



Unite the Union response to BIS Committee Apprenticeships Inquiry

This evidence is submitted by Unite the union. Unite is the UK's largest trade union with over 1.5 million members across the private and public sectors. The union's members work in a range of industries including manufacturing, financial services, print, media, construction, transport, local government, education, health and not for profit sectors.

Executive summary

- Unite believes the term apprentice and the apprenticeship system in the UK is in danger of being systematically devalued whilst government subsidises big employers to finance every day training requirements of young workers with government funding.
- The UK manufacturing and constructions sectors have serious skills shortages and skills gaps, when these are coupled with an aging workforce the consequences for the UK economy are tangible.
- Unite questions whether the National Apprenticeship Service has been a success, when the apprenticeships on offer are short term, low paid and of no economic value to the young person or the UK economy.
- Unite has serious concerns around the provision of non-economically viable technical certificates and Vocationally Related Qualifications (VRQ).
- Unite believes the marketing of the technical certificates and VRQs has been totally misleading to the public, young people, their parents and potential employers.
- Over subscription for popular and well regarded apprenticeships is of serious concern to Unite. For example, BT has around 15,000 applicants each year for the 100 places they have for apprentices – more competition than for places at the Oxbridge colleges.
- Unite believes government should be funding far more higher (level 3) apprenticeships than intermediate apprenticeships. There also needs to be a commitment by government to re-finance investment in the funding of adult apprentices.

- Unite has consistently called for the UK procurement process to include clauses whereby when contracts are awarded a set number of apprenticeships must be offered.
- Unite has been instrumental in advocating work based learning with the Trade Union Learning Fund and the support and mentoring of young apprentices has been included in this process.
- Unite has also worked extensively with sector skills councils to promote good quality apprenticeships such as those offered by Cogent and the Technical Apprenticeship Service.
- Unite believes there must be a concerted effort on the part of employers and government to ensure apprenticeships are open to all, especially those from minority ethnic groups and women, both of which are woefully under represented in apprenticeship schemes.
- Unite has consistently stated that only industry recognised apprenticeships should be recognised and government must be rigorous when determining apprenticeship criteria and funding.
- In the construction sector Unite has worked closely with the ECA to ensure the highest quality, industry recognised, gold standard advanced craft apprenticeships as the industry standard and which training providers follow implicitly.

1. Introduction

1.1 Unite welcomes the opportunity to respond to this inquiry about apprenticeships. In the first instance there must be a recognition that the apprenticeship system in the UK has changed radically over the past 10 years, with some very good initiatives and investment taking place but equally some very perturbing elements of apprenticeship policy, the take up and completion of apprenticeships and the quality of the apprenticeship experience which Unite finds very worrying.

1.2 Unite believes that although the status of apprenticeships in the UK was improving this has now changed and the system is in danger of being devalued due to companies who are re-classifying workers as apprentices to attract government funding. This also means that if a worker is classified as an apprentice then they do not need to be paid the minimum wage and the employer can choose to pay very low rates of pay – in some cases as low as £1.25 an hour - Government must rectify this and ensure funding is targeted at skill sets which will advance the UK economy and enable growth in GDP.

1.3 The UK has serious skills shortages and skills gaps, when this is coupled with an ageing workforce the consequences for the UK economy are tangible and not to be ignored. The expansion of full time higher education over the past ten years has helped many to achieve more academic qualifications but

the number of young people holding vocational qualifications at the level of a QCF level 3 diploma/NVQ Level 3 has not matched that expansion.

2. National Apprenticeship Service

2.1 The National Apprenticeship Service (NAS) was created in 2009 to provide a conduit for employers, young people and training providers to find out information, apply for apprenticeship places and for information about training providers. The service has clearly been successful in the sense that for the year 2010/11 440,000 learners started an apprenticeship¹.

2.2 However, Unite is very concerned that many of these apprenticeships will be low quality, the young person undertaking the 'apprenticeship' would have been receiving the training from their employer anyway and that employers are exploiting the system to get state funding for training. This clearly devalues the apprenticeship system.

2.3 As such Unite would question whether the NAS has been successful. An apprenticeship should not constitute a one year training course with no meaningful trade, occupation or profession at the end of it and with no formal pathway to take up further training or education if required. Unite also believes that it is inappropriate for government funding to go to big employers who would have had to train the workers anyway when small and medium sized enterprises (SMEs) in manufacturing and the supply chain do not recruit apprentices because of problems with the cost of training and their inexperience at accessing government investment.

2.4 As a consequence Unite believes it would be more appropriate if there was a two tier system for training young workers, on one side there must be progression based advanced and higher apprenticeships for the highly skilled and high technology jobs across the manufacturing sector. These would be for at least three years and four years where required for advanced and higher apprenticeships in relevant occupational disciplines, and would work in conjunction with ultimate access to University degrees in the relevant industrial sectors, within clearly signposted career progression pathways.

2.5 On the other side there should be a training scheme for young people, some of whom could already be in employment but this would encompass industrial sectors such as retail, banking and services. These could be for one year and could ensure that the young person has the full opportunity for training and development, but this would not be called an apprenticeship and would also not apply to anyone between the ages of 16 and 18 as these young people should still be in full time education.

2.6 Such schemes should be titled correctly, utilising words like 'introduction to' 'access to' and 'pre-apprenticeship training', reflecting exactly what such schemes will and will not deliver.

¹ www.fenews.co.uk

2.7 Of other concern to Unite has been the provision of non-economically viable technical certificates and Vocationally Related Qualifications (VRQ) in the further education system, marketed by misleading terminology such as, 'Programme Led Apprenticeship (PLA). These courses when delivered in isolation in simulated college environments and with no employment and requisite work based learning that would usually come with the job, and at completion only delivers knowledge based technical certificates or VRQs, are missing the vocational competency elements required in a bona fide competence based vocational qualification.

2.8 Unite believes the marketing of technical certificates and VRQs has been totally misleading to the public, young people, their parents and potential employers which has ultimately further demeaned the respected image of what should constitute an apprenticeship.

2.9 Unite believes the term apprenticeship and the apprenticeship system as a whole is in danger of being systematically devalued whilst government subsidises big employers to finance every day training requirements of young workers with government funding. This will also reduce the amount of funding available for the highly skilled and highly technical apprenticeships which are desperately needed in the manufacturing sector to mitigate an ageing workforce with skills shortages and gaps.

2.10 As a consequence of the level of apprenticeships on offer by NAS Unite has worked with a number of organisations to promote and provide good quality worthwhile apprenticeships. For example Cogent has set up a Technical Apprenticeship Service (TAS) and aims to create 250 skilled apprenticeships this year in the Chemicals, Polymers and Life Sciences sectors.

2.11 Unite is part of the steering committee and believes that TAS presents a far superior option to the Apprenticeship Training Agencies which are promoted by NAS. TAS aims to encourage apprentices to progress to higher levels of learning and promote the new Higher Level Apprenticeship.

3. Youth unemployment

3.1 Unite recognises that youth unemployment remains a major concern. The latest figures show that the number of young people not in education, employment or training (NEET) has risen to a record high of 1.1 million. Almost one in five 16 to 24 year-olds in England were classed as a "Neet" between July and September this year, according to statistics published by the Department for Education. Even more worryingly, this figure has risen by 137,000 compared with the same period last year.

3.2 The figures also show that just over 21% of 18- to 24-year-olds are not in education, work or training. Unite believes this is a shocking indictment on the present government and It is vitally important to get this cohort into employment or education, not only to ensure that they achieve their own personal potential but also that the UK benefits from the contribution they can make to the wider economy.

4. Funding

4.1 One way to do this is to improve the take-up of apprenticeships and while any additional funding commitment for apprenticeships is welcome, Unite wants to ensure that the funding attracts the right employers with the right ambition, who are keen to get the best out of the apprentice in return for providing quality on and off the job training and skills development in a nurturing and motivating environment.

4.2 While there remain excellent examples of quality apprenticeships in the labour market it is vital that government ensures that funding reaches the right companies that will improve growth in the UK economy and address any existing skills issues. Funding needs to continue and improve and Unite was disappointed to hear that funding for apprenticeships for over 25s has been cut.

4.3 Unite has consistently advocated that some funding needs to be available for workers who have been made redundant or those who require the opportunity to re-skill or up-skill in the workplace. Employers clearly see the benefits of workers who already have existing skills and experience but the training they need to achieve new skills and knowledge should be shared between the employer and government investment.

4.4 The reduction in funding for adult apprentices is proving to be a big disincentive for employers to recruit them especially SMEs. Unite believes that offering subsidies to this employer group would generate greater demand for adult apprentices and could ensure improved levels of completion rates due to the maturity and existing experience of the candidates.

4.5 There has also been an increase in low quality apprenticeships that do not deliver what is expected, either in terms of suitable and appropriate training and skills development or appropriate pay rates, which can vary significantly across industrial sectors. This latter point plays an important part in the decision of the apprentice to stay and complete the apprenticeship² and also adds to the high levels of low completion rates.

4.6 Unite accepts that funding of apprenticeships is an important aspect of the UK skills agenda, however we would urge caution about subsidising employers through funding opportunities directed at apprenticeships, while some employers are failing to deliver the full apprenticeship experience. This really must be challenged by government with the best examples of apprenticeships used as models for other employers to match.

5. High quality apprenticeships

5.1 Despite the recession, there remains a demand in some areas of the economy for highly skilled and experienced workers. Indeed an ageing workforce is identified in a number of industries such as manufacturing and engineering. However, these industries are failing to recruit sufficient

² IPPR, Rethinking Apprenticeships Nov 2011

apprentices to cope with the numbers set to leave in the coming years. For example Ford recruited six apprentices in 2011, while Jaguar LandRover (JLR) took on 160 in one year. Over subscription for popular apprenticeships is also a problem, for example BT, has around 15,000 applicants each year for the 100 places they have for apprentices – more competition than for the Oxbridge colleges.

5.2 This level of disparity has created a gap in skills and experience which may be difficult to recover from and there are already problems emerging in the West Midlands with a shortage of engineers and maintenance fitters for the vehicle building industry brought about by the latest investment into JLR. This shortage of skilled engineers and fitters is replicated across a number of European member States and could prove a serious problem for UK productivity.

5.3 Unite has always advocated that apprenticeships should be at least level 3. The requirement by the Lisbon Treaty for all EU member States to achieve a highly educated and highly skilled workforce is seriously compromised in the UK if apprenticeships are not set at level 3. There should be significantly more apprenticeship places at level 3 and this could be achieved by reducing the funding available to all companies in all industrial sectors. Government must ensure that the policies, procedures and investment are in place to produce the highly skilled workforce needed to facilitate growth in the UK economy.

5.4 Unite has been at the forefront of promoting skilled and worthwhile apprenticeships. This has been achieved through seminars, promotional events and working collaboratively with sector skills councils to try to ensure the apprenticeship brand remains valued. In 2010 Unite promoted apprenticeships in the print industry in conjunction with Proskills and in 2011 a seminar was held jointly by Unite and Cogent to promote apprenticeships which resulted in Sir Alex Ferguson speaking at the conference about his experiences as a young apprentice and how important apprenticeships are to the wider UK economy³ the positive outcome from these events is that employers have approached TAS with expressions of interest in recruiting apprentices.

5.5 In 2012 Unite has worked with the sector skills council SEMTA to promote apprenticeships in aerospace, engineering, marine and vehicle building. This will be done via a series of seminars attended by trade union learning reps, union stewards, company managements, human resource directors and academia. All of these events are focussed on the provision of high value, gold plated apprenticeships.

5.6 Unite has consistently called for the UK procurement process to include clauses whereby when contracts are awarded a set number of apprenticeships must be offered. There also needs to be a complete review of how women and young people from minority ethnic groups can be

³ <http://www.themanufacturer.com/articles/alex-ferguson-encourages-uk-apprenticeships/>

encouraged to apply and complete apprenticeships. In the workplace Unite supports apprentices and works hard to ensure that employers are encouraged to take apprentices on and also to try to ensure those groups who are woefully under represented are assisted to take part in apprenticeship schemes.

6. Construction sector

6.1 In January 2012, the CEO of the Electrical Contractors Association (ECA), Steve Bratt, while applauding government plans to promote vocational training, warned that only industry recognised apprenticeships should be recognised and urged that government think very carefully when determining apprenticeship criteria and funding. Steve said “our country is at a crossroads, and if we don’t act now to shore up the skills deficit in our craft industries by investing in skilled apprenticeships, we have little chance of successfully emerging out of recession”.

6.2 Equally as concerning to Unite and the ECA is the aforementioned continuing provision of NQF Technical Certificates in the further education system, whereby young people are herded into colleges to undertake technical/VRQ qualifications but essentially not backed up with an apprenticeship or employment - therefore no work based learning or VQ competency assessment – which means no meaningful qualifications or competencies at the end of their course.

6.3 This in turn then sees part qualified individuals, who although may have achieved their underpinning knowledge, have no meaningful job experience or competencies which are an intrinsic element of a real apprenticeship, which by its true definition is all about learning, experience and receiving appropriate mentoring in the world of work.

6.4 The safety concerns regarding this are obvious, particularly when considering fields such as electricity and construction. Furthermore this situation undermines traditional apprenticeships, and creates unregulated competition for jobs where the under qualified or non qualified then undercut competent and qualified individuals working in the same field.

6.5 Unite has worked closely with the ECA to ensure the highest quality, industry recognised, gold standard advanced craft apprenticeships. This was developed via the Joint Industry Board for the Electrical Contracting Industry (JIB) which training providers follow as the industry standard for actual delivery within an employment framework to support the successful completion of the apprenticeship framework. The JIB scheme has delivered over 160,000 successful apprenticeship completions since its inception in 1968 in the UK.

6.6 The charitable training provider JTL delivers 70% of the apprentices each year for the sector. The scheme is so successful that they receive around 35,000 enquiries per year, leading to 20,000 applications per year with only 2,000 taken on out of the 9,000 – 12,000 who pass the aptitude test. Yet, the

skills shortages and skills gaps continue and the industry is in the same position as other industrial sectors in the UK and suffers an aging workforce.

6.7 This system is as far removed as possible from what is viewed as an apprenticeship at NAS. Under the NAS system thousands of young people are fed through a process which provides them with no legitimate training or qualifications, is a sad indictment on the current government's commitment to training young people in the UK and ultimately offers them no skills and no future. Unite believes this cannot continue and there needs to be a realisation by government that they must address the issues raised in this submission because ultimately it will impact on the productivity and profitability of UK plc.

6.8 There is clearly an appetite and enthusiasm amongst young people to become involved and engage in skilled professions and trades within manufacturing, engineering, construction and cutting edge technologies. However, the key is the apprenticeship placements and these can only be stimulated by increasing economic activity and implementing the measures to ensure companies provide the apprenticeship placements.

Unite recommendations

- Government must ensure the apprenticeship system in the UK is both robust and rigorous, ensuring there are high quality, industry recognised apprenticeships on offer for those who wish to participate.
- Government must address the chronic skills shortages and skills gaps in the UK manufacturing, engineering and construction sectors. Providing funding for gold standard apprenticeships will go some way to addressing the shortages.
- The procurement process is an ideal way for government and local authorities to lead the way in providing high quality apprenticeships – especially for those groups who are currently grossly under – represented.
- There are a number of key 'good' employers who provide exemplary apprenticeships. Unite believes these employers should be encouraged to mentor SMEs⁴ to assist them with the recruitment and training of apprentices.
- Government must act swiftly on the latest report from the National Audit Office (NAO) which supplies evidence to show that adult apprentices provide a tangible financial return on the initial public sector investment in their training by refunding the scheme.
- Unite would recommend a review of the current funding of NAS to see whether this investment would provide a better return by funding strategic places for apprentices in large key employers who have

⁴ Small and medium sized enterprises

already shown they are offering high quality, gold standard apprenticeship training.

- Government must act on the undermining of the current apprenticeship system with the provision of non-economically viable technical certificates and VRQs by over hauling the existing system.
- Government must fund a strategic shift away from the current focus on intermediate apprenticeships to higher level 3 and above; it is only in this way the UK will be in a position to see economic growth and ensuring a highly skilled workforce for the long term future prosperity of the nation.

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Submission date: 3rd February 2012.