



Department for Business, Innovation & Skills  
Department for Education

**RICHARD REVIEW OF APPRENTICESHIPS  
CALL FOR EVIDENCE**

**JUNE 2012**

This call for evidence document has been prepared by the Richard Review team in support of Doug Richard.

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# Contents

<b>Contents.....</b>	<b>3</b>
Foreword .....	4
Introduction.....	5
Purpose of the Richard Review.....	6
Current evidence base on quality.....	7
Our changing economy and the role of apprenticeships.....	8
Core questions.....	10
How to respond.....	11
Confidentiality and Data Protection .....	12
Richard Review Terms of Reference .....	13

## Foreword

When my review into the future apprenticeships was launched earlier this month, I underlined the important role that apprenticeships must play in equipping our young people with the skills they need to succeed. We need to grow a workforce with the skills demanded by twenty-first century commerce and industry.



My own belief in the value of apprenticeships stems from having spent most of my life setting up and running businesses and seeing first hand the power of on-the-job training. Whether you call it an apprenticeship or not, businesses flourish when they put together experienced workers and learners who transfer knowledge and skills.

I don't see my job as a critique of the current apprenticeships programme. The point of the review is to look forward and explore apprenticeships in the broadest sense – their purpose and shape to meet the needs of a changing economy. To create the next generation of employable, highly skilled, people who have the best chance to succeed in the workplace.

I see this as a real opportunity to make people understand the value of the integration of learning in the workplace for many people in many sectors and the opportunities that apprenticeships can offer to help people stay relevant in a world that is evolving at pace.

I'll be consulting people involved in apprenticeships at all levels and in all sectors. I will also be looking outside of this country at best practice abroad and outside the apprenticeships system to find out what interesting things others are doing and whether new and innovative approaches can be adopted more systematically to better serve our needs.

We are seeking your views on how apprenticeships should shape up for the future. What purpose should they serve? What does a good apprenticeship look like? Who should be involved in making apprenticeships successful?

So please tell us your views and share your ideas to ensure that this review is as wide-reaching and forward thinking as possible.

A handwritten signature in black ink, appearing to read 'Doug Richard', written in a cursive style.

Doug Richard

# Introduction

The Departments for Business, Innovation & Skills and Education announced on 11 June 2012 the appointment of Doug Richard, serial entrepreneur and founder of School for Startups, to lead an independent review into the future of apprenticeships.

The Richard Review of Apprenticeships will look at how to build upon the record success of recent years by ensuring that apprenticeships meet the needs of the changing economy, deliver the qualifications and skills that employers need and which help individuals to progress, and maximise the impact of Government investment. Looking to the future, the review will examine how apprenticeships can continue to best meet the needs of employers, individuals, and the wider economy and what the core components of an apprenticeship should be.

To help us to capture a wide range of views on the future of apprenticeships, including innovative insight to potential new delivery models, we are today publishing this paper, seeking your views. This paper sets out the purpose of the Richard Review and sets it in the context of both the most recent evidence on the current apprenticeships programme and the future direction of the economy. It poses questions on the future of apprenticeships where we would particularly value your input, although all submissions will be welcome. We are asking for responses by the 7<sup>th</sup> September.

# Purpose of the Richard Review

The purpose of the Richard Review of Apprenticeships is to take a medium-long term look at the future of apprenticeships in England; aiming to identify best practice and ensure that going forward, apprenticeships meet the needs of the changing economy; deliver the qualifications and skills which employers need, to world class benchmarks; and to ensure that government is maximising the impact of public investment in apprenticeships.

Doug Richard and his team will engage throughout this review with employers, individuals, academics and training providers. We are interested in hearing from those already engaged in the current system but, importantly, also those not currently engaged in apprenticeships, but with a perspective on the future of apprenticeships, such as employers of all shapes and sizes, or those involved in training, supporting or educating young people in other contexts.

The Richard Review will take account of the current system for delivering apprenticeships, but will not seek to undertake detailed systems redesign, instead focussing on identifying core principles and priorities for the future. It will be mindful of the extensive work underway to improve and reform the current apprenticeship programme, and the recent analysis contributed by the Public Accounts Committee, BIS Select Committee and others into the current programme. Its aim, however, is not to critique the current system, but to consider what apprenticeships should be in the future.

The Review will take a step back from the immediacy of the current skills system and employment context, and ask some fundamental questions about the role and relevance of apprenticeships in the future. We will need skills, and skills provision, which can respond flexibly to the needs of a fast-evolving global economy, ensuring that we address the needs and opportunities facing learners and employers of the future.

This document sets out the core questions to be answered throughout this review. In essence:

- What purpose should apprenticeships serve, to individuals and employers, and the wider economy?
- What should a good apprenticeship look like?
- What role should government play in delivering or enabling this?

This review will look beyond the boundaries of the English system; looking at best practice abroad and identifying other interesting and innovative job training models, beyond the 'apprenticeships' label but ready to offer fresh approaches that could be adopted or adapted. Our goal is to look broadly, discover new ways to deliver excellent on-the-job vocational training, and ensure apprenticeships remain relevant in a rapidly evolving world of work.

## Report and recommendations

The review will conclude with a report from Doug Richard to Ministers on his findings, which will seek to make recommendations about the principles, shape and priorities for any future programme. The review is expected to report in Autumn 2012.

## Current evidence base on quality

A comprehensive evidence base exists on the nature, value, impact and shape of the current apprenticeships programme.

This call for evidence paper is accompanied by a background evidence pack summarising what we already know based on recent research and academic evidence, programme evaluations and latest statistical data. This is available from the Richard Review website at <http://www.bis.gov.uk/policies/further-education-skills/apprenticeships/richard-review>

Although the qualifications held by the working age population have been improving at all levels over recent years, the UK still lags behind international competitors, particularly in terms of intermediate-level skills. One of the aims of apprenticeships is to ensure that young people have the skills they need to compete in a global economy, and there has been rapid expansion of the programme at all levels and age groups (16-18, 19-24 and 25+) over recent years.

Apprenticeships represent a three-way investment between learners, employers and the government, reflecting the different parties who benefit. There are substantial benefits to learners in terms of improvements to their skills and abilities, progression to higher-level skills and increased lifetime earnings. Employers also report a range of benefits, including increased productivity and improved product quality. There are also returns to the wider economy, which provide the rationale for government investment.

Against a backdrop of high returns overall, there are significant variations across a range of dimensions – with the evidence suggesting that benefits are higher for younger apprentices, advanced apprenticeships, those recruited specifically for an apprenticeship, and in particular sectors. This may partly reflect differences in the way in which training is delivered across the programme. The government has announced a range of measures, including prioritising efforts towards sectors which deliver the highest returns, and the Specification of Apprenticeship Standards in England. This sets out the content of an apprenticeship, including a minimum of 280 guided learning hours, at least 100 of which must be delivered off-the-job. This aims to ensure high quality training is part of every apprenticeship, with the aim of enhancing the returns to the programme going forward.

As part of our evidence gathering, we would welcome further evidence and thoughts on the economic and wider impact of vocational education, particularly apprenticeships.

# Our changing economy and the role of apprenticeships

Accompanying this call for evidence document, the Review team has published an economic think piece ‘Our changing economy and the role of apprenticeships’, also available from the Richard Review website at <http://www.bis.gov.uk/policies/further-education-skills/apprenticeships/richard-review> The paper asks how recent economic trends and the economic and financial crisis and subsequent recession affects the likely long-run evolution of the economy and the implications for skills demand and apprenticeships.

It suggests that, while the 2008-09 economic and financial crisis has had some profound effects, it has not fundamentally changed the underlying forces shaping the evolution of the knowledge economy. It therefore argues that the Richard Review of Apprenticeships will have to take account of the problems created by slow growth and continuing macroeconomic uncertainty, but should also plan ahead for a future where the needs of the knowledge economy are once again at the forefront of the skills agenda.

It concludes that our review should take account of the following:

Macroeconomic context – As we emerge from the recession, there is a potential need to re-train those whose skills have become out-dated or atrophied during long periods of unemployment or inactivity. Both for those seeking to re-skill and those seeking a pathway into work for the first time, apprenticeships and other forms of vocational education have a potential role to play.

Economic rebalancing through recovery – In the decade leading up to the economic and financial crisis, the sectors which had contributed most to job growth included: business services, health and social work, education, real estate, computers, and personal, community and social services<sup>1</sup>. Looking forward, the number of jobs in the public sector and the financial sector are expected to fall, with growth in employment (and therefore the demand for skills) expected in construction, engineering, design, and business and personal services.

It is clear that shifting skills demands and projected growth in certain sectors will have an impact on the future of apprenticeships.

The growth of emerging economies will create demand for new products and services in areas where the UK has comparative advantage. The analysis in the economic think piece suggests that advanced manufacturing and knowledge-intensive business services may be areas of growth. The UK has the expertise to take advantage of new technology in these areas and apprenticeships have a role to play in maintaining the flow of skills.

The growing importance of knowledge will raise the demand for human ingenuity and entrepreneurship, and there is a need for apprenticeships and other vocational learning to help develop these skills. The OECD Skills Strategy (OECD, 2012) emphasises that if education and training, including apprenticeships, are to serve the needs of the 21st century, then:

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<sup>1</sup> BIS (2010b), Figure 2, p. 9

- knowledge needs to be more relevant, and a better balance struck between the conceptual and practical, suggesting a particular role for on-the-job training such as apprenticeships;
- higher order skills, such as the “Four C’s” of creativity, critical thinking, communication and collaboration, are essential for absorbing knowledge;
- character traits, both performance-related (adaptability, persistence, resilience) and moral (integrity, justice, empathy and ethics) need to be shaped both at school in the workplace to help individuals to be active and responsible citizens;
- meta-layer skills, such as learning to learn, building expertise, fostering creativity and making connections across disciplines, are becoming more important in a world of growing complexity.

Absorbing the impact of social and demographic change – The paper points to changes in the nature of work, and working patterns and the need for greater flexibility and adaptability. The ageing of the population will also change the composition of demand for products and services and is likely to increase the need for re-skilling of older workers. Apprenticeship policy may therefore have to respond to growing need at both ends of the age distribution.

Response to growing inequality – By providing an alternative to higher education and a ‘second chance’ for those who have failed to achieve at school, apprenticeships can help act as a means of improving social mobility. In helping individuals develop relevant skills appropriate to their ability, they can also help address the problems of regional imbalance.

Response to global challenges – The move towards a greener, low-carbon economy, will also shape what employers need from the apprenticeship system, with a likely increase in demand for skills in the low carbon and environmental goods and services sector, both in manufacturing and construction and in the environmental services such as energy monitoring and management.

The paper concludes that it is important that apprenticeships in the future are flexible and able to respond rapidly to changing demands. It will not be a case of ‘picking winners’, but understanding the skills which will be important to supporting economic growth and building resilience.

The Government’s role in shaping the demand for skills is especially important if, as some believe, there is a danger of the UK being caught in a ‘low skills equilibrium’ relative to competitors such as Germany, France and the US. On this view, vocational training and apprenticeship policies can play a key role in moving production up the value added chain, closing the productivity gap and enhancing economic growth.

We would welcome contributions on how apprenticeships should be shaped in the light of our changing economy as it emerges from the downturn and resumes a path of knowledge-based growth.

# Core questions

As set out throughout this call for evidence paper, the Richard Review of Apprenticeships is primarily interested in the future of apprenticeships, and is seeking to answer fundamental questions about their future role and shape.

With that in mind, respondents to the Richard Review are invited to provide submissions and evidence that respond to the following core questions:

## Looking to the future:

### 1. Principles

1.1 What should the aims and objectives of apprenticeships be?

1.2 Who should apprenticeships be for?

1.3 What outcomes should apprenticeships aim to deliver – for individuals, for employers, and for the wider economy?

### 2. Content

2.1 What should the defining features of a high quality apprenticeship be? What should a high quality apprenticeship involve or contain?

2.2 Should this differ for different sectors, types of learners or types of employers?

2.3 How can we ensure the training offered really reflects employers' needs?

2.4 What role should qualifications play in an apprenticeship, and how can we ensure these qualifications are fit for purpose?

### 3. Delivery

3.1 What should government's role be with regard to apprenticeships?

3.2 What should employers' role be?

3.3 Who should pay for what?

### 4. Delivering value for money and boosting access

4.1 How can we ensure value for money for government investment in apprenticeships?

4.2 How can we boost employer and learner demand for apprenticeships?

4.3 How can we ensure that learners of all abilities get fair access to apprenticeships?

## How to respond

We would welcome your views on the questions raised in this paper, including submissions of illustrative evidence such as case studies or research findings.

When responding please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

You can either write to:

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**The deadline for responses is the 7<sup>th</sup> September 2012.**

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## Confidentiality and Data Protection

Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want information, including personal data that you provide, to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligation of confidence.

In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

# Richard Review Terms of Reference

## Summary

1. The Government wishes to commission an independent review of apprenticeships in England, to ensure that in the future the programme is meeting the needs of the changing economy, consistently delivers high quality training and the professionally recognised qualifications and skills which employers and learners need, and is maximising the impact of government investment.

## Detail

2. To be led by a senior, independent business figure, the review should take critical look at apprenticeships and look to identify a set of principles and priorities for the optimal content of future apprenticeships, to ensure that every apprenticeship delivers new high quality training and professionally recognised qualifications.

3. The review should identify the best of current practice and recommend ways to extend this.

4. Key questions to be considered include:

- What should the core components of an apprenticeship be - to meet the needs of employers (large and small), individuals, and the wider economy?
- Who should apprenticeships be for – which types of learners and employers can benefit most from apprenticeships?
- Are there elements of apprenticeships which should be simplified or stripped back?
- Are the qualifications which are undertaken as part of an apprenticeship sufficiently rigorous, and recognised and valued by employers?
- How should delivery arrangements adequately ensure all that apprenticeships provide significant new learning and acquisition of new skills, rather than the accreditation of existing ones?
- Are there opportunities to improve the impact and value for money of public investment in apprenticeships?

## Timing

5. The review should report in Autumn 2012.

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**URN 12/914**