

Preparing young people for the opportunities available as the economy revives

Background

Vocational education and skills training currently faces significant challenges and the FE system needs to adapt to meet these. The future facing all 16-18 year olds has changed dramatically over recent times; some changes planned – the raising of the age of participation(RPA); others sudden and largely out of the blue – the deep recession facing the economy as a whole, which has hit this age group particularly hard, with work and Apprenticeship opportunities increasingly difficult to find. ALP believes that these, and other factors affecting the FE system, mean that it is time to look at the route into Apprenticeships and beyond and consider afresh what provision is needed to address these complex issues, particularly those before us over the next few years.

The challenges

These include:

- The economy – particularly the deep recession and its impact on public and private spending;
- Increased unemployment;
- The Machinery of Government (MoG) changes;
- An election, and potential change of Government in 2010;
- The raising of the age of compulsory participation in education and training (RPA) and its implications;
- Changes to Foundation Learning; and
- Threats to employer located Programme Apprenticeships (PLAs).

The way forward

1. In these difficult times an FE system which will keep large numbers of young people meaningfully involved (not just because the RPA requires it), and ready to move into employment as soon as an appropriate opportunity arises, will be even more essential.
2. As ever we urge the need for all young people to be given truly independent, impartial careers advice and guidance (IAG). They must be given information on all the routes open to them – in particular they must be given information on Apprenticeships not only ‘when it is in their interests’ to do so, as has been

proposed within the Apprenticeships, Skills, Children and Learning Bill. The judgement on whether they are interested in the vocational route must be taken by the young people themselves, not their advisers (especially those that might have a vested interest in persuading the young person to follow a different route). This is important not just to avoid false starts and late entry onto an Apprenticeship, as young people who fail to start at 16 years old, but wait until later, will be disadvantaged as they will have substantially less funding support for their programme the older they get.

3. All this means the 'mixed economy' of provision must not just be retained but must be strengthened to ensure that work based learning (WBL) remains an important part of the FE system. It is clear that despite the difficult economic situation many young people – even before the participation age has been raised, firstly to 17 and ultimately to 18 – will still not be prepared to stay on at school or go to college. It is also clear that some colleges currently do not offer the full range of courses needed in some occupations, eg in hospitality many colleges will train chefs, but not the cleaners, bar staff, etc, that are required by the sector. These jobs are of course traditionally learned and developed in the workplace and are increasingly covered by level 2 Apprenticeship frameworks. It will be essential that high quality level 2 programmes located in the workplace are available in increased numbers both during and following the economic downturn. Whilst the target must be to ensure that Apprenticeships are employed from day one, a realistic short term compromise must be tolerated whilst employment opportunities are reduced because of the economic situation.
4. It is already clear that the recession is reducing the number of work located opportunities – and that they will reduce further unless steps are taken to prevent this. Without urgent action to address this an increase in the NEET (not in education, employment or training) group is inevitable (indeed, is already happening). It is, therefore, particularly worrying that one very good route that currently attracts many otherwise in the NEET group, the Entry to Employment (E2E) programme (the majority of which has been delivered by independent providers), is currently under threat with the introduction of Foundation Learning (previously the Foundation Learning Tier – FLT).

Also under threat are many **employer located** Programme Led Apprenticeships (PLAs), which currently offer many young people a valued and valuable route into employment. (These, of course, are very different from those purely college based PLAs where the learner undertakes a course but often does not then move on to work in the industry for which they have been trained.) ALP has been lobbying hard – and will continue to do so – to ensure the Apprenticeships, Skills, Children and Learning Bill does not outlaw employer linked and employer located PLAs at a time when they will be needed even more than they were before the recession.

5. However, to avoid any further increase in the NEET group, not only must some of these existing opportunities be protected, but also new ways found to bridge the gap between school and work. The social as well as economic benefits of creating such opportunities to develop these young people so that

they are ready to move swiftly into employment when the opportunity arises cannot be over estimated.

6. Making practical 'pre-Apprenticeship' opportunities available, ie extra workplace (employer located) provision that can easily be turned into employment once the upturn comes, will be essential. Ways must also be explored to maximise those places that are available. This might perhaps be achieved by making it possible for young people to be moved around, so that one employer place is available for two (or perhaps in some cases more than two) learners. An alternative might be for the providers, with appropriate government support, to employ the young people themselves, seeking additional employer sponsorship wherever possible – hence sharing the risk. We firmly believe that if the Government offered a training allowance for these young people the long term cost to the taxpayer would ultimately be reduced, with fewer people claiming long term benefits, and indeed entering the income tax regime earlier.
7. Another option ALP has already put forward is the introduction of a new employment creation programme, enhanced by the inclusion of a training element – the high quality, employer designed Apprenticeship training frameworks that are now available. The opportunity to offer high quality, relevant vocational skills for unemployed young people, linked to employer run programmes of general economic benefit, immediately 'doubles up' the potential value of such a programme as young people are prepared for employment when the economy picks up. We would envisage many of these being in the high priority green and energy saving areas, which will not only bring immediate political and socially desirable benefits, but would provide pump priming investment into future profitable 'green enterprises' ready for the private sector to take them forward as stand alone, self financing/profitable ventures post recession. The current 'Work for your benefit' programme piloted by DWP goes some way towards this **for adults** (although the training core is inadequate). An equivalent and more training-based programme is needed for 16-18 year olds.
8. It will be important, however, that the demands and aspirations of both employers and learners are taken into account as plans are developed, to ensure a range of models and funding methodologies are available to meet different needs whilst at the same time offering the Government good value for money. Interestingly, in this recession some of the young people that will be in danger of becoming 'NEET' will be graduates, who will find there are no suitable employment vacancies available for them. The Government is already looking at 'internships' as a solution for this group, but there should be other alternative training opportunities to get these young people 'work ready' for those that are unable, or unwilling, to become an intern. Such 'employability' training would also be invaluable for many older workers made redundant as a result of the recession. This points to an ever closer linkage between DWP and DCSF/BIS funding to fully exploit periods of unemployment as positive opportunities for re- and upskilling.

9. We of course do not suggest that there is no place for colleges in providing the pre-Apprenticeship and Apprenticeship provision that will be so vital over coming years. Indeed, ALP believes that independent providers and colleges need to work ever more closely together, using the strengths of each to maximum advantage. Colleges (which tend to be more 'campus' based) undoubtedly have a strong part to play in the delivery of technical certificates and other underpinning knowledge. Whilst some colleges are involved in the delivery of DWP contracts, most have, however, tended not to be strong in offering DWP support for the unemployed. Independent providers tend to be more employer-facing, and can provide the expertise to undertake assessments, particularly in the workplace, and many already work with the unemployed under contract to DWP. We believe that specific expertise should be 'bought in' as appropriate, rather than every college and provider seeking to cover every aspect themselves, often at a severe cost to the ultimate performance – there is a real danger that many of those that try to 'cover the waterfront' simply end up as a 'jack of all trade, master of none'. All this points to the need to retain contestability of funding streams to ensure the most appropriate providers are chosen to deliver programmes regardless of the nature or constitution of the organisation.
10. An additional key factor to be taken account of will be the need to respond to future skills needs as articulated by the Regional Development Agencies, who are positioned to take a more prominent role in the development of the regional and national skills strategies that will ultimately decide how funding is allocated. There must be sufficient flexibility to allow provision to meet different needs in different localities, responding in real time to customer, especially employer, demand, especially once the economy recovers and starts to grow again. This flexibility to meet real time demand is currently one of the key strengths of the work based route, but there is a real danger that some of the proposals within the MoG proposals will reduce the ability of training providers to provide work based programmes in response to real time employer demand because resources will be committed to other routes so far in advance. Further down the line, once the demand becomes clear it will not be possible to switch the resources to meet the actual needs. This will inevitably damage the economic recovery as vital skills needed by employers will not be able to be funded often until up to a year, or even 18 months, later.
11. Finally, we need to understand the true costs of the various routes young people can follow when they reach the age of 16 as it is important that the real costs of delivery are clear, with no 'hidden' costs associated with some routes preventing meaningful comparisons between the different routes. At the moment any attempt at evaluation is very much 'comparing apples and pears'. WBL should then be fully funded for 16-18 year olds in the same way as for schools, although the costs might be shared by both Government and employers.

Summary

ALP believes that there are significant challenges facing the FE system as we seek to support young people during the current recession, ensuring they are ready and able to enter the workforce at the earliest opportunity. This paper starts to identify how these might be addressed and we would welcome the opportunity to discuss these ideas further, exploring how they might be developed and put into action by a future Government.

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