

# Spotlight

## SKILLS AND APPRENTICESHIPS: CREATING A NEW WORKFORCE

Anne Milton / Robert Halfon / Levi Roots / Bear Grylls





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# The tuition fees no-one is talking about



**T**uition fees were the undoing of the Liberal Democrats and the remaking of Labour. Last month, Theresa May announced a review into the cost of university and what she described as “a funding system which leaves students from the lowest-income households bearing the highest levels of debt.” Apprenticeships, by contrast, are free for all – aren’t they?

Sadly, the answer is no; for some, an apprenticeship can be almost as expensive as going to university. While apprentices pay no fees for the training they receive, they work for less. A person of 25 who has the option to work for a year at the national minimum wage (£7.50) or the minimum wage for an apprentice (£3.50) faces the choice between a yearly salary of £14,100 or £6,580. Choosing the apprenticeship therefore represents a charge, through lost income, of £7,520 per year.

Most will not pay this maximum figure. A more realistic “tuition fee” for an apprentice is £3,948 per year, which is the income an 18-year-old would lose per year by working for £3.50 rather than the minimum wage for their age group of £5.60.

University students pay £9,250 per year up front. But they also receive on average more than 14 hours per week of high-level tuition, while apprentices get eight hours. Many students fit in part-time jobs around their studies, for which their minimum wage is no lower than the general population; apprentices are already employed full-time. Students have access to loans that are more affordable than anything an apprentice could borrow – and on £6,580 per year, borrowing is inevitable – as well as affordable or subsidised housing. Going into full-time employment as an apprentice, meanwhile, can affect some families’ benefits payments.

Apprenticeships are shown to be a route to a better paid, more interesting life. So why, when university fees make such political capital, are politicians not also campaigning to make them more affordable to the people who actually do them?

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## NewStatesman

71-73 Carter Lane  
London EC4V 5EQ  
Subscription inquiries:  
sbrasher@  
newstatesman.co.uk  
0800 731 8496  
Account Directors  
Justin Payne  
Jugal Lalsodagar  
Dominic Rae  
Commercial Director  
Peter Coombs  
+44 (0)20 3096 2268

Special Projects Editor  
Will Dunn

Special Projects Writers  
Rohan Banerjee  
Augusta Riddy

Design and Production  
Leon Parks

Cover illustration  
Sam Falconer



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# The woman who retrained as a minister



Engineering apprenticeships have a long-standing reputation for quality

Will Dunn speaks to **Anne Milton**, Minister of State for Skills and Apprenticeships, about the value of training, new standards and the effects of the apprenticeship levy

**A**nne Milton left school with “O levels, and one A-level”, and went to train as a nurse at a teaching hospital. “In those days,” she recalls, nursing training “was an apprenticeship. We weren’t called apprentices, but student nurses in those days were essentially apprentices. We had blocks of three or four weeks in training, and we worked on the wards. So I did what would now be termed an apprenticeship.” Milton went on to work in the NHS for 25 years before retraining as an MP.

But while Milton’s pseudo-apprenticeship brought her a long and satisfying career that ultimately led to new and interesting work in Parliament, many other apprentices during those years took little or any benefit from their programmes. Some, Milton reveals, didn’t even know they were apprentices. “There were stories of people claiming they were employing apprentices, and in fact the employees didn’t know they were

on an apprenticeship, because the system was very mixed.” While some companies created excellent opportunities, others created a situation in which “there was no formal training”.

“The trouble with an apprenticeship in the previous days”, says Milton, “is it didn’t have real currency, either with the apprentices themselves or with employers.”

The current overhaul of the apprenticeship system is designed to improve the quality of apprenticeships. “We introduced standards, which are put together by groups of employers. So if you’re a watchmaker, we get together a group of watchmakers and they decide what knowledge, skills and behaviours somebody doing that apprenticeship needs. Then they decide on what sort of end-point assessment is necessary, which gives quality assurance to the apprentice, and to future employers, that they have achieved a



certain standard.”

But do the new standards really offer much more in the way of quality? The website of the Institute for Apprenticeships lists 533 apprenticeship standards. Among them is a standard for “Express Delivery Operative”, which is being developed by delivery firms including CitySprint and Hermes. Together, these firms use many thousands of “self-employed” delivery drivers under terms that have been disputed in employment tribunals. The Express Delivery Operative specification states that, after a year, apprentices “may become self-employed courier drivers”. Is it really worth anyone’s time completing a year-long apprenticeship – at rates of as little as £3.50 an hour, less than half the minimum wage – to enter the gig economy?

“Even at the lowest levels, although it might not feel appropriate to you,” Milton responds, “a lot of people were

just doing these jobs without any real knowledge of why they were doing them, what constituted a good standard of service delivery.” While some level two apprenticeships may not sound impressive, she argues, “for some young people, this is a stepping stone towards going on and doing level three, four, five or even level six.”

Also listed on the IfA website is the specification for Hospitality Team Member. Like all new apprenticeships this lasts at least a year, and it includes the chance to specialise. The “Barista” specialist function training offers the opportunity to “know the main categories and types of hot and cold beverages, in particular coffee, and the methods of preparing and serving them.” Alternatively the “Housekeeping” specialist function gives apprentices the skills to “clean and maintain bedrooms and public areas including furniture, fixtures and fittings, soft and hard

## A level two apprenticeship is equivalent to five GCSEs

flooring”. What does a young person entering the job market gain from making coffee or mopping floors, for at least a year, at down to £3.50 an hour?

“Twenty per cent off-the-job training, and an end-point assessment,” answers Milton. “So, when you go to a future employer, you can say, this is my qualification. I have followed a training course, I’ve been employed for a year and I’ve passed an assessment at the end of it.” According to UCAS, a level two apprenticeship qualification is “generally considered to be equivalent to five GCSE passes”, and recent research by the Sutton Trust shows that the market seems to support this – by age 28, people who start an apprenticeship earn significantly more (23 per cent for men and 15 per cent for women) than those who leave school with only GCSEs.

It was in 2015, almost two years before Anne Milton moved to the DfE, that the government committed to the two pieces of policy that now define her position: there must be three million apprentices by 2020, and their training must be paid for using the apprenticeship levy. But the three million figure is a measure of how many start an apprenticeship, not how many complete one. With almost a third of apprentices dropping out in 2016, would completions not have been a more effective goal?

“Starts are not the only measure of success,” Milton agrees, “but when you’re starting a new system, all you’ve got are starts – we’ve not been going a year yet.” Milton says she plans to introduce, “hopefully by the summer, some live monitoring from both apprentices and employers, so that we can see how the system is going. My idea is that an apprentice could, maybe once a month, grade their training provider and their employer, so that we can see patterns emerge – we’ll find out which are the good employers, which are the good training providers.”

Keeping the number of starts high has not been made easy by the Levy, which requires companies with paybills of over £3m – of which Milton says there are over 20,000 – to pay 0.5 per cent of their

paybill into a fund that can only be spent on external training for apprentices. The Levy came into force in April last year, and by the time DfE produced its first set of statistics in October, apprenticeship starts had fallen 61 per cent.

“It is what we anticipated,” says Milton. “Before the new system came in, in April, there was a big rush to employ apprentices. People don’t like change, this was a new system, and actually, employing apprentices was going to be more onerous if you wanted to take advantage of your levy. So we expected it to fall quite dramatically.” Milton prefers to focus on the fact that while the levy reduced apprenticeship starts by almost 70,000 in three months, the number of higher-level apprenticeships rose during that period.

Milton seems confident that the overall number will climb, based on what she’s been told by big businesses. “Microsoft has about 5,000 apprentices now, but they’re planning to get that up to 30,000 by 2020. I recently met a few of the big names in the hospitality and retail sector – they’re very happy. Some of those organisations say they’re going to spend all of their levy. They are very keen to get people in on level two and progress them. For them, it’s an opportunity to spot talent. So somebody might come in on a level two apprenticeship, they might not have done well at school, and they see the potential in them.”

A large hotel chain would also, it could be argued, see the “potential” in paying someone £3.50 an hour to clean the rooms or work in the bar for a year. Milton replies that “you can only pay £3.50 for the first year, if they’re over 19, and actually the average earnings for an apprentice is about £6.70.” Technically this is true, but it’s an average figure that is raised by the fact that many apprentices are already in work (two-thirds of apprentices are over 25). For apprentices aged 16-18, the median pay in 2016 was £3.81.

What counts for Milton, though, is the central principle that more workers are being trained. The whole reason for apprenticeship reform, she says, was



**An apprenticeship cleaning hotel rooms can become a “stepping stone”, says Milton, to higher levels**

## “Starts are not the only measure of success”

that “we realised that in many other countries – Germany being a notable example – business has a long history of investing in the skills of their workforce. We didn’t, in this country. And I think one of the reasons apprenticeships haven’t worked that well in this country is because governments have tried to do it. What we’ve done by introducing the levy is to put it in the hands of employers - so, you’ve got a skills shortage, you now have a dedicated account, it is your money, so you need to make sure that you use it to train the workforce that you need.”

Ultimately, says Milton, “the only thing that matters is that any money put aside is spent on the purpose for which it was intended, which is to get high-quality apprenticeships out there, so that apprenticeships are not just for the kids who didn’t do well at school, it’s

a real option for kids who did very well at school.”

In the confusion and embarrassment of Theresa May’s recent reshuffle it was Milton, with her long background in the NHS, who was tipped to become the new Health Secretary. In different times Jeremy Hunt might have been moved by force, but this January he was able simply to refuse the embattled PM. Milton’s reasons for going into politics – “I didn’t think there were enough women represented, enough people like me – people who had worked on the front line in the public sector. There certainly weren’t enough nurses” – suggest she would have welcomed the new position. But at the DfE a major policy overhaul, a new tax on businesses and a hugely ambitious target will no doubt benefit from the kind of cheerful enthusiasm taught by a quarter-century of nursing.

**Robert Halfon, chair of the Education Select Committee, wants to see a better balance between academic and technical qualifications**

# Welcoming a skills-based revolution

**The University of Cambridge is offering apprenticeships, designed with employers, as an alternative to conventional degrees**



**H**uge progress has been made in improving our education system over the last few years. The number of young people in good or outstanding schools has risen by nearly two million in less than a decade, we are moving towards a system of technical qualifications which are genuinely valued by employers, and several of our universities are among the best in the world. This is not, however, a time for complacency and we must address our skills shortage in this country by changing the way we view education and sparking a revolution in the higher education sector.

More than a third of workers in England do not hold suitable qualifications for the jobs they do and around nine million of all working aged adults in England have low basic skills. Meanwhile, an enormous wave of lost opportunity is about to come

crashing down on the next generation of employees, with a third of England's 16-19-year-olds having low basic skills. 28 per cent of jobs taken by 16-24 year olds could be at risk of automation by the 2030s and only around five per cent of young people are working in STEM, the area most resistant to the risk. This lack of skills in our society affects us all, but it is the most disadvantaged who pay the highest price by slipping into a concoction of wage stagnation, fading hope and inertia.

Skills are a route up the ladder of opportunity, with 25 per cent of apprentices coming from the most disadvantaged fifth of areas. Now is the time for a radical overhaul of higher education to boost the level of skills in this country, end social injustice and help the most disadvantaged climb the educational ladder of opportunity.

The Education Select Committee is



currently conducting an inquiry into value for money in higher education and our findings will feed in to this debate. While the pay packets of some vice-chancellors have been making the headlines, we are also interested in issues such as the use of graduate outcomes data, support for disadvantaged students and the quality of teaching across institutions. There needs to be far more transparency about the returns that degree courses will bring, with more emphasis on teaching quality and employability.

The current obsession with full academic degrees in this country must end. There are just not the jobs available for the graduates and the return on investment for some of these students is paltry. Instead, we should rebalance higher education and redirect some of the public funding universities receive to those courses with a technical focus.

No longer should there be a divide between technical and academic education and there must be closer links between further and higher education. They should be seen as intertwined – two parts of the same system of self-improvement and both equally well supported.

Degree apprenticeships are a remarkable example of a vehicle that blends the two together and could be the crown jewel in a revamped technical offering. Students earn as they learn, they do not incur mountains of debt, and they get high-quality jobs at the end. They also help us meet our skills deficit, so they benefit society too.

More universities should follow the recent example set by the University of Cambridge and offer these apprenticeships. There are currently just 11,600 degree apprenticeships. I hope that one day, half of all students will be

studying them. However, this is not just an issue of supply. Few families are aware of degree apprenticeships, especially from disadvantaged families where the returns could be most profound. Both the existence of apprenticeships and the value they bring should be hard-wired into careers advice.

The government must now do more to incentivise the growth of degree apprenticeships and the review of higher education funding announced by the Prime Minister is an ideal opportunity for action. Theresa May is right that the attitude that a full university degree is the only desirable route for young people is outdated and the government should now take the opportunity to do all it can to incentivise more skills-based courses and technical offerings.

If there is the opportunity to reduce tuition fees then we should use it to encourage the take up of courses in developing the skills that we need – from science and technology to healthcare and coding. All financial incentives should be geared towards encouraging those building up our skills base, something that will also benefit students in the long run.

It's only right that universities are held accountable for the extent to which they prepare students for the world of work. We must also make it easier for people to learn flexibly throughout their lives, through supporting learning through the flexible earn and learn sector, and institutions such as the Open University.

Good education is the high-speed train that propels social justice. But it needs a proper line. And a series of stops that lead to thriving, dynamic places of opportunity. Not deserted platforms and decaying stations.

For that to happen, we must craft a more fluid and balanced system and we must build excellence all along the way. Higher education should be about employability, skills and helping the disadvantaged climb the ladder of opportunity every step of the way.

**Chris Holmes** has launched a **Private Members' Bill** in the Lords to end long-term unpaid internships. He explains the scale of the problem, and why government needs to intervene

# “You can't pay the rent with a glowing CV”

**W**e abolished slavery in the 19th century and introduced a national minimum wage in the 20th, so how can it be, in one of the richest places on the planet, in the 21st century we still ask tens of thousands of people, often young people, to give their labour for free? “A nation that works for everyone” is an aim I wholeheartedly agree with but in order to achieve this we must have a nation where work is recognised and appropriately remunerated.

It is for this reason that I set out my Private Member's Bill to prohibit unpaid work experience exceeding four weeks. I believe that in Britain, when we are at our best, we uphold the values of fairness, dignity and respect. It also seems completely clear to me that, even if you don't care about the values,

this is also about talent. Why, as an organisation, or a society, would you want to limit access and not draw from the widest pool of the brightest and the best?

Internships have become a prominent and problematic feature of the United Kingdom's jobs landscape. For many professional careers, there is now an expectation that prospective employees will go through an internship (or even several internships) before starting a full-time paid role. They provide access to the most in-demand careers, but are too often unpaid and not advertised.

Recent analysis from the Sutton Trust show rising rents and inflation mean an unpaid internship now costs a single person living in London a minimum of £1,019 per month. With many internships several months in length,



taking on a six-month internship in 2018 would cost a young person £6,114. Current estimates are that 10,000 graduates are in unpaid internships six months after graduation, though many more will do them at other times. Over 40 per cent of young people who have carried out an internship have done at least one of them unpaid.

Shockingly, unpaid internships are a growing problem in the UK. Research by IPPR last year found that the total number of internships offered have consistently risen each year since 2010 (by as much as 50 per cent in total). Each year, there are up to 70,000 interns in the UK. Nearly half of employers report that candidates who have not gained work experience through an internship will “have little or no chance of receiving a job offer” for their organisations’ graduate programmes, regardless of academic qualifications.

I believe a change in the law is required to end the uncertainty that exists for interns and employers and close the current loophole which means that the law is not enforced effectively. Many interns are likely to fall under the definition of “worker” under the National Minimum Wage Act of 1998 and so are legally entitled to be paid the national minimum wage. However, over a quarter of businesses (26 per cent) admit to paying interns less than the minimum wage or nothing at all.

Whilst, in theory, interns can contact the government’s pay and work rights helpline or take the employer to tribunal, it is both a brave – and well-informed – intern who takes such action. There is an understandable fear that doing so will lock them out of the very industry that they are trying to access contacts, references and experience in.

Furthermore, the legal uncertainty means that the intern cannot be sure of winning any case they were brave enough to take. Some employers may not know their obligations, but many get away with the practice of not paying as they are fully aware of legal loopholes and a lack of tough penalties.

Under the National Minimum Wage



Act, someone only counts as a worker if it is clear that both the firm and the individual have obligations to each other. Someone might work in an organisation for three months as an intern and yet the employer could deny that there was an obligation on the individual to attend every day or to give notice that they no longer planned to attend and therefore that the arrangement placed any obligations on the intern.

The government has argued that the current law is sufficient and therefore no change is required however the government also recently admitted that there had been no prosecutions in relation to interns and the national minimum wage.

The purpose of my bill is to provide clarity and certainty to both interns and employers and to ensure that all

internships are paid from four weeks (20 working days). Of course, any shorter internship must also be paid if the intern meets the definition of “worker” from day one. The only exceptions would be arrangements that are currently excluded from the national minimum wage act because, for example, they form part of a sandwich year from university or involve charity volunteering. If you are undertaking genuine work experience, of which I am completely in favour, this is valuable but cannot extend beyond four weeks.

By paying interns, businesses will have access to a larger, more diverse talent pool since it will include those who currently cannot afford to take up internships and are therefore unlikely to apply or be taken on by the business. This is one of the most fundamental issues that has blighted Britain for



decades: talent is everywhere, and opportunity, currently, is not. Unpaid internships perpetuate this iniquity.

A further benefit to employers who pay interns is that they are more likely to recruit them – 46 per cent of employers who paid interns found it a useful method of recruitment, compared to 32 per cent for unpaid interns.

In thanks to the excellent campaigning work of various organisations, and perhaps also in response to this bill, I am pleased that the government last week launched a crackdown on unpaid internships, sending more than 550 warning letters to companies and setting up enforcement teams to tackle repeat offenders. HM Revenue & Customs is expected to target sectors such as media, the performing arts and law and accountancy firms and will also issue guidance to employers spelling out

when they are legally obliged to pay at least the national minimum wage to interns.

I sincerely hope this initiative makes a difference but would urge readers to consider two actions if they would like to see more concerted action and support this change in the law: first, join the conversation on social media using #payinterns and second, contact your MP to encourage them to support this bill when it comes to the Commons. My hope is that with this bill we can finally put an end to this pernicious practice which inhibits social mobility and is a stain on our society.

I will conclude with the words of those who have suffered the experience of unpaid internships, as it is those that really matter. “You can’t buy food with exposure” or “pay the rent with a glowing CV”.

## Unpaid internships: the facts

### ● ONE IN FIVE INTERNS ARE UNPAID

According to the Sutton Trust, there are up to 70,000 interns employed in the UK – of which 15,000 are not paid for their work.

### ● MOST ARE IN LONDON

The Sutton Trust also found that the majority of internships are in London. Most estimates put the minimum cost of living in the capital at over £12,000 a year for rent, bills, food and transport.

### ● THE PUBLIC SUPPORTS A CHANGE IN THE LAW

Three-quarters of people surveyed by the Social Mobility Commission earlier this year backed legislation against the use of unpaid interns. The poll of 5,000 people was published ahead of the second reading of Lord Holmes’ Bill.

### ● INTERNSHIPS NEGATIVELY AFFECT SALARY OVER TIME

A study carried out by the Institute for Social and Economic Research at the University of Essex revealed that, three-and-a-half years after graduating, former interns face a salary penalty of approximately £3,500 compared with those who went straight into paid work, and £1,500 compared with those who went into further

# Why bad managers make bad companies

Poor management is the number one cause of UK business failure, warns **Petra Wilton**, director of strategy at the Chartered Management Institute

## Productivity crisis

As the United Kingdom edges towards Brexit the need to deal with our chronic productivity crisis becomes more urgent with more businesses, both large and small, at a risk of failure. Since the financial crisis productivity growth has fallen from annual average rates of almost 2 per cent a year to zero. It means productivity in the UK now stands 21 per cent lower than the G7 average. For some the problem has been more long-term with a third of UK companies failing to improve their productivity since 2000.

We know from OECD analysis that the key to increasing productivity is better management but Chartered Management Institute (CMI) research has found 71 per cent of businesses do not train first-time managers.

## Collapse of Carillion

The fate of Carillion has rightly led to an investigation into the conduct of the directors responsible for the collapse of what was once the UK's second-largest



construction company. However, Carillion was a company that employed more than 43,000 people worldwide, with 20,000 in the UK and held around 450 contracts. It was an organisation with thousands of managers ranging from local team leaders to senior directors. For the company to operate effectively each of those managers needed to be professionally trained. Effective leadership can lead to a 32 per cent rise in productivity but CMI research has found 43 per cent of workers rate their own manager as ineffective.

## Training is needed at all levels

Any company, especially one the size of Carillion, needs to get the best from its workforce to succeed and to do that requires management training at all levels, from the new starter to the CEO. A long-term failure to invest in training has led to a chronic skills gap in the UK, especially at leadership level with 2m more managers needed by 2024.

Management apprenticeships offer an innovative and flexible way for employers to build the skills base they desperately need. They are tailored to the needs of employers offering professional training ranging from people wanting to upskill to become

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a team leader through to senior managers embarking on a master's degree-level apprenticeship. Funded by the apprenticeship levy, the range of new management apprenticeships now available offers a ladder of opportunity to people of all levels and experience.

These programmes are being used by employers for both school leavers and for those already in the workplace. Management apprenticeships give employers the ability to tap into a more diverse workforce and offer a new route to further develop existing internal talent and ensure those entering the workforce have the trickle-down impact of working for a good manager.

### **Management apprenticeships are transformative**

CMI research has found 65 per cent of employers say graduates lack the interpersonal skills necessary to manage people. That experience has led to more companies running management degree apprenticeships to nurture new talent and provide a pipeline of future leaders. Earlier this year, Universities UK published a report showing these were the fastest growing degree-level apprenticeships, alongside digital and engineering. And all these areas clearly reflect the biggest skills

## **CASE STUDY**

# Boots

**Boots started its Chartered Manager Degree Apprenticeship scheme in October 2016 and currently has ten apprentices on the programme.**

**Andrew Chandler, HR director for retail and pharmacy at Boots said: "We started in partnership with Nottingham Trent University – they are our local provider. The benefits of this degree apprenticeship programme are numerous. The starting point is that we get to keep and develop some brilliant apprentices."**

**He added: "Our Chartered Manager Degree Apprenticeship programme will help us to develop employees into CMI-accredited chartered managers who will lead us now and in the future."**

gaps that employers are facing. Furthermore, those on the graduate programmes can expect to earn £50,000 more over the course of their career compared to graduates from non-Russell Group universities.

### **Leading employers embrace Chartered Manager Degree Apprenticeships**

November 2015 saw the introduction of the Chartered Manager Degree Apprenticeship; it is a degree that combines full-time employment whilst studying for a degree and professional Chartered status, covering all the areas essential to managing and leading effective teams, and for the successful running of a business.

Many of the UK's leading employers, including Barclays, Nestlé, Boots, the Civil Service and McDonald's, offer these new degree apprenticeships and have designed their programmes in partnership with leading business schools like those at Aston University, Manchester Metropolitan and

Nottingham Trent. The tuition fees are paid by the employers via the Apprenticeship Levy and those undertaking the programmes earn as they learn.

Nestlé is just one of the top employers using CMDA to develop pathways and career progression for its staff. Dame Fiona Kendrick, chairman of Nestlé UK and Ireland said: "Because we've been involved in designing the curriculum with Sheffield Hallam University, it means that we can ensure the work that the apprentices are doing on a day-to-day basis is really aligned to that."

She added: "The apprentice really gets the best of both worlds; they earn and they learn and they're really able to develop at pace."

### **Time for more businesses to embrace the Apprenticeship Levy**

The Apprenticeship Levy provides an opportunity for British business to close the skills gap and improve productivity. Introduced in April 2017 the Levy requires employers with an annual pay roll greater than £3m to pay 0.5 per cent into their levy pot. This gives all employers the opportunity to invest in upskilling their workforce and attract the talent they need to succeed. All funds can be reinvested back into an organisation's own workforce and can be aligned to existing talent development schemes alongside recruiting in new apprentices.

The levy has faced criticism in recent months for being too restrictive on employers. But those challenging the Levy, which is still in its infancy, are underestimating its potential as an intervention to transform investment in much-needed skills. The collapse of Carillion is a stark reminder that it is poor management and leadership that is the biggest threat to business and not the Levy.

**For more information on how you can start your management apprenticeship programme and to find out which providers you could work with, visit: [www.managers.org.uk/bettermanagers](http://www.managers.org.uk/bettermanagers) or call CMI on: 0333 220 3149**

# Apprentices will keep tomorrow's railways on track



As an industry reliant on apprentices, rail must come together to face the challenges of the future, according to **Simon Rennie**, NTAR general manager, and **Dan Walker**, head of apprenticeship delivery, rolling stock, Siemens Mobility Division

**T**he rail industry is, like so many industries, experiencing a period of rapid change. Changes in how people live, work and commute, as well as the emergence of exciting new technologies, mean the whole industry is in flux. This will create exciting opportunities for the rail employees of tomorrow, but also a need to address the unknown and to prepare for it. A crucial part of this will be adapting our apprenticeship training, and giving apprentices the tools they need to be ready for this new reality.

At Siemens, we have always had a commitment to upskill and train our staff. The company is one of the UK's largest engineering employers, with in excess of 500 apprentices currently enrolled with the firm. Our apprenticeship scheme was graded "outstanding" by Ofsted. Apprenticeships are historically integral to engineering due to the highly skilled and particular nature of the work. By taking on an apprentice, you gain an individual who is motivated, enthusiastic and at the outset of a new career. They are embedding skills and values into how they operate, and between employer and apprentice develops a two-way, long-term loyalty that creates longevity of service and a standard of work that can often exceed that of a graduate employee.

Within Siemens UK Mobility, the rail systems rolling stock division employs 850 people, of which 100 are current apprentices or have passed through the apprenticeship scheme. The Thameslink programme, through which Siemens has supplied 115 commuter trains to London, shows clearly the progression of apprentices

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and their importance to the company. Within nearly every team working on the project, a former apprentice is performing a crucial role as a technician, a specialist, or a manager. We are seeing the effects of the investment in these young people: they are now our leaders and technical experts.

Siemens has always had ambitious targets in place for apprentice numbers, and we welcomed the introduction of the apprenticeship levy, and the shift from the apprenticeship frameworks to the employer-devised standards. These two key developments fit neatly with Siemens' collaborative approach to skills development. We work closely with partners and customers to create apprenticeship programmes that benefit from our industry expertise and standardise a high-quality experience for learners.

In 2015, Siemens in Collaboration with the National Skills Academy for Rail (NSAR) launched the National Training Academy for Rail (NTAR) with funding and support from the Department for Business, Energy, Innovation & Skills (BEIS) and the Department for Transport (DfT).

The Academy is a skills development centre aimed specifically at addressing the skills gap in train maintenance and fostering the next generation of highly trained rail engineers. It is a quality-assured rail training specialist that provides top class rail engineering apprentices (typically to those leaving school or college) but also training to those changing careers or who work within the industry and are upskilling on the back of the introduction of new technology.

To make a tangible contribution to the long term skills development in the sector, NTAR's training is available to the wider UK rail market. When developing the centre, Siemens and NSAR consulted widely with other train operating companies and manufacturers to collectively help define the needs of the industry. Equally since 2016 NTAR has delivered the "Trailblazer" Rail Engineering apprenticeship standards based on content and learning outcomes defined jointly by a broad group of employers so that it delivers high quality and consistent schemes that are valued and recognised across the industry. This also means that learners from different organisations interact; networking forms a core part of the programme.

We believe that skills are "pre-competitive" because of the scale of the existential threat that we as an industry face together. With a severe skills shortage looming, if "competing" organisations do not work together on creating a sustainable workforce, then an environment of rampant poaching and painful wage inflation will emerge. It is in everybody's interest to work together on common standards, building a workforce that's going to be widely useful. This is exactly what NTAR was established to do.

As the skills requirements within rail engineering continue to adapt to technological developments, skills training must stay alert and adaptable. Luckily, the new Rail Engineering Apprenticeship Standards are already quite flexible, allowing employers to

deliver lots of different career pathways. If you have a changing technology, forward-thinking companies have the capacity to re-evaluate content, and adapt as required to keep it up to date.

However, when it comes to "future-proofing" apprenticeships, there are two important points to consider. Firstly, an emphasis on soft skills and behaviour is crucial, as together they form the part of an employee's skill-set that never goes out of style. Regardless of other changes, behavioural and problem-solving skills will always serve an apprentice well, throughout their career.

Secondly, by taking apprentices on the technological journey that the company is on, a hands-on, real-time learning experience can be fostered. For example, a traction and rolling stock apprentice at Siemens also has the opportunity to learn about electrification or telecoms, as we are seeing more of these technologies being combined on trains. This is not offered as a separate course, but as part of their occupational development. NTAR sets out to make the whole experience as seamless, paperless and digital as possible, as we know this is the kind of environment these apprentices will be working in, five to ten years down the line.

Apprenticeships at Siemens delivered through NTAR are training people to be the professional engineers of the future. With the right support and facilities, we are helping them to become the problem solvers of tomorrow, and to work in the fast-moving technological environment that is already here, and is only set to intensify. Delivering apprenticeships of the highest standard is an upfront cost, but apprentices are a hugely cost-effective investment in the long-term. Their work will not only ensure the health of Siemens, but the industry as a whole. That is why we are so keen to collaborate with stakeholders across rail to give apprentices the very best chance at succeeding in tomorrow's exciting engineering market.

Will Dunn asks the CIPD's Elizabeth Crowley, the CBI's Neil Carberry and EFF's Verity Davidge if the new funding model means fewer apprenticeships for school leavers

# Is the apprenticeship levy pricing young people out of training?

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**T**he official story, as told by Anne Milton in her conversation with *Spotlight* this week, is that while the number of people taking up apprenticeships fell off a cliff in 2017 – dropping by 61 per cent in less than a year – the drop was mainly concentrated among lower-quality programmes. The numbers of more advanced, higher-quality apprenticeships rose. In November, *FE Week* reported a “huge spike” in higher-level programmes funded by the apprenticeship levy, as courses at level four and above rose by over 400 per cent. This, says the government, is good news – more people are doing better apprenticeships.

But within this data is another story. Supported by a range of anecdotal evidence from businesses, there is a growing concern that apprenticeship

reform, particularly the funding mechanism, has reduced the number of apprenticeships available to school leavers in favour of management apprenticeships for people who have already been employed for some time.

Elizabeth Crowley, skills adviser at the Chartered Institute of Professional Development, describes this as “a pre-existing challenge within the system. Before the levy was introduced, two thirds of apprenticeships went to existing employees. Only a small number actually went to new starters. However the levy, or rather the incentives in the levy, appear to us to have shifted that balance further.”

Crowley explains that the new funding model means the priority for employers is now to recoup their levy money efficiently. “Employers are



**Management training apprenticeships have risen dramatically**

## Young apprentices appear to be at a nine-year low

looking for ways re-badge existing training activities to be able to reclaim their levy money.” In its research into the unintended consequences of the levy, the CIPD found that “46 per cent of businesses were looking at ways to re-badge their existing training activity as apprenticeships, including leadership and management training.”

“Early indications from [the DfE’s] data show that we’ve hit the lowest point since 2009/10 for the number of young people getting an apprenticeship place,” says Crowley. “The IFS has been quite clear that the changes in the incentive structures actually disadvantage young people, because previously all of a young person’s training would have been paid for, but now they’re on a level playing field – the employers can spend to reclaim the levy cost for training no matter what age the employees are.”

Neil Carberry, managing director of people and infrastructure at the Confederation of British Industry, says that the CBI, too, has “anecdotal evidence from members that some of them have had to cut their apprentice numbers because of the way the levy is structured. And we have had anecdotal evidence from members that some of them are accrediting training they already did via an apprenticeship framework.”

For Carberry a significant part of the problem is that the rules mean companies often can’t spend the money they’re entitled to recoup from the levy. Most importantly, the new rules state that “the only thing that the levy can pay for is the cost of taught time – so, the money that you pay to the college or the private provider for the classroom time off the job.” Carberry quotes an example from a CBI member, “a business in a regulated sector with a £2.5m budget for their apprenticeship scheme. Their arrangement with the college [for off-the-job training] costs £300,000 a year and everything else is a capital cost – the tools for the apprentices, the trainer time, the salaries. But then the levy turns out to be £500,000 – so the cost of the apprenticeship scheme goes from £2.5m to £2.7m. And the question then

becomes, can they afford that £200,000 increase in cost?”

Verity Davidge, head of education and skills policy at EEF, agrees that many employers will not use their levy allowance. Of the EEF members who are levy payers, says Davidge, a third said they would have to cut training budgets, and three quarters don’t think they’ll spend their full levy allowance. And EEF, too, has seen change in funding translate into fewer places for school leavers and more management courses.

“We do see some companies who have said they’re using them within their existing workforce. The big push at the moment is around leadership and management, so a lot of the management courses have taken off quite quickly,” Davidge explains.

This is a concern for EEF’s members, which comprise most of the manufacturing and engineering companies in the country, because it is in these sectors that the classic notion of a good apprenticeship – in which people learned on the job and progressed through a company for much or all of their career – was formed in the UK. “About 75 per cent of our members say they still generally recruit 16 to 18-year-olds,” Davidge says, because apprenticeships have “been very much a means of securing the skills they need for the future. For our sector, a level two apprenticeship is never an end point. It’s always a stepping stone. Of all the apprentices at the manufacturing companies I speak to, it’s never a case that they’ve just done a level two or even just a level three, they’re on level four, five, six, they do degree-level qualifications.”

“Our concern is that if so much money is targeted towards those higher-funded management apprenticeships, actually we’re not targeting it at young people, people who need level two qualifications to move on to level three. The government’s Industrial Strategy says we need technicians, well, let’s make sure there’s enough money to fund technician apprenticeships.”

“There shouldn’t be an age limit on



Engineering and manufacturing companies have traditionally used apprenticeships to recruit 16 to 18-year-olds

apprenticeships”, says Davidge – Neil Carberry, too, says that “the important thing is not the age of who is doing an apprenticeship” – but Davidge, Carberry and Crawley all argue that the system of funding for apprenticeships as it currently stands is inflexible, and that this inflexibility is pushing businesses to compensate, quite rationally, in this way. All three recommend what Neil Carberry calls “a flexible skills levy, so

**“The goalposts have firmly been shifted”**

companies can fund the things that make a real difference, not specifically one type of training”. Verity Davidge says that “employers were promised ‘this is your money, and if you train apprentices, you can spend it and you’ll get back more than you put in’. Those goalposts have firmly been shifted, to a point where employers don’t even think they’re visible.”

In October of last year, as management became the second most common apprenticeship subject, the DfE’s permanent secretary, Jonathan Slater, told the Public Accounts Committee that it was “very early days in the new levy, and we are watching it closely”. If the trend becomes more pronounced over time, it may grow to have a profound effect on the people who need apprenticeships most of all.

## How the apprenticeship levy works

### ● BIG COMPANIES PAY AN EXTRA 0.5 PER CENT ON THEIR PAYBILL...

From April last year, every employer with a total paybill of over £3m has had to pay an extra 0.5 per cent into a dedicated training account. This means the levy costs at least £15,000 a year.

### ● ...BUT THEY CAN HAVE THE MONEY BACK TO TRAIN APPRENTICES

Under the new standards, every apprenticeship must include a minimum of 20 per cent training off the job. Employers can claim back the full amount of their levy payments, but only to spend on this training portion. It cannot be used to pay wages, travel costs, equipment or on-the-job training.

### ● ONLY EXTERNAL TRAINING PROVIDERS CAN BE USED

Employers can only train their apprentices using Ofsted-registered training providers.

### ● COMPANIES CAN SHARE THEIR UNUSED LEVY FUNDS

From this April, levy-paying employers will be able to share their levy funds with other businesses, such as smaller businesses within their supply chains or training agencies.

### ● FUNDS EXPIRE AFTER TWO YEARS

# Helping Britain Prosper by closing the skills gap

Lloyds Banking Group's **Leigh Smyth**, group transformation lead for colleague, culture and capability, shares her thoughts on the opportunities and advantages that apprenticeships can offer the UK economy

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According to figures from the House of Commons, last year across the UK, between September and November, 538,000 young people aged 16-24 were unemployed. Although this is 33,000 less than in 2016, there is a huge opportunity for UK corporates, small to medium-sized enterprises, charities and organisations of all sectors to play a bigger role in reducing this further. A key opportunity here is the value of apprenticeships and the tremendous benefits they bring not only to the education, career development and personal growth of young people but also to the importance they have in diversifying our workforce.

In fact, research conducted by the Centre for Economics and Business Research, evidences that on average apprentices bring more than £10,000 in productivity per year for their employers as well as encouraging companies to try out new ways of working, enabling them to compete in the modern workplace.

Around 114,000 apprenticeships commenced between August and October last year but I know there is more we can be doing. This is something that is dear to my heart, having worked with government and various enterprises over the past few years to support development of the



UK's skills capability.

It's vital that industry-wide sectors continue to recognise and embrace the importance of diversified talent regardless of social and academic background, qualifications and previous employment. Placing too much emphasis on one type of learning and route to employment, whether this is university degrees or management schemes carries risk. Specifically, costs for degree qualifications can be prohibitive to an inclusive and diverse workforce with employees from all kinds of backgrounds.

At Lloyds Banking Group, we see apprenticeships as a vital component of our long-term strategy. As part of our Helping Britain Prosper initiative, we aim to employ 8,000 apprentices by 2020. We are running apprenticeship programmes across every aspect of the Group; from customer services and business administration roles to legal, accountancy, banking, insurance, and digital technology including new schemes emerging in the world of data and cyber security. All of our apprenticeships, not just those in our digital and technology division,



#### CASE STUDY

## Support network

**Joanna Boosey joined Lloyds Banking Group's higher apprenticeship scheme after deciding against university. "Joining the apprenticeship programme at Lloyds Banking Group provided me with a unique opportunity to learn on the job and obtain an accredited project management level 4 diploma. I had access to a strong support network who have since helped me to excel."**

*Joanna Boosey is digital capability and insights manager at Lloyds Banking Group.*

encompass a level of digital training, as we acknowledge technology's increasing pervasiveness in day-to-day life.

While much of the apprenticeship trend is tilted towards younger generations, at Lloyds Banking Group we are also keen to extend our outreach to those in the broader UK workforce, who are looking to change their careers and retrain.

I'm really excited that at Lloyds Banking Group, we have a number of initiatives underway to both understand the skills gaps in the economy and to

address the issues. We are currently working with the Department for Education and The Tech Partnership to redesign the Basic Digital Skills framework and better understand the workplace skills required to thrive in the UK job market.

To do so, we are working with over 20 partners from across different industry sectors, and have opened up the framework to public consultation. Within Lloyds Banking Group, we are placing our focus on life-long learning for our colleagues as well as continuing to work towards our Helping Britain Prosper pledge to deliver face

to face training to 2.5m people from 2017 to 2020.

We have also worked in partnership with employers from over 200 organisations to develop a suite of new apprenticeship standards, under the Trailblazer initiative, to cover all major entry level roles into work and careers of the future. These new standards approved by the Institute for Apprentices, give employers confidence that their apprentice will develop the skills they need to make a real contribution to their company.

Lloyds Banking Group's Digital Technology Solutions BSc degree apprenticeship, for example, is run in partnership with Manchester Metropolitan University and is available to candidates, of any age and from any background, in Manchester, London and West Yorkshire.

The course enables students to obtain a full honours degree in digital and technology solutions.

Directly addressing challenges disadvantaged students from low-income households are faced with, we run a Lloyds Scholars programme. Partnering with some of Britain's top universities, this social mobility initiative supports undergraduates to succeed through university and improve their employability skills.

Ultimately, the goal for us, as it should be for the rest of UK plc, is for apprenticeships to achieve parity with other qualifications and routes to employment. We must move away from the misconceptions about apprenticeships being a "lower value" choice or one suited solely to specific industry sectors. As we modify and modernise course content, integrate real-life experience and give people the chance to earn salaries while learning, we can improve social mobility, productivity, and truly help Britain prosper.

**For more information, please visit:**  
**[www.lloydsbankinggroup.talent.com/apprentices](http://www.lloydsbankinggroup.talent.com/apprentices)**

#### CASE STUDY

## Career change

**Su Gough had been working for Lloyds Banking Group for ten years and had never envisaged returning to learn at the age of 32. "After completing an apprenticeship in providing financial services I was inspired to complete the Change Management apprenticeship. The learning opportunities that an**

**apprenticeship offers is really quite extraordinary. I never thought I could change careers at the age of 32 but now I've found a career I love and I haven't looked back!"**

*Su Gough is an operations consultant at Lloyds Banking Group.*

The Scouts are more popular than they have ever been. Augusta Riddy asks chief scout Bear Grylls and chief executive Matt Hyde what this says about the youth of today

# The enduring allure of life skills



Simon Carter, head of media relations for the Scout Association, is waiting at the entrance of the Kings Hall Community Centre, resplendent in his beige scout uniform, complete with neckerchief and woggle. Looking down at the itinerary for the evening, it's a relief to see that "knots" is firmly scheduled for 7.45pm.

We are visiting a group in Willesden. The children gathered in this centre are between the ages of 8-10 years old, making them "cubs". A volunteer shouts "pack, pack, pack" signalling the meeting has begun, and everyone scurries into their groups of six, forming four – sort of – orderly lines. As well as tying knots, the cubs learn how to prepare food hygienically and dial 999 for an ambulance.

One of the children, Malaki, likes the Scouts because you get to do "loads of fun activities" and get badges. He is a "secondar", meaning he helps to look after his group or "six", he explains proudly. Malaki's mother, Lorraine, says that it is "getting him out of his shell." She is one of two adult volunteers shepherding the group this evening. She

takes a keen interest in her son's extra-curricular activities, and, finding herself waiting around at the sessions anyway, decided she might as well get involved; 45 per cent of all volunteers are parents of scouts. The other volunteer, Jeele, is a young football coach, who starting volunteering to "give something back to the community".

The Willesden Green district currently has 68 children on waiting lists waiting to join. Across the country there are 55,000 children on waiting lists hoping to join the Scouts. In the 90s the movement was haemorrhaging 30,000 members a year. What turned it around?

The Boy Scout Association was founded in 1907 by Baden Powell. In 1967 the Advance Party Report was enacted, leading to changes such as the removal of "Boy" so it became the "Scout Association". In 1991, the organisation became fully co-educational, mixing boys and girls at every level. However, between the mid-80s and late 90s a period of stagnation set in, until a re-brand in the early 00s. They changed "pretty much everything", says Matt Hyde, chief



JAMIE GRAY / UK SCOUT ASSOCIATION

**55,000 children are on waiting lists hoping to join the Scouts**

executive of the Scout Association, and himself a cub scout leader. This included a new uniform and a revamped programme, offering 200 exciting activities signalling a return to outdoor and adventurous pursuits, with a new range of badges to match.

In 2014 the Association appointed a youth commissioner to sit with the management team, and the organisation has been increasingly “putting young people in the lead,” says Hyde. “25 per cent of our trustees are under 25.” Community outreach, a fixture of early scouting, is back on the agenda. The Association launched the “A Million Hands” campaign, which aims to involve half a million young people in local social issues, one of which is dementia. Since the campaign’s launch the Association has trained 16,000 “dementia friends”.

All these changes have seen the movement come back into fashion, and it has been growing year-on-year for the past 12 years. There are 457,000 young people in the Association, supported by 154,000 adult volunteers.

The celebrity adventurer and former scout Bear Grylls became chief scout in 2012. The addition of Grylls to the team “helped to make it a bit cooler, a bit more interesting, a bit more accessible,” says Hyde. A more enthusiastic ambassador would be hard to find – Grylls describes being asked to take the position as “one of the greatest honours of my life”. His belief in scouting is almost evangelical. “Take away your phone, your devices, your comfort blanket and support network, and what are you really left with? Your character and skills.”

Hyde agrees. “[It’s the] ability to develop the so-called softer skills, the skills that you need to get on in terms of relationships, team working, and leadership,” he argues. “What we do is ‘learning by doing’, which appeals to lots of young people for whom perhaps the current education system is not necessarily working.” A recent survey found that scouts are 17 per cent more likely to have leadership skills and 11 per cent more likely to be better problem



solvers. “I think it’s the world’s best leadership development programme, I really do,” says Hyde proudly.

Did the movement help Grylls get where he is today? “As a nine year old cub scout I felt welcomed and valued for who I was. Knowing I had the support and encouragement of those around me gave me the confidence to go for things and not to be afraid to fail.”

Despite the fact that, as Grylls points out, “scouts today are just as likely to be coding as canoeing”, it is intriguing that seemingly old-fashioned activities like camping and orienteering appeal so strongly to the digital generation. “In an age of Xboxes and YouTube there is still something incredibly powerful about kids learning how to tie a knot and make a catapult,” reflects Hyde. “There’s

something almost counter-cultural, given where we are now, that still resonates with young people.”

Grylls thinks that it is because of how “increasingly insular” the world has become that children find scouting so enjoyable, and it appeals to parents as well. “There’s some essential magic in the basic Scout formula which works just as well today as it did in 1907. I think parents want their children to develop real skills, real friendships and have real experiences. In a sense we are the original social network.”

A major focus in recent years has been inclusivity. Girls now make up 27 per cent of scouts, a percentage that continues to rise. The lead volunteer is a gay man, and the chair of trustees is a gay woman. Volunteers work with the



**“If you’re stuck in a lift, make sure it’s with a scout!”**

organisation Mermaids to develop “an inclusive culture for transgender young people who are involved in scouting”.

Although one of the fastest-growing areas of the movement is among young Muslims, as of 2014 atheists are also allowed to become scouts. Striking right at the cultural heart of the organisation, a new “promise” – the pledge taken upon joining – was developed that doesn’t require a child to swear to a god.

The Association has also worked hard to be more inclusive in terms of delivery, aiming to capture groups of children from different backgrounds. “There’s the traditional model where you go to the scout hut at seven o’clock on a Tuesday night,” explains Hyde, “[but] if you’ve got young people with complicated lives or disrupted lives, by offering scouting in school or after school we’re reaching more young people.” He gives the example of Sheffield, where scouts meet immediately after school, and have since gained members from the local Roma community. “I do not believe we would have reached those kids if we’d asked them to come back at seven o’clock.”

An aim of the “2018 Vision”, launched back in 2013, was to establish packs in 200 of the most deprived areas in the country. Since making that pledge, they’ve added 648 new units in areas of deprivation. “We smashed it,” grins Hyde. The Scouts are in 90 of the poorest 100 wards in the UK.

But can scouting actually help children living in deprivation? Grylls thinks so. “When you take scouts to climb a mountain or walk through a gorge, it can be a defining moment for a young person who has rarely left their estate. Suddenly a whole new world opens up.” Hyde thinks activity-based learning is hugely important for children from poorer backgrounds: “if you’re serious about social mobility, then what you do outside the classroom and the lecture is critical to your life chances.”

Indeed, sending a child to the Scouts is relatively inexpensive: it costs around £35 a term. “A whole year of Scouting typically costs less than six piano lessons,” points out Grylls. In certain

cases payment is flexible; “if cost is a barrier to the parents,” says Hyde, “then those fees can be waived or there are other bursaries that can be applied as well. The group will make arrangements.”

The UK Scout Association is one of the only associations in Europe not to receive state funding and the organisation has requested more support; earlier in the year they asked for a £50m grant over 3-4 years, particularly to support their work in deprived areas. Opening a new pack in a poor area is a one-off cost of £550.

A surprising stat from the survey illustrates the impact on deprived areas: scouts were 15 per cent less likely to suffer from mood disorders or anxiety by the age of 50, a percentage that increases for scouts from lower socio-economic groups.

“There is no better way for the government to make an effective response in terms of early intervention,” argues Hyde. “£50m would help us to attack the waiting list pretty heavily and enable us to open in areas of deprivation ... to invest in equipment, uniforms that can be recycled, meeting places, and all the core costs.”

Back in Willesden – one of the targeted areas of deprivation – the children are gathering in their “sixes” to end the session. Unfortunately one boy has lost his neckerchief. Head of media relations Simon Carter nods knowingly: “That’s why I tie mine in a friendship knot.” Despite the Association’s period of transformation, this evening’s pack meeting has still felt comfortably classic, littered with scouting lingo and traditions that have endured since 1907. Practices must be obeyed; a particularly forthright girl marches around the hall showing parents the correct order the badges should be arranged in. One mother takes a picture on her phone, presumably in the hope she’ll get it right next week.

The children will go home, having had loads of fun and now fully prepared to call 999 in an emergency. “If you get stuck in a lift, or washed up on a desert island,” Grylls jokes, “just make sure it’s with a scout!”

# Construction must rebuild its reputation

The UK can't afford for construction to be viewed as a last resort career path, warn the Chartered Institute of Building's **Rosalind Thorpe** and **Eddie Tuttle**



**G**rowing labour shortages in the United Kingdom's vital construction industry represent a huge cause for concern. Construction output in the UK, according to a report from the Cabinet Office, is worth more than £110bn per annum and contributes around seven per cent of the country's overall GDP. As the UK's decision to leave the European Union continues to stipulate pretty much every industry's foreseeable strategy for economic growth, the clamour to achieve self-sustainability has never been more pronounced. Every sector, every sphere of UK PLC needs to learn to stand on their own two feet if they are to survive, or more importantly, compete in the modern world. As harsh a reality as it is, there will be no bailout for builders.

Spook stories surrounding Brexit, though, fail to capture the whole picture. Greater barriers to entry for cheap migrant workers, it is often argued, threaten to undermine many

of the benefits which immigration can bring. While this is true to an extent – construction firms have indeed benefited from the ready availability of skilled EU staff – it would be wrong to suggest that the lull and forecasted dive in the industry's recruitment figures are owed solely to euroscepticism. In truth, construction's skills gap is also caused by an ageing population and a lack of new entrants, who have been put off the industry for reasons more complex than the colour of their passport.

Construction struggles, for example, with a perception problem among young people, many of whom view it as a "last resort" job. Of course, construction's impacts on society are self-evident – houses, hospitals and schools are all obviously buildings which required planning and putting together – yet for too long the industry has relied on tacit appreciation of these things, rather than articulating and showcasing them to young minds

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effectively. Construction is not, as the editor of *Construction News* Tom Fitzpatrick noted, “just about hard hats and muddy boots”. He told a roundtable discussion at the Conservative Party Conference: “The perception needs to shift away from the conditions you experience on-site.”

The construction industry, then, has a responsibility to up its game when it comes to recruitment. It must diversify its outreach to attract candidates from different races, classes or genders, and get better at selling itself as a career option earlier on in the educational pipeline. This could be achieved by more regular school and university visits by industry professionals, who could dispel any myths that might have formed around what they do.

Courses, in turn, should also be diverse, whether at degree or apprenticeship level. The idea that there should be any distinction in esteem between these two levels, for the

record, is a falsehood. The challenge is in making sure that degrees can match apprenticeships for their hands-on experience and that apprenticeships can include more direct routes to management positions.

The Chartered Institute of Building is certainly keen to see more overlap between the industry and academia, with practical experience standing out as a strong opportunity to inform insight. Professionals should be more receptive towards sandwich degree courses, which with their ability to train alongside the changing nature of everyday industry demands, are definitely due a 21st century renaissance. While the CIOB would be reticent in downplaying the importance of classroom learning, it is clear that theory means very little without application. A sandwich placement in industry means that students and course providers alike are able to respond and adapt according to trends

and issues as they occur, rather than running the risk that the content of an exam could be outmoded.

In late 2016, the CIOB set up the CIOB Academy, a dedicated training institution developed by the industry for the industry, to stay abreast of technological breakthroughs and new management techniques. The CIOB is the world’s largest professional body for construction. We have a Royal Charter to promote and accredit the science and practice of building for the benefit of society and are informed by nearly 200 years of experience. The development of the CIOB Academy has allowed us to continue to set and adjust the standards for industry, thus reforming the educational and vocational experience.

To date, the CIOB Academy has delivered a range of courses covering various aspects of the construction industry. The Building Conservation Certification Scheme, for instance, was launched last summer. It is a response to an increasing demand for “certified” conservation specialists. Students on this course will be required to demonstrate their competence against the ICOMOS (International Conference on Monuments and Sites) Training and Education Guidelines based on their experience and qualifications. In addition, the scheme requires a demonstration of competence towards sustainability and energy efficiency issues. With climate change being the harbinger for more low-carbon buildings, it is fitting that the industry should be trained to meet this need.

Ultimately, the construction industry is at a crossroads. It can either head down a path towards modernisation, one glossed with a fresh coat of optimism, or it can head down a path towards a cliff edge, which will mean surrendering production to more capable construction scenes in other countries. It’s important that construction does not continue to be understated, and that the narrative peddled is not so simplistic that students consider it “unskilled work” when the exact opposite is the case.

# Why collaboration is crucial

Government, academia and industry must work together in identifying a long-term skills strategy, writes **Gemma Simmonds**, head of career and development at Colas Rail



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**T**he United Kingdom's skills gap, particularly in science, technology, engineering and mathematics (STEM) subjects, is at its most pronounced in the transport and infrastructure spheres. The lack of skilled graduates and apprentices has a knock-on effect for the wider UK economy; and if we don't produce the talent necessary to support transport and infrastructure – connectivity is after all crucial to every industry – how can we expect the UK to function efficiently or be competitive on the global stage?

The UK's decision to leave the European Union draws this issue into sharper focus. There is a renewed urgency to achieve self-sustainability. If the UK's major industries are to compete, then they must be able to rely on talent grown at home.

There is a lingering stigma surrounding STEM-centric industries which needs to be overcome. Too often, for example, transport and engineering careers are let down by inaccurate coverage by the press. Careers in the

transport and engineering sectors should be presented as inspiring and engaging – a chance to have an active input in what makes the world go round.

One of the subsets of the UK's skills gap is the stand-off between graduate and apprenticeship routes of employment. Successive governments have made the mistake of trying to present a distinction between the two, misguidedly prioritising the university degree option. Any auspices about social mobility, though, however well-intentioned, have been undermined by two salient points. The first is the tuition fee quagmire – the soaring cost of university can prove prohibitive for students put off by the prospect of long-term debt – and the second is that university learning is not necessarily the best environment for everyone.

There should be different options to suit different types of people. Concordantly, at Colas Rail we have noted that balance is one of our core company principles, and our graduate and apprenticeship schemes run in



tandem instead of against each other. We have three different “trailblazer” apprenticeships (apprenticeships delivered to high, innovative, government-approved standards), a strong technical graduate programme and an award-winning Future Leaders graduate scheme; all of which offer clear, fast-tracked career pathways from entry-level to management.

As important as recruitment, of course, is retention. That 25 per cent of our current management team are from the Futures Leaders programme, we feel, is a sign of our strategic succession plan, across our business.

Colas Rail is an open-minded company and we have worked hard to move away from arbitrary screening techniques as a way of diversifying candidates who apply to our schemes. With the exception of our specifically engineering-related roles, there is no requirement to have studied a particular subject at a particular university, and certainly no heavy weighting on whether or not someone has got

a 2.1. Instead, ability testing is at the forefront of our recruitment process. We have a behavioural framework that assesses future potential and use video interviews to add an extra layer of depth to covering letters and CVs.

Background, whether financial or in terms of race or gender, is no barrier to entry at Colas Rail. This is evidenced by a 49 per cent of female intake in our graduate programmes of 2017. We also make a point of paying any expenses required by a candidate to attend an interview or assessment day. Imagine missing out on the best candidate for a job because they couldn’t get to their interview.

At Colas Rail, we are keen to ensure that our entry-level positions are not pigeon-holed as such. “Our graduate and apprenticeship schemes,” as operations director Will Bryant explains, “are not annexed on to the company’s operations, but actually start with a significant level of responsibility from the onset. While the approach to throw young people into the deep end might carry some sink or swim risk with it, we are also confident in the company’s culture to serve as a catalyst for interpersonal development. We are proud to observe, then, an environment in which no one sinks.”

Bryant adds: “In our S&C Alliance, with both our conventional and high-speed enabling works, we have enhanced our overhead line capability with an emphasis on sustainability through bringing in apprentice linesman as well as building an overall OLE construction team to deliver complex OLE works. We are constantly looking to the future, bringing best practice from our international operations. As an example, sending our Future Leaders to Morocco to develop high-speed capability and delivering the additional knowledge straight back to the UK.”

Colas Rail’s proactive approach, though, is not enough on its own. Our techniques and training methods will be more effective if they are supported by better quality applicants and a better rate of uptake in STEM qualifications. Colas Rail suggests, therefore, that the UK’s overarching skills strategy should be three-fold: it must build, collaborate and develop the relationships between

government, academia and industry.

With these three pillars in mind, Colas Rail has joined the Department for Education’s Skills Summit and is one of the key players in its Year of Engineering campaign. We also support the DfT’s Strategic Transport Apprentice Taskforce and the London Apprentice Ambassador Network. We are collaborating with key educational establishments such as the National College for High Speed Rail and provided their overhead line equipment for training at their Doncaster and Birmingham campuses. We have active relationships with University Technical Colleges (UTCs) across the country, particularly the Sir Simon Milton UTC in Westminster, where we are a member of its Stakeholder Engagement Group. UTCs rely on business engagement for their survival, their students require structured projects and work experience, and Colas Rail is committed to integrating practical training in education.

For the UK’s rail industry to endure and thrive, we must work hard to modernise and diversify routes to employment, all the while dispelling myths that STEM careers are just about hard hats and muddy boots. At Colas Rail, we have found that those coming to join our schemes at entry-level are best engaged and inspired by being shown the potential rewards that they could achieve themselves. Concordantly, we have senior members of staff and ex-participants of the schemes present at every assessment day to share insights.

It appears that the government is moving in the right direction with its rollout of new educational establishments like the UTCs, NCHSR, the new T-levels and the introduction of the apprenticeship levy. Encouraging crossover between industry and academia, allowing the former to inform the latter of changing market trends and needs, can be the spur for solutions sooner in the pipeline. The key thing is for businesses to be involved in developing their future workforces. Building better educational frameworks, improving collaboration between stakeholders and developing talent should ultimately form the basis of the UK’s long-term industrial strategy.

## Levi Roots, creator of Reggae Reggae Sauce and television personality, tells Rohan Banerjee that identity and expression are valuable skills in business

# “People say I came a long way from Brixton, but I never left”

**B**rixton is south London’s proudly bohemian zone. Engagingly alternative, the neighbourhood’s energy exudes from the shops along Electric Avenue to the art galleries, local markets and pop-up restaurants in Brixton Village. It is a melting pot for multiculturalism and identity politics, which one of its most famous sons, the creator of Reggae Reggae Sauce Levi Roots, says has informed some of the key aspects of his business.

Diversity, he says, represents a priority at all levels of the Levi Roots franchise, which encompasses not only a range of table and cooking sauces but also snacks, ready meals and an east London restaurant, Levi Roots’ Caribbean Smokehouse, which opened in 2015 and employs 35 staff. The 59-year-old, who was born in Clarendon, Jamaica, moved

to Brixton when he was 11, and says that he makes a conscious effort to be diverse in his recruitment strategy. “I think big companies do have a responsibility to diversify and be more inclusive. The people who think that diversity in business is a box-ticking exercise and all about tokenism are the ones who need to get to grips with diversity the most. They need to see how diversity helps a business.” Roots suggests that having a diverse workforce “offers a whole new depth to market research” because “different people have different experiences and insights, and so you can find out more about what people from different cultures and different backgrounds want and think”.

Despite acknowledging the “institutional barriers” that prevent people from working-class and black,

Asian, minority ethnic (BAME) backgrounds entering business, Roots is very comfortable in his own skin. His estimated net worth is £35m but the father of eight is still a regular at Brixton’s Hootananny bar where he says the Ska scene is “buzzing on a Thursday night” and he holidays annually to Jamaica. “It’s paradise, man, total paradise.”

While Roots has not compromised his culture because of his business career, he understands why some people from similar backgrounds might be put off by the prospect of having to do so. “The blockages that are in place that stop free-thinking people like me getting into business are put there by a small few, who want business to remain in a certain way, and only be for certain people. Actually, though, business doesn’t belong to anyone in particular. The practice of



business, buying and selling things, isn't for any one group. It's for any shape, any colour, anyone. It would be good if black CEOs were less of a novelty, for sure."

Roots is no stranger to rejection. Before getting his big break on the BBC's entrepreneurial reality TV show *Dragons' Den* in 2007, he had unsuccessfully pitched Reggae Reggae Sauce to various banks and businesses, with more than one declining to invest in the product because it looked and sounded "too black". However, Roots' *Dragons' Den* appearance, one of the most memorable in the show's history, represented a turning point. What had been a side project away from a career in music – he previously performed alongside James Brown and Maxi Priest – became a full-time venture when his unconventional decision to serenade the *Dragons' Den* judges with his guitar paid off. "I wanted the judges to see that side of me. Those are my two passions: music and food. I sang on *Dragons' Den* because I wanted them to see something different, you know that unique selling point."

While Roots succeeded in wowing the judges with his confidence and showmanship, getting his numbers wrong – he mistakenly equated 2,500 kilos to 2.5m litres – nearly derailed his proposal. "Fudging my maths put me on shaky ground. And I had to learn from that." Roots' style, ultimately, was enough to overcome the hiccup and he did receive a £50,000 investment from judges Peter Jones and Richard Farleigh, but had to surrender a 40 per cent stake in his business to the two of them – double what he had intended when he first pitched the idea. From this experience, Roots draws that "delegation is key in business".

Roots warns that "impatience" can be the undoing of some entrepreneurs, "especially the young ones". Long-term planning, according to Roots, is crucial to success as well as making sure no aspect of business – including financial and legal issues – are overlooked. "Balancing your dream against reality," he notes, "is tricky, but I think being honest with yourself and acknowledging



your limitations is important. You've got to know what you're good at, but you've also got to appreciate what you're not good at too. For some things, you're going to need some help. Delegation is so important. Be the best at what you do, but don't be afraid to ask for help where you need it... and trust me, you will need it."

Aside from entrusting the financial side of his business to a "very, very good accountant", Roots says he has sought out "expert legal advice" following a high-profile court case relating to the Reggae Reggae Sauce recipe. Roots' former business partner Anthony Bailey, with whom he ran a jerk chicken stall at the Notting Hill Carnival for 15 years before his *Dragons' Den* appearance, sued Roots after claiming that the sauce was derived from his own recipe. But

Judge Mark Pelling dismissed Bailey's claims for a breach of contract and confidence and Roots remains at the head of his company.

Roots says that having to deal with "that really unexpected drama" has made him cautious in all of his ventures since. And when it comes to risk management, he takes a Murphy's Law approach. "When you are serious about business you have to be able to distance yourself and be objective. You've got to guard against worst-case scenarios." He adds: "Having families and friends in business complicates things. I had one of the biggest court cases around after three years in business. Knowing your way around money and the law is important. It'll come round and bite you in the butt if you don't."



**“It would be good if black CEOs were less of a novelty”**

If Roots has handed over the financial and legal side of his business to other parties, what does he himself bring to the table? “That’s an easy one – I bring me. I bring Levi Roots. I bring the Levi Roots brand and personality.” The need for effective marketing, Roots points out, applies to who is doing the selling as much as what is being sold. “It’s down to the visuals and the spirit. There are lots of perfectly good sauces out there, but Reggae Reggae Sauce was successful because of the colour and the music we used to sell it. People invest in brands that they can trust.”

Roots says one of his latest business ventures – Levi Roots’ Caribbean Smokehouse in Stratford’s Westfield shopping centre – thrives on his brand. “That’s why I put my name on it. We’ve tried to capture the real Caribbean

vibe with the music [playing in the background]. We hire a very particular kind of people. I think the members of staff have to have a bit of Levi Roots in them, so that when I’m not here then my personality and presence is still felt. That means passion and friendliness, and welcoming the customers. In terms of how we market it, we don’t call it a restaurant. We call it a ‘rastaraunt’. It’s an honest insight into me and my culture, my Rasta culture. People will buy into a concept sooner if they can trust it.”

Roots admits that going from making a sauce to running a venue is a huge leap, and he has had to learn about the ins and outs of the restaurant industry, including market trends and changing customer habits very quickly. “Like I said before, doing the research is important. In the food business, people are craving cost-effectiveness. There’s also a trend for young people that they want to be healthier. So you need to find a way of making cheap, healthy food, which can be a challenge. Being receptive to feedback and having continuous interaction with your customers is a hugely important skill to have. Your customers can be the life or death of your business.”

The internet age, Roots highlights, is affecting the way people do business. “A lot of these, how you say, millennials, value presentation when they eat or go out. They want food that is ‘instagramable’. You’ve also got to have choice on the menu – maybe you will need a vegan option or something. These are new fads and trends that you have to be aware of from the start.”

Is the advent of social media a barrier to business being broken down? Platforms such as Facebook and Twitter are free to use. Can start-ups and entrepreneurs benefit from having an online presence? “It’s a really good and important question. I think Twitter and Facebook are important for the immediate future – they’ve definitely done a lot for making advertising more reachable. But I think the long-term future is going to still be rooted in conversation and word-of-mouth business. I think that age-old art of conversation is going to stand the test +

## “A lot of kids don’t get a chance to be mentored”



of time. I was on MySpace a few years ago, but that’s come and gone now. Twitter and Facebook could very well be phased out in the future. There isn’t an expiry date, though, on self-awareness and real-life entrepreneurship.”

Strong conversational skills offline, Roots says, should form the basis of a good businessperson and it is one of the main messages he tries to put across in his capacity as a patron for the Prince’s Trust, a charity dedicated to helping disadvantaged youths. “It’s one of the most important things I do now. I run a big business and that’s one thing, but I enjoy doing the school and university talks. My key message is that if Levi Roots can do it, then anyone can. I want to make sure that these kids get a chance to educate themselves and learn how to handle themselves in those business situations. At the rastaraunt we try and do that with our work with the Prince’s Trust. We train chefs through a programme with them, so the kids are off the streets and then employed, learning the culture of the business and how to interact with customers.”

Having been one of them himself,

Roots says he can appreciate the anxieties that working-class, BAME people might have about the world of business, and he urges the “people with power” to “change the system”. He continues: “When I was growing up in Brixton in the ‘70s at the time of the sus laws – that means if you were black you were a suspect for the police – it was really hard. I remember applying for jobs and having to lie about my address. It’s got better now, sure. Still, I don’t think that Peter Jones turned me into an entrepreneur. I was always capable. I just needed a chance, and that’s probably true of lots of young people now. They just need a chance. I know that the mentorship that I got was useful, but a lot of these kids don’t get a chance to be mentored.”

As a teenager Roots had run-ins with the law and struggled at school. Now approaching his 60th birthday, he is a millionaire who stands alongside David Bowie and Sir John Major as one of Brixton’s best-known exports. As he concludes his interview, he chuckles. “People say I came a long way from Brixton, but I never left.”

# Why working and learning go hand in hand

**Plugging the UK's digital skills gap is a social and economic imperative, according to Ji Li, managing director of Plum Innovations**

**T**here will come a time when the distinction between digital skills and skills in general ceases to be necessary. That there is some caginess from sections of the public about this rate of digitisation is understandable. However, we should view new technology through the lens of opportunity rather than as a signpost for obsolescence. It must be a priority for the nation, therefore, to both equip the next generation of youngsters with the skills they need to stay abreast of technological advances, through adaptive teaching techniques; and to upskill members of the current workforce so that they can make the most of new developments, rather than simply seeing them as an inconvenience.

Achieving both of these aims can only be beneficial to the overall UK economy. Consider, for example, that research by Approved Index last year found that around 2m small to medium-sized enterprises (SMEs) in the UK did not have an online presence at all. A YouGov study, meanwhile, revealed that the average UK household contains seven devices connected to the internet. In almost every industry, being armed with the ability to navigate the web opens up new customer avenues down which to sell; and being able to harness technology effectively can speed up the delivery of services. In a modern culture that craves convenience, these are valuable skills indeed. The UK's future strategy, then, must operate on an axis which appreciates people young and old.

For the younger generation, government, industry and academia

must overlap. Caroline Wright, director general of the British Educational Suppliers Association (BESA), says that integrating technology in the classroom at the earliest possible stage can help to engage students with their learning, whatever the subject, and acclimatise them sooner, even at primary school age, to the increasingly digital nature of work. She explains: "BESA's research shows that the use of IT in the classroom has evolved since we started using technology en masse in the early 1990s. Before, children would tend to be exposed to IT through the use of interactive whiteboards, but we've seen that they now interact more on tablets and laptops, therefore acquiring key digital skills that have become crucial as we advance in the 21st century."

Nicholas Prockter, head of lower school at Harrow International School in Bangkok adds: "Over the next 20 years the business world will change, so a school curriculum needs to teach our young people to be global, digital citizens who are adaptable and can communicate confidently using technology." Still, not all digital upskilling needs to be dramatically complex. Even a small amount of modernisation can go a long way. UCL's Professor Rose Luckin says: "Not everyone needs to be able to code, but most people must know how to use digital technologies effectively in the workplace and in life."

For the current workforce, it is important that companies do not take the position that you can't teach an old dog new tricks. Too often, companies allow their employee skill-base to plateau. It is understandable that during a recession companies might hesitate to invest in further training, but really we should be encouraging them to head for the eye of the storm. A short-term cost in digital training for staff will repay itself tenfold later down the line.

Ultimately, at Plum Innovations, we don't want IT or digital issues confined to maintenance. We want them to think of them as a glorious chance to improve.

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# The future of apprenticeships

The *New Statesman* and BAE Systems host a roundtable discussion assessing the state of apprenticeships, and the factors set to affect in-work training



Apprenticeships continue to be a hotly debated topic. Policy developments such as the apprenticeship levy, funded by employers with annual paybills in excess of £3m to create apprenticeships, have drawn companies into intense conversations with Westminster. With the world of work rapidly changing, it's the perfect time to take stock of the role apprentices play in the workforce, and how training can be improved. The *New Statesman* and BAE Systems hosted a group of industry experts and decision-makers at the company's state-of-the-art Academy for Skills & Knowledge in Samlesbury, Lancashire, to discuss the future of apprenticeships.

Mark Hendrick, Labour MP for Preston, kicked off the discussion. A former apprentice, Hendrick has a personal interest in the field. "I've been very fortunate to have the career that I've had, and I would love to see more people, particularly from poorer and

working class backgrounds, have a similar degree of social mobility." He was eager to understand the steps being taken to create a more inclusive workforce, including the recruitment of disabled apprentices and young people from deprived backgrounds.

Citing his experience training in Germany as a young engineer, he raised concerns over Brexit; "that ability for a person like me to go and work in another country might be threatened with Brexit". Finally, he was interested to gain insight from the group into how government could work more closely with industry when it came to training, more in the style of Germany.

Representing BAE Systems, David Holmes, manufacturing director of the company's aircraft business, and Mark Donnelly, apprenticeships & skills manager, talked about the work the company is doing in the apprenticeships area, and the steps being taken to foster a more diverse workforce. Currently the

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company has 2,000 apprentices “in learning”, 27 per cent of whom are female (up from 13 per cent) and 15 per cent of whom have a learning difficulty and/or disability. Hendrick asked about rates of BAME apprentices, to which Donnelly reported it was 4.7 per cent, up from 3.5 per cent, a percentage they are working to increase, particularly in areas with a higher BAME population.

The BAE Systems apprenticeship programme has a 95 per cent success rate. “There are a significant number of directors and managing directors who have come through the apprenticeship programme,” he explained. “We need a rich tapestry of people, including those apprentices that will continue to excel in their trade over a long time.”

Holmes also acknowledged the need to intercept young people earlier on, before they get to the decision-making age of 15/16, to foster an interest in apprentices as a credible and beneficial career path.

Christiane Rogerson, a BAE Systems final year apprentice has set up a programme called “bio-mimicry” for 6-8 year olds, educating them about STEM by looking at how nature inspires engineers. “Our aim isn’t to inspire them about the company, or conventional engineering. It’s just trying to inspire them about STEM,” she explained. The programme helps to shift preconceptions that children may have formed about STEM subjects as unexciting or overly complicated.

“These preconceptions are formed at a very early age,” said Lynne Livesey, pro vice chancellor at the University of Central Lancashire. “There is an issue of branding,” argued Dr Konstantinos Salonitis, course director for engineering competence at Cranfield University. “We have to make apprenticeships stand out.”

Claire Jameson, business development director at Blackpool and Flyde College, highlighted the role of family, especially in former industrial areas where there may be high rates of unemployment. For example, “[doing an apprenticeship] impacts a family’s benefits.”

“When you’ve got family that are perhaps second generation unemployed, they don’t have the support mechanisms to understand the pressure to study, to work. We found sometimes people drop out,” agreed Barbara Livesey, director of training and apprenticeships at Nelson and Colne College. Indeed, Christiane Rogerson cited “parental support” as crucial to her pursuing an apprenticeship.

The chair asked the group why there is a decline in the number of apprentices. Although the overall rate of decline has slowed, a drop of 27 per cent in starters between August and October 2017 is still worrying, he argued.

Claire Jameson highlighted the levy and the introduction of 10 per cent contribution from SMEs (with 50 employers or more) for apprenticeships. These up-front costs, although expected to produce dividends for employers down the line, are suspected to be putting companies off.

Dr Michele Lawty-Jones, director of

the Lancashire Skills Hub, warned against taking the data at face value: “what we’ve seen for the first time is a double peak”. A peak in numbers is always recognisable in August/September when students are enrolled, but last year “because of the levy and 10 per cent contribution, in April we saw [another] massive peak, where providers were working with SMEs to get [apprentices] on board before the contribution came in play,” meaning that the Autumn peak was less than expected. She argued that the numbers may settle with a return to “one peak”.

Despite the upheaval, many around the table believed that recent policy developments were ultimately a good thing, providing more funding for improved apprenticeships. “I would say we’re in a better place than we’ve ever been in terms of cash for apprenticeships,” declared Anthony Knowles, head of national accounts (North) at the National Apprenticeship Service. “For years employers had to see their apprentices do elements of apprenticeships which were irrelevant to their business and that’s gone away now,” said Barbara Livesey.

However, Professor Angus Laing, dean of Lancaster University Management School, argued there was too much insecurity. “There’s too much change [in policy]. What’s the impact on the organisations which have to engage with it?” Lynne Livesey agreed that communication around the levy was lacking; “you need to show the difference it’s going to make, otherwise they’re just going to look at it as a tax.”

Concluding the discussion, David Holmes reiterated the value of these trainees – “apprentices at BAE Systems are highly prized, much sought after individuals ... [we’d like] more of them, please.” Mark Hendrick congratulated BAE Systems on being an example to other firms in this area. Christiane Rogerson implored all present to keep championing apprentices like herself. “People out there need support and guidance to get into a career that will probably be forever. It is life changing.”

# The case for skills devolution

**Local authorities are best placed to understand the demands of regional employers and learners alike, according to Catherine West MP**

“**L**ike something out of Yes, Minister”, is how the current apprenticeship levy operation has been described by the chief executive of one of the UK’s biggest company. The stinging criticism came from Leo Quinn, who heads up Balfour Beatty, the multinational infrastructure group. The government should take note. The statement encapsulates where we currently stand in how to enhance the human potential of our economy and how far we have to go to equip people with the skills they need to work in the 21st century. It is also symptomatic of a government that has ignored an issue now banging at the door.

Across our country, we face an enormous challenge in ensuring we have the skills we need to operate the economy and that people can secure such skills. In facing down this challenge we must confront our centralised skills system, because the situation as it stands is dire: an estimated 628,000

Londoners are not in work but would like to be – enough people to fill the city of Nottingham twice over – and youth unemployment is high. In 2016, 9.4 per cent of 16 to 24 year-olds in London were unemployed, compared with 3.6 per cent of 25 to 64 year-olds. Pause to reflect on that huge waste of human potential.

The problem is very unevenly spread across London, a city of 8m people; there are constituencies where very high numbers of young people face larger problems from unemployment and a lack of skills. Almost a quarter of all vacancies in London – 23 per cent – are due to a lack of applicants with the right skills.

Almost half of firms – 42 per cent – are not confident they will be able to recruit people with the high-level skills that their organisation needs over the next five years. In the London borough of Haringey, where my constituency is located, 35 per cent of 19 year-olds do not have a level three qualification, yet London is an increasingly highly



Catherine West says the UK should decentralise its skills policy to its major cities and regions such as Birmingham



## Skills policy has become too centralised

skilled economy.

There is a clear skills mismatch. Many people are in low-paid and insecure employment and areas such as Bristol, where there has been a sharp increase in the population of under-30s, are at particular risk. Other people, once in work, fail to progress in their chosen field. In a recent debate in the Commons, which I secured, the MP for Bristol South, Karin Smyth, said that in her constituency they “send the lowest number of young people on to higher education in the country, despite having two universities in the city, as well as Bath and Exeter nearby. It is critical that the further education sector pick up such youngsters and support them in their skills and education, not just in London but in places like Bristol”.

The unfortunate elephant in the room is that much of our population nationally is too low-skilled to take advantage of the numerous jobs that industry is currently creating and is forecasted to

create in the future.

The apprenticeship levy provides a microcosm of policy that needs to be changed; the government should consider full devolution of it, as has happened in Scotland and Wales.

The skills system more generally suffers the same problem: it is extremely centralised, leaving London, Birmingham, Manchester and a host of other cities and regions ill-equipped to cope with issues facing them. The system simply does not respond well enough to our growing cities’ needs and priorities.

Coventry, for example, is in a part of the country that is seeing greater economic growth, although that is coming from a lower base. Our skills system is not matching that growth and is falling behind. At present, England is below the OECD average in the provision of technical education, ranked 16th out of the top 20. The OECD predicts that without significant improvement, the UK will fall to 28th out of 33 OECD countries for intermediate skills by 2020. That would see the UK overtaken by Ireland, Israel and Belgium.

These issues are compounded by context: a rapidly rising population, an over-reliance on migrant labour, skills gaps in various sectors, low apprenticeships, patchy careers guidance, and a poor match-up between skills spending and outcomes.

The forthcoming devolution of the adult education budget represents an important first step in creating a more efficient skills system, but the government must be bolder and go further and faster on skills devolution to have the impact needed. Devolving greater powers on skills to London and the metro mayors would enable cities to create a system that meets employer need, not just learner demand. Business must have a voice.

As with all policy, Brexit is also having an impact. Businesses that have relied on importing skills via immigration are worried they will no longer have the access they need. Nearly one in three of

## Major UK cities are in the midst of a skills crisis



London's workforce is non-UK born, and 90 per cent of London's businesses recruit EU citizens across a huge number of sectors. Losing this may hamper economic growth not just in London, but across other regions – especially as London starts recruiting more heavily from other parts of the UK, leading to a brain drain from fellow regions. This won't help rebalance the economy.

The London government and the metro mayoralities need the ability to take a strategic, all-age, whole systems approach to skills. There should be greater engagement with employers and better access to, and use of, data. The system should allow a more localised approach that works at two levels. In the capital, for example, we should tackle pan-London issues while also having more targeted activity at a sub-regional level to take into account the variations of skills, needs and demand across cities.

The government should consider devolving all 16-18 provisions to combined authorities in other parts of England and should provide commissioning freedom and the ability to set outcomes and incentives for the whole skills system. That would better

serve the progression and economic priorities of different areas in England.

The central government should also give London government control over all vocational capital investments, such as 14-19 capital provision and institutes of technology, alongside existing further education capital responsibilities. That would capitalise on local ambition, expertise and intelligence, and align adult education and 14-19 capital investment.

Careers funding streams should be devolved to the London government so that it can build a seamless, single, integrated careers service. The capital's future share of the UK's shared prosperity fund should be devolved to London government and ensure that future skills funding settlements take into account each area's unique needs.

These proposals may seem radical, but the UK's major cities are in the midst of a severe skills crisis that is only getting worse and will be exacerbated by Brexit. The challenge is an urgent one, and if ignored, could hamper both people's life chances and economic growth. The government needs to act now to deliver a skills system that is fit for purpose.

# Building a workforce fit for the future

**Richard Chamberlain,** service product manager at Bosch Rexroth, explains the need for more interesting and engaging apprenticeship programmes

As with most industrial sectors, it is broadly recognised that engendering an interest in engineering from a young age, and offering a varied and interesting career path, will help to attract high-calibre applicants – maintaining and growing the talent pool needed to shape the United Kingdom’s industrial future. The Hays Global Skills Index has reported that the UK’s skills shortage is worsening at a rate of 8 per cent a year, with one in four vacancies proving difficult to fill. Employers need an available pool of skilled workers – from entry-level through to engineers – to address their skill shortages.

While the uptake of automation continues to grow, people remain the key players in modern manufacturing environments and it’s so important to support new and existing talent. By assisting in personal development, employers can begin to bridge the skills gap and secure competitive advantage as we approach Industry 4.0.

Recently Bosch Rexroth conducted a survey which targeted those working in the manufacturing sector to understand a range of topics related to employer training provision and apprenticeships. Entitled *Tackling the training gap in UK manufacturing*, the findings reveal troubling training gaps, as well as a mixed approach to apprenticeships. Refreshingly, nearly two-thirds of manufacturers stated that their company had an apprenticeship programme of some kind. However, of those whose companies have a scheme, just under half took on five or fewer apprentices

annually. At the other end of the scale, 16.7 per cent of respondents’ companies were taking on 21 plus apprentices annually, representing a tangible commitment to the future of industry and “growing their own” when it comes to finding the future leaders.

Those organisations that did take on apprentices were then asked what they believed to be the biggest barrier to introducing these programmes. More than a quarter (27.1 per cent) cited cost as the primary reason but nearly as many said there were no barriers at all (23.7 per cent). Whereas it was encouraging to see that “lack of applicants” only accounted for 11.9 per cent of the responses here – demonstrating that a renewed focus on the valued contribution engineers make in recent years has created a clear appetite among school and college leavers for a career in the sector.

Overall, apprenticeship programmes can play a crucial role and offer plenty of benefits, for both the individual and the business they work for. The results show that companies who invest in apprentices will reap the long-term benefits in terms of loyalty once the programme is complete – with two to ten years being a typical career length within an organisation for apprentices that trained there.

Apprenticeships are central to overall industrial strategy, however training should not end the moment an apprentice completes his or her course. Manufacturing techniques and technologies have advanced considerably in recent years and our report identifies why it is vital that engineers of all ages are trained to deal with new equipment.

Collaboration from all interested parties is key as we work towards closing the skills gap, but by all means, this is not the final goal. It is incumbent upon manufacturers to provide employees with the skills they need in order to create a more productive workforce that’s fit for the future.

**To download a copy of Bosch Rexroth’s report, and to find out more about the training options available, please visit: [bit.ly/Industry4Training](http://bit.ly/Industry4Training)**

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**Rexroth**  
Bosch Group  
The Drive & Control Company

# Capturing an entire generation's imagination

**Dave Newborough**, E.ON's UK HR director and chair of the National Skills Academy for Power, says apprenticeships are a crucial component of future national infrastructure projects



**E**.ON's aim is to be at the forefront of the global shift towards new technology and create a better tomorrow for everyone; working with customers, companies and across communities to make energy simpler, smarter and more sustainable. Our three core businesses mirror the major changes that are happening in energy today: increasing demand for innovative customer solutions, the global growth of renewables as part of the effort to tackle climate change, and the transformation to a smarter energy system. To do this we need to create a workforce that has the skills and talent to develop and deliver new solutions for the future, which is fast becoming one of our biggest challenges.

In the United Kingdom we urgently need more skilled professionals. According to not-for-profit organisation Engineering UK, British companies are short of some 20,000 engineers and technicians every year and the

country will need 1.8m more by 2025. In the energy and utility sector alone we will need to recruit 221,000 skilled professionals over the next 10 years to maintain the UK's infrastructure.

The energy sector is changing and as a business E.ON faces huge challenges over the next few years as we continue our journey to becoming an energy solutions provider of choice. We'll need to ensure we continue to develop a workforce that can support us through these changes with the necessary skills and behaviours; we see apprenticeships and degree apprenticeships playing a key part in helping us to achieve our vision. Apprenticeships offer a huge amount of value to E.ON bringing new ideas, passion, enthusiasm and loyalty. In return we encourage them to be the best they can be and provide opportunities to achieve degree and post graduate level qualifications through apprenticeships with us.

Over the last three years we have

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taken on over 250 apprentices, 98 per cent of whom have gone on to secure a full-time job at E.ON, with a quarter undertaking further learning and completing higher apprenticeships as part of their ongoing development.

As part of the wider apprenticeship reforms, the levy has given us an opportunity to revisit our skills strategy and think differently about the way we develop and nurture skills and talent within the organisation. E.ON is becoming more innovative in its approach to apprenticeships and offers opportunities across a wide range of skills and disciplines, ranging from the more traditional engineering apprenticeships such as Highways Lighting and Wind Farm Technicians, to offering opportunities for apprenticeships within office-based spheres, like cyber security.

We are keen to raise awareness across the UK of the challenges the sector faces and the opportunities

apprenticeships can bring. Through working closely with the Energy & Utilities Skills Partnership and the National Skills Academy for Power E.ON, along with the other organisations involved, has been able to bring to life these challenges through the publication of the Workforce Renewal and Skills Strategy.

By working with schools and colleges in local communities and supporting The Big Bang UK Young Scientists and Engineers Fair (14-17th March 2018 at the NEC in Birmingham) we have been able to deliver programmes to engage young people and make them excited about STEM subjects. Through this activity we hope to change mindsets and give young people an opportunity to truly understand what career opportunities there are out there in our sector and help remove the undue stigma of apprenticeships.

**For more information, please visit:**  
[www.eonenergy.com](http://www.eonenergy.com)

## CASE STUDIES

# What our apprentices say

**Nathan Davies, originally from Walsall in the West Midlands, is a fourth year apprentice in E.ON's highways lighting team based in Wednesbury.**

"I joined E.ON as an apprentice because I was looking to improve my career prospects when my partner was pregnant. Since joining I've gained a huge amount of knowledge and experience and through my hard work I've been able to become a street lighting jointer one year earlier than initially planned.

"In March this year I led a team of nine E.ON apprentices as part of the nationwide Brathay challenge, where we presented to young people at schools and careers fairs to raise awareness of apprenticeships and encourage others to consider them as an option for their future."

**Amy Harris is an apprentice windfarm technician working at E.ON's Humber Gateway Windfarm.**

"Before joining E.ON I'd completed a Level 3 diploma in beauty therapy but as I've always preferred hands-on work I decided that an apprenticeship would be better suited to me. I'd always found it interesting talking to my family and friends who work in the energy and utilities sector and so I decided to pursue a career in the industry and take up an apprenticeship with E.ON.

"I'm currently completing a placement in the control room, as a marine coordinator. I'm responsible for technicians' safety at sea by maintaining contact and making sure there are no restrictions or safety concerns logged on the turbine they are working on. Working on a Windfarm is very exciting, no two days are the same and there is a great sense of community. I'm thoroughly enjoying my new career."

# Diverse qualifications for diverse candidates



**Catherine McKinnell MP, chair of the APPG on apprenticeships, says the UK cannot rely on young people alone to upskill its workforce**

**B**ritain is facing a productivity crisis, and – as the OBR’s most recent economic and fiscal outlook made abundantly clear – it is even worse than we thought. It’s widely acknowledged that no single policy solution will solve the so-called productivity puzzle, but lifelong vocational training is without a shadow of doubt one of the most important pieces of this jigsaw.

In the lead-up to National Apprenticeship Week (5 – 9 March), we rightly celebrate the important role apprenticeships are playing in most sectors. However, the urgency of the structural challenges now facing our economy means that it’s time we finally got serious about this issue, moved beyond the warm words and ensured that high-quality apprenticeships are a genuine option for all. Without doing so, UK PLC has little chance of being globally competitive in the challenging post-Brexit years to come.

Indeed, national business organisations report that firms are finding it harder than ever to recruit skilled workers, with record numbers –

three-quarters – struggling to find the people they need, due to skills shortages reaching “critical levels”. In my region, the North East, more than 90 per cent of growing firms are suffering from the shortage, a startlingly high figure for an area that still has one of the highest unemployment rates in the country. And this is combined with the threat of a decline in EU migration that will likely increase this shortfall. Two-thirds of British businesses believe they will suffer even before Brexit.

The government appears to have been taking steps to address this growing problem – with the flagship commitment, first made in 2015, to deliver three million new apprenticeship starts by 2020. Sadly, the results so far haven’t quite matched up to the rhetoric, as there were over 18,000 fewer apprenticeship starts in 2016/17 in England than in the year before.

Most worryingly, this reduction has followed the implementation of government reforms, namely the apprenticeship levy, intended to make the apprenticeship system easier to navigate for employers of all sizes.



## We must enable apprentices of all ages

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Something clearly isn't working, and the drop in numbers has been particularly stark for what are perhaps ungenerously described as "older" apprentices – anyone over the age of 25 – for whom the number of apprenticeship starts fell from 102,800 in the third quarter of the last financial year, to just 19,700 in quarter four.

We cannot rely on younger people alone to upskill the UK's workforce, so enabling all older people who want to do so to take on an apprenticeship must form a key part of the government's industrial strategy. This will become ever more important as the population continues to age, people work for much longer, and skills become even more rapidly obsolete as the economy and technology changes.

And there are a number of employers who actively recognise the transferable skills, knowledge and experience that older people bring to the workplace, and therefore the value to their organisation of giving older people a new opportunity through an apprenticeship – Barclays, BT Openreach and software giant Sage, which is headquartered in my Newcastle North constituency, representing some notable examples.

But it is diversity across the board that we should strive towards. Figures show that there remains a distinct lack of women training in certain industries – such as STEM, where vacancies are notoriously hard to fill. Shamefully, those from a black and minority ethnic (BAME) background are less likely to be accepted onto an apprenticeship programme. Breaking down the barriers that prevent groups from participation in the first place is fundamental to accomplishing change.

Altering the country's fixation on the academic degree is an imperative part of the process. Schools must play a leading role in improving the "brand confidence" of vocational study and turning public perceptions around; one of the key recommendations made last year by the all-party parliamentary group on apprenticeships, which I co-chair.

The recently-implemented Baker Clause, an attempt to make promoting a wider range of post-16 options compulsory, sparked hope that

change was around the corner – but a disappointing response from the skills minister to my written parliamentary question confirmed that no accountability mechanism is currently in place, making it difficult to see how any progress will be measured.

And despite the crucial importance of higher-level apprenticeships to solving our productivity puzzle and improving social mobility, there are still far too few of these opportunities available. Higher-level schemes ensure that apprentices are developing the skills our economy requires, and can lead to greater earning than most academic degrees from non-selective universities, too. But the overwhelming majority of schemes are currently delivered at level two – with just seven per cent of apprenticeship starts at the higher levels of four to seven. The IFS' Paul Johnson poignantly surmised this dilemma, in his recent account of trying to identify a higher level apprenticeship for his son – a process he described as "staggeringly hard" with "everything pointing to university as the default".

Of course, without ensuring the delivery of high-quality provision, setting targets for increasing apprenticeship numbers, at any level, is futile. Ofsted has revealed that nearly half of all registered apprenticeship providers inspected last year were inadequate or required improvement. If the government doesn't rapidly take steps to improve the quality of apprenticeship training on offer, turning our productivity levels around seems a hopeless endeavour.

Unless we get serious about upskilling our population as a whole, Britain faces years of economic uncertainty and a further decline in living standards. Establishing a strategy that both diversifies and improves the quality of apprenticeships is essential to driving sustainable growth. So whilst I welcome the steps taken so far, we can do so much more to make apprenticeships a genuine option for all. And as we celebrate National Apprenticeship Week, I hope the government recognises that solving our country's productivity predicament depends upon it.

# Building a national skills legacy

**John Holland-Kaye**, chief executive at Heathrow Airport, discusses the UK-wide opportunities which national infrastructure projects create

**T**he future success of our country lies in the hands of our young people. Their abilities and actions will determine Britain's future, and its place in the world. And with the world changing so fast, we need to provide the next generation with the right tools for success – jobs and skills that are adaptable for the future.

New jobs and skills go hand in hand with building infrastructure. For every new railway, road or runway that Britain builds, a unique set of skills is required and a legacy of expertise that can be transferred to future projects is left behind. As we enter an exciting new era for national infrastructure with many critical projects in the pipeline, we have an opportunity to build a lasting legacy.

This is my vision for Heathrow. I want our expanded airport to help thousands of people across the United Kingdom – of all ages, backgrounds and skill-sets – fulfil their potential and become the leaders of tomorrow.

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Building for the future



## Careers and skills for a brighter future

Heathrow is so large and diverse, it's often described as a "mini-city". We're one of the biggest single-site employers in the UK, with 76,000 people working in 400 businesses across the airport. Last year Heathrow became the first airport in Britain to be fully accredited as Living Wage Employer.

Heathrow offers a huge range of career options from becoming a chef for Gordon Ramsay, or even a vet at Heathrow's Animal Reception Centre. Expansion will mean up to 40,000 diverse new careers like these, so we can help more local young people find the right career path for them.

But for young people, finding that right career can be difficult and daunting. I can remember when I started applying for jobs how hard it was to understand the choices available, and which was right for me.

Our annual careers fair is designed to help young people with these questions. Now in its 11th year, the fair enables young visitors to uncover the opportunities available to them and



## CASE STUDY

# Journey to success

**An aspiring electrician, Simrandeep needed hands-on business experience before he could fully qualify and kick-start his career.**

**Driving home one day, he saw an “apprenticeships” sign on the Heathrow Academy building, and soon after met with academy recruitment officer, Demaro. Together they secured an interview with Dyer & Butler Electrical, a construction firm based at the airport. After much preparation and advice to boost his confidence, Simrandeep got the job, and is now on track to become a fully qualified electrician next year.**

to find the right fit. For over a decade, we’ve worked with local schools and colleges to make this event a success. Our most recent careers fair took place in January, with almost 5,500 local people paying us a visit.

One of the exhibitors at the fair is Heathrow’s Engineering Apprenticeship team. Every year, thousands of young people apply for a coveted space on our successful scheme, which celebrated its 40th birthday last year. Its longevity speaks to the success of the programme, and is why half of our engineering team are former Heathrow apprentices.

Supporting Britain’s future workforce is not just about providing opportunities. It means giving people the training they need to seize these opportunities and supporting them at every step of their careers. That’s why we started the Heathrow Employment and Skills Academy – our flagship programme to identify and develop the talent we need. Now in its 14th year, the academy works with local partners to help unemployed people maximise their chances of securing work with

Heathrow employers. The academy also provides training for our existing colleagues, and through our new Higher Level Apprenticeship programme, we’re helping all our employees secure long and meaningful careers.

Today, Britain’s job market is more complex than ever. With so many options available to some, and not enough to others, businesses need to guide young people through the early steps of their careers. By setting each employee on the right path, we can make Britain’s future workforce stronger.

Expansion means doubling our apprenticeship offering to 10,000; 700 more people finding employment through our academy each year, and thousands more employment opportunities across Heathrow. I want a local child to one day step into my shoes as chief executive. With the opportunities expansion will bring, we’re ever closer to making this happen.

### **Revolutionising our national skill-set**

In October 2016, the government announced its support for Heathrow

expansion and we are expecting parliament to vote on a policy framework for the project in the coming months. In the meantime, we are carrying out an extensive public consultation on our emerging proposals, to help us develop the best final scheme for expansion.

Expanding the UK’s hub airport will send a message to the world that Britain is open for business. It will give Britain the infrastructure it needs to boost its trade with the world and to help rebalance the national economy. At a crucial time, expansion will help plug the growing national skills gap, by creating a legacy of skills for our future outside of the EU. Research by the Open University has shown the skills gap is costing UK businesses over £2bn a year.

In an effort to lead change, in 2016 we set up our Skills Taskforce, chaired by former education and employment secretary Lord Blunkett. The taskforce brings together experts across education, local government, unions, and voluntary and private sectors to develop our skills strategy for an expanded Heathrow and beyond. As part of this, we’re collaborating with other major British infrastructure projects like High Speed 2 and Thames Tideway, to share ideas on how we can arm Britain’s future generations with the skills they need.

But we’ll need some of these skills now, as we start to build our new runway. That’s why we’re locating four Logistics Hubs across Britain to source talent from every corner of the country. The sites will pre-assemble and transport vital components for Britain’s new runway, helping to deliver expansion more efficiently, whilst allowing businesses right across Britain to get involved. Through this process and by collaborating with other infrastructure projects, we want to revolutionise the way Britain builds its infrastructure.

A new runway at Britain’s hub airport is not just an investment in infrastructure. It is an investment in a better future for Britain’s young people.

**Dr Roberta Blackman-Woods MP, chair of the all-party parliamentary university group, talks to Rohan Banerjee about two-year degrees and offering higher education that is value for money**

# “A welcome option but not a silver bullet”



**W**hether university still represents a good use of a young person’s time, according to Dr Roberta Blackman-Woods, doesn’t need to be questioned. “I’d say university is still the go-to option if someone is looking for a successful and rewarding career. That’s not to devalue other types of education that people might get, but I think there’s a lot to be said for the quality of higher education in the United Kingdom. As well as providing a dedicated learning environment, it’s also a great chance for young people to develop life skills.” Labour’s Member of Parliament for Durham City, however, concedes that “the row over tuition fees” has brought about “more scrutiny over standards” and a responsibility for UK institutions to “definitely ensure that they deliver value for money”.

In England at the moment, undergraduate tuition fees are capped at £9,250 a year for students from the UK and the European Union – having inflated 825 per cent since their introduction by the Labour government of 1998. The majority of that inflation,

Blackman-Woods is keen to point out, has been overseen by the subsequent coalition government of 2010 and the Conservative governments of 2015 and 2017. “Labour’s position on tuition fees,” she says, “is clear. They are simply too high. The levels of debt from student loans are soaring and they’re not being paid off. The current Tory system, therefore, we can see is unsustainable.”

The rise in tuition fees, though, does not appear to have been a deterrent for applicants. The Universities and Colleges Admissions Service (UCAS) reported that the entry rate for 18-year-olds in England last year was 33.3 per cent, up 0.08 per cent on the rate in 2016. The Chartered Institute of Personnel and Development (CIPD) – a professional body for those working in human resources – has suggested that the apparent cross-party consensus to get more young people into higher education was “no longer justified” given the level of student debt, and a “mismatch of skills” against employer needs.

Blackman-Woods, who received her PhD in social sciences from the

University of Ulster, disagrees with CIPD’s assessment. “I don’t think we should view more people going to university as a bad thing... but the rise in tuition fees has certainly helped to make that opinion more popular. The recession means that graduate earnings have gone down, while tuition fees have continued to increase. In my opinion, you can’t have too many people going to university. Not only is it a great opportunity to explore your subject, but it is also an opportunity to explore yourself. Sports, arts and cultural clubs shape your experience and that’s beneficial for wider society. We do have to, though, make sure that courses at university are offering value for money and are fit for purpose in the 21st century.”

Last year, the Department for Education (DfE) set out proposals for a mass rollout of accelerated degree courses – two-year programmes designed, it claimed, with educational efficiency and cost-effectiveness in mind. Then universities minister Jo Johnson said he wanted to “break the



## “Physics degrees are four years long for a reason”

SHUTTERSTOCK/ EDELLA



mould” of a system in which three-year degree courses had “crowded out” some students with their prohibitive costs. Instead, Johnson said he wanted to offer “more flexible” ways of studying, and argued that as well as reducing tuition fees, students could save on a year’s living costs and would be able to start working a year sooner. The DfE suggested that accelerated degrees could slash a student’s costs by £25,000.

While students who opt for a two-year course would be left with a smaller overall debt, the Higher Education and Research Act of which the proposals for their mass adoption were part, does allow institutions offering accelerated degrees to charge up to £11,000 a year in tuition. As chair of the all-party parliamentary university group, Blackman-Woods says that two-year degrees are a “welcome option but not a silver bullet for issues relating to university or social mobility”. She describes her position on accelerated programmes as “not against, rather than actively for”.

Blackman-Woods says that she agrees that a greater number of two-year degrees could “potentially widen access for mature students who need a more flexible way to learn”, but warns against “attaching too much hype” to their transformative qualities. “Flexibility in the market,” Blackman-Woods adds, “is important, but I wouldn’t expect a huge uptake for two-year courses.”

At the time of writing, just 14 of the UK’s universities (10.7 per cent) are offering two-year undergraduate degree courses for the academic year starting in September 2018, a number which includes none of the Russell Group. Blackman-Woods explains: “When the government talked about rolling two-year degrees out ‘across the UK’, I think they just meant in different parts of the country rather than in every university. I wouldn’t say that the Russell Group has kicked back against these degrees, as much as it has pointed out that some of their most rigorous courses would be hard to compress into two-year programmes. It’d be harder to

shorten something like a physics degree, for example. Physics and science degrees are often four years long for a reason.”

Blackman-Woods also wonders what sort of message a mass rollout of two-year degrees would send to the international community. “What do you think it would look like if the UK started offering two-year courses while America was offering four-year courses as the norm? Would the world start to question the quality of degrees on offer over here?”

Still, Blackman-Woods reiterates that she is “not against” two-year degrees, but thinks that the priorities for government in higher education should “focus instead on lowering tuition fees on the whole”. She continues: “If two-year degrees mean that more people can get to university, then there’s some merit to them. Mature students will appreciate being able to do degrees more quickly. But if the government is serious about social mobility, it needs to work towards reducing those alienating costs.”

What would make degrees in the UK better? “If you want to improve higher education,” Blackman-Woods says, “then integrating more practical work placements into degree courses would be a good place to start. In terms of addressing the cost issues, it could be a good idea to make payment for a degree more flexible in itself. Paying for degrees by modules or by credits earned could also be a good solution.”

Ultimately, according to Blackman-Woods, the decision to go to university will always be driven by the idea of getting a job. “Universities have a duty to their students to make sure that what they are teaching is applicable to the real world.” She advises, then, that courses should be “skills-based” and that if employers are concerned about the pipeline not producing what they want, then they should play “a more proactive role” in addressing this. Blackman-Woods says: “The pinch point, I think, is the employers. If they want to influence the skills that are being taught in degree courses, they need to be encouraged to offer up placements for students.”

# Employers want what they need

Degree apprenticeships could help to bridge the gap between education and the world of work, writes **Anthony Sturgess**, director of corporate development at Liverpool Business School, Liverpool John Moores University.

**I**t is reported by UCAS that 49 per cent of school leavers are due to study at university from September 2018. The success of universities in attracting a larger number of students from a broader range of backgrounds is self-evident and the social and economic benefits enjoyed by graduates is well-documented. In the context of greater participation, student fees, structural changes to the employment market and impact of the fourth industrial revolution questions have been raised, however, whether the traditional degree should be the only higher education option open to school-leavers.

The issues surround the expectations and purpose of higher education. These have changed as we have moved from a restricted form of higher education to one where university is almost the default option for school-leavers. From a student's perspective, there is the expectation that the knowledge and skills developed will help them to

achieve their career aspirations. This has come into sharp focus following the introduction of the current fee regime. From an employer's perspective, there is an increasing demand that students should graduate in possession of both technical knowledge and a broader range of "soft skills". Employers, too, reflect on the insufficient number of students graduating from courses relevant to particular industrial and service sectors, such as computing and engineering. Universities have responded to these changed expectations and regulatory provisions, such as the TEF, evaluate work being done to support their students' employability. However, the "skills gap" is a recognised problem and addressing it is a key aspect of the Industrial Strategy.

Degree apprenticeships – programmes which are a blend of academic and technical education designed in partnership between companies and universities – represent one alternative to traditional degree programmes. The attractions are clear. For employers, they are an opportunity to recruit talent early and train them for roles they will need to fill in the future. For students, they are a chance to work and study at the same time. Crucially, they get a salary and a qualification without accruing debt.

Liverpool John Moores University has been one of the main flag-bearers in the degree apprenticeship movement. LJMU currently offers a range of degree apprenticeships at undergraduate and masters level, including a BEng in Civil Engineering, BSc in Quantity Surveying, BSc in Biomedical Science, BSc in Digital and Technological Solutions and a BA in Business and Management Practice. The courses' tuition fees are covered by the employer/levy while the student receives a salary for the duration of their studies. Students will spend time at both the university and with their employers and will engage in a range of different learning activities and approaches, including work based learning. Typically, degree apprenticeships are completed within four or five years.

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# DEGREE APPRENTICESHIPS

PIONEERING THE NEW UNIVERSITY EXPERIENCE

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The intellectual rigour of the degree apprentice course is no less than a conventional degree. As such, each of our degrees are approved not only by the employers with whom they are undertaken, but by the relevant professional bodies who agree industry-wide standards. The BA in Business Management Practice is taught to standards set by the Chartered Management Institute (CMI). The quantity surveying BSc is overseen by the Royal Institution of Chartered Surveyors (RICS).

Just as important as entry-level employers, of course, are those already in the UK's workforce. At Liverpool Business School we are committed to the government's intention to improve skills through apprenticeship, however, we are also rooted in our belief that managers and leaders make a difference in organisations and we see the levy as an opportunity to invest in leader and manager development. Which is why we have designed a range of leadership and management master-level degree apprenticeships.

Skills development alone will not raise productivity and growth in employment. In fact, it is how skills are used in an organisation that matters, and not skills per se, that is the significant indicator of whether

productivity will be improved. And that depends largely on the quality of management.

Upskilling existing members of staff, whether to help them adapt to a new technology or trend, or to help along interpersonal and management progression, should sit at the heart of the company's HR strategy. In addition to a broad undergraduate offering at LJMU, we offer masters-level degree apprenticeship, again designed by reference to CMI's standards, which aims to identify employer training needs for mid-career professionals helping them to progress to more senior roles.

The degree apprenticeship standards for management and leadership at master's level offer the Masters in Business Administration; the MSc Leadership and Management Practice and the MBA for Scale Ups. At degree level we have the Chartered Manager Degree Apprenticeship, BA (Hons) Business and Management Practice as well as the host of other UG degree apprenticeships across LJMU.

The standards provide a national framework, but allow providers such as Liverpool Business School, to design programmes to meet particular needs. We have taken advantage of this flexibility to design programmes for this purpose.

The advent of degree apprenticeships should not be seen as an indictment of current degrees, as much as it should simply be viewed as a welcome alternative. Running degree apprenticeships alongside traditional courses is, therefore, a portent for both variety and balance. This delivers diversity in the higher education market that could in fact go some way towards achieving cross-party consensus on social mobility. Degree apprenticeships are an opportunity to widen access to university for a section of the population that might not have previously considered it because of financial risks.

Ultimately, the depths of the UK talent pool dictates how well the country is equipped to compete on an international stage. Ensuring a broad selection of courses and qualifications will be reflected by a broader selection of talented candidates for jobs. Integrating working and learning is the basis for a more capable pipeline of employees in the long run. The government is currently taking positive steps towards extending the reach of apprenticeships through its Apprenticeships Levy, and LJMU is committed to build apprenticeship programmes that are personalised to individuals, and customised for business.

# Diversifying a modern workforce

**Nick Ellins**, chief executive of Energy & Utility Skills, explains how his organisation is countering outdated impressions of apprenticeships and engaging with new demographics

**Y**ou wake up, unplug your fully charged mobile phone and go to the bathroom. Next you venture downstairs, look at the display on your smart meter and check that your wheelie bin has been rolled to the edge of your property. Perhaps without a second's thought, you have accessed every facet of a sector that could be considered a hidden cog within the mechanism that is powering much of the UK economy. Providing power, gas, clean water, waste removal, environmental protection and recycling services every day across Scotland, Wales, England and Northern Ireland, energy and utilities are tasked with £105bn of the government's national infrastructure and construction pipeline, the greatest share of any individual sector.

February was the first anniversary of the release of the Energy & Utilities Workforce Renewal and Skills Strategy – the first high-level guide on how the sector can attract high-quality entrants and demonstrate the workforce resilience needed to meet its responsibilities. Former education secretary Justine Greening announced last November that a group of pan-sector employers would collaborate to lead skills reform; however the Skills Strategy was written by leading sector employers – members of the Energy & Utilities Skills Partnership that was formed in 2016. The Partnership's 29 members – including Amey, British Gas, E.ON UK, National Grid, UK Power



Networks and Veolia – account for the majority of the sector's assets and a 500,000 UK workforce. It is creating genuine employment and encouraging applications from younger people, career changers, female and ethnic minority applicants that have previously taken different career paths.

Through Talent Source Network (TSN), 20 Skills Partnership members are offering hundreds of vacancies, including apprenticeships, on the sector's digital platform, together with careers guidance and case studies featuring the experiences of a diverse mix of new starters, recent recruits and senior professionals. Showcasing a wide variety of sector roles – including engineering, HR, communications, IT and customer service – TSN is challenging traditional impressions of the careers available.

By using social media and targeted campaigns, TSN is engaging with more diverse audiences, introducing a more realistic representation of the sector and showing clear and achievable routes to progress from entry-level roles, all the way up to senior management. In addition, the sector apprentices have a crucial opportunity to demonstrate their suitability to qualify and work in safety-critical industries through the Energy

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**ENERGY & UTILITIES  
SKILLS PARTNERSHIP**  
SUSTAINABLE TALENT FOR ESSENTIAL SERVICES  
AND SUSTAINABLE INFRASTRUCTURE



#### KEY QUOTE

## Economy

Basil Scarsella, chair of the Skills Partnership and chief executive of UK Power Networks, says: “The EUIAS is the first assessment organisation in the sector to reach this number of achievers, so this is an encouraging start, especially as some significant UK sectors are yet to get their first apprenticeships underway.”

“Still, it is important to note that these relate only to England. The devolved and uncoordinated skills policy environment we operate within hinders the labour market from working more productively across borders. Employers in our sector are often transnational, so there is a need for alignment between the four nations.”

He adds: “Our strategic importance to the UK economy should ensure that every policy measure is made to assist the sector to leverage every opportunity to continue to recruit, re-skill and upskill in sufficient numbers.”

& Utilities Independent Assessment Service (EUIAS), which provides high-quality end-point assessment services for nine of the 11 new English standards – including power networks craftspeople, water process technician, dual fuel smart meter installer, gas engineering and utilities engineering technician.

Apprenticeships vary from level two (roughly equivalent to five GCSEs) up to levels six and seven (equal to a bachelor’s and master’s degree respectively), for roles based inside, in laboratories and offices, as well as roles for those who enjoy working outdoors and travelling. Together they offer upward social mobility, helping new recruits onto a career ladder that could lead to well-paid roles within the sector.

Today’s jobseeker must consider the triple threat of automation, downsizing and outsourcing in their chosen sector within a UK economy still yet to leave the European Union. However those who opt for a career in energy and utilities will be joining a sector that will see 221,000 vacancies open up during the next decade. Approximately 31,000 of these will be newly created roles serving the UK’s progression towards a smart energy system that requires a more technically advanced workforce.

Over 220 apprentices have qualified through end-point assessment via the EUIAS and have proceeded into permanent roles, filling critical vacancies as they emerge. The new recruits include the first achiever and the first female engineer achiever at level two (now at E.ON) amongst those that now work in the power, water and gas industries for the likes of Severn Trent Water, SEN and UK Power Networks. They will be followed by a further 2,000 candidates currently progressing through a sector apprenticeship.

These outcomes have encouraged influential organisations to voice their support for the Skills Strategy. Ofwat confirmed that employers must demonstrate workforce resilience in next year’s price review, PR19. Ofgem has recognised it as “comprehensive” and a “blueprint” to attract diverse talent

#### KEY QUOTE

## Sustainability

Ensuring the power industry’s long-term sustainability and attractiveness is the mission of the National Skills Academy for Power (NSAP), a part of the Energy & Utility Skills Group. It delivers employer-led initiatives, products and services to address the sector’s skills challenges in partnership with unions, trade associations, engineering institutions, diversity groups and other skills academies and sector skills councils.

Dave Newborough, chair of NSAP and HR director at E.ON UK, says: “NSAP has been at the forefront of leveraging apprenticeships to recruit new talent. Apprenticeships are an important supply line. Over half of the nearly 19,000 new recruits the power industry will need over the next six years will need to be recruited through apprenticeships and other talent sources. We are dedicated to delivering this in partnership with our valued stakeholders.”  
**For more information, please visit: [power.nsap.academy.co.uk](http://power.nsap.academy.co.uk)**

and develop advanced skills.

As the Skills Partnership continues to gather high level support, apprenticeships are becoming a viable alternative to higher and further education. We are continuing to work with regulators, government ministers and other key stakeholders to deliver lucrative employment opportunities to every young person and career changer looking for a rewarding career in a sector that impacts almost every person in the UK every day.

**For more information, please contact Energy & Utility Skills’ Policy and Strategy Team on 0845 077 99 22 or email [somia.nasim@euskills.co.uk](mailto:somia.nasim@euskills.co.uk)**

# Why entry-level jobs needn't stay that way

**Sandra Kelly**, head of education at Whitbread, explains how apprenticeships can shape the future of the hospitality industry



**W**ith 50,000 employees and a turnover of approximately 45 per cent per year, the hospitality company Whitbread, which owns the Premier Inn and Costa Coffee brands, needs to recruit 60 people a day just to stand still. This is not a problem Whitbread, which is celebrating its 275th year in business, faces alone – it's an industry-wide issue.

Entry-level hospitality positions are typically recruited from within the 16 to 24-year-old age bracket. But it's a demographic with alarmingly low retention rates and this high level of churn causes a significant recruitment cost to businesses.

Appropriately for a business itself founded by an apprentice – Samuel Whitbread back in 1742 – Whitbread has a solution: apprenticeships. By recruiting apprentices the company has seen an improvement in retention. Nearly three quarters of apprentices stay with the company for more than 12

months, a striking contrast with the just over a quarter of non-apprentices who do.

Dean Jones, Premier Inn and Restaurants management skills trainer, says: "The programmes, especially for our 16 to 18 year olds, are brilliant in supporting people to take their first steps on their career journey, through developing knowledge and confidence. These skills can then be used to make an apprentice brilliant at their role and capable of delivering a fantastic guest experience. Apprentices can even progress to managing their own hotel, restaurant or coffee shop."

But apprenticeships are not just a route into entry-level jobs. Crucially, Whitbread's programme also supports internal development. It aims to use apprenticeships to fill management positions through internal progression and to inspire more young people to choose a career – not just a job – in hospitality. As such, it plans for its site

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**WHITBREAD**

WHITBREAD



managers, operators and internal quality auditors to study to support apprentices on programmes.

This plan is working. Across the Whitbread workforce, apprentices are 5.7 times more likely to progress to a higher role than non-apprentices – reflected by the fact that one in four operations managers either started out or have been an apprentice.

One such employee is Charlotte Maloney, who joined Premier Inn just over six years ago. She decided to undergo an apprenticeship rather than attend university and complete a degree. Since gaining her level 4 hospitality manager apprenticeship in 2016 she has been appointed to her first operations manager role in Manchester. She says: “I can hand on heart say that without the apprenticeship programme, I would not have advanced through the company, or gained the knowledge as quickly as I have done.”

Whitbread’s commitment to quality

apprenticeships since commencing its WISE (Whitbread Investing in Skills and Employment) initiative in 2012 has proven valuable to the business as a way to recruit into the hospitality industry, as well as a means to retain and develop this talent for the long-term. Malcolm Redmond, apprenticeship programme manager explains: “By setting up the WISE programme, Whitbread wanted to test a new way of attracting, retaining and progressing our employees through more structured one or two-week work experience for students, and structured two or four-week placements for those looking for work. WISE has created a ladder of apprenticeships from intermediate to higher levels to enable progression.”

This commitment is so ingrained in the company that the majority of training is delivered by an internal team rather than subcontracting it out – as is the norm with apprenticeships.

However, this commitment to

apprenticeships is at odds with the current trend seen by other employers. Last April, the government introduced the Apprenticeship Levy – which was aimed at recruiting 3m more apprentices by 2020. But the figures show it has not yet been successful. According to the Department for Education, between May and July last year, 48,000 people began an apprenticeship. That was less than half the 117,000 for the same period in the previous year.

This is because many businesses were not ready for the Apprenticeship Levy – which sees employers with a pay bill of over £3m each year contribute 0.5 per cent of that annual pay bill. They can then recoup the costs by investing in apprenticeship training. Many employers see it simply as an additional tax. But by being prepared, Whitbread will start to fully recoup the value it contributes within the next 12 to 18 months.

So, what does the future hold for apprenticeships? For Whitbread, the programmes have been so successful, the company has plans to increase numbers – going from the 2000 apprentices currently to a target of 5000 by 2020. Whitbread is focusing on different types of apprenticeship to offer even greater progression opportunities for its team.

For example, prospective apprentices who fear missing out on the university experience, will soon be able to apply to do a degree apprenticeship where they can focus on areas such as business-to-business sales. The first MSc in multi-site operations for eight managers have already been completed with Birmingham City University.

At the same time, Whitbread has seen the value of using apprenticeships to recruit and retain young people. It also recognises the importance of retraining and bringing talent to the business regardless of age – reflected in its ‘ageless’ apprenticeship offering, with a number of over-50s currently in learning.

**For more information, please visit:**  
[www.whitbread.co.uk/careers](http://www.whitbread.co.uk/careers)

# Finding new solutions to an old problem

The UK's skills base is lagging behind its competitors and government must take action now, according to **Graham Hastings-Evans**, group managing director at NOCN



**F**or decades the United Kingdom's economy has suffered from a well-evidenced systemic problem of low productivity compared to its key international competitors. So do we have the skills and ability to correct this? Arguably we should have been tackling this over the last 20 years, but we haven't. Brexit and the competitive challenges we will face outside of the European Union from March 2019 has turned the spotlight back on to the "old", apparently unsolvable, problem. So what will drive a substantial increase in productivity? There are four main factors.

First, government must invest in the infrastructure that will underpin the economy, such as better transport links and broadband capacity. Second, industry needs to increase investment in new technology, upskilling staff, equipment and new methods for making and delivering goods and services. To achieve this, we

(employers) must have senior management who have the skills and knowledge to identify opportunities and then implement the right investments. They in turn need investors, such as banks and fund managers, who understand industry's needs and can provide the necessary investment funds at terms that make the business case viable.

The third factor is having operational managers who are skilled at productivity and performance improvement, with a track record in achieving success and capturing the benefits. The fourth factor is to have a workforce that is properly skilled to work at a higher level of productivity; with access to the new tools, technology and methods.

As we can see skills for senior management, investors, operational management and the workforce are critical if we are to substantially drive up productivity. The government has

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now recognised that skills are crucial. Following reports such as those published by Professor Alison Wolf and Lord Sainsbury, the government in 2013 embarked upon a massive skills reform programme in England: rewriting apprenticeship standards (commonly called Trailblazers), bringing in an apprenticeship levy on larger employers and starting to reform technical education for 16 to 19-year-olds.

NOCN's team has been one of the organisations supporting these changes at the detailed level. And it is from this experience that we are expressing our concerns about whether what is happening "at the coal face" will actually deliver the 30 per cent increase in productivity the economy needs over the next five years.

We believe that there is a naivety in some places that by training people they will somehow become more productive. That is just not the case.

Without the requisite managerial skills, as well as investment in infrastructure, equipment and technology, an increase in productivity will not happen. The type of training must also be relevant and timely. Training people on the "old" ways of doing things will just reinforce the historic levels of low productivity. If we are going to train the workforce, they need to be trained on the new ways of producing and delivering goods and services, such as off-site assembly in construction, mobile banking and FinTech in finance or site access drones in engineering.

Just over four years ago the government started the initiative called Trailblazers to re-write all our apprenticeship standards in order to create "better quality" apprenticeships. As part of this change in May 2017 they introduced a "tax" on large employers called the levy to fund "better quality" apprenticeships. A new governmental organisation was also set up called the Institute of Apprenticeships.

Unfortunately, progress has been very slow. Only a small proportion of apprentices are now operating on the new standards and the new technical education and qualifications are not even ready for learners to commence. A full-quality assurance system to ensure we do get "more productive, better quality" people at the end of the process is still not in place. As a result, we have made little impact on the quality concerns, made in 2012, about the UK's apprenticeship, vocational and technical education system. Added to this the system has further fragmented across the UK, arising from the changes in devolved arrangements.

The new Institute has defined "better quality apprenticeships" in England thusly: "An apprenticeship is a job with training to industry standards. It should be in a recognised occupation, involve a substantial programme of on and off-the-job training and the apprentice's occupational competence should be tested by an independent, end point assessment. Apprenticeships are employer-led: employers set the

standards, create the demand for apprentices to meet their skills needs, fund the apprenticeship and are responsible for employing and training the apprentice. But the needs of the apprentice are equally important: to achieve competence in a skilled occupation, which is transferable and secures long term earnings power, greater security and the capability to progress in the workplace."

Intriguingly, there is no explicit mention of "productivity increase" nor the need to improve performance. Having been party to many of the groups working on the re-design of the UK's apprenticeships, our observation is that at no point has there been a serious focus on what is needed to close a 30 per cent productivity gap. Neither do the new much-heralded management apprenticeships include the skill to increase productivity and performance. There appears to be a blind belief that training or change will by some miracle provide the skills for people to operate at a substantially higher level. This will just not happen.

The other gap in the government's implementation for reforming skills, for a more productive economy, is the scope of the changes. To date much of the reform has been aimed at improving skills for new entrants. In any given year these only account for around 2 per cent of the workforce so the impact at the macro level will be insignificant. We must have major upskilling programmes for the existing workforce, not just the new entrants. This needs to tackle the low levels of literacy and numeracy identified in around 19 per cent of the existing workforce. The government's current funding for functional skills English and maths is completely inadequate to make any big impact on this problem.

Ultimately, if we are going to tackle the UK's long-term productivity problem, with its inherent long hours culture, and low pay and poor conditions, the government is going to have to substantially up its game on skills reform.

**Michael Tomlinson MP, chair of the APPG on youth employment, outlines the importance of positive mentorship in developing young people's life skills**

# What have the Conservatives ever done for young people?



**I**t was almost exactly 18 months ago that I became the chairman of the all-party parliamentary group (APPG) on youth employment, taking over from the indomitable Chloe Smith MP, a doughty campaigner for young people. Whilst she was in charge, we renamed the APPG from youth unemployment to the rather more positive and optimistic title it holds today.

As chairman of the APPG, I remain unrelentingly positive about the promise and potential that young people have. With hard work and an inner drive, there should be no limits to their aims and ambitions. Likewise, our bold aim as a country, our moral mission even, should be to eradicate long-term youth unemployment. But our mission as a society should not be just about driving down youth unemployment from its historically high levels, worthy

though that aim is. We must also show that we do so because we care for each individual young person as a unique human being, dare I say it, made in the image of God.

What is the modern, compassionate and Conservative response to the needs of young people? Received wisdom has it that young people are attracted to Jeremy Corbyn and his offer as set out in Labour's manifesto. Undoubtedly there is some truth in this. But with youth unemployment within touching distance of its lowest level since comparable records began, and with it peaking as the coalition took over from Labour, it is odd that so little credit accrues to the Conservative Party.

Driving down youth unemployment is insufficient in and of itself to make us attractive to young people. We have to be explicit with our Conservative offer and with our vision, which must be of



opportunity and of aspiration.

### **Those furthest from the labour market**

There is no better place to start than with those furthest from the labour market and those who struggle to get a fair first start. Let me introduce the report from the youth employment APPG, which was compiled with the help of our secretariat Youth Employment UK (YEUK); with the wisdom of organisations who have attended our events such as Talent Match and City Year UK; and with the insight of charities who have responded to our call for evidence such as the Prince's Trust and Leonard Cheshire.

The evidence suggests that young people who are furthest from the labour market often have at least one or more significant barrier to employment. These include: disability, mental health issues, low education attainment,

homelessness, care leavers, carers, a criminal record and low aspirations. Without first overcoming these barriers, young people cannot be expected to make good and sustained progress into employment, education or training.

To achieve this end, personalised support is a crucial factor. This may include a keyworker, non-formal training, or supported work experience.

### **Waverley House**

And this is where I introduce Waverley House. Waverley House is in my constituency in Dorset, is run by Bournemouth Churches Housing Association (BCHA), and offers housing and support services for socially excluded 16-24 year olds. Mentors, known as keyworkers at BCHA, are integral to the positive outcomes achieved at Waverley House. This stable, adult relationship is so often missing as young people grow up today.

Most young people referred to the project have had no boundaries or stable relationships with important adults in their lives. Naturally this can mean that they are reluctant to discuss what has been traumatic and chaotic. But they learn that it is better to be open about mental health issues, lack of education, family breakdown and drug and alcohol misuse; and that this enables a keyworker at Waverley House to put relevant support in place for them from the minute they begin living there.

Keyworkers can help with budgeting and benefit advice, and with life skills such as cooking, cleaning and food shopping. Then there are job applications, CVs, lifts to and from

appointments, interview practice.

Let me tell you about one particular resident. I will call her Jane. Jane is a peer mentor, who is supporting Waverley House's youngest residents through their GCSE year. Coming from an incredibly difficult background herself, Jane has worked hard with her own keyworker to achieve some great successes herself – an apprenticeship no less – and she now wants to support others the way she herself has been supported.

Ultimately, consistency of support is critical. All young people require a stable home, guidance and consistent boundaries from supportive adults. Keyworkers give this in abundance even during the most challenging of times. It is true that Waverley House is small scale, but this is part of what helps it work. The results show that the staff at Waverley House are clearly doing something right. Peer mentoring should be rolled out across the country.

### **Giving the next generation hope**

As we move from the specific example of Waverley House, how can this be translated into policy across the country? We are an aspirational nation, and this is highlighted most by the energy and vigour of our young people. Their drive and potential is huge. They rightly want the opportunity to build a brighter future and it is our job as parliamentarians to enable them to fulfil that promise. This is why we must redouble our efforts to give young people the opportunity to pursue a fulfilling career and build a better future for themselves and their families.

Our offer should ensure that young people have the opportunities and experiences, and acquire the necessary skills, to build a career in the fast-changing modern labour market.

It should also ensure that there is individual and tailored support. The example of Waverley House shines through. Not all are successful. But all are treated as unique human beings, and our national policies should aspire to that ideal.

## **Young people must learn key life skills**

# Genuine career opportunities for everyone

**Apprenticeships offer a vital route to social mobility, inclusion and solving the UK's skills shortage, writes Nigel Whitehead, chief technology officer at BAE Systems**

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**R**ecently I appeared in front of the House of Lords' Economic Affairs Committee alongside counterparts from Siemens and Rolls-Royce as part of a session on higher, further and technical education. As representatives of some of the UK's largest engineering companies we were not hesitant in expressing our concerns about the lack of young people with technical skills in the UK and the potential impact this has not just on the large companies, but especially the thousands of smaller and medium-sized engineering firms in our supply chains.

As an ex-apprentice, a chartered engineer, and now a leader responsible for engineering and technology in an 83,000-strong engineering company, I have been involved for more than 20 years now in these sorts of discussions. Sadly the UK is still struggling to deliver widespread solutions to the problem.

When you see how the apprentice schemes of larger engineering companies successfully introduce school leavers into the workplace, and then see those same people thrive in their careers, it is easy to form strong convictions about the value of such an approach. I also conclude that apprenticeships provide a vector for social mobility for thousands of young people. I have strived to work with many organisations in the private and public sector, including successive governments, in changing the perception of apprenticeships, encouraging businesses to increase the number of apprenticeships and to develop training.

Indeed my view that apprenticeships are a vital mechanism for promoting

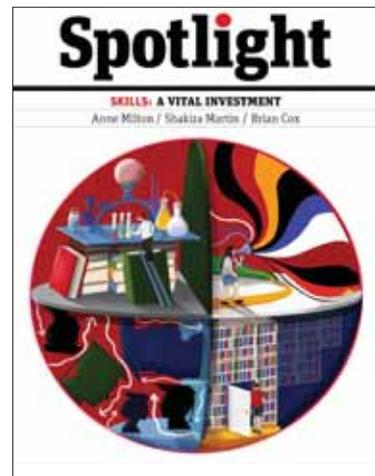
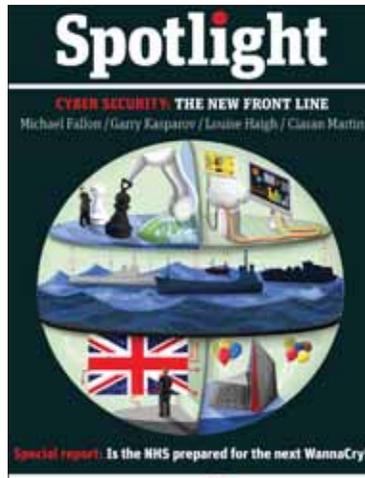
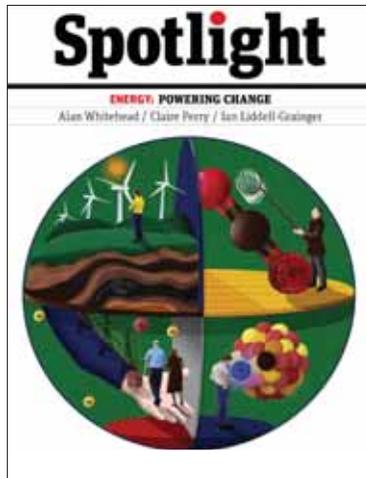
social mobility has been further evidenced by concerns expressed by many young people with respect to the debt they face upon leaving university. Increasingly apprenticeships offer paid-for training to degree level and beyond. My own company, for example, has recently joined with Cranfield University to offer an engineering apprenticeship with a Masters-level qualification – the first of its type in the country. Of the 650 apprentice places we have available this year, 120 offer study to post-graduate level and another 100 will take undergraduate degrees as part of degree apprenticeships.

My argument has been reinforced by BAE Systems' and many other businesses' involvement in the Movement to Work programme. This scheme provides a one-month development programme, including a two-week work placement with companies, for young unemployed people who have fallen out of the education system for a variety of reasons. Despite some initial scepticism about the likely success of the programme, the overwhelming majority of young people joining us on work experience have been exemplary and as a result we have to date offered jobs to 79 participants as apprentices with BAE Systems. This year BAE plans to provide 240 placements, and we have encouraged another 45 employers to join the programme.

I have also sought to ensure that my company's apprentice programmes are open to all. Of the apprentices we recruited last year 27 per cent were female and 18 per cent of recruits in 2016 came from the most economically deprived areas in England. This reflects broader efforts we're making to ensure BAE Systems is an inclusive workplace for everyone. In recent years employees have created a number of employee groups, including Enabled, which aims to support people with disabilities, and OutLinkUK, a resource for LGBT staff.

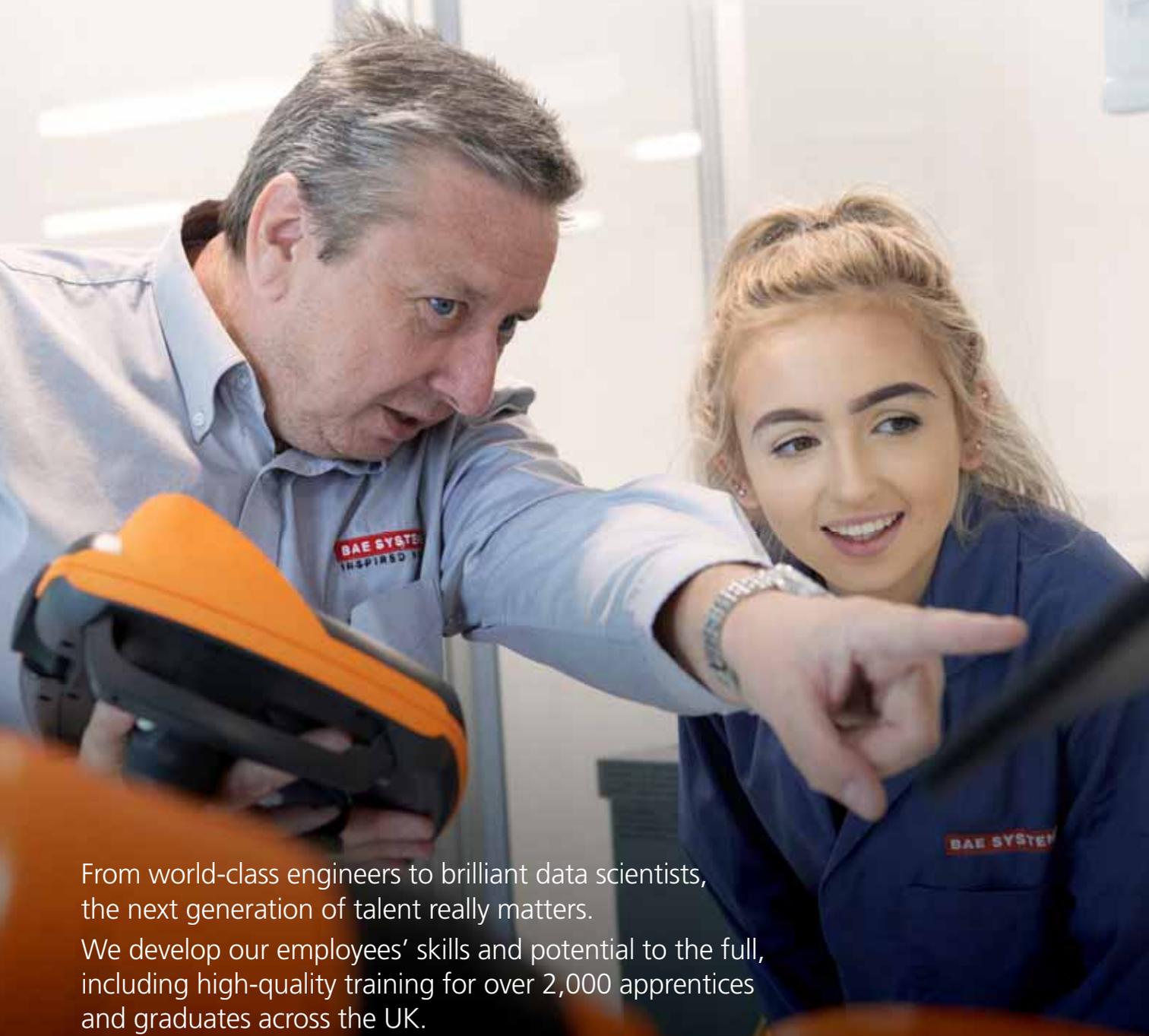
I am a great believer in providing equality of opportunity. For me, apprenticeships offer the very best way to develop the talent inherent in our young people.

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