

## 1. Background and Context

- 1.1 The Wales Assembly Government has recently published a new inquiry report, titled 'Apprenticeships in Wales'. This illustrates that Wales has developed a highly successful Apprenticeship programme, one built in partnership with Welsh businesses, with a strong focus on quality. It is highly valued by both employers and apprentices. However, changing demand from employers and learners as well as the introduction of the Apprenticeship Levy by the UK Government means there is now a need to revisit how the programme in Wales will operate, and to consider how it should develop further to meet the changing needs of the Welsh economy, both now and in the future.
- 1.2 Both Welsh Government and the CIPD Wales Region agree that apprenticeships are an essential ingredient of economic success and a vital tool in providing a stronger, fairer and more equal Wales. Through enabling more people to achieve their full potential and raising skills levels to meet employer needs, the National Assembly for Wales is keen to drive productivity and prosperity in the economy and create more resilient communities. The investment in skills is an investment in the future of Wales, businesses and people.
- 1.3 Central to Apprenticeship planning is the Welsh Government's commitment to create a minimum of 100,000 all-age Apprenticeships over the next five years, as well as promoting and enhancing earning and learning routes across the post 16 sector that embrace academic and vocational learning.
- 1.4 The CIPD recognises that we live in interesting times, being at something of an inflection point for business and HR. We live in a fast-changing context with globalization pressures, new skills, post recession growth, changing demographics and opportunities enabled by technology. Peter Cheese (CEO) has cited a number of megatrends that are causing a fundamental shift. These include change to the **Economy** (*working within a fast changing world which is Volatile, Uncertain, Complex and Ambiguous (VUCA)*), **Value** (*a continued shift towards intangibles*), **Work** (*Networked, Collaborative and Flexible*), **Workplace** (*Formal Organisations and Informal Social System Structures*), and **Workforce** (*more diverse, more demanding*). This requires different thinking, with new strategies to address the future workforce including recruitment strategies, skills building, performance, and crucially the role of Apprentices.
- 1.5 Jobs of tomorrow will require far higher levels of competence than in the past. To meet this challenge Apprenticeships will need to integrate more effectively into the wider education system and economic fabric of Wales. Stronger co-operation between academic and vocational education, and the way in which these systems work together is required. This approach will facilitate high quality employment opportunities within local communities.
- 1.6 The Welsh Government has produced an Apprenticeship Policy and a five year Action Plan which sets out how Apprenticeships will deliver more and better jobs through a stronger, fairer economy. The policy presents challenges and opportunities – all-age

provision, the expansion of higher-level skills and greater employer engagement in specific areas of the economy.

## **2. CIPD Wales Research: Terms of Reference**

**2.1** Members of the CIPD Wales HR policy forum were invited to participate in the consultation proposed by Welsh Government. An email was sent to all forum members on 10<sup>th</sup> April 2017 for completion by the close of the Easter period, Bank Holiday Monday 20<sup>th</sup> April 2017. Respondents included representation from both the public sector and Small & Medium Enterprises.

## **3. The role of key players in developing in aligning apprenticeship models to the needs of the Welsh Economy.**

**3.1** The Welsh Government is keen that employers, providers and supporting bodies work together to create a stronger Apprenticeship programme and to help provide the next generation of apprenticeships. Most members did not understand the role between key players, namely the Regional Skills Partnerships, the Wales Employment and Skills Board (WESB), and Sector Skills Councils (SSC). Organisations are keen to contribute to discussions and to become further involved, but are not sure how to go about this.

**3.2** Most members had been invited to participate in discussions regarding aligning the needs of the Apprenticeship model to the needs of the Welsh Economy. Due to the large public sector economy in Wales, a public sector specific discussion would be welcomed.

**3.3** Most members were aware of the importance and cost-effectiveness of apprenticeships as part of a more strategic approach to planning for medium and long-term skills. Most members had experience of using apprenticeship frameworks, but they do not necessarily find them to be flexible around the skill sets they require. Some organisations find the process to be quite onerous and bureaucratic. Some employers who engage staff in both Wales and England find this an extra burden, which adds a layer of complexity. The majority of members confirmed that they understood the roles and relationships between Careers Wales, Job Centre Plus and the Sector Skills Council in relation to apprenticeships. Comments included building relationships with Careers Wales, and some organisations working with EU Skills.

## **4. Effectiveness of careers advice on Apprenticeships and other vocational options, particularly for young people, either in school, from Careers Wales, online or from other sources.**

**4.1** A minority of members felt that the careers advice on Apprenticeships was effective, with the majority advising that they felt this could be improved. Respondents mentioned that the advice from Careers Wales had improved, but felt that not all schools were receiving a consistent message. An employer involved in Business In The Community (*BITC*) Business Class felt it was evident that schools need more support in explaining the value of apprenticeships and other avenues to both teachers and parents. The offer is available to support employers, but it rarely taken up.

**4.2** Of those who had employed apprenticeships, the majority felt that the independent careers advice they received from schools or Careers Wales to be disappointing, with a minority saying good and bad.

**4.3** A majority of members had worked in collaboration with other employers who have well-established apprenticeship programmes to share schemes and training provision. They also agreed that they had access to clear guidance on how to recruit apprenticeships, and what to expect from learning providers.

## **5. The Careers Wales' Apprenticeship Matching Service.**

**5.1** The majority of members had not used the Matching Service provided by Careers Wales previously, and therefore were not sure whether or was fit for purpose. Of those who had used the service previously, half agreed it did meet the needs of the employer, with half disagreeing. A minority had agreed that the service had improved since it was carried out by the Sector Skills Council in 2012.

## **6. The parity of esteem between vocational and academic routes to apprenticeships.**

**6.1** Half of the members who responded agreed that there was not a good parity between vocational with academic routes, with a significant number of respondents suggesting that this could be further improved. Of the apprenticeships currently engaged within organisations, the majority of members considered these as vocational apprenticeships. Some members employed an academic apprentice, with some stating that they considered their scheme to be a mixture of both.

**6.2** The majority of members agree that apprenticeship schemes can be seen as a viable alternative to higher education, based on the funding streams being successfully aligned. Some were unsure, and were not aware of how to access the 'Pathways to Apprenticeships' funding

## **7. Potential Barriers to taking up Apprenticeships.**

**7.1** Members were asked to consider this question from both an employer and individual (apprentice) perspective.

### **7.2 Employer Perspective**

The majority of respondents felt that the model is good. The branding could be better for organisations, but it is improving and moving in the right direction. Some respondents mentioned that more could be done to promote the benefits of employing apprenticeships with one respondent stating that at the moment it is viewed by the organisation as a 'stealth tax' with little to no perceived gain to the organisation, which would need to change with organisations having some access to the funding. One organisation is looking at the alignment between the apprenticeship programme with other staff development initiatives. Potential barriers included :

- A perceived lack of clarity on how to access the best providers and the appropriate level of funding ;
- A lack of clarity on the levy and the costs to organisations moving forward ;
- How to influence the Skills Councils on the priority areas for Wales
- Resource availability within organisations to support
- Lack of awareness / culture within some organisations, not understanding the value of employing apprentices

- School and parental advice
- Complexity of frameworks and lack of access to one source of guidance and advice
- The ability to provide the correct standard of training
- Lack of funding, knowledge and advice
- Working within the parameters of a challenging economic environment with low turnover

### **7.3 Consideration from an Individual / Apprentice Perspective**

The majority of respondents felt that the branding is either not effective or could be further developed. Some felt that more experienced staff were not necessarily enthused by the brand with one respondent stating that they felt there was too much choice and confusion, not aware of progression opportunities. Potential barriers included :

- Opportunities not being pushed by schools ;
- Mentors / Buddies not dedicating the time the apprentice would need to learn about the profession
- Science, Technology, Economy and Mathematics (STEM) qualifications
- They are not seen by many people as a viable alternative to further education, when we believe this couldn't be further from the truth
- Perception that apprenticeships are seen as being second best to a University education
- Misunderstanding that the scheme is pertinent to 'blue collar' roles
- Perceived stigma. Apprenticeships tend to be viewed in a more traditional way, considered to be predominately trade focussed to younger people
- Not as valued as the 'academia route'
- Lack of awareness and apprenticeship opportunities in Wales

## **8. Accessibility of Apprenticeship Programmes**

### **8.1 For people with disabilities (all ages)**

A minority of members felt that accessibility was effective. However the majority felt that they were unable to comment effectively as they did not have enough information to comment.

The majority agreed that apprenticeship opportunities are coordinated, promoted and are tailored to ensure that they are accessible to people with disabilities at all ages. One member is considering participating in the Change 100 programme, which is designed for apprenticeships for people who are disabled. Another member believed that there was potential to promote this more moving forward.

### **8.2 Are tailored to local priorities and strategic needs**

This question attracted a balanced response, with some unaware of the progress that had been made in relation to improving local needs.

### **8.3 Accessibility of Apprenticeships for people from low income families**

Half of the members agreed that people from low-income families are being supported

to take up Apprenticeship opportunities. The minority disagreed, and a small number of respondents were not sure. Respondents mentioned that travel costs can act as a barrier, and questioned whether or not additional funding was available to support Apprentices. The range of advertising was questioned, as was the role of schools in encouraging the Apprenticeship route to potential school leavers.

#### **8.4 Priorities and Proposals to prevent and address gender stereotyping**

The majority of members in the group made reference to positive interventions that were in place to prevent and address gender stereotyping. This included developments in careers advice provision and work experience opportunities, improved marketing by construction and engineering organisations to recruit women using positive role models, and promoting a diverse and inclusive workforce providing training to address unconscious bias, equalities training and ensuring that all policies and procedures adhere to Equalities legislation. Half of the members consider Equality Impact Assessments for apprenticeship roles and opportunities including the provision of flexible working and making reasonable adjustments where required.

### **9. Other Comments**

**9.1** The majority of members felt that there was not enough investment being made across sectors particularly in the development of higher-level Apprenticeships, to ensure that the right skills are being delivered to meet the needs of a vibrant, modern Welsh economy.

**9.2** At present, only a minority is measuring employability and conversion rates from Apprentice to Employment Status. Of the members asked, the conversion rate is currently less than 25%. The majority agreed that the progression between work based learning and Apprenticeships at Levels 2, 3, and 4 were effective. Some respondents mentioned that they have close links with schools and training providers to support the development of skills to aid progression into work.

**9.3** All members are actively promoting employer engagement in terms of apprenticeships. Nearly half of the members offer Jobs Growth Wales funded opportunities.

### **10. Any Other Questions / Comments regarding the five year plan, Apprenticeship Levy / Brexit Implications?**

**10.1** The majority of members are concerned about the Apprenticeship Levy, with some concerned regarding the five-year plan, and particularly in terms of how this might be measured and what happens following 2022. There were also other concerns made regarding Brexit, with some members confirming that these questions and concerns are being raised directly with the Welsh Assembly and EU Skills as they arise.

This response is submitted by Lesley Richards, Head of CIPD Wales, on behalf of CIPD Wales.