

POLICY WATCH

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The Lords Economic Affairs Committee considers recent developments in Apprenticeships

Almost a year to the day since the House of Lords Economic Affairs Committee published a significant [Report on Apprenticeships](#), their Lordships have been checking up on what progress has been made. A few weeks ago they held a witness session with the Secretary of State and his Director - General for FE and Skills and this latest short Report provides a summary of their deliberations. Their conclusion basically is 'so far so good but a lot more needs doing.' *"We welcome the Government's intention to expand apprenticeship but we have a number of serious concerns."* They identified ten.

Members of the Lords may not seem like natural commentators on apprenticeships but their Report last summer '[Apprenticeship: a key route to skill](#)' was almost groundbreaking in its impact. This was firstly because their Lordships didn't mince their words; *"successive governments have, despite the best intentions, provided poor leadership in developing skills."* Secondly because the Government took the Report very seriously. As the Secretary of State acknowledged to the Committee, *"it came just after the new dept of DIUS started and when we were looking ourselves at the apprenticeship system and the way we wanted to go."* And thirdly because it helped trigger a mass of activity around apprenticeships which has followed on throughout the year. This has included an important 'positioning' speech on apprenticeships by the Prime Minister last October, *"we plan a radical overhaul of apprenticeships;"* the release in January of a National Strategy for Apprenticeships in England and confirmation in May of forthcoming legislation which would see a statutory basis for Apprenticeships enshrined, along with an entitlement to an Apprenticeship for eligible young people, a national matching service and various funding and quality measures.

Nor has that been all. Just last week, the Secretary of State lauded apprenticeships when he presided over their latest awards ceremony while this week the Skills Minister announced the setting up of a new [Taskforce](#) to boost apprenticeship numbers in London. There is therefore plenty happening around apprenticeships so what are these 'concerns' that their Lordships seem to have?

Broadly these were in five areas.

Firstly, trying to make sure there's enough apprenticeship places around. According to the recent Taskforce announcement, there were 184,000 apprenticeship starts across England over the 2006/7 year with the North West having the highest number of starts at 32,210 and London the lowest at 11,090. Such differences in numbers may be due to a range of factors including different labour markets and demographics, price of housing and so on but the point remains that the Government is committed to significant growth in numbers and by 2013 wants to ensure that places are available for every suitably qualified young person as part of its extended compulsory participation proposals.

At present the idea is that the new [National Apprenticeship Service \(NAS\)](#) will take on responsibility for ensuring places are available; *"given the scale of our ambitions for apprenticeships, there is a clear case for making a single organisation responsible for the delivery of the programme."* The Committee welcomed this direct approach, indeed it had called for just such 'a new and powerful unit to own and take responsibility for apprenticeship' itself but seemed concerned about three things now such a model has been announced. First by the fact that responsibility for apprenticeships is to be split between the two education departments, *"it would seem easier to build up apprenticeships if responsibility came under a single department rather than two."* Second that the way it is going to work for young people with Local Authorities planning out what is wanted in terms of places and the NAS taking over the finding and funding of such places seems well, a bit messy. Third that the NAS will not be contacting employers directly instead it will be working through brokers. *"How,"* the Committee asked *"can the NAS lead on banging on the drum for the number of apprenticeships when it is barred from contacting employers directly?"*

The **second** area was how best to work with small and medium employers (SMEs.) The Committee had originally proposed that all Government funding for apprenticeship places should go straight to the employers. The Government in its response had rejected this on the basis that it could add to the bureaucracy that companies already face. The Committee remained unconvinced; *"we believe that handing money directly to employers not only provides companies with a greater incentive to provide apprenticeships but can also help to reduce red tape."* They were somewhat soothed by the Secretary of State's support for wage subsidies for SMEs but still maintain that one of the reasons why apprenticeships seem to be so much more successful abroad is that employers receive direct incentive payments.

The **third** and **fourth** areas of concern are interlinked in that they refer to generating more demand from young people and the role schools should play in this. A lot of work is currently going on to promote apprenticeships such as the current radio adverts, indeed the LSC has recently talked about a '*surge in applications in May*' but the worry remains that not all schools are fully on board with apprenticeships. This may be down to ignorance, it may be territorial but as the Secretary of State pointed out, *"it's quite rare for somebody doing careers work in schools to have had personal experience of being an apprentice."* In all fairness, the Government is taking steps to help here. The current Education and Skills Bill places a statutory responsibility on schools to provide impartial careers advice, the [Draft Apprenticeship Bill](#) has a specific reference to careers guidance, the NAS will be doing a lot to boost awareness about apprenticeships and of course Local Authorities now have responsibility for commissioning advice and guidance. Between them they should make a difference.

Finally, the **fifth** area of concern which was around some of the content and progression potential of apprenticeships. On content the Committee was worried about the removal of Technical Certificates from schemes such as hairdressing and accountancy. The Secretary of State re-iterated that this was not a case of dumbing down more of trying to avoid duplicate provision. On progression, the Secretary of State was partially able to ease their worries by pointing to the development of UCAS points for certain apprenticeships.

Their Lordships will have a further chance to raise their voices when apprenticeship proposals go before Parliament later this autumn.

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