



# Youth Skills Commission

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Fiona Kendrick, Chairman and CEO,  
Nestlé UK & Ireland and UKCES Commissioner

# Foreword



Fiona Kendrick

**At Nestlé, and indeed for all businesses, the search for talent is one of the biggest challenges we face if we are to remain globally competitive. I am delighted to be able to support the Youth Skills Commission report, which is the result of detailed discussions which identify some of the most pressing challenges young people face in entering the world of work and pinpoint ways all key groups can work together to find real solutions.**

The Youth Skills Commission has allowed parliamentarians and business people to come together to share best practice, identify specific challenges and examine practical ways we can address the persistent issues of structural youth unemployment. Moreover, the Youth Skills Commission has benefited from hearing the inspiring and personal stories from young apprentices, who have added to this rich debate through the sharing of their own personal experiences. Maintaining regular dialogue on these challenges and opportunities is hugely beneficial.

We know the value of collaboration in addressing youth unemployment, with the need for business to work closely with education providers being critical to this process. The case studies and contributions in this report raise awareness of the value of collaboration, but also provide examples of best practice and key learnings.

At Nestlé, through our Youth Employment Initiative and Academy programmes we are focused on offering multiple entry points into our business for young people. Apprenticeships have always been at the heart of this mission and we continue to accelerate this programme. Like Nestlé, many of the employers within this report have developed innovative programmes and approaches to challenging some of the deep-seated misperceptions around 'earn as you learn' routes. Although there is much progress to be made, the contributions from apprentices throughout the Youth Skills Commission report have shown how far we have come in this area.

We all need to work together to create opportunities for young people. I look forward to continuing to engage and debate with everyone on this critical area to attract new talent and invest in future skills for the next generation.

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Michael Davis, Chief Executive of the UK Commission for Employment and Skills  
Nick Maher, Chief Executive of the Industry and Parliament Trust

# Introduction

**Over recent years, a growing consensus has emerged about the need to provide better opportunities for young people and that investing in training is good for businesses, young people and the economy as a whole.**



Nick Maher

Michael Davis

Perceptions around vocational education and apprenticeships are thankfully shifting in a more positive direction and there is widespread agreement that tackling youth unemployment is central to the UK's economic recovery. Yet, significant questions still remain about how best to tackle this problem in the wider context, how to encourage businesses to provide greater opportunities and what policymakers can do to create the conditions for success.

By bringing together employers, parliamentarians and young people, the Industry and Parliament Trust Youth Skills Commission, in association with the UK Commission for Employment and Skills, has sought out examples of best practice in employer ownership and provision of skills. By taking evidence from major UK companies and their apprentices, the Commission has seen outstanding examples of apprenticeship programmes and traineeships, as well as businesses supporting vulnerable young people in partnership with community organisations. The scale of the problem of youth unemployment requires strategic partnerships between business, community organisations and political institutions. These examples are provided in the case studies in this report and are a cause of great optimism.

The evidence sessions have also produced familiar themes and challenges, particularly in three key areas: collaboration, apprenticeships and the importance of good recruitment practices. We hope these lessons and the case studies contained in this report will provide policymakers and businesses with a heightened awareness of the importance of preparing our young people for the challenges of the employment market they will face in the future.

## Case Study

## Rolls-Royce



At Rolls-Royce they have a long tradition of apprenticeships as a route into a career. In the engineering and manufacturing sector more broadly, apprenticeships are more hardwired into recruitment, and at Rolls-Royce apprentices have resourced craft and technical roles for over 100 years.



Rolls-Royce currently employs over 55,000 people in more than 50 countries around the world, with numbers set to increase in order to keep up with demand; increasingly, apprenticeships are used as an entry route into technical, professional and management positions. They are understandably proud therefore that approximately 20% of the most senior managers at Rolls-Royce started out as an apprentice.

Rolls-Royce recognise that people are their power and that creating roles, or routes to employment, is not sufficient without a recruitment and assessment process that is as open, rigorous and innovative as possible. This ensures that Rolls-Royce can select from the very best, and that their organisation remains at the cutting edge of innovation and infrastructure.

Apprenticeships are a key route into a career at Rolls-Royce, and their opportunities are broad and diverse. Whatever stage individuals are at, and whether they are interested in either an engineering or non-engineering role, there is a programme to suit almost anyone with the right attitude. Advanced, modern or higher apprenticeships are all on offer, and they all

bring together classroom study and on-the-job learning, alongside training, guidance and support.

For Hannah Taylor, an advanced technical apprentice at Rolls-Royce, it's the variety within the programme which has made it such a useful experience. From team building activities to work experience in the welding department, Hannah and her fellow apprentices are able to develop both technical and more personal skills – whilst earning – and setting themselves up for a rewarding and challenging career.

The apprenticeship programmes at Rolls-Royce allow the business to develop highly skilled, engaged talent for the future. However, in order to ensure that they are able to select from the very best and widest talent pool, outreach and high quality recruitment practices are essential.

STEM skills in the UK are declining, and Rolls-Royce rightly identifies and challenges what is seen as a significant barrier – perceptions of the industry. Engineering may not always seem the most attractive option for young people, so Rolls-Royce ensure that they reach out into the education system in a variety of ways.

Outreach includes a range of programmes such as outward bounds programmes aimed to encourage females to engage with engineering; sponsored brownie and cub science badges for 7-10 year olds; work experience; a variety of STEM resources, ambassadors, and presence at STEM exhibits and events. These programmes are no doubt in part responsible for the ever increasing applications received by Rolls-Royce.

A rigorous, robust recruitment process that selects the very best is key to Rolls-Royce's apprenticeship model. For Hannah, despite the pressure and challenges of the application process, it was nonetheless an enjoyable one. Moreover, as she notes, it was the continued support from her employers which made the apprenticeship journey so valuable. Hannah notes that attending the Rolls-Royce workplace was a drastic change for many people attending the apprenticeship programme straight from a school environment. It was the support provided by Rolls-Royce that allowed Hannah and her fellow apprentices to make a smooth transition from education, to a rewarding and fulfilling career.

Frances O’Grady, TUC General Secretary and UKCES Commissioner

# How Unions help young people get the skills they need



Frances O’Grady

Alpesh Patel was a worried young man. In 2012 he was made redundant from a sales job in Walsall, so he went to the Communication Workers Union for help. The CWU representative helped him get another job with BT at Sandwell and in his own words: “she helped me to get training and education courses which would be accommodated by BT – so 2012 was a big year for me because I was made redundant but lots of positive things came from it and it’s where my education and learning really started”.

Every year the 30,000 trained Union Learning Reps help thousands of young people like Alpesh. Take apprenticeships: Last year unions helped 5,700 young people to get onto an apprenticeship, and worked with employers to provide more and better apprenticeships. Partly thanks to union pressure, the days of 6 month so-called apprenticeships have gone. All apprenticeships must as a minimum last 12 months, and many last 2 or 3 years. Unions work with employers to ensure apprentices are properly paid and lead to a job – and that young people who have achieved at Level 2 (broadly equal to GCSE) have the chance to go on to Level 3 or take advanced apprenticeships that can be a route into university.

For young people who are not yet ready for an apprenticeship unions work with employers to help provide pre-apprenticeship training or work experience. For many young people this is a vital chance to show they can understand the world of work. Without some work experience it can be hard to persuade employers even to look at a CV. But there have been too many examples of young people working unpaid in so-called “internships” or shoddy work experience schemes and receiving little real help or training. Unions help stop that

kind of exploitation and will not hesitate to challenge employers who try to go down the road of using young people as cheap labour.

Unionlearn (the Learning and skills arm of the TUC) has, for example, produced a Charter for Traineeships. The Charter sets out key criteria on pay, duration, quality of training and support, especially for English and Maths which are key skills; and above all that there should be genuine opportunities after the Traineeship is completed for a job or further training, such as an apprenticeship. Unions help young people get the quality skills they need.

Take Matt Chamberlain, a young man who had spent 6 months out of work before landing a union-negotiated 12 week work placement with Merseylearn, the union learning arm of Liverpool’s transport network, Merseytravel. They took him on as an apprentice and he now has a full time job, helping other young people make the same learning journey. There are countless other examples of union help: The GMB is helping young offenders in Glen Parva Youth Offending Institution to learn skills in logistics, which help them gain a job on their release. Building union Ucatz is helping young people get construction jobs on major refurbishment sites in Wolverhampton, Salford and the North East. Every union is working with their members and in their communities, supporting good employers and challenging others, and government, to do far more to tackle the crisis in youth unemployment.

**30,000**

Trained Union Learning Reps

**5,700**

Young people helped to get onto an apprenticeship last year

**12 months**

Minimum duration of apprenticeship

Chloe Smith, Member of Parliament for Norwich North

# Norwich for Jobs



Chloe Smith MP with volunteers from Norwich for Jobs

It is genuinely possible for a city to get its young people into work. In Norwich, we are nearly at the point of completion of a project to halve our youth unemployment in two years. "Norwich For Jobs" is a strong example of collaboration between employers, educational institutions and many others in a single community – based strictly on quantifiable results, and with a strong sense of place.



In January 2013, we set out to halve Norwich's youth unemployment. This was about 2,000 (18-24 year olds, claiming JSA from Norwich Jobcentre) and we believe we can take it to 1,000 by January 2015. At the time of writing we have helped over 900 young people into jobs and apprenticeships.

As a local MP, I decided to act on youth unemployment in my city. I asked key organisations to be on the steering group: Jobcentre Plus, Norwich City College, regional media group Archant, Norfolk Chamber of Commerce, and a lead local business Howes Percival LLP. We run a Young People's Panel and an Employers' Panel to ensure we are representative. We also hold a Partners' Panel for all the many great third-sector organisations whose existing work for young people we wish to amplify.

We felt that firstly, it was important to articulate the ambition and put a number to it. Then, we are contacting local businesses at scale, asking them to sign our Pledge, consider giving an opportunity to a young person, and help us ask other employers too.

**Our approach is threefold:**

1. Encourage local businesses to invest in young people
2. Connect young people with those opportunities to gain skills and employment
3. Focus the collective efforts of the community to get young Norwich working

We are tracking the results against NOMIS data every month and publicising the figures loudly in the community so that we are all familiar with the accurate scale of the problem. This also allows us to appropriately congratulate those firms that are making the pledge and to celebrate the young people who are taking up the opportunities and starting to gain both a pay packet and experience.

*We believe firms have acted because they recognise the benefits of attracting and retaining good, young talent.*



Chloe Smith MP

We also encourage businesses to offer valuable other benefits, albeit unpaid, like work experience and mentoring.

We believe firms have acted because they recognise the benefits of attracting and retaining good, young talent. They welcome the brokerage assistance that the project has offered, chiefly through Jobcentre Plus and other partners. They have also responded very strongly to the sense of place which is in the project's title; we have been able to articulate clearly how a whole city can benefit from collective action.

Young people have got involved first and foremost because they need chances. Our project's principal contribution is to increase the number of vacancies being offered by employers and to make it more likely that those positions go to young people. But in addition to this very business-like proposition, young people have also been able to take up interesting voluntary experience with the project on our Young People's Panel and by helping run events and communications.

The Employment Minister described it as "pioneering". This kind of practical project has shown young working people that the community, including businesses and their Member of Parliament, is on their side and can get results.

The project shows too that locality and collaboration are important. The IPT's Youth Skills Commission has seen plenty of examples of need; perhaps Norwich's example of civic achievement can offer a solution.

Case Study

# QinetiQ



**QinetiQ provides high-tech advice and services in the aerospace, defence and security sectors and plays an important role in encouraging the development of technical skills across these sectors. It does so in two primary ways: through the sector-based collaboration of the Defence Growth Partnership and the industry-led 5% club, which aims to encourage businesses to achieve 5% of their workforce consisting of apprentices, sponsored students and/or graduates on formalised training schemes within five years.**



QinetiQ's own internal training programmes focus extensively on promoting apprenticeships. QinetiQ have an apprenticeship school at Boscombe Down, a site that employs over 1,600 people (out of 5,500 across the UK). QinetiQ apprenticeships last four years, with two years based in the classroom studying and two years delivering real roles within the business and gathering evidence as part of the apprentices' development. While QinetiQ recruit applicants from all over the country (reflecting the geographic spread of their various sites), much of their recruitment is centred on local connections with schools and communities near those sites. While their work with the National Apprenticeship Service was important in advertising their opportunities, the lack of awareness of their organisation and the apprenticeship opportunities within schools in different areas was widespread and this was a consistent problem for many businesses of all sizes and sectors.

This difficulty in recruitment drove concerns within QinetiQ about the lack of engineering skills required by the industry in the near future. Figures suggest there has been a fall in the level of graduate applicants studying maths and science in the last 10 years and there is declining pool of good quality applicants, particularly for electrical engineering. This is a problem felt across both the defence sector and other sectors that need these skills and requires collaboration across industry to tackle it. For example, the Defence Growth Partnership seeks to increase the supply and attractiveness of existing STEM subjects in line with Government initiatives, promote careers within the sector and ensure companies provide the investment to meet the skills gap.

These moves to increase the supply of skilled workers in the future moves in parallel with the work of organisations such as the 5% club (initiated by QinetiQ). By aiming to ensure that industry provides more opportunities for young people, through the provision of rigorous and well-funded programmes and apprenticeships, the 5% club can help to tackle youth unemployment. This provides opportunities for young people seeking work and adequately trains and up-skills existing workers to meet the needs of business in the future. It is an important recognition of the need for business to play its role in tackling the UK's skills problems and also of the benefits that providing structured and funded programmes for young people can provide to businesses.

**5,500**

Employed across the UK

**4 years**

Duration of apprenticeships

**2 years**

Of apprenticeship spent delivering a real role

Mike Cherry, National Policy Chairman, Federation of Small Businesses

# Federation of Small Businesses



Mike Cherry LIWSc FRSA

The Federation of Small Businesses is delighted to participate in the important work of the Youth Skills Commission. With around one million people aged between 16 and 24 out of work, tackling youth unemployment and ensuring young people have the right skills for the modern workplace is one of the most pressing policy issues facing the UK economy.

*“Apprenticeships I believe are the key to addressing large areas of the skills gap that the UK has endured for many years.”*

A young population disengaged from the world of work not only creates an economic cost and hampers the UK's growth potential, it creates long term social costs that too easily become entrenched.

Fundamental to addressing this is to ensure that business skills are taught as part of the curriculum from primary school onwards. Important too, is effective careers guidance from the age of fourteen, which values vocational skills equally to academic ones. Apprenticeships in particular have to be restored and recognised by young people, (and society more generally), as a genuine career path which have the additional advantage of leading to Higher Education later on when an individual may be better prepared, or seeking to add to what they already have – thus enhancing their career opportunities. This will ensure all young people have the opportunity, and are able to be trained in the skills the country needs.

We believe there should be a renewed focus on careers education and guidance and work-related learning in schools. Much more effective and broader engagement is required between schools, colleges, and businesses in the local area to boost employability skills and inspire an entrepreneurial spirit. Young people should leave education with the inspiration to work in a small business or to set one up of their own.

The 'employability' of young people when they leave education remains a fundamental concern to small businesses up and down the country. When recruiting young people, 61 per cent of employers are not confident they will find a candidate with the right skills while 46 per cent of small businesses do not believe local schools or colleges prepare young people to a sufficient standard for work\*. Businesses point to basic shortcomings in areas such as numeracy and literacy skills, which have been a problem for many years. Without these and other soft skills such as problem solving, communication skills and a good attitude to work, many businesses believe taking on young people is just too high a risk. The additional cost of time and resources to train new starters to a basic standard can have a disproportionate opportunity cost for

small businesses, which is hampering the desire to recruit young people and to fill the skills gaps that are becoming wider.

As well as the issue of employability skills, the disjoint between the education system and the business community is exacerbated by a lack of a duty on schools to provide enterprise education and work-related learning. The FSB disagreed with the scrapping of compulsory work experience at Key Stage 4 and its support of enterprise education and work-related learning is a large reason why the FSB has chosen to support Young Enterprise as its charity for the next three years – to play our part in helping to bridge this gap.

Apprenticeships I believe are the key to addressing large areas of the skills gap that the UK has endured for many years. Ensuring small businesses can employ their own apprentices is vital. The FSB welcomes the principle of a direct employer-led apprenticeship framework, but implementation must be thought through to ensure small businesses aren't put off taking on an apprentice. The Government also needs to seriously consider how to make the transition smooth and keep small businesses informed and engaged. In particular many micro and small businesses will be put off engaging if the costs and administrative burden significantly increase. We have become too disjointed in what business, young people and the country needs to compete across the global markets, and will not be able to do so unless these changes are made urgently in reforming the current system.

Mike Cherry LIWSc FRSA  
National Policy Chairman



**Federation of Small Businesses**  
The UK's Leading Business Organisation



## Case Study

## DHL



As a large employer which operates a number of distinct services, DHL has interesting challenges in providing appropriate apprenticeships and training programmes for young people. For example, DHL Supply Chain provides complete logistics services for customers requiring warehouse and distribution management, while DHL Express specialises in international next day parcel delivery. DHL therefore provides distinct apprenticeships in different key areas of the business, while retaining an overarching philosophy of investment in training and skills development for its staff.



DHL are currently supporting over 200 apprenticeships in the UK and plan to increase that number in the next few years. This success can be attributed to direct funding over the last 6 years and the development of a structured programme for apprenticeships. DHL works in conjunction with local colleges and provides qualifications ranging from Driving Goods Vehicles NVQs Level 3 to Higher Level Management Diploma Level 5. It has also put in place a comprehensive programme of internal support for its apprentices. This involves mentors at the beginning of the process to aid transition into the workforce, continuous on the job training, regular reviews with the line manager and Apprentice Manager and the opportunity to undertake DHL's global Certified International Specialist training programme.

By coaching line managers to provide appropriate support, training and mentoring to the apprentices, DHL is able to offer a structured apprenticeship programme that combines detailed training in the work of its different areas with externally recognised qualifications.

*DHL are currently supporting over 200 apprenticeships in the UK and plan to increase that number in the next few years.*

In order to recruit its apprentices, DHL uses the National Apprenticeship Service website and is significantly oversubscribed for each position. Yet word of mouth recruitment and locality were still the primary drivers for people applying for DHL apprenticeships and was recognised by the company as an on-going issue to ensure its workforce was drawn from a wide pool of applicants. The company felt that the overwhelming barrier to extending the knowledge of and access to its apprenticeships was the lack of adequate career advice in schools. Both apprentices who spoke to the Commission had heard of the opportunity of working for DHL through parents who worked for the company and commented extensively on the lack of advice at school about options other than University. The company struggled to engage with schools in order to advertise its opportunities and felt that candidates lacked adequate knowledge of apprenticeships and the company at interview

stage as a result. In particular, a lack of work-focused careers advice and training in schools resulted in employability problems for the company during interviews. These were reflected in issues such as poorly completed applications, problems with literacy and numeracy during work-based tests and poor ICT skills. DHL have sought to respond to such problems with line managers engaged in changing the interview style and content for apprentices for example. Yet the problems that a large global company such as DHL face in engaging with schools and attracting well-educated young people emphasises the problems that companies of all sizes face in this area.

## Case Study

# British Sugar



Chloe Smith MP, Chelsea Bales, Alicia Southward, Josh Holman and Andrew Beresford

**British Sugar is the leading supplier to the UK and Irish beverage markets and has delivered engineering apprenticeships for many years. This scheme continues to produce core and multi skilled technicians in either mechanical or electrical engineering who form the majority of their engineering workforce.**



Recently, the company's workforce planning identified that they were in danger of losing their core manufacturing skill which is traditionally processing in a chemical engineering environment for the manufacture of sugar. Various options were considered to tackle this issue including an internal training programme, however the support and funding that was on offer for an Apprenticeship programme was a key factor in convincing the company to progress in this direction.

*The British Sugar apprenticeship story is a small but highly relevant example of how a company develops its skills programme in response to its business need.*

As a result, British Sugar developed an internal Competency Diploma relevant to its skill sector that meets the National Qualifications and Credit Framework requirements, establishing the Diploma on the Ofqual Register. Working in partnership with an external training provider, the National Apprenticeship Service and COGENT, they have designed a comprehensive training scheme that has met the requirements for a National Apprenticeship scheme. Those primarily were to provide a technical certificate gained through attendance on a technical course (usually through a college or technical academy) and a regularly assessed competency or job certificate undertaken in the workplace. Utilising the apprenticeship framework document for the sector, produced by COGENT, British Sugar were able to identify an appropriate technical diploma. The 'Level 3 Diploma in Process Technology' was already being used with a generic competency diploma to deliver generic process apprentices in the chemical industry and therefore was relevant to the company. This scheme gained funding and was established in September 2013, with its first intake of 7 apprentices. A second cohort is due to start in September 2014 with 10 apprentices.

British Sugar partnered with Teeside Training Enterprise for the provision of training and the design of the programme. TTE's existing expertise in the process and chemical area was an essential part of the decision, despite the company's location away from the British Sugar sites. This difference in location meant apprentices would live away from home for significant parts of the apprenticeship. This required a further degree of planning in the programme, with support for apprentices living away from home, closer liaison with parents and closer mentoring of the development of the individuals throughout. Early indications are that the training they are receiving is exceeding the company's expectations and that living away from home is developing the apprentice's life skills in a way that is not usually encountered with the local apprenticeship schemes.

The British Sugar apprenticeship story is a small but highly relevant example of how a company develops its skills programme in response to its business need. With a workforce that was heavy on older workers but much smaller when it came to young workers, British Sugar's approach was essential to ensuring the continuation of a viable and well-trained workforce. The framework provided for apprenticeships allowed the company to develop a highly relevant programme with its partners, thereby offering a strong case of employer ownership of skills in action.

Case Study

# HSBC



4th Skills Commission session

As the first major UK bank to create an apprenticeship programme, HSBC has an interesting perspective of the benefits and challenges associated with investing in young people. The decision to undertake an apprenticeship programme was originally largely down to a business need to professionalise the existing workforce and find ways to improve performance to increase customer satisfaction levels. While many issues have been raised around the branding of apprenticeships during the Youth Skills Commission, for HSBC the initiative meant improvements in quality of service, customer satisfaction, employee motivation and performance and was therefore chosen as the way forward for the organisation.



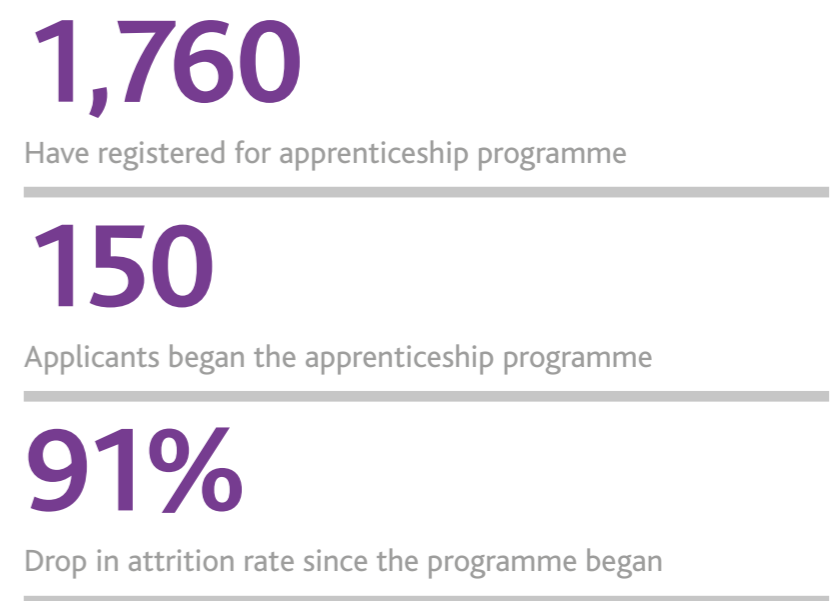
At present, the majority of HSBC apprentices (those for the branch network and contact centres) are recruited from the existing workforce. To join this Apprenticeship Programme as a new starter, applicants must apply for a role first at a direct entry level (e.g. a cashier in a branch, or a customer service adviser in a call centre) and would typically move onto the Apprenticeship Programme within 3 months of joining. For existing staff, roles are promoted internally via business heads and line managers, and interested parties are invited to events where they can meet assessors and find out more.

The programme began with 150 applicants, split across 3 locations. Since its beginning, 1,760 people have registered and numbers are continually increasing. Positions are advertised using the National Apprenticeships Service website. The programme was designed in conjunction with the Financial Sector Skills Council and Capita are HSBC's training provider for it in England and Scotland and the Acorn Group in Wales. The success of the scheme in terms of the

numbers and the integration across the different areas of the business resulted in the recognition of the Investors in People Apprenticeship, Newcomer Employer of the Year Award 2013, at the National Apprenticeships Awards and winning the Target GTI Best Apprenticeship Programme in 2014

HSBC's key apprenticeship aim in the future is to shift their focus from existing staff and ensure that the majority of apprenticeships will be filled by school-leavers. This will be achieved by making apprenticeship opportunities an integral part of their recruitment proposition, including for direct entry level roles, and by rolling-out their traineeship programme (the pilot for this has just been completed providing 750 places by the end of 2015. Expansion will also be achieved by broadening the business areas where apprenticeships are available, including M&S Bank, Trade, Receivables and Equipment Finance (TREFS) and HSBC's Commercial business.

HSBC have already seen the benefits of the apprenticeship programme, with apprentices outperforming other employees, a staggering drop in the attrition rate at direct entry level of 91% and increased focus on customer service. It is an important example of how a business can respond to a business need in a positive way, by providing opportunities for young people and investing in people. This investment is paying dividends for the company and is a fine example for businesses of all sizes and all sectors.



Gisela Stuart, Member of Parliament for Birmingham Edgbaston

# Apprenticeships



Gisela Stuart MP

**When I was 15 I had to make a decision. I wanted to become a librarian. Having completed the German equivalent of O levels there was a choice. Either go on to take A levels or serve an apprenticeship. Whatever the route, at age 18, the next stages for becoming a librarian were the same. Two options – of equal value.**

Having opted for the apprenticeship I worked for a tiny bookshop in a small provincial town, but the professional training was done in Munich, with fellow apprentices who worked in businesses ranging from 3 employees to 300. And I was in receipt of the equivalent of Educational Maintenance Allowance. The allowances and the training courses were organised and administered on behalf of the employers, not by the employers themselves.

This autobiographical snapshot of being an apprentice in Germany encapsulates the three main issues which somehow still have not been fully grasped by government, employers and the trade unions in the UK.

Let's be clear. Any youngster offered an apprenticeship by our larger employers, be they BAE Systems, John Lewis or Quality Hotels has just found the golden ticket in the Charlie Wonka Chocolate Bar of life. They are brilliant, but they are a reflection of large companies having learnt that unless they train and bring on their own work force, they won't find the right people with the right skills in the areas they want to work in.

But after 40 years living in the UK it seems to me that ever since the time of Prince Albert we discover the same German apprenticeship model roughly once every 10 years, but then fail to learn the vital lessons of what makes the system work on the Continent, but isn't quite the success story it should be here too.

Firstly, Apprenticeships have to be of a quality to be a true alternative to purely academic qualifications. So no more talk of it being for those who can't go to university. It is for people who are just as bright as those who go for a degree, but chose to take different, more practical route. Of course that means that the qualification at the end has to pass as rigorous a test as academic ones. If a course is labelled as an apprenticeship which lasts six weeks... It should not be called an apprenticeship.

Secondly, it's all about creating a pool of skills which can be deployed across an entire sector. Employers train staff, which then move on and then they are able to recruit people who were trained by someone else. Companies large and small benefit. New jobs in the future will not be created just by the Jaguar Land Rover's of this world. They will be created by the small companies

employing fewer than 10 people. That's certainly the picture in a city like Birmingham. It needs to be made easy and uncomplicated for smaller employers who don't have large HR departments

Thirdly, don't make the funding complicated. Leave it with the colleges who provide the training and payments to the apprentice. If it's made complicated, small companies simply won't have the time and the inclination to take part.

And as a final thought: City Technology Colleges are a great step forward, not least because they acknowledge that the age of transition is not always 16, for some 14 is a better. But for the time being few schools will recommend that their best and brightest choose to go to another school at age 14 or to take a vocational route rather than go to university. Unless OFSTED recognises a school's achievements in terms of ultimate pupil destinations, then we won't get a system where the brightest and most motivated get a chance to choose the best and most appropriate career choices.

*“ It's all about creating a pool of skills which can be deployed across an entire sector. ”*



Case Study

# Nissan

**Nissan's recent success in the UK is of course a cause for celebration for the company but also brings with it significant challenges around skills. The company built over 500,000 cars in Sunderland last year and directly employs 8,000 people in the UK with a further 24,000 in the supply chain. Combined with its expansion plans and the comparative success of competitors across the automotive sector, the demand for skills is high and is only increasing.**



The high demand for skills in particular in engineering & manufacturing poses a significant challenge to growth. Requirements for higher level electrical engineering skills are far outstripping those currently available. Compounding this, Nissan is grappling with a perceptions problem of the industry amongst young people. Tackling youth unemployment is made a more difficult challenge by the fact that engineering isn't currently seen as 'glamorous' by young people who could be their next pool of recruits. Nissan have therefore a range of programmes in place to tackle some of these perceptions, and are making good headway in addressing some of the key barriers.

STEMnet ambassadors promote engineering and the auto industry on behalf of Nissan to pupils whilst still at school, and are a great way of inspiring young students. In addition to this, Nissan actively supports the 'See Inside Manufacturing' programme, which allows pupils to see the inside its facilities in the UK from Design, R&D to Manufacturing. Last year over 2,000 school children and teachers visited Nissan's Manufacturing plant in Sunderland. These activities have already had an impact in tackling the

perceptions of young people – and their parents - about manufacturing and apprenticeships.

Nissan also carry out a range of other activities in order to improve perceptions of apprenticeships in the sector, and to raise awareness of the opportunities available; with the ultimate aim of ensuring that Nissan has the best available talent pool to meet the needs of the business. Traineeships are increasingly used by employers as an entry route to apprenticeships, and Nissan's traineeship programme, the 'Youth Evolution Scheme' is aimed at 16-18 year olds who have no experience of the world of work. Simultaneously, Nissan also target graduates as part of the Annual University Engineering Summit, and annually two thousand graduates visit Nissan for a day to find out more about careers in the sector.

With apprenticeships serving as such an important route into a career in the industry and so crucial for addressing skills shortages, it's unsurprising that Nissan have put a lot into developing a high specification and well-designed programme. Apprenticeships with Nissan balance practical and academic skills with a particular focus on basic job-based skills from the start. There is a range

of options and opportunities for young people throughout their apprenticeships and indeed many top-end apprentices complete the Higher National Certificate and go on to do degrees. The delivery of apprenticeships at Nissan is done in partnership with Cranfield University and is supported by many University Technical Colleges as well.

The experience of Jordan Kelley, a second year apprentice at Nissan Technical Centre in Cranfield, reflects the success of Nissan's programmes but also the challenges they face. For Jordan, the apprenticeship was a way to ensure his studies contained much more of a practical focus. Jordan had studied for a year at university in electrical engineering but felt more practical and hands-on skills were important to him, and his career. At school, he had been made to feel that further education was the only option with vocational education far down the list of priorities. For Nissan this serves only to demonstrate that despite important changes to the perceptions of apprenticeships, there are still challenges ahead, and much more work still to do.

**8,000**

Employees in the UK

**16-18**

Target age of traineeship programme

**2,000**

Graduates visit Nissan annually during their summit

Case Study: Kieran Worrall

# Electrical Maintenance Apprentice



Kieran Worrall

My name's Kieran Worrall, I'm a second year Electrical Maintenance Apprentice at Mondelez International's coffee production & packing plant in Banbury. We are recognised as the biggest coffee production site in Europe; we produce approximately 18,000 tonnes of coffee per year, on our site we produce and package brands such as Kenco, Jacobs, Carte Noire and Millicano.



Unfortunately apprenticeships were not widely advertised or even talked about during my time at secondary school; it was as if sixth form and then university was the only option for school leavers. Luckily for me I have a family full of engineers who have also been involved in this type of training; this is how I found out about what Mondelez International's apprenticeship scheme would entail.

One of the best aspects of my job is that I can expect to be doing something different every day; this helps widen my knowledge of basic engineering principles that I must know in order to become a competent maintenance technician. Since I completed my first year off-site training at Midland Group Training Services in Coventry I've been on-site moving around the various sections, working with highly experienced engineers.

My apprenticeship involves both vocational & theory based training, in my first year I carried out my NVQ Level 2 along with the first year of my BTEC Level 3 in Engineering, currently I am carrying out my NVQ Level 3 and finishing off my BTEC Level 3. In my 3rd and 4th years I will be studying for my Foundation Degree in Electrical and Electronic principles along with completion of my NVQ Level 3.

There are lots of reasons why I chose to enrol in an Engineering Apprenticeship. First of all, I was always interested in science (mainly physics), I also enjoy being practical and being hands on, therefore it was a no-brainer when it came to deciding my career path because as most people know, engineering involves both the use of science and practical abilities.

In the short term future I would like to ensure that I achieve distinction grades in my BTEC Level 3 qualification and then hopefully I can carry on achieving distinction grades when it comes to my Foundation Degree. Once I've completed my apprenticeship I hope Mondelez International will offer me a full time position as an Electrical Maintenance Technician. In the long term future I hope that I can work my way up through the various different job roles within the company & one day I hope to hold a senior managerial position.

*“ One of the best aspects of my job is that I can expect to be doing something different every day ”*

Case Study

# Marks and Spencer



Even for an organisation of its size and international presence, the commitment from Marks and Spencer to support the equivalent of 2% of their workforce through a youth employment programme is a significant one. Currently employing approximately 86,000 people across 54 territories worldwide, M&S is clear that business has a responsibility to contribute to the youth employment agenda and to ensure that young people have the skills and attributes needed to pursue successful careers.



M&S actively connect with influential organisations focused on the youth agenda, such as the Chartered Institute of Personnel and Development (CIPD) and UKCES. This is to ensure that they are aware of the wider economic and social insight/trends, to maximise all talent opportunities, and as a result, incorporate best practice into the HR plans. M&S have been part of the CIPD 'Learning to Work' advisory group, who are focused on the youth agenda, for over 2 years and have now agreed to participate in the Steps Ahead mentoring programme which sees CIPD members supporting young people with specific barriers to work.

Consequently, high-quality recruitment, training and progression is at the core of the M&S business, which is why the retailer is always looking at ways of improving and expanding its pipeline of talent. As a result, M&S has developed a variety of entry routes for young people to join what is one of the most recognised high street brands in the UK.

By offering work experience placements and internships, M&S provides young people with a taste of the working environment and the opportunity to develop their skills within a

structured and supportive environment. In addition, M&S also offers tailored longer-term programmes and placements for school leavers and graduates.

One programme is particularly targeted at young people aged 16-25 who are not in employment, education or training. Make Your Mark, delivered in partnership with The Prince's Trust, provides a structured four-week work placement and training for unemployed 16-25 year olds aimed at providing participants with the skills and confidence needed to enter the world of work. The programme combines on-the-job placements in M&S stores with tailored training modules focused on developing employability skills and raising young people's knowledge of the retail industry.

At the end of the programme, individuals who perform well are accredited and may go into employment in an M&S store if suitable vacancies are available. However, should participants require further support, M&S ensures they receive up to six months post-programme support from The Prince's Trust to find an alternative job or training outcome. In total, 1,453 unemployed young people took part in the Make Your Mark programme over the last year and the scheme

is now being rolled out to more M&S stores this year.

The Make Your Mark programme builds on the successful experience of M&S' existing employability scheme, Marks & Start, which has supported over 8,000 disadvantaged people to overcome significant barriers to employment - such a disability and homelessness - since it began in 2004.

Collaborating with external partners has been a key part of ensuring the programmes have been successful. M&S has worked closely with a number of charitable organisations to implement their employability schemes including Gingerbread, The Prince's Trust, Business in the Community, and Remploy. Providing tailored support for individuals and tapping into the insights of specialist organisations has enabled M&S to reach out to people furthest from the labour market and to those who face the most significant barriers to employment.

M&S has also taken steps to enable smaller businesses in their supply chain to benefit from youth skills programmes too. Indeed, conscious of the skills requirements of the retail sector as a whole, the training programmes designed by M&S are competency-based and behavioural in content, helping to secure the recognition by other employers in the sector. By ensuring that young people have transferable qualifications and skills training in this way, M&S helps to equip its supply chain and the wider industry with the skills and experience necessary to grow the retail sector's contribution to employment and economic growth.

**16-25**

Target age of the Make Your Mark programme

**8,000**

Disadvantaged people supported since 2004

**1,453**

Took part in the programme over the last year

## Case Study

PwC



As a network of firms in over 158 countries that is committed to offering quality support to businesses, PwC's business model is heavily focused around recruiting and developing its staff. Any organisation that proclaims "Our culture is all about our people" has significant challenges in recruiting and developing people to ensure the continued success of its business. As a result, PwC places significant emphasis on coaching, supporting, enabling and mentoring to ensure the best possible service for its clients. This is particularly the case with its work with young people, primarily through its apprenticeship scheme.



PwC have been successfully running a school leaver programme for over 10 years. The launch of the Professional Services Higher Apprenticeship framework allowed the firm to develop its two year Higher Apprenticeship programme. This has provided access to the highest level career opportunities for 286 young people to date and was recognised by the National Apprenticeships Awards. In addition, PwC won the London region Investors in People Award for 'Apprenticeship Employer Newcomer of the Year'. The firm also has a leading role in the Accountancy Trailblazer project, which is further evidence of how collaboration across sectors is proving an integral part of delivering successful employer ownership of skills.

*The firm has launched free virtual employability resources for school students including an interview e-learning tool.*

PwC's work in this area is an integral part of ensuring the continuity and success of its business but it is also in response to the need to ensure a more diverse workforce. By professionalising the school leaver route, PwC has been able to complement its existing success with graduates (of which it takes over 1,200 a year). A key part of being able to do so is through its links with the National Apprenticeship Service, which helps provide access to schools (a significant challenge to businesses of all sizes). This access is crucial and in the past a lack of it proved a key impediment to growth in the school leavers scheme for PwC (and many of the businesses who spoke to the Commission).

When it is able to, PwC uses its existing apprentices to promote the programme in schools, with 168 apprentice ambassadors supporting students and teachers through over 100 school visits, and hosting many more at PwC offices. To supplement this, the firm has launched free virtual employability resources for school students including an interview e-learning tool, online seminars and a toolkit with lesson plans for teachers and parents. In addition, different programmes including working with Inspiring the

Future volunteers and partnerships with LEAP and Teach First are part of PwC's continued attempt to open up its business to new applicants and reach out to schools.

As well as using existing apprentices to promote the programme to new recruits, PwC ensure that they play a significant role in shaping and designing the programme. This approach is alongside the continued establishment of in-house training provision, equipping PwC's own staff to deliver the programmes. All of this reflects the needs of a service business and the desire of PwC to place its people at the core of its work.

*“ University isn't for everyone, so it shouldn't be the only route to a successful career. I chose an apprenticeship at PwC because it enabled me to combine a professional qualification with invaluable industry experience, and allowed me to leap onto the career ladder much sooner than I would have done via the university route. ”*

Ryan, Consulting



Case Study

# Premier Inn



4th Skills Commission session

Hospitality is a growth sector. Premier Inn (owned by Whitbread Hotels and Restaurants) has pledged to create 8,000 new jobs over the next five years in order to fulfil its ambition to open a new hotel every 10 days.



The hospitality industry thrives on the positive attitudes and skills of its people who need to be engaged and interested team players. Of the 8,000 new jobs due to be created, Premier Inn has pledged to make 50% of them available to long term unemployed people aged 16-24. Attracting good candidates from the UK's 16-24-year-old NEETs (those not in education, employment or training) is crucial. Although young people may be eager to enter work, employers often find that applicants lack confidence, work experience and have poor basic skills. Whitbread and Premier Inn have taken positive action to address the issue by seeking to provide 2,000 apprenticeships and 8,500 work placements by 2018, with the goal of making hospitality a sector of choice.

The prospects for young people entering the hospitality industry through Whitbread's Apprenticeship scheme are great. Annabelle McClean started as an unemployed recruit before going onto the apprenticeship scheme. Annabelle is now Brentwood Operations Manager. Progression is built into working life at Premier Inn and Whitbread, with managers at each site responsible for ensuring learning and training takes place for all staff members. Whitbread also pay the

national minimum wage to all employees rather than the apprenticeship wage. Work placements and tasters are central to attracting young people to the industry. By working with specialist engagement partners via the charity 'Believe in Young People,' Whitbread has engaged with 300,000 school children and with 300 schools - helping young people to make the transition from school to work in the hospitality sector.

The company works with other partners who are key to this success such as the Skills Funding Agency, Jobcentre Plus, the Prince's Trust and Springboard UK who help to find young people who could start a flourishing career in the hospitality industry. The Princes Trust and Springboard programmes offer a lifeline to some of the most vulnerable young people in society facing severe disadvantage including substance misuse, homelessness and addiction. The Princes Trust programme involves six months of training and a guaranteed interview for those who complete it.

The company offers apprenticeships at all Levels from 2-7, for everything from front- and back-of-the-house jobs and recently launched Advanced and Higher Apprenticeships for management-training positions. Whitbread and Premier Inn have worked with the British Hospitality Association to make events such as 'The Big Hospitality Conversation' a priority for recruitment to a growing sector. Patrick Dempsey, Managing Director of Whitbread Hotels and Restaurants, said "We're committed to doing what we can to offer opportunities to unemployed people to get their first job or to get back into work. We have a target of recruiting half our new team members from the long term unemployed, and we offer a robust and structured qualification pathway."

**8,000**

New jobs to be created over next five years

**50%**

Of new jobs pledged to be offered to long term unemployed

**16-24**

Target age of long term unemployed candidates

Sir Charlie Mayfield

# Conclusion



Sir Charlie Mayfield

**We continue to enjoy the strongest sustained period of growth in the UK since 2008 with employment figures rising as business confidence strengthens. Youth employment is rising in line with economic growth which is encouraging.**

However the persistent gap between the rates of adult unemployment and youth unemployment is a reminder that we cannot be complacent. There are deep seated issues in our labour market that we need to address, one of which is the decline in opportunities for young people to gain experience of the workplace while learning. All types of 'earning and learning' are valuable, whether via apprenticeships, work experience during full-time study, or through combining studies with a part-time job. However, over the last fifteen years, we've seen a sharp decline in the number of young people combining part-time work with full-time study – what UKCES has called the 'death of the Saturday job' – and this appears to be unique to the UK.

To address this, it is essential that we build much stronger pathways for young people making the transition from education into work. This will take collective leadership from business, with government creating the conditions for employers to drive the agenda.

I am delighted therefore to have been part of the Youth Skills Commission, a partnership between the Industry and Parliament Trust and the UK Commission for Employment and Skills. This has been an opportunity for parliamentarians, businesses and their young recruits to share experiences, and discuss the challenges and opportunities they face. The debate has been wide ranging and has produced some interesting conclusions, particularly around themes of collaboration and creating better connectivity between education and employment.

Maintaining economic growth requires a pipeline of people with the skills and capabilities businesses need to compete globally. Employers working collaboratively in their sectors and localities can create the new career pathways we need for young people - opportunities for them to get on to the first rung of the ladder and progress from there. Government, parents and young people have their part to play too. The Youth Skills Commission has kept this debate centre stage and raised awareness of the challenges we face. Perhaps most significantly, it has brokered some new relationships and the opportunity they offer to maintain the momentum in this vital area.

**Sir Charlie Mayfield**

Chairman of the John Lewis Partnership, and Chairman of the UK Commission for Employment and Skills

*“ the persistent gap between the rates of adult unemployment and youth unemployment is a reminder that we cannot be complacent ”*

# Summary Points



The Industry and Parliament Trust Youth Commission, in association with the UK Commission for Employment and Skills, has heard from a huge range of major UK companies about the challenges they face and the benefits to be gained by ensuring they provide training for young people. Apprentices, parliamentarians and employers have all discussed their own experiences – both the challenges and the opportunities. Below is a summary of some of the key points raised by presenting companies, their young recruits and the Commissioners.

- Employers must be central to the design and provision of programmes to train young people and provide skills. Greater employer ownership of the skills agenda can help to drive forward apprenticeships that are relevant to employers and young people, providing the necessary training to fill much-needed skill gaps in different sectors
- Employers, government and parliamentarians must continue to work together to boost the reputation of apprenticeships and to ensure they are no longer viewed as a “second-best” option by parents and schools. Young people should not be presented with university as the only successful option while vocational education is relegated to the second-tier
- Schools must ensure that careers advice is a planned programme of activity tailored to the needs of their students and underpinned by robust labour market information. It should give young people a good sense of how to make informed decisions from the full range of options available to them
- There must be more effective working between schools and businesses, with an emphasis on work inspiration, work-related learning, employability skills and an understanding of the opportunities available in the local area and through different career paths
- Business engagement with schools, through initiatives such as open days and apprenticeship ambassadors should be extended across different businesses through greater collaboration with schools and colleges. In addition, more businesses should offer relevant, structured and rewarding work experience to show young people the career opportunities that are available
- Greater collaboration across industry, from sector wide and local industrial partnerships, to specific projects on access are essential to addressing skills shortages and providing greater and more tailored opportunities for young people
- Apprenticeships must be high quality, based on standards set by industry and subject to independent assessment so that they provide young people with respected and transferable skills. An apprenticeship should represent a meaningful occupation with progression in terms of wage gain and career prospects
- There should be much better national and regional information on apprenticeship opportunities, and this should be promoted systematically to schools. In this way, employers could advertise their vacancies widely and would have less need to rely on ‘word of mouth’ recruitment, which restricts access for young people and limits the pool of talent employers can draw from.

# Commissioners

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## **Graham Evans MP**

## **Andrew Jones MP**

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## **Ian Mearns MP**

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## **Baroness Prosser**

## **Angela Smith MP**

## **Chloe Smith MP**

## **Gisela Stuart MP**

## **Mike Thornton MP**

## **Baroness Wall**

## **Heather Wheeler MP**

**Professor Alison Wolf, Sir Roy Griffiths**  
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