



The Government Response
to the
House of Lords
Select Committee
on Economic Affairs'
Fifth Report of
Session 2006-07
on Apprenticeships

*Presented to Parliament
By the Secretary of State for Innovation, Universities and Skills
By Command of Her Majesty
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**THE GOVERNMENT RESPONSE TO THE HOUSE OF LORDS
SELECT COMMITTEE ON ECONOMIC AFFAIRS' FIFTH REPORT
OF SESSION 2006-07 ON APPRENTICESHIPS**

Introduction

- i. The House of Lords Select Committee on Economic Affairs (the Committee) published its report into Apprenticeships, entitled *Apprenticeship: a key route to skill*, on the 20th July 2007. This Paper sets out the Government's response to the conclusions and recommendations in that report.
- ii. The Government is strongly committed to expanding and improving the Apprenticeship programme in this country, which will both aid the push towards our objective of full employment, and give more choice to young people. The Apprenticeships programme in England already has over 250,000 participants, following 180 Apprenticeships Frameworks over 80 sectors. Building on this, the Government has announced its intention to offer an Apprenticeships entitlement to every qualified young person who wants one by 2013. In its response to *Prosperity for all in the Global Economy – World Class Skills*, by Lord Sandy Leitch, the Government has also committed to ensuring 400,000 Apprenticeships places in England by 2020. These pledges are testament to the prominent and growing importance of education, training and skills to the whole future of the British economy.
- iii. In the words of the Prime Minister, Apprenticeships are 'the keys to our future', and a vital link in the Government's objective to help build a skilled and productive British population. On the 10th September 2007, the Prime Minister announced a national online service that will match apprentices to employers and/or training providers. This service has been trialled, and will be rolled out nationally by 2008. The Prime Minister also particularly indicated to the public sector that it will be expected to expand its Apprenticeships provision, in order to help towards the national target of half a million Apprenticeships in the UK by 2020.
- iv. The Government is currently looking into the best way to further deliver on its commitments for Apprenticeships. This delivery will involve large and exciting challenges, as employers, potential apprentices, training providers, sectoral bodies and the Government must all work together to achieve our goal. A joint Apprenticeships Review between the Department for Innovation and Skills (DIUS) and The Department for Children, Schools and Families (DCSF), supported by the Prime Minister's Strategy Unit (PMSU), is currently underway to bring together a strategy for expanding and improving Apprenticeships. The review will reflect demographic and sectoral analysis and an analysis of employer and learner demand. Its conclusions will be set within the broader context of education and skills developments, including the 14–19 curriculum and qualification reforms, particularly Diplomas and Train to Gain programmes, and will be complementary to other learning and progression routes.

**THE GOVERNMENT RESPONSE
TO THE COMMITTEE ON
ECONOMIC AFFAIRS' CONCLUSIONS AND RECOMMENDATIONS.**

- 1. UK productivity could improve if the pool of skilled labour could be increased, and the cost to the economy and to society of failure to achieve this would be high. To increase the stock of skills in the UK requires flows of better-qualified young people to replace those retiring workers who have lower skills. As young people with low skills face poor job prospects, it is important to ensure that those who are able to do so acquire a recognised skill. (Paragraph 19)**

Apprenticeship is a prime source of intermediate skills in craft, technician and associate professional occupations, required both for economic growth and the replacement of employees with specialist skills who leave or retire. Apprenticeship brings high wage returns. Young people who complete an apprenticeship which includes an NVQ2 or an Advanced Apprenticeship with an NVQ3 earn significantly more than those who gain the same qualifications outside an apprenticeship framework. Good quality apprenticeship places are highly sought after and the available evidence indicates that the supply of young people seeking a place outstrips demand. (Paragraph 39)

The Government is absolutely committed to increasing the development of skills throughout the population, and wholeheartedly supports the above conclusions about the benefits of Apprenticeships. The Apprenticeships model of training is well-understood, highly regarded and effective, and the Government's decision to substantially expand the numbers of Apprenticeships places on offer will ensure that more and more young people benefit from them. The supply of young people seeking an apprenticeship does outstrip demand in the large 'blue chip' companies in many sectors. More analysis is needed to establish whether this gap can be closed, particularly by ensuring that SMEs are better able to benefit from offering Apprenticeships, and to identify sectors and geographical areas where there is potential for apprenticeship expansion. This is one of the areas that the Review will investigate further.

- 2. Apprenticeship should be established as the main route to skills below graduate level. It should be the standard method for a combination of work and learning to contribute to the Government's goal that all young people aged 17 and 18 should participate in some form of education and training. (Paragraph 39)**

By 2020, when the targets of the Leitch review have been attained, Apprenticeships will remain the primary employment-based route to skills

below graduate level for 16-19 year olds. Apprenticeships will be a key route within the overall education and skills framework, which will also include GCSEs and A levels, the 14-19 Diplomas and other work based learning. The Apprenticeship Review will examine the relationship between Apprenticeships and other qualifications, provision and routes into skilled employment.

- 3. By 2013, any young person who can demonstrate the appropriate level of functional literary and numeracy and a positive commitment to apprenticeship should be eligible for the Government's apprenticeship entitlement. (Paragraph 41)**

The Government is committed to delivering its 2013 Apprenticeships Entitlement. Nonetheless, employers that offer Apprenticeships schemes must be at liberty to set their own reasonable entry criteria since they will employ the apprentices. We will work with Sector Skills Councils (SSCs) to establish clear guidelines on entry thresholds for Apprenticeships in their sectors, drawing on common employer requirements about the capabilities and aptitudes of apprentices, including literacy and numeracy, team working, initiative and time keeping. It is vital that potential new apprentices have a clear sense of what will be required of them in order to succeed in an apprenticeship.

To aid those who do not quite meet the entry requirements for an apprenticeship in their chosen sector, a pre-Apprenticeships programme has been developed to bring young people up to the necessary standards. Trialling of this programme will begin in 2008, as described in our July 2007 Leitch implementation plan, *World Class Skills*.

- 4. Apprenticeship places in Germany and Switzerland are highly sought after by young people. Employers in both countries provide three-year apprenticeships for more than half the cohort, but recently the supply of young people seeking apprenticeship has exceeded demand from employers. At least 75% of German apprentices complete their three-year training successfully, compared to around half in the UK, where apprenticeship lasts only one year on average. In both Germany and Switzerland, employer demand for apprentices is highly sensitive to the costs of employing them. As in the UK, the quality of young people applying for apprenticeship is improved by good progression prospects within the firm or sector, but in Switzerland and, to a lesser extent, in Germany, apprentices can and do continue on to higher education. (Paragraph 51)**

At this time, it is the Government's view that employers are best placed to determine the necessary length of any apprenticeship, within a demand-led programme. The average length of an English apprenticeship is actually 22

months at Level 3 and 13 months at Level 2. The length of German apprenticeships is also to some degree a function of the significant cost they represent to employers. Apprenticeships places supplied by employers are currently in decline in Germany. Employers cite the expense of the training as reason for this decline, and more training in colleges and schools is under consideration to compensate for this. The respective completion rates of the two systems of Apprenticeships are also converging. By the current measures of success, England's completion rate for Level 2 now stands at 62%, and at 64% for Level 3. Completion rates continue to rise, and we expect to reach 65-68% completion by 2011. Furthermore, as the report acknowledges, the dual system in Germany and Switzerland is not without its problems. Although the system has a strong tradition behind it and is widely supported, it is criticised by the Chambers of Commerce for its lack of flexibility in order to cope with rapid technological change and the need for more attention to the knowledge element. The top ten choices for vocational training in Germany have hardly changed in the last ten years, with only two new entrants, pharmaceutical assistants and bank clerks, added to their ranks.

We will address the issue of apprentices continuing on to higher education below, in point 13.

5. **Many school leavers in the UK have not acquired the minimum level of functional numeracy and literacy and social skills necessary to benefit from apprenticeship training. In our view, the improvement of levels of functional skills in mathematics and English is fundamental and should be given much higher priority by schools. The Government should take this forward with far greater urgency. (Paragraph 73)**

The attainment of functional levels of literacy and numeracy is an urgent concern for the Government and the country as a whole. The lack of these basic skills has long been a primary concern for employers, and the Government is committed to ensuring that all young people have these skills. So, we are making a functional skills qualification a compulsory component of teaching GCSEs in English, Maths and ICT. Functional skills components will also be compulsory in Apprenticeships and the new Diplomas. Initial trials of functional skills ended in March. The pilot qualifications have been accredited by the QCA. Pilots in 1,000 centres began in September 2007, with first teaching of all three functional skills - within GCSEs, Diplomas and Apprenticeships, as well as in standalone qualification form - beginning nationally in September 2010. Attainment levels are gradually rising in schools – recently 59.2 % of pupils achieved five or more GCSEs at grades A*-C, with 45.8 % achieving at that level, including attaining GCSEs in Maths and English.

Apprenticeships frameworks themselves have also always included minimum levels of Key Skills, set sector by sector. We intend in due course to replace

Key Skills within Apprenticeships with the new Functional Skills, re-emphasising our commitment to ensuring that young people achieve sufficient levels of literacy and numeracy to succeed in an apprenticeship and in their chosen career.

6. **Of those who could benefit, many are failed by wholly inadequate or non-existent careers advice and guidance, and by ignorance of or indifference to apprenticeship opportunities in schools. By the age of 14, all school pupils should be informed about the opportunities offered by apprenticeship and about the work needed to qualify for one. Careers teachers and the Connexions service – which is failing to reach a great many of those who need its services – should explain the advantages of vocational as well as academic education. Special attention should be paid to informing girls about non-traditional apprenticeships and to providing information on earnings in different sectors. (Paragraph 74)**

All young people should receive high quality, comprehensive and impartial advice about the full range of post-16 options, including Apprenticeships. There is room for improvement in the careers advice and guidance provided to some young people currently and we are working with key stakeholders to make improvements.

Recently published Quality Standards for the provision of Information, Advice and Guidance (IAG) for young people define our expectations of IAG services. In October, a 'User Guide' and good practice guidance will be published to accompany these Quality Standards. These will help to ensure that young people are alerted to the opportunities for career progression afforded by Apprenticeships, and the work-based route to learning as a whole. We are also looking at other ways of improving IAG for young people including through support for the IAG workforce. The Apprenticeships Review will be looking at IAG provision.

The new universal adult careers service recommended by the Leitch Review will also have a vital role in directing older people to Apprenticeships.

We address the issue of gender stereotyping in point 12 below.

7. **It is clear that many young people who have the capacity to benefit from apprenticeship fail to find a place. There should be an effective clearing house where all apprenticeship places are advertised and through which young people can apply – as for university entry. It should be operated by the LSC. (Paragraph 75)**

The LSC are now trialling an online Apprenticeships clearing house. National rollout of such a service will begin in 2008, as described in *World Class Skills*, and in the Prime Minister's speech of 10th September 2007. Young people will

be able to apply for a number of Apprenticeships places online. Apprenticeships vacancies will be advertised by training providers and by employers that provide their own training. Data will be able to be collected on the number of young people who apply for each apprenticeship and on the geographical distribution of learners and places offered for each sector. This means that problems in matching the supply of Apprenticeships places to the local demand will be able to be identified precisely, and responsive solutions offered.

The SSDA have identified a number of sectors which have great potential for growth in their Apprenticeships programmes. The public sector has a particular potential for adopting more apprentices into their intake of personnel, as noted by the Prime Minister's speech of September 10th. We will be taking positive steps to engage these employers. A high level meeting of major public sector employers will be held, to discuss, and with Ministerial assistance, overcome any perceived barriers to offering Apprenticeships.

8. **The DfES has neglected to compile any record of young people who unsuccessfully seek an apprentice place and keeps no central record of employers seeking apprentices. No reliable data are compiled on prior qualifications. Urgent measures are needed to ensure both the production of proper statistics on apprenticeship and also effective monitoring. (Paragraph 76)**

There have been necessary limitations in the collection of Management Information. The LSC needs to balance the requirement for good data on Apprenticeships and other programmes with the need to reduce bureaucracy on learners, employers and providers, who in most cases would be asked to provide this information. The Review will look at ways of improving data on Apprenticeships.

Despite this, data collection on some topics, for example on apprentices' prior qualifications, has been much improved since the LSC's establishment. The online Apprenticeships clearing house, as described above, will greatly assist in the task of data collection. Each user has a unique learner number, and information is gathered at registration on prior qualifications and equality and diversity.

This unique learner number is provided by a new Learner Registration Service, developed under a programme called Managing Information Across Partners (MIAP). This programme is supported by a wide range of stakeholders from across the education sector and aims to ensure information is collected once, used many times, used by all, in line with data protection. The MIAP programme allows coherent reporting of provision and attainment across the education sector, whilst reducing the burden on providers for data

collection and management. A website explains more about the programme www.miap.gov.uk

The online Learner Registration Service was formally launched on 3rd September. The service is currently being rolled out across the education sector and will be universally available from the beginning of next year to all those who wish to use it. From next year, the service will also enable individuals to access participation and attainment information already collected on them by schools, colleges and training providers in the form of a learner record. Subject to the individual not opting out of data sharing, the learner record will be shared with those who work with the learner. This service will enable careers and training providers to personalise the services they offer, because they can see the prior attainment of the individual and allow consistency of service across the different providers an individual may encounter. The service will also enable information about the cumulative attainment and progression of learners to be analysed much more effectively.

9. **Apprentices are frequently working at a level that is not appropriate, given their prior qualifications. Some apprentices are working at too low a level, while others are not well enough qualified for the level they are aiming for. In these cases, resources are being used inappropriately and are failing to add value. (Paragraph 77)**

It is not clear that this is still a widespread problem, but it is a matter that Government intends to keep under review. Progression to higher skill levels throughout the learning and skills system is an important objective. It is vital for the successful completion of any apprenticeship that the young person is placed in the most appropriate level of the programme. One of the reasons for the fall in Level 3 Apprenticeships is that many young people were placed in programmes at too high a level, which detrimentally affected the completion rate. The recruitment and initial assessment of Apprenticeships has now become more sophisticated, and the rapid rise in the completion rate in recent years would suggest that the majority of apprentices are now working at an appropriate level.

10. **The DfES failed to build connections between key partners in apprenticeship – schools, young people and employers. The current procedures for providing apprenticeships have the perverse result of discouraging employers from taking responsibility for apprentice training. The use of intermediaries to negotiate apprenticeships with the LSC on behalf of employers should have been a transitional ‘learning’ stage, leading to employers taking full responsibility for the recruitment and training of apprentices. Instead, these arrangements have become entrenched, preventing employers from developing the structures and capacity to train young employees. (Paragraph 89)**

Employers should be at the centre of all apprenticeship provision. In our view, all funding for apprenticeships – 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. (Paragraph 90)

Employers will always be at the heart of the Apprenticeships programme. The vast majority of apprentices are in employment from the start of their learning, and it is to the employer's benefit that their apprentices succeed. Some employers do contract directly with the LSC for their apprentices, and we are aware that there may be others who might choose this route. Our experience is that many employers, particularly among SMEs, prefer to operate through a training provider. This saves them the burden of paperwork and makes the process easier. It should be noted that, for the Apprenticeships programme to expand dramatically, much of the new provision will have to come from SMEs. Some larger employers, like BT, have also found it more efficient to operate through a nationally-contracted training provider. This does not mean that they are less interested in the progress of their apprentices.

We will keep this issue under review, but current thinking is that retaining both the option of funding an employer direct, and the option of funding through a training provider, offers the better way forward than funding exclusively via one route or the other.

Work Based Learning (WBL) funding has increased by £15 million in 2006/7, bringing the total funding for WBL up to £1.084 billion. The distribution of funding is clearly linked to the number of participants. We are planning for numbers of young people, in particular in Apprenticeships, to rise during the next CSR period and the level of funding relative to other routes will rise accordingly.

- 11. It is welcome that successive governments have persevered with promoting and supporting apprenticeship. However, too much emphasis has been placed on quantity of apprenticeships, and not enough on quality and subsequent destinations, including progression to Foundation Degree. Some service sector apprenticeships are of poor quality with little or no time release for training, and unchallenging content. Rates of completion have improved but remain variable and unacceptably low for Advanced Apprenticeship. (Paragraph 100)**

For the past six years, the focus of the DfES and of the LSC has progressively shifted toward the quality of Apprenticeships provision rather than the number of places available. Inspection regimes, quality assurance systems, and funding changes and incentives have all been utilised to safeguard the quality

of our Apprenticeships. In the most difficult cases, if providers do not perform adequately, their contracts are removed. The number of providers contracted with has been reduced by the LSC from nearly 1,800 in 2001/02 to 889 in the last financial year. Those Apprenticeships providers which had been performing poorly have either been removed or have had their performance improved to a level consistent with the best providers. The LSC has also used a 'funding lever' to drive up the rates of Apprenticeships completions, as an incentive to the training provider. The ORC International Report, *Assessing the reasons for improvements in apprenticeships completions*, of July 2007, has identified five further key drivers that have increased completion rates. In their high achieving sample providers of health and social care, hospitality, early years care and construction, the key drivers were: a more in-depth recruitment process; extension of quality management and assurance systems; an improved pattern of programme delivery, re-ordering and integrating elements of frameworks; improved employer involvement in training; and an increased focus on internal staff development. To demonstrate this, completion rates have improved significantly in recent years, from 24% in 2002/03 to 62% at Level 2 and 64% at Level 3 now. Variation between sectors remains an issue of concern, although completion rates have improved in all sectors.

Frameworks which have a short amount of off the job training are those in which the relevant SSCs, representing employers in their sector, have argued that this would be the best use of time for their apprentices. Apprenticeships provide a flexible model of working that can suit different working patterns and training methods, to best serve both the industry and the individual. The knowledge element of an apprentice's training can sometimes be pursued very effectively at their place of work, often by e-learning. Programmes where an apprentice returns to college for a number of days a week can also discourage young people, who might see this as "going back to school". In rural areas, time spent travelling to a learning provider can also be very inefficient for the apprentice and the employer. The current Apprenticeships Review will be looking at the nature of off-the-job learning within Apprenticeships to see if it can be made more flexible, so as to fit employers' needs better.

Progression rates, and further comments on quality, will be addressed in point 13.

- 12. More young people should aim for an Advanced Apprenticeship (Level 3) or progress on to one. Young women in apprenticeship experience gender stereotyping and lower earnings, which may be in large part the result of a lack of information and guidance before starting apprenticeships. Young people from ethnic minority groups are under-represented in apprenticeship. Research and proper monitoring of demand from these young people is urgently needed as a basis for action. (Paragraph 101)**

The Government is firmly committed to addressing the problems caused by discrimination, including gender stereotyping, and progress is already being made in this area. Women now comprise 47% of those who have already started Apprenticeships training, and their numbers have increased as more Apprenticeships have been offered in occupational sectors where women predominate. It should also be noted that the pay disparity between female and male apprentices within any particular sector is negligible. The lower earnings of female apprentices reflects the fact that the sectors which are traditionally female-dominated, and which female apprentices continue to choose, such as hairdressing and child care, have lower pay rates than industries which are male-dominated, such as construction and engineering.

A long-term national strategy for equality and diversity in Apprenticeships is currently under development. An Apprenticeships Equality and Diversity Action Group has been established, including representatives from equality bodies and also the TUC, Apprenticeship Ambassadors Network (AAN), LSC and Sector Skills Development Agency (SSDA). It aims to advise on equality and diversity policy, and is currently working on identifying action and best practice. The Apprenticeships Review currently underway has dedicated a separate strand of its work to the issue of Equality and Diversity.

- 13. The quality of apprenticeships should in many cases be improved. They should satisfy basic minimum requirements. These should include at least a day-a-week equivalent of off-the-job training, certificated through a separate certificate, and the further development of functional skills. Apprenticeships should last long enough to provide adequate scope for learning. Young people who already have a Level 2 qualification should normally take a Level 3 rather than marking time at Level 2. There should be more progression from one apprenticeship level to another, and more progression from apprenticeship to higher education. (Paragraph 102)**

The basic minimum requirement for any Apprenticeships framework is set out in the *Apprenticeships Blueprint*. Any changes to this blueprint, to meet changing sector needs and expectations, must be agreed by the Government. Changes are assessed by the Apprenticeships Approval Group (AAG), involving the LSC and Sector Skills Councils. The AAG aims to accommodate flexibility and innovation in a sector, without sacrificing the quality of each apprenticeship framework. *The Blueprint* is currently being reassessed, in line with the ongoing Review. The need for an individual approach to Apprenticeships frameworks is examined in point 15.

We agree that there is insufficient progression from Level 2 to Level 3 or into higher education. The issues are not straightforward however. In providing funding for Apprenticeships places we are responding to the needs of employers. We are reliant on employers to provide the learning environment and to recruit apprentices at the level that they judge meets their needs. Also,

many young people who are qualified to Level 2 are so qualified as a result of GCSEs alone, and it is therefore legitimate and useful for them to take a Level 2 occupationally focussed apprenticeship.

There remains a lack of data regarding how many students progress to HE from vocational qualifications. The work that the Universities and Colleges Admissions Service (UCAS) is doing to allocate tariff points to Advanced Apprenticeships may move this forward. Further progression must be encouraged after this has been implemented. The Apprenticeships Review will consider this point.

We are currently piloting a Level 4 Apprenticeships programme with the SSC for the Aerospace, Automotive, and Electronics Sectors.

14. It is the job of Sector Skills Councils to bring about these improvements in quality. If they are not forthcoming, the case for introducing a statutory framework should be re-examined. (Paragraph 103)

To respond adequately to the needs of sectors and learners in a dynamic business world, Apprenticeships frameworks must be able to accommodate flexibility and innovation to remain useful. The content of the frameworks is currently governed by the SSCs. They must also operate within a centrally agreed blueprint, authorised by the Government. Minimum requirements, including qualifications and duration of programme are specified. In giving this authority to sector bodies, we recognise and support the fact that qualification requirements and learning contexts and methods will vary between occupations.

The Government recognises that statutory change may prove to be a useful tool to support other controls. The Government is firmly committed to supporting Apprenticeships, and the benefits of legislation will be considered further by Ministers over the course of the Review.

15. Apprenticeship has an unfortunate history of initiatives announced but not implemented and of decisions taken and then changed or reversed. No one government agency has sole responsibility for apprenticeship. In our view, the frequent reorganisations and the fact that no single agency or departmental unit ‘owns’ apprenticeship have been damaging for its development and held back growth and necessary improvements. In particular, we consider that policy for encouraging employers to offer good quality apprenticeships has suffered from the sharing of responsibility, and that a fresh approach is required if there is to be any chance of achieving the Leitch target of doubling numbers on apprenticeship. (Paragraph 128)

Apprenticeships have evolved over recent years, and improved in many ways, to suit a number of different professions. This has involved finding a number of different solutions to improve the quality of Apprenticeships programmes. The changes over time to the Apprenticeships frameworks have not, therefore, been as a result of confusion or sudden changes in leadership, but rather of a sensitive and evolving process of improvement.

The recommendation of the Modern Apprenticeships Advisory Committee (MAAC) that an Apprenticeships Diploma should be developed was not put aside in favour of the 14-19 Diplomas. The QCA were commissioned by Phil Hope MP, then Skills Minister for DfES, to consult on the development of this type of qualification in 2006. The Apprenticeships Diploma has since been renamed as the Apprenticeships Qualification, and is planned to commence in pilot form from September 2007, with pilots completing in 2010. The inter-relationship and progression routes between 14-19 Diplomas and Apprenticeships frameworks will be examined by the Apprenticeships Review.

16. Successive governments have, despite the best intentions, provided poor leadership in developing skills. As a result, millions of youngsters have missed out. This represents a serious and longstanding failure of the DfES. (Paragraph 129)

The standards and quantity of skills training for young people in the UK has been substantially improved in recent years. We now have large numbers of apprentices in good quality Apprenticeships with rising completion rates which are approaching those of our international competitors. But the Government is far from complacent and recognises that there is still much room for improvement. The current number of young people Not in Education, Employment or Training (NEET) is considerably higher than it should be. The Government has recognised this as a matter of utmost importance, as *World Class Skills* has emphasised. There is a wide ranging reform programme to help young people acquire education and skills in progress today. The *14-19 White Paper and Implementation Plan* has set out the ways in which the Government will provide leadership in reforming education and skills for young people. The 14-19 Diploma entitlement will be in place nationally by 2013, at an appropriate level for each young person. Functional Skills qualifications are being built into education across the 14-19 age range, as described above. The Foundation Learning Tier, incorporating Entry to Employment, Foundation Learning for young people (within a further education college), and First Steps, will help young people who lack them to gain Level Two qualifications. The Government is working with schools, colleges, training providers, universities and employers to ensure that our young people will be able to develop the right education and skills to help them to join the economy as economically productive individuals.

Apprenticeships today are steadily increasing in number and quality. There are now over 250,000 young people working as apprentices, three times more than there were in 1997. Completion rates are improving rapidly as provider quality improves. Our Completion Performance Indicator for 2007/8 of 75,100 completions (an increase of 75% over five years) is due to be met and substantially exceeded. Further expansions and reforms to improve the impact of Apprenticeships on the skills of our young people are underway. The Review will consider the leadership of Apprenticeships, and their delivery going forward.

16. **The Government has now decided to disband the DfES and divide its responsibilities between two new departments. But it remains to be seen what the new division of responsibility means for apprenticeship. There is a real risk that, once again, it will not get the undivided attention it so badly needs. We therefore believe that there is a compelling case for the establishment of a powerful Unit, reporting directly to a Cabinet minister, to 'own' and take responsibility for apprenticeship. The purpose of this Unit would be to ensure that all the agencies concerned with apprenticeship perform with the urgency and effectiveness needed to improve the present unacceptable situation. (Paragraph 130)**

DIUS will now lead on the Apprenticeships programme overall. DIUS and DCSF will share policy responsibility for Apprenticeships for young people and adults. The LSC remains responsible for operational delivery of the Apprenticeships programme. Apprenticeships are, and will continue to be, a dynamic and flexible partnership between the Government, learners, providers and employers, for the benefit of individuals, for business, and for UK productivity as a whole.



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