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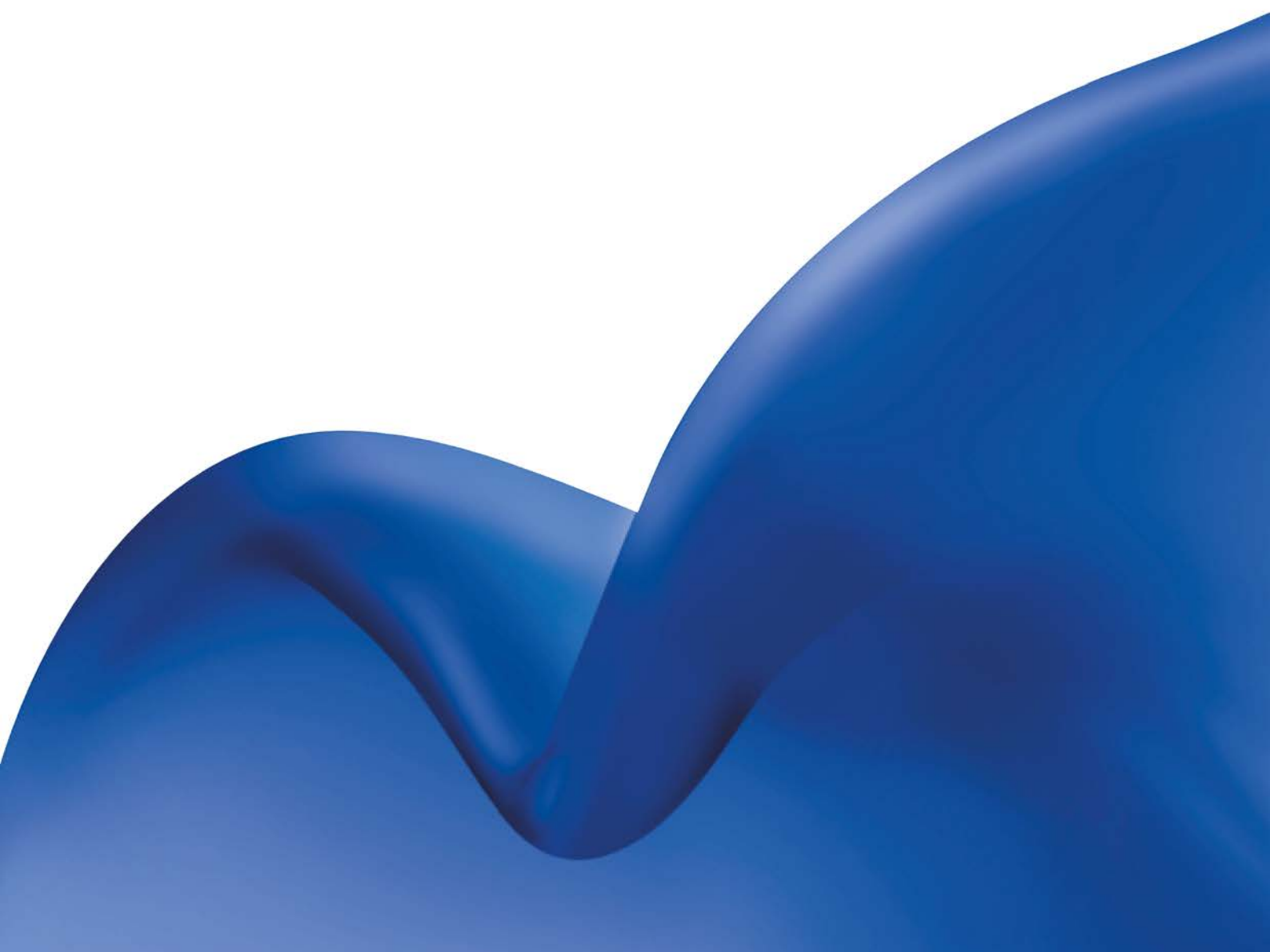


The road less travelled?

Improving the apprenticeship pathway for young people

A Missing Million Policy Paper

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Executive summary

Youth unemployment currently stands at almost one million. In large part this reflects the impact of the recession. However, youth unemployment was rising even before then – some measures suggest youth unemployment began to rise in the early 2000s. As well as the short-term rise associated with the recession, it is important to consider the long-term causes of rising youth unemployment. In particular, it is increasingly recognised that pathways from education into work need to function better for those not taking the traditional academic route.

Apprenticeships are an important way of improving vocational routes from school to work and are seen as a key mechanism to address the UK's youth unemployment problem. Apprenticeships can be hugely beneficial to a young person's labour market prospects, can bring significant benefits to businesses and are an important tool for developing a skilled workforce.

However our current apprenticeships system has several major limitations; Their educational content is typically low, and the model has been poorly adapted to the service sector which is responsible for 85 per cent of UK employment. Compared to other European economies fewer employers employ apprentices, and those that do appear to be less involved in their design. Unsurprisingly few young people consider apprenticeships to be a productive route into employment. It is increasingly clear that we are failing to provide many of our young people with the options they need to progress and that this is contributing to the record levels of youth unemployment.

This has been a long-standing issue for the UK, but there is an urgent need for action now. Increases in the participation age will place new strains on our vocational education system, potentially exacerbating the scale of the challenge. From June 2015 young people must continue in education and training until 18. This is likely to create a new stream of individuals looking for options which combine education and training at a time when high quality provision for young people is scarce. But as much as it reflects a challenge, this policy change represents a major opportunity to re-think and re-design our apprenticeship system to meet new demands and the needs of our modern service economy. Renewed political and public interest in the idea of apprenticeships means that there is real potential for change. This policy paper sets out an agenda for how government, employers and training providers can work together to make this a reality.

This policy paper presents a case study of apprenticeships in the adult social care sector. This is an example of a growing service sector with significant skill demands, and where growing the number of high quality apprenticeships could offer a strong vocational alternative to academic routes into the labour market across the country. However, the experience of apprenticeships in social care illustrates many of the general limitations of the current system and as with many apprenticeships in the service sector, issues around low pay, insecurity and limited career progression must be improved if apprenticeships are to offer young people a valuable route into work.

Pathways into apprenticeship for young people must be improved. Government must act urgently to ensure that the careers advice and guidance in schools is improved (particularly for those who wish to pursue vocational pathways); KS4 Work Experience should be re-introduced along with taster days for both vocational and academic options for all students; current and former apprentices should be encouraged to take part in school alumni mentoring programmes; information about apprenticeship opportunities should be simplified and available in one place, and Traineeships should be available for all those young people who seek to undertake an apprenticeship but who are not yet ready to undertake a full apprenticeship.

Increasing employer engagement is key to a successful apprenticeship system. Promotional activities should be expanded, the impact of larger employers should be maximised (e.g. through supply chains and business networks), links between schools and employers should be strengthened, support for and representation of small businesses must be increased, and information for employers should be consolidated and made easier to access. Government should also lead by example – both directly and via procurement.

The educational and training content of apprenticeships must be enhanced – more needs to be done to expand both advanced and higher level apprenticeships and to ensure that young people are able to take up apprenticeships at higher levels. Government targets for growing the number of apprenticeships should be set for each level. The current balance between academic content and on the job training should also be reviewed to bring it more in line with higher international standards.

Government must improve both data collection and regulation of the apprenticeship system. The government must closely monitor and ensure that apprenticeships involve a new job role and should train apprentices to do a higher skilled job¹, and that apprentices receive their minimum wage entitlement. Those employers paying below this level should be sanctioned. It is also vital that government collects and publishes robust data on the impact

¹ DfE/BIS (2013) *The Future of Apprenticeships in England: Next Steps from the Richard Review*.

and returns to apprenticeship. This should be used to guide the development of apprenticeships going forward and demonstrate their value for individuals, business and the wider economy.

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1. Introduction

Youth unemployment currently stands at almost one million. In large part this reflects the impact of the recession; however youth unemployment was rising before this and started to grow from the mid-2000s. This highlights the need for policy to address the long-term problems in how young people move from education into the labour market. In particular, it is increasingly acknowledged that the system needs to function better for those not going down a traditional academic route.² Apprenticeships have been widely touted as one way of doing this³, and the Coalition has focused on growing the number of apprenticeships available – with the number of people starting apprenticeships growing significantly in recent years.

Apprenticeships can be hugely beneficial to a young person's labour market prospects – for example, evidence shows that young people who have completed an apprenticeship are significantly more likely to be employed in the future than comparable young people without an apprenticeship.⁴ They are also an important tool for developing a skilled workforce, and taking on young apprentices can bring significant benefits to businesses. Recruiting young people through an apprenticeship has also been found to be good for staff retention⁵, which in turn has productivity benefits and reduces recruitment costs.⁶

But the current system has several limitations, and as the economy continues to shift away from production and manufacturing (where the apprenticeship model tends to work well) towards service industries (with significant limitations, for example, in many retail apprenticeships⁷) there are questions over the current models' suitability in equipping young people with the skills they need to enter and succeed in the labour market.

Yet, there are some growing sectors in the service economy where apprenticeships could prove incredibly valuable, both to individuals and the wider economy. This policy paper presents a case study of the social care sector as an example of a growing sector with significant skill demands, and where growing the number of high quality apprenticeships

² See, for instance, Birdwell, J., Grist, M., and Margo, J. (2011) *The Forgotten Half*. Demos

³ DWP – Youth Contract: Key initiatives <http://www.dwp.gov.uk/youth-contract/key-initiatives/> accessed 28/08/13

⁴ McIntosh S. (2007) *A Cost-Benefit Analysis of Apprenticeships and Other Vocational Qualifications*. RR 834

⁵ Hogarth, T., Hasluck, C., and Daniel W. (2005), *Employing Apprentices: The Business Case*, Report for the Apprenticeships Task Force, Institute for Employment Research, University of Warwick, September; CIPD (2011) *The business case for employing young people*

⁶ Hasluck, C. (2012) *Why businesses should recruit young people- Briefing Paper*. UKCES.

⁷ Spielhofer, T. and Sims, D. (2004) 'Modern Apprenticeships in the Retail Sector: stresses, strains and support' *Journal of Vocational Education and Training*, Volume 56, Number 4; Brockmann, M. (2012) 'Learning cultures in retail: apprenticeship, identity and emotional work in England and Germany' *Journal of Education and Work*, 1–19

could offer a strong vocational alternative to academic routes into the labour market.

The remainder of this paper is structured as follows:

Section 2 Provides an overview of apprenticeship trends and how these relate to changes in the youth labour market, alongside recent policy developments and debates

Section 3 Presents a case study of apprenticeship in social care as an example of a growing sector with significant skill demands.

Section 4 Draws conclusions and offers recommendations for how the benefits of apprenticeships can be maximised and tailored to the UK's service economy.

2. Apprenticeships and the youth labour market

Over the past few decades the UK economy has shifted from production and manufacturing towards service-based industries. Services now account for 85 per cent of overall UK employment.⁸ This has led to significant changes in the sectors and occupations in which young people work. Distribution, hotels and restaurant industries and other services now provide the largest sources of employment for 16-24 year olds (almost 40 per cent and 27 per cent respectively), and almost one in five young people in work are in sales and customer service jobs. Large numbers also work in elementary occupations (those requiring the fewest qualifications) as well as a significant number employed in caring and leisure.⁹

As a whole changes in the labour market can be described as a shift towards an 'hourglass' economy - where jobs are growing in large numbers at the top, higher paid, end of the labour market requiring higher qualifications and skills levels, jobs in the middle such as administrative and secretarial roles are contracting, alongside some growth in low skilled service and elementary occupations.¹⁰ These trends are forecast to continue¹¹, making good qualifications increasingly important. But for the 'forgotten fifty per cent' of young people not going down the academic route, it can be particularly difficult to break into higher skilled, higher paid professions. High quality apprenticeships are one means to address this issue.

2.1 Apprenticeships in the UK: What is an apprenticeship?

In broad terms an apprenticeship is a form of post-16 education which incorporates both on- and off-the-job learning in a particular trade or skill.¹² They are paid positions and are offered at a range of levels. Through combining education and employment, apprenticeships should smooth the difficult transition from school to work. As such, government has focused on the growth of apprenticeships as part of a strategy to tackle high levels of youth unemployment¹³.

⁸ http://www.ons.gov.uk/ons/dcp171778_327398.pdf

⁹ Sissons, P. and Jones, K. (2012) *Lost in transition? The changing labour market and young people not in employment, education or training*. London: The Work Foundation

¹⁰ Sissons, P. (2011) *The hourglass and the escalator: labour market change and mobility*. London, The Work Foundation

¹¹ UKCES *Working Futures projections for employment change by occupation, 2010-2020*

¹² Lanning, T. (2011) Why rethink apprenticeships? In *Rethinking apprenticeships* IPPR

¹³ For example, as part of the Youth Contract <http://www.dwp.gov.uk/youth-contract/key-initiatives/#sector-based> (accessed 10/07/13)

But in the current system the duration, level, content and expected returns from apprenticeship vary considerably.¹⁴ This has led to concerns that the definition of ‘apprenticeship’ has been stretched too far, and the “brand” diluted.¹⁵

Policymakers recently commissioned a series of reports to review the current apprenticeship offer and to suggest how it might be improved. For example, the Richard Review provided a wide-ranging review of apprenticeships and The Holt Review focused on the accessibility of apprenticeships for small and medium-sized enterprises. In addition a broader review of vocational education was conducted by Professor Alison Wolf, exposing the limited value of many of the vocational qualifications currently on offer for young people and suggesting a greater focus on apprenticeships.¹⁶ Following these contributions, the government is currently planning reform¹⁷, and as such the apprenticeship system is currently in flux. This paper therefore reviews the current performance of apprenticeships in the UK, and considers their role going forward in the UK’s service economy.

2.2 Trends in apprenticeship for young people

Figure 1 shows the main sectors in which young people take up apprenticeship - these are customer service, business administration, and health and social care. Whilst all sectors have seen some growth in recent years this is due in part to a low initial base, and the dominant apprenticeship sectors reflect the wider economic shifts towards service industries highlighted above.

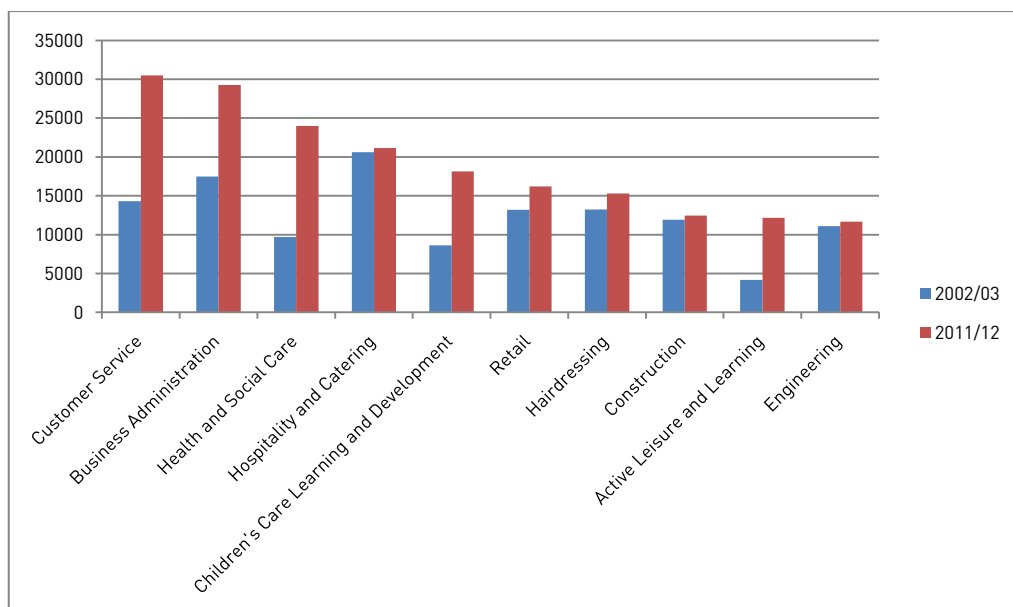
¹⁴ Hogarth, T., Gambin, L., Hasluck, C. (2012) ‘Apprenticeships in England: what next?’, *Journal of Vocational Education & Training* Vol. 64, Iss. 1

¹⁵ Richard, D. (2012) *Richard Review of Apprenticeships in England*

¹⁶ Ibid ; Holt, J. (2012) *Making Apprenticeships more accessible to small and medium-sized enterprises*; Wolf, A. (2011) *Review of Vocational Education – The Wolf Report*

¹⁷ HM Government (2013) *The Future of Apprenticeships in England: Implementation Plan*

Figure 1 Apprenticeship Programme Starts, 16-24 year olds



Source: The Data Service, Skills Funding Agency¹⁸

2.3 Key limitations of the current apprenticeship system

Recent debates have centred on the quality of apprenticeships in their current form, and whether they are equipping young people with the skills they need to enter and succeed in the labour market. Drawing on international comparisons with the German apprenticeship system, The Work Foundation has highlighted several areas in which the system in the UK must be improved.¹⁹ Three key areas are: unclear pathways into apprenticeship for young people, limited educational content and a lack of employer involvement - these are reviewed briefly below.

2.3.1 Apprenticeships and the school to work transition: unclear pathways

While apprenticeships have been a key area of policy, they have so far had only a limited impact on the youth labour market. Figure 2 shows how recent increases in apprenticeship numbers have been driven by growth in the numbers of those aged 25 or above taking this route, with growth in 16-19 age group particularly limited.²⁰ In 2011 only six per cent of 16-18 year olds were enrolled on an apprenticeship programme.²¹ In addition the majority of those starting apprenticeships (71 per cent in 2011) have been existing employees rather than new

¹⁸ Note: data are for Apprenticeships in England

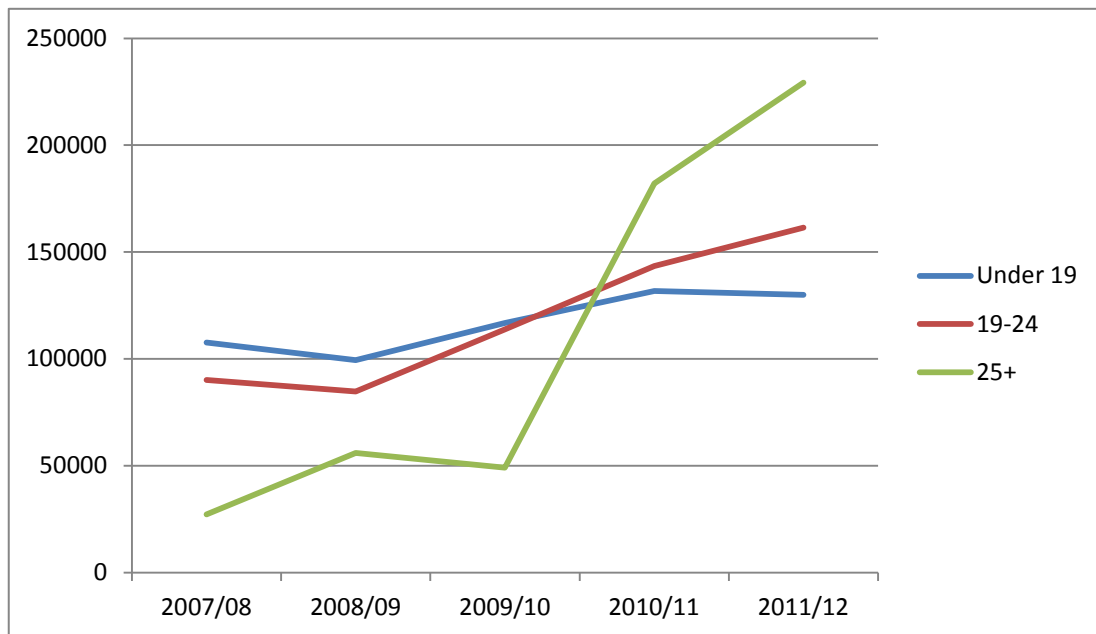
¹⁹ Crowley, L., Jones, K., Cominetti, N. and Gulliford, J. (2013) *International Lessons: Youth unemployment in the global context*. London: The Work Foundation

²⁰ The Data Service, All Apprenticeship starts in England 2007/08 to 2011/12

²¹ DfE (2013) *Participation in education, training and employment by 16-18 year olds: Statistical First Release SFR 12/2012* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/167492/sfr12-2012.pdf

labour market entrants.²²

Figure 2 Apprenticeship starts by age group (all levels, 2007/08- 2011/12)



Source: The Data Service, Skills Funding Agency²³

Recent research by The Work Foundation²⁴ has highlighted the difficulties young people have in navigating the school-to-work transition. Particularly for those who do not go down the academic route, it can be difficult to break into the labour market without the 'soft skills' that are prized by employers, and these are difficult to develop and demonstrate without work experience. Through the combination of education and work, apprenticeships should function as a key mechanism to smooth this transition. However the limited take up of apprenticeship by young and new labour market entrants suggests that apprenticeships are not functioning well as a pathway from education to work.

Part of the problem lies with a fragmented system of careers advice and guidance which is often particularly weak for young people seeking vocational pathways into work.²⁵ Despite this, demand for apprenticeship amongst young people is growing, and already outstrips supply, particularly for the more highly sought after apprenticeships (for example in many of

²² BIS (2013) *Apprenticeship pay survey 2012: Research findings*

²³ Note: data are for Apprenticeships in England

²⁴ Sissons, P. and Jones, K. (2011) *Lost in Transition? The changing labour market and young people not in employment, education or training*. The Work Foundation

²⁵ Balaram, B. and Crowley, L. (2012) *Raising aspirations and smoothing transitions: The role of Careers Education and Careers Guidance in tackling youth unemployment*. The Work Foundation

the top engineering firms).²⁶

If apprenticeships are to offer a clear vocational pathway into the labour market, their popularity amongst young people must continue to grow, and as the Raised Participation Age²⁷ comes into force, it is vital that there are enough opportunities to provide quality learning and training experiences for all young people who wish to pursue this pathway into work post-16. However this requires a much greater number of employers engaging in the system and offering quality places.

2.3.2 Employer engagement in the apprenticeship system

Limited employer engagement is one of the biggest weaknesses of the UK apprenticeship system.²⁸ Without strong employer involvement, it is harder to develop the apprenticeship system with their needs in mind. This in turn might limit the growth of the supply of good quality apprenticeships. Employer engagement is weak on a number of dimensions:

- **Few employers employ apprentices compared to other European countries** - in 2009 just four per cent of employers in the UK employed apprentices.²⁹ This is much lower than the levels of engagement in other countries.
- **Limited employer involvement in the design and delivery of the apprenticeship curriculum** has meant that the current system often does not equip young people with skills and qualifications that are recognised and respected by employers.³⁰
- **Smaller firms find it more difficult to engage** - The Holt Review found that for many small and medium sized enterprises (SMEs) the apprenticeship programme is 'misunderstood and inaccessible'. In many better developed apprenticeship systems supportive structures are in place which recognise and compensate for the varying capacities of small and medium sized enterprise.³¹ The absence of such frameworks in part explains why smaller employers in the UK are sometimes put off from taking on apprentices by fears of the cost of administration and supervision.³² Whilst there are some examples of initiatives designed to make it easier for SMEs to engage in the apprenticeship system (see Box 1), these are few.

²⁶ Wolf A. (2011) *Review of Vocational Education – The Wolf Report*, London: TSO; <http://news.bis.gov.uk/Press-Releases/More-than-half-of-young-people-put-Apprenticeships-as-first-choice-6915e.aspx>

²⁷ From 2015 all young people in England must continue in some form of education or training until the age of 18

²⁸ OECD Review of Vocational Education and Training in England and Wales; IPPR 2011), 'Rethinking Apprenticeships'; Crowley, L., Jones, K., Cominetti, N. and Gulliford, J. (2013) *International Lessons: Youth unemployment in the global context*. London: The Work Foundation

²⁹ UKCES (2009) *National Employer Skills Survey*

³⁰ Hoeckel, K. and Schwartz, R. (2010) *Learning for Jobs: OECD reviews of vocational education and training*. OECD; Crowley, L., Jones, K., Cominetti, N. and Gulliford, J. (2013) *International Lessons: Youth unemployment in the global context*. London: The Work Foundation

³¹ Hippach-Schneider, U., Krause, M. and Woll, C. (2007) 'Vocational education and training in Germany'. *European Centre for the Development of Vocational Training*.

³² Crowley, L., Jones, K., Cominetti, N. and Gulliford, J. (2013) *International Lessons: Youth unemployment in the global context*. London: The Work Foundation

- **Employer involvement varies by sector**, with sectors characterised by limited progression opportunities and high employee turnover more likely to perceive apprenticeship or other forms of training as costly and of little benefit to their business. Where this is the case, apprenticeships can be a less appropriate route into the labour market for young people who want to enter skilled work.³³

Box 1: Information Economy's Shared Apprenticeship scheme³⁴

The Industrial Partnership for the Information Economy's Shared Apprenticeship scheme is a good example of a sector-based initiative making it easier for SMEs to engage in the apprenticeship system. Supported by e-skills, the sector skills council for Business and Information Technology, the model enables SMEs to employ apprentices jointly, sharing the costs of taking on an apprentice, whilst also providing apprentices with experience in a range of organisations across the sector.

2.3.2 The educational content of apprenticeships

The educational content of apprenticeships in England and Wales is limited both in terms of duration and the time allowed for off-site study, as well as the depth of knowledge and skills they provide:

- **Duration of apprenticeship**– Apprenticeships in the UK typically last for around 12 months, compared to Germany where 3 year apprenticeships are the norm.³⁵
- **Qualification level** – The majority of apprenticeships are at Level 2 (equivalent to 5 GCSEs). In 2011/12 68 per cent of under 25s starting an apprenticeship were at this level.³⁶ This is a key limitation particularly when compared to many other countries across Europe where Level 3 (equivalent to 2 A Levels) is the norm.³⁷
- **Length of time spent on off-the-job training** – In 2011 a statutory minimum of 280 hours of Guided Learning per year, with a minimum of 100 hours to be provided off-the-job, was set by Government³⁸, the level of required off the job content has since been reduced to just 20 per cent.³⁹ Compared to other countries such as Germany where apprentices typically spend at least 12 hours per week in off-site learning the

³³ Spielhofer, T. and Sims, D. (2004) 'Modern Apprenticeships in the Retail Sector: stresses, strains and support' *Journal of Vocational Education and Training*, 56:4

³⁴ <http://www.e-skills.com/news-and-events/march-2013/smes-unite-behind-industrial-partnerships-shared-apprenticeship-plan/> accessed 09/10/13

³⁵ Hippach-Schneider, U., Krause, M., and Woll, C. (2007) 'Vocational education and training in Germany'. European Centre for the Development of Vocational Training.

³⁶ Source: The Data Service, apprenticeship starts in England by level and age group, 2011/12

³⁷ Dolphin, T., Lanning, T. (2011), *Rethinking Apprenticeships*. IPPR, with the Association of Colleges

³⁸ <http://www.unionlearn.org.uk/working-time-and-time-study> accessed 22/03/13

³⁹ HM Government (2013) *The Future of Apprenticeships in England: Implementation Plan*

statutory minimum for off-site training is very low.⁴⁰ This is particularly the case for many apprentices in 'non-traditional' sectors who spend the majority of their time working and only a very small amount in off-the-job training.⁴¹ Worryingly, a recent survey by the Department for Business, Innovation and Skills found that one in five apprentices in England received neither on- or off-the-job training.⁴²

- **Educational content** - it has been argued that the vocational qualifications that make up the educational aspect of the apprenticeship framework are often too job-specific and not 'rich' enough.⁴³ A focus on the immediate need of individual employers often means apprentices are trained for specific task-based activities but fail to develop a technical understanding and a level of educational development which is needed both to progress and build sector specific transferable skills.⁴⁴

2.4 Improving apprenticeships in the service economy: opportunities and challenges

Government has acknowledged many of the limitations highlighted here, and according to its Implementation Plan⁴⁵ will introduce several measures, largely aiming to involve employers in new simplified apprenticeship standards. Yet some limitations will be easier to address in some sectors than others. In particular, where demand for skill is weak, the potential of apprenticeships is undermined.

As part of the Implementation Plan, eight key 'Trailblazer' sectors have been identified in which new Apprenticeship standards and assessment approaches will be developed.⁴⁶ Focusing on developing and growing the number of apprentices in sectors with significant skill demands is welcome.⁴⁷ However, the limited representation of service sectors here is a missed opportunity, given that services account for 85 per cent of overall UK employment⁴⁸, and are a major source of employment for young people.

The next section provides a case study of apprenticeships in social care, as an example of a

⁴¹ Müller, W., and Gangl, M. (2003) 'Transitions from Education to Work in Europe'. New York: Oxford University Press; Crowley, L., Jones, K., Cominetti, N. and Gulliford, J. (2013) *International Lessons: Youth unemployment in the global context*. London: The Work Foundation.

⁴² BIS (2013) *Apprenticeship pay survey 2012: Research Findings*

⁴³ Crowley, L., Jones, K., Cominetti, N. and Gulliford, J. (2013) *International Lessons: Youth unemployment in the global context*. London: The Work Foundation

⁴⁴ Ryan, P., Gospel, H. and Lewis, P. (2006) 'Educational and contractual attributes of the apprenticeship programmes of large employers in Britain' *Journal of Vocational Education and Training* Vol. 58, No. 3, pp. 359–383

⁴⁵ HM Government (2013) *The Future of Apprenticeships in England: Implementation Plan*

⁴⁶ Trailblazers will develop the new standards for Aerospace Manufacturing Fitter, Automotive Mechatronics Maintenance Technician, Software Development and Networking, Installation Electrician and Maintenance Electrician, Maintenance Engineers, Corporate Banking, Digital Marketing, Compliance and IFA Network Administration, Food and Drink Maintenance Engineer, Laboratory Technician, Science Manufacturing Technician and Medical Technology Technician.

⁴⁷ DfE/BIS (2013) *The Future of Apprenticeships in England: Next Steps from the Richard Review*

⁴⁸ http://www.ons.gov.uk/ons/dcp171778_327398.pdf

service sector where the apprenticeship model has the potential to work well. It also illustrates several challenges for the apprenticeship system in some sectors of the service economy.

3. Apprenticeships for the service economy: a case study of apprenticeship in adult social care

Adult social care is an important and growing sector in the UK economy and apprenticeships are an important part of strategies to boost skills in the workforce. This chapter provides an overview of the sector and highlights both the opportunities and challenges for developing apprenticeships in social care. It then considers what this tells us about the role of apprenticeships in today's service economy.

3.1 Adult social care: an urgent and increasing need for a skilled workforce

Social care includes “*all forms of personal care and other practical assistance for individuals who by reason of age, illness, disability, pregnancy, childbirth, dependence on alcohol or drugs, or any other similar circumstances, are in need of such care or assistance*”.⁴⁹ The sector in England accounts for around £43 billion of GVA and is estimated to support 2.8 million full-time equivalent jobs.⁵⁰ In response to both demographic and budgetary pressures the social care sector is expanding and changing rapidly and must adapt continuously to deliver the skilled care needed by an ageing population.⁵¹

There are a range of job roles in the adult social care sector. Most involve directly providing care and support, but there are also managerial and supervisory roles, professional jobs (including nurses, social workers, occupational therapists) and administrative and ancillary jobs for which a range of skills are needed. Demand in the sector is set to grow as the population ages - by 2041, the number of people aged 85 or more in England is estimated to have grown to around 3.2 million (from 1 million in 2005).⁵² Equipping the social care workforce with the skills needed to cope with the challenges associated with an ageing population should be high on the political agenda.

⁴⁹ Health and Social Care Bill (2011)

<http://www.publications.parliament.uk/pa/cm201011/cmpublic/health/memo/m59.htm>

⁵⁰ These estimates include all direct, indirect and induced effects, but exclude potential spillover benefits such as reduced health costs and improvements in the welfare of service users- figures for 2011/12

⁵¹ Skills for Care (2010) *State of the adult social care workforce 2010*

⁵² Ibid

3.2 Apprenticeships in social care

Apprenticeships are a key part of strategies to boost skills in the social care workforce. In a recent White Paper⁵³, the Government set out ambitions to double the number of care apprenticeships to 100,000 by 2017.⁵⁴ Yet the sector's experience of apprenticeships so far highlights some of the challenges faced by the wider system highlighted in the previous chapter, that is: unclear pathways for young people, limited employer engagement and educational content.

3.2.1 Unclear pathways from school to care work

Health and social care is one of the growing service sectors which employs a large number of young people, and where apprenticeship take-up has been relatively high.⁵⁵ However, in line with overall apprenticeship trends, recent growth here has been driven by those aged 25 or above- in 2011/12 only around one third of apprentices starting Health and Social Care Apprenticeships were aged 16-24.⁵⁶ Moreover, it is striking that almost 90 per cent of health and social care apprentices in England already worked for their current employer prior to starting their apprenticeship.⁵⁷ Particularly given the sector's older age profile⁵⁸, this suggests that apprenticeship is currently not functioning as well as it could as a pathway into social care for young people.

Demand for apprenticeship in social care is also overwhelmingly female, reflecting the make up of the sector (in 2009 female workers accounted for around 80 per cent of all jobs). This varies by role- up to 95 per cent of workers in direct care and support-providing jobs are women whereas up to a quarter of managerial, support work and day care jobs are taken by men.⁵⁹ Given that social care is an important growth sector generating a large number of employment opportunities for young people, barriers to take up of apprenticeship in social care by young men (for example, limited opportunities or encouragement to consider traditionally 'female' occupations⁶⁰) must be better understood. At the same time there must be better career ladders in place to enable more female social care workers to progress to

⁵³ HM Government (2012) *Caring for our future: reforming care and support*

⁵⁴ Skills for care (2013) *Apprenticeships bulletin 2013*

⁵⁵ Sissons, P. and Jones, K. (2012) *Lost in Transition? The changing labour market and young people not in employment, education or training*. London: The Work Foundation.

⁵⁶ Source: The data service, Apprenticeship Programme Starts in England by Sector Framework Code, Level and Age (2002/03 to 2011/12)

⁵⁷ Low Pay Commission (2012) *National Minimum Wage: Low Pay Commission Report*; BIS (2013) *Apprenticeship Pay Survey 2012*

⁵⁸ The social care sector has an older than average age profile with more than one third of entrants to the workforce aged 40 or above (*State of the adult social care workforce 2010*)

⁵⁹ State of the adult social care workforce 2010

⁶⁰ Beck, V., Fuller, A. and Unwin, L. (2006) 'Safety in stereotypes? The impact of gender and 'race' on young people's perceptions of their post-compulsory education and labour market opportunities,' *British Educational Research Journal* vol 32 no 5 pp 667-686

managerial positions. Apprenticeships are one mechanism through which to develop these.⁶¹

3.2.2 Employer engagement in social care apprenticeships

Employer involvement is key to the development of a successful apprenticeship system. But whilst social care employers recognise skills shortages (almost one quarter report skills gaps in their current workforce), the low number currently engaging in the apprenticeship system suggests that many are either not aware of or do not currently see this form of training and investment as a viable or attractive way to address these gaps.⁶² In addition, the prevalence of small, independent (private and voluntary) sector organisations in the sector is likely to prove a challenge to growing apprenticeship numbers.⁶³

However, the social care sector does provide good examples of efforts to promote apprenticeships to employers. Initiatives include 'I Care...' Ambassadors, an Employer Champions network (see box 1) and the sharing and dissemination of success and good practice through case studies via the Sector Skills Council.⁶⁴ Such activity shows recognition of the key role employers can play in promoting apprenticeships to their peers and should be supported to continue and expand.

Box 2: Apprenticeship employer champions⁶⁵

Skills for Care has a network of apprenticeship employer champions comprised of employers who have successfully developed apprenticeship programmes in their own organisations who are willing to share their experience with others. For example, Helen Hannay, after a long career in social care now works for Oxfordshire Council managing their Accessing Social Care Careers programme. As an apprenticeship employer champion Helen engages with employers and young people, promoting the value of apprenticeship to both parties.

3.2.3 Training and educational content of apprenticeships in social care

Careers in social care demand a range of skills (including generic transferrable skills, care and support-specific skills, and the ability to adapt to or lead workforce transformation)⁶⁶, and as such the sector provides a good example of where high quality apprenticeship can be an important part of equipping the workforce with the skills needed to adapt to continuous and rapid social change.

⁶¹ Fitzgerald, J. (2006) *Moving Up in the New Economy: Career Ladders for U.S. Workers*

⁶² 2009 National Employers Skills Survey in State of the adult social care workforce 2010

⁶³ Skills for Care (2010) *State of the adult social care workforce, 2010*

⁶⁴ Skills for care (2013) *Apprenticeship bulletin 2013*

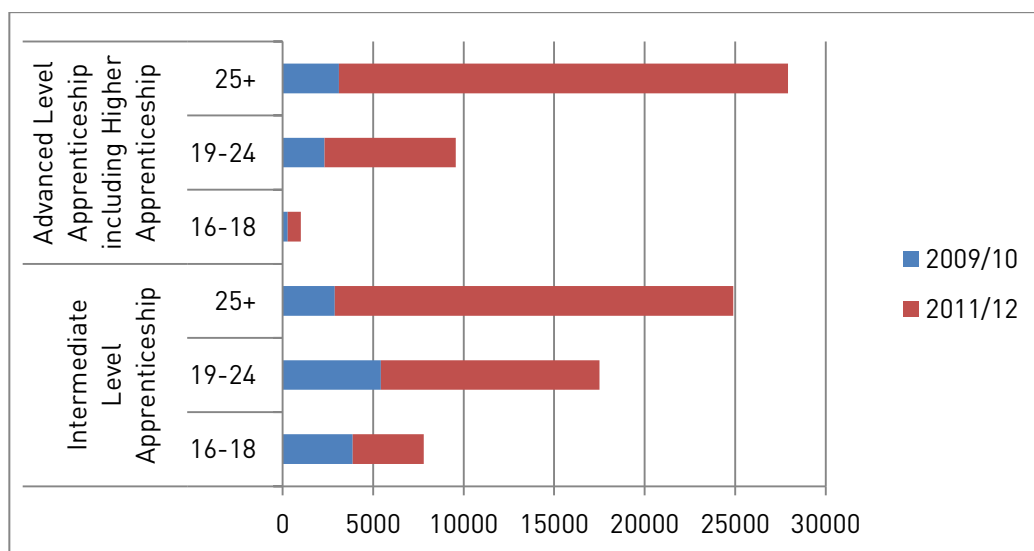
⁶⁵ Ibid

⁶⁶ Skills for Care (2010) *State of the adult social care workforce, 2010*

The adult social care apprenticeship is one of two pathways available through the Health and Social Care framework, and is designed to equip apprentices with the skills they need to work in a range of roles to help those with particular needs, such as disabled or elderly people. The apprenticeship is available at three levels:

- **Intermediate** - involves working towards vocational qualifications such as a Level 2⁶⁷ competence qualification, functional skills and often a relevant knowledge-based qualification. This level prepares apprentices for roles including care assistants and support workers.
- **Advanced** - where apprentices work towards Level 3⁶⁸ vocational qualifications, functional skills and often a relevant knowledge-based qualification. Care officers, care supervisors, senior care workers and senior support workers are examples of the roles that this level prepares apprentices for.
- **Higher** - “Care Leadership and Management” is a new Level 5 apprenticeship⁶⁹ designed for those who have completed an apprenticeship at intermediate or advanced level and who work in more senior roles. It offers opportunities to progress into more senior roles and further study.⁷⁰

Figure 2 Apprenticeship Programme Starts in Health and social care by level and Age



Source: The Data Service, Skills Funding Agency⁷¹

Recent rises in the numbers of health and social care apprenticeships have been both at the

⁶⁷ Level 2 is equivalent to 5 GCSEs

⁶⁸ Level 3 is equivalent to 2 A Levels

⁶⁹ Level 5 apprenticeships are equivalent to a Foundation degree

⁷⁰ <http://www.apprenticeships.org.uk/> accessed 15/05/13

⁷¹ Note: data are for Apprenticeships in England

intermediate (level 2) and advanced level (level 3) – although for young apprentices growth has been most substantial at the intermediate level. Higher apprenticeships aimed at developing higher level leadership and management skills⁷² have also recently been introduced, but as such numbers taking these are low.⁷³ Whilst overall it is encouraging that growth has not been dominated by level 2 pathways, more needs to be done to expand both advanced and the new higher level apprenticeships and to ensure that young people are able to take up apprenticeship at higher levels. This is vital both in terms of ensuring that the workforce has the right skills and at an individual level if it results in more opportunities and higher pay.

As with apprenticeships in general, and particularly in many service industries, the educational and training content of current apprenticeships in social care has been a key limitation. Only 34 per cent of health and social care apprentices receive both on- and off-the job training, and one fifth report receiving neither.⁷⁴ Training in the care sector has tended to be narrowly focused on job-specific tasks and as such the current system often fails to equip apprentices with the theoretical knowledge necessary to innovate and adapt to changing conditions and care needs.⁷⁵ In addition, the prevalence of small private sector organisations in social care can mean that opportunities for training are restricted to the needs of specific organisations, and so will inhibit transferability across the sector and beyond.

3.3 Service sector challenges- social care apprenticeships as a valuable route into skilled work?

Apprenticeships should provide strong vocational pathways into skilled work. Yet low pay, limited career pathways and consequent high staff turnover feature across many of the service sector occupations currently employing young people. This raises concerns about the labour market value that taking an apprenticeship will have in these sectors. These issues are particularly problematic in social care, a sector facing significant skills shortages, driven by low retention and high turnover rates, low pay and limited career pathways.⁷⁶ Not only is this bad for workers, it also impacts on the quality of care delivered.

⁷² Skills for care (2013) *Apprenticeships Bulletin 2013*

⁷³ Higher Apprenticeships, Care Leadership and Management (England) A Skills for Care guide to progressing your career in social care

⁷⁴ BIS (2013) *Apprenticeship Pay Survey 2012*

⁷⁵ Gospel, H., Nishikawa, M. and Goldmann, M. (2011) *Varieties of training, qualifications and skills in long-term care: a German, Japanese and UK comparison*. SKOPE Research paper no. 104

⁷⁶ Hussein, S. and Manthorpe, J. (2012) 'The dementia social care workforce in England: secondary analysis of a national workforce dataset,' *Aging and Mental Health*, 16:1, 110-118; State of the adult social care workforce 2010; Data from the 2009 National Employer Skills Survey show an overall vacancy rate of 3.1 per cent in social care in England, more than twice the national average (1.4 per cent). Turnover rates are also relatively high for care workers with around 23 per cent leaving within a year. However, vacancy and turnover rates are generally lower for senior staff

It is vital that the social care sector has the skills needed to cope with a rapidly ageing population. But these demographic pressures combined with significant funding constraints has meant that the care sector is under strain. In contrast to the strategies employed in other countries (see Gospel et al for an overview), the UK has responded to these pressures by combining low qualification requirements with low wages. As a result the skills profile of the UK's care sector is heavily skewed towards the lower end.⁷⁷

The status of the social care sector must be improved if young people are to see it as a desirable career path. Along with developing better entry and progression opportunities (for example, through apprenticeships), tackling low pay in the sector should also be a key priority. Overall a high proportion of care workers are paid at or below the legal minimum wage.⁷⁸ For health and social care apprentices, in 2012 around one fifth were paid below their minimum wage entitlement.⁷⁹

The future of apprenticeships in social care provides both challenges and opportunities. The adult social care sector provides an example of where the apprenticeship model has the potential to work well: it is a growing sector with a range of skill demands, where demand for a skilled workforce will grow across the country, and it provides good examples of employer engagement which are likely to strengthen the apprenticeship brand. However, there are challenges which must be addressed going forward, particularly issues around progression routes, equity and low pay. Young people need to see apprenticeship as a valuable pathway into the labour market but in turn the sector must develop better opportunities to progress to higher skill and better paid positions. Given endemic skills shortages and increasing demand for quality care services, there is a particularly urgent need to address these problems in social care.

3.4 Implications for apprenticeships in the service economy

Many of the challenges highlighted in this section are not unique to social care. Low pay and limited progression opportunities feature across many sectors in the UK's service economy. Yet whilst the social care sector is developing higher level apprenticeships with greater skill demands, the common absence of apprenticeships beyond level 2 in growing sectors such as retail is concerning. Government must pay serious attention to the quality of training and educational content that apprenticeships in the service economy offer, the adequacy of routes into apprenticeship for young people, and the level of engagement of employers.

The next section offers conclusions and recommendations about the role of apprenticeships

⁷⁷ Gospel, H., Nishikawa, M. and Goldmann, M. (2011) *Varieties of training, qualifications and skills in long-term care: a German, Japanese and UK comparison*. SKOPE Research paper no. 104

⁷⁸ Low Pay Commission (2012) *National Minimum Wage: Low Pay Commission Report*

⁷⁹ BIS (2013) *Apprenticeship pay survey 2013*

in the service economy and on how to improve the apprenticeship system going forward.

4. Conclusions and recommendations: suggestions for policy development

Apprenticeships are seen as an important way of improving vocational routes from school to work and a key mechanism to address the UK's youth unemployment problem. The current system is in flux, following the findings of multiple reviews and consultations and as the government begins to implement its programme of reform.⁸⁰

High quality apprenticeships benefit individuals, employers and the wider workforce and economy. Yet there are several limitations in the system which must be addressed going forward. As the economy continues to shift from production and manufacturing towards service industries, there are questions over whether apprenticeships in their current form can equip young people with the skills they need to succeed in a changing labour market. This paper has highlighted three key areas which must be improved if apprenticeships are to offer young people a credible vocational pathway into the labour market – improving pathways into apprenticeship for young people, improving educational content, and increasing employer involvement. These areas are often particularly problematic in low wage service sectors. Yet there are some growing sectors, such as adult social care, where apprenticeships could prove incredibly valuable, both to individuals and the wider economy.

4.1 Policy implications

Improving apprenticeship pathways as a route into skilled work for young people

Develop clearer pathways into apprenticeships. Apprenticeships are yet to have a significant impact on the youth labour market. Part of the reason for this is inadequate careers advice and guidance supporting the transition from school into work. Government must act immediately to ensure that the careers advice and guidance in schools is improved (particularly for those who wish to pursue vocational pathways). In particular:

- KS4 Work Experience should be re-introduced along with taster days for both vocational and academic options for all students.
- Current and former apprentices should be encouraged to take part in a school alumni mentoring programme. We also support the creation of a National Apprenticeship Council run by young people with elected

⁸⁰ HM Government (2013) *The Future of Apprenticeships in England: Implementation Plan*

representatives to spread peer to peer messages.⁸¹

- Information about apprenticeship opportunities should be consolidated and available in one place, on the National Apprenticeship Service Website.
- The third sector has an important role to ensure young people who have left the education system are able to access information about and places on traineeships and apprenticeships.

Provide pre-apprenticeship training for young people who are not yet ready to access apprenticeships. We support the introduction of the new Traineeships programme which should be available for all young people struggling to access apprenticeship or other forms of employment to help them to improve their literacy and numeracy skills, and develop soft, employability skills through work experience.

Apprenticeships should be part of wider strategies to improve career ladders in some low skilled service sectors. Apprenticeships are one mechanism through which career ladders might be developed. In addition, improving demand for and utilisation of skills in those sectors not yet well suited to the apprenticeship model should be part of a longer term strategy to improve the apprenticeship offer and raise skills in the workforce more generally. Relevant findings from the current Employer Ownership of Skills pilots (particularly those relating specifically to apprenticeships) should feed into an on-going process of research and development concerning workforce skills needs.

Increasing employer engagement

Publicise apprenticeships more effectively amongst employers. The National Apprenticeship Service should continue to take the lead role in raising awareness about the benefits of apprenticeships. In addition Local Enterprise Partnerships, local Chambers of Commerce branches and sector skills councils should promote them through their business networks. Peer support networks are also hugely important. The social care sector offers some good examples here e.g. ambassador networks. This kind of activity should be supported to expand.

Information about training providers and colleges offering apprenticeships should be consolidated and made easier to access. For example, linking data from FE Choices (the website comparing performance information about further education colleges and other training providers), Ofsted reports and 'Learner View' (an Ofsted-run platform gathering learner feedback) should make it easier for individuals and employers to identify training providers which match their needs. This information should be available on the National Apprenticeship Service Website.

⁸¹ HM Government (2013) The Future of Apprenticeships in England: Implementation Plan

Improve links between schools and employers – this would help both to promote apprenticeships amongst young people and increase employer engagement in the education system. There are a number of ways to improve these links including requiring schools to set out their arrangements for engagement with local employers and how they intend to enhance them, and inviting prominent local employers to join their board of governors.⁸²

Maximise the impact of large employers through supply chains – where large companies are engaged in the apprenticeship system, and have a high volume of applicants, they should be encouraged to maximise their impact through referring apprentices to their supply chain and business partners.

Increase support for small businesses and ensure that they have sufficient influence over the development of the new apprenticeship system. Where small and medium sized enterprises are unable to feed directly into the development of the apprenticeship system, representative bodies such as the Federation of Small Businesses and sector skills councils should ensure their voices are heard through regularly canvassing members as the system is reformed. Government should also promote mechanisms to support SMEs including sector-based initiatives through industrial partnership such as the Information Economy's Shared Apprenticeship scheme⁸³, where SMEs employ apprentices jointly, sharing the costs of taking on an apprentice.

Reward and publicise employers that provide apprenticeship opportunities or engage with young people and the system more broadly. There are several ways to do this⁸⁴, for example, through a kitemarking system.

Government should lead by example – both directly and via procurement As a major employer government has a responsibility to provide as many training opportunities as possible for young people. Whilst the role of government in some sectors can be limited, the public sector has an important role to play in encouraging employers to offer apprenticeships. In particular, government should require employers who win major public procurement contracts to provide more apprenticeship opportunities, either directly or through their supply chains.

⁸² See Cominetti, N., Sissons, P. and Jones, K. (2013) *Beyond the business case: The employer's role in tackling youth unemployment*. The Work Foundation

⁸³ <http://www.e-skills.com/news-and-events/march-2013/smes-unite-behind-industrial-partnerships-shared-apprenticeship-plan/> accessed 6/09/13

⁸⁴ See Cominetti, N., Sissons, P. and Jones, K. (2013) *Beyond the business case: The employer's role in tackling youth unemployment*. The Work Foundation

Improving educational content

Improve the educational content of apprenticeships - more needs to be done to expand both advanced and higher level apprenticeships and to ensure that young people are able to take up apprenticeships at higher levels. Government targets for growing the number of apprenticeships should be set for each level of apprenticeship, rather than total apprenticeship numbers.

Review the current balance between academic content and on the job training - In 2011 the Coalition introduced a statutory minimum of 280 hours of Guided Learning per year, with a minimum of 100 hours to be provided off-the-job. According to the government's Implementation plan, the off-the job component is set to be reduced further to just 20 per cent. This is very low by international standards and the government should urgently look to review this whilst ensuring the structures are in place to support businesses, particularly smaller ones, where this might place additional pressure.

Regulation, data issues and tracking progress

The apprenticeships system is in flux. In order to assess the progress of upcoming reform, and to enable young people to make informed choices about apprenticeships and the returns associated with investment in this type of vocational training, the data available on apprenticeships must be improved. The system must also be better regulated to ensure that apprenticeships are a worthwhile investment for those choosing to pursue this pathway.

Government should collect and publish robust data on the impact and returns to apprenticeship. Data tracking individuals for at least 5 years after they have completed their apprenticeship is essential to assess their impact. As a minimum, data should be available on the level, subject and completion date of their apprenticeship, along with subsequent employment status and earnings. This should be used to guide the development of apprenticeships and demonstrate their value for individuals, business and the wider economy.

Apprenticeships should involve a new job role and should train apprentices to do a higher skilled job.⁸⁵ The government has emphasised this requirement however, this should be closely monitored, particularly in sectors such as social care where a high proportion of apprentices already worked for their current employer.

Government must better promote and regulate rules around apprentice pay – there needs to be clearer guidance for both employers and apprentices around the National

⁸⁵ DfE/BIS (2013) The Future of Apprenticeships in England: Next Steps from the Richard Review.

Apprenticeship Wage. This is especially important in sectors such as social care, where a relatively high proportion of apprentices are paid below the legal minimum. Employers who do not pay apprentices the wages they are entitled to should be sanctioned. Unions could play a key role here. In addition, employers should recognise that the minimum wage provides a minimum floor - where possible employers should be encouraged to pay apprentices more.

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