# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **Apprenticeships – Investing in Skills for the Future – Up-date** |
| **DATE** | **04 February 2020** |
| **BY** | **Ken Skates AM, Minister for Economy and Transport** |

In an oral statement delivered on my behalf in March 2019, the Deputy Minister for Economy and Transport confirmed we were on track to deliver on our manifesto commitment to deliver a minimum of 100,000 all-age, high-quality apprenticeships by the end of this Assembly term.  I am delighted to say we now know we are likely to exceed that target.

Thanks to a remarkable effort from employers, providers and advice services, provisional data shows that 74,110 apprenticeship starts were delivered between May 2016 and July 2019.[[1]](#footnote-1)

Our approach to placing apprenticeships at the heart of our economic policy to meet the economic challenges faced by our communities has paid off. Our strategy to invest in training is helping place people and businesses in a stronger position to deal with the impact of globalisation, technical changes and Brexit. It will provide economic and social returns and help address the skills gaps currently holding back productivity and growth.

This evidence also shows our decision to take a different approach to the Government in England is the right one. The National Audit Office (NAO) reported in March 2019[[2]](#footnote-2) that the apprenticeship starts in England are 25 per cent lower than they were two years ago. They also found that some employers use apprenticeships as a substitute for training and development that they would have otherwise offered without public funding. In addition, a recent independent report was highly critical of the rebadging of graduate and non-graduate training programmes as apprenticeships.[[3]](#footnote-3) It suggested the take up of degree apprenticeships and newer generic apprenticeships in England have resulted in fewer apprentices overall and a pressure on their apprenticeships budget.

The UK Government’s Apprenticeship Levy continues to be problematic. It is proving to be nothing more than a tax on employers and we have always maintained that the levy encroaches on Wales’ devolution responsibilities. Whilst I am supportive of the principle that employers should contribute towards the costs of apprenticeships and wider workforce development, I am not supportive of the needs of Wales being ignored. I do not believe that a levy is the answer as we are not supporting our businesses and future workforce by introducing barriers to accessing the right training. Despite these challenges, we are working with employers across Wales to support their current and future needs.

Quality is at the core of our policy and we are developing apprenticeships in growth sectors and emerging occupations in line with priorities determined by Regional Skills Partnerships (RSPs), labour market information and sector reviews carried out by Qualifications Wales. We are rebalancing investment to align to the needs of Welsh businesses. We are shifting apprenticeship training from low cost sectors, where the skills content is relatively low and where there is limited evidence of skill shortages and little or no return for the employer, into high value sectors including STEM, technical and digital areas.

We want as many learners as possible to continue their learning to at least level 3 where real productivity benefits are realised. We have used appropriate levers to increase the uptake of apprenticeship programmes at higher levels and in priority sectors and also to reduce the number of learners who stop at level 2.

We are expanding higher-level apprenticeships to plug the technical skills gap and boost productivity through creating new routes for people into middle-skilled technical jobs where the greatest skills shortages remain. We have invested £20 million over the next two years to pilot and test Degree Apprenticeships in Digital/ICT and Advanced Manufacture. The pilot will be independently evaluated this year and will inform future decisions about potential expansion of the pilot.

Driving inclusivity, equality and equity of opportunity continues to be a key priority. We are making good progress against the actions contained within the Inclusive Apprenticeships Disability Action Plan. We have developed more inclusive, accessible marketing materials, made changes to eligibility criteria and improved support for both individuals and employers. The latest data for 2017/18 shows that 5.6% of apprentices declared themselves as disabled in comparison with only 3.4% in 2013/14.

We are working to increase the number of apprenticeships delivered through the medium of Welsh. We engaged with Coleg Cymraeg Cenedlaethol in the development of its “Welsh Medium Further Education and Apprenticeships Action Plan” which provides a basis for organisations to work together to ensure there is consistent demand from young people and employers for Welsh-medium vocational courses and apprenticeships.

Looking ahead, for future generations, we need to ensure there is a smoother transition for young people into apprenticeships. We are already prioritising 16-19 year olds onto the programme and putting in place interventions to help people make the right choices about their futures. We will also improve the visibility of the infrastructure supporting the apprenticeship programme via a new ICT platform to host services. The platform will include a central vacancy service for apprenticeships in Wales, allowing employers to advertise their apprenticeship opportunities.

We will continue to build an apprenticeship programme in Wales that is responsive to employer needs and invests in economic growth and social cohesion, whilst avoiding the pitfalls characterised by the English model.

This approach will strengthen the quality of apprenticeship frameworks in Wales and assure the continued delivery of a product valued by employers and learners alike.

1. Interactive dashboard: apprenticeship learning programmes started (November 2019) – accessed 27/01/20: <https://gov.wales/interactive-dashboard-apprenticeship-learning-programmes-started> [↑](#footnote-ref-1)
2. The apprenticeships programme, National Audit Office (2019): <https://www.nao.org.uk/report/the-apprenticeships-programme/> [↑](#footnote-ref-2)
3. Runaway Training, Why the apprenticeship levy is broken and how to fix it, EDSK (January 2020): <https://www.edsk.org/publications/runaway-training/> [↑](#footnote-ref-3)