



**The Education Committee's inquiry into apprenticeships and traineeships for
16 to 19 years olds**

BT Response, September 2014

Background

BT is pleased to respond to this inquiry.

We have had an apprenticeship scheme in place for over 50 years and recruit around 500 young people every year onto our scheme which is rated 'outstanding' by Ofsted. It is highly sought after with c40 applications for each available position.

We currently offer 13 different apprenticeship programmes including engineering, computing, finance, security, customer service and HR and have recently helped create two new e-skills UK frameworks covering cyber security and digital media which will launch later in the year as part of Trailblazers. We are also working with e-Skills UK and The National IT Partnership (NITP) to deliver 'National Skills Academy for IT Gold Standards' apprenticeships to SMEs. Together we have created 550 new IT apprenticeship jobs in SMEs during 13/14 academic year.

We have a keen interest in getting more young people into employment, and our work expands beyond that with apprentices. For example, we are one of the lead employers in the government and industry 'Movement to Work' initiative and have pledged to deliver 1500 traineeship placements, and c4000 young people join us each year to participate in our work experience programme.

1. The effectiveness of apprenticeships and traineeships for 16-19 year olds, including in terms of meeting employer needs in various sectors, and providing young people with a solid foundation for employment in general or in particular occupations or for further study.

Apprenticeships are an extremely successful means of training a workforce for the future and ensuring any forecast skill gaps are addressed. In every new cohort there are young people who can be identified as potential future leaders and new talent for the future growth of the company. In most cases apprentices view their placement as a long-term career opportunity and are keen to progress across and upwards within the company. This comes from the loyalty obtained in the early years through the investment by the company in their personal growth and security. 97% of BT apprentices complete their training.

With regard to **traineeships**, BT has been delivering traineeships since January 2014 so our view is evolving in line with our level of experience. Our programme has been built to be flexible across different parts of BT. We place business administration training and employability skills at the core to ensure that the young person develops general skills to prepare them for employment across a wide range of sectors. To date, 57% of trainees who have completed the BT programme have moved into education, employment or training so early results suggest the approach is effective.

2. The range of apprenticeships and traineeships available to young people

There is opportunity to extend the range of apprentice frameworks, and this is an essential step if higher framework apprenticeships are to be seen as a credible alternative to university. There is also opportunity to improve the marketing of apprenticeships to make it easier for prospective applicants to seek and find the right apprentice post. Small changes could have a significant impact. For example, at the moment prospective apprentices have to undertake individual searches by framework and location to see available roles. Expanding the online search functionality to cover multiple frameworks by location could have significant impact on the end user experience enabling the young person to quickly and easily see the types of opportunities available and potentially opening their minds to different career paths.

Unlike apprenticeships, traineeships are not delivered within a sectoral framework and therefore the range available is very much driven by the employer or training provider and the qualifications that

form part of the accreditation. The biggest issue BT has seen to date concerns academic eligibility which prevents 19–24 year olds with full level 2 attainment enrolling onto a traineeship. In some cases this prevents over half of suitable young people accessing the programme. The latest consultation (BIS/DofE, *Traineeships Funding in England*) has given employers and providers the opportunity to highlight this and BT has separately supplied information to BIS on this.

3. Current levels of employer engagement in apprenticeships (including in providing places or defining standards and setting assessment), and what further steps the Government could take to improve this

Overall there is an increase in the volume of apprentices being recruited into the technical/engineering sector, where BT is most engaged. This is down to:

- I. growth in the economy generating the need to increase skills and fill gaps
- II. greater awareness among companies of the benefits that apprentices can bring
- III. demand from young people for an alternative option to university, which is driving companies to reconsider their traditional models of recruitment.

There is residual opportunity to grow take up of the apprenticeships among small and medium companies who may have interest but need practical support to make this happen. One potential solution could be for the government to support sector skills councils in opening up a shared dialogue with larger employers who have experience and would be prepared to share skill and knowledge. Our response to question 6 also covers this area.

4. The impact of recent changes to the funding of apprenticeships and traineeships.

It is not yet clear how the new funding models for apprenticeships will operate for direct grant employers such as BT that use their internal training operations as opposed to an external training provider. The simplification and broadening of funding up to level 7 and 8 for higher frameworks is a positive step that allows greater flexibility in resource planning and the search for new talent.

The recent BIS/Department of Education consultation, *Traineeships Funding in England*, gave employers and providers the opportunity to feedback on the proposed traineeship reforms. BT was broadly supportive of the proposals. As previously referenced, the key issue we see for young people accessing traineeships is around eligibility.

5. Whether the Government's investment in apprenticeships represents value for money in terms of the future wage returns for young people and their employability.

Where an apprentice is joining an employer who offers employment from the outset the return on investment is high. Individuals benefit from skills training, placement into work and normally above-average salary remuneration. It is difficult for us to assess or comment on value for money from schemes where apprentices attend a college without an employer engaged in the process, but the success criteria in these circumstances should be focused on how many find employment at the end of their journey.

6. How the Government could encourage businesses of all sizes and in all sectors to offer apprenticeships, including improved fiscal, regulatory and other measures.

Small and medium enterprises (SMEs) present an opportunity to grow apprentice roles, but even for interested companies there may be practical barriers. Targeted intervention is needed that recognises the requirements of the SME base where there is likely to be limited time to invest in understanding the processes. This market needs greater awareness of the benefits and how to recruit and manage an apprentice.

The funding changes recently announced by the Skills Funding Agency (SFA) will remove barriers from large employers' contracts, allowing them to help smaller companies to recruit apprentices. Whilst each company will have to assess their own cost base and capabilities, this change will provide many with the opportunity to employ apprentices, with much of the administration and training being managed through larger firms' schemes. This should be encouraged and incentives considered.

Training providers must also spend more time 'in the field' to understand how work-based learning is taking place and supporting SME employers in ensuring it is delivered. Too many training providers focus purely on the delivery of the technical aspects in the classroom and ignore vital complementary vocational learning. Offering incentives to both the employer and their training provider to ensure synergy between the two would encourage a greater take up.

7. What factors prevent more young people considering apprenticeships and how these could be overcome?

There remains a knowledge gap that needs to be closed among schools, colleges and crucially parents on how apprenticeship models work and operate.

Issues with career advice are well documented, for example, the most recent CBI skills study shows over half of school leavers are not equipped with enough knowledge of their chosen career path, and this is reflected in knowledge levels about apprenticeships. More needs to be done to position apprenticeships with young people at all levels of attainment. Currently it is very much 'pot luck' according to post code and how individual educational establishments view apprenticeships.

Many young people and their influencers have a perception that apprenticeships are for those who failed at school or have to go into a 'hands-on', 'blue-collar', type career. This perception needs to change through a concerted campaign led from Government. Employers can help with tangible role models and information on career routes. Success will mean that higher apprenticeships are seen with the same level of aspiration as a place at a Russell Group university.

Once a young person starts considering an apprenticeship as a career option, it should be easy for them to explore the different areas of training they could consider, particularly as few will have clear career plans at this stage. A central database similar to that of UCAS would help drive young people to appropriate apprenticeships. Although NAS operates a website it falls short in having all the data and information available to it for potential apprentices, schools, colleges and in particular parents, who are often overlooked in the education and informing process. Usability of the NAS website is also an issue for young people and those trying to guide them. More could be done to make it easy for young people to access information in the way they are most likely to want it, for example, seeing roles within multiple frameworks within a single location, with information presented in language that parents and young people will understand.

More specifically, the range of apprentice frameworks remains some way short of the broad portfolio of options offered by universities. The extension to higher qualification levels, level 7, is a positive step but more still needs to be done to make apprenticeships relevant options for a fuller range of careers.

8. Whether young people are adequately prepared for apprenticeships and how that preparation should be improved?

Most young people arrive at their apprenticeship start date aware and prepared, but the experience at BT is that about 10% struggle initially with what may appear very basic issues, such as how pay and salary works (many do not even bank accounts on arrival) and some don't appreciate how to

manage time and can be late. These issues are symptomatic of known issues with employability skills and more needs to be done within schools to prepare young people for the world of work.

9. How the Government could encourage more young people to consider apprenticeships and traineeships?

There are three areas where we would welcome government attention to encourage more young people to consider apprenticeships:

- I. continuing on the path of reform and creating awareness of apprenticeships and traineeships as an alternative way to higher education and learning new skills. The concept needs to be introduced earlier in the school curriculum so awareness of this career route starts from an early age. The activity should include proactively marketing apprenticeships to parents and other influencers, building their understanding of how it works and why it is a credible choice. There is also work to do identifying best practice career advice for apprenticeships and how to build on this nationally
- II. empowering and incentivising employers to widen and diversify the frameworks on offer within their businesses. We note that many large employers still only operate one or two frameworks in their companies. Increasing the range of frameworks will broaden the appeal of apprenticeships to young people
- III. providing greater support and awareness for the journey from Advanced to Higher apprenticeships so that young people can understand the opportunities apprenticeships offer for progression.

Turning to traineeships, the role they can play getting individuals into work must be well understood and supported by all agencies. As an example, Job Centre Plus has a significant role to play promoting traineeships to young people, but until recently was not actively championing the initiative. This was due to a conflict with benefits rules and confusion on the scope of traineeships. We have worked at national and local level to ensure Job Centre Plus employees understand the BT programme and how it benefits young people. We now have a very positive partnership in place with Job Centre Plus. It is understandable that any new addition to the learning and skills framework will take time to be fully understood but attention needs to be given to ensure this point is fully addressed across all agencies.

We would be happy to discuss these issues further. Further enquiries can be directed to: David Pincott, Head of Political Research, Policy and Briefing, BT Group plc.

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