



Unite response to the Business Innovation and Skills Department consultation on Skills for Sustainable growth

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

Executive Summary

- A training needs analysis (TNAs) should be introduced by companies to identify skills gaps and formalise the level of skills that are under utilised;
- There is strong evidence that the level of workplace training increases with the presence of a trade union;
- Further improvements towards achieving the recommendations set out in the Leitch Review could be delivered if skills and training formed part of collective agreements;
- Unite welcomes the consultation's emphasis on the importance of work based learning, it's recognition of the importance of level 3 and higher qualifications, and the concept of "rediscovering craft";
- Unite is concerned that the funding at apprenticeship entry level and level 1 could be at the expense of level 2 and level 3 funding;
- Unite proposes that it may be worthy to explore incentives for employers with good track records who consistently and wisely choose to engage apprentices;
- Unite is disappointed that the consultation document appears to rule out 'specific occupational licenses to practise' as a means of driving up investment in skills;
- More could be done to encourage women, disabled people and those from minority ethnic groups to consider an apprenticeship and remain concerned that apprenticeship pay rates still vary significantly particular along gender lines;
- Unite welcomes the recent introduction of a new hourly rate of apprenticeship pay of £2.50 for those under 19 although low pay remains an issue for take up levels for all groups;

- Unite is disappointed that the Government is undertaking a review of the right to train legislation without allowing sufficient time to assess the full effectiveness of the legislation;
- Unite supports a training levy in order to compensate for the lack of investment by some employers in training;
- There is evidence of a training gap in the workplace with a significant underclass of untrained workers who are being denied access to job related training.

Introduction

1. Unite welcomes the opportunity to respond to this consultation paper and to highlight the positive benefits which encouraging work based learning can bring to the individual, employers and the economy. With over 80% of the 2020 workforce already in work ¹, the UK needs to do more to ensure that those in employment are given the opportunity and encouragement to enable them to fulfil their potential.
2. The UK has long been recognised as a nation built upon economic and industrial success. This should not be undermined by a new association with low skills and an underachieving economy.
3. Skills and training are valuable commodities which add value to human capital. Like any capital investment it would be foolish for employers to purchase a piece of machinery, only to make use of a fraction of its capacity, fail to keep it maintained and then to reduce the investment which will keep it functioning. This is simply unsustainable as a business strategy.
4. However for some employers this is exactly how they treat their workforce.
5. Unite believes that the level of skills under-utilisation in the economy needs to be determined. Unite would argue that skills audits and training needs analysis (TNAs) should be introduced by companies to identify skills gaps and formalise the level of skills that are under utilised within the economy in order that a true picture of workforce skills can be ascertained.
6. Unite welcomes the publication of the UKCES Ambition 2020: World Class Skills and Jobs for the UK and the progress made in qualification attainment among the population. Trends show an improvement in the proportion without qualifications of at least Level 2, from 30% to 28% and the proportion qualified to at least Level 4, has increased from 30% to 32%.

¹ UKCES 2010 Report: Ambition 2020

7. However when put in context with our comparators the UK position has in fact dropped as other countries are outpacing the UK in skills and qualification attainment.
8. According to the World Economic Forum Global Competition Report the UK is trailing many of our competitors. While there are signs of improvement in the level of qualification attainment the UKCES report notes:

“we estimate we will not reach our world class skills ambition in respect of low and intermediate levels skills: indeed, we will remain in the bottom half of OECD countries at these levels.”²

9. With the increase in the number of those with higher level skills from developing economies the UK must guard against being by-passed by inward investors seeking talented individuals and high performance workplaces.
10. A skills system driven by all stakeholders is more likely to be successful and sustainable. Unite shares the TUC’s concerns stated in its response to this same BIS consultation that the forthcoming spending review is likely to damage the prospects of a viable economic recovery through government reduction in investment in skills.
11. Unite sees a role for government, employers and trade unions working together to ensure that individual and organisational ambitions are realised. As well as this, employers should ensure that they provide the opportunity for individuals to access training opportunities and the right to request time to train should be considered favourably whenever possible.
12. The Coalition Government should seek to harness support from employers, providers and individuals including their representatives, to deliver the skills needed to build sustainable growth in the economy.
13. Unite believes it is the responsibility of all of these groups which are interdependent on each other; personal and professional development are mutually supporting.

Trade unions and the learning environment

14. Unite would wish to highlight the important work being done by the trade union movement and to the success of the Unionlearn programme to promote workplace learning and articulate the demand for training from employees.
15. According to the TUC, over 25,000 Union Learning Reps have been trained since 1999 providing advice, guidance and information to colleagues on learning opportunities and directing them to suitable courses to address their learning needs.

² Ibid.

16. Unite has some good examples of work based learning where employers have engaged with the union on improving learning opportunities in the workplace. The Rolls Royce Apprenticeship Programme, which will be discussed later in this paper, is one example of employers and trade unions working together to deliver a skilled workforce in a highly competitive and successful environment.

Case Study

Lifelong Learning in National Australia Group

Unite signed a learning agreement with National Australia Group (NAG) – covering Yorkshire and Clydesdale Banks – in April 2009. The agreement commits Unite and the company to create a joint Learning Group to negotiate collectively around skills and learning in the workplace. This includes the union having input into the company training offer, and the company facilitating learning organised by the union.

The project was initially led by senior workplace reps in Glasgow (Clydesdale Bank) and Leeds (Yorkshire Bank). Over the past 18 months a number of Union Learning Reps (ULRs) have been trained, and activity is beginning to devolve to workplace level.

The union and company meet on a quarterly basis to negotiate learning and training issues. This includes negotiating release for ULRs to organise learning in the workplace. The ULR network is growing, and ULRs conducted a company-wide learning needs analysis of NAG staff.

Because learning and skills is a devolved issue, there is some difference in the way this has proceeded in the different countries. The union in Scotland was able to successfully bid for ESF and other funding to put on courses at work. In the past six months, this has resulted in over a hundred staff at two Scottish sites taking part in accredited learning, including Open University Openings courses, European Computer Drivers' License, Spanish and British Sign Language. Courses have run in the workplace at the end of the working day, with staff giving up their own time to participate.

The courses have been delivered by Further Education colleges, and have been well received. The staff has particularly embraced the Sign Language courses which demonstrates a commitment to social inclusion issues.

ULRs in England arranged successful Festivals of Learning at the Leeds headquarters of Yorkshire Bank, and have streamed staff towards the union's learning centres. ULRs are currently negotiating with colleges to arrange workplace learning.

This project has just begun to establish itself, and plans are to roll it out over the branch network and work towards coverage for all staff. It benefits both individual union members, who are able to up skill in their chosen area, and the business. We also believe it heralds a phase of positive and constructive industrial relations, as the union and company work together to bring new opportunities for staff.

17. There is strong evidence that the level of workplace training increases with the presence of a trade union and these case studies highlight the

excellent work which can be delivered when employers and trade unions work together to deliver improvements in personal and professional development.

18. In a survey of Union Learning Representatives and their Managers almost two-thirds of managers reported that Union Learner Rep activity had increased the provision of basic literacy and numeracy skills and a majority agreed that there had been increases in job-related training and courses leading to qualifications.³
19. The first step to implementing a learning workplace is the introduction of a Learning Agreement. This will provide the focus to instil a learning culture in the workplace and will support the delivery of a supportive learning environment. The Learning Agreement should be used in conjunction with an existing collective agreement and not be used as an alternative to it.
20. With financial support from the Union Learning Fund a learning needs analysis (LNA) should also be undertaken and a Learning Committee set up to identify the present and future learning needs of the organisation. The Committee would also act as a conduit to cascade the recommendations which come from this. Unite is able to identify positive outcomes from this process and would wish to ensure that Government funding of the ULF is maintained.
21. Further improvements towards achieving the recommendations set out in the Leitch Review could be delivered if skills and training formed part of collective agreements with trade unions able to negotiate on behalf of employees.
22. Good employers recognise the value of engaging with trade unions on skills. However for other employers the training agenda is not an issue they wish to negotiate on. Unite believes that the incorporation of the training and learning agenda to collective agreements would enhance the opportunities for trade unions ability to bargain collectively on skills and training on behalf of its members.
23. Evidence shows that the presence of a trade union is a key determinant in the likelihood of workplace training and if UK plc is to compete in the global economy employers cannot afford not to engage whenever possible on this issue. The inclusion of the learning agenda in collective agreements would allow for this dialogue to take place.

Funding

24. The Coalition Government's recent announcement that they intend to redirect £200 million from the Train to Gain budget, with £150 million of this specifically to fund the delivery of 50,000 apprenticeship places is a case of moving the deck chairs. For those looking to undertake work-based training which is not linked to an apprenticeship, it is a disastrous

³ <http://www.unionlearn.org.uk/publications/index.cfm?frmPubID=177>

decision and is likely to affect the most vulnerable groups in the workforce including those who would benefit most from vocational training opportunities and the benefits this brings, both in building confidence and in financial reward. For some, accessing an apprenticeship may not be an option available to them, either because it is unsuitable or because they do not have the appropriate qualifications to obtain a place.

25. Workers are not a homogenous group and work based training should be flexible enough to meet the needs of different groups. Unite therefore supports the TUC proposals put forward in their response to this consultation to retain the existing legal entitlements to free tuition in three particular areas (Skills for Life, first Level 2 and first Level 3 for the under-25s) with the funding in place to meet this need.⁴

Apprenticeships

26. A key recommendation contained within the OECD's: *Policies for a Sustainable Recovery* paper is to:

“Increase the quality of vocational training and the availability of high-quality apprenticeship positions to ensure that relevant skills are provided.”

27. While more could be done to improve access for all to work based training, Unite is encouraged by the investment in apprentices in recent years and the commitment shown by the previous Government which increased apprenticeship numbers significantly in the last few years.

<i>Table 1: Apprenticeship programme starts, 2004/05 to 2008/09</i>	
<i>Academic year</i>	<i>Apprenticeships</i>
2004/05	189,000
2005/06	175,000
2006/07	184,400
2007/08	224,800
2008/09	239,900

Notes:
 1. All figures are rounded to the nearest 100.
 2. '-' indicates a base figure of less than 50.
Source:
 Individualised Learner Record⁵

⁴ TUC response to the BIS Skills for sustainable growth consultation paper

⁵ House of Commons written answers 9th September 2010

28. Unite is delighted that an Apprenticeship Scheme within Rolls-Royce has been labelled “outstanding” in every area in the latest Ofsted inspection report. Unite has been involved in the scheme from the outset and there are currently over 650 Rolls-Royce apprentices undertaking their training at the Group’s sites across the UK, including at Derby, Bristol, Hucknall and Annesley. Sites in Scotland are also over subscribed.⁶
29. In addition to the advanced apprenticeship scheme, 39 young apprentices (YAs) aged between 14 and 16 from schools in Derby attend one day a week as part of the Rolls-Royce Young Apprenticeship Scheme. This gives them an excellent introduction to an engineering career and provides vocational qualifications.
30. Such schemes are vital in building sustainable economic growth and for the future of manufacturing in the UK. This initiative shows what can be achieved when a world class company, together with the trade unions work to support and develop the workforce.
31. In regard to developing craft based qualifications and competency of the workforce, Unite welcomes the consultation’s emphasis on the importance of work based learning, it’s recognition of the importance of level 3 and higher qualifications, and the concept of “rediscovering craft”. The success of the skills and apprenticeships agenda is essential to guarantee the future stability and prosperity of the UK economy moving forward.
32. Work based learning is underpinned by real employment, with real on the job experiences; the value of work based learning cannot be underestimated.
33. Unite has in the past been very critical of the concept of “Program Led Apprenticeships” (PLAs), and see this emphasis on work based learning as a positive step away from such initiatives. In many instances PLAs have simply served as ‘storage tanks’ for youth unemployment, to the detriment of the young learners who have been sold a pipe dream, and at worst such approaches have produced a cohort of under qualified, inexperienced and not suitably competent workers loose on the labour market. Moreover this is to the detriment of industry, society and the consumer, and furthermore creates unfair competition for genuine workers who are qualified, competent and have “served their time”.
34. However, we have sought views of industry and training providers, and together with them see some contradiction between various elements of the proposals. On the one hand, consideration is given to career progression from Pre-Apprenticeships (14-16) to Apprenticeships/ Advanced Apprenticeships (level 2 and/or level 3) and on to Higher Level Apprenticeships (level 4). The possibility of greater funding at entry level and level 1 is also considered but we are concerned that the funding to support this could be at the expense of level 2 and level 3 apprenticeship funding. Unite would strongly resist any reduction in the funding for

⁶ www.rolls-royce.com

Apprenticeships/Advanced Apprenticeships which have a real benefit to industry. We strongly urge that the legal entitlement for Guarantee Group funding of 16-18 year olds following such routes must remain in place.

35. We have discussed the proposals with employers associations and bona fide industry training providers, and it appears that there is also a proposal being made for financial contributions from employers to be increased. While it is unclear if this is being proposed for the 16-18 or 19+ age groups, we would strongly urge against changes to the current arrangements. Further requirements for employer financial contributions, especially if this were to be for the 16-18 group, would decimate apprenticeship training at this time where there is significant lack of confidence due to the fragile state of any economic recovery. Indeed, we would advocate that in the current economic climate, employers are given incentives such as those now described.
36. Unite proposes that it may be worthy to explore incentives for employers, particularly for those with good track records who consistently and wisely choose to engage apprentices. This could involve redeploying existing funding, rather than eating into an already constrained national budget.
37. For instance, learners in current full time further education attract an Education Maintenance Allowance (EMA) of up to £30 per week for the learner (although as this is an education grant, it has unfortunately succumbed to means testing, something we would definitely not advocate when considering apprenticeships), yet as described in our concerns regarding PLAs, these do not guarantee employment and bona fide work based learning with an accredited occupation.
38. Such funding streams could be developed to help employers provide real employment through apprenticeships, thus stemming the displacement of apprentices, whilst simultaneously incentivising employers to engage more apprentices and maintain current ones. This could for example be achieved by looking at ideas such as those piloted in Apprenticeship Expansion Scheme announced by DIUS on 13th May 2009.
39. When considering work based craft apprenticeships, a considerable amount of time can be spent 'off the job', particularly in the first two years of the apprenticeship when technical and knowledge based work within the curriculum can be at its most intense. An apprenticeship is a long term investment for society and this structure is essential in the delivery of a successful apprenticeship outcome. However, daily economic pressures can lead some businesses to lose sight of the overall goal, with time 'off the job' sometimes mistakenly being perceived in the short-term as unproductive time.
40. Therefore, in the current economic climate, from Unite's daily discussions and dealings with employers large and small, we believe that employers who consistently train and have demonstrated commitment to the apprenticeship agenda would be truly appreciative of Government action through initiatives which could help subsidise in some way 'off the job'

costs, particularly in the early stages of the apprenticeship. Other options for consideration could include incentives via National Insurance and taxation dispensations for those who genuinely engage apprentices through to completion, thus recognising and rewarding those who train in preparation for the economic upturn.

41. Unite is also keen to explore how funding for older learners can be deployed more efficiently. 19 and above funding is currently wholly inadequate, and acts as a significant barrier to employers when considering taking on an older candidate, as alluded to above, this must become the case with the 16-18 year olds.
42. We strongly urge that, if funding is to be made available for adult training, this is channelled through quality provision meeting the needs of employers and industry-set standards underpinned by the QCF, rather than being given to individuals to spend independently. An increase in adult apprenticeship training rates which can be drawn down by approved providers would be more cost-effective to administer and ensure that quality and standards are maintained. We look forward to exploring the concept of learning accounts, but any such system must be regulated by strict rule bound constraints, be properly audited, and have an emphasis on industry approved and required outcomes, what must be avoided is a re-run of the ill fated ILAs (Individual Learning Accounts), which sadly succumbed to unscrupulous providers abusing the system for financial gain, to the detriment of genuine learners, employers and trainers.
43. Unite supports the proposals contained within the consultation document to continue the use of public procurement for promoting investment in skills and also its commitment to look at regulatory frameworks and the role of industry regulators. However Unite would echo the disappointment put forward by the TUC in their response that the consultation document appears to rule out 'specific occupational licenses to practise' as a means of driving up investment in skills.
44. A cohesive strategy must exist between Government departments to realise the skills and apprenticeships agenda and the medium to long term sustainability of the UK workforce and skills base. Government and Public procurement should insist on apprenticeships and training through contract compliance at every level of the supply chain when spending public money, looking for workforce sustainability and overall "value for money" for the medium to long term, rather than being tempted by short-termism and the accepting of lowest competitive tenders for projects, contracts and infrastructure.
45. To ensure that resources and funding are deployed in the most cost effective and sustainable manner, with bona fide outcomes that have real value for both the learner, industry and UK plc now and into the future, money from the public purse needs to be spent wisely to attain a truly world class workforce. Therefore, in regard to craft based occupations, the outcomes must be underpinned by industry approved qualified

competence and skills competency accreditation, including expanding the concept of “Licence to Practice” as recommended in the Leitch Review of Skills.

46. The UKCES has previously put forward a recommendation for occupational licensing which had gained support from employers as well as trade unions. This should be maintained.

Gender divisions

47. In apprenticeships more generally more could be done to encourage women, disabled people and those from minority ethnic groups to consider an apprenticeship. It is unfortunate that when the opportunity arises which make it possible for some people to consider an apprenticeship these decisions appear to be influenced by gender specific preferences, both by those who provide advice and in personal choices, with women continuing to dominate apprenticeships in catering, caring and hairdressing and men more likely to pursue engineering, plumbing and mechanics.

48. Women should be offered support when considering an apprenticeship in areas such as engineering or plumbing. Success in encouraging the take-up of atypical roles remains limited. However Unite has supported a number of women within the Ford Motor Company through their apprenticeships. Historically, some women were encouraged to consider an apprenticeship in engineering while others were discouraged from taking Science, Technology, Engineering and Mathematics (STEM) subjects which would provide the necessary qualifications to gain access to an apprenticeship in a non traditional role.

49. Pay is another factor to consider when looking at both take up and completion rates. Unite welcomes the recent introduction of a new hourly rate of apprenticeship pay of £2.50 for those under 19, however low pay still an issue for take-up for all groups. We remain concerned that apprenticeship pay rates still vary significantly particular along gender lines. This is supported by a report carried out for the Low Pay Commission by Institute for Public Policy Research (IPPR).⁷ This survey found:

Low apprentice pay is most common in the female-dominated sectors of hairdressing, early years, retail and health and social care.

50. The undernoted table shows the differences in pay rates by sector. The highest pay is found in male dominated sectors and the lowest rates found in sector where women predominate.

Sector	% of women apprentice starts	Average pay (per week) 2007
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⁷ IPPR report to Low Pay Commission: A Qualitative study of apprenticeship pay 2010

	(L2 and L3) in 2007/8	
Electrotechnical	1 %	£210
Engineering	3%	£189
Construction	1%	£174
Automotive industry	0%	£170
Retail	69%	£168
Business Admin	81%	£168
Health and Social Care	92%	£157
Childcare	97%	£142
Hairdressing	92%	£109

Source: Statistical First Release 2007/8 and DIUS Apprentice Pay Survey 2007

51. Equally it is apparent that there are a number of young people who while they may benefit from an Apprenticeship, do not have the necessary qualifications or skills to access even a Level 2 apprenticeship. The Government should consider making resources available to allow this group access to training that they would otherwise miss out on.

52. The Rolls Royce YA scheme is an example of positive engagement with young people at the earliest opportunity, providing them with the option to think about a career in an industry that they themselves may not have considered.

Time to train

53. Unite is extremely concerned that the Coalition Government is consulting on the possibility of withdrawing the right to request time to train. Unite would see this as a retrograde step which should be rejected.

54. Early indications are that this legislation is having a positive impact upon training requests in the workplace with TUC research showing that 8 out of 10 requests for training have been sorted amicably with no problems or extra red tape.⁸

55. Unite is therefore disappointed that the Government is undertaking a review of the right to train legislation which will damage the Governments commitment to the skills agenda without allowing sufficient time to assess the full effectiveness of the legislation.

⁸ Unionlearn survey carried out in response to BIS consultation on the right to request time to train

Training levy

56. In its response to the Department for Education consultation Raising Expectations in 2007 Unite made clear its support for a training levy in order to compensate for the lack of investment by some employers in training.

57. Unite believes that in order to ensure that adequate funding is made available for training, a statutory training levy should be introduced to provide the funding needed to retain skills. The NESS 2009 survey showed that 44% of the workforce was not offered any training by their employer over the previous 12 months. This was particularly prevalent within small business employing less than 24 people.

58. According to a report by the Federation of Small Business, 13.5 million people work in a small business and they employ 59% of the private sector workforce.⁹ Although even small businesses vary in size, this would indicate that there is still a significant proportion of the working population employed by companies which are less likely to train their workforce.

59. Unite acknowledges that more support should be given to SMEs to ensure training is delivered. This could be in the shape of tax incentives such as tax relief. The TUC has pointed out in their submission to this CP that

“currently some £3.5 billion is given to employers in the form of tax relief on their training.”¹⁰

60. However the TUC also point out that there would appear to be a lack of transparency regarding how this sum is spent. A review should be undertaken to ensure the system is accountable, transparent and monitored to ensure it is effectively allocating the right training to the right people.

Training divide

61. It is clear from the data that there is a training divide in the workplace with those who have received training in the past 12 months more likely to receive further training. The 2009 National Employers Skills Survey (NESS) shows a clear correlation between the likelihood of receiving training and the level of qualification held. Those with a degree are more likely to receive training than those with no qualifications. 38% of graduates had received training in the previous three months compared with only 9% of those with no qualifications.

62. This clear evidence of a training gap in the workplace would suggest that there is a significant underclass of untrained workers who are in a

⁹ FSB: Small Businesses BIG Employers

¹⁰ TUC response to BIS Skills for Sustainable Growth consultation

position to be developed further but are apparently being denied access to job related training. For this vulnerable group having the right to request time to train legislation may help to address this.

63. UKCES supports this assumption:

“we still have concerns that the training being delivered is unevenly and unequally distributed. Low skilled individuals, those in lower status occupations and managers receive less training, together with employees in small firms and those in a number of important sectors of the economy.”

64. Those most in need of up-skilling are unfortunately those least likely to receive it. Also those most in need are those least likely to afford it. The onus then falls on employers and government either through increased investment in training by employers or the introduction of government funding streams targeting resources at specific groups.

Tom Beattie
Head of Lifelong Learning and Officer Development
Unite the Union

Contact
Liz Cairns
Research Officer
Email: Elizabeth.cairns@unitetheunion.org

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