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Pocket Watch (2016/2) Six headline messages from this year's National Apprenticeship Week



Introduction

It's been another hectic **National Apprenticeship Week**, overshadowed a little perhaps by the Budget announcements midweek but with plenty to take in all the same. Here are six headline messages that have come out of the week.

Headline messages

1. There's still a battle to be won to convince those who continue to see the apprenticeship route as a lesser alternative

The issue here continues to be a lack of careers guidance and clear information especially for young people. Two surveys of young people conducted for National Apprenticeship Week make the point. The **first** was by the insurance company Prudential which has its own growing apprenticeship programme and which concluded: *"widespread misconceptions about apprenticeship pay, qualifications and other important benefits are putting many school leavers off pursuing this route."* A couple of stats in the survey reinforce this. Nearly 30% of respondents said that the information they got through their school or college was poor or even non-existent while 85% thought the average pay for an apprenticeship was less than £200 a week (it's actually £257.) A similar **survey** for National Apprenticeship Week by the Association of Chartered Accountants (ACCA) found much the same: *"to be frank apprenticeship routes are still seen as the poor relative by many when compared with going to university"*

Barnstorming events like National Apprenticeship Week help but getting information to young people and parents remains key as Sir Michael Wilshaw highlighted in his Conference **speech**

2. Various myths continue to dog the apprenticeships system

Many youngsters in the above surveys thought that apprenticeships were poorly paid and failed to provide recognized qualifications. Neither is accurate as a **myth busting article** in the Guardian at the start of National Apprenticeship Week pointed out. This took five top myths starting out with the misconception that they're only for people who fail their A' levels and dismantled each in turn; you don't have to choose between uni and apprenticeship for instance, nor are they just for manual occupations.

Others have pitched in. The Skills Funding Agency offered a helpful listing of **18 key facts** on the many benefits of apprenticeships while up and down the country, politicians and providers have added their voices in a similar vein...but it's long road



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3. The progression route through further and higher education is becoming extremely important

During the week for instance, the Bank of England published its latest **Quarterly Bulletin** which included a section on wage returns and the workforce. This highlighted the fact that while the graduate premium had dropped over the last 20 years that for high-skilled jobs had remained fairly constant

In this context Degree Apprenticeships which the government announced last year and which now have over 70 different programmes covering thirteen key industries assume a new importance as a **report** by Universities UK published during the week indicated. The report made a number of recommendations, 23 in all, but the message was that Degree Apprenticeships provide good opportunities for learners and higher ed institutions alike and the potential for both is clear. This remains an important area of development

4. Some uplift in apprenticeship pay

The government has accepted the latest report from the Low Pay Commission which will see the apprenticeship hourly rate increase from £3.30 to £3.40 from this October. This was part of the package of **'Life Chance' measures** announced by the Prime Minister at the start of the week and which also included a new Help to Save scheme and support for a national mentoring scheme for young people. It may sound small beer but the government is keen to see young people succeed and is using its Life Chances strategy which has apprenticeships as a central feature, as a vehicle for this

5. Concerns about public sector apprenticeship recruitment targets

Earlier this year the government launched a **consultation** on large public sector bodies having an annual recruitment target of 2.3% of headcount as apprentices. The consultation closed last week and has implications for large workforces such as the NHS and local government. The government argued at the time that an Impact Assessment was unnecessary as no extra costs would be incurred but this week the Local Government Association (LGA) **argued** that it would result in councils having to create 33,000 new apprentices a year at a cost potentially of an extra £400m in wages at a time when they're under pressure to trim their workforce. The target may well be a challenge for some public sector areas but the government believes this is an area where the private sector is already demonstrating success and the public sector needs to catch up

6. Don't fear the levy

That seemed to be the message from the Business Secretary when he helped launch things at the start of the week. His **argument** was that it'll only affect the biggest companies, will be straightforward to run and will give those who do have to pay it greater say over who they recruit and the quality of the training. On top of this the Chancellor announced in his **Budget** this week that employers would get a further 10% top-up to their levy contributions when the system comes in from next April. How far it'll all be win-win remains to be seen. Operating details, as the Chancellor set out in his Budget Red Book, are due to be published in April and draft funding rates in June but feelings remain strong on the issue

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National Apprenticeship Week Headlines. March 2016. Pocket Watches are intended to provide quick, informal updates on national developments. Information is correct at the time of writing and is offered in good faith. No liability is accepted for decisions made on the basis of information given.