

BHS Limited

Employer

Inspection dates		24–28 March 2014
Overall effectiveness	This inspection:	Good-2
	Previous inspection:	Requires improvement-3
Outcomes for learners		Good-2
Quality of teaching, learning and assessment		Good-2
Effectiveness of leadership and management		Good-2

Summary of key findings for learners

This provider is good because:

- Success rates are very high for the majority of learners. BHS Limited (BHS) has been particularly successful in narrowing achievement gaps which existed previously for younger apprentices and those on advanced apprenticeships, both of whom were less successful at achieving their qualifications.
- Learners develop a very good knowledge of the retail industry and of what factors contribute to the successful operation of a BHS store. They acquire the self-confidence and motivation to take on new roles at work and benefit considerably from improved team working skills.
- The training and support learners receive from BHS managers are excellent. Learners gain a wide range of experience and develop good specialist skills working in different departments.
- Learners develop good English and mathematics skills and value the impact this has on their performance in their jobs and on their personal lives outside work.
- Managers at all levels are highly committed to the benefits that the apprenticeship programme brings to BHS. The company has created clear progression routes that allow learners of all ages and from a wide range of backgrounds to achieve their full potential. The celebration of learners' success is particularly good.

This is not yet an outstanding provider because:

- Too many learners do not complete their apprenticeship within the time agreed, and these delays, whilst reducing in number, have not yet been fully resolved. Variations in the performance of different regions are too wide.
- The assessment of learners' work in some regions is too infrequent. The planning of assessment does not always take sufficient account of apprentices' prior abilities and individual needs.
- The ways in which managers monitor the performance of individual learners are not sufficiently detailed and rely too much on data that do not always accurately illustrate whether apprentices are actually on target to achieve their qualification in a timely manner.

Full report

What does the provider need to do to improve further?

- Ensure all learners receive an initial assessment which diagnoses their English and mathematics skills rigorously, as well as taking into account their prior learning and learning styles.
- Make sure all learners receive regular assessments in the workplace so that they have the best possible chance of completing their qualification on time. Involve BHS managers and staff in stores more in carrying out assessments where it is practicable.
- Implement the proposed electronic portfolio recording system to improve the clarity of reports showing learners' progress so that BHS managers are clear about which apprentices are most at risk of not achieving their qualifications within the planned timescales.

Inspection judgements

Outcomes for learners	Good
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- Outcomes for apprentices at BHS are good. The majority of learners achieve their qualifications successfully. In the two years prior to 2012/13, success rates were very high and well above the national average for similar retail provision, particularly for older apprentices and those on intermediate level apprenticeships. Employees studying for an advanced apprenticeship were less successful in achieving their qualifications. Success rates overall declined in 2012/13 to around the average for the sector, partly because of the problems encountered with the previous subcontractor, but also due to the closure of some stores, including a number of flagship units, which led to an increase in learners leaving the company. However, success rates have risen again in 2013/14 to their previous high level. They have also improved significantly for advanced apprentices for whom success rates now match those of their peers on intermediate level apprenticeships.
- Until recently, the proportion of learners who completed their qualification within the timescales planned for them when they started their apprenticeship remained low and below the average for the sector. Success rates within the planned time declined dramatically in 2012/13 due to the problems with the previous subcontractor who has now been replaced. As a result, the number of learners achieving their apprenticeship on time is increasing rapidly in 2013/14 as the majority of assessors carry out much more regular progress reviews and assessments. BHS has significantly reduced the number of learners for whom funding was no longer available due to the very long time they were taking to complete their qualification.
- Learners develop their personal, social and employability skills very well through the good support for training they receive in stores, from managers who are committed to the benefits of the apprenticeship programme for their employees. Many learners are much more confident in applying for promotion as a result of developing their supervisory skills. Older learners benefit in particular from the self-confidence they gain from achieving what, for many of them, is their first qualification since leaving school. Younger employees, who often join BHS in a temporary role during peak trading periods and who show a particular aptitude for working in the retail sector, are enthused by the offer of full-time employment combined with the opportunity to enrol immediately as an apprentice.
- Learners develop highly effective team working skills and a good awareness of the BHS brand through training in a number of different departments in stores. A learner who joined BHS as a part-time sales associate three years ago and who has gained both an intermediate and advanced level apprenticeship was able to run the extremely busy and profitable 'Christmas Shop', unsupervised, in the company's flagship store in London this year. Learners acquire the confidence and personal skills to coach other employees and to deal with difficult situations at work, such as handling complaints or correcting colleagues' poor performance.

- BHS carries out regular monitoring and detailed analyses of the performance of apprentices from different groups within the very large cohort of just under 1,000 learners currently working in almost 200 stores. As a result, the company has been largely successful in narrowing the few, but important, achievement gaps that existed for some groups of learners previously. The smaller numbers of male apprentices who performed less well than their female counterparts last year are now equally successful in achieving their qualifications. Similarly, success rates for the smaller cohort of learners aged 16 to 18, which were lower than for other age groups in each of the last two years, have now improved and are very high in the current year.
- The performance of BHS regions is improving overall, but some variations still exist, as identified at the last inspection; different regions now perform better, or less well, than the average success rate for the company as a whole. While success rates are high in, for example, the north west and north east regions of England and for particular brands, such as the 'Home' stores, they are low in central London where the more transient nature of the workforce presents particular problems to the BHS learning and development team in assuring apprentices remain in employment long enough to achieve their qualifications.
- Learners develop good English and mathematics skills which they find relevant and helpful in their everyday retailing roles in stores. One older learner, who had not studied mathematics since being at school more than 20 years ago, was able to use the knowledge she had gained through her apprenticeship to work out accurately the area of floor space required for a new retail promotion in the store in which she works. Apprentices learn how to interpret sales reports properly and gain a wider appreciation of the financial skills required to manage a BHS store or department. Learners value the opportunity to improve their knowledge of relevant work-related legislation regarding, for example, age discrimination and health and safety.
- BHS is particularly good at recognising and publicising learners' achievements. Celebrations of apprentices' success stories are highly visible in all stores and through other in-house publicity such as the new company magazine, *Share Something Wonderful*. Apprentices often win internal awards and gain recognition through invitations to talk about their experiences at regional managers' meetings and at national brand conferences. Many learners progress to more senior positions at work, often becoming mentors for new apprentices and taking on other training and coaching roles. The apprenticeship has helped BHS to identify and nurture skilled ex-apprentices to become part of the company's internal talent programme for fast track progression. The proportion of apprentices BHS judges to be 'achieving all expectations' at appraisal is higher than for the company's employees overall. More than one third of the learners on an intermediate level apprenticeship in 2012/13 has progressed to an advanced apprenticeship this year.

The quality of teaching, learning and assessment	Good
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- Teaching, learning and assessment are good, as reflected in the high success rates and the good development of learners' skills and knowledge. The training apprentices receive is particularly strong, but some assessment practices are under developed and do not yet contribute as well as they might to ensuring learners complete their qualifications on time.
- BHS has a strong focus on the training and development of its staff, ensuring they have good opportunities to progress in their job roles. The company values apprentices highly and enjoys celebrating their achievements, whether at work or in gaining qualifications. Managers have high expectations of learners and encourage them to raise their career aspirations very effectively. Learners improve their self-motivation and want to progress, becoming much more confident in both their job roles and personal lives. They enjoy rising to the high standards and challenges set for them, particularly as they move into management roles. Learners receive very good support from managers throughout their apprenticeship.
- Managers at BHS plan and deliver training which meets the needs of the company's various job roles very effectively, paying particularly good attention to giving apprentices the skills they need to progress into management roles. A learner whose first job was in the stockroom

progressed through his training to a supervisory role and is now a sales floor manager. Apprentices often work in different stores and departments to expand their skills and to further their experience.

- Learners use workbooks well to develop their underpinning knowledge of retail techniques and practices and to demonstrate their competence. BHS has also recently introduced good quality new training booklets to enhance its pre-existing learning materials. Apprentices have access to imaginative and stimulating online learning resources which they find very useful.
- The high quality training learners receive in the workplace ensures they maintain very good standards of work. In addition, the six-monthly compliance training for all staff helps learners to keep their legislative knowledge, particularly regarding health and safety, up to date. Assessors enhance the very good development of learners' retail and customer service skills through highly effective individual coaching.
- The ways in which BHS carries out initial assessment of learners' prior skills are not sufficiently detailed or consistent across all of its regions. Staff have not always used training needs analyses, learning style assessments and records of previous learning sufficiently well in the past to focus on apprentices' individual needs. Too many of the current apprentices who joined the programme some time ago have not undertaken any form of testing to identify and plan their support needs. Target setting for these learners is insufficiently detailed, as is the monitoring of their progress, leading to delay in completing their qualification. However, learners joining the apprenticeship programme recently benefit from new diagnostic assessments of their English and mathematics skills. The greater involvement of managers in learners' review meetings is helping to raise their awareness of employees' progress, and this is having a positive impact on the rate at which learners complete the apprenticeship on time.
- Assessment practice is generally of a high standard in most of the regions, with assessors making good use of observations and guided discussions to assess learners' competence. However, learners in a number of regions do not have sufficient opportunities for assessment of their work and, consequently, they make slow progress. BHS does not take advantage of the opportunity to involve managers and human resource assistants more fully in assessing apprentices at work.
- Feedback to learners following formal assessments of their skills and work is generally constructive and well recorded. Similarly, managers monitor apprentices' performance at work regularly and provide detailed evaluations on the standards learners achieve, thereby ensuring learners have a good understanding of what they need to do to improve further. The organisation and presentation of learners' portfolios is not always helpful in enabling learners to ascertain their own progress or in being clear about what constituent parts of the apprenticeship they need to complete.
- Training to improve learners' English and mathematics skills has improved markedly and is now good. The previous subcontractor was too slow to introduce functional skills tests and did not provide sufficient training and support sessions for learners to help them develop these skills and to prepare them for the examinations. Trainers deliver very helpful learning sessions which help apprentices to make good progress in the development of their English and mathematics skills. They learn useful tips and hints about how, for example, to work out fractions and percentages and how to remember the difference between the mean, median and the mode. Learners value highly the positive impact this has on both their work and their personal lives. Assessors and specialist functional skills tutors make very good use of online learning resources and other relevant websites to provide specific support materials for English and mathematics.
- Information, advice and guidance for apprentices are very effective. Managers and training staff promote the value of apprenticeships to all employees constantly, starting as soon as they begin working for BHS. Apprentices enjoy their training and become very committed to the ways in which professional development can help their career progression. Many learners take on additional responsibilities at work and progress to higher level roles. Assessors and managers use reviews very effectively to encourage apprentices to reflect on their learning and to identify any additional training opportunities from which they can benefit.

- The inclusive ethos of BHS helps to promote equality and diversity very effectively, both to learners and to the wider workforce more generally. Apprentices respect each other's differences and wide ranging backgrounds, as well as those of the customers in stores. Learners know what to do should they ever have any concerns at work. They attend regular training events to ensure they maintain their knowledge of relevant legislation and working practices related to equality and diversity. Learners feel safe and have a very good understanding of health and safety, and of safeguarding issues such as harassment and bullying. Most assessors use progress reviews well to check learners' understanding of equality and safety at work, although the questioning they use is occasionally ineffective in exploring their knowledge fully.

The effectiveness of leadership and management

Good

- Leaders and managers at BHS, including the directors, have very high expectations and ambitions for the company's employees in respect of training and development. They demonstrate an exceptionally strong commitment to the development of retail apprentices across the organisation. The company's board of directors has exemplified its support for the success of the apprenticeship programme through the setting of a key performance indicator for store managers relating to the successful achievement of qualifications by staff within each unit. Appraisals at all levels of BHS incorporate an assessment of each individual member of staff's commitment to their own self-development through training and of other employees for whom they are responsible. As a result, a philosophy of self-improvement through the attainment of qualifications is very apparent throughout the company. Almost 10% of the total workforce of approximately 12,000 employees at BHS is currently studying for an apprenticeship. Managers promote very high standards for the apprenticeship programme through the strong support they give to learners.
- Communications between BHS and its new subcontractor have improved significantly since the latter's appointment in the autumn of last year, and are now, for the most part, very effective. BHS has appointed human resource assistants in each region who play a key role in supporting the success of the apprenticeship programme. They act as the link in maintaining highly effective relationships between store managers and the subcontractor's assessors and programme managers. The improved communications have led to assessors gaining much better access to learners in the stores and improved progress towards achieving their qualifications within planned timescales.
- Planned actions to rectify those areas of the provision which were previously under performing have been effective. BHS uses data well to monitor overall performance and to identify the most urgent actions required to support learners who remain in training beyond the planned completion date for their qualification. Outcomes for apprentices have improved this year and are now good, with high success rates. The proportion of learners still in training who no longer qualify for funding has reduced significantly since the last inspection.
- Arrangements to quality assure all aspects of the apprenticeship programme are effective. The recent introduction of self-assessments for each individual store have helped learning and development managers at BHS, assisted by the human resource assistants, to pinpoint areas of strength and under performance more precisely in each of the regions. These self-assessments, together with the overall strategic review which acts as the main self-assessment report, provide an accurate and useful evaluation of the strengths and weaknesses of the apprenticeship programme. The subcontractor shares records of observations of training with BHS, but the minutes of the frequent contract and quality meetings do not always identify clearly any agreed actions to improve training and assessment. The service level agreement currently in place with the subcontractor does not contain any specific targets for improving success rates further.
- The monitoring of individual learners' progress by BHS managers is insufficiently detailed and relies too much on imprecise reports produced by the subcontractor. Although the subcontractor provides information on each individual learner's progress towards completing their qualification, this is often inaccurate as it does not identify in enough detail which framework components

apprentices have completed fully; nor does it always focus on which at-risk learners are in need of most support to achieve their apprenticeship in a timely manner.

- BHS collects learners' views regularly in a number of different ways and uses them well to bring about improvements to its training. The company distributes questionnaires to learners at key points during the programme. Managers analyse the evaluations in detail and act upon recommendations promptly. Learners' 'listening groups' are now a regular part of the process of gathering apprentices' feedback and the learners feel confident in sharing their views with managers. BHS plans its training well to meet the needs of learners and to match it accurately to their job roles.
- BHS has put in place a number of carefully planned progression routes, ranging from pre-apprenticeship courses to management qualifications. The apprenticeship programme has enabled store managers to identify highly talented learners and to fast track them quickly to supervisory and management positions through the company's talent programme. BHS is currently discussing with the subcontractor how it can extend its range of qualifications to meet the needs of other staff and/or new job roles emerging within the company.
- BHS promotes equality and diversity strongly at all levels. Its range of equality and diversity policies and procedures is appropriate to the needs of learners and the organisation, resulting in a learning environment which encourages harmonious working relationships and where managers and staff do not tolerate bullying or discrimination. 'Team huddles', which take place each morning in stores, help to reinforce this ethos of team working. Learners receive an equality and diversity well-being workbook at induction which contains a range of useful exercises for them to complete during their training to extend their knowledge and understanding of these topics. Assessors reinforce apprentices' notions of equality and diversity well during their visits to stores and in progress reviews. All stores display an equality and diversity calendar which features religious holidays and cultural events.
- Arrangements to ensure learners' safety at work are comprehensive. All staff receive appropriate training in safeguarding and suitable checks are in place to ensure learners' safety at work. The subcontractor has two designated safeguarding officers, who are both in regular contact with the local safeguarding board. Apprentices also have access to a safeguarding helpline. All learners understand the arrangements in place to ensure their protection at all times during their apprenticeship.

Record of Main Findings (RMF)

BHS Ltd

Inspection grades are based on a provider's performance: 1: Outstanding 2: Good 3: Requires improvement 4: Inadequate	Overall	14-16 part-time provision	14-16 full-time provision	16-19 study programmes	Traineeships	19+ Learning programmes	Apprenticeships	Employability	Community learning
Overall effectiveness	2	-	-	-	-	-	2	-	-
Outcomes for learners	2	-	-	-	-	-	2	-	-
The quality of teaching, learning and assessment	2	-	-	-	-	-	2	-	-
The effectiveness of leadership and management	2	-	-	-	-	-	2	-	-

Subject areas graded for the quality of teaching, learning and assessment	Grade
Retailing and wholesaling	2

Type of provider	Employer								
Age range of learners	16+								
Approximate number of all learners over the previous full contract year	Full-time: 995								
	Part-time: N/A								
Principal/CEO	Darren Topp								
Date of previous inspection	October 2012								
Website address	www.bhs.co.uk								
Provider information at the time of the inspection									
Main course or learning programme level	Level 1 or below		Level 2		Level 3		Level 4 and above		
Total number of learners (excluding apprenticeships)	16-18	19+	16-18	19+	16-18	19+	16-18	19+	
Full-time	-	-	-	-	-	-	-	-	
Part-time	-	-	-	-	-	-	-	-	
Number of traineeships	16-19		19+		Total				
	-		-		-				
Number of apprentices by Apprenticeship level and age	Intermediate		Advanced		Higher				
	16-18	19+	16-18	19+	16-18	19+			
	25	736	-	208	-	-			
Number of learners aged 14-16	N/A								
Full-time	N/A								
Part-time	N/A								
Number of community learners	N/A								
Number of employability learners	N/A								
Funding received from	Skills Funding Agency (SFA)								
At the time of inspection the provider contracts with the following main subcontractors:	<ul style="list-style-type: none"> EQL Solutions 								

Contextual information

BHS operates 200 stores across major towns and cities throughout the United Kingdom. The company was established in 1928 and became part of the Arcadia Group Ltd in 2009. Other retail brands within the Arcadia Group include Wallis, Burton, Dorothy Perkins and Miss Selfridge, all of which have outlets in a number of BHS stores. BHS works with its subcontractor, EQL Solutions, to deliver apprenticeship programmes to its employees, almost all of which are in retailing.

Information about this inspection

Lead inspector

Richard Moore HMI

Two of Her Majesty's Inspectors (HMI) and five additional inspectors, assisted by the learning and development manager as nominee, carried out the inspection with short notice. Inspectors took account of the provider's most recent self-assessment report and development plans, and the previous inspection report. Inspectors also used data on learners' achievements over the last three years to help them make judgements. Inspectors used group and individual interviews, telephone calls and online questionnaires to gather the views of learners and employers; these views are reflected throughout the report. They observed learning sessions, assessments and progress reviews. The inspection took into account all relevant provision at the provider. Inspectors looked at the quality of teaching, learning and assessment across all of the provision and graded the sector subject area listed in the report above.

What inspection judgements mean

Grade	Judgement
Grade 1	Outstanding
Grade 2	Good
Grade 3	Requires improvement
Grade 4	Inadequate

Detailed grade characteristics can be viewed in the *Handbook for the inspection of further education and skills 2012*, Part 2:

<http://www.ofsted.gov.uk/resources/handbook-for-inspection-of-further-education-and-skills-september-2012>

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