

Background

Apprenticeships

Apprenticeships are now a major publicly-funded training route for young people, they aim to create a more qualified workforce, and the courses attract £1 billion of funding each year. Many employers in a number of different sectors use apprenticeships to train their staff, and almost 240,000 courses are now started every year. For 16 to 18-year-olds, the Government typically covers 100% of the training costs, although employers must still pay their apprentice's wages. In addition, the Government usually pays 50% of the training costs for 18 to 21-year-olds, and in 2007 government funding was also extended to part-fund adult apprenticeships.

Youth unemployment

Although it has dropped slightly in recent months, the latest data shows that there are 915,000 young people between the ages of 16 and 24 who are currently unemployed - an increase of 232,000 since 2008. The Government has set up several schemes to tackle this problem, such as Backing Young Britain and the £1 billion Future Jobs Fund. Last year, the Government also announced a Young Persons Guarantee of a place in education or training for every 16 and 17-year-old, which is scheduled to continue until March 2011.

Internships

During the recession, internships have come to prominence as a key training route for many young people after leaving university. In addition to the Young Persons Guarantee, the Government recently announced a Graduate Guarantee of a training place or internship for all graduates out of work for six months, which came on the back of a commitment last autumn to create 10,000 new internship places. Although internships are sometimes unpaid positions, the Government have been working with the Higher Education Funding Council for England to provide paid internships, particularly for small companies.

Quangos and government skills programmes

With the pressure on public spending increasing all the time, quangos and inefficient skills programmes have come into the spotlight. Train To Gain, the Government's flagship training programme that subsidises a huge number of workplace qualifications each year, was recently criticised by the National Audit Office and the Public Accounts Committee for its inefficiency and 'deadweight' costs.

Targets

In November 2009, the Government announced that the target of getting 50% of young people to go to university – which had received tentative backing from the Conservative Party - was to be replaced with a new target of 75% going on to higher education, or completing an advanced apprenticeship or technician level training by age of 30.

Labour manifesto proposals

- 200,000 jobs to be created through the Future Jobs Fund, with a job or training place for young people who are out of work for six months.
- Advanced apprenticeships will be expanded to 70,000 places a year.
- Every young person guaranteed education or training until 18, with 75% going on to higher education, or completing an advanced apprenticeship or technician level training by age of 30.
- Entitlement to an apprenticeship place in 2013 for all suitably qualified 16-18 year olds.
- New apprenticeship scholarships will enable the best apprentices to go on to higher education.
- Skills Accounts for workers to upgrade their skills.
- Expand paid internships to open up opportunity for people from families on low incomes to enter professions like the media and law.

Conservative manifesto proposals

- Scrap Train to Gain and redirect funding to apprenticeships.
- Create 20,000 additional Young Apprenticeships.
- Create 400,000 work pairing, apprenticeship, college and training places over two years.
- Give SMEs a £2,000 bonus for every apprentice they hire.

Liberal Democrat manifesto proposals

- A work placement scheme with up to 800,000 places will ensure that young people have the opportunity to gain skills, qualifications and work experience even if they can't find a job (young people on the scheme would be paid £55 a week for up to three months).
- Fully meet the up-front costs of adult apprenticeships.
- Replace wasteful quangos (the Skills Funding Agency and the Higher Education Funding Council for England) with a single Council for Adult Skills and Higher Education.
- Scrap the arbitrary target of 50% of young people attending university, focussing effort instead on a balance of college education, vocational training and apprenticeships.
- End Train to Gain funding for large companies, restricting funds to the small and medium-sized firms that need the support - money saved will be used to cover course fees for adults taking a first Level 3 qualification (e.g. A-levels, adult apprenticeship), allowing significant reduction in overall budget.

CIPD election viewpoint

The continuing focus on **apprenticeships** has both benefits and drawbacks. Providing more apprenticeships at university level is laudable, as is the desire to expand school-age apprenticeships, but the key issue of whether there is sufficient demand from employers to provide the necessary placements has not been addressed. Even if the government provides the funds for apprenticeship courses, there must still be enough employers who are both willing and able to take on young people – which is simply not the case at present. At the end of last year, the CIPD discovered that number of 16 to 18-year-olds starting apprenticeships fell by 7.5% and for 19 to 24-year-olds it dropped by 5.9%, suggesting that a lack of employer demand could easily undermine any attempt to further expand apprenticeships.

Measures to tackle **youth unemployment** also remain a key political issue. The number of students has jumped by almost 100,000 in the last 3 months alone and is up 13% on this time last year, which has curbed the rise in youth unemployment to some extent. However, the quality and relevance of the education or training aimed at young people is crucial. Recent research from the CIPD has shown that 60% of employers think new employees from school, college or university lack business acumen, commercial awareness and communication skills. Consequently, work placements, work trials and short-term jobs aimed at reducing youth unemployment must focus on enhancing a young person's long-term employability prospects, which is why the notion that 'any job is better than no job' does not necessarily hold true.

On a related note, any new **internship** positions – funded or not – must be high-quality placements that offer valuable learning experience to young people, otherwise the paid internships could do more harm than good to young people's search for a job. The CIPD is currently working closely with the Government on its plans for a new 'code of practice' for internships, following the publication of our *Internship Guide for Employers* in December 2009, as we are keen to promote best practice in this area to as many employers as possible.

With regard to **workplace training**, the CIPD acknowledges that Train To Gain has been heavily criticised in recent months but still believes that there needs to be a focus on developing people management skills in the workplace in order to boost productivity and wellbeing among employees, hence our support for the co-funding of leadership and management training with Train To Gain. The CIPD also supports any attempt to reduce the bureaucracy, duplication and waste caused by the plethora of quangos in our skills system. On Higher Education, recent CIPD research found that 60% of recent graduates have not found unemployment in the subject/field that they qualified in, leading us to recommend that 50% target (or its new 75% ambition) be urgently reviewed. As with apprenticeships, if there is not sufficient employer demand for particular qualifications or skills then the case for publicly funding these training options is, understandably, diminished.

Available for comment:

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