

# The 5% Club

## 21<sup>st</sup> Century Winners Briefing Paper



### Practical solutions to apprenticeship barriers

Significant inequality barriers hinder access to apprenticeships in the UK.

In England, apprenticeships are available to anyone over the age of 16, with various entry requirements depending on the sector and job. However, The Three Million Apprenticeships: Building ladders of opportunity (2017)<sup>1</sup> found 'significant inequalities in apprenticeship participation', and noted concern about access barriers. Among these barriers are: low household income; high travel costs; perception of apprenticeships as low value; non-realistic wage; lack of generic apprenticeships; rigid hours; ethnic gaps; and gender stereotypes.

The good news is that many inequalities could be lessened or removed by employer-led changes, which would positively impact future apprentices and future business profits.

This article outlines some practical solutions for employers.

#### Low Income/High Costs

The barriers against some young people start at school. Eligibility for free school meals is recognised as a proxy for low household income, and recipients are less likely to undertake apprenticeships.

That low-income background comes into play again when it's time to apply for an apprenticeship. Young people living in geographically isolated areas, and in 'cold spot' regions (low economic activity and low educational attainment) have limited access to employers offering apprenticeships. In addition, public transport costs vary significantly across the UK, and a young person may be unable to afford such travel costs. That barrier inflicts a severe limitation on possible apprenticeships, with the inevitable result of having to find one closer to home, with the higher level/degree apprenticeship (often far away) becoming inaccessible.

#### Solutions:

- Create an Apprentice Premium, and a Quality and Access Fund in the Apprenticeship Levy to help employers access more low-income-family youngsters.
- Provide free or subsidised accommodation near to work, particularly for Higher and Degree apprenticeships, and undertake outreach programmes in 'cold spot' areas.
- Provide free or subsidised transport from isolated outlying areas to work.
- Offer more higher/degree apprentices within a wider geographical range.

#### Prior Qualifications/Specialist Apprenticeships

Apprenticeships may be regarded as a lower-level offer than the academic alternative, with a risk of it being perceived as a route for those with less potential.

This perception is influenced by apprenticeship's low-qualification starts. For example, most (68%) under-19-year-olds start apprenticeships at qualifications levels below what a natural next step would be if they were following a standard academic track. For the degree-age group, 19-24-year-olds, almost all (97 per cent) apprenticeship starts are below the higher education level. Only 2.6 per cent of this group started Higher Apprenticeships in 2014/15, signalling the perception of university routes offering a better choice.

Specialist apprenticeships are also perceived as limiting future career options. While they may be attractive to employers, the young person generally prefers the potential transferability of more generic options. Further and higher education options generally offer wider career possibilities. Recently, Barclays removed academic entry requirements to encourage diverse applicants: with the right support, these recruits have the same level of success as those who met the previous entry requirements.

#### **Solutions:**

- Choose alternative (non-equivalent education) assessments such as verbal, numerical and abstract reasoning tests, and work-based assessments as selection criteria.
- Offer Advanced apprenticeships rather than Intermediate apprenticeships to young people with A\* to C grade GCSEs, and Higher or Degree Apprenticeships to those holding A-level qualifications.
- Use the new apprentice frameworks to offer additional generic apprenticeships and wider career possibilities.
- Offer additional generic training that could be valuable across many sectors, along with specific job role training.

#### **Living Wage/ Travel Costs**

If initial income-related, and career-value perception barriers are overcome, and the young person gains an apprenticeship, there's now wages to consider.

The minimum wage rate for an apprentice under 18 yields only 47% of the National Living Wage, with the standard apprentice's 35-hour working week netting just £122.50 per week, before deductions. That amount has to cover the costs of meals, travel and job clothing. Many young people also have caring responsibilities for children, siblings or parents, and find it difficult to undertake full time work on apprentice level pay. And, no longer classed as a student, the apprentice is not eligible for previously available school/college related assistance, such as free school meals, study bursaries, or Care to Learn assistance.

Making matters even harder, the newly acquired 'employee' status of apprentices means they are no longer classed as dependents, and low-income families lose benefits – which is a greater amount than the apprentice's earnings.

#### **Solutions:**

- Increase apprentice wages to the National Living Wage level.
- Provide employer-subsidised meals, accommodation or travel passes.
- Give apprentices the equivalent status of students, so they can access subsidised travel.
- As students, higher/ degree apprentices could get student maintenance loans for accommodation and travel costs.
- Reclassify apprentices under 19 as dependents, so families could still claim benefits.

#### **Rigid Hours/Child Care**

When the young person has finally started an apprenticeship, the lack of flexibility in apprenticeships (whether hours, length or type of delivery) can cause major problems.

For example, people with disabilities and health problems, or carer responsibilities may be unable to accommodate rigid apprenticeship terms; in the UK, 20 per cent of people have a health problem or disability, but only 10 per cent of apprenticeships are filled by people with a disability or learning difficulty.

And the employer who may not have a full-time vacancy, but could have a part-time opening, is unable to offer an apprenticeship.

Note: Camden Council's flexible apprenticeship pilot involves working with employers to encourage flexible apprenticeship opportunities, on-going support to apprentices and employers, and financial support to top pay up to the London Living Wage. This could be offered in other towns and cities.

#### **Solutions:**

- Publicly promote flexible and part-time working practices, extended to apprenticeship programmes.
- Offer part-time apprenticeships of 15 hours a week to reduce the chance of losing in-work benefits, and be aligned to the entitlement of 15 hours of free childcare.

#### **Gender Stereotypes/Ethnic Gap**

In 2015/16, women made up 52 per cent of apprenticeships (according to The National Learning and Work Institute). However, the sectors and occupations in which women are more likely to undertake apprenticeships tend to be lower paid.

For instance, the majority (70 – 90 per cent) of apprenticeships in construction, engineering, information and communication technology, and leisure are taken up by men, while women make up the majority of apprenticeships in health, education, business administration and retail.

Illustrating the ethnic gap in apprenticeship take up, white applicants are twice as likely to succeed in their application than people from black, Asian and minority ethnic (BAME) backgrounds.

Research shows sector and geography play an important role. BAME applicants make up only 10.5 per cent of apprenticeship starts, are more likely to apply to sectors with high competition for apprenticeships, and to live in areas (such as London) with relatively low apprenticeship vacancies. The National Learning and Work Institute analysis found that people from BAME backgrounds make up 19 per cent of all applications to the Skills Funding Agency's Find an Apprenticeship website.

#### **Solutions:**

- Be publicly passionate about diversity.
- Promote part-time and flexible working practices, showing female students it is possible to work in male-dominated sectors and balance future child care obligations.
- Increase apprenticeship opportunities in areas with relatively high BAME populations.
- Communicate inclusion policies in all marketing and communication materials, and ensure role models diversity.
- Target particular geographical areas and media, and reach out to female students in schools, have open days for female students and parents.
- Ensure elimination of conscious/unconscious bias in the recruitment process that may lead to discrimination.

#### **Summary**

Employers have a significant role in reducing the barriers to accessing apprenticeships. They can encourage the government to invest in widening participation in apprenticeships, advice and guidance resources, and lobby for employer financial incentives such as 'Apprentice Premium' funding to recruit Pupil Premium students eligible for free school meals.

In addition, employers must actively engage in outreach activities to showcase their apprentice programmes, and ensure public promotion of commitment to inclusion by featuring diverse role models on websites and promotional material, and include diverse apprentices in their outreach activities. Employers should extend

their flexible and part time working policies to their apprenticeship programmes, and take action to remove any discrimination through the recruitment process.

The combination of these actions would significantly reduce the barriers and widen participation in apprenticeship programmes in the UK.