

# Next Retail Limited

## Employer

Inspection dates		06–10 July 2015
Overall effectiveness	This inspection:	<b>Inadequate-4</b>
	Previous inspection:	Not previously inspected
Outcomes for learners		Inadequate-4
Quality of teaching, learning and assessment		Inadequate-4
Effectiveness of leadership and management		Inadequate-4

## Summary of key findings for apprentices

### This employer is inadequate because:

- safeguarding arrangements are inadequate
- too many apprentices withdraw from their learning; the support provided for them is inadequate and does not ensure that they remain on their apprenticeship to complete their qualification
- not enough apprentices complete their programmes successfully, or within the planned timescale
- initial information, advice and guidance do not ensure apprentices fully understand the demands of learning and working in retail and call centre environments
- the coordination of the retail skills diploma by in-store assessors and the retail knowledge components taught by subcontractor staff, is inadequate; as a result, apprentices do not develop good knowledge and skills across all elements of the retail programme
- action-planning, target-setting for improvement and the recorded feedback given to apprentices about their work is not effective in helping them to make good progress
- apprentices do not receive a sufficiently comprehensive and timely assessment of their English and mathematics skills, or prompt access to tuition and support that meet their identified needs; as a consequence, apprentices do not improve these skills well enough
- leaders' use of data to help secure improvement is inadequate; data on apprentices' performance and progress are not collected and analysed effectively and achievement gaps between groups of apprentices are too wide
- the impact of quality improvement arrangements is inadequate.

### This employer has the following strengths:

- the board and directors have made a considerable investment in developing the training team and improving learning materials and resources to enhance apprentices' learning experiences
- most apprentices develop a good level of knowledge and understanding of equality and diversity; assessors use pertinent learning materials to help apprentices understand the diverse needs of their clients and colleagues well.

## Full report

### What does the employer need to do to improve further?

- Ensure that safeguarding arrangements are improved, by training all relevant staff, reviewing how concerns are reported and how follow-up procedures are actioned so that no apprentices are at risk of harm.
- Improve initial information, advice and guidance to ensure apprentices have a good understanding of their working environments and what they are required to do to achieve their apprenticeship.
- Make sure apprentices at risk of leaving early receive sufficient support and action planning pertinent to their identified needs, so that they remain on programme and make good progress.
- Ensure that all elements of the apprentices' programmes are fully integrated to enable them to develop good knowledge and skills across all aspects of the training.
- Ensure that all assessors and coaches agree precise learning targets with apprentices and monitor their progress frequently, taking well-planned actions to ensure that they excel.
- Identify all apprentices' English and mathematics skills gaps early in their learning programme so that they receive tuition promptly and their learning and support needs are met swiftly and effectively.
- Collect and analyse data on apprentices' progress regularly to identify underperforming groups and to help them stay in learning and achieve their qualifications within the planned timescale.
- Ensure the effectiveness of quality improvement arrangements swiftly to secure high quality teaching, learning and assessment that leads to better outcomes for all apprentices.

### Inspection judgements

<b>Outcomes for apprentices</b>	Inadequate
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- All apprentices follow apprenticeships at intermediate level; around nine-tenths study retail and wholesaling and the remainder study call centre operations. Inspectors scrutinised all call centre operations provision and sampled retail and wholesaling programmes provided in the North East, West Midlands, Yorkshire and East Midlands regions.
- The provider's data indicate that the proportion of apprentices who withdraw from their programme is high. Just under half of all apprentices who commenced in 2013/14, dropped out of their learning early. This proportion has decreased for the cohort of apprentices who started training in 2014/15. However, it remains too high. Only about half of all apprentices complete their programmes successfully and not enough of them complete within the planned timescale.
- Too few apprentices have the opportunity to study English and mathematics, above the minimum required level, to help them to improve their contribution to the employer. The employer's data indicate that nearly all apprentices achieve their English functional skills at level 1. However, the proportion of apprentices who achieve mathematics functional skills at level 1 is low. Assessors and coaches do not challenge apprentices sufficiently to develop their English and mathematics skills further, particularly in their writing and use of mathematics.
- Achievement gaps between groups of apprentices are too wide. Far more female apprentices complete their programme within the planned timescale than males. Apprentices with identified learning difficulties and/or disabilities perform less well than their peers. Adult apprentices, particularly those aged over 25, do not fare as well as younger apprentices. A greater proportion of apprentices in the north and midlands succeed compared with apprentices in the south and in London. Leaders have not put actions in place to rectify these concerns.

- Most apprentices who stay in learning improve their work-related skills, for example, in developing effective till service and using technology to order and replenish sales floor stock efficiently to maximise sales. Individual apprentices' achievement and progress are celebrated effectively across the business through media such as the staff magazine and competitions for 'apprentice of the season'.
- The majority of apprentices who complete their programme successfully take up part-time employment with the employer. A small minority secure full-time employment and a few gain promotion to a management position. A minority of the significant proportion of apprentices who withdraw from their training programmes take up further learning or other employment. However, the destination of too many leavers is unknown.

### The quality of teaching, learning and assessment

Inadequate

- Teaching, learning and assessment are inadequate, as reflected in the inadequate outcomes.
- The provision of information, advice and guidance is inadequate. Staff do not provide sufficiently effective initial information, advice and guidance to ensure that apprentices fully understand the requirements and expectations of their training and the demands of working in the retail and contact centre environments. Adult apprentices inappropriately receive information that is more suitable to younger apprentices. Staff do not ensure all apprentices are sufficiently aware of the career opportunities which could help them to progress to higher levels of paid responsibility with the employer.
- Support arrangements to ensure apprentices stay in work to complete their qualifications are inadequate. For example, where apprentices demonstrate poor punctuality and attendance they do not receive effective guidance and action planning to help them improve their employability.
- Assessment of apprentices' English and mathematics skills is not sufficiently timely or comprehensive. As a result, they do not receive prompt and effective tuition, or gain access to relevant resources to develop their skills and improve their contribution to the employer. Not enough apprentices have a good understanding of the on-line learning support materials available to help them make progress.
- Assessors and coaches do not enable retail apprentices to develop their mathematics skills sufficiently. Managers have not ensured that the content of workbooks provides apprentices with appropriate opportunities to practise their mathematics skills. Although retail apprentices have good opportunities to apply their mathematics skills in stores, staff do not plan well enough to target apprentices' specific skills development or monitor their progress. Conversely, in the contact centre, assessors ensure that apprentices develop and apply their mathematics skills effectively.
- Staff do not routinely highlight and correct apprentices' spelling, punctuation and grammatical errors. A significant number of staff lack the confidence to support apprentices to develop these skills. Where retail apprentices are exempt from studying English and mathematics, staff do not ensure apprentices identify any weaker skills areas, or work to improve in order to enhance their performance in the retail stores.
- Assessors and coaches do not ensure that apprentices benefit from sufficiently robust action planning, target-setting and recorded feedback to help them understand their progress and know what they need to do to improve. Actions recorded in reviews are too generic and not time-bound. The majority of apprentices who remain on programme complete recorded 'learning logs' to a good standard and reflect well on their learning. However, staff do not use comments from this recorded reflection sufficiently well to plan informed actions with apprentices to challenge them to accelerate their progress. Targets in learning plans are not planned appropriately to meet the needs of individual apprentices, or routinely updated to reflect

changes in apprentices' development. As a consequence, a minority of apprentices who stay in learning make slow progress.

- The large majority of assessors and coaches do not provide sufficiently informative written feedback on apprentices' work to ensure that they understand fully how to improve. A minority of store managers provide a good level of detailed, written feedback that identifies and promotes apprentices' areas for development clearly, for example, in setting out how competently they prepare and display sales promotions.
- The coordination of the retail skills diploma provided by in-store assessors and the retail knowledge components taught by subcontractor staff, lacks coherence and is inadequate; as a result, apprentices do not make sufficient progress across all elements of the programme. Subcontractor assessors rarely attend apprentices' progress reviews. Consequently, the planning of apprentices' individual learning targets is not informed sufficiently by them to ensure that they make good progress.
- The majority of apprentices who remain on programme make effective use of good quality vocational learning resources, including recently improved workbooks, to increase their retail and call centre knowledge well. They value the good pastoral support that they receive from managers and staff and that builds their confidence very effectively. Most apprentices who stay in learning develop good teamwork and communication skills that enable them to meet customer needs well.
- Apprentices who stay on the retail programme benefit from good 'on-the-job' learning. This is provided by enthusiastic and dedicated staff who use their substantial vocational knowledge and experience to help apprentices develop a broad range of retail skills such as till service, product knowledge and customer care. These apprentices develop their skills further by working in different departments and, in a few instances, by taking on higher-level responsibilities.
- Apprentices develop higher-level knowledge and skills than non-apprentices in similar job roles. Although the majority of learning sessions focus on skills development in retail and call centre operations, learning is too slow in a minority of sessions. In these sessions, apprentices do not participate enough and coaches do not check their understanding sufficiently.
- Apprentices feel safe at work, demonstrate good respect for colleagues and have a good understanding of how to meet the needs of a diverse range of customers. Staff ensure that most apprentices, who are still on programme, improve their understanding of discrimination and harassment well and learn how to support customers with additional needs effectively and courteously.

## Retailing and Wholesaling

### Apprenticeships

Inadequate

### Teaching, learning and assessment in retail and wholesaling are inadequate because:

- the proportion of apprentices who complete their apprenticeship successfully is low; a minority of apprentices make slow progress in their training and not enough complete within the planned timescale
- staff do not provide sufficient, effective support to ensure apprentices stay in learning; as a result, a significant proportion of apprentices drop out of learning early
- staff do not ensure that information, advice and guidance enable all apprentices to understand, fully the employer's expectations of the training, or to prepare them for working in the retail environment ; career opportunities which give access to higher levels of paid responsibility with the employer are not always communicated clearly to apprentices

- assessors and coaches do not plan to meet the needs of all apprentices and do not take into account apprentices' specific needs effectively, or reflect changes in apprentices' programmes and development in their planning for improvement
- the retail skills diploma, provided by in-store assessors and the retail knowledge components taught by subcontractor staff are not sufficiently integrated; visits by subcontractor staff are too infrequent to support apprentices effectively and, consequently, the majority of apprentices do not develop good knowledge and skills
- staff do not make sure apprentices benefit from robust action-planning, precise target-setting and informative, written feedback to help them understand what they need to do to make good progress
- staff conduct a full assessment of apprentices' English and mathematics skills but it is too late in the training; as a consequence, most apprentices do not commence learning or receive support early enough in these subjects
- assessors and coaches do not ensure enough apprentices understand the value of English and mathematics in the retail sector, or promote how these skills can help improve their contribution in the workplace
- assessors do not develop apprentices' skills in mathematics sufficiently and pass rates for mathematics functional skills qualifications are low; staff do not routinely correct apprentices' spelling, punctuation and grammar to improve the standard of apprentices' writing
- most assessors and coaches do not receive sufficient developmental feedback to help them improve their teaching, learning and assessment and, as a result, most apprentices do not progress to reach their full potential.

### **In retail and wholesaling, the employer has the following strengths:**

- enthusiastic staff have a good level of vocational knowledge and expertise; they provide practical 'on-the-job' training that develops apprentices' retail skills well and as a result, most of the apprentices still on programme are able to work effectively and take on additional tasks
- assessors provide those apprentices who stay in learning with clear verbal feedback that helps them to understand how to develop their retail skills further; as a result, apprentices develop good team work and communication skills and build their confidence effectively
- staff ensure most apprentices who remain in learning develop their understanding of the diverse needs of customers and colleagues well and to improve the level of support they provide to customers with additional needs.

### **Call centre operations**

#### **Apprenticeships**

Inadequate

### **Teaching, learning and assessment in call centre operations are inadequate because:**

- the proportion of apprentices who complete their programme successfully is very low
- staff do not provide effective initial information, advice and guidance to ensure apprentices have a good understanding of the challenges and demands of a busy call centre; as a result, a significant proportion of apprentices withdraw early from their programme
- staff do not agree or monitor targets with apprentices that focus on improving their attendance and punctuality; as a consequence, apprentices do not receive support and challenge to improve their timekeeping

- assessors are not involved sufficiently in meetings and reviews to monitor the performance of apprentices who are at risk of losing their jobs; staff do not provide these apprentices with enough appropriate support and guidance that focuses on keeping them in learning
- assessors do not ensure that all assessment plans include specific target-setting that apprentices understand and that challenge them to excel; as a result, too many apprentices are not clear how to make good progress
- assessors fail to set apprentices sufficiently challenging targets to develop their English skills to help improve their contribution to the employer; very few apprentices are studying courses in English and mathematics above the minimum level
- managers do not ensure apprentices have access to specialist support such as for dyslexia, to enable them to overcome barriers to learning
- contact centre operations managers are not involved in apprentices' reviews sufficiently; reviews are not fully informed by the specific challenges each learner faces at work and do not include sufficient target-setting for further improvement; as a result, apprentices do not reach their full potential.

### **In call centre operations, the employer has the following strengths:**

- staff ensure that most apprentices who remain on programme gain valuable commercial, personal and social skills; these include high levels of confidence, fluent speaking and listening skills, improved problem-solving and team working skills
- assessors enable the majority of apprentices who are still on programme to make good progress in developing their knowledge and skills and to achieve their qualification within the planned timescale
- staff provide those apprentices who stay in learning with a good level of support to develop and apply their mathematics skills in the work environment; as a result, most apprentices are able to help customers competently with a wide variety of calculations related to accounts queries, discounts, payments and refunds.

### **The effectiveness of leadership and management**

Inadequate

- Leaders and managers have failed to realise their vision of enabling all apprentices to excel in their studies and at work. Managers' planning was not sufficiently detailed, or robust enough, to secure vital improvements. As a result, teaching, learning and assessment are inadequate. Key processes, such as safeguarding arrangements, are not fit for purpose.
- In planning for improvement, leaders and managers have ensured that training staff understand the company's vision for the future. This includes advanced plans to provide all components of the apprenticeship programmes directly instead of relying on a subcontractor. However, it is too soon to assess the effectiveness of this strategy.
- Over time, the board and directors have not provided sufficient support, scrutiny and challenge to managers to ensure that the employer's apprenticeship provision provides all apprentices with a high quality learning experience that secures good outcomes.
- The management of the subcontractor has not been sufficiently robust. Managers have not set the contractor demanding targets to ensure that teaching, learning and assessment improve outcomes for apprentices. Managers have spent too much time tackling operational issues with the subcontractor to the detriment of planning and managing the transition to the proposed 'in-house' direct delivery model.
- The board and directors have made a substantial investment in establishing a training team that has good retail knowledge and expertise. The apprenticeship team has been strengthened by



the appointment of a manager with responsibility for quality improvement and a dedicated training materials designer. Experienced assessors and quality improvement staff have recently been recruited to complement the team. Leaders have developed the new team's capabilities well by providing appropriate staff training opportunities. However, most assessors do not have the necessary expertise and confidence to teach English and mathematics functional skills, despite this responsibility being part of their job role.

- Leaders and managers' use of data to help secure improvement is inadequate. Managers do not collect or use data to analyse the progress and achievement of apprentices or to inform subsequent action-planning to secure improvement. As a result, too many apprentices drop out of learning and too many groups of apprentices, such as those with learning difficulties and/or disabilities, fare much worse than their peers. Managers are not tackling these significant concerns effectively.
- Quality improvement arrangements are inadequate. Managers have not monitored effectively or applied sufficient oversight to the quality of provision delivered by the contractor. Store training teams are not formally observed providing teaching, learning and assessment and do not receive sufficient developmental feedback on how to improve. Managers have begun to introduce a quality improvement system focused on observations of learning. However, these observations do not focus sufficiently on the impact of teaching on apprentices' learning, nor do they provide assessors with specific actions to secure improvements.
- Leaders and managers' self-assessment and quality improvement planning processes are not effective in evaluating the provision in order to accelerate the pace of improvement. The self-assessment report is inaccurate, insufficiently self-critical and does not focus on the quality of teaching, learning and assessment. Targets for increasing apprentices' success rates are insufficiently ambitious. Planned actions to establish specialist job roles to provide support for apprentices with additional learning needs are not timely or robust. Managers' use of apprentices' feedback to improve teaching, learning and assessment, is insufficient.
- Managers do not ensure that all apprentices receive a sufficiently comprehensive and timely assessment of their English and mathematics skills that is followed promptly by tuition and support that meets apprentices' identified needs. As a consequence, apprentices do not improve their English and mathematics skills sufficiently or enhance their contribution to the employer.
- The board and directors have invested in good quality resources to promote learning, such as the workbooks and learning materials for the retail diploma. Most apprentices value these resources and those that stay in learning use them regularly to support their learning. Leaders and managers ensure that retail managers at all levels embrace and understand the value of the apprenticeships provision; as a result, store assessors are supported fully in their roles.
- Managers ensure that apprentices develop a good level of knowledge and understanding of equality and diversity; assessors use relevant learning materials to help most apprentices understand the diverse needs of their clients and colleagues well. However, too many groups of apprentices do not succeed. Support for apprentices with additional learning needs and those at risk of dropping out of learning is inadequate.
- Safeguarding arrangements are inadequate. Leaders have established a reporting 'helpline' where staff, apprentices, and their parents, can report safeguarding and well-being concerns affecting apprentices. However, leaders and managers have not reviewed these safeguarding arrangements to ensure apprentices are safe. Store teams use the safeguarding reporting arrangements regularly and are vigilant with regards to the well-being of their apprentices. However, staff have not received appropriate safeguarding training to enable them to respond effectively to the concerns raised, or to identify vulnerable apprentices. The actions agreed to help apprentices raising a cause for concern are not always appropriate, or recorded in sufficient detail and they are seldom followed up to ensure apprentices are no longer at risk of harm.

## Record of Main Findings (RMF)

### Next Retail 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	4						4		
Outcomes for learners	4						4		
The quality of teaching, learning and assessment	4						4		
The effectiveness of leadership and management	4						4		

Subject areas graded for the quality of teaching, learning and assessment	Grade
Retailing and Wholesaling	4
Call centre operations	4



<b>Type of employer</b>	Employer								
<b>Age range of apprentices</b>	16+								
<b>Approximate number of all apprentices over the previous full contract year</b>	786								
<b>Principal</b>	Ms Karen King								
<b>Date of previous inspection</b>	Not previously inspected								
<b>Website address</b>	<a href="http://careers.next.co.uk/retail/retail_training.aspx">http://careers.next.co.uk/retail/retail_training.aspx</a>								
<b>Employer information at the time of the inspection</b>									
<b>Main course or learning programme level</b>	<b>Level 1 or below</b>		<b>Level 2</b>		<b>Level 3</b>		<b>Level 4 and above</b>		
<b>Total number of apprentices (excluding apprenticeships)</b>	16-18	19+	16-18	19+	16-18	19+	16-18	19+	
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>Number of apprentices by Apprenticeship level and age</b>	<b>Intermediate</b>		<b>Advanced</b>		<b>Higher</b>				
	16-18	19+	16-18	19+	16-18	19+			
	446	253	0	0	0	0			
<b>Number of traineeships</b>	16-19		19+		Total				
	N/A		N/A		N/A				
<b>Number of learners aged 14-16</b>	N/A								
<b>Full-time</b>	N/A								
<b>Part-time</b>	N/A								
<b>Number of community learners</b>	N/A								
<b>Number of employability learners</b>	N/A								
<b>Funding received from</b>	Skills Funding Agency (SFA)								
<b>At the time of inspection the employer contracts with the following main subcontractors:</b>	<ul style="list-style-type: none"> <li>■ Pera Training Limited.</li> </ul>								

## Contextual information

Next Retail Limited is a publicly limited company that employs 44,285 people. It is currently the largest clothing retailer in the United Kingdom. Since September 2013, the company has provided the apprenticeship in retail at intermediate level, to apprentices who work in its 377 stores located across England. It also offers the apprenticeship in call centre operations at the same level to apprentices working in its call centre in Leicester. The company's managers have recently decided to deliver directly most of the apprenticeship provision and to reduce its reliance on the subcontractor.

## Information about this inspection

### Lead inspector

Matt Vaughan HMI

Two of Her Majesty's Inspectors (HMI) and five additional inspectors, assisted by the National Apprenticeships Manager as nominee, carried out the inspection with short notice. Inspectors took account of the employer's most recent self-assessment report and development plans. Inspectors also used data on apprentices' achievements over the last two years to help them make judgements. Inspectors used group and individual interviews, telephone calls and online questionnaires to gather the views of apprentices; 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 employer. Inspectors looked at the quality of teaching, learning and assessment across all of the provision and graded the sector subject areas 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:

[www.gov.uk/government/publications/handbook-for-the-inspection-of-further-education-and-skills-from-september-2012](http://www.gov.uk/government/publications/handbook-for-the-inspection-of-further-education-and-skills-from-september-2012)

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