

Learning a Living

A research report into **Apprenticeships**
and reducing youth unemployment



Changing lives
Creating futures



Foreword

I am delighted to be able to introduce this report to you on behalf of Working Links.

Learning a living explores the question of how Apprenticeships can be better used to tackle the problem of youth unemployment. With the number of unemployed young people hovering around the one million mark, it is a problem which needs urgent resolution. As Prime Minister David Cameron suggests, unemployment can potentially do lasting damage to young people's prospects in life*.

Working Links has been supporting long-term unemployed people into work for over 11 years now; and during this time we've helped over 60,000 young people to find work and to start building their careers.

Across Britain we offer young people a wide range of services and support, including providing the valuable employability and soft skills that employers most prize. However, as young people are disproportionately unemployed - currently making up over 40% of the total unemployment figure - we're well aware that much more must be done to address this problem.

We have commissioned this research to get a better understanding of the way Apprenticeships are perceived by young people and employers. We are concerned that Apprenticeships are not being accessed by those young people who might benefit from them the most. We also wanted to find out why more employers were not offering greater numbers of Apprenticeship places, when the overwhelming evidence shows that businesses benefit from running these schemes.

We feel that Apprenticeships must be better used to support unemployed young people into jobs, providing them with the valuable skills, knowledge and on the job experience they require to build sustainable careers. We also believe there should be more information on Apprenticeships readily available in order to encourage greater access by all.

There is a considerable gap between what young people learn at school and the skills and experience they need to find work and build a successful career. We believe that, as a provider of services to young people, we can help to bridge that gap. We can help to provide some of the additional support they need to be able to access Apprenticeships, enabling them to start creating a better future for themselves, their families and the communities in which they live.

We hope that this research will help highlight the important role Apprenticeships can play in helping young people into sustainable employment, and in providing employers with the skills they need, and we look forward to engaging and working with you on this important issue.

Many thanks

Mike Lee
Director for Skills
Working Links



* Supporting Youth Employment: An Overview of the Coalition Government's Approach¹

Preface

Rathbone specialises in working with young people from disadvantaged backgrounds. We believe that, given the right opportunities and support, all young people can learn, can progress, can achieve success in their chosen careers and become young adults who play a positive part in our society.

We deliver Apprenticeships and employability programmes that are specifically designed for people who are aged 16 to 24. We're working in partnership with Working Links to support their national delivery of Work Programme and on their European Social Fund (ESF) project in the West Midlands, working specifically to help young people who are not in employment, education or training (NEET) to find pathways to better futures.

We share a similar purpose to Working Links, and believe that employment is the best route out of poverty. We think work should be accessible to all, and that's why we were so interested in seeing the results of this research. It's very interesting to us that many people still view Apprenticeships in a traditional sense – in that they are available in manual jobs predominantly, with little available elsewhere.

We're committed to educating businesses, young people and the wider population around not only the breadth of Apprenticeships that are available, but also the benefits they can bring to both apprentices and their employers. We welcome the move made by government recently to make all Apprenticeships employment-linked, and think this could be the first step to Apprenticeships leading the way in reducing youth unemployment.

As a national partner to Working Links in their provision of services to young people, I am thrilled to have had some involvement in this project, and I look forward to seeing the responses to the recommendations made following the results.

Dr Richard Williams
Chief Executive
Rathbone

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Executive summary

Youth unemployment in the UK is unacceptably high, with nearly one in five 16-24 year olds not in work. However, the financial crisis of 2008 and the economic challenges which have followed, have simply exacerbated an existing trend. Unemployment rates for young people have remained static for nearly a decade. Currently 40% of people unemployed in the UK are aged under 25.

- 19.3% of economically active 16-24 year olds are not in work.
- The number of NEETs has been consistently around 10% of 16-18 year olds since 1996.
- 68% of young people we surveyed are worried that they will find it very difficult to find a job in the future.

We recognise that current solutions are not working and that more needs to be done to address this issue. That is why we have commissioned this research, to try to highlight some of the most significant contributing factors and to suggest recommendations that may help us to resolve an unacceptable situation.

To reduce youth unemployment we must give young people the support and skills they need to find sustainable careers within a challenging labour market. Many young people fail to gain the important soft skills that employers want through their mainstream academic education. We believe that Apprenticeships offer an opportunity for young people to gain the strong vocational skills and knowledge required to build lasting and meaningful careers. We welcome the significant increase we've seen in the number of new Apprenticeship places, but we remain concerned that not enough is being done to ensure that Apprenticeships are available to all young people.

If Apprenticeships are to help reduce youth unemployment, much more must be done by government and employers to ensure that those young people furthest from the labour market can access Apprenticeships. Our report sets out the steps that we believe government should follow to enable all young people to benefit from the Apprenticeship programme, particularly those who have been let down and failed by previous policies and initiatives.

We believe:

- Government should fund more pre-Apprenticeship places;
- Schools and colleges should give clearer advice on the vocational opportunities available; and

- Employers should be encouraged to offer more Apprenticeships.

Using Apprenticeships to tackle unemployment

Employers and young people recognise the benefits of Apprenticeships. They enable young people to earn a wage while continuing their participation in learning as they gain the skills, knowledge and experience required of their chosen vocation. An apprentice who successfully completes their qualification has hugely increased their chances of sustainable employment in a fulfilling career.

Government also recognises the inherent value of Apprenticeships and how they can be used to help young people develop into the successful and skilled workforce that business and our economy requires.

- 62% of young people think an Apprenticeship will give them the skills for a fulfilling career.
- 80% of employers think that expanding Apprenticeships will help reduce youth unemployment.
- Of the employers we surveyed who have an Apprenticeship scheme, 100% thought that hiring apprentices had been beneficial to their business.

We recommend:

- Government should improve efforts to promote Apprenticeships to young people; and
- Government should encourage more effective business to business advocacy of the benefits of Apprenticeships to employers.

The need for pre-Apprenticeship training

Expanding the number of available Apprenticeships will most likely benefit those young people who have the necessary skills to secure a placement. However, there are a large number of young people who lack the skills expected by employers. To ensure the high quality and reputation of Apprenticeships while simultaneously expanding access, we must raise the skill levels of young people rather than lowering the bar for would-be candidates. To achieve this, government should fund more pre-Apprenticeship training to help young people gain the right balance of academic and vocational skills required to progress into an Apprenticeship. In particular such training must focus on the critical "soft skills" that employers demand for example communication, behaviour,

attitudinal and social skills. Where there is an identified need, pre-Apprenticeship training must also help individuals achieve the required levels of literacy and numeracy.

- 97% of employers think pre-Apprenticeship training will help young people gain an Apprenticeship.
- 91% of employers cite enthusiasm and motivation as the most important attributes in a recruit.
- 9% of employers cited poor literacy and numeracy as a reason not to hire young people.

We recommend:

- Government should fund more pre-Apprenticeship training to expand access to Apprenticeships;
- Government should do more to tackle the low levels of literacy and numeracy which employers feel are an issue for some young people – but not at the expense of the soft skills employers value most; and
- Government should pilot a payment by results programme for Apprenticeships within the Work Programme to help those furthest from the labour market.

Promoting Apprenticeships

Government still has work to do to promote Apprenticeships to young people and employers. Too many young people perceive Apprenticeships as a qualification aimed at people with lower skills in a narrow range of vocational sectors. This perception is at odds with government's own ambition that Apprenticeships should be seen as aspirational – a view that employers also share. We believe that Apprenticeships should indeed be aspirational, but also that all young people should have the chance to aspire to become an apprentice.

- 25% of young people think Apprenticeships are aimed at people with low skills.
- 34% of young people think Apprenticeships are for people who are really good at hands-on work.
- 91% of employers think it is important that Apprenticeships are considered as an aspirational choice by young people.

We recommend:

- Government should improve efforts to promote Apprenticeships to young people.

Employability training and careers guidance in schools

If young people are going to make the transition from education to the workplace they must be given advice and guidance that is aimed at helping them make choices that will lead to sustainable employment. The young people and employers we surveyed thought advice and guidance in schools was inadequate and too focused on academic pathways. Only a minority of young people were told about the vocational offers available. Employers felt that careers advice was too detached from the reality of the workplace and agreed that there was too heavy a focus on academic versus vocational education.

- 56% of young people did not feel that careers and training advice was useful.
- 93% felt that schools and colleges should take more time to explain what Apprenticeships are and what they offer.
- Only 24% of young people were given advice on Apprenticeships in school.
- 79% of young people felt that the education system is too focused on academic qualifications.
- 76% of employers feel education policy is too focused on academic qualifications.
- 95% of employers felt that careers advice services could do more to engage businesses and employers to provide young people with careers advice and employability skills.

We recommend:

- A statutory obligation should be placed on schools to teach employability skills to all young people;
- A legal duty to explain the full educational offer (including Apprenticeships) available to young people of all abilities should be placed on schools; and
- We call upon government to consider how youth services can be used more effectively in order to help reduce youth unemployment.

Our recommendations

Working Links believes that:

- Increasing the number of Apprenticeships;
- Making Apprenticeships accessible to all;
- Tailoring Apprenticeships to meet employer demand; and
- Linking education to the world of real work will help reduce youth unemployment.

The results of this research, together with our experience of working with young people, unemployed people and employers, have helped shape these key policy recommendations to government.

These recommendations appear in more detail throughout this report.

Make Apprenticeships accessible to all

Government should:

- Improve efforts to promote Apprenticeships to young people;
- Enable more people to access Apprenticeships by funding more pre-Apprenticeship training;
- Support the expansion of Apprenticeship Training Associations through Sector Skills Councils, colleges and training providers; and
- Consult on improving how youth unemployment is measured.

Engage small businesses to expand Apprenticeships

Government should:

- Encourage more effective business to business advocacy of the benefits of Apprenticeships to employers;
- Extend its pilot of an outcome-based payments system to small businesses. This would help more small to medium size enterprises (SMEs) to employ greater numbers of apprentices; and
- Look to pilot a payment by results programme for providers offering Apprenticeships for young unemployed people within the Work Programme. Such a scheme would include greater incentives for helping those furthest from the labour market to access the programme.

Give young people a stake in their future

Government should:

- Do more to tackle the low levels of literacy and numeracy that employers feel are an issue for some young people – but not at the expense of the soft skills employers also value;
- Place a statutory obligation on schools to teach employability skills through the mainstream curriculum;
- Place a legal duty on schools to explain the full educational offer (including Apprenticeships) available to young people of all abilities; and
- Consider how youth services provision can better contribute to reducing youth unemployment.

Introduction

The political context

On 12 May 2011 the Prime Minister, David Cameron, launched government's new strategy **Supporting Youth Employment**. In his foreword he said: "The coalition government is determined to reverse the trend of rising youth unemployment that has held back our country for too long." He went on to say, "The sense of hopelessness that unemployment creates is difficult at any stage of life. But it is especially bad when people are young, robbing them of the opportunity to gain valuable skills and knocking their sense of self-esteem, potentially doing lasting damage to their prospects in life."

Supporting Youth Employment builds on the direction of travel set by the Conservative-Liberal Democrat Coalition Agreement.

"We will seek ways to support the creation of Apprenticeships, internships, work pairings, and college and workplace training places as part of our wider programme to get Britain working."¹

Government has set out five priorities pledging to:

- Improve the education system so that it better serves the modern workplace, including putting more emphasis on vocational qualifications;
- Work with local authorities and social enterprises to help those most at risk of unemployment;
- Exhort employers to "give young people a chance";
- Deliver reformed welfare provision in the form of the new Work Programme²; and
- Cut red tape for businesses.

¹ The Coalition: our programme for government (HM Government 2010)

² The Work Programme was introduced in June 2011 to replace a number of employment schemes. Under the programme, prime providers work to help people off benefits and into sustainable employment, recouping their costs from the money saved from a fall in benefit claims. Working Links is the prime provider of the Work Programme in Scotland, Wales and the South West of England.

Helping more people access Apprenticeships will reduce youth unemployment

Working Links welcomes government's determination to address the challenges posed by youth unemployment, and supports the measures announced in The Coalition Agreement and in Supporting Youth Employment. In particular, we agree with expanding and improving Apprenticeships as they can play a critical role in helping unemployed young people to find sustainable employment.

However, we remain concerned that more needs to be done to ensure that Apprenticeships really do help young people who are furthest from the job market. There can be fierce competition for places on Apprenticeships, and young people who are out of work or disadvantaged are likely to find it more difficult to secure a placement. Working Links' contention is that, without additional measures, Apprenticeships will not benefit as many young people as they should.

Working Links also believes that expanding the ability of more people to access Apprenticeships must only be achieved by increasing young people's skills and aspirations. It is critical that the quality of Apprenticeships is maintained so that employers continue to value people who complete the Apprenticeship framework. In order to achieve an increase in the number of Apprenticeships, government should strive to raise skill levels so that the opportunities presented are truly available to all.

While it is beyond the scope of this document, we recognise that expansion in the number of university places has not raised standards across the board, and that some graduates

are not better able to access sustainable employment after they have completed Higher Education. This issue has been recognised by government in the Higher Education White Paper³. The White Paper articulates concerns amongst employers that some graduates are not being offered the skills that they will need in the workplace. Government has pledged to improve employer engagement in Higher Education, and many of the issues raised apply equally to schools and colleges. As university places increased, too many new courses did not prepare young people for their future career. This must not be allowed to happen with Apprenticeships.

Apprenticeships must continue to be aspirational. Every young person should be given the knowledge and skills they need to aspire to an Apprenticeship.

Finally, it is clear that we will need more input and engagement from businesses if government's ambitious targets for new Apprenticeship places are to be achieved.

³ Students at the Heart of the System – the Higher Education White Paper (HM Government 2011)

The scale of the problem: youth unemployment – an overview

Youth unemployment figures have risen in recent years, approaching, but not yet reaching, the one million figure in 2011. Youth unemployment figures had been on the increase before the recession⁴, but this trend has been clearly exacerbated by the recession and financial crisis of the past three years. A House of Commons Select Committee noted in its report in 2010 that the proportion of 16-18 year olds who are NEET has “changed relatively little over the past decade.”⁵ According to the Edge Foundation, the percentage of 16-18 year olds who were NEET was 9.9% in 1996, 10.0% in 2002 and 10.3% in 2008⁶. According to the Department for Education, NEET figures for the last quarter of 2009 were down to 8.5%⁷. This drop, however masks some of the important trends in youth employment and education as the Department for Education’s own bulletin summarises well:

“Despite participation in education and training amongst 16-18 year olds rising consistently since 2003, causing the size of the NET⁸ group to fall, the proportion of the cohort who are NEET has remained broadly stable since 2003 (at around 10% ± 1%). This is because the increase in the proportion of 16-18 year olds in education and training (+ 6.8 percentage points since 2003) has been counter-balanced by a fall in the proportion of 16-18 year olds in employment (-15.6 percentage points since 2003). The overall effect is for the NEET rate to remain stable because around half of the drop in employment reflects a shift from young people being both in employment and education to being in education full-time.”⁹

The social and economic costs of high youth unemployment are also widely acknowledged. Research by Demos places the cost to the economy of the current cohort of NEETs at £4.6 billion a year¹⁰. The negative effects of unemployment disproportionately afflict the young unemployed, impacting on health, wellbeing and the likelihood of offending. As Bell and Blanchflower observe, “Unemployment is a stressful life event that makes people unhappy”¹¹. For young people this impact is more severe, causing “permanent scars rather than temporary blemishes”¹². Working Links’ experience with young people and older people seeking work echoes this evidence.

Unsurprisingly, there are disputed figures for the current level of youth unemployment. The Office for National Statistics (ONS) places the number of unemployed 16-24 year olds at 895,000¹³. As ONS makes clear, this figure includes people in full-time education. According to government,

the figure for May 2011, excluding people in full-time education, is 670,000.¹⁴

It is not the purpose of this report to consider the root causes or effects of youth unemployment – there is now an established canon of literature on this issue, and a broad consensus on the impact and causes. Nor is it within the scope of the report to debate the merit of the various methods of measuring levels of youth unemployment. We begin with the premise that the numbers are far too high, and that government must lead efforts to reduce them dramatically. We do, however, note that statistics on NEETs may be misleading. Anecdotal evidence gathered in the preparation of this report suggests that, in some areas, numbers of NEETs may be overstated, especially where young people work for cash in family businesses or in the informal economy. We also consider that the term NEET will become obsolete once the school leaving age is raised from 16 to 18, by which point every 16-18 year old should be in some form of education or training. We recommend that, as government strives to measure its own success in delivering on its promises in Supporting Youth Employment, it should consider the best method of tracking and recording whether young people are in training or employment. There is also evidence that the NEET label encompasses a wide range of different levels of engagement¹⁵. There must be clarity on both the definitions used and the statistics presented to the public. Very few people would contend that high youth unemployment is not a problem. However, the fact that a newspaper can talk of “youth unemployment hitting a million” while the Prime Minister refers to a figure of 670,000, is confusing and could cause cynicism about the scale of the challenge.

Recommendation 1: Improve how youth unemployment is measured

Government should consult on improving the methods used to measure the number of young people and establish a settled definition of youth unemployment. This will assist in benchmarking whether or not government’s policies are working.

⁴ Margo and Grant, Access all Areas (The Foyer Foundation, 2010)

⁵ House of Commons Children, Schools and Families Committee, ‘Young people not in education, employment or training’ Eighth Report of the Session 2009-10 Volume One (The Stationery Office, 2010).

⁶ Mind the Gap: research and reality in practical and vocational education (Edge Foundation, 2010)

⁷ NEETs statistic quarterly release February 2011

⁸ NET refers to young people Not in Education and Training

⁹ NEETs statistic quarterly release February 2011

¹⁰ Sodha, S & Margo, J Ex Curricula (Demos, 2010).

¹¹ Bell and Blanchflower Youth Unemployment: Deja Vu? (2009)

¹² ibid

¹³ ONS Labour Market Statistical Bulletin June 2011

¹⁴ Government vows to get the young into work, Press Release (Number 10 website, May 2011) see - <http://www.number10.gov.uk/news/pressnotices/2011/05/government-vows-to-get-the-young-into-work-63708>

¹⁵ Anderson K et al, Opening the Doors to Apprenticeships: reaching young people who are disadvantaged and disengaged from Apprenticeships – Paper 1: setting the scene (Young Foundation, 2010)

Section 1: Apprenticeships – are they the right tool to address youth unemployment?



80%

of employers believe Apprenticeships will help reduce youth unemployment.

100%

of employers think Apprenticeships give young people the skills to find lasting work.

100%

of employers believe Apprenticeships benefit their business.

57%

of employers would consider running an outcomes-based scheme.

70%

of young people think there are not enough Apprenticeships to meet demand.

61%

of young people would consider becoming an apprentice.

Are Apprenticeships the solution to the problem?

Government has placed considerable emphasis on the importance Apprenticeships will play in tackling youth unemployment. Through the Coalition Agreement¹⁶, the 2011 Budget¹⁷, and their response to the Wolf Review¹⁸ and the Skills White Paper¹⁹, ministers at all levels of the UK government have expressed a desire to see the level of Apprenticeships expanded. However, while the aspiration to focus on Level 3 Apprenticeships (equivalent to two A Levels) will help provide businesses with a higher skilled workforce, this does risk leaving behind many who do not have the level of skills required to access these higher level Apprenticeships. While Apprenticeships have always been a route into full-time employment for many participants²⁰, the policy of expanding Apprenticeships as a specific solution to youth unemployment has been promoted more by the coalition government than its predecessors. In June 2011, government announced that its target of 50,000 new Apprenticeships in the financial year 2010-11 had been exceeded twice over. But government minister John Hayes' commitment to expanding Apprenticeships further is undiminished:

“We must do still more. By reducing bureaucracy, improving guidance and opening routes to higher learning we can seed opportunities for thousands of Britons and build the economically successful and socially just nation we crave.”

Working Links shares government's view that Apprenticeships could be used to play a vital role in reducing unemployment – indeed, the purpose of this report is to offer recommendations that, if implemented, would optimise the role of Apprenticeships. An Apprenticeship is, itself, a form of employment – one more apprentice equals one more member of the workforce. Apprenticeships are work-based and work-focused. They also add more to a person's earning power than any other form of practical training.²¹

As our research confirms, employers do not consider that enough young people leaving school, college or university are work-ready. Employers are also clear that the skills they want to see more of, are soft skills²². Both the employers and the young people we surveyed said that social skills and organisational skills were more important than qualifications.

Working Links believes that focused training, aimed at a particular career, will equip young people with the soft skills they need to find sustainable employment. On the job training through Apprenticeships is one of the best ways for young people to gain these skills. People recruiting apprentices do not expect as much in the way of soft skills as they do when recruiting full-time employees, so Apprenticeships can build up those skills. Of course, no Apprenticeship can be accessed by someone with no soft skills at all – and rightly so, to maintain the quality of the framework and the brand. For these young people, pre-Apprenticeship training can help to equip them with the skills they require, extending access to all those young people who feel an Apprenticeship is the right career choice for them.

¹⁶ The Coalition: our programme for government (HM Government 2010)

¹⁷ Budget 2011 (HM Treasury, March 2011)

¹⁸ The Wolf Review into Vocational Education (HM Government 2011)

¹⁹ Skills for Sustainable Growth (BIS, November 2011)

²⁰ It should be recognised however that historically many Apprenticeships participants have either been offered the scheme by a current employer or moved from one job to the Apprenticeship.

²¹ Anderson K et al, Opening the Doors to Apprenticeships: reaching young people who are disadvantaged and disengaged from Apprenticeships – Paper 1: setting the scene (Young Foundation, 2010)

²² The term Soft Skills covers aspects of an individual's communication and interpersonal skills, which employers value, but which are not testable in the same way as academic skills. Examples include team working, personal motivation and attitudes to the work environment.

What is an Apprenticeship?

The complexity of the offer around vocational qualifications has confused both young people and employers. Our research reflects the fact that many parents are unfamiliar with the current qualification system, and the place of Apprenticeships within it. For clarity we set it out here.

Historically, Apprenticeships were a traditional route into a trade or skilled job. In the mid-1960s there were growing concerns that Apprenticeships had become outdated, and could no longer meet the needs of the labour market. In the 1970s, the decline in manufacturing reduced the demand for the skills offered through vocational qualifications, which suffered a consequent reduction in status²³. Apprenticeships saw a rapid decline from 171,000 in 1968 to 34,500 in 1990²⁴. In 1994, government introduced 'Modern Apprenticeships' aimed at 16-24 year olds. Initially, 'Modern Apprentices' were designed to be at Level 3 (equivalent to A level) but this proved too ambitious and The National Traineeship was rebranded as an Apprenticeship with a Level 2 qualification (equivalent to GCSE).

In 2004, there was a further rebranding. 'Modern Apprenticeships' became 'Apprenticeships' at Level 2 and 'Advanced Apprenticeships' at levels above that. The age limit was scrapped and Young Apprenticeships were created aimed at 14-16 year olds.

In 2004, government commissioned Lord Sandy Leitch to report on skills policy in the UK. In 2006, he published Prosperity for all in the global economy – world class skills, usually referred to as the Leitch Review. Leitch recommended increasing the number of Apprenticeships on offer.

In light of the Leitch Review government published Apprenticeships: Unlocking Talent, Building Skills for All in 2008. In this report government committed to:

- Ensuring that, by 2013, every suitably qualified young person who wants to take up an Apprenticeship place will be able to do so;
- Introducing the new National Apprenticeship Service;
- Introducing “direct incentives” for some businesses to encourage growth in places; and
- Increasing funding for Apprenticeships.

In opposition, the Conservatives pledged to increase the number of Apprenticeships, as did the Labour government in their manifesto ahead of the general election in 2010.

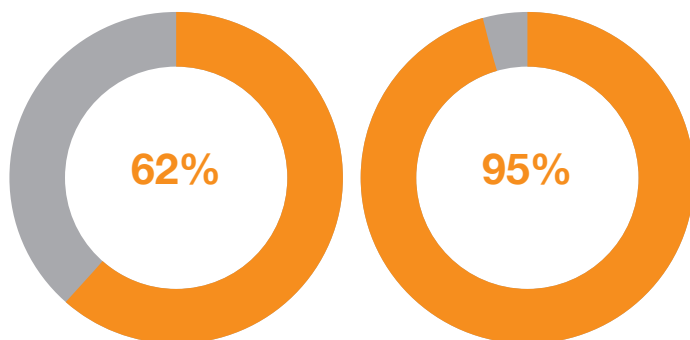
The coalition government is equally committed to expanding Apprenticeships. The 2011 budget provided for further expansion of the programme with an extra £180m of funding, providing for an extra 50,000 19+ Apprenticeships. Overall, the coalition government has committed to support at least 250,000 more Apprenticeship places by 2015 than the previous government²⁵.

²³ Hartley and Richmond, *Simply Learning: Improving the skills system in England* (Policy Exchange 2009)

²⁴ Rapid review of research on Apprenticeships, LSC website, see readingroom.lsc.gov.uk/lsc/National/Apprenticeships_Literature_Review_final.pdf, p.12

²⁵ Supporting Youth Employment, HM Government (2010)

Apprenticeships and reducing unemployment



62% of young people believe Apprenticeships will give them the skills for a fulfilling career.

95% of young people believe Apprenticeships could be used more effectively by government

The young people we surveyed thought that Apprenticeships would help people find sustainable employment, with 62%²⁶ saying that they thought an Apprenticeship would give them the skills they need to have a fulfilling career.

However, they thought that government could use Apprenticeships more effectively, by an overwhelming margin – 95%.²⁷

100% of employers agree Apprenticeships are a good way for young people to learn the skills they need to gain sustainable employment.

Employers we interviewed also believe that Apprenticeships could be used to tackle youth unemployment. When asked in our survey, 100% of employers agreed that they believe Apprenticeships are a good way for young people to learn the skills they need to gain sustainable employment.

The experts we interviewed agreed that Apprenticeships could be effectively used to tackle youth unemployment. They raised concerns about the quality of some Apprenticeships and a particular concern that there were too many Level 2 Apprenticeships, which were perceived to be of less value. They also had reservations about the impact on the perception of Apprenticeships as aspirational if they were too closely associated

with youth unemployment, which this report has considered in later chapters.

A minority of employers expressed cynicism that Apprenticeships would work to reduce youth unemployment for a range of reasons. Some saw the policy as “a quick fix”²⁸, while others pointed out that there needs to be a sustainable job at the end of an Apprenticeship: “Apprenticeships are all well and good but there needs to be jobs at the end of the Apprenticeship and they should not be seen as a cheap employment option.”

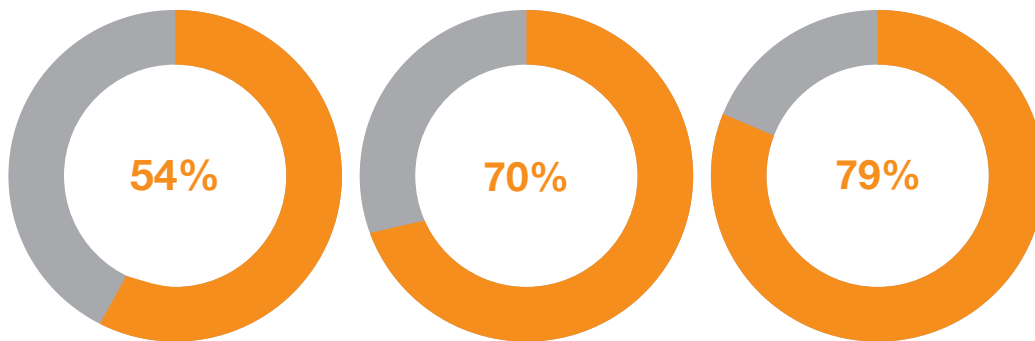
Working Links shares the majority view of respondents that increasing the number of Apprenticeships will help reduce youth unemployment. However, increasing the supply of Apprenticeships in isolation would be counter productive. Economic growth, and policies which will see businesses of all sizes hiring more young people, will be necessary for apprentice numbers to continue to rise. The quality of the Apprenticeships on offer will also be key to the success of any expansion. High quality Apprenticeships lead to sustainable employment – if more Apprenticeships are to mean more jobs for young people, they must be high quality and there must be more jobs available.

²⁶ Working Links Young People's Survey q. 9

²⁷ Working Links Young People's Survey q. 18

²⁸ Working Links Employers' Survey q. 36

Engaging businesses



54% of young people not considering an Apprenticeship believe there are not enough vacancies in careers they would choose.

70% of young people believe there are not enough Apprenticeships to meet demand.

79% of employers think there are not enough incentives to take on apprentices.

The young people we surveyed recognised that the supply of Apprenticeships was critical to their effectiveness as a tool for tackling youth unemployment. We asked our young people if they would consider applying to become an apprentice – 39% of respondents said “no”. When we asked this group why they would not consider applying to become an apprentice, 54% replied “there are no Apprenticeships available for the sort of job I want.” When we asked them what barriers might prevent a young person from gaining a place on an Apprenticeship scheme, 70% replied that there are not enough Apprenticeships to meet the demand.

The experts we interviewed also raised the issue of increasing the supply of Apprenticeships from all businesses. It is clear that government is going to have to do more than simply exhort businesses to play their part by expanding their Apprenticeship offer. Employers also believe that government should do more to incentivise them to take apprentices on, with 79% saying that there are not enough incentives from government.

The Apprenticeship Grant Scheme (whereby employers were given a cash sum in return for offering Apprenticeships) did lead to an increase in take-up²⁹. However in the current economic climate, government would be wary of relying on financial incentives alone as a means of incentivising employers. Government also needs to encourage and exhort businesses on the one hand and facilitate on the other.

Government should increase the volume and number of voices who are making the case for Apprenticeships to businesses. The relationship between government and businesses is never as cosy as either side would claim. Government, especially central government, is not the best medium through which the business benefits of Apprenticeships should be channelled. However, government should proactively encourage others to make this case.

Recommendation 2: Government should encourage more effective business to business advocacy of the benefits of Apprenticeships to employers.

The Confederation of British Industry (CBI) skills survey 2011 states: “Business is a willing partner for government on Apprenticeships and wants to work with ministers to successfully grow the quantity and quality of Apprenticeship provision. Building on the current good practice of employers and encouraging even more employers to offer Apprenticeships will be essential.” Working Links shares this view, and our research supports this position. The CBI has also asserted that government should reduce the administrative burden that falls on businesses who offer Apprenticeships, claiming that 33% of employers want the scheme to be less bureaucratic. This is a similar figure to the 31% of respondents in our survey who felt that the auditing and monitoring of the Apprenticeship framework was too bureaucratic. However, we note that this means that 69% of employers were satisfied.

²⁹ An evaluation of the Apprenticeship Grant to Employers Programme (AGE), (BMG Research 2011)

Are Apprenticeships too bureaucratic?

YES (31%)

NO (69%)

There is a balance to be struck between reducing the paperwork that is off-putting to employers, and ensuring that the level of assessment is sufficient to ensure that on the job training is adequate to meet the needs of the framework. Without effective measures to assess Apprenticeships, the quality of their final qualification could be compromised. This is where training providers and Apprenticeship Training Associations can offer real solutions as they take on the burden of processing the paperwork on behalf of employers.

In Supporting Youth Employment, government signalled that it was considering an element of payment by results for employers who take on apprentices: “[government] will promote employer-led expansion of Apprenticeships through a significant reduction in data collection and audit, piloting an outcome-based payments system for large employers that would prefer this approach.”³⁰

Working Links welcomes this initiative and will be following the results of the pilot with interest. However, we believe that the appetite for payment by results is not confined to the larger businesses referenced by government (BT, McDonalds, TUI Travel). We asked our employers if they might be interested in a payment by results incentive scheme, and 57% replied that they would be.

Government has now rolled out a new model of incentivising providers to place people on benefits in sustainable employment in the Work Programme. Working Links believes that a similar approach could be used for Apprenticeships. In the Work Programme, different categories of individuals carry different fees (i.e. people furthest from the labour market carry the highest fee to the provider). Working Links calls on government to pilot an additional payment by results strand of the Work Programme. This will reward providers who help unemployed young people to access and complete an Apprenticeship. We will return to this subject when considering the specific issue of helping the most disadvantaged young people to benefit from Apprenticeships.

³⁰ Supporting Youth Employment, HM Government (2010)

Recommendation 3: Government should pilot a payment by results scheme that encourages providers and employers to offer Apprenticeships to the youth unemployed and rewards the provider on completion of the Apprenticeship.

Apprenticeships and small businesses

Our research highlighted a consensus that if the provision of Apprenticeships was to expand at the rate that government desires, then small businesses (or SMEs) will be a critical part of that provision.

47% of all apprentices are employed by businesses which employ fewer than 25 people. However, larger businesses are far more likely to offer Apprenticeships. Only 5% of the smallest businesses with 2-4 employees offer Apprenticeships, rising to 10% for businesses of 5-24 employees. 24% of businesses with between 200 and 499 employees offer Apprenticeships, and 30% of larger companies employing 500 or over³¹.

It is clear that, if the expansion of Apprenticeships is to go ahead, SMEs will have to play a significant part. Recognising this, government announced in the budget in March 2011 that the funding for 10,000 of the additional Apprenticeships promised would be targeted at SMEs that offered advanced and higher level Apprenticeships³².

Working Links asked employers what they thought government could do regarding the specific issue of engaging small businesses. 66% replied that government should make the Apprenticeship scheme less bureaucratic for the employer, and 63% advocated better financial incentives: "In the end it's all down to money. Government has to provide an incentive for employers." Nearly half (49%) thought that government needed to better publicise the benefits of Apprenticeships to businesses.

Our experts also agreed that government needs to do more to incentivise small businesses. Some favour financial incentives but most recognise that this cannot be the only answer in the current fiscal environment. Government has itself indicated that it does not favour straight cash incentives, asserting that a: "market-based approach to supporting youth employment is preferable to interventionist subsidy approaches which, historically, have had significant deadweight costs and had a low take up"³³.

Despite government's stated opposition to subsidies, they remain a key policy in both the Work Programme and in schemes aimed at reducing reoffending. Government has also indicated that subsidies could be used to encourage expansion of Apprenticeships, "piloting an outcome-based payments system for large employers that would prefer this approach"³⁴.

Working Links believes that this approach need not be limited to larger employers, and favours further work on pilots that also target and incentivise small businesses through an outcome-based model. Our research reflects that employers are also interested in this proposition. 57% of employers thought that an outcome-based payments system would encourage businesses to start or expand Apprenticeship schemes. The other benefits of an outcome-based payments system are discussed further in later sections.

Recommendation 4: Government should extend its pilot of an outcome-based payments system to small businesses.

Our research also highlights the role that Apprenticeship Training Associations (ATAs) can play in enabling the expansion of Apprenticeships among small businesses. ATAs were first established in Australia, where they are the largest employer of apprentices. Under the ATA model, apprentices are hired, paid, managed and supported by an ATA. Apprentices complete the work-based element of their training at host companies for which the hosts pay the ATA a fee. The ATA takes on most of the administration, dealing with payroll, support and supervision of the apprentice and is the legal employer. The flexibility this offers is particularly appealing to small businesses.

Recommendation 5: Government should support the expansion of Apprenticeship Training Associations through Sector Skills Councils, colleges and training providers.

³¹ National Employer Skills Survey for England 2009 (UKCES 2009)

³² Budget 2011, HM Treasury

³³ Supporting Youth Employment, HM Government (2010)

³⁴ Ibid

Young people's attitudes to Apprenticeships

Government's ambition to increase the provision of Apprenticeships will require businesses to expand or begin Apprenticeship schemes. However, unless young people are motivated to apply for and complete Apprenticeships, this policy will not have a significant impact on youth unemployment.

Our research demonstrates that young people are interested in Apprenticeships, and that they think Apprenticeships will help them to find work. But it also shows that some young people still associate Apprenticeships with academic failure.

80% of young people believe Apprenticeships are aimed at those with low qualifications.

Nearly 80% of the young people surveyed thought Apprenticeships were aimed at those with low qualifications, and a quarter of the young people (24.9%) gave this as a reason for not considering an Apprenticeship. Other notable barriers for people considering an Apprenticeship for themselves were:

- No Apprenticeships in their chosen role (54.4%);
- Considering a degree as the best route to a good job (34.7%); and
- A belief that Apprenticeships were for 'people who are really good at hands-on work' (33.7%).

Long-standing preconceptions about the nature of Apprenticeships have not been erased. Our experts echoed this view and suggested that government must do more to dispel myths about Apprenticeships and other vocational education offers. Some experts said that parents discourage their children from vocational qualifications, including Apprenticeships. Our survey contradicts this view - 82% of young people thought that their parents would approve of them becoming an apprentice. When we asked why parents might not approve, the majority said that their parents would prefer them to go to university.

Our experts also highlighted a disparity in the attitudes of young people from different backgrounds and ethnicities. White working class parents were more likely to approve of an Apprenticeship than parents from professional backgrounds or parents from black and minority ethnic (BME) backgrounds. Working Links applauds the efforts of those colleges (notably Leicester College in conjunction with Rathbone) who are working hard to increase participation in Apprenticeships from BME young people.

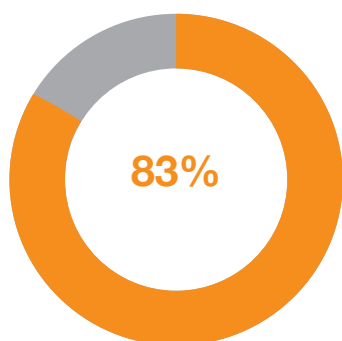
More worryingly, one of our experts said that, even where there was more BME participation in vocational qualifications and Apprenticeships, it did not always result in employment. Anecdotal evidence suggests that, where a trade is dominated by white employers, it can be difficult even for qualified BME young people to find a full-time job. The disproportionate impact of youth unemployment on BME young people is an important issue, but it is outside the scope of this report. However, Working Links remains committed to ensuring equality of opportunity for all young people and welcomes efforts by colleges, training providers and employers to address inequalities wherever they find them.

Section 2: Access to Apprenticeships



How can we help more unemployed young people into Apprenticeships?

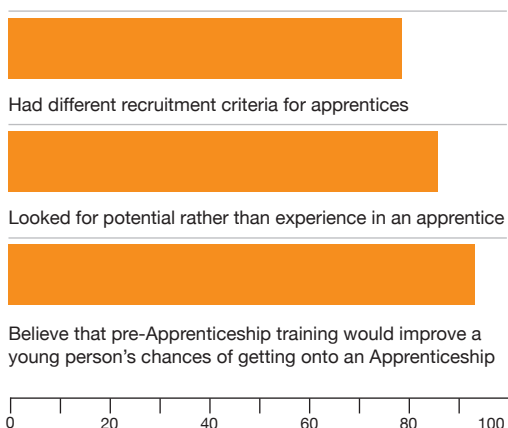
Working Links understands the barriers that young people face when seeking sustainable employment. Many of these barriers also exist for young people who apply for an Apprenticeship. If the aim of expanding Apprenticeships is to reduce youth unemployment, then government must enable young people to overcome those barriers, or risk excluding large numbers of young people from Apprenticeships.



83% of young people believe employers are prejudiced against unemployed young people

Employers can be reluctant to employ young people who have been out of work for a long time. Long-term unemployed people are more likely to be poorly motivated or to lack the skills required of a job or an Apprenticeship. Young people recognise this – 83% think employers are less favourably disposed to those who have been out of work³⁵. Young people are also aware of the barriers that might prevent them from gaining an Apprenticeship. 38.1% think that unemployed young people do not have the skills required of them for an Apprenticeship, and 31.7% think that there is not enough training to help people access Apprenticeships³⁶.

Percentage of the employers we surveyed:



Employers are also aware that not all young people who want Apprenticeships will necessarily have the skills required. However, they are more generous when hiring an apprentice than when hiring a full-time employee. 79% of employers said that they look for different skills when hiring apprentices³⁷. Unsurprisingly, 83% “agreed” or “strongly agreed” that, when hiring apprentices, they simply chose the “very best candidate”. But 86% of employers also agreed that they looked for potential rather than experience. The greatest disparity between different requirements for apprentices is in organisational skills and social skills. Employers clearly anticipate that apprentices can learn these on the job.

Our research and interviews indicate that some form of pre-Apprenticeship training would benefit people who want to become an apprentice. Over half of the young people (54%) we polled would consider a pre-Apprenticeship course. Employers emphasised that pre-Apprenticeship training would improve the chances of young people gaining an Apprenticeship (97%)³⁸. However, employers did not think the benefits of pre-Apprenticeship training would be confined to people who lacked basic skills. 76% of employers who run Apprenticeship schemes thought that anyone wanting to be an apprentice would benefit from pre-Apprenticeship training³⁹.

³⁵ Working Links Young people's survey q. 18

³⁶ Working Links Young people's survey q. 19

³⁷ Working Links Employers' survey q. 11

³⁸ Working Links Employers' survey q. 14

³⁹ Working Links Employers' survey q. 15

Government recognises the importance of pre-Apprenticeship training if Apprenticeships are to reduce youth unemployment. In May 2011, government announced a new Access to Apprenticeships pathway within the Apprenticeship system that will benefit up to 10,000 vulnerable young people⁴⁰. Working Links welcomes this commitment but considers that it lacks sufficient ambition. Even by government's own lower estimates, youth unemployment is well over half a million – there are more than 10,000 vulnerable young people in need of help.

Recommendation 6: Working Links recommends that government expands the Access to Apprenticeships pathway beyond the original 10,000 figure cited in Supporting Youth Employment.

⁴⁰ Supporting Youth Employment, HM Government (2010)

Protecting the Apprenticeship brand

The experts we interviewed were all supporters of Apprenticeships in principle, and of successive governments' commitment to expanding availability and access. However, a recurring concern was the consequences of targeting Apprenticeships at unemployed or disadvantaged people. When Modern Apprenticeships were rebranded in light of the Leitch Review, the scheme's champions inside government were determined that Apprenticeships should be seen as aspirational.

This determination to protect the brand has made some government officials reluctant to promote Apprenticeships as a route to employment for long-term unemployed or disadvantaged people. Some of the experts we interviewed said that if Apprenticeships became associated with people who are unemployed, low-skilled or ex-offenders, it would put off potential candidates. More than one expert made a comparison to the poor reputation of the Youth Training Schemes in the 1980s.

91% of employers believe Apprenticeships should be seen to be aspirational.

The majority of employers also expressed concern about associating Apprenticeships with disadvantaged people (55%). An overwhelming majority thought it important that Apprenticeships should be seen as aspirational (91%). Working Links also believes that Apprenticeships should be aspirational – indeed we would say that Apprenticeships should be seen as a credible alternative to university, and a route into sustainable employment. For this to be the case, there must be increased funding for Apprenticeships at Level 4.

As the above demonstrates, the young people in our survey also still see Apprenticeships as being for lower skilled applicants and trade-related vacancies. Just under 80% of those surveyed thought that Apprenticeships were aimed at people who have left school with lower levels of qualifications. This suggests that efforts to portray Apprenticeships to young people as more aspirational have not been entirely successful. The promotion of Apprenticeships to all young people should be improved. Providers and colleges should promote Apprenticeships as aspirational for all young people, regardless of their circumstances.

There is no contradiction in encouraging young people to see Apprenticeships as both a route out of unemployment and an aspirational choice. As an organisation, Working Links encourages aspiration in people regardless of their background. All members of society, especially people from disadvantaged backgrounds, should be encouraged to aspire to the careers they choose if the job is to be sustainable into the long term. Where there is a skills deficit, and young people are not yet ready for Apprenticeships, we believe they should be given those skills so that they too can benefit. Finally, we believe that it is the very strength of the brand that will help government and employers to increase people's ability to access Apprenticeships and so reduce youth unemployment.

Reaching out to those furthest from the labour market

Working Links has over a decade's experience in helping people of all ages to find sustainable employment. We know the challenges for people who have been long-term unemployed; who lack even very basic skills or who are poorly motivated. Young people facing these challenges are unlikely to gain a place on an Apprenticeship scheme without extra help.

Government has recognised the work involved in preparing someone for sustainable employment in its new Work Programme. Working Links believes that the same principles could apply to Apprenticeships, as they constitute a form of employment. Providers who assist young people to come off benefits and begin an Apprenticeship are saving government, and the taxpayer, money.

Most employers we surveyed agree that they have a responsibility to help reduce unemployment (57%)⁴¹. A number of employers said that they felt a responsibility to the community: "Employers are part of the social fabric of the country and could not operate without society's support and government infrastructure. They should recognise this and give back more than just taxes."⁴² Additionally, they recognise the importance to their businesses of investing in the future: "It is important to pass skills on to a new generation, so businesses have a responsibility to train youths for the future."⁴³

Government should do more to encourage businesses to act on this responsibility in the interests of young people and their own businesses. The importance of passing on skills to the next generation is critical in selling Apprenticeships to businesses. Government should be a better advocate of this argument.

We believe Apprenticeships will help young people to find sustainable employment. We also believe that more will have to be done for the most disadvantaged people. Government has seen the merit in rewarding outcomes and using payment by results to encourage and enable providers of the Work Programme to help all people who are out of work. We believe this model could be extended to Apprenticeships to give all young people a chance, even people who are furthest from the job market.

Recommendation 7: Government should pilot a payment by results programme for Apprenticeships within the Work Programme, aimed at young unemployed people. Such a scheme would include greater incentives for helping people furthest from the labour market (for example young people who are long-term unemployed, ex-offenders, drug addicts and so on).

⁴¹ Working Links Employers' survey q. 22

⁴² Working Links Employers' survey q. 23

⁴³ Ibid

Section 3: Addressing the employability gap



The transition from school to the workplace

Both employers and training providers recognise that the transition from education to the workplace is often a difficult adjustment for young people. Some employers assert that there is a significant skills and employability deficit among school leavers, people leaving college and graduates. The CBI believes that improving employability skills should be a top priority for schools. The CBI's Education and Skills Survey 2011 states: "70% of employers want to see the development of employability skills among young people at school and college made a top priority – this does not require a new qualification but rather embedding the skills in the curriculum, as the best schools and colleges already do."⁴⁴

Some of our experts thought that employers were simply expecting too much of new employees, especially people in their first job. Employers were described as demanding instant results, and of failing to recognise that a young person's first experience of the workplace was the only place they were going to learn certain skills such as time management, managing workplace relationships and adjusting to regular working hours.

Working Links recognises that many school leavers are not work-ready, and our survey results confirm this view. 44% of employers who do not recruit young people felt that they do not have the skills to enter the workplace⁴⁵. 63% of employers said that young people do not have the skills to contribute at work from their first day⁴⁶.

⁴⁴ Working Links Employers' survey q. 22

⁴⁵ Working Links Employers' survey q. 23

⁴⁶ Ibid

Literacy and numeracy

The CBI's skills survey found that 42% of firms were not satisfied with basic literacy, and that 35% of firms were not satisfied with basic numeracy. The UK Commission for Employment and Skills (UKCES) disputes this assertion.

“Just 3.4% of employers who recruit 16 year old school leavers find them poorly prepared for work because of deficiencies in literacy or numeracy. These percentages fall even further for college leavers and university leavers.”⁴⁷

2.7% of employers told us they do not recruit young people because they lack literacy and numeracy skills.

Working Links' research leans towards the conclusions reached by the UKCES. Only four of the employers who we surveyed cited basic literacy and numeracy skills as a reason why they did not choose to employ young people, amounting to 2.7% of all employers surveyed. This rises to 9% of those who specifically stated that they did not actively recruit young people. It would seem that the perception of a lack of basic numeracy and literacy skills does not reflect the reality. More employers suggested appearance and being presentable was a more important factor when assessing young applicants than literacy and numeracy.

Our expert interviews tended to echo the view that low levels of literacy and numeracy were overstated as barriers to employment. Nevertheless, a number of them did highlight the fact that the numbers of people leaving education with poor literacy and numeracy was unacceptably high. Several considered this to be a damning indictment of the education system, citing levels of low literacy and numeracy amongst school leavers from a state education that costs of £60,000.

Working Links believes that low levels of literacy and numeracy can be overstated and our evidence supports this. Regardless, it is unacceptable that so many young people leave school without these basic skills and there is no room for complacency.

Recommendation 8: Working Links believes government should seek to tackle low levels of literacy and numeracy with renewed vigour. Access to Apprenticeship courses, as well as other vocational courses and Apprenticeships, should necessarily involve literacy and numeracy elements to ensure that young people who choose the vocational route have the basic skills they need to succeed in the workplace.

⁴⁷ The Youth Inquiry – Employers' perspectives on tackling youth unemployment (UKCES 2011)

Employability training in the curriculum

There is a range of views as to the importance of employability training in schools. Some of the experts interviewed were adamant that preparing young people for the workplace is an absolute duty for schools, while others felt that schools offered a range of activities that could be properly recognised as offering employability through the mainstream curriculum. Evidence from Young Enterprise Scotland⁴⁸ highlighted the benefits to schools of external employability training. It was noted that pressure to achieve improved exam results had come to dominate and that this left little room for employability training, either as a fixed element within the school day or as part of mainstream teaching.

Training providers noted that there was a significant soft skills deficit among young people. Further Education colleges work to increase students' employability skills through their enrichment programmes, though the funding for such programmes has been cut and the obligation to provide extra-curricular activities has been reduced. The National Union of Teachers (NUT), among others, has challenged government as to the impact of these cuts:

“Funded guided learning hours for the ‘entitlement curriculum’ (enrichment / tutorial) will be cut by 75% to 30 hours – the Times Educational Supplement estimates this may lead to a 10% cut in overall funding nationally by 2015. ‘Enrichment’ in colleges generally means opportunities for students to take part in musical, theatre, dance and sports activities; volunteering and charity work; and a whole range of other courses.”⁴⁹

Some respondents drew attention to the link between poor soft skills and a disadvantaged background. It was noted that people coming from families where both parents were long-term unemployed would statistically have fewer soft skills.

⁴⁸ Interview with Stuart Miller, Young Enterprise Scotland

⁴⁹ Education Committee on Participation by 16-19 year olds in education and training – Written Evidence, see - <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmeduc/850/850vw01.htm>

Soft skills

All the experts we interviewed see soft skills as vital for young people looking to enter the workplace. Most believe that soft skills are more important now than ever. The growth of the hospitality and leisure industry in the UK should be drawing on young people to meet their employment needs. However, anecdotal evidence suggests that poor communication, social and organisational skills mean that too many young people are not ready to enter the workplace. Our experts think that young people are also being squeezed out of jobs in this sector by better-qualified young people from the UK and increasingly from elsewhere in the European Union.

Our surveys also reveal the importance of soft skills to employers. 91% of employers cited “enthusiasm and motivation” as the most important skills they are looking for. They also cited good attitude to learning (85%), good social skills (71%) and self-confidence (51%). Only 15% of employers assert that degree level qualifications are the most important skills they look for when recruiting⁵⁰.

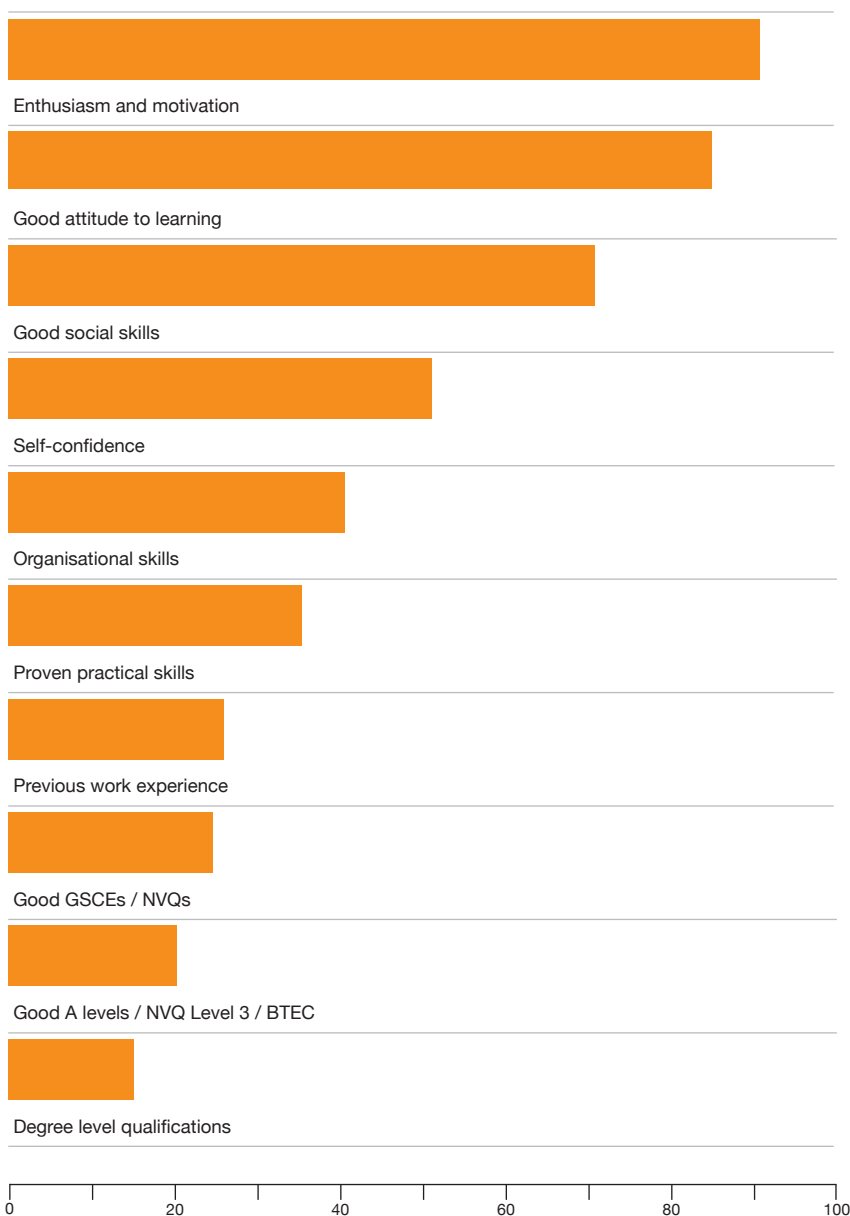
Young people also recognise the importance of soft skills to employers. Young people and employers rank the same skills as most important with 84.2% saying that enthusiasm and motivation are the most important attribute for employers. 82.2% of young people cite good attitude to learning, 65.1% cited good social skills and 52.9% cite self-confidence.

Working Links welcomes the fact that young people and employers are aligned in assessing soft skills as most important when looking for work. However, we believe too many young people are not getting the help they need to develop these skills within the curriculum

Professor Alison Wolf raised this in her review of vocational education and recommended the following:

“DfE [Department for Education] should evaluate models for supplying genuine work experience to 16-18 year olds who are enrolled as full-time students, not apprentices, and for reimbursing local employers in a flexible way, using core funds. Schools and colleges should be encouraged to prioritise longer internships for older students, reflecting the fact that almost no young people move into full-time employment at 16; and government should correspondingly remove their statutory duty to provide every young person at KS4 [Key Skills 4] with a standard amount of “work-related learning”⁵¹.

What are the most important skills and attributes you look for when recruiting young people?



⁵⁰ Working Links Employers' survey q. 6

⁵¹ The Wolf Report – Review of Vocational Education (HMG 2011)

In government's response to the Wolf Review, the Department for Education said that it would accept this recommendation. Working Links is concerned about the consequences for young people if work-related learning is removed from the curriculum altogether. While we recognise that work experience arrangements for 16 year olds are far from satisfactory, we are concerned that some schools may no longer consider work-related learning at all.

Wolf states in her report: "The blanket requirement to give all KS4 pupils 'work experience' – or, as it has officially become, 'work-related learning' – has served its time. It is very expensive – typically for a school, the equivalent of at least half a full-time senior teacher's salary a year plus substantial administrative support. Too often, now, this does not even involve being in a workplace, as schools admit defeat and arrange something 'work-related' (and largely pointless) on school premises."⁵²

Of course there is little value in any activity in schools that can be labelled "largely pointless". However, we believe that schools should be encouraged to deliver more effective soft skills education through the mainstream curriculum. Working Links welcomes Wolf's commitment to work experience for 16-19 year olds and government's acceptance of it in their response to the report.

Our young people want their schooling to be more relevant to the workplace. 87% of the young people we surveyed think that schools should teach young people skills that would help them in a particular job or career.

Recommendation 9: Government should place a statutory obligation on schools to teach employability skills through the mainstream curriculum. This training should be ingrained in a school's ethos, much as enrichment is ingrained in good Further Education colleges. Working Links believes that employability skills such as teamwork, communication skills, social skills and self-confidence can be taught in subject lessons and in extra-curricular activities. We know this is happening in good schools – it should be happening in all schools.

The role of youth services

If access to apprenticeships is to be extended to all, then young people who are NEET will also have to be given the employability skills they need to secure a placement. By definition, NEET young people will not be able to benefit from improved employability skills in schools and colleges. In 2009-10, government spent over £350 million on youth services. Working Links shares the views recently expressed by the House of Commons Education Select Committee in their report, Services for Young People, that "good youth services can have a transformational effect on young people's lives and often play a vital role in supporting both vulnerable young people and those without particular disadvantage"⁵³. However, we also share government's view that not all youth services meet this standard.

Tim Loughton, Minister for Children and Families, said in May 2011: "Youth services in this country are one of the most high-profile unreformed services we have. A lot of other areas of children's services have undergone a lot of change – much for the better. But youth services have been left in a time warp"⁵⁴. The Minister has promised radical change. Working Links believes that this presents an opportunity for government to embed employability training in youth services provided by Local Authorities. Schools and colleges are best placed to serve those in education and training by providing employability skills through the mainstream curriculum. Youth services running programmes to tackle social exclusion and help young people into education, employment or training must also address the employability gap.

Recommendation 10: In light of government's undertaking to reform the provision of youth services, we call on government to consider how youth services provision can better contribute to reducing youth unemployment.

⁵² Ibid

⁵³ House of Commons Education Select Committee Report, Services for Young People (2011)

⁵⁴ Youth services 'in a time warp' says Loughton (Children & Young People Now, May 2011) see - http://www.cypnow.co.uk/Youth_Work/article/1068272/Youth-services-in-time-warpsays-Loughton

Careers advice and guidance

Working Links welcomes the fact that government (subject to passage of the Education Bill) will place a legal duty on schools to provide independent and impartial careers advice.

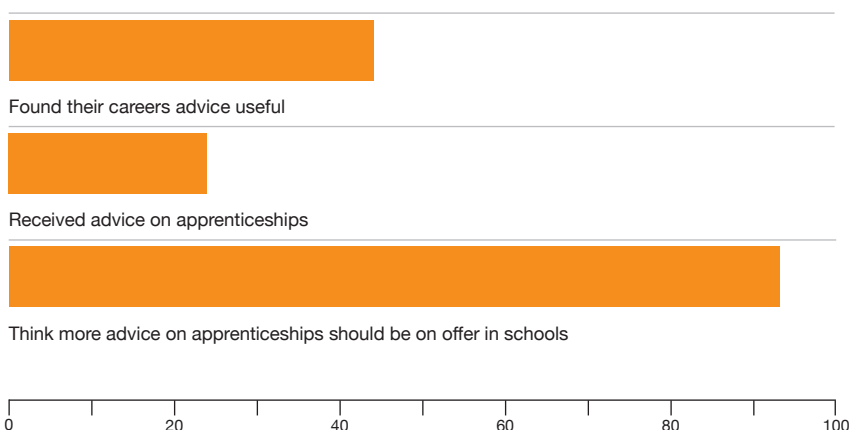
Our evidence from young people, employers and experts all confirm that careers advice in schools is of varying quality. We have also had anecdotal evidence that, in some schools, advice is biased in the school's interest rather than the individual's. Only 44% of young people we surveyed consider the advice they received in schools to be useful.

Employers were similarly unimpressed with the quality of careers advice offered in schools. Some employers expressed frustration that they were not more involved in helping to provide careers advice. 73% of employers wanted to see more engagement around work experience, and 59% wanted to be engaged on mentoring schemes. 49% of employers wanted direct engagement with schools on vocational learning. One employer emphasised that "Careers Services need to understand what SMEs need" while another remarked that "some careers advisers are very out of date." Employers overwhelmingly want to be engaged by careers advisers. 95% of employers felt careers services "could do more to engage businesses and employers to provide young people with careers advice and employability skills". Working Links notes the efforts made by University Technical Colleges to engage with employers and ingrain engagement with businesses in their curriculum.

Working Links welcomes government's new commitment to the National Careers Service and its pledge to develop the skills and expertise of careers advisers as set out in the Higher Education White Paper. This is a necessary first step in raising the standard of careers advice for all young people in schools, colleges and universities⁵⁵.

Our evidence also revealed an alarming failure on the part of schools to fully explain the range of choices available. While 69.5% of young people received advice and support on college courses and 63.7% received advice on university courses, only 23.8% of young people received advice on Apprenticeships within schools. Young people strongly felt that schools and colleges should take more time to explain Apprenticeships and what they offer (93%).

The percentage of young people we surveyed:



95% of employers believe educational institutions should engage more with business to provide careers advice.

From the interviews we had with experts, it was clear that far too many schools simply encourage young people to take A levels and remain in their school. While A levels will be the right choice for a huge number of young people, they are not the only route to a sustainable career or a fulfilling life. Schools have a duty to inform young people about the full range of education and training options before them. We also feel that, too often, the vocational options available, including Apprenticeships, were only offered to young people once academic options had been ruled out.

Recommendation 11: Government should expand its definition of independent and impartial careers, advice and guidance. This would place a legal duty on schools to explain the full educational offer (including Apprenticeships) available to young people of all abilities.

⁵⁵ Students at the Heart of the System – the Higher Education White Paper (HM Government 2011)

Next steps

This report makes 11 clear recommendations to government that we believe will make Apprenticeships a better vehicle to reduce youth unemployment. Working Links is looking forward to an ongoing dialogue with government, employers, education, training providers and young people to deliver our shared ambitions. The scope of this report is tightly focused around the link between expanding the number of Access to Apprenticeships opportunities and reducing youth unemployment.

For this reason, as well as making specific recommendations to government, we reach the following substantive conclusions:

- The time has now come for government and the educational establishment to have the courage to consider root and branch reform of education. Working Links believes that such a debate is critical if our educational system is to give young people the skills they need to compete in the 21st century;
- At the heart of any debate must be the relative benefits of academic and vocational education. Understandably wary of long-standing sensitivities around class and privilege, university-educated MPs shy away from promoting the expansion of vocational education. As a consequence, our education system is letting young people down and jeopardising the UK's future economic prospects;
- For too long, education policy has focused on raising academic standards to the detriment of all other benefits for young people. Raising standards should be a given. Working Links believes that giving young people skills for life should be the overriding priority in all our schools, colleges and universities; and

- To give young people the skills they need will mean offering different types of education to different people. We believe that there should be opportunity for all, so that all young people use the breadth and depth of their talents. Where young people lack the skills they need, they should be offered the opportunity to improve rather than be directed down a narrow academic pathway which requires only minimal skills. Pre-Apprenticeship training will be critical to expanding the opportunities for young people to pursue training that will give them the skills they need.

79% of the young people we surveyed thought that education policy was too focused on academic qualifications. 76% of our employers also felt there was too much focus on academic qualifications. The same group of employers ranked degree-level qualifications as among the least important attributes they look for in young people, compared to soft skills and good attitude.

Working Links hopes that this report, and the work that underpins it, can play a part in the debate on vocational versus academic education. While we do not have all the answers, it is crucial that the UK now addresses this issue head on, so that it can better compete in the global economy of the 21st century.

Overall methodology note

In order to understand whether Apprenticeships are delivering their objectives, and what can be done to improve them, we designed research that combined new insights from both employers and young people with our desk research and expert analysis on the topic. Our questionnaires were designed to solicit interesting and useful feedback from each type of stakeholder.

The research was designed to gather the most relevant insight from three distinct audiences: employers, young people and experts.

Primary research sample:

- 150 employer responses;
- 500 young jobseeker responses;
- 5 employer interviews; and
- 10 expert interviews.

The employers' and young people's views were gathered through dynamic online surveys. The samples are representative of the total population across the UK. Employer organisations were representative of both SME and larger companies. Young people were screened for age (16-25 year olds only) and employment status (non full-time employed young people only).

Desk research covered relevant academic, think tank, trade association and corporate publications and databases related to the subjects of youth (un)employment, Apprenticeships and other topics.

Experts in these areas were contacted in order to ascertain their views and recommendations for enhancements to Apprenticeship schemes.

The full results of this research are available at www.workinglinks.co.uk

Employer perceptions

Research methodology

Primary research was conducted amongst UK based employers in early June 2011. An online survey was designed to gather the views of a cross-sectional sample of employers, utilising in-depth telephone interviews to further understand their views about key topics related to Apprenticeships.

The online survey was launched to collect opinions from 150 employer organisations representative of UK businesses. Only people responsible for recruitment decisions were polled. The survey consisted, in the main, of closed questions with some room for open commentary and elaborations. It took, on average, fifteen minutes to complete. The questionnaire was designed to allow for different paths of responses, with the later items expanding on the views of sub-groups of respondents, depending on (and building upon) their previous answers.

In-depth interviews were conducted with five employers currently involved with Working Links. These interviews were straight after the online research using semi-structured interview scripts and incorporating probing questions related to the online survey results.

Results of our primary and desk research are analysed in this section to uncover employer perceptions on topics such as the following:

- What are the main perceptions of UK employers regarding recruiting young people?
- Are there any perceived skills gaps?
- What qualities do employers look for in young employees?
- What is their experience with Apprenticeships?
- What do they look for in applicants to an Apprenticeship scheme?
- Do the schemes and the apprentices deliver to expectations?
- What are employers' recommendations for the enhancements of the Apprenticeship schemes?
- What can be done by government; including incentives, minimising bureaucracy and so on?
- What are employer expectations of welfare to work providers?

Full result details of the online survey are available on the Working Links website at www.workinglinks.co.uk

Young people's perceptions

Methodology

Primary research was conducted amongst young (16-25 year old) people in early June 2011. An online survey was designed to gather the views of a representative sample of young people across the UK.

500 completed responses were gathered ensuring representation across the relevant demographic. The survey sample included individuals in part-time education or part-time work. People in full-time employment were screened from the survey.

The survey participants were given a discretionary incentive for their time. Results were analysed and comparisons made between certain groups in the sample.

The results of this survey are reported at www.workinglinks.co.uk and detail young people's views around the following topics:

- Who are Apprenticeships for?
- Are young people interested in an Apprenticeship and why / why not?
- Do they feel they have any skill shortages in order to find viable employment, and what are the main barriers they see to finding a job?
- What do they expect of government, educational institutions and companies to help lower unemployment amongst young people?

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