

## ISSUES PAPER 4

### *Apprenticeship II*

# *A high-quality pathway for young people?*

January 2008

### **Introduction**

Following its Annual Reports in 2004, 2005, and 2006, the Nuffield Review is producing Issues Papers which focus on specific areas of concern, with a view to widening the debate, testing out tentative conclusions and seeking further evidence. This Issues Paper asks: *‘What are the challenges that need to be addressed in order to assure high-quality apprenticeships under current labour market conditions?’* It is one of two Nuffield Review Issues Papers dealing with issues surrounding apprenticeship: the first examines quantitative aspects of the prospects for growth in apprenticeship in England; this, the second, deals with issues of quality in apprenticeship provision. A future paper will deal with apprenticeship provision in Wales.

### **Aiming at a Moving Target**

There’s much about the term “apprenticeship” that remains unclear, unresolved and ill-defined. The research literature and other evidence collected by the Nuffield Review<sup>1</sup> paints a picture of apprenticeship as a moving target of inquiry that has to be viewed against the wider social and economic context. This indicates the need for a wider debate about exactly what apprenticeship is/should be and who it is/should be for. The urgency of this debate is generated in part by the amount of public money currently being invested in apprenticeship. Indeed, in November 2007, the government announced a further increase in funding for apprenticeship:

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<sup>1</sup> Primarily through a two-day meeting of experts on apprenticeship organised by the Nuffield 14-19 Review, 2007.

We are increasing the number of apprenticeships, including for those aged 25 and over. Funding for apprenticeships will increase by almost a quarter between 2007/08 and 2010/11 to support an 18 per cent increase in funded apprenticeship places to 400,000 in 2010/11<sup>2</sup>.

## Quality or Quantity?

Whether this is money well spent is not just a matter of generating more apprenticeship places but also of ensuring that what is being offered as apprenticeship is of good quality. Such concerns about quality have been expressed forcefully by the recent House of Lords report<sup>3</sup> on apprenticeship: ‘...too much emphasis has been placed on quantity of apprenticeships, and not enough on quality and subsequent destinations, including progression to Foundation Degree’. Government policy shows the same awareness:

Achieving this expansion is critically dependent on higher employer demand and the offer from employers of many more high quality places. Next year we will publish draft legislation on apprenticeships, setting out how we will expand and reform the apprenticeship system, so that it offers a mainstream, high standard and respected route from school into skilled work and beyond<sup>4</sup>.

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<sup>2</sup> DIUS & DWP (2007) *Opportunity, Employment and Progression: making skills work*. pp 25-26. Available online at [www.dius.gov.uk](http://www.dius.gov.uk). Last accessed November 28th

<sup>3</sup> House of Lords, Select Committee on Economic Affairs (2007) *Apprenticeship: A key route to skill. Volume I: Report*. London: The Stationery Office, p. 34.

<sup>4</sup> DIUS & DWP (2007) *Opportunity, Employment and Progression: making skills work*. Pp 25-26. Available online at [www.dius.gov.uk](http://www.dius.gov.uk). Last accessed November 28<sup>th</sup> 2007.

## Setting the Standards

The maintenance of quality, then, is essential. What should high standards in apprenticeship provision mean and how can those high standards be assured in order to provide a respected route? Fundamentally this is a question about regulation – so the challenge is how to devise a regulatory regime that meets a number of criteria, for example:

1. To provide an attractive option for employers.
2. To provide learners with a high quality pathway with opportunity for progression.
3. To maintain equity for learners within a wide range of apprenticeship pathways.

Without this kind of regulation, there is a danger that the term ‘apprenticeship’ could be stretched so far as to be meaningless, lacking clarity about its aims and purposes and leading to confusion for learners and employers. In addition, there is the danger of a potentially inefficient use of public resources through the funding of unnecessary or poor quality programmes.

## The possible impact of post-16 initiatives

Two key policy interventions that will affect apprenticeship in the short- and medium-term are: the introduction of diplomas from 2008, and the raising of the age of compulsory participation in education or training to 18 by 2015. It is as yet unclear what impact these policy interventions will have on apprenticeship, but there will certainly be a need to support progression from compulsory schooling to

apprenticeship at level 2 and level 3, and to support careers advice and guidance on offer for young people as they consider their post-16 pathways. The House of Lords report<sup>5</sup> argues that, while much of the policy on apprenticeship has clear and positive aims, there has been a 'failure in implementation' in apprenticeship policy, in particular in the following four areas:

- Broadening and strengthening the content of the apprenticeship framework;
- Engaging employers;
- Progression within apprenticeship and from apprenticeship to Foundation Degree; and
- Improving the basic literacy and numeracy skills of school leavers.

Researchers also continue to raise concerns about the content of apprenticeship<sup>6</sup>; participation rates<sup>7</sup>; the level and quality of

employer engagement<sup>8</sup>; progression routes of former apprentices<sup>9</sup>; information, advice and guidance on apprenticeship<sup>10</sup>, and the 'gendered nature' of apprenticeship<sup>11</sup>.

## Key issues

It's clearly necessary, if there's to be a sensible debate on apprenticeship, to tease out some key issues from the existing mass of commentary and research. The Nuffield Review has done this by reviewing the available literature and engaging in a range of discussions, notably the two-day workshop on apprenticeship organised by the Nuffield Review. From this work have emerged the following key issues which, we believe, should be explored in order to arrive at some understanding of what

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<sup>5</sup> *ibid.*, p. 35.

<sup>6</sup> Fuller, A. and Unwin, L. (2003a) Creating a 'Modern Apprenticeship': A critique of the UK's multi-sector, social inclusion approach. *Journal of Education and Work* 16 (1), 5-25. Fuller, A. and Unwin, L. (2003b) Learning as Apprentices in the Contemporary UK Workplace: Creating and managing expansive and restrictive participation. *Journal of Education and Work* 16 (4), 407-426.

<sup>7</sup> See Fuller, A. (2004) *Expecting too much? Modern Apprenticeships: Purposes, participation and attainment*. Nuffield Review Working Paper 10 [online]. At: <http://www.nuffield14-19review.org.uk/files/documents/17-1.pdf>, accessed April 2006; Hayward, G. et al. (2004, 2005, 2006) *Nuffield Review Annual Reports 2003-04, 2004-05 and 2005-06*. Oxford: Department of Educational Studies.

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<sup>8</sup> See Spielhofer, T. and Sims, D. (2004) *Modern Apprenticeships in the Retail Sector: Stresses, strains and support*. Slough: NFER, and Ryan, P., Gospel, H. and Lewis, P. (2006) Educational and contractual attributes of the apprenticeship programmes of large employers in Britain. *Journal of Vocational Education and Training* 58 (3), 359-383.

<sup>9</sup> LSDA (2006) *Career Paths of Former Apprentices: Making work-based learning work Series 2*. London: LSDA.

<sup>10</sup> DfES (2001) *Modern Apprenticeships: The way to work. The report of the Modern Apprenticeship Advisory Committee. (The Cassels Report)*. [online] at: [www.dfes.gov.uk/ma.consultation](http://www.dfes.gov.uk/ma.consultation), accessed February 2007.

<sup>11</sup> See Fuller, A., Beck, V. and Unwin, L. (2005) *Employers, Young People and Gender Segregation (England)*. Manchester: Equal Opportunities Commission, and Beck, V.; Fuller, A. and Unwin, L. (2006) Increasing risk in the 'scary' world of work? Male and female resistance to crossing gender lines in apprenticeships in England and Wales. *Journal of Education and Work* 19 (3), 271-289.

developments towards implementation of 14-19 reform in local authorities. Sheffield: LEACAN 14+ Ltd.

might count as a quality-driven approach to apprenticeship under contemporary labour market conditions in England and Wales:

- Section 1: The aims and purposes of apprenticeship
- Section 2: The nature of the relationship between key actors – employers, learners, the community, training providers and the state
- Section 3: The content and quality of the learning experience
- Section 4: Outcomes and progression
- Section 5: Equity

## Section 1: Aims and Purposes

Defining the quality of apprenticeship clearly involves knowing what, exactly, is its purpose. In the past, this wasn't difficult. Apprenticeship was concerned with formation training: providing the craft and trade skills that different employment sectors needed. More recently, though, a wider range of expectations has developed, and the balance of priorities between them has become a constant refrain running through contemporary discussions of the purposes of apprenticeship. Macleod and Hughes<sup>12</sup> describe this dilemma in the following terms:

There is a strong emphasis on the economic role of apprenticeships within the policy literature; however, some observers argue that, in practice, apprenticeships are being diverted from their economic objectives by

being associated with ways in which to achieve social inclusion through skills development. A recurring debate is whether apprenticeships can succeed in achieving the policy objectives associated with both intermediate skills development and social inclusion.

## Defining apprenticeship

So now, if we pose the question, “what is an apprentice”, various answers will be forthcoming. One answer might be that it is a person who is undergoing induction into a specific vocational sector, learning the appropriate technical skills and knowledge, and absorbing the appropriate values and traditions. Another might suggest that it is someone who is working towards a higher level of general qualification, maintaining a place in the community of learners, and avoiding social exclusion.

The second definition is less rigorous and more widely inclusive. It enables more sectors to offer something termed apprenticeship. Putting the definitions together means that a continuum emerges between an apprenticeship focussed on delivering a good supply of intermediate and higher level skills, on the one hand, and one which, on the other hand, is delivering social inclusion for lower-attaining young people.

These twin aims are not mutually exclusive – it's not difficult to envisage examples of young people who are fulfilling both these purposes simultaneously. Importantly, though, the Nuffield Review's view is that apprenticeship should not be seen as a vehicle for developing basic literacy and numeracy skills. This implies

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<sup>12</sup> Macleod, D. and Hughes, M. (2006) *Apprenticeships: A review of recent policy and practice*. London: LSN, p.3.

that a certain minimum level of prior attainment should be deemed necessary to start an apprenticeship. In the case of the Advanced Apprenticeship this could include a reasonable level of achievement at GCSE or 'equivalent' level 2 vocational programmes. Certainly adequate attainment in literacy or numeracy seems essential for success in level 3 apprenticeships. However, the extent to which such minimum standards should be mandated or the extent to which enrolment decisions should remain the preserve of judgements made by individual training providers and employers is problematic. The former sends clear messages about what is needed to access the scheme and makes clear that apprenticeship is demanding. The latter, on the other hand, may enable providers to identify those with real potential in a vocational area but who have not attained particularly highly in more formal education.

## **Section 2: Relationships between participants**

Historically, apprenticeship involved a formal relationship between an employer and a young person, the apprentice. Employers took on apprentices primarily because they needed their labour and they were willing to incur the costs associated with developing job specific skills. Apprentices accepted a lower wage in order to pay, at least in part, for their training, i.e. the apprentice bore the cost of the more general components of the training. The employer reaped the benefits of their investment in the later years of the apprenticeship when the apprentices' productivity increased.

This still seems an ideal relationship. Research evidence suggests that when apprenticeships are linked to the organisational requirements of the firm<sup>13</sup> then both the quality of the learning and the rates of completion are higher. Furthermore, a strongly promoted and largely achieved goal of Modern Apprenticeships (MA) following their introduction in 1993 was that all participants should have employed status – a significant departure from the Youth Training Schemes that they superseded. However, the recent announcement by David Lammy, the Minister with responsibility for apprenticeship, that an apprenticeship would be available for every suitably qualified young person echoes the rhetoric of the Youth Training Scheme, rather than an apprenticeship programme linked to the organisational needs of firms.

## **A break with tradition**

Desirable though that solid, mutually advantageous, link between apprentice and employer might be, it's proving difficult to maintain in the contemporary political and economic context. For example, the state's increased involvement, essentially as a provider of a training subsidy to the employer routed via the LSC and, in most cases via a private training provider, has shifted the nature of this relationship. The state is now seen as an equal partner in a tripartite arrangement between employer, apprentice and the Government. The risk is that the nature of apprenticeship alters in order to meet government needs, such

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<sup>13</sup> Fuller, A. (2004) op. cit.



as hitting training targets, rather than employer or learner needs. Such a system needs careful regulation if all interests are to be protected while maintaining incentives to participate.

### **No turning back**

The intervention of the state as a partner is not the only factor bringing about change in the way apprenticeship now works. It could be argued that the social and economic conditions that made the apprenticeship tradition flourish in England and Wales have long gone. Many of the industries that traditionally provided apprenticeship have contracted or even disappeared completely. Traditional relationships between employers and community, including the ties developed through apprenticeship, have been devastated in areas such as South Wales and the north of England by long-term industrial decline.

### **New industries, new models**

For many young people, apprenticeship remains an attractive alternative to school and college based education and training, and apprenticeship has evolved against a changing social, economic and industrial background. The challenge, then, is how to enable apprenticeship to flourish and maintain standards without reducing the quality of the brand, while extending it to other sectors, such as financial services, business administration and ICT.

These sectors have little tradition of apprenticeship and may work with business models that are not in tune with traditional features of apprenticeship, for example by making intensive use of contingent labour working on short term

contracts, characteristic of some parts of the IT sector, or working through short-term projects, as is the case in the emerging creative and media sector. This is not to say that apprenticeship cannot flourish as a mode of formation training in such sectors, but that the model needs to adapt to reflect the realities of doing business in these sectors.

Further, business models in some traditional apprenticeship sectors, such as construction, have also changed. For instance, greater use of sub-contracting means that the kinds of large construction firms that used to provide the bulk of apprenticeships in the sector have reduced in size and number.

### **The Construction Industry PLA Scheme**

Under such circumstances, newer models of apprenticeship, such as programme led apprenticeships (PLA<sup>14</sup>), seem potentially attractive. However, such changes fundamentally shift the nature of the relationship between employers, learners, training providers and the state. For example, the Construction Industry has developed and is actively marketing a PLA scheme<sup>15</sup>. The idea is to link learners taking the current Intermediate Construction

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<sup>14</sup> See Fuller, A. and Unwin, L. (2007) *Conceptualising and identifying a 'good' practice in contemporary apprenticeships: The struggle for coherence in a complex economic and educational landscape*. Paper presented to the Annual Conference of the British Educational Research Association, Institute of Education, September 2007, for a full discussion of all the issues surrounding PLAs.

<sup>15</sup> See [www.citb.org.uk](http://www.citb.org.uk) for details.

Award qualification, delivered for example by Further Education colleges, to employers wanting to take on an apprentice but who do not have the necessary capacity to oversee the whole of the training of that apprentice. Employers would build on the college experience by offering supervised on-site experience. The supposed benefit for the employer is that the apprentice would already possess a considerable degree of technical knowledge and practical ability, developed through a two-year full-time college programme, and would therefore provide “an extra pair of hands on-site five days a week” with the employer “safe in the knowledge they know how to do the job.” The on-site experience would then enable the young person to complete the NVQ necessary to obtain the apprenticeship framework over an expected 12 month time frame.

Clearly this model drives a ‘coach-and-horses’ through traditional conceptions of apprenticeship, but it may be appropriate in a fast changing sector such as construction. However, whether PLA should carry the brand name of apprenticeship, with all of the expectations that raises for learners and their parents, is problematic. This model also undermines the assertion that apprenticeship offers young people the opportunity to learn and earn: for the first two years of a PLA programme they may be in receipt of the Education Maintenance Allowance but there may be little else for them. This raises questions about the incentives to participate.

## Employer engagement

A general issue affecting apprenticeship today concerns employer engagement, which, across both private and public sectors, is generally seen as being less effective than it could be. The House of Lords report<sup>16</sup> argues that the Government has given employers too little involvement in the running of the apprenticeship programmes, ‘...rendering them little more than passive partners’.

The degree to which employers are involved in designing apprenticeship, and the value they place on it, is difficult to gauge<sup>17</sup>. The data are notoriously patchy, and the employer voice reported in research reports and government literature is often that attached to employer associations, rather than the employers themselves. Nonetheless, such reports indicate the challenge for Sector Skills Councils in engaging employers around apprenticeship. For example, Habia, the Sector Skills Council for the hair, beauty, nails and spa industries, has recently been engaged in a process of developing apprenticeship for the spa industry. This has clearly been a considerable challenge, with difficulties in recruiting employers to the consultation process<sup>18</sup>.

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<sup>16</sup> *op. cit.*, p. 5.

<sup>17</sup> The involvement of Trade Unions in designing apprenticeship has declined sharply in the UK. This may have acted as an important source of quality assurance in the past by guaranteeing, for example, training arrangements for apprentices.

<sup>18</sup> See case study at <http://www.ssda.org.uk/pdf/13-Case%20study%20Habia.pdf>

## A need for incentives

There may be a need to consider further incentives for employers in the private and public sectors to offer apprenticeship places, especially as there are insufficient apprenticeship places to meet demand. Given the 14-19 Green Paper entitlement statement, whereby by 2013 all those who meet the entry requirements for the sector should have the opportunity to take up an apprenticeship place, this could pose a major challenge in the years to come. Perhaps giving employers more control over the training budget would be one way to encourage more to participate, but there is a very real risk of tax payers subsidising training costs employers should bear themselves, leading to the familiar problem of ‘dead weight’.

## Section 3: The content and quality of the learning experience

The starting point for ensuring a high quality apprenticeship is the design of the apprenticeship frameworks. This primarily involves regulation by outcome by specifying the qualifications that a learner needs to gain in order to achieve the framework. A key challenge today is that the sectors involved in providing apprenticeship vary so widely in their requirements for skill and knowledge, and this is reflected in the wide diversity of apprenticeship frameworks currently on offer and being proposed.

Indeed, in the late 1990s there was growing Government concern about apprenticeship that focussed on:

- inconsistent and often weak levels of attainment
- the variable length of time learners were spending on programmes reflecting inconsistencies in programme design across sectors
- insufficient specification of vocational knowledge to be covered in some sectors especially those where apprentices were only required to complete an NVQ and key skills compared to those such as engineering where the apprentices had to achieve an existing vocational qualification, such as a BTEC National Certificate<sup>19</sup>.

Such concerns led to the major review by a committee led by Sir John Cassels<sup>20</sup> which produced recommendations about what should be required in an Apprenticeship Framework. Following the Cassels Review, the Qualifications and Curriculum Authority (QCA) was asked to develop ‘Technical Certificates’ to be incorporated initially into the Advanced Modern Apprenticeship Frameworks but later also into Foundation frameworks. These certificates would<sup>21</sup>:

- Deliver the underpinning knowledge and understanding relevant to the NVQ included in the particular Modern Apprenticeship framework;
- Be delivered through a taught programme of off-the-job learning;

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<sup>19</sup> See Fuller and Unwin (2003a) *op. cit.*; Fuller, A. (2004) *op. cit.*

<sup>20</sup> DfES (2001) *op. cit.*

<sup>21</sup> QCA 2002 cited in Fuller, A. (2004) *op. cit.*, pp. 3-4.



- Permit a structured approach to the teaching and assessment of the underpinning knowledge and understanding of an NVQ (or related suite of NVQs)

While this seems an ideal way of guaranteeing quality in a learning experience for an apprentice, it remains unclear whether this component was incorporated into all frameworks and the extent to which it was delivered in practice. In particular, there appears to have been a weakening of the criterion for off-the-job teaching of technical certificates and there remains considerable variation between frameworks over the size of the technical certificate. While this may reflect differences between the knowledge requirements of sectors or the needs of specific employers, it does not resonate with the need to provide a better guarantee of quality across frameworks nor the promise to deliver progression opportunities to Higher Education, for example.

Apprenticeships.org.uk explains that what young people will learn in their apprenticeship or advanced apprenticeship will vary, but that they will gain the following:

- Practical experience, skills and knowledge from working in their chosen type of employment
- A National Vocational Qualification (NVQ), at Level 2 for an Apprenticeship, or Level 3 for an Advanced Apprenticeship

- Key Skills qualifications, e.g. working in teams, problem-solving, communication and using new technology
- A technical certificate such as a BTEC National Diploma or a City & Guilds Progression Award (included in most Apprenticeships)
- Any extra qualifications or requirements that are important for the chosen occupation.<sup>22</sup>

Thus there seems to be a requirement to obtain nationally recognised qualifications in order to complete an apprenticeship. However, the *Blueprint for Apprenticeship*<sup>23</sup> suggests the possibility of a further reduction in the theoretical component, using the need to make frameworks attractive to employers by meeting their skill needs in specific job roles as a justification. The essential components (i.e. those that will be funded by the LSC) of an apprenticeship framework are identified in the *Blueprint for Apprenticeship* as:

- A competence based component
- A knowledge based component
- Transferable or ‘key’ skills
- Employment rights and responsibilities

The “knowledge element may, or may not be, integrated with the competence element at the discretion of the Sectors Skills Councils, Sector Bodies and their employers.” While this may seem a relatively minor point it is a clear

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<sup>22</sup> See

<http://www.apprenticeships.org.uk/wanttobecomeanapprentice/aboutapprenticeships/completinganapprenticeship/>

<sup>23</sup> <http://www.apprenticeships.org.uk/NR/rdonlyres/A28D2CFF-725E-4D00-9110-429A77CCA2C6/0/ApprenticeshipBlueprintFinalV215Sep05.pdf>

indication of a weakening commitment to the broad-based theoretical component of apprenticeship delivered through off-the-job learning that was signalled by the clear recommendations of the Cassels Review and the QCA. Whether this is in the interest of the learner and the employer in a fast developing knowledge economy is debatable.

## Balancing Flexibility and Quality

There is clearly a continuing need to ensure flexibility in apprenticeships, to make them attractive to employers (by ensuring, for example, that they fit into their immediate business needs) and to meet the twin aims of skill formation and social inclusion. The idea of an apprenticeship lasting for four or more years is largely a feature of the past. Shorter, more flexible forms of apprenticeship are necessary to cope with the apparent uncertainties of the current business world. Furthermore, the idea of working on a one-to-one basis with a master craftsperson seems something of an anachronism in a world that emphasises team work and collaborative learning. Occupational demarcation has declined with time and in many industries there is a need for workers to be multi-skilled and to be able to deploy skills in a flexible way across a range of tasks.

Thus, the flexibility of the current apprenticeship frameworks and the various possible interpretations of those frameworks may be viewed as a positive factor in that it meets the needs of employers. However, the implications of this flexibility for the learners, the quality of the training they receive and how well

it prepares them for the future are rarely examined. Indeed, almost 100 years ago John Dewey<sup>24</sup> presciently noted:

“... industry at the present time undergoes rapid and abrupt changes through the evolution of new inventions. New industries spring up, and old ones are revolutionized. Consequently an attempt to train for too specific a mode of efficiency defeats its own purpose. When the occupation changes its methods, such individuals are left behind with even less ability to readjust themselves than if they had less definite training.”

## Where flexibility falls down

There are, of course, many employers and companies who are highly committed to apprenticeship, and offer young people a high-quality learning experience. However, as apprenticeship is weakly regulated, there is by no means a guarantee for young people that they will benefit. The House of Lords report<sup>25</sup> commented that apprentices in engineering and electro-technical occupations, for example, may have the opportunity to engage in substantial day release and off-the-job training leading to high status qualifications such as the BTEC National Certificate, while apprentices in other sectors such as care and retail receive little or no off-the-job training and have to complete their studies in addition to their working week. Research into the retail sector suggests

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<sup>24</sup> John Dewey (1916; 1966) *Democracy and Education: An introduction to the philosophy of education*. New York: Free Press. p.119. .

<sup>25</sup> House of Lords, Select Committee on Economic Affairs (2007) *Apprenticeship: A key route to skill. Volume I: Report*. London: The Stationery Office, p. 31.

that the quality of *some* apprenticeships may be poor, with learning, for instance, being compressed into the brief moments of time between serving customers.<sup>26</sup> Yet within these sectors there are beacons of good practice.

Nonetheless, while the wide range of experiences and the wider range of quality of different schemes across and within sectors make it difficult to generalise about overall quality, the variation indicates weak regulation of what is on offer. The result is the possibility of damaging the reputation of apprenticeship. The House of Lords report<sup>27</sup> on apprenticeship cites evidence from Connexions for precisely this effect:

‘... apprenticeships which provided little or poor quality training and did not allow apprentices time for off-the-job training damaged the image of apprenticeship among young people and could deter others from applying’. In this context, it is also important for employers, learning providers, and policymakers to listen and respond to the views of current and former apprentices<sup>28</sup>.

### The components of apprenticeship: balance and connections

Within apprenticeship in England, there are uncertainties about, for example, the balance between on-and-off-the-job training, and what is required of the apprentice and what the precise content of, and the

connections between, the constituent elements (NVQ, technical certificate and key skills) of the apprenticeship course is. If an apprenticeship requires very little off-the-job training, such as for example in the retail sector, the question arises whether apprenticeship is an appropriate kind of formation training for that type of work. This is partly because of issues of funding – if the course receives public money, then it would seem reasonable to expect a minimum level of training input.

By the same token, questions can also be asked about public money being used to provide highly company-specific training. Yet, within the *Blueprint for Apprenticeship* there is the possibility of making apprenticeship even more bespoke to the needs of a particular company and the imminent introduction of the Qualifications and Credit Framework may add to the opportunities for firm specific training rather than developing skills that stretch across a sector.

## Section 4: Outcomes and Progression

In terms of learner outcomes, completion rates have increased steadily with a rise of 13% in success rates for full apprenticeship programmes at level 2 and level 3 over one year, from 40% in 2004/05 to 53% in 2005/06, and the most recent statistics show this will rise to 59% in 2006/07.<sup>29</sup> However, the absolute numbers are still quite low – for example, the complete

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<sup>26</sup> See Spielhofer, T. and Sims, D. (2004) *op. cit.*, and Ryan, P., Gospel, H. and Lewis, P. (2006) *op. cit.*

<sup>27</sup> House of Lords, *op. cit.*, p. 14.

<sup>28</sup> See Berkeley, J. (2005) *Listening to the Work-Based Learner: Unlocking the potential of apprentice feedback*. DfES.

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<sup>29</sup> LSC (2007) *Further Education and Work-based Learning for Young People – Learner outcomes in England 2005/06. Reference: ILR/SFR. Published: 17 April 2007* [online]. At: [www.lsc.gov.uk](http://www.lsc.gov.uk), accessed April 2007.

framework success rate for 16-18 year-olds on advanced apprenticeship was 41% for 2004/05 and 56% for 2005/06, corresponding to absolute numbers for these two years of 9,683 and 13,950 respectively. With regard to apprenticeship at level 2, the complete framework current success rate for 16-18 year-olds is 41% for 2004/05 and 54% for 2005/06 respectively. These correspond to absolute numbers of 30,527 and 45,127 respectively<sup>30</sup>. Hidden behind these figures are variations across the sectors<sup>31</sup>. For example, the most recent statistics show the following overall success rates for the five largest sector subject areas for 2006/07<sup>32</sup> (period 12 data):

Sector subject area	Sector subject area	Advanced apprenticeship
Business, Administration and Law	66%	66%
Construction and the Built Environment	60%	56%
Engineering and Manufacturing Technologies	62%	67%
Health, Public Services and Care	59%	51%
Retail and Commercial Enterprise	56%	44%

<sup>30</sup> *ibid.*

<sup>31</sup> For data on success rates in LSC-funded work-based learning provision, see <http://www.lsc.gov.uk/providers/Data/statistics/success/WBL.htm>

## The benefits of apprenticeship: individual and social returns

Recent research<sup>33</sup> seems to have established a favourable cost-benefit analysis for apprenticeships for individuals, namely of around 18% in 2005/05 at level 3 and 16% at level 2, compared to individuals whose highest qualification is at level 2, or at level 1 or 2 respectively. However, once again there is significant variation in the estimated wage returns depending on the sector. McIntosh cites the examples of an apprenticeship at level 3 in construction, which increases the average wage of the individual by 32%, while in the retail sector there is no observed effect of apprenticeships on wages at all. Furthermore, McIntosh also points out that some of these benefits may be linked with the selective nature of apprenticeship, and that the benefits may not be so high if apprenticeships were taken by a larger and wider cross-section of young people. The low or non-existent returns to apprenticeship in some sectors, for both individuals and companies, should raise serious concerns about the wisdom of investing public money in such schemes, unless social returns on that investment can be demonstrated.

<sup>33</sup> McIntosh, S. (2007) *A cost-benefit analysis of apprenticeships and other vocational qualifications*. DfES Research Report RR834. Nottingham: DfES.

## Progression beyond apprenticeship

There appears to be no systematic attempt at present to gauge the extent to which those succeeding on Advanced Apprenticeships then progress into Foundation Degrees. Recently UCAS has attempted to extend the UCAS tariff to cover Advanced Apprenticeship frameworks . However, the variability of those frameworks presents a considerable challenge to a Higher Education admissions tutor trying to grasp what an apprentice knows and understands. The Review would therefore concur with the view in the House of Lords report on apprenticeship that not enough attention is being paid to progression from apprenticeship to higher education<sup>35</sup>.

## Section 5: Equity<sup>36</sup>

In today's society it's a given principle that education and training pathways must be inclusive. Attention has to be paid, therefore, to the areas where up to now there has been under representation of certain groups.

### Age

Historically people were systematically excluded from apprenticeship on the basis of age: apprenticeship was for young people. A clear feature of current policy is extending the age when an apprenticeship

can be started. However, this also carries with it a risk that training costs that should be borne by companies are transferred to the state, leading to deadweight. The House of Lords report argues for government funding for apprenticeship to go directly to employers, rather than to training providers as is currently the case, but the above observation calls into question the notion of placing all the funding for apprenticeship into the hands of employers<sup>37</sup>.

### Gender

Apprenticeships in some sectors remain highly 'gendered'<sup>38</sup> and women are reluctant to take up training in a sector traditionally dominated by men, and vice versa. There may be a need to provide more 'tasters' and work experience to make it more likely that young men and women

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<sup>37</sup> House of Lords, Select Committee on Economic Affairs (2007) *op. cit.*, Para: 90: 'Employers should be at the centre of all apprenticeship provision. In our view, all funding for apprentices—the current average yearly spend per apprentice is £3,250—should, within five years, be re-routed directly to employers. Employers would then sub-contract any off-the-job training or other services which they did not themselves provide. This direct financing would act as a powerful incentive for employers to provide more places.'

<sup>38</sup> See Fuller, A., Beck, V. and Unwin, L. (2005) *op. cit.*; Fuller, A. and Unwin, L. (2006) *op. cit.*

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<sup>34</sup> [http://ucas.com/website/documents/acrobat/ucas-news\\_issue23.pdf](http://ucas.com/website/documents/acrobat/ucas-news_issue23.pdf)

<sup>35</sup> House of Lords, *op. cit.*, p. 34.

<sup>36</sup> In discussions of equity issues of disability should be included. However, there is only very limited data on this issue, and the Nuffield Review is therefore unable to comment on this important aspect of equity.



will commit to non-traditional sectors. It is also necessary to communicate the aims and purposes of the apprenticeship programmes more effectively to young people, parents, employers and teachers<sup>39</sup>.

## Ethnicity

Increasing numbers of black and minority ethnic participants is essential if apprenticeship is not to be an 'exclusive' route. The statistics show that there are relatively small numbers of learners from ethnic minority groups participating in these programmes, with 91.2% of participants in work-based learning being 'white-British'<sup>40</sup>. Perez-del-Aguila, Monteiro and Hughes<sup>41</sup> calculate that overall only 4.5% of all apprenticeships are taken by learners from minority ethnic groups, and that their retention and achievement rates are lower than for white-British learners. One of the

key issues here is engaging employers from BME groups.<sup>42</sup>

Despite considerable effort by Sector Skills Councils and other bodies to address such gender imbalance and the under-representation of learners from minority ethnic groups, little headway is being made. This appears to be an intractable problem, the effects of which are amplified by subsequent differential outcomes in the labour market.

## Conclusion

A contemporary model of apprenticeship has to be able to meet current demands – to be shorter, more flexible and capable of being delivered in a wide range of sectors – but still meet certain requirements, such as developing a wide range of appropriate skills to develop sectoral capacity; offering both on and off-the-job training and enabling learning from peers. A contemporary model of apprenticeship also has to be attractive to a wide range of employers with no historical commitment to apprenticeship, while retaining the strong connection between general and theoretical skills and their application in occupational practice. In addition, the model has to be attractive to young people who have increasingly opted to remain in full-time education after the age of 16, often with a view to progressing into Higher Education.

The issues discussed in this paper that surround the development of such a model leave a set of unresolved dilemmas around the evolution of apprenticeship

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<sup>39</sup> Habia, for example, attempted to address the gender imbalance in the sector by offering new Spa apprenticeships, which are available to those with qualifications in exercise and nutrition and pool attendance, as well as beauty therapy or nail services, therefore attracting higher numbers of male applicants to the framework. <sup>40</sup> LSC (2006) Further Education, Work-based Learning and adult and Community Learning - - Learner numbers in England 2005/06. Reference: ILR/SFR11. Published: 12 December 2006 [online]. At: [www.lsc.gov.uk](http://www.lsc.gov.uk), accessed April 2007, Table 3.

<sup>41</sup> Perez-del-Aguila, R., Monteiro, H. and Hughes, M. (2006) Perceptions of apprenticeship by minority ethnic learners: Making work-based learning work, Series 2. London: LSDA, p.35.

<sup>42</sup> *ibid.*, p. 36.

to meet changing economic and social circumstances. First, to what extent should apprenticeship be used as a means of social inclusion rather than primarily as a means of intermediate skill formation? Ideally, apprenticeship could serve both functions, but if it becomes too identified with the former the risk is that the value of the brand will become diminished.

Second, the various actors involved with apprenticeship – the state, employers and learners – do not necessarily have common interests. The state seems to want to promote the further growth of apprenticeship for reasons that do not necessarily align with employer demand for apprenticeship training. The risk is that in order to reach government targets, development of apprenticeship programmes will be required in sectors that do not have the sort of intermediate skill needs traditionally met by apprenticeship. In a weakly regulated system the temptation may be to produce apprenticeship frameworks that are more geared to short-term and specific job training requirements in order to attract employers to the scheme, rather than focussing on the development of broad and general skills that are relevant to a whole sector. The former strategy potentially acts against the interests of learners, who require skills to sustain employment in the long-term, rather than short-term development of job specific skills the cost of which should be borne by employers, and not the tax payer.

Third, a key focus in debates about quality must be on the pedagogical structures and opportunities for personal development offered by apprenticeship at level 2 and level 3. Fuller and Unwin<sup>43</sup> argue that ‘... apprenticeship is still a relevant vehicle through which to form a bridge between

education and the workplace, to develop skills and knowledge, and to enable people and organisations to realise each other’s potential’. The provision for apprenticeship must focus on unlocking that potential, rather than on meeting targets without consideration of the learning experience undertaken by the young people. This links to the point made by Fuller and Unwin<sup>44</sup> that ‘...unless the Modern Apprenticeship can have a more expansive impact on the quality of apprentices’ participation and opportunities for personal development, then the programme will continue to add little value to the lived realities of the work-based route for many young people’. Young learners in particular have a right to be protected from programmes of learning that will not meet their long-term employment and educational needs: why should those who opt for an apprenticeship in England, at level 2 or level 3, be content with provision at the restrictive end of the Fuller and Unwin<sup>45</sup> continuum?

The challenge, then, is to produce a regulatory regime that encourages innovation and flexibility in apprenticeship programme design, while also offering some guarantees about the quality of the learning opportunities and experience so that apprenticeship is in the long-term interests of learners. The Nuffield Review does not believe that this has yet been achieved and this issues paper therefore aims to stimulate debate about what else might be done to produce an appropriate regulatory framework for apprenticeship.

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<sup>43</sup> *ibid.*, p. 424.

<sup>44</sup> *ibid.*, p. 410.

<sup>45</sup> Fuller, A. and Unwin, L. (2003b) *op. cit.*

## Key issues

Given the context outlined in this paper, what are the key issues affecting quality in the apprenticeship route? The Nuffield Review identifies the following questions:

1. Can apprenticeship really be offered as an inclusive training option for both able and less able trainees and continue to be perceived as a high-status, high-quality option?
2. What incentives need to be put in place to encourage employers in sectors with little history of offering apprenticeships, and small and medium-sized enterprises with little capacity, or desire, to offer long-term training places to develop high quality apprenticeship places on a significant scale?
3. What support structures need to be put in place to enable employers to offer consistently high-quality and sustainable apprenticeship provision?
4. How can apprenticeships provide appropriate learning opportunities for young people in the context of a policy of entitlement to an apprenticeship place for all young people with appropriate qualifications, the increase in the age of compulsory participation in education and training to 18 and the changing requirements and organisational needs of employment?
5. How can the quality of apprenticeship provision be guaranteed in a weakly regulated youth labour market?
6. Should there be a guarantee for the apprentice to have access to off-the-job training and be provided with the opportunity to learn in diverse ways across a range of tasks in the workplace, i.e. to participate in an 'expansive learning environment'<sup>46</sup>?

The following people have been involved in the production of this Issues Paper: Geoff Hayward, Alis Oancea and Stephanie Wilde.

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<sup>46</sup> See Fuller, A. and Unwin, L. (2003b) *op. cit.*, which outlines the features of expansive and restrictive participation. See in particular Fig. 1 on p. 411. Features of expansive participation include, for example: breadth involving access to learning fostered by cross-company experiences built into the programme, access to a range of qualifications, planned time off-the-job for reflection and college attendance, a vision for progression and explicit institutional recognition of apprentices' status as learners.