

**National Assembly for Wales
Enterprise and Business Committee**

Inquiry into apprenticeships in Wales – April 2012

Response from Unite Wales / Uno'r Undeb Cymru



About Unite Wales/Uno'r Undeb Cymru

Unite Wales has around 100,000 members across the whole of the country, working in both 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. Unite Wales presently has nearly 500 members serving apprenticeships in a diversity of workplaces and in both the public and private sector.

Unite is set to lead by example on apprenticeships and has this year launched the Unite Apprenticeship Scheme, designed to ensure people from disadvantaged backgrounds are given apprenticeship opportunities. This scheme aims to play a part in broadening employment opportunities for young people and assist them with getting to grips with the running of the UK's largest union. The scheme will be open to people aged sixteen and over and is set to be piloted here by Unite Wales.

Unite Wales sought input for this inquiry response from a number of serving apprentices – also Unite members - at Airbus on key considerations such as why young people become apprentices, understanding of apprenticeships in schools and attitudes to apprenticeships. These apprentices were at varying stages of their apprenticeship and covered a range of disciplines.

Unite will set out our response to this inquiry point by point on those aspects that are pertinent and relevant to our members.

Summary

- Quality apprenticeships are vital to ensuring young people achieve decent, skilled work and fully contribute to society and the Welsh economy. Unite welcomes the Welsh Government's commitment to apprenticeships, young people's employment opportunities and engagement with the trade unions.
- Unite believes that government needs to be wary of the term apprentice and the apprenticeship system being devalued by big employers re-classifying staff in order to qualify for government funding and training. In addition, Unite is aware of young people taking up what are described as apprenticeship schemes only to become unemployed two years later when the scheme ends. This issue needs to be investigated and addressed.
- There are a number of key 'good' employers who provide exemplary apprenticeships. Unite believes that these employers should be encouraged to mentor and link up with SMEs to assist them with the recruitment and training of apprentices.

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- The procurement process is an ideal opportunity for government and local authorities to lead the way in high quality apprenticeships, especially for those groups that are currently under represented. The procurement process should include clauses whereby when contracts are awarded a set number of apprenticeships with minimum standards must be offered.
- More must be done to engage and encourage greater numbers of young women to consider and take up apprenticeships. In addition, a number of factors are making apprenticeships a more attractive option to young people in their twenties.
- There remains a lack of understanding of contemporary apprenticeships within schools. An apprenticeship promotional programme needs to be developed and taken into schools, colleges and other relevant youth organisations.
- Unite considers that more equal value needs to be placed on young people in Wales following the apprenticeship route as opposed to the path of academic studies.
- The Welsh Government may not have responsibility for employment rights but there are ways in which the Welsh Government could ensure the workplace rights of apprentices are protected and respected. Government funded apprenticeship schemes should include comprehensive elements of training on areas such as employment rights and responsibilities and an enhanced focus on health and safety.
- Building on successful social partnership, the Welsh trade union movement has a key role to play in ensuring young people not only have access to decent apprenticeships but also are aware of their rights, responsibilities and workplace safety.

Is the current apprenticeship system providing effective support to the Welsh economy? Is the current apprenticeship system meeting the current and future skills needs of employers in Wales? If not, what needs to be improved?

In a challenging economic climate, with worryingly high levels of youth unemployment, apprenticeships offer an invaluable means for young people to achieve decent, skilled work. Unite welcomes the Welsh Government's commitment to apprenticeships, young people's employment opportunities and engagement with the trade unions.

Unite experience is that most employers claim that the main barrier to employing apprentices is that there is no financial support for them whilst they are not in college. They understand that all the training costs are covered, for example college fees, but they complain apprentices are non productive and therefore they cannot afford to employ them for the days that they are on site. Over time the Young Recruits Programme may go some way to addressing such employer concerns here in Wales.

However, Unite believes that government needs to be wary of the term apprentice and the apprenticeship system being devalued by big employers re-classifying staff in order to qualify for government funding for training young workers. This also means that if a worker is classified as an apprentice then the employer does not need to pay them the standard minimum wage.

All apprenticeships should be of a high standard and government needs to ensure that pressure to increase numbers of apprenticeships does not lead to lower standards of quality. Apprenticeships must be high quality, holistic career development opportunities and should not be viewed simply as a means of subsidising employers to deliver occupation specific training, although such a form of training is one element of an apprenticeship framework. In addition, there are numerous examples of young people taking up what are described as apprenticeship

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schemes only to find themselves unemployed two years down the line when the scheme ends. This issue needs to be investigated and addressed by government.

Currently, demand for apprenticeships in Wales appears to significantly exceed supply. The application rates would certainly indicate apprenticeships are an attractive option for young people in Wales today. Applications for apprenticeships far outweigh the number of places available, for example, 286 applications were recently made for four places at Mainport Engineering, Pembroke Dock.

The print industry is a specific example of where the current system of apprenticeships is not meeting the current and future skills needs of employers in Wales. Unite Wales currently has around 3000 members working across the graphic, print and media (GPM) industry in Wales. The BPIF (British Print Industry Federation) has worked in partnership with Unite on several projects and programmes to deliver meaningful education and training to a number of people at various companies across Wales. Figures from the School of Engineering at Swansea University identify the printing industry as the second largest manufacturing sector in Wales with approximately 1000 companies and 29,000 employees.

Printing is currently not recognised as an apprenticeship route and consequently for at least eight years the print industry has been deprived of fully funded training for apprenticeships and print specific qualifications. BPIF and Unite has carried out research over the last six months in respect of training in the print industry. A key finding from this research has revealed that 93 per cent of those companies interviewed said that fully funded training programmes for apprentice and NVQ candidates with access to programmes such as Apprentice Matching and Young Recruits would encourage more print specific training. At present there is not a single print apprentice in Wales on an industry specific scheme with a Welsh training provider.

Unite's work has shown that there are good jobs out there in the print industry with companies willing to pay well trained and efficient production staff £30k plus per annum. However, Welsh workers competing for jobs against print workers from outside Wales are likely to be at a disadvantage to their colleagues from other nations within the UK due to their lack of print specific qualifications. Workers do not have the same level of access to training in Wales, not only creating an unlevel playing field but can also act as a disincentive for print companies to set up sites in Wales when they can receive assessment and training free at the point of delivery for their staff in other nations. The lack of funding for print apprentices is seeing a drain of skills out of small home grown industry in Wales.

BPIF Training Wales and Unite Wales are committed to working with other organisations and agencies to develop training and qualifications for the advantage of the print industry in general. BPIF Wales has had enquiries for approximately thirty NVQ candidates in the last six months but lack of funding means lack of successful print apprentices. BPIF Wales and Unite Wales has recently submitted a request to the Welsh Government for printing to be reinstated as an apprenticeship pathway in Wales and to allow support funding such as through the Young Recruits Programme.

Do the systems for establishing Apprenticeship Standards and Frameworks and recruiting apprentices work effectively?

Unite has a successful history of working closely with JTL Training, a training provider in the building services and engineering sectors with bases in Wales and England.

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There is a belief that young people's access to apprenticeship training has been curtailed following the last tender selection process. Those providers that gained high marks on the last tender have found their ability to recruit apprentices greatly increased. However, it is worth noting that the fact the training provider excels at writing tenders does not correlate with their ability to deliver quality apprenticeship training. In September 2011 there were 164 apprentices (with employers) who expressed a preference to train with JTL but their Welsh Government contract limited them to 76 starts.

JTL reports to Unite that the biggest obstacle for allocating starts in the restrictive profile given to them by the Welsh Government. The starts are split into age groups, unitary authority and sector. This makes it difficult for training providers like JTL to promise any applicant a funded start until they have the profile and they then have to go through the process of informing the applicants that they do not meet the criteria. This may not be a problem for training providers that have limited demand but numerous employers see JTL as the premier electrical training provider which leads to potential apprentices who meet the criteria being unable to be accommodated due to funding restrictions.

How effective is employer involvement in the apprenticeship system in Wales? Has this changed as a result of the current economic circumstances? Are employers able to find sufficient numbers of young people with the skills and aptitudes that they require? Do relationships between employers and training providers work effectively? Are apprenticeships still limited to certain sectors?

There are a number of key 'good' employers who provide exemplary apprenticeships. Unite believes these employers should be encouraged to mentor and link up with SMEs to assist them with the recruitment and training of apprentices.

The JIB (Joint Industry Board for the electrical contracting industry) has an effective method of joint inspections by employers with a trade union official of college facilities to ensure that standards are maintained.

Unite believes that more needs to be done to promote the value of apprenticeships to employers and potential apprentices alike in what would be considered perhaps 'non traditional' areas – for example, administration and financial services. Last month (March 2012) Barclays announced a new apprentice training scheme aimed at bringing out the potential of young workers aged approximately twenty three and under who would not normally qualify or be considered for a job in financial services. The scheme will operate in both the retail bank and contact centre sections and apprentices will receive paid day release to college for the relevant NVQ qualifications. It will lead to a permanent position at Barclays on the caveat of satisfactory marking on appraisal.

Unite Wales has welcomed this move from Barclays – the union has around 4000 members in the Financial and Legal Services sector in Wales.

Has the number of apprentices employed by local authorities, and the public sector generally, increased or decreased? Should the public sector be recruiting more apprentices?

The public sector should be recruiting more apprentices as Unite experience illustrates that they appear to have a high completion rate. However, many local authorities are outsourcing

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traditional skills trades such as plumbing and electrical work which limits opportunities for public sector led apprenticeships in these areas. There exists a huge untapped area of opportunity for apprenticeships in local authority administrative and similar non-traditional services.

There are clear indications of strong interest in apprenticeships in the public sector. Swansea Council has recently reported 800 applications for twelve apprenticeships in core construction skills at the local authority. Unite recognises that the public sector finds itself under severe pressure due to the policies of economic austerity being pursued by the UK government.

The Welsh Government could look to build on and expand private sector apprenticeship schemes to specifically support and invest in the Welsh public sector and local economies.

The Welsh Government is encouraging Community Benefits clauses in public sector contracts which can be used to promote the employment of trainees and apprenticeships. Is this an effective mechanism for increasing the numbers of apprentices?

Unite is supportive of the Welsh Government's encouragement of the promotion of apprenticeships in public sector contracts but believes this should go further. Unite has previously called on a UK level for the procurement process to include clauses whereby when contracts are awarded a set number of apprenticeships must be offered. The procurement process is an ideal way for government and local authorities to lead the way in high quality apprenticeships, especially for those groups who are currently under represented.

Unite understands that the Welsh Government has demonstrated a commitment to social responsibility in procurement. In consideration of apprenticeships this commitment could go further by not only setting out a certain number of apprenticeships but outlining minimum standards of training, employment, progression and so on.

The Welsh Government should investigate further the role public procurement could play in driving up the number and importantly the quality of apprenticeships in Wales.

What is the average profile of an apprentice, for example age, gender, employment sector? Is this profile changing and, if yes, what are the reasons for this? The National Training Federation for Wales reports that the average age for an apprentice is 26. What are the reasons for this? Are apprenticeships generally successful from the perspective of the apprentice? Have apprenticeship completion rates changed in recent years? In practice, are apprentices guaranteed a job at the end of the apprenticeship?

Unite believes that more needs to be done to engage and encourage greater numbers of young women to consider and take up apprenticeships. At present, under ten per cent of Unite apprentice members in Wales are female – a figure that is somewhat reflective of the gender make up of apprentices generally and fed by the traditional perception that apprenticeships are for young men.

In terms of age, it is worth noting that when Unite spoke to a selection of apprentices at Airbus in respect of this inquiry the majority of them were in their mid to late twenties. A few had done a couple of years at university then returned to a job before applying for an apprenticeship. A number of them felt that starting an apprenticeship slightly older meant they were better equipped on a personal level to get the most out of education and learning and that they would

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recommend the apprenticeship route to someone slightly older as well as those straight out of school.

The increasing cost of following the conventional higher education route and the current economic outlook for younger people are both factors in people turning to apprenticeships in their early and mid-twenties. However, apprenticeships may not be a financially viable option – even though they likely present the greatest opportunity for long term progression – for young (and older) people who have family responsibilities and other commitments.

As previously referred to, Unite is aware of examples of young people taking up two year apprenticeship schemes only for there to be no job at the end of it and would encourage the Welsh Government to investigate what framework there is for addressing this.

Why do young people decide to be apprentices? What factors influence their decision? Are apprenticeships an attractive option for young people of all abilities or are apprenticeships seen as a second best option compared with higher education? Are attitudes changing and if yes, what are the reasons for this?

Young people decide to become apprentices for a number of reasons, key factors include: learning better by practical work; wanting to earn money and not wishing to go to university but still wanting to learn; wanting something more than just a job – a clear career; and being put off university by the rising cost of higher education. Apprentices feel that many young people may be in a better position career wise having done an apprenticeship rather than going to university.

Apprenticeships offer people a chance to earn while they learn, getting both qualifications and work experience – apprentices get direct skills and an education whilst getting a hands on experience of the working world. The apprentices that Unite spoke to felt that apprenticeships provide a good bridge between formal education and work, a transition from school that prepares people for a workplace environment. With a good apprenticeship progression is clear – an apprentice knows where they can aim to and see where they are heading career wise.

Unite Wales' feedback from apprentices revealed that they felt attitudes were beginning to shift from the old perception that apprenticeships are just about making the tea and sweeping the floor and the old association of apprenticeships with manual labour. They reported that many of their peers did not realise that apprenticeships were available to those not straight out of school – slowly the notion that apprenticeships are solely for sixteen year olds is shifting.

Are apprenticeships fully understood by those who have most influence on the choices of young people for example parents/carers, careers teachers in schools, teachers generally? Is there too much complexity and choice of programme?

Too much choice should not be a problem if it means more young people have a greater possibility of a brighter future and decent work. Any issues are perhaps not about complexity but a general tendency for schools and the education system to place priority and emphasis on academic education and getting pupils into university and careers associated with this. Unite members felt that there is too much of a tendency for schools to steer those students not considered to have university potential into simply taking a job rather than pushing a more promising, long term perspective with the apprenticeship route.

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In many instances it would seem that teachers – often because of their own educational background – lack detailed understanding of the apprenticeship route. In addition, school and college careers advisors need to be better educated in respect of apprenticeships. The apprentices that Unite Wales spoke with suggested that an apprenticeships promotional programme should be developed and taken into schools, colleges and other relevant youth organisations. Such a programme should cover and involve apprentices from a variety of backgrounds and support apprentices going into schools and/or participating in interactive materials that could then be disseminated.

How effective is Welsh Government policy on apprenticeships? How does its policy of apprenticeships fit into its wider economic and skills strategies?

Unite welcomes the commitment of the Welsh Government to supporting quality apprenticeships and to tackling youth unemployment. Decent, quality apprenticeships that lead to long term employment are not only key to ensuring access to opportunity for the next generation of Welsh workers but are vital to the long term economic prospects of Wales.

In respect of the Welsh Government's skills strategy, Unite considers that more equal value needs to be placed on young people in Wales following the apprenticeship route as compared to the path of academic studies and higher education. Schools should be encouraged and given recognition for supporting and guiding more pupils into quality apprenticeship schemes not solely for traditional academic achievement.

Education and training, including apprenticeships are devolved matters, but employment law is not. Do young people have sufficient rights and access to apprenticeship training? If not, how could the situation be improved?

The Welsh Government may not have responsibility for employment rights but there are ways in which the Welsh government could ensure the workplace rights of apprentices are promoted, protected and respected. Government funded apprenticeship schemes should include comprehensive elements of training on areas such as employment rights and responsibilities and an enhanced focus on health and safety. Some good apprenticeship schemes already include a Health and Safety NVQ as standard. Since many apprentices will be young and inexperienced in the workplace it is of particular importance that health and safety issues are emphasised in their training and recognised in the workplace.

Unite experience reveals that in manufacturing, construction and local authorities apprentices rely heavily on trade union shop stewards and trade unions to protect them in the workplace. The JIB (Joint Industry Board) model is an example of best practice whereby there is close cooperation between the employers, trade unions, the training providers and the colleges that provide training facilities. It illustrates how checks and balances ensure the best possible environment for the apprentice to be supported through their training programme and complete their apprenticeship with the necessary skills and workplace knowledge.

Hereby follows two further case studies of unions working effectively with apprentices within workplaces. At Kelloggs senior shop stewards regularly visit first year apprentices at colleges, usually with the training officer and maintenance manager to offer guidance. On the first visit apprentices are usually asked if they want to join Unite. At Siemens the union plays a key role in encouraging the company to take on more apprentices. The union works with the training

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department and management in order to get employees through their apprenticeships. As a consequence, every apprentice over the last three years has joined Unite.ⁱ

Unions negotiate with employers on a day to day basis to ensure that apprentices are covered by the terms and conditions relevant to the rest of the workforce and partnership between health and safety reps and union learning reps results in a unionised workplace more effectively protecting apprentices from hazards at work.

The Organisation for Economic Co-operation and Development (OECD) has also highlighted the need for unions in the UK to operate in a way that replicates the role played by their counterparts in other countries. For example, the 2008 Jobs for Youth study noted that: “In countries with a long tradition of apprenticeship training, unions are a key player alongside employers and the institutional actors. In Germany, unions have been instrumental in securing action from employers when apprenticeship places have proved to be insufficient to meet demand.”

Building on the Welsh government’s commitment to social partnership, trade unions should be involved with this and examples of best practice could be shared and made available. The Welsh trade union movement has a key role to play in ensuring that young people are not simply aware of their rights in the workplace and not exploited but also to maintain their health and safety.

Are the Sector Skills Councils (SSCs) promoting and supporting apprenticeships effectively? How does the capacity of SSCs affect their performance in this area?

Unite believes that the Sector Skills Councils serve a purpose and working as well as they can within the current climate. The Sector Skills Councils are promoting apprenticeships to the best of their ability. Clearly, there is concern that many working for the Sector Skills Councils are facing redundancy due to UK Government cuts and the possible implications this could have should some skills councils be pushed into merger with particular sectors losing out disproportionately.

Are there examples of good practice apprenticeship systems in other countries that Wales can learn from?

There is much to learn from some of our European neighbours with the most successful apprenticeship systems where social partnership arrangements and well thought-out regulation combine to make high quality apprenticeships much more widely available, especially to younger people. In the dual-system German speaking countries – Austria, Germany and Switzerland – at least 40 per cent of school leavers are taken on by employers in three year apprenticeships leading to an accepted qualification. The ‘dual-system’ refers to the two learning locations – the school for general education and occupational knowledge and the workplace for occupational skills and personal development. Parliament determines the conditions and length of the apprenticeship contract and sets out the objective of apprenticeship training in both areas of the dual system. The main statutory requirements for the apprenticeships are: the length of the apprenticeships, apprenticeship allowance and the outline framework of apprentice occupation. Employer and trade union organisations largely decide the content of apprenticeship certificates.

Essentially, the dual system shares the cost of the apprenticeship between government, which funds general education, apprentices who accept reduced earnings and employers who cover the costs of occupational training.

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ⁱ Information taken from an article in *Workplace Report* No. 100 March 2012