

## **Briefing Note to the YPES Board Meeting 27<sup>th</sup> February 2014**

**Subject: Apprenticeships in London**

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How many apprentices are there in London?

- 9,500 16-18 year olds starts - only about 5% of the cohort.
- Volume is 60% below the national average.

Who is an apprentice in London?

- Over 60% lack a grade C in both English and Maths GCSE.
- 70% are employed by an SME.
- 75% of apprentices are in three sectors: retail, business admin and care.

Are Providers the problem or the solution?

- 70% achievement rate – just under the national average.
- Significantly a 90% progression rate – very high.
- 80% of apprentices trained by 'good' or 'outstanding' (Ofsted inspected) providers.

What's different in London: a competitive supply chain

- 80% of all apprenticeships delivered by 100+ independent providers.
- FE Colleges drawdown 30% of funding but outsource close to half.

Why is there insufficient demand from employers to employ an apprentice?

- Recruit from a relatively small talent pool.
- Large pool of EU nationals to recruit from.
- 30% of UK graduates want to work in London.
- Competing public offers.

What are the strategic policy issues in London?

- Unbalanced vocational offer: Over 80% of all publicly funded vocational learning in the classroom (OECD).
- Schools/Colleges hoard 'good' students to remain financially viable restricts labour supply.
- Relatively weak English and Maths at 18 prevents access and progression to Level 3 frameworks.
- Not an alternative to University: Less than 1% on a higher-level apprenticeship.

Labour market

- 50% of new jobs at graduate/post grad level.
- Insufficient commitment from large employers to employ apprentices.
- Structural unemployment problems are significant in parts of North and South London.
- 20% of all 19-24 year olds out of work.