements attendant upon MAs as being overly burdensome. Few organisations were critical of their training providers. Most employers had positive views of their current trainees, although they were slightly less satisfied with levels of literacy, numeracy and motivation. This appears to conflict with DfES research cited above, which found employers to be relatively disinterested in Key Skills.

¹⁴ IFF Research (2000) 'Modern Apprenticeships: exploring the reasons for non-completion in five sectors'. Nottingham: DfES.

¹⁵ NIESR (2003) 'Modern Apprenticeship Employers: Evaluation Study'. Nottingham: DfES.

34. This research also determined that employers who do not participate in MAs often had little awareness of the programme or were not recruiting new (especially new *young*) staff. The principle factor constraining the widespread adoption of FMA/MA appears not to be a negative view of the programme. The overall impression is that the programme simply has limited salience for many organisations' business agendas. Either employers are unaware of it; or they don't recruit often; or they don't recruit young people; or if they do recruit, it is to jobs which aren't seen as requiring much skill; or if some training is required, it is at a fairly low level and can be done informally; or the company has organised its own formal training process with which it is quite satisfied.¹⁶

Key issues

35. International benchmarks show that the characteristics common to countries with successful apprenticeship* systems include¹⁷:

- 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.

36. As highlighted above, Wales does not at present have a strong work-based learning system:

- the system includes disparate and poorly understood products aimed at heterogeneous target groups;

¹⁶ Bostock Marketing (2003) 'Evaluation of Modern Apprenticeships and National Traineeships in Wales.' ELWa.

* 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.

¹⁷ MAAC (2001) 'Modern Apprenticeships: the way to work'. Report of the Modern Apprenticeship Advisory Committee ('The Cassels Report'). Nottingham: DfES.

- although participation is growing, especially amongst adults, work-based routes are a marginal choice for young people;
- MAs and FMAs have struggled to engage the interest of employers in some sectors – there is often limited capacity to meet demand for apprenticeship opportunities
- there are persistently low completion rates in MAs and FMAs; and
- although participating learners and employers have generally positive experiences of WBL, there are problems with the quality of much provision.

37. The legal and institutional context in Wales and the UK as a whole makes it impractical to emulate all the features of successful apprenticeship systems common in parts of continental Europe. 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 and the generally positive feedback from participating learners and employers – the Welsh system has strengths.

38. Inter-regional comparisons of completion rates in England demonstrates that no LSC area is 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.¹⁸ By extension this conclusion must be applied to Wales, as FMAs and MAs have a common design in both countries. This evidence reinforces the view that the main challenge for WBL is to improve the management, delivery and communication of the programmes.

39. 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 that parents, teachers and careers advisors are aware of the WBL programmes, 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 to the new work-related learning routes (“combined apprenticeships”) being developed within 14-19 Learning Pathways. The Minister for Education Lifelong Learning and Skills has recently approved plans for the development of Construction, Manufacturing and Automotive work-related Learning Pathways which will be piloted in several 14-19 network

¹⁸ West, J (2005) ‘Improving Completion Rates in Apprenticeship: A Comparative and Numerical Approach’. DfES/Apprenticeships Task Force.

areas. Wales is already represented on the UK-wide Vocational Qualifications Reform Programme Board set up to ensure that, by 2010 at the latest, vocational qualifications reflect the contemporary needs of employers and learners, and confer the skills and knowledge the economy requires.

Principles

40. The guiding principles for policy on work-based learning are:

- The programme should provide a structured learning route for individuals that is relevant to employers' needs;
- Those entering the programme should not be penalised financially relative to those remaining in full-time education;
- There should be equal opportunities for individuals wishing to access WBL through the medium of Welsh, subject to available employment opportunities;
- There should be a clear progression opportunities from Skillbuild and/or work-related learning pathways through to the Modern Skills Diploma and wider opportunities in higher education where appropriate;
- There should be visible commitment from employers and individuals;
- WBL programmes should be portable and allow individuals to transfer between employers if necessary; and
- The Apprenticeship Blueprint for England and Wales will provide a simplified and more flexible apprenticeship framework.

41. There has been significant recent change in funding, branding and programme eligibility in WBL:

- In 2001 the Modern Skills Diploma for Adults (now renamed 'Modern Skills Diploma') was launched;
- In July 2004 ELWa completed a tendering exercise for WBL, the first of its kind for this type of learning, and secured ESF money to increase provision;
- In response to the publication of the first Skills and Employment Action Plan, in August 2004 distinct youth and adult WBL programmes were replaced with an All-Age Framework, unique in the UK, enabling adults (25 and over) to study for FMAs and MAs; and

- In August 2005 a new strand of Skillbuild Plus was introduced for employed learners with poor basic skills.

42. Several other relevant developments are ongoing: 14-19 Networks are creating Options Menus for each area that will reflect the work-based choices available locally. These options menus will make available an enhanced choice of work-based and academic routes for learners of all abilities, increasing the amount of work-based learning undertaken by young people. ELWa continues to develop its National Planning and Funding System, to be applied to WBL provision in August 2007, and is working with partners to progress the Credit and Qualification Framework for Wales, which will integrate all learning and qualifications in Wales.

Recommendations

Product development and provision structure

Recommendation 1. Develop a new entry level programme to replace Skillbuild.

43. The Social Exclusion Unit and ELWa's own evaluation of Skillbuild have highlighted concerns about the funding and delivery of programmes that address the needs of the most disadvantaged client groups and aim to improve their lifeskills and work focus, making them ready for employment and/or further learning.¹⁹

44. The Workplace Learning Review committed ELWa to develop a new level 1 programme with employability as its key focus. This should be open to the unemployed and employed individuals with poor basic skills. The programme will need to be flexible and include a menu of modular options offering a range of generic and vocational skills development opportunities. The essence of the flexible menu approach is that people are treated as individuals and receive customised support within defined parameters.

45. Elements of the programme for 16-19 year olds will need to be incorporated into the wider framework of 14-19 Learning Pathways, namely:

- An individual learning pathway;
- An option menu for wider choice and flexibility;

¹⁹ SEU (2005) Transitions: Young Adults with Complex Needs. London: ODPM / York Consulting (2005) 'Evaluation of Skill Build: Refine or Refocus?' ELWa.

- A Learning Core including ‘wider experiences’ and Key Skills;
- Learning Coach support (in English or Welsh, as appropriate);
- Access to personal support; and
- Careers advice and guidance.

46. The success of this model will rely heavily on clearly defined roles and responsibilities for all agencies working with the client group, especially in the case of adults with complex needs. This could be specified in service level agreements between partners including WAG, Job Centre Plus, Careers Wales, National Offender Management Service (NOMS), and relevant local authority departments. Clear communication is essential to avoid unnecessary duplication and overlap of provision, ‘signposting’ learners to the right programmes and support, and ensuring that mainstream as well as targeted services form a joined-up offer for the client group.

47. The name ‘Skillbuild’ may convey an inappropriate and poorly understood brand message. Many participants are chiefly focused on obtaining settled employment and are likely to view training in utilitarian terms, rather than as a goal in its own right. There may be some cynicism about the brand, as there is a long history of placing people who are disengaged from the labour market onto training courses, which have sometimes been of unproven efficacy.²⁰ A more appropriate brand for the programme could reflect its role in preparing clients for a job: similar programmes in England (“Entry to Employment”) and Northern Ireland (“Jobskills”) reflect this in their titles.

48. However, there are arguments for the retention of the ‘Skillbuild’ brand: there is a risk that a new name will lead to confusion, destabilise marketing and generate additional costs. For 14-19 year olds undertaking Skillbuild, it should become an integral part of their Learning Pathway and would not need to be identified as a specific branded programme. The wider issue of branding will be considered within the development of the new programme.

Recommendation 2. Embed the Apprenticeship Blueprint.

49. *Modern Apprenticeships: the way to work* (the Cassels Report) presented a clear vision and objectives for a successful WBL system and the benefits this will bring.

²⁰ Evans, B (1998) ‘Training Policy in Britain.’ University of Sheffield PERC policy paper no. 7.

The Report identified the need for a clear framework to define the parameters and essential content of FMAs and MAs and for this to be widely accepted by all involved in the delivery of the programmes.²¹

50. ELWa and the Welsh Assembly Government have been working with colleagues in all partner agencies concerned with the design and implementation of apprenticeships in England and Wales, that is: Sector Skills Councils (SSCs), Sector Bodies and their employers; ACCAC; the Learning and Skills Council (LSC); the Department for Education and Skills (DfES) and the Qualifications and Curriculum Authority (QCA) on a Blueprint that sets out the essential content of FMAs and MAs and areas where flexibility is possible. The Blueprint was published in September 2005.

51. The content of each FMA and MA is determined by SSCs, Sector Bodies and their employers in accordance with the following essential structure:

- A competence based element;
- A knowledge based element;
- 'Key' skills; and,
- Employment rights and responsibilities.

52. In addition to the above, MAs may include other elements as required by employers who employ learners. SSCs and Sector Bodies are responsible for determining and publicising the entry criteria for FMAs and MAs, which should be directly accessible to anyone aged 16 or over who meets those criteria.

53. The competence-based element must be assembled from the National Occupation Standards from the employment sector for which the framework is designed and if required, other employment sectors. It should take the form of a National Vocational Qualification (NVQ) and should follow assessment methodology as determined by the accredited qualification. It must be at level 2 for an FMA and level 3 for an MA.

54. The content of the competence element may be determined by the SSCs,

²¹ MAAC (2001) 'Modern Apprenticeships: the way to work'. Report of the Modern Apprenticeship Advisory Committee ('The Cassels Report'). Nottingham: DfES.

Sector Bodies and their employers. The name of the qualification will comply with agreed titling conventions. Assessment methods will be considered and approved during the regulatory authorities' accreditation process. The knowledge element may, or may not be integrated with the competence element at the discretion of the Sector Skills Councils, Sector Bodies and their employers.

55. Technical Certificates were introduced to ensure that the underpinning theoretical knowledge required by a successful learner was clearly demonstrated. Whilst some Sector Skills Councils and Sector Bodies have effective Technical Certificates that are fit for purpose, others have indicated that they would like to see the knowledge element as an integrated but clearly identified and assessed part of the NVQ.

56. The knowledge element must be designed to provide evidence that the underpinning theoretical knowledge required by an entrant to the employment sector covered by the framework has been demonstrated. The knowledge element will be assessed in accordance with the accredited assessment methodology..

57. The knowledge element should form part of a clearly described progression route from FMAs to MAs and on to MSDs and higher education. It must be at level 2 for an FMA and level 3 for an MA. The knowledge element may be separately certificated or may be certificated as part of the competence element. Progression from MAs to higher education may require additional knowledge, provided that this requirement is clearly stated and the means of progressing is available to learners when they start the MA.

58. The following Key Skills must be included: Application of Number at level 1 and Communication at level 1 for the FMA, and Application of Number at level 2 and Communication at level 2 for the MA. Estyn has determined that providers that integrate key skills with the learner's NVQ achieve the best success rate for full framework completion. In these cases, providers ensure that learners' day-to-day work incorporates the key skills required.²² Provider Performance Review (PPR) has identified WBL providers that have been unable to ensure adequate Key Skills attainment. ELWa has required these providers to submit an action plan to address shortcomings; appropriate measures will be taken against those providers that fail to deliver the required improvements.

²² Estyn (2005) Evidence to the NAW Education and Lifelong Learning Committee, 11 January 2006.

59. Employment rights and responsibilities must be included for all FMAs and MAs and include a requirement for all learners to understand their responsibilities for equal opportunities, health and safety and to understand the safe learner concept. The content and assessment of employment rights and responsibilities is the responsibility of the SSCs and Sector Bodies designing the framework.

Recommendation 3. Explore innovative approaches to increase employer engagement.

60. As noted earlier, research suggests that apprentices are proportionally underrepresented within some sectors and amongst some types of organisation.²³ Participating employers tend to take on only a small number of apprentices and that they tend to all be in the same framework. Views have been expressed that most high profile national and international companies do not engage with the WBL programmes, with negative consequences for the prestige and esteem of this learning route. Three initial ideas are described below.

Recognition of relevant learning outside the FMA / MA framework

61. Many large companies have on-the-job training programmes which are based on the same principles as NVQs, but which are tailored to their own needs. It may be possible to boost the participation of these companies in WBL, and consequently raise the profile, credibility and appeal of the programmes, if SSCs and Sector Bodies agree that such proprietary training could be recognised as a substitute for the NVQ within the FMA and MA framework.

62. The potential drawbacks of this approach are that apprentices may feel disadvantaged if they do not have the opportunity to achieve the same framework components as their peers. Reviewing and accrediting proprietary employer training programmes to ensure their congruence with the apprenticeship framework would also entail additional direct and opportunity costs. Moreover, there is potential to displace private investment in training, which would not offer value for money to the taxpayer. Lessons need to be learned from LSC's introduction of 'approved frameworks' and ELWa will review this experience with a view to developing proposals for Wales.

²³ NIESR (2003) 'Modern Apprenticeship Employers: Evaluation Study'. Nottingham: DfES.

New models for 'Group Training' and 'Shared Apprenticeships'

63. Small and medium-sized employers often find it difficult to cope with the cost and administrative burdens entailed by participation in WBL programmes. This could be addressed by encouraging Group Training Associations (GTAs), which bring together employers in a locality to share the costs and administrative burdens of running an FMA and MA programmes, which has encouraged many smaller companies to take on apprentices. Australia is one country where this type of organisation flourishes. Group Training Companies actually employ the apprentices, placing them with 'host employers', usually small and medium-sized companies.²⁴

64. Several small scale 'Shared Apprenticeship' schemes (a similar model to GTAs) have previously operated in Wales, and some of these have proven effective in certain settings. ELWa will work with the Confederation of Group Training Schemes, SSCs and Sector Bodies that express an interest to develop new 'Shared Apprentice' pilots building on the experience of successful models here and abroad. These developments will open up opportunities to make apprenticeships available to companies of all sizes, particularly focussing on SMEs, and supporting supply-chain development. ELWa will work with partners to look at supporting an advisory service for new GTAs in Wales.

Opportunities for greater public sector provision of FMA and MA places

65. The public sector has demonstrated its ambition to be an exemplar employer in equality and diversity issues, work-life balance, and the provision of training and development opportunities. However, there is considerable potential for expanding the provision of FMA and MA places in public sector organisations including the Welsh Assembly Government, local authorities, the NHS, and UK Government departments and agencies based in Wales. Several Sector Skills Councils operate across the public sector including Skills for Health, Skills for Care, Skills for Justice, Lifelong Learning UK and the recently formed Skills for Government. ELWA will work with these SSCs to examine how the public sector take-up of WBL can be increased.

²⁴ ATF (2005) 'Apprenticeships Task Force Final Report'.

66. The Welsh Assembly Government is about to embark on an expansion of the early years, childcare and play workforce to support the Childcare Strategy, Flying Start programme, Foundation Phase curriculum for 3-7 year olds and Play Policy Implementation Plan. This policy agenda will open up opportunities for expanding the take up of apprenticeships in these areas.

67. Children and Young People's issues are reflected in the sector footprints of the Sector Skills Councils covering Care, Health, Lifelong Learning, Justice and Skills Active. Skills for Care (the Care Council for Wales) has been given the lead responsibility for the co-ordination of children and young people skills issues and working with the other SSCs who have children and young people activity within their footprint through the development of the Children's Network in Wales. ELWa will work with Skills for Care and the other relevant Sector Skills Councils to ensure that appropriate mechanisms are in place to promote the opportunities available and to align provision with the emerging needs of the sectors.

Recommendation 4. Investigate options for improving the delivery chain.

68. The current WBL provider network is fragmented and consists of a large number of organisations of widely varying size and capacity. Certain areas of provision, for example Welsh medium WBL provision, are affected by a shortage of skilled/trained teachers, tutors and assessors. There may be some advantage to developing specialist or lead provision for sectors or within certain learning themes, such as basic skills and Welsh medium vocational learning, based on models such as 'Networks of Excellence' and Skills Academies. Lead providers could take responsibility for driving forward quality improvement amongst their subcontractors, while specialists could become beacons of innovation and creativity, building links with employers and developing best practice.

69. Lead or specialist provision could be secured by allowing new entrants to the supply side, or by building the capacity of certain existing providers. Either way a fair, transparent and robust process would be needed to select the successful providers. Ideally, they would submit expressions of interest covering:

- Vision;

- Evidence of employer engagement and support from the relevant SSC(s) and Sector Bodies;
- Geographic and/or sectoral reach;
- Target groups of learners; curricula and qualification offers; and,
- A sustainable business model.

70. Lead or specialist providers may require significant investment. It may be possible to derive some resources from commercial sponsorship, co-financing or other sources in the private sector. ELWa will investigate the potential costs and benefits of new models in the delivery chain and bring forward initial options for comment from partners and stakeholders.

Support for individuals and employers

Recommendation 5. More flexible use of WBL budget within the workforce development programme to deliver part-subsidised, flexible training for adults in employment.

71. Many employers in Britain already invest substantial amounts in training, both on the job and off the job (data suggest that UK employers spend 3.6 per cent of their total payroll on training, compared to an average across the EU-15 of 2.3 per cent).²⁵ However, around one-third of the UK adult workforce appear to receive little or no systematic training from their employer. Most of these workers either have no or low qualifications.

72. Economic evidence demonstrates that higher qualifications secure a good rate of return for the individual and their employer; as a result, individuals and firms are more likely to invest in this type of training.²⁶ There are fewer returns to learning below level 3, but a satisfactory level of attainment in basic skills and a level 2 qualification are regarded as the minimum required to ensure long-term, sustained employability. There is broad agreement that public sector intervention should focus on these areas of 'market failure'.

73. Employers in some sectors perceive current WBL programmes as insufficiently flexible and thus an inappropriate vehicle for upskilling their workers. While the FMA

²⁵ Continuing Vocational Training Survey 2, Eurostat 1999 / State of the Industry Report, American Society for Training and Development, 2004 / International Comparisons Report, ASTD, 2000

²⁶ DfES (2003) 'Developing a National Skills Strategy and Delivery Plan: Underlying Evidence'.

and MA are appropriate for many learners, especially young people and other new entrants to the workforce, they do not meet the training needs of all employers. Research for the SSDA has indicated that the current apprenticeship system is sometimes perceived by business as relatively rigid requiring specific outcomes, levels and types of qualification within a framework.²⁷

74. This report recommends a flexible use of funds within the work-based learning budget to provide training for employees up to level 3 within the FMA and MA framework, but without the requirement for full framework delivery. This would provide a more flexible solution for employees who have been in employment for some time upon commencement of training. An assumption underlying this proposal is that it will be based on the principle of 'co-financing': employers should be expected to make a bigger contribution towards the overall costs than they do for full FMAs and MAs. Data collection systems would require modification to facilitate part framework delivery. The detail of the model requires further development.

75. A potential risk is that this innovation will adversely impact on participation in FMAs and MAs. Incentives and/or contractual controls will need to be developed to ensure that learners, employers and providers continue to pursue full frameworks. There is also potential for 'deadweight' and 'displacement' costs. The evaluation of the Learning Worker Pilot, which tested free provision up to level 3, revealed that approximately 23 per cent of the training undertaken was 'displacement' (replacing other training) and that 40 per cent of this was 'deadweight' (training that would have occurred anyway).²⁸ ELWa will undertake further research and consult with stakeholders to explore the feasibility, costs and benefits of more flexible funding options.

Recommendation 6. A probationary period with sector-specific pre-entry assessment/testing.

76. Early drop out and wrong choice of occupation and/or employer have been identified as key causes of low completion rates.²⁹ This could be addressed by having clearer entry criteria for all work-based routes and a probationary period when a learner starts a programme.

²⁷ Pye Tait (2004) 'Apprenticeships in the UK – their design, development and implementation'. SSDA.

²⁸ Arad Consulting (2005) 'Learning Worker Pilot project evaluation: Final Report'. ELWa/WAG.

²⁹ West, J (2005) 'Improving Completion Rates in Apprenticeship: A Comparative and Numerical Approach'. DfES/Apprenticeships Task Force.

77. Some sectors already have entry criteria in place, often composed of assessment and testing giving an indication of an applicant's aptitude and ability to work in that sector. Assessment and/or testing across all sectors should be able to identify individuals with the potential to enter and further progress in that sector. SSCs are responsible for devising entry criteria for FMAs and MAs and for developing pre-entry assessment packages. Where they exist already ELWa will use contractual clauses to encourage their utilisation by providers.

78. In Germany there is an officially recognised probationary period (*probezeit*) before trainees' apprenticeship contracts come into force. Their completion figures exclude the 20 per cent of early leavers who fail to cross this point. There is a good case for introducing a similar formal probationary period in Wales, which would help in the early identification of learners who had made the wrong choice of occupation or of employer; it is possible that many could be re-directed to alternative options. ELWa will consult with partners and stakeholders on how such a proposal could be implemented, including the length of a probation period, its application to different types of learner, issues relating to data collection and the timing of funding allocations.

Recommendation 7. Review financial support for young people participating in WBL.

79. The HM Treasury review *Supporting young people to achieve* set out the Government's vision for a single, coherent financial support system for 16-19 year olds. At the centre of these measures was the announcement of the intention to extend family financial support to unwaged learners on WBL programmes and those completing a course after their nineteenth birthday.

80. This means that, from April 2006, the families of unwaged young people who are living in the family home and taking part in WBL programmes with non-employed status will receive the same entitlements to Child Benefit and Family tax credit as those in full-time education. At the same time in England the Minimum Training Allowance, which is currently available to all unwaged trainees, will be replaced with the means-tested EMA. The intent is to deliver a single system of financial support across the age-group, encouraging learners to choose the most appropriate course without being swayed by unintentional monetary incentives. The change will create 'winners' as well as 'losers'.

81. As no decision has yet been taken to follow this approach in Wales and Scotland there will be a difference in the levels of support available for unwaged trainees across the nations, with trainees in Wales living in the family home receiving from £10-£40 per week more than their counterparts in England. However those eligible for income support i.e. those who are forced to live away from the family home or who have caring responsibilities will receive less support in Wales because, unlike the EMA, the MTA is treated as income in calculating Income Support. Evaluation of the impact of the EMA seems to show that currently it may be having an adverse impact on the numbers entering WBL: at age 16, young people were drawn into full-time education mainly from "work and training" (-3.4 per cent) and the "not in employment, education or training" group (-2.4 per cent).³⁰ It is at present unclear what the impact of introducing the EMA to unwaged trainees in England will be. Some stakeholders in Wales fear that it may lead to drop out from training and an increase in the NEETS category.

82. ELWa will work with WAG to determine whether Wales should also replace the MTA with the EMA, following an evaluation of the experience in England. Any change could not be implemented until July 2007 at the earliest, following expiration of the current WBL contracts. Possible changes will need to be considered in the light of 14-19 Learning Pathways developments.

Recommendation 8. Targeted information and marketing to individuals and employers.

83. There is a lack of awareness of the wide variety of work-based learning opportunities available. In particular, there are the following types of recruitment problems:

- lack of awareness of work-based learning in particular sectors, such as hospitality and health and social care;
- difficulties persuading some types of business to participate, because of their size, type or location; and,
- under-representation of learners from particular groups, such as young women in traditionally male-dominated sectors and people from minority ethnic

³⁰ IFS (2005) 'Evaluation of the Education Maintenance Allowance Pilots: Young People aged 16 to 19 years. Final Report of the Quantitative Evaluation'. Nottingham: DfES.

communities.

84. Research has demonstrated that the timing of information given to individuals is important in framing their choice of learning route.³¹ Currently, much information is made available or received in 'short bursts', often just before a critical career or educational transition. Information should be available as part of a long-term continuous discussion process encouraging individuals to think about their future career options.

85. As part of the 14-19 Learning Pathways all young people will receive long-term support from a skilled Learning Coach; this will help them to develop their strengths and identify appropriate options. In Wales 14-19 Networks will be tasked with ensuring that vocational routes including WBL are available within Learning Pathways, and that all young people are aware of the options and opportunities available, with the chance to discuss them with a Learning Coach or an informed Careers Adviser.

86. Some incentives for employer engagement are based on recognition and reward. They can have both positive and negative impacts in practice. Positive impacts can include providing a business with an enhanced reputation as an employer, raising the morale of its existing staff and improving its wider public profile. Negative impacts can include increased bureaucracy and a focus on the acquisition of the status incentive itself rather than the achievement of actual business objectives.

87. The most important role of recognition and reward is to drive change by identifying and publicising good practice. Those employers who take on apprentices should receive explicit credit – the creation of a 'marque' or award scheme, possibly with an associated annual awards event, could be a means of achieving this.

Recommendation 9. Raise referral agencies' awareness of how to access work-based learning routes.

88. There is evidence that referral agents do not have sufficient up-to-date information on how to access the options available to clients, especially those drawn from vulnerable groups, in the context of the local labour market. Many clients require a closer link between the learning they are advised to undertake and an ultimate

³¹ York College (2003) 'Key Issues in the Modern Apprenticeships Route in Yorkshire and Humberside: What Does Good Information Look Like?' LSC.

employment aim. Referral agents could benefit from training to increase their understanding of the appropriate work-based learning routes that can facilitate take-up of opportunities available in local labour markets. ELWa will work with Jobcentre Plus and Careers Wales to explore their requirements.

Recommendation 10. A ‘clearing house’ arrangement to match prospective apprentices with placement opportunities.

89. Clear pathways to work-based learning do not always exist because various services do not coordinate their efforts.³² This presents an obstacle to many potential applicants, who are not always able to deal effectively with bureaucracy. Some unsuccessful applicants are not followed up and may be discouraged, possibly becoming part of the group who are not in education, employment or training (NEET). A further difficulty is the lack of the kind of direct market between potential apprentices and employers that exists in some other European countries: clear local information on opportunities is not always available.

90. LSC is examining the potential for a ‘clearing house’ to match prospective apprentices to employers, providing for aspiring apprentices what the UCAS clearing system provides for aspiring students in higher education. We will introduce such a facility in Wales, building on the ‘Learning Choices’ database being developed in association with Careers Wales. Information sharing between providers and public agencies may need to be facilitated through new IT systems and contractual changes, and a Welsh clearing house should take specific account of Welsh language skills and needs.

91. ELWa will work with Careers Wales and the appropriate SSC to secure alternative arrangements through the Clearing House for any young person displaced as a result of changing circumstances with their employer. Providers have the capacity to safeguard the apprenticeship status of any young person made redundant for up to 4 weeks, whilst they seek alternative opportunities. If this is not achieved within the 4 week period, ELWa will work with Careers Wales to identify options across the wider provider network. It is anticipated that more apprenticeship opportunities will become available through such developments as outlined in

³² LSC (2004) ‘The Success Report’.

paragraph 63 – 67, and these models of delivery will offer greater protection for young people committed to completing their training route.

Recommendation 11. Work with HEFCW, HEFCE and WAG to create new progression routes into higher education.

92. The opportunities for progression differ between occupational sectors. It is more frequent in areas such as engineering, IT and business administration where there are professional progression routes or opportunities to progress within organisations – especially larger firms. It is uncommon in areas like catering and hairdressing where progression routes are often not present and there is unlikely to be employer or professional support for continuation into HE.

93. Apprenticeships and Foundation degrees are being emphasised in current DfES policy as forming a vocational progression route that can lead through to full degrees and postgraduate and professional qualifications. However, it is likely that they do not meet all requirements: some progression into HE is likely to be driven by the employer and may require bespoke provision, while there is also a need for progression routes for individuals whose employers may have no interest in them gaining an HE qualification (or may be actively opposed).

94. There is a need to work with HEFCW, WAG and other stakeholders to define clear opportunities for progression that meet these distinct requirements. Options that could be applicable include:

- stand-alone professional, management and higher technical qualifications
- HE qualifications integrated with professional qualifications
- CertHE or equivalent
- modular provision and credit accumulation

Quality improvement

Recommendation 12. Maintain and further develop current initiatives for improving work-based learning.

95. It is important to establish a level of stability in programme delivery to enable recently introduced quality initiatives the opportunity to embed:

- All providers that receive a grade 4 or 5 in Estyn inspections have, since September 2002, been subject to additional monitoring and required to produce an action plan (each provider subjected to grade 4/5 follow-up has been graded above the quality threshold when re-inspected by Estyn);
- All providers are now required to submit an annual self-assessment report and quality development plan to ELWa; and,
- The first Provider Performance Review (PPR), covering providers' planning, responsiveness, leadership and management, and the experiences and achievement of their learners, has been completed and feedback was sent to providers in November 2005.

96. The outcomes of the PPR 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 issues immediately with a view to demonstrating an improvement over the course of the following six months. In December 2005 ELWa started a full evaluation of the first Provider Performance Review, which includes an examination of the criteria and process and identifying how they can be strengthened.

97. In addition to ongoing support from ELWa's own regional Learning Provision teams, soon-to-be-appointed Performance Improvement Advisers will assist those providers who have been identified as having greatest need of support. An initial group of sixteen providers have been selected for assistance. More generally, Performance Improvement Advisers will also run sector-wide events, produce guidance and help to disseminate best practice.

98. ELWa has used £500,000 from the 2005-06 Investing in Quality (IIQ) fund to support providers to carry out new and innovative quality improvement activities that aim to tackle shortcomings in:

- Leadership and management;
- Teaching and training;

- Basic and key skills;
- The planning and management of learning; and
- Learner achievement.

99. Given the short term nature of QIF activity (approximately six months) the majority of funding will be expended by March 2006. However, in some cases, funding will be made available in 2006-07 to support activities that need to continue beyond 31 March 2006. All activities must be completed by June 2006. ELWa will explore with the Welsh Assembly Government how best to make the Quality Improvement Fund or a similar facility permanent, in order to ensure adequate resources are allocated to drive continuous improvement across the network. Future funding for quality improvement will prioritise Continuing Professional Development (CPD), across all sectors, (schools, FE and WBL) with particular focus on training for trainers and assessors, as well as leadership and management development. ELWa will work with Estyn and Lifelong Learning UK to develop a strategic framework for the co-ordination of support programmes for providers, linking existing and new developments, and facilitating the sharing of good practice.