

AELP Research Briefing

Welcome to AELP’s Research Briefing



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AELP Research Briefing is produced for AELP members. It presents the main points of relevance from Government statistics, published research and original analyses by the AELP Research team. Members often use these data and analyses as evidence for their strategic and delivery planning as well as bid writing.

In this edition:

- direct delivery and subcontracting of Apprenticeships
- employers and learner survey findings on Apprenticeships
- insights into Ofsted inspection reports
- latest government data – unemployment and NEET.

Contributions from members are always welcome and interesting. Feel free to feedback on what you read, or to share your own research findings and data analyses.

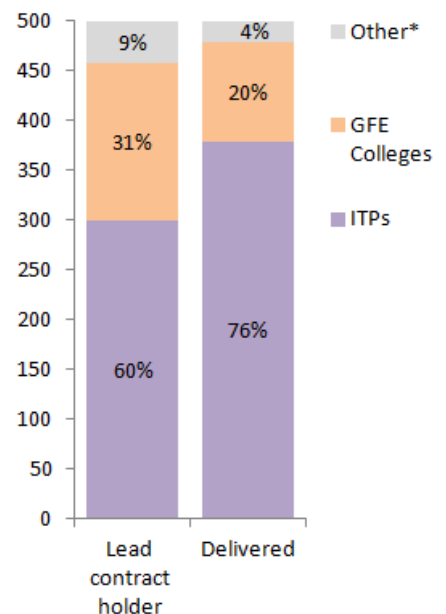
Direct delivery and subcontracting of Apprenticeships

Below are headline findings from data analysis conducted by AELP Research of figures obtained via a Freedom of Information request to the Skills Funding Agency (SFA). The SFA data shows the number of Apprenticeship starts in 2014/15 that each SFA contract holder delivers themselves (ie does not sub-contract) and the number of Apprenticeships starts delivered by each of their subcontractors.

Of the grand total of 499,000 Apprenticeship starts in the academic year 2014/15, 358,000 or 72% were directly delivered by the lead SFA contract holder and 141,000 or **28% were delivered by subcontractors**.

Over three quarters (76%) of all Apprenticeship starts in the 2014/15 academic year were delivered by independent training providers (ITPs). This is direct and subcontracted delivery added together (avoiding any double counting). By age band, 61% of 16-18s and 81% of 19-plus starts were by ITPs. ITPs were the *lead contractors* for 299,000 or 60% of all Apprenticeships: they delivered 82% of these themselves and subcontracted the remaining 18%. The vast majority (93%) of all subcontracted Apprenticeship delivery was done by ITPs.

One fifth of (20%) of all Apprenticeship starts in the 2014/15 academic year were delivered by General FE Colleges. Again, this is direct and subcontracted delivery added together (avoiding any double counting). The split by age band was 41% of 16-18s and 59% of 19-plus. General FE Colleges were the *lead contractors* for 157,000 or 31% of all Apprenticeships. Of these 157,000, 40% were subcontracted to ITPs, the vast majority of which was 19-plus.



'Other*' lead contractors shown on the graph on the preceding page comprised mainly local authorities although the British Army with 16,000 is one of the largest individual providers. It also included HE and NHS institutions. These 'other' types of organisation provided 37,500 or 9% of lead contractor Apprenticeship starts. Over half of these starts – 14,700 or 4% of all Apprenticeships starts – were delivered directly by these 'other' providers. The remaining 22,800 were subcontracted. While CITB tended to subcontract to General FE Colleges, the rest typically went to ITPs.

The vast majority of Apprenticeships are delivered by AELP Members, across all provider types – independent, General FE College, 'other' sectors.

The table below lists the ten largest individual providers.

Type of provider	Top 10 lead contract holders by Apprenticeships starts	No. of Apprenticeship starts (2014/15)
ITP	Learndirect Limited	23,970
ITP	Babcock Training Limited	16,780
Other	British Army	16,560
ITP	Lifetime Training Group Limited	15,530
ITP	HIT Training Limited	9,930
GFE College	NCG	8,400
ITP	ESG (Skills) Limited	7,940
ITP	GP Strategies Training Limited	7,190
GFE College	West Nottinghamshire College	6,610
ITP	First4Skills Limited	6,440

AELP Comments: This new data for the first time shows the true extent of the primary role of ITPs in Apprenticeship delivery. The fact that 76% of all Apprenticeships are delivered by independent training providers (ITPs) was previously hidden by significant amounts of subcontracting. For example, the 40% of Apprenticeships contracted through General FE Colleges that are actually delivered on the frontline by ITPs.

Providers, sector bodies and government should convey accurate messages to employers about who to approach for their Apprenticeship provision. This will become increasingly important for employers to know in the light of Apprenticeship levy reforms.

The AELP press release regarding this FOI analysis can be found on our website using [this link](#).

Employers and learner survey findings on Apprenticeships

The fourth annual Apprenticeships [employer](#) and [learner](#) survey has very positive findings for providers to communicate to potential new employers and learners:

- Overall, 87% of employers and 89% of Apprentices are satisfied with Apprenticeships.
- 77% of employers would recommend their provider to other employers
- The vast majority of employers (94%) made use of an external training provider to deliver at least some of their apprenticeship training. 70% of employers also provided formal training for Apprentices.
- 97% of learners felt that they acquired or improved their skills as a direct result of their Apprenticeship, and 92% were still in work 12 to 18 months afterwards. Almost half – 46% – received a pay rise post-completion and 30% a promotion after completion.

The data also helps towards defining a broad target market for Apprenticeships, though of course these are generalisations at the national level:

- Three frameworks continue to be by far the most popular: 34% of employers provided Business frameworks, 23% Health and 22% Retail.
- 64% of employers recruited externally and this was more likely to be for under-19 year olds. 38% provided apprenticeships to existing staff, more typically over the age of 25.
- Employers' main motivation for doing Apprenticeships was that frameworks were relevant to business needs (31%). However, also important were the 'convenience of having the training provider handle recruitment', 'providing the required form of training' and 'the best way to aid recruitment'.

- The majority of workplaces had a single Apprentice (67%). However, mid-size workplaces (with 10 to 99 employees) had around double the ratio of Apprentices to staff (11 per 1,000 employees) compared to employers of other sizes.
- Just over a quarter (27%) of employers paid fees to a training provider, representing an increase of two percentage points from 2014 (25%). Employers offering apprenticeships in more “traditional frameworks” such as Construction and Engineering were much more likely to pay fees.

Two possible actions for providers can be identified:

- 65% of employers felt able to influence the apprenticeship training and just under a quarter did not have or want influence. However, a minority – 3 in 10 of those with limited influence – wanted more say in the content, delivery and/or duration of their apprenticeships.
- A substantial minority of employers and learners were not aware that they were doing Apprenticeships, most likely because they are part of a wider corporate training package. As the AELP Comments box explains, providers may want to review their approach here.

AELP Comments: The government wants to increase Apprenticeship brand awareness because it is their flagship skills programme. The lack of awareness of employers that their staff are undergoing Apprenticeships is therefore a concern. Providers will need to address this in marketing strategies before the sector moves into the new employer-led funding regime in 2017.

More detail is available to download here [AELP Briefing Paper no. 39](#).

Insights into Ofsted inspection reports

This section provides a brief analysis of Ofsted reports published since the introduction of the new Common Inspection Framework on September 1st 2015 up to reports published end of May 2016. In this period, 86 independent learning providers, 71 adult and community learning provider inspections, 62 general FE colleges and 13 employer providers.

In the year 2015/16 to-date, 6 providers have been deemed Outstanding and 141 Good, which is 61% of all FE and skills inspections. During 2014/15, 49% of further education and skills providers were judged to be good or outstanding, substantially lower than the 67% of providers judged good or outstanding in 2013/14.

	Outstanding	Good	Requires Improvement	Inadequate incl. monitoring reports	Total
ILPs	2	59	17	8	86
ACL	3	48	14	6	71
GFE College	1	29	18	14	62
Employer	0	5	4	4	13
Total no.	6	141	53	32	232
Total %	3%	61%	23%	14%	100%

A review of **Outstanding reports** quickly identifies common themes: excellent quality of teaching, learning and assessment; continuous improvement, and; partnership working with employers and others. All outstanding reports refer to Prevent though not all providers are excellent at delivering it. Examples of language used in Outstanding reports about learners are ‘rapid learning’, ‘gained skills’, ‘developed’ and ‘progress’ and about leadership and management ‘extremely ambitious’, ‘relentless focus’.

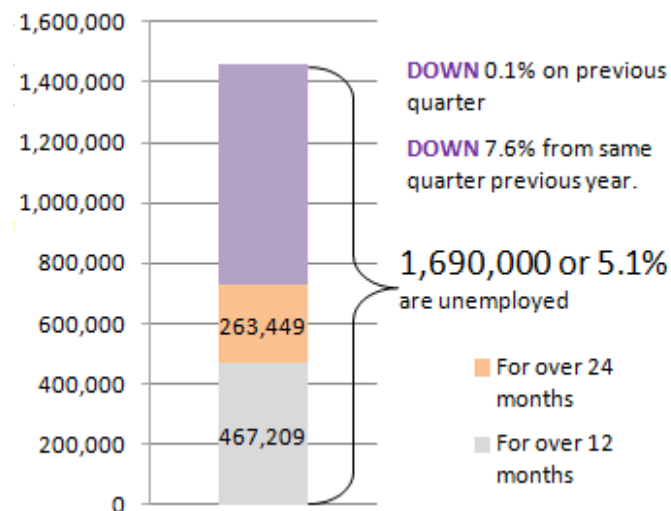
Looking at **Inadequate reports**, it is teaching, learning and assessment that comes in for the most extensive criticism. For example, 'lack of feedback', 'underestimating learners', 'not acting when learner progress is slow', 'too few learning activities for Apprentices', 'poor planning for individual learners' and 'lack of English and Maths teaching'. Leaders and managers are often criticised for no or poor use of data for improvement purposes (eg not acting on differences in progress between groups) and weak or overly-optimistic self-assessments.

Review recent [Ofsted reports](#). Tip: scroll down to search providers by date published then filter by type of provider.

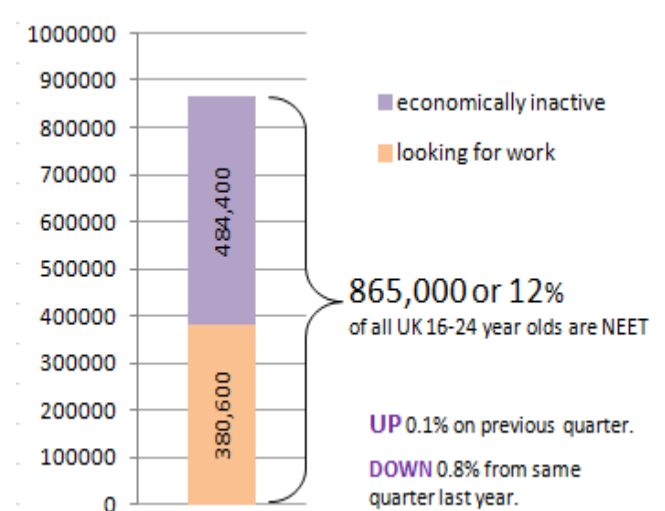
Latest government data – unemployment, NEET

Unemployment has remained at around 5% for the last six months. Comparing overall unemployment with the NEETs who are looking for work, youth unemployment is much higher, at 12%, although not all of these young people are actively looking for work. Over a fifth of all those looking for work are under the age of 25 years (22.5%). Approximately half of all unemployed are out of work for less than one year, a little over a quarter for 12-24 months and a little less than a fifth for more than 24 months.

Unemployment Amount of over 16 year olds looking for work (Jan-Mar 2016)



NEET Young people aged 16 to 24 in the UK not in education, employment or training (Jan-Mar 2016)



AELP Comments: To help tackle youth unemployment, AELP welcomes the strengthening of requirements to provide independent, impartial and informed careers guidance, and to give all providers access to all students and parents – now we just need to see this put into practice. In addition, more needs to be done to align benefit regulations with work placements so that Job Seekers Allowance is not restricted for young people who would otherwise be ideal candidates for Traineeships.

The other main issue that needs addressing is those within the economically inactive NEET group who require support to start looking for work, and particularly provision for disabled/LLDD young people.