



AIRBUS

Airbus in the UK
Submission of Written Evidence

ENTERPRISE & BUSINESS COMMITTEE
Apprenticeships in Wales
May 2012

Introduction

Airbus welcomes this opportunity to respond to the Enterprise and Business Committee's inquiry into Apprenticeships in Wales. We will provide evidence from the perspective of an Advanced Manufacturing company with a large apprenticeship scheme operating in Wales.

This response opens by providing background information on Airbus and its apprenticeship scheme. It then addresses some of the specific questions raised in the terms of reference, and concludes with some recommendations.

About Airbus

Airbus is a global company and the world's leading aircraft manufacturer. In 2011, Airbus achieved a 64% share of the global civil airliner market.

Airbus directly employs over 10,000 highly skilled people in the UK and supports 100,000 further jobs in this country through the company's supply chain and from induced employment. In total, Airbus and its UK supply chain provide supplies and services worth nearly £2 billion annually to the UK economy.

Airbus has two sites in the UK located at Filton, near Bristol, and Broughton, in North Wales. Together, these sites comprise the company's global "Centre of Excellence – Wing and Pylon" and are responsible for the design, manufacture and assembly of the wings of all Airbus aircraft, as well as landing gear and fuel systems integration.

Airbus is a wholly owned subsidiary of EADS, the European Aeronautic Defence and Space company. EADS employs around 116,000 people and has over 70 production sites around the world. In addition to Airbus, the EADS group of industries includes Eurocopter, the world's largest helicopter supplier, Cassidian, a worldwide leader in security systems, who are based in Newport, and EADS Astrium, the European leader in space programmes from Ariane to Galileo. Airbus and Cassidian both hold Welsh Anchor Company status.

1. Airbus has its main wing manufacturing site in the north east of Wales at the Broughton site in Flintshire. The following submission may reference the programmes, issues and processes currently being used by Airbus in the UK but will concentrate in the main on the programmes available at Airbus in Broughton.
2. The Broughton Site has approximately 6,600 employees, of whom around 60% are domiciles in Wales. Airbus has 381 people currently undertaking apprenticeships in the UK, 349 being based in Broughton. We also have a significant number of people working on degree and masters programmes.
3. The following is a breakdown of our current programmes at Broughton.
 - a. 144 existing employee apprentices following a mixture of Foundation Apprenticeships and level 3 Apprenticeships. These apprenticeships are integral to the development of our existing workforce in relation to up-skilling, re-skilling or for personal development and recognition of current skills.
 - b. 205 new entry apprentices follow a range of different programmes level 3 craft / level 4/5 Higher and the new level 6 Undergraduate apprenticeships. The Apprenticeships are aligned to different occupational areas dependent on the resource requirement of the site. **A further 85 new entry apprentices are planned for September 2012**
4. The new "Undergraduate" apprenticeship has been developed to support our manufacturing, engineering, design, quality and programme planning functions. It includes a PEO (Performing Engineering Operations) level 2 qualification as part of the new extended diploma developed by sector skills council for Science, Engineering and Manufacturing Technologies

(SEMTA). The apprentices complete a Foundation Degree in year 1 and 2, before undertaking the full BEng with Hons as a final academic outcome in year 3. Airbus is also working with the Royal Aeronautical Society and the Institute of Mechanical Engineers to enable apprentices to work through the UK Spec to Incorporated Engineer status. The apprentices will still complete the NVQ level 4 Engineering Leadership as well as Essential Skills Wales or Functional Skills.

5. Airbus Broughton uses two strategic partners / providers for all apprentice programmes; Deeside College provides Further Education and Work Based Learning and Glyndŵr University is responsible for Higher Education. The DfES of the Welsh Government support the delivery through funding for elements of these programmes.
6. Airbus sits on a number of UK advisory groups that discuss cross border issues. These include UK Commission for Education and Skills board for Advanced Manufacturing Higher Apprenticeships, SEMTA Sector Strategy Groups and National Occupational Standards working groups. The company also has representation on the Governing Body of Deeside College, and employs a visiting professor to Glyndŵr University.

Written Evidence

The following is an attempt to answer the key questions set out in the terms of reference and give a general view of Advanced Manufacturing / Engineering apprenticeship provision in Wales.

1. Is the current apprenticeship system providing effective support to the Welsh economy?

Airbus believes that the current apprenticeship system does provide effective support to the Welsh economy in most areas of Advanced Manufacturing. The challenge is to ensure that **all** the important economically valued sectors recognise the value of apprenticeships.

If Wales and its employers want to be competitive, we believe we need to ensure we are at the cutting edge of technology and to do this we need to invest in our employees' skills and develop our workforce. We need a Strategic Workforce Development Plan that will provide us with flexible and responsive employees that have the correct skills in place to meet the demanding time frame of these emerging technologies.

Airbus, along with many other organisations recognises that the lack of appropriate skills poses a significant risk to our business. The skill requirements brought about by changes in technology will be the key to the future economy in Advanced Manufacturing in Wales. Apprentices must be flexible and be in a position to react and respond to these changes when required.

2. Is the current apprenticeship system meeting the current and future skills needs of employers in Wales? If not, what needs to be improved?

Airbus has developed its own Skills Strategy, to provide a structured framework for investing in the skills of our workforce. This includes developing programmes for composite assembly, lean awareness and higher level engineering solutions, and Airbus works with many partners to achieve this.

There needs to be significant growth in the "higher end" of apprenticeships. Now that Airbus has developed the Undergraduate apprenticeship, it is better able to meet the skills need of the engineering functions in the future.

The strategy has at its centre the apprenticeship model; although this is seen by some as being expensive. We feel that, providing there is government support for the delivery part of the programme, we can manage the remaining considerable employment and non framework costs of the apprenticeship.

3. With increased priority on apprenticeships for 16-24 year olds, are apprenticeships an attractive option for young people?

Airbus believes that good apprenticeships are still recognised and regarded by many young people to be an excellent option and a starting point for their future career. It is important to have robust programmes that have clear nationally recognised qualifications and outcomes with excellent opportunities to progress.

The expectation by the apprentice, employers, providers and government should be that 100% of the framework should be completed in order to achieve the final certificate of apprenticeship.

Apprentices should have employed status and although it is not possible to guarantee a job at the end there should however under normal circumstances be a core position within the organisation at the end of the programme. Airbus Undergraduate apprentices earn £13,500 in their first year, £15,500 in their second year and £18,600 in their final year.

Recruitment of school leavers for the craft apprenticeship is a challenge for the Advance Materials and Manufacturing sector as the entry requirements are the same as most school 6th forms (5 GCSE at Grade C or above). Students and parents are influenced greatly by teachers and those schools with a sixth form.

It is our opinion that some teachers do not fully understand how in depth and challenging apprenticeships can be. Sometimes they view apprenticeships as a second best option compared with HE and as such could influence the learner to take A levels rather than apply for apprenticeships.

We have found that many of our apprentices have gone on to sixth form and have become disillusioned and then applied for our apprenticeship. This has resulted in only 10% of our intake being made up of direct school leavers whereas 60% are two or three years after they have left school.

We have developed the Undergraduate apprenticeship which is making some real challenges to the assumptions some people have made in the past. It gives apprentices vocational qualifications, practical experience as well as a full BEng with Hons at the end of the 3 year apprenticeship. Additionally the appeal of emerging with a "debt free" degree is ever greater with the rise of university tuition fees.

Another way to increase the numbers of young people applying for apprenticeships would be to ensure that funding is outcome related for 6th form students as it is for apprenticeships. Although this would not change the preconceived attitude of teachers it would ensure they encouraged only appropriate learners with a real desire to study A levels to go down an academic route instead of playing a numbers game.

The profile of an Airbus new entry apprentice is still predominantly white, male, and approximately 19 years of age, however we are working hard to change this and have set targets to our recruitment team to recruit 25% females for our future programmes. Although this is still aspirational, we are confident we are making significant inroads and will reach the target in a relatively short timeframe.

It is also essential to have a very clear progression route that enables apprentices to start wherever is appropriate to their academic / vocational level, with entry and exit points from level 2 (Foundation) to level 6 (BEng). This allows apprentices to transfer to the Higher Apprenticeships from craft programmes or to join from sixth form or FE colleges with A levels.

We believe that Airbus is seen by young people, parents and other key influencers to be offering excellent apprenticeships and where appropriate a real alternative to University. The challenge is to ensure that other organisations across all sectors are seen to be offering the same high quality programmes.

It is also important that apprenticeships are seen by employers to be meeting their internal business requirements, and that being able to develop a highly educated, vocationally competent, skilled workforce who are able to carry out a meaningful role within their business is more desirable than buying the skills in.

Airbus has created a critical mass of apprentices which not only benefits its own business but provides opportunities for companies such as Hawker Beechcraft, Apple Aviation, Hyde Energy and Thomas Cook to "piggyback" on existing course provision.

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

As demonstrated in the following points, establishing Apprenticeship standards and frameworks is particularly complex, but it is also extremely important and has a significant influence on how apprenticeships operate. There are added complications when providing apprenticeships across England and Wales, which are explained below.

Impact of the SASE/W on Advanced Manufacturing and Engineering Frameworks.

In previous Engineering Apprenticeship Frameworks under the Blueprint for Apprenticeships, employers were able to specify the NVQ Level 2 PEO (Performing Engineering Operations) plus the outcome NVQ Level 3 as separate but mandatory components of the Level 3 Apprenticeship Framework.

When the new legislation was introduced in March 2011 the SASE (Specification for Apprenticeship Standards England) and SASW (Specification for Apprenticeship Standards Wales) documents were published along with the development of the AFO (Apprenticeship Frameworks Online) system, and this was no longer possible.

The AFO does not have provision to include two occupational competence qualifications within one framework and also includes the following statement in the guidance section. *"A competency qualification cannot be used in more than one framework as this will be considered a duplicate framework and will not be issued by the Issuing Authority"*.

Employers did consider using the Additional Employers Requirements Section but the AFO also states. these cannot be made mandatory and will therefore not be a condition for the issue of an apprenticeship completion certificate.

In order to meet employer requirements and to have consistency across the UK, the SSC developed 15 new Level 3 NVQ Extended Diplomas for the QCF (Qualification and Credit Framework) incorporating the technical units of the PEO .

From an Airbus perspective it was important to have a full PEO to give the broad based engineering principles within a standardised apprenticeship programme and for all our craft apprentices to follow one framework..

The SASE/W does not allow us to retain the full PEO level 2 within the (Advanced) Apprenticeship framework as the main aim of the framework is at level 3.

Our solution to achieve a standardised approach for our craft apprentices and retain the full PEO across both sites is that from 2011 intake we have introduced two separate frameworks for our Craft Apprenticeships. One for the foundation / intermediate stage at level 2 that includes the PEO during the first year, and one for the advanced apprenticeship stage at level 3 during the second and third year.

There are subtle differences between the SASE and SASW, England's response to the new specification is very prescriptive with significant constraints placed within it, Wales has had a far more pragmatic approach and seems to accept that the specification needs to allow employers to work with the SSC to develop the framework to meet their need.

We have had discussions with DfES and the SSC where we developed an employer option that will in the future enable us to have more flexibility.

Size, Complexity and Bureaucracy of the new SASE/W Frameworks

The previous blueprint system specified two lists of qualifications, the competence qualifications (NVQs) and the knowledge qualifications for each framework. Employers were at liberty to use any combination of competence/knowledge qualification from the two lists and did not have to clarify which specific combination this was. The SASE/W now requires us to specify each and every combination. This can and has led to very large frameworks with a consequential overloading of the Apprenticeship Frameworks Online system, adding confusion and unnecessary bureaucracy to an already complex process.

The changes have also required employers to be far more specific about the academic or underpinning qualifications used when a framework is being developed. The legislation requires us to specify the knowledge qualification in detail by: title, level, awarding organisation, ref No, GLH and credit value. This is entered into the Apprenticeship Frameworks Online template against each competence qualification. Only these specified combinations are allowed. For a broad and diverse Sector such as Engineering that has 15 pathways in the L3 Framework this had a significant impact on the size and complexity of the published document. (the Level 3 Engineering Apprenticeship for Wales is a 265 page document) ,especially with the necessity to duplicate a number of sections in each pathway plus the need to include a number of minimum and maximum GLH and Credit calculations

There is a significant issue when frameworks are being developed for Higher Apprenticeships. Specifically when Foundation Degrees and BEng/BSc Degrees are being used, the Issuing Authority will only issue the framework that includes the HE University qualifications specified by employers including the full title, reference number and UCAS points . There is a need to be specific about the qualifications used, it is no longer acceptable for instance just refer to a foundation degree or an honours degree approved by the SSC.

This results in the frameworks being very restrictive, inflexible and not as responsive as employers require. For example if an employer decides they want to take on some Higher Apprentices they would have to ensure the FD or Degree they want to use with the University they have identified is in the framework. If it isn't they would then need to go back to the SSC and ask them to have it included in the framework. The SSC would then need the framework to be amended and resubmitted to the issuing authority and only with its approval would they be able to use it, this could take a number of months, especially if the SSC has recently issued the Framework.

The main sticking point is that the SSC cannot be frequently altering and re-issuing a framework to include employers/awarding organisation/training providers requested qualifications because this would end up with chaos where nobody knew which version of framework or funding tariff they were on.

The Engineering SSC and Issuing Authority have already re issued their Frameworks on a number of occasions to include more options requested by employers. They have agreed that once the new system settles down they would re-issue frameworks every six months depending on demand.

However, some SSCs have indicated that Frameworks would only be reviewed once a year or even longer

Recommendations

Employers would welcome more flexibility into apprentice frameworks in the future and the following recommendations are put forward for the Welsh Government to consider.

At our Broughton site we have a growing number of existing employees following apprenticeships, a significant number of them being over 23 years of age, who have been given a second chance to enhance their skills base. This would not be possible without the **All Age Apprenticeship** that the Welsh Government supports through the delivery costs of the programme. It is essential that this be continued so as to maintain the competitiveness of Welsh Advanced Manufacturing companies. Whether it is at a foundation level, intermediate level or the higher level we and other organisations are up-skilling our workforce, using the apprenticeship model as the vehicle. This includes nationally recognised qualifications that enhance the knowledge and vocational expertise of individuals.

The introduction of new technology means that the skills profile for many organisations is changing. We have developed our own Skills Strategy, where we will invest in the skills of our workforce. This includes developing programmes for composite assembly and lean awareness. One of the key areas in which we believe we will be seeing significant change is the increase of engineers. This is a prime driver behind Airbus' decision to develop the Undergraduate apprenticeship. We would like to see the Welsh Government market, support and introduce the level 6 apprenticeship framework to a wider audience and where appropriate allocate a funding model to support.

We consider Essential Skills Wales(ESW) to be necessary for all apprenticeships up to level 3 but that there should be a concession given for the ESW application of number for those apprentices who have studied Maths and Physics at A level and who have achieved a high grade. We would like the Welsh Government to review the essential skills for higher apprenticeships and perhaps consideration could be given to apprentices who have achieved a level 3 in the basic skills assessment to be given an essential skills proxy.

Despite very tight timescales, Airbus have been able to articulate to our Sector Skills Council (Semta) our framework specifications and qualification combinations that are required to meet our business demand. However, we believe that the Welsh Government could introduce improvements to ensure that Apprenticeship Framework documents are streamlined and made easier to interpret. Most importantly employers need to be able to amend the frameworks in order to meet changes in existing job profiles, to ensure we have access to qualifications that are fit for purpose and meet changes in advanced manufacturing technologies.

Before the introduction of the SASE/W the SSC would approve any relevant academic / underpinning qualifications requested by employers for each framework. This was far more customer / employer focused and allowed employers to have discussions with the SSC who were the quality arbiter of the framework. In our view this was a far less bureaucratic system and helped employers to respond to their business need quickly and efficiently and we would recommend that the Welsh Government should consider returning to a similar process again.

At Airbus apprentices are viewed as the lifeblood of the organisation and pivotal to the success of our company. It is essential for us to work in partnership with education providers and government in order to succeed. We are encouraged by the support received from the Welsh Government in regard to apprenticeships, and hope that the recommendations in this document will help to enhance cooperation in further improving the quality of apprenticeships and the ease of implementing apprenticeship schemes in Wales.