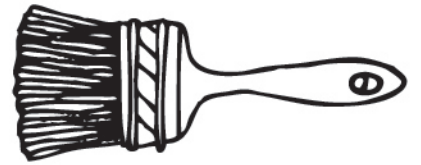
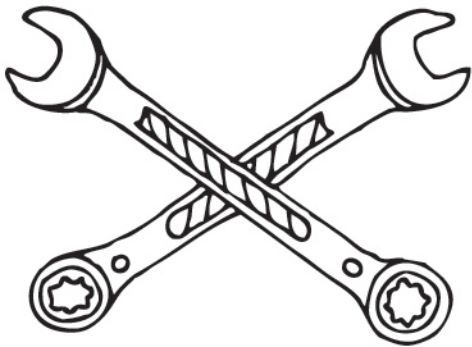


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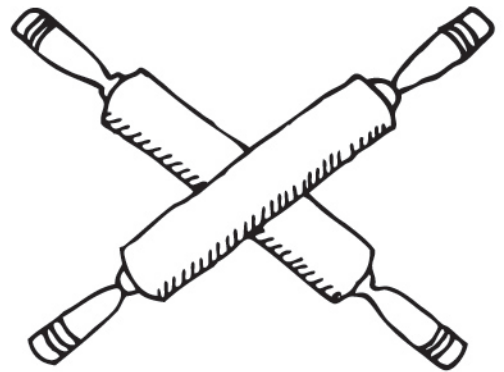


RICHARD

REVIEW



of



APPRENTICESHIPS



DOUG RICHARD

NOVEMBER 2012

Overview

Everyone likes apprenticeships

No matter who I speak with, when I mention apprenticeships people react warmly. The warmth crosses ages and party lines, regions of the country and backgrounds, ethnicity and gender. People tell anecdotes of people they've known who have succeeded through apprenticeships and they talk about what a fulfilling route to success it can be. Apprenticeships, or at least the notion of them, are popular.

This is a good thing and a bad thing. It is good because there is broad support amongst all stakeholders for a strong apprenticeship system in our country. At the same time, with that warm regard and that popularity, comes a diversity of views on what an apprenticeship is and, more importantly, what it should be going forward. This plurality of views in itself is no bad thing but it has led us to stretch the definition of what an apprenticeship is too far and, as a consequence, we risk losing sight of the core features of what makes apprenticeships work, what makes them unique.

My challenge, as set by the Government, has been to answer that question: What should an apprenticeship be in the future, and how can apprenticeships meet the needs of the changing economy?

This task has been called a "Review" because that is what we call such engagements. But in truth, given the question, it is not a review at all. It does not look back, it looks forward. This is not a critique of the successes and failures of the current system, nor an attempt to improve its efficacy; rather we are attempting to redefine the shape of the system itself, thus, this is a Strategy. It asks how an apprenticeship system must work in a future economy.

Apprenticeships matter

They matter because many jobs are best prepared for whilst on the job. They matter because no single means of learning will ever suit everyone. They matter because many of the best run companies include apprentices, and they matter because the success of our society is, in part, measured on its capacity to shepherd our young people from childhood to meaningful employment.

At its heart an apprenticeship is a form of education. It requires a job, which requires an employer, but it is still a form of education, which implies that a key beneficiary is the apprentice and that as a society we have an obligation to support its delivery. But the employer also benefits and it is in their interest to have apprentices.

It is in the employers' interest because apprenticed employees provide benefits: they are more loyal and more effective. They understand their employers' business on a deeper level as they have grown up within it. They are more loyal to their employer because their own self-worth is tied to the quality of the employer whose training kite marks their accomplishment.

Society benefits as well. It is in society's interest because it provides a ladder into meaningful employment; it improves the quality of our workforce; and most importantly, it provides a critical tool for Government to fulfil its obligation to young people to prepare them for a lifetime of employment.

The meaning of apprenticeship has changed

In the middle ages an apprenticeship was a contract between an employer, often a journeyman or master of their trade as certified by a Guild, and an apprentice, to work for a defined period of time in return for instruction,

leading to a test that proved their readiness to become a journeyman themselves.

Many elements of the historical apprenticeship remain true today: the apprentice still needs to be employed and trained to develop the skills to do the job. But the notion of the test - the moment when the apprentice can show that they have “graduated” to the next level - has gone. In its place we have a welter of qualifications that, like stepping stones, serve to support the apprentice’s progress often without ever declaring their final competency. That must change.

And, whereas historically, an apprenticeship was at its very heart a relationship between an employer and an apprentice, too often that is not the case today – apprenticeships instead becoming a government-led training programme, shaped by training professionals not employers. The relationship between an employer and an apprentice must once again rise to the fore.

The modern apprenticeship also has additional elements. We cannot be content with an apprentice’s training being limited by the scope of the job. In a dynamic and changing economy, people need to be ready and able to apply their skills in new jobs and sectors. So while we must ensure that apprenticeships are training people for real and specific skilled occupations, we must also ensure that an apprenticeship is broad enough to equip someone with genuinely transferable skills: skills which they will need and use in any job, and skills which enable them to be competent and confident beyond the confines of their current job, both in their sector as a whole, and beyond it.

Everything is not an apprenticeship

There has been a drift towards calling many things apprenticeships which, in fact, are not. This does not help us define and support apprenticeships going

forward. Simply enough, not all instances of training on a job are apprenticeships. Apprenticeships require a new job role, a role that is new to the individual and requires them to learn a substantial amount before they can do that job effectively. An apprenticeship without a job is a form of vocational training. An apprenticeship in an old job is on the job training. There must be a job and the job role must be new.

This assertion is not simply harking back to a traditional notion of what apprenticeship has always meant, nor what it means in most of the best international systems. I make this claim because we know that an apprenticeship model delivers the most value when it involves sustained and substantial training, fully and closely integrated within the experience of learning and practising a real job.

We are wrong to think apprenticeship is the only effective form of vocational training, which must be stretched to fill every task. Training to improve the skills of someone who has been in their job for some time, or is not yet ready to commence a job, are vital in their own terms and, in certain circumstances, these forms of training merit the support of Government. But they require different models; imposing an apprenticeship model on these functions risks delivering poorer value for money, the wrong approach to training, and risks distracting apprenticeships from their core purpose.

Many of our younger learners have more to learn than an apprenticeship can encompass; the path they need to travel will be longer. They must learn the skills to be employable in the first instance. They may well pass through a period of pre-apprenticeship training and effort; and it is my view that there is a lot to gain from ensuring these individuals can undertake high quality pre-apprenticeship training, informed by the lessons learned from the best of apprenticeship training, but potentially delivered, funded, and branded separately from the mainstream apprenticeship route. We need pre-apprenticeship opportunities which offer a genuine, recognised ladder into high skilled apprenticeships.

Thus we must ensure that apprenticeships are well regarded. Apprenticeships cannot be the collateral partner amongst our learning pathways. It is inappropriate for it to be viewed as a lower-status alternative to a purely academic path through university to adulthood. University is clearly of value to many, paving the way to a lifetime of professional opportunity. But, however well-intentioned the desire was to drive fifty *per cent* of our school leavers to university without regard for their suitability for university or university's suitability for them, the result is an unthinking collective belief that a university degree offers an indication of greater capability which it does not, in fact, confer. And worse, in its absence, the learner is somehow inherently less learned or capable.

But we cannot expect apprenticeships to be well regarded if we do not make it clear what they stand for. A university degree is valued in no small part because it is a degree. We infer from its award that the student met and exceeded a clear standard. The same is not true for apprenticeships. That must change.

We need clear, effective and trusted qualifications

Today we have the opposite of an effective system for defining apprenticeship outcomes: in many sectors we have an extraordinary number of qualifications, which under the guise of flexibility can be stitched together in an infinite number of combinations leading to any possible outcome but no clear accomplishment. We have overly detailed specifications for each qualification, extraordinarily detailed occupational standards, and a structure to apprenticeships which is rigidly enshrined in law, which attempts to ensure accomplishment, but inadvertently constrains innovation and flexibility in teaching.

We must turn the system on its head and set a few clear standards: preferably one per occupation, which delineates at a high-level that is meaningful to

employers what it, means to be fully competent in that occupation, whilst unleashing our educators to reach that goal however they may. The standards should form the basis for new, overarching, qualifications. Unlike the standards and qualifications used in apprenticeships today, the new apprenticeship qualifications at the heart of my recommendations focus solely on setting out, in terms relevant and meaningful for employers, what an apprentice should be able to do and know at the end of their apprenticeship. Not the intricate detail of today's occupational standards, or the micro-level prescription of today's vocational qualifications, which drive a focus on continuous bureaucratic box-ticking and assessment and obscure the real task of an apprenticeship – to teach new knowledge and skills, and demonstrate to future employers that an apprentice can do their job.

These new apprenticeship qualifications should replace today's apprenticeship frameworks. They should be set by those who know best: employers. That is not the case today, or certainly not as directly and consistently as it needs to be, and many employers complain that the frameworks are not fit for purpose. The solution lies in shifting the power over designing and developing apprenticeship qualifications to employers in a far more direct and transparent way than at present, whilst giving Government a clearer role in defining what a good quality standard looks like.

I believe that a contest for the 'best' qualification will best achieve this outcome. We envision that the contestants will be employers or employer-led coalitions. They might include current professional or employer trade bodies, newly formed groups developed specifically for the contest, individual employers - where they have the capacity, industry buy-in and desire to lead – royal academies or current sector skills councils that evolve to support this process or other groups. The new apprenticeship qualifications should be clearly linked to any existing and well-recognised certification process within sectors and across professions.

The Government's role is to lead the contest, set the judging criteria, and ensure a process which minimises the risks of politicisation and maximises rigour, trust and transparency. Key to winning the contest will be the extent to which the qualification is widely accepted and recognised amongst a broad set of employers within the industry, especially smaller businesses. It is the contestants' challenge to demonstrate that affirmation. The qualification must also meet the Government's own criteria to ensure that it is sufficiently broad and thus creates a standard that is adequately transferable within the relevant sector, and of a sufficiently high level of skill to merit inclusion as an apprenticeship and attract Government funding. In return the Government will award that employer or industry group the power to define both the standard and the test by which that standard will be measured.

New qualifications, which are directly designed and developed by employers, will be a fundamental first step in transforming the credibility and quality of apprenticeships. But it is not enough. There needs to be a robust means of testing whether the apprentice has reached the desired level of competency.

Accomplishments must be robustly tested and validated

We must keep in mind that the goal of an apprenticeship is to take the apprentice to a new level of competency in a given job, and ensure they can apply their skills in different contexts to their immediate job role. Continuous and time consuming assessment, driven by paper-based tests, accumulated 'evidence' and assessors with a vested interest in apprentices passing the test, demeans the apprentice's accomplishment.

Instead, there needs to be a test that demonstrates that the apprentice can take the knowledge and expertise they have gained and apply it in a real world context to a new, novel problem. The final test and validation must be holistic, in that it seeks to test the full breadth of the relevant competencies

not merely the incremental progression of the apprentice. That may take the form of a project or an assessment in front of an examiner. It should be performance and real world based, rather than just theoretical. It should be primarily at the end of an apprenticeship, not measuring progress during it. And the examiners should be neutral parties with no interest in the outcome, drawn from the ranks of employers as well as educators, since employers themselves are best able to assess what makes an apprentice employable. In this regard we can learn from our continental peers.

And it means the official awarding of a degree, a diploma, a certificate or a qualification, call it what you like, that signals to the world that this person has accomplished something real and meaningful.

Maths and English predicate success in modern society

Apprenticeships should attract some of the best students, including those who have already excelled in maths and English at school. But, for those who have not yet reached a good level by the time they start, Apprenticeships must include maths and English. Achieving a good level of maths and English, a more stretching level than many apprentices currently attain, should be a pre-requisite for completion. There are certain skills that predicate success in modern society.

But what is also true is that these are not monolithic accomplishments. Though GCSE levels of maths and English – or the EBC's that will replace them - are desirable, we must make sure that we have qualifications that are sufficiently functional in approach to be suitable for an apprenticeship context as well as a school-based learning environment. They must allow the maths and English to be taught in a real world context – which I believe can greatly assist students' understanding and internalisation of the concepts. However, I do not support the notion of many alternatives to GCSE or EBC level

attainment, just a single high quality work-embedded alternative, if required. Finally, it is the Government's continued responsibility to fund this teaching as it falls clearly within its role in providing this essential education.

Freeing up the system

Different people learn in different ways. People come to a job with different skills and different capacities. It is the hallmark of creative and effective teachers and trainers that they make the education learner-centric and active. No legislated curricula can ever hope to iterate at the pace our education systems can. We must let competing educators, public and private, innovate and explore to find the best ways to get our apprentices to the level of competency that the standard defines.

Equally, there is a revolution brewing in education, as the internet and broadband continue to challenge our traditional delivery of teaching. We are at the beginning of vast changes, and we may risk missing an opportunity if the system is hostile to change.

The same holds true for employers. Each employer's circumstances, experience and resources will be different. And many employers will have their own distinct approach to an apprenticeship. It is complicated and off-putting to an employer to have to undertake paperwork gymnastics to pigeon hole their system into a pre-defined set of curricular approaches. We should not focus on how our apprentices reach the standard, only that they do. How they get there matters, but it is not for government to define this – it is for the employer, the educator, and the learner.

Building on what we know

We already know that a great apprenticeship has certain key elements and we would be wilfully blind to ignore them. There are distinct features of delivery that are likely to impact on the quality of the learning experience and outcomes for the apprentice. In particular, off-site learning can add real value:

it gives the apprentice safeguarded time off the job to ensure they can do substantial training; it provides a peer group of different apprentices and gives the apprentice a wider perspective. We also know that apprenticeships must endure. There is real value in an apprenticeship lasting for a year or more. Apprenticeships measured in weeks or months, even if it is enough time to teach the required material and gain the requisite experience, can still fall short. It is as though the apprenticeship experience itself requires time to bed in and for the individual to transform from an apprentice to a skilled worker. We should afford our apprentices that time.

Who Can Train

Though I believe strongly that we must unleash the curricula, I feel equally strongly in the need to invest in building the capacity of our training institutions. This can best be done by insisting that, though we will not mandate how they train, we will determine who can train.

I believe that the Government should develop a simple and light touch way of approving the institutions, employers or people entitled to deliver apprenticeship training, and that these decisions should be driven by whether this organisation is delivering good quality training, relevant to the needs of employers in that sector.

I also believe particularly strongly in our Further Education Colleges. Though there is an overly wide spread of quality in the sector, our best colleges are world leaders and are innovating in the delivery of apprenticeships. In some instances they are partnering and hosting small and niche specialist private providers, creating partnerships that benefit both. In other cases they are creating Learning Companies, which are full-fledged businesses in their own right, wholly owned by the colleges; an innovation that I strongly endorse.

Handing purchasing power to the employer

The entire system I am describing here depends upon the parties to the system having their incentives and interests aligned. This can be most elegantly ensured by making sure that the funding of the system focuses everyone in the correct direction. In that spirit, I also recommend a re-direction of funding.

I agree with the distribution of the cost being shared by all three parties to the system – as they are today. Employers pay apprentices wages and put in the effort to train them to become useful to the business. The apprentice accepts a lower wage during their apprenticeship. And Government pays for part of the apprentice's training.

I think it is right the Government contributes to the cost of training and that it should continue to do so. However, I think that the purchasing power for training must lie firmly in the hands of employers. Employers are best placed to judge the quality and relevance of training and demand the highest possible standards from training organisations. To become real consumers of training, employers should have control of Government funding and, also, contribute themselves to the cost of training. The price should be free to respond to and reflect their demand for training. This way, training providers, public and private, will respond first and foremost to the employer's needs; something that is not always in evidence today. This will maximise the value for money from Government investment.

The Government's contribution should be linked, in part, to the achievement of the apprenticeship standard, so that Government can ensure it is investing in transferable skills that help make the apprentice more useful in the labour market as a whole, not merely in support of a specific employer. That does not stop the Government from acknowledging the extra challenges faced by small businesses or younger apprentices by paying more in those instances.

There are different ways in which funding can be delivered. I have a strong preference for using the National Insurance or tax system, as I believe it is the most elegant option, which drives the best outcomes with the greatest impact.

Finally it has the extra benefit of driving the awareness of apprenticeships amongst employers. If the funding system is attached to the tax system in a simple and effective way, then the awareness of apprenticeships will increase considerably - all employers, rightfully, are aware of their tax bill and anything that might reduce it. Driving awareness is the final element of the system that needs consideration.

Awareness and Demand

For apprenticeships to be successful there must be adequate and balanced demand from employers and learners. Overall it is our core desire to increase the number of apprenticeships in England whilst simultaneously increasing their quality. That is no small task. The suggestions for reform listed above are focussed on improving quality and sharpening the brand.

The improvement of quality should impact both on employer and learner demand: employers will no longer be put off by what they might see as a low quality educational experience, and with employers in control of the standard setting, the testing and the funding flow, they will feel that apprenticeships focus on their needs and the needs of their companies. Similarly, learners will be more attracted if they consistently believe that they are receiving a worthwhile experience that leads to meaningful jobs and job opportunities.

But an increase in the quantity of apprenticeships will require us also to take direct steps to increase both employer demand and learner demand. Improving quality, value and relevance will not be enough on its own to significantly boost awareness and demand.

Learner demand is currently being artificially held back. When quality is consistently higher, we will need our schools, our teachers, and all those who inform and guide young people, to do a better job at providing them with the information they need to seriously consider apprenticeships. We need to get better at utilising the web and social media to inform employers and learners of all ages about apprenticeships, and we need to ensure that all relevant data is made freely available to help drive this change. And we need to find better, more creative ways to bring employers and potential apprentices together.

Government must continue to take responsibility for increasing awareness and demand for apprenticeships. But this does not mean marketing and innovating itself; Government is at its strongest when it creates the conditions for others to better communicate, market, innovate and inform.

Valuing what works today

In undertaking this Review, I had the opportunity to see and hear about a great many excellent apprenticeships, and talk to employers and apprentices who were getting a great deal from the experience. We must not disregard the pockets of excellent practice which exist today, in our drive for a more consistently excellent future. In taking forward the recommendations made in this report, Government must be mindful to protect what works – this doesn't mean compromising on the scale or breadth of change, but it does mean ensuring that change is led by employers and takes full account of what they value today as well as what they want for the future.

The System Holds Together

My proposals - the redefining of an apprenticeship, the role of the employer in setting the standard, the simplification of the system to one standard or qualification per occupation, the freeing up of the curricula and of teaching methods, the robust testing of the accomplishment, the funding of apprenticeship training and the generation of demand and supply - together

form a whole vision of the future. One element makes sense only in light of the other elements – and each element will be deliverable only if the others are delivered as well. This is not a list of recommendations that can be taken in parts. If we want the system to make sense, if we want it to work on the ground for apprentices and employers, these recommendations must be taken as elements of a single system that is adopted as a whole.

Conclusion

Throughout this Review, many experts have told me that what we need is for our apprenticeships to look more like some of our European neighbours'; that my task was to prescribe a solution which involved us trying to become Germany or Switzerland.

Where they were right is that we have much to learn from these excellent systems; many of the core recommendations in this report owe much to their experiences. But I have not set out to turn English apprenticeships into German ones; while it may have been simpler, I cannot recommend we adopt a system built, over generations, upon a very different economy, labour market and social partnership.

So we are, in this report, taking a road less travelled – we describe innovations which, to some degree, do not yet exist in any other apprenticeship system. And we are doing so because we need an apprenticeship system which meets the needs, and maximises the potential opportunities of this country's economy, our learners, our approach to government and regulation, our future. This might be riskier than simply advising we 'become German' – but I believe it is the only sustainable way forward.

We do have one most important lesson to learn though. Elsewhere, in Europe and beyond, apprenticeships are held in very high regard. This is a very different world from England where all the prestige is tied to a university

education and all alternatives are considered second class. The future is not going to be forgiving of such prejudices and we should be very mindful of that as we consider this review.

The recommendations listed above are not made lightly. They are meant to be taken as a whole and intended to help shape a system that has the potential to be world class whilst being tuned to this country's specific economy.

This review sets out a combination of principles and proposals; there will be more work to do to bring this to a reality but it is doable as long as we have the will to engage. I strongly hope we do.

Doug Richard

Recommendations

My recommendations for the future of apprenticeships in England are summarised below. It is important to stress that the different elements must be taken collectively: they are interlinked and the system will only make sense and be deliverable if all the elements are adopted as a whole.

- 1. Apprenticeships should be redefined.** They should be clearly targeted at those who are new to a job or role that requires sustained and substantial training. Training and accreditation of existing workers that are already fully competent in their jobs should be delivered separately; as should provision aimed primarily at supporting entry into employment. The Government should introduce a new separate work-based programme to support entry into employment. This should replace some Level 2 apprenticeships.
- 2. The focus of apprenticeships should be on the outcome.** There should be recognised industry standards at the heart of every apprenticeship. They should clearly set out what apprentices should know, and be able to do, *at the end* of their apprenticeship, at a high level which is meaningful and relevant for employers. These standards should form the basis of new apprenticeship qualifications, which replace apprenticeship frameworks, the current qualifications which comprise them and the current national occupational standards which underpin them. There should be just one apprenticeship qualification for each occupation associated with an apprenticeship. They should link to standards for professional registration in sectors where these exist and are well-recognised.
- 3. The Government should set up a contest for the best qualification.** Individual employers, employer partnerships or other organisations with the relevant expertise should be invited to design and develop apprenticeship qualifications for their sectors. The selection of the 'best' qualification for an occupation should be based on Government-set criteria for identifying what

good looks like. The criteria should ensure the qualification is ambitious and stretching, delivers transferrable skills and has significant buy-in amongst employers, including small ones.

4. **The testing and validation process should be independent and genuinely respected by industry.** The test should be holistic, at the end, and assess whether the individual is fully competent and employable, within their job and their sector. Employers should be directly involved in assessment. They must make sure that the assessment consistently tests apprentices to the standard specified in the qualification. Assessors should be entirely independent and have no incentive or disincentive related to the outcome of the assessment. The Government, a government body or regulator should approve and oversee the assessment process, or the organisations in charge of that process, in a light touch way.
5. **All apprentices should have achieved Level 2 in English and maths before they can complete their apprenticeship.** Maths and English taught within apprenticeships should be sufficiently functional in approach to be suitable for an apprenticeship context.
6. **The Government should encourage diversity and innovation in delivering apprenticeships.** There will be many paths and approaches that an apprentice can take to reach 'the standard' and we should strip out any unnecessary prescription and regulation of the process for getting there.
7. **The Government has a role in promoting good quality delivery.** To maximise value for learners and minimise risk of poor practice, Government should make some off-site learning and a minimum duration for apprenticeships mandatory. Government should ensure that an effective, light-touch approval process exists to confirm training organisations are providing good quality training, relevant for the sector.

- 8. Government funding must create the right incentives for apprenticeship training.** The purchasing power for investing in apprenticeship training should lie with the employer. Government should contribute to the cost, but this should be routed via the employer, in order to ensure relevance and drive up quality. The price should be free to respond to and reflect employer demand. Government should only contribute to the cost of training that supports the apprentice in reaching the industry-agreed standard. The payment should be linked, in part, to the apprentice passing the test. A preferred approach would be to fund apprenticeships using the National Insurance or tax system – for example through a tax credit, similar to the R&D tax credit. The funding system should be kept simple and accessible, including for small firms.
- 9. Learners and employers need access to good quality information.** Relevant government data should be made open and accessible in simple language and formats, so that companies can connect it together to generate products that present data in meaningful, innovative and accessible ways. The Government, through its own communication channels and careers advice services, should ensure that information about apprenticeships and their benefits is effectively and widely disseminated.
- 10. Government must actively boost awareness of the new apprenticeship model.** Boosting learner and employer demand is an active responsibility of Government. Government should take an education based approach to this – enabling a wider range of employers to learn how to take on apprentices and why it's worthwhile. New ways to bring employers and prospective learners together should be promoted, including through an 'apprenticeship milk round'. More effort should be made to ensure that schools and teachers, parents and all those who inform and guide young people have a better understanding of what a high quality apprenticeship can offer.