

Briefing 14/18

April 2014

Proposed audit of Modern Apprenticeships in Scotland

To: All Chief Executives, Main Contacts and APSE Contacts in Scotland

For information only to England, Northern Ireland and Wales

Key Issues

- This briefing provides an overview of the proposals for an audit on the modern apprentice programme in Scotland by Audit Scotland
- The four audit themes which will underpin the programme are value for money, financial sustainability, transparency of reporting and governance and financial management
- Findings and recommendations from the audit report

1.0 Introduction

This will be the first time Audit Scotland has carried out a performance audit in this area and it is the first independent evaluation since the "Evaluation of Modern Apprenticeships and Skillseekers" which was carried out by the Cambridge Policy Consultants in November 2006 (for full details of this report please [click here](#))

The aim of the evaluation in 2006 was to assess the impact and performance of skillseekers, modern apprenticeships for 16-24 year olds and adult modern apprenticeships with regards to:-

- Their contribution to the up-skilling of young people and adults
- Their contribution to the workforce development needs of businesses
- Their contribution to the Scottish economy
- Costs and benefits

Audit Scotland's main objective for the audit is to answer the question; does the modern apprenticeship programme provide value for money? While aiming to answer this question, the objectives of the audit include:-

- Is there clarity around the administration of the modern apprenticeship programme, including cost, activity and roles of the organisations involved?

- Are modern apprenticeships clearly achieving their intended aims and objectives and the targets set for them?
- How well is the modern apprenticeship programme managed and is there scope to make efficiencies?

Developing the skills and employability for Scotland's workforce is one of Scottish Government's main priorities and as the number of unemployed 16-24 year olds in Scotland has increased over the last 5 years (from approximately 55,000 in 2008 to 83,000 in 2012), since the start of the recession, it is easy to see why. Within Scottish Government's Youth Employment strategy which was published in 2012, there was a commitment to deliver over 46,000 training opportunities in each of the next 5 years. This included a specific annual target of 25,000 modern apprenticeships.

Skills Development Scotland administer and deliver Scotland's modern apprenticeship programme, with help from a range of other public and private sector bodies. The modern apprenticeship programme is the largest of the Government's national training programmes and was first developed in 1994. Modern apprenticeship programmes offer individuals 16 and over the opportunity to combine paid employment with workplace training and off-the-job learning, gaining new/ enhancing skills and qualifications tailored to their particular job.

2.0 Components of the audit and methodology

The audit aims to assess the value for money, quality and accountability of the modern apprenticeship. Audit Scotland is specifically hoping to:-

- Provide an independent assessment of whether the aims and objectives of the modern apprenticeship programme are being met and if there is clear performance reporting
- Assess whether there are clear roles and responsibilities for the various public and private sector bodies involved and also assess if there is effective partnership working
- Examine how demand for modern apprenticeships is assessed and managed as well as finding out whether public sector funding for modern apprenticeships is transparent, sustainable and being targeted in line with clear priorities
- Identify variation in the provision, quality and costs of modern apprenticeships and scope to make efficiencies
- Assess how well the programme is managed, how it compares to other countries and identify any good practice case studies.

The audit has not considered modern apprenticeships which are fully funded by employers and therefore not supported by public sector contributions and has not looked in detail at other skills and employment training which may be delivered by Skills Development Scotland, Councils or the Department of Work and Pensions but has considered links where relevant to modern apprenticeships.

A number of tools were used to gather evidence for the audit and range from analysing statistics to interviewing employers and employees within relevant organisations. Below highlights a list of other forms of evidence gathering which has been used throughout the process:-

- Collate and analyse published and unpublished modern apprenticeship statistics, including funding levels, start rates and completion rates
- Review relevant strategy, policy and evaluation documents

- Review procedures for identifying demand for modern apprenticeship places and prioritising places
- Carry out an in-depth review of a sample of modern apprenticeship frameworks to gather information on the following
 - Management and monitoring arrangements
 - Quality of training
 - Areas of good practice
 - Scope for efficiency gains
- Review existing surveys of employers and apprentices to gather users' views
- Interview individuals in the Scottish Government, Skills Development Scotland, Sector Skills Councils and training providers to explore the extent of variation in provision, costs and quality of modern apprenticeships and the reasons for this
- Review a sample of Skills Development Scotland inspection reports to identify the incidence of poor quality training and the resulting follow-up action
- Consider equality and diversity issues in all of the above, including uptake of modern apprenticeships, completion rates and the quality of training experienced by different groups of people such as by age, gender, deprivation, geography and ethnic group
- Review apprenticeship programmes that exist in selected other countries to determine what lessons can be learned and applied in Scotland

A number of bodies have been included in the audit including Skills Development Scotland, Scottish Government, colleges and other training providers, as well as a range of selected private and voluntary organisations. The audit considered Councils' involvement in modern apprenticeships as training providers and employers but has not been the focus of the audit.

For a full copy of the project brief please [click here](#)

3.0 Audit Findings and Recommendations

The audit report highlights a number of key findings and recommendations with regards to the administration and funding of modern apprentices via Skills Development Scotland. In 2011/12 Scottish Government introduced an annual target of 25,000 new modern apprenticeships, which can be confirmed has occurred in the last two years. The report also highlights that Skills Development Scotland is currently meeting other priorities, which include improving achievement rates and maximising places for 16-19 year olds and higher levels of apprenticeships. The report findings show that as well as the number of people completing apprenticeships has increased, the number of females undertaking these apprenticeships has increased significantly too (43% in 2012/13).

The report findings also highlights funding distributed by Skills Development Scotland for modern apprenticeships in 2012/13 was £75 million, this has increased from approximately £60 in 2008/09. The report states that there are greater costs associated with Scottish Government's apprentice priorities and it is therefore important for Skills Development Scotland to continue to monitor the financial sustainability of continuing to meet these. This will be particularly relevant should Scottish Government increase the target for new starts.

Findings within the report highlight that although Scottish Government have set a number of priorities, the existing performance measures currently do not focus on long term outcomes, including sustainable employment. The report recommends that Scottish Government and Skills Development Scotland should develop outcome-based measures to assess long-term benefits. It also recommends that the long-term benefits should be reviewed to ensure that

the funding is directed to those demonstrating best value all (individuals, employers and the economy).

Other recommendations included further enhancing IT systems to enable education and training data to be shared across relevant public bodies to help minimise duplication; although modern apprentices are valued by employers and apprentices, Skills Development Scotland should target specific groups of employers to raise awareness and encourage them to take on apprenticeships as there is still scope to increase participation and Skills Development Scotland should develop an improvement plan taking into account all of recommendations contained within the audit report.

The full audit report findings can be found [here](#)

4.0 APSE Comment

APSE welcomes the audit of the modern apprenticeship programme and is encouraged by the targets currently being met. The findings help to highlight the good practice which is currently taking place in helping to tackle youth unemployment. Over the past ten years the numbers, types and levels of modern apprentices has continued to increase. APSE's 2013 publication "Tackling youth unemployment: Local authorities leading the response" mapped the problem of youth unemployment in the UK before highlighting the action being taken by local authorities to tackle this important issue, as well as making recommendations for further local government action. Local authorities including Fife, South Ayrshire, Falkirk and North Lanarkshire are all looking at innovative ways to tackle youth unemployment.

With the creation of a new Youth Employment Minister post in 2011 and a new youth employment strategy published in 2012, this audit provides information on the impact these developments and others have had on modern apprenticeships.

APSE agrees that it is important to promote apprenticeship opportunities to all including young people and employers. APSE has a number of national and area apprentice awards schemes which help to promote the excellent work being carried out by local authorities. Following the Scottish Building & Housing seminar which took place recently, APSE will be asking its membership to complete a short survey on modern apprenticeships with a view to potentially incorporating a new category into the awards for future years.

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