

# Select Committee on Youth Unemployment

## Uncorrected oral evidence: Youth Unemployment

Tuesday 20 April 2021

11.25 am

Watch the meeting

Members present: Lord Shipley (The Chair); Lord Baker of Dorking; Baroness Clark of Kilwinning; Lord Clarke of Nottingham; Lord Davies of Oldham; The Lord Bishop of Derby; Lord Empey; Lord Hall of Birkenhead; Lord Layard; Baroness McIntosh of Hudnall; Baroness Newlove; Lord Storey; Lord Woolley of Woodford.

Evidence Session No. 5

Virtual Proceeding

Questions 43 - 50

### Witnesses

I: Kevin Blacoe, Head of Partnerships, Nations and Regions, Channel 4; Richard Hamer, Education and Skills Director, BAE Systems.

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## Examination of witnesses

Kevin Blacoe and Richard Hamer.

Q43 **The Chair:** Welcome to this evidence session of the Youth Unemployment Committee. The meeting is being broadcast live via the parliamentary website. A transcript of the meeting will be taken and published on the committee website. You will have the opportunity to make corrections to it, where necessary.

I welcome Kevin Blacoe, head of partnerships, nations and regions at Channel 4, and Richard Hamer, education and skills director for BAE Systems. Before I formally ask you a question about Kickstart, I will get you to say hello to everybody and say two or three sentences about yourselves.

**Kevin Blacoe:** Good morning. I am head of partnership, nations and regions at Channel 4. Thank you for inviting me this morning.

Part of my remit is to look after what we call 4Skills, which is our training and development provision for the TV production sector and all the work that we do there. I am really happy to talk about that and other issues this morning.

**Richard Hamer:** Good morning. I am education and skills director at BAE Systems. BAE Systems is a defence and aerospace company with over 34,000 staff here in the UK, of whom over 2,000 are apprentices and over 400 are graduates. In total, we have over 3,000 young people in support, which is fantastic. I am responsible for our education outreach activities in schools and colleges. I am also responsible for our apprenticeship programmes, here in the UK and overseas.

Q44 **The Chair:** You may have heard in our previous session that there was quite a debate around Kickstart. We are keen to know how your organisations engage with Kickstart, how beneficial you think it has been, and what improvements, if you could, you would like to introduce to it. I then ask whether your organisation offers any other work experience opportunities to young people.

**Richard Hamer:** Yes, we are providing 31 Kickstart placements currently. We would like to do another cohort later in the year. Our initial feedback has been really positive. From what the business is telling us, the young people are all excellent. The benefit for us is that it is a good, diverse pipeline into our programmes, particularly our apprenticeship programmes. We have good expectations about high progression rates. We hope that they might be as high as 90% of that cohort into roles with us.

If it is possible, and I know that the CBI has called for it, we would like an extension to Kickstart so that it lasts another six months into next year. I certainly think that there will be continued youth unemployment, so it would be a good vehicle to take forward. We were hearing the earlier conversations around the visibility of programmes and the opportunities

for some more case studies around what happens and how it is going. We have already started discussions with the Department for Work and Pensions about doing a case study around our experience of Kickstart.

As regards other work experience, as with Tesco, we are involved with Movement to Work. We provide about 100 placements each year for Movement to Work. At the end of last year we moved on to a virtual basis with that. Typically, we provide work experience for 14 year-olds to 16 year-olds, again as a prime driver into our apprenticeship programmes. Typically, we have provided about 500 one-week programmes, but this year we are providing 600 one-week virtual programmes into BAE Systems.

We see work experience as absolutely crucial. It is a way of giving young people an experience of what engineering is like, what work is like, and an opportunity to meet apprentices and other people and ask questions face to face. We also use it as an opportunity almost like a pre-interview to see what they are like, and it also enables them to interview us, effectively, and see what we are like. I hope that is helpful.

**The Chair:** It is. I will come back to you with a supplementary in a second, but let us hear from Kevin.

**Kevin Blacoe:** We have not used Kickstart within our business at Channel 4. We run a variety of early career schemes. We run work experience. We have our own apprentices, usually in the region of 20 to 30 a year, within the business. Part of our model is working really closely with the production community across the UK. A lot of our support of the development of young people's work opportunities is in partnership with those independent production companies. A lot of our trainee schemes are done in partnership with them to provide opportunities to young people across the UK to get into TV production in the first place.

In the autumn of last year we looked at Kickstart when it was announced, to see whether it could fit in with the work we were already doing, and whether it would add value or further opportunities. From the perspective of Channel 4, and I think more broadly within the creative industries, it did not work for us at that particular time. We really welcome it and think it is an excellent intervention and the right sort of support, but at that point in time it added more complexity and challenge to the things that we were doing around apprenticeships and trainee schemes than it helped. We did not have the capacity to do more with it at that point. We will keep it under review as things develop—if it gets extended, et cetera—but it did not add to our portfolio at that point in time.

**The Chair:** If it had been different, would you have engaged with it? I suppose that we are looking for things that could be recommended that would make it more attractive to an organisation such as yours. You ruled it out. Can you say anything further to us about why you did that, or perhaps you would want to write it down?

**Kevin Blacoe:** The two reasons for us were, first, that last year was a bit of a transformative year for Channel 4, regardless of what happened in the external world. We had just moved to having our bases outside London for the first time. We were reviewing a lot of our work in the early career space. We were looking at how we could do things that had more impact and, in particular, supported diversity and inclusion within the TV and production sector.

With the pandemic, a lot of our schemes were paused or deferred for at least a while. When Kickstart came around, we were trying to figure out how to get those back up and running. Practically, there was a capacity question. We wanted to get going with our own apprenticeship schemes. We had the funding earmarked for this coming year. We wanted to get up and running with our production training schemes and we had the funding and the buy-in from our production partners to do that.

Being honest, it was partly a practical question of how we would have administered it and worked with that. We have had conversations with some of our partners and screen agencies across the UK, and some of the independent production companies that were also looking at it. There has been a mixed reaction. We really welcome the intention of it. Some of the challenge around the recruitment mechanisms for it were a little difficult at times, having to go through Jobcentre Plus and the universal credit element of it. As time develops, we could work out how to do that effectively. So I do not think it is a no. It was just a no at that point in time when we had other priorities.

**The Chair:** Richard, I said I would come back to you. I was intrigued to know a little more about the case study work that you are doing with DWP. We took evidence from DWP a little while ago. Is it a case study of things that are successful, or is it a case study of everything and all the things that have gone wrong as well? That is assuming something has gone wrong. Perhaps everything has gone wonderfully smoothly. What kind of case study report are you doing?

**Richard Hamer:** We want to focus on the experience of young people—what they have got out of it, what they are learning from it—and to reflect back what benefits we see from it. It is a human story about what the journey has been like for them, and for us. We see it as helpful for us to do, and also for DWP to be able to share what we do. We started a few of the 31 in March and a few in April. So it is early days, but we will be accumulating that evidence of what goes on, and we will put that into a story that we will be able to promote jointly.

Q45 **Baroness McIntosh of Hudnall:** I am slightly nervous that I might be straying on to somebody else's territory, but I want to ask this of Kevin: Channel 4 is a relatively small organisation in terms of the numbers it employs directly, but it has a very wide reach into smaller organisations and parts of the industry through the commissioning process—obviously you know this, but I want just to be clear that I have not made a mistake about that.

In the apprenticeships that Channel 4 is running, what range of skills are you broadly drawing people into, and how do you, if you do, support the smaller organisations that you commission to help them to develop the skills of their freelancers? The issue of apprenticeships and freelance workers is quite a difficult one to manage, I imagine.

**Kevin Blacoe:** Absolutely. You are spot on about the way our model works. Our staff base is around 900 to 950 people. Within 4Skills, our two flagship in-house apprenticeship schemes cover, generally, level 3 and level 4 apprenticeships, and all the different elements of our business work. That could be on the more creative side of the business, whether it is in our commissioning teams, marketing, digital teams, et cetera, or in our more operational work—finance, legal and business—and everything in between. We welcomed a new cohort of apprentices into the business a couple of weeks ago. They are based in our new office in Leeds, and in Manchester. We will have another cohort later this autumn. We should have around 40 to 50 apprentices by the end of the year. That is within a total staff of 900 to 950.

As you say, with our public service remit and the way our model works in working really closely with the independent production community, a lot of our impact should be through our partners. So what sits alongside our in-house apprentices is our production training scheme. This is our flagship opportunity for people to get into TV production in the first place. We work closely with independent production companies across the UK. We provide the recruitment and training, and support the wages up to 50%, of all the people we place at indies.

Again, we paused and deferred that scheme for a little bit of last year. Normally it would have begun in the autumn but, due to the challenges around the production sector and getting things up and going again, we are now at the end of that recruitment and looking forward to bringing in those trainees in May. That will be 15 people across the UK. For the first time we are doing it all outside London, which fits with our strategic push.

**Baroness McIntosh of Hudnall:** I am sorry, did you say 15 or 50?

**Kevin Blacoe:** Fifteen. We are beginning with 15 and we will do another cohort towards the end of this year. So we will probably have around 30 to 40 trainees working with independent production companies.

Q46 **The Lord Bishop of Derby:** Thank you so much for being with us. I want to extend the conversation that Baroness McIntosh so helpfully began to open up around apprenticeships. I would ask both of you the extent to which you consider your traineeships and/or apprenticeships as a valuable tool for the recruitment specifically of young people. You have touched a little, Kevin, on how Covid impacted your apprenticeship programme. You might want to expand on that a little. I will give the opportunity for Richard to respond to that, too.

In the light of this past year, how do you feel the apprenticeship policy

could be improved into the future for the recruitment and retention of young people?

**Richard Hamer:** BAE Systems has over 2,000 apprentices in training. Their purpose and their benefit to us is about meeting future skills needs, and, in particular, science, technology, engineering and maths skills needs. They range from levels 2 to 7, and of those roughly two-thirds are at level 3—A-level equivalent—and one-third are higher-level and degree apprentices.

On your question about age, 75% of the intake are under 25. For us, the great majority are young people starting with us. It is absolutely essential for us. There are lots of complex skills—software systems, nuclear skills, data analysis—which the witness from Tesco mentioned. We struggle to recruit older experienced people, so we know that we need to develop that capability early.

It works for us. We also know it works for young people. It is a great progression route for them. An apprenticeship model that is built around knowledge, skills and behaviours means that it is a passage—a journey—into those kinds of social skills: again, some of the themes were talked about before. They support young people and they also support us.

We did not have breaks with Covid. Last year we took on a record 750 apprentices, and this year we are planning to take on 850. That is aligned to work requirements. We have worked very closely with providers and our internal capability to ensure that we have sustained that capability.

As regards improvements to apprenticeships, we are working with the Institute for Apprenticeships and Technical Education. It is reviewing engineering and manufacturing apprenticeships, so we are looking across the board—not just BAE Systems but the MoD, GKN Airbus and SMEs—at how we deliver those, and we are looking to the digital skills and green skills that we know will need to be included to meet our needs in the short and longer term.

There are always things, to be honest, that can be done to improve. Companies in the SME sector—small companies—often struggle more than us, the big companies. When we design apprenticeships, it is critical to think about what their requirements are, as well as what BAE Systems or the Royal Air Force, or whatever, might want. I know that the Government and DfE have done more, but they need to provide more support to small companies, both with applying for and setting up apprenticeships, and how to deliver them. More could be done through the DfE and ESFA to help smaller companies. Those are some suggestions from me.

I was one of the chairs of the adventure Trailblazer group. We have created over 20 apprenticeship programmes. We deliver over 50 and use other schemes—project management, and so on—that we have created. They are essential to us and we are fundamentally committed to making

them work for us, for other companies, and for young people, too. I hope that helps.

**The Lord Bishop of Derby:** What percentage of the 750 to 800 apprentices starting annually would you expect to move into permanent posts with you? Do you support those whom you do not employ into other employment? What is that succession/success rate?

**Richard Hamer:** Our completion rate for the programme last year was 93%. Typically, the people who do not complete leave in the first year. It might be that they needed a bit of persuasion by mum and dad to do it something that was not quite what they really wanted.

Of those who complete, it is almost unheard of for us not to take them into a full-time role. A level 3 programme costs us over £100,000 to deliver and a higher/degree apprenticeship over £150,000. So it would be a poor investment if we did not then transfer those. From our experience of the businesses, they see the investment as a fantastic vehicle for developing the talent that we need. In the last five to seven years we have gone from 1,000 to 2,000. Within five years we will have over 3,000 apprentices in training. That is reflective of the fact that the businesses see that the model works and is providing us with the skills that we need. It is a very high progression rate.

**The Lord Bishop of Derby:** Kevin, may I come to you with that range of questions that Richard has just answered for us?

**Kevin Blacoe:** The vast majority of participants on our apprenticeship schemes and training schemes are young people aged 18 to 25. I do not have the exact figures, but it is the large majority. They are not aimed intentionally at young people. Some of our best candidates have come from a different career path, and are older, and they provide a really interesting insight and contribution, whether they are working with us or working at one of our production partners. We really welcome that.

For us and our early career support, the biggest thing is diversity and inclusion, and trying to cast the net as wide as possible to make the opportunities, whether that is working directly with Channel 4 or one of our indies, feel accessible and relevant and meaningful to people from all different walks of life and backgrounds.

For us that is about having more BAME representation, more disabled representation, and having a focus on socioeconomic disadvantage, within those schemes and within the sector. These are all very much identified as challenges for the TV sector overall. We believe that the schemes are not the solution but one part of the solution to help address those. For us that is a really key part—more so than age, probably—in trying to address some of the challenges within TV production.

As regards improvements to the apprenticeship model, we really welcome the announcement today—it is really timely—around the more flexible approach to apprenticeships. For the creative sector overall the way in

which the freelance landscape works with short-term contracts is not always conducive to having an apprenticeship with one standard employer. Being able to work in a slightly more flexible way is really welcome. I know that ScreenSkills is piloting ways in which that could work, and we look forward to working with it on that. It broadens the opportunities and allows, less so Channel 4 but more the people we work with and partner with, to be able to take advantage of the apprenticeship funding.

**The Lord Bishop of Derby:** That is really interesting, Kevin, particularly that final reflection about how the introduction of the flexibility of approach to apprenticeship can help different sectors of the industry and those smaller and independent organisations. Thank you both. That was a really helpful reflection.

Q47 **Lord Davies of Oldham:** First, I have a comment on an experience I had a few years ago. I went to see a group of young aspirant engineers, most of them on apprenticeships, being taught under the auspices of a further education college. To my absolute amazement, there was only one young woman in a group of 29 or 30 men. Electronic engineering was being taught, and that is overwhelmingly concerned with the support services for a great deal of the hugely expanding and exciting aspects of our communications, television and radio and so on. It became clear that what had not been overcome was massive local prejudice among young women against engineering.

That leads me on to my first question. I appreciate the fact that Kickstart is a relatively more recent development, and we have a long way to go with that, but how do we get over instinctive prejudices that persist among schoolchildren if those who are presenting the opportunities are not closely related to the schools, to get past what I think is a problem in schools of concentrating overwhelmingly on the academic and not thinking that the skills/technology dimension is important to the country at all?

**Richard Hamer:** Diversity and gender diversity has been a long-running problem in the engineering sector. At BAE Systems a quarter of our intake last year was female. We want to do better, but it is an awful lot better than the average for the sector, where still fewer than 10% of the engineering apprenticeships are female. We got to 25% after having worked on it for 10 years, where the wider sector was about 5%. I think that the way to do it is through using female role models, getting young female apprentices to go back to their own schools and to talk about their own experiences and be questioned by them.

Work experience is also absolutely crucial. I mentioned earlier that we have about 600 work experience placements this year. Those will be 50:50 for male and female work experience pupils. We need to engage young people early in school. Our education approach goes right back into primary. We are working with the Royal Air Force and Royal Navy on a schools roadshow. It has been suspended in the current year because of Covid, but we are doing a different programme with them called

Coding Success. We need to go right back to primary to change hearts and minds around gender stereotyping with careers. We are at 25% now, but we are aiming to do better than that. We have a range of initiatives designed to improve what we do.

**Kevin Blacoe:** From an engineering point of view, that is a different sector, but I think that the theme is relevant to the creative industry as well, where there are perceptions and stereotypes about what a career in a creative industry is and is not.

I absolutely echo Richard's point that the best way to address those is to have young people who have just gone through whether it is an apprenticeship scheme or a training scheme to go back and talk about their experience, and to be able to say compellingly what it was like for them, and for young people at secondary school and younger to see examples of people who come from their community and from their local region.

I remember reading a piece of research a few years ago that, once you get beyond the age of 25, young people stop listening to you because you are no longer relevant to their lives. Hearing from people who are just a couple of rungs ahead of you in career development is much more powerful. We would like to do more of that. We are putting in place plans, initially in Leeds and our new national HQ, to work with the local education sector to help show that broadcasting, and all the different career options within it, are relevant and accessible, and also interesting and rewarding careers to get into, and can provide a long-lasting career within that region, without the need necessarily to move to London, or elsewhere, to have a productive career.

**Lord Davies of Oldham:** Thank you very much indeed for both those replies. Richard, of course, represents one of the most significant industries in the country, with its emphasis upon training and enhancement of skills. Of course, what we have not touched upon yet this morning to any great extent is the new skills that will be needed so much more in the fairly near future. Nor have we talked about participation in other areas. I expect that to be broad as well, particularly, as you rightly say, women competing with men in certain industries.

The other aspect of course in our present crisis is the most appalling statistic that black youngsters are three times more likely to be unemployed than white. That is a challenge for us all.

**The Chair:** Thank you. Let us go to Lord Clarke.

Q48 **Lord Clarke of Nottingham:** Your companies are probably two of the leading companies in this field in the country, because you are so dependent on the skills you have. What level of demand is there for your apprenticeships? Do you find that among school leavers and those leaving universities and colleges you have young people flooding to you trying to get taken on for an apprenticeship, and what proportion of those

who apply to you for an apprenticeship are you able to enrol?

**Richard Hamer:** Last year we had 10,500 applications for the 750 opportunities we had. So we do get a positive response. We find for a lot of the level 3 apprenticeships the interest is more local. For the degree and higher apprenticeships we get national applications. Where we have had long historical links—in Barrow or around Preston—we find that the community recognises the quality of the programmes and what they are, so there is a strong demand for our opportunities.

**Kevin Blacoe:** As a Prestonian, I absolutely echo what Richard said: the BAE apprenticeships in Preston are a core part of the community.

We had 1,300 apprenticeship scheme applications for the 13 roles across our Leeds and Manchester bases. For the production training scheme, which is coming to the end of its recruitment, we have been doing our final offers literally this week, and we had just shy of 6,000 applications for 15 vacancies across the UK.

So the demand is there. It is a real challenge, because there are so many amazing applicants. You want to be able to do more for those people who apply. We are really conscious of how we work with the people who have been through that process and support them, because the vast majority of them are not successful in that end goal. It is a real challenge.

**The Chair:** May I bring in the Lord Bishop of Derby at this point to ask a question?

**The Lord Bishop of Derby:** This is for both of you. If you were able to take on those thousands of people who wanted apprenticeships, would there be good-quality sustainable work for them in your industries, if they were able to gain apprenticeships that skilled them for those jobs?

**Richard Hamer:** We would not be able to offer more apprenticeships than we are. Literally, we have 2,000 out of our 34,000 UK employees and we have 400-plus graduates. An apprenticeship has to be rooted in a real job. There has to be real work available. The numbers that we recruit are aligned to meaningful work and the quality supervision that we can provide. A point was made earlier about making sure you have the right people supervising young people to provide that development experience. It is a question of available work and the right people to provide the experiences to ensure people can complete their apprenticeship standard. If we just took on large numbers, I do not think they would achieve—

**The Lord Bishop of Derby:** No, I understand that. Perhaps that was a slightly unfair question about you specifically taking on all those people applying for apprenticeships. Are there simply not enough jobs in the industry for an apprenticeship to lead to? The question is: if we have that many more people applying for apprenticeships than there are places on apprenticeships, is it simply that there will not be that many jobs in the industry and that therefore it is unrealistic for that many people to be applying for apprenticeships in that industry, or is it that there are not the mechanisms, as you have described, Richard, for good-quality

apprenticeships at the moment? That is an extraordinary ratio of applicants to places. Is that therefore just an unrealistic number of people applying and there simply will never be that number of jobs, or is it that there is a shortfall in good-quality apprenticeship provision, and people would be able to get jobs later on?

**Richard Hamer:** There probably is a shortage of apprenticeship opportunities. The UK probably needs to grow numbers back, if we look at the mass apprenticeship programmes that we had before the 1980s. That will take time. Successive Governments have put a lot of focus on this. We have seen the numbers grow. If you look at our figures, you see that people will not be applying only to BAE Systems. They will be applying to other competitors. If you looked at Cumbria and Barrow, people would also be applying to Sellafield, or to GSK, and various other people around as well. They may not get a job with BAE Systems, but they will get a job elsewhere, or they will get a job in the supply chain.

There will still be some who do not get jobs. I know that and I am still agreeing with you that we could do more to support the wider range. I know that there have been initiatives. We have provided the oversupply of candidates to Enginuity—the former Sector Skills Council—for it to link into SMEs. They often struggle to recruit the apprentices that they need, often because they do not have the brand awareness that the big companies have, be it Channel 4, ourselves, Tesco or Compass. As big companies we try to support the supply chain, and to work with them through our representative bodies and the supply chain organisations, but it is a challenge. As for things such as National Apprenticeship Week, Big Bang, World Skills, there are lots of things we can do to try to enthuse not just young people but employers and parents around the value of apprenticeships.

**The Chair:** May we go back to Lord Clarke as we were part way through? I have Lord Layard wanting to come in with a supplementary after that.

**Lord Clarke of Nottingham:** I would make a comment on the Lord Bishop of Derby's intervention. We are dealing with two companies that are the cream of the cream among the very top providers of apprenticeships. Applying for an apprenticeship at Rolls-Royce in Derby, in our own part of the world, the east Midlands, is rather like applying for a place at an elite university. It is hugely competitive.

**The Lord Bishop of Derby:** Quite right, Lord Clarke, yes.

**Lord Clarke of Nottingham:** Going back to Richard in particular, you are very dependent on the skills being kept up in the suppliers. How far do you try to divert these applicants into looking for the same opportunities with your key suppliers? How far do you give actual assistance to your suppliers, which are smaller companies and are probably desperately trying to catch you up, or get somewhere near your standards in providing apprenticeships?

**Richard Hamer:** In the past, through the employability skills initiative, we overtrained—we took more apprentices than we needed, and we trained them directly for the supply chain. That initiative stopped, so we were not able to continue with that. Rolls-Royce was part of the same initiative at the same time. We were doing it jointly through that programme. We have in the past with Enginuity provided the details of apprentices through to the supply chain. In fact, we have done more than that. With that work with Enginuity, with the agreement of the candidates, we provided evidence of their success. When a small company got a reference through, they also learned that the candidate had met our threshold and that we would have taken them on. Often smaller companies do not have people such as me in HR, or whatever, to help inform their decisions on recruitment. The engineering manager might also do recruitment on a Friday afternoon, or something, as part of their job. So if we can help with the HR-type work, that is of assistance, too.

We run outreach activities. Again, we work with the Royal Air Force and the Royal Navy; and that is as much, to be honest, for the wider supply chain as it is for us, because we know that they struggle in their promotional activity. We go into places that we do not need to go into, but we do it because the Royal Air Force, Royal Navy and BAE Systems believe that we should, to promote careers in defence, aerospace and maritime to help raise that visibility. There are initiatives such as the STEM Ambassador programme. We participate in that with a BAE Systems brand on, but we are also doing it as a representative of the engineering sector. It makes connections with schools and with other companies locally. Again, we work with the Careers & Enterprise Company in Blackpool and things such as that. We are doing that as part of the engineering family rather than purely in terms of BAE Systems. Is that helpful?

**Lord Clarke of Nottingham:** That is very helpful. You are one of the leading companies in the field. What do you think caused your suppliers to get out of the apprenticeship training role that they would have taken as normal 30 years ago? Steadily through the 1980s, 1990s and 2000s firms decided to get their skilled people from the people who had been trained by other employers. The same companies that complain of skills shortages say that they are not going to train people: it is too expensive and difficult. Why do you think we have seen that drift? You touched upon it and I think that is very true.

**Richard Hamer:** I would not say it is necessarily true that our suppliers have got out of the habit of doing apprenticeships. I was referring in general to the wider companies. In the engineering sector, we always recognised that we had to do apprenticeships because there was not the run-across by curriculum topic. Most of our suppliers, like BAE Systems, have continued do it. They have probably struggled a bit more than us because of the brand.

I go back to your question about the wider industry and why it has pulled away from vocational. I think it is quite a complex answer. Wider society valued higher education more than vocational education. There were political signals around targets of 50%, and things such as that. There was probably a dilution of the quality of the training, so I think young people got messages, and some were put off, sometimes quite rightly, about it not being as good as other things. Perhaps we as employers did not do enough to promote apprenticeships and vocational education.

I want to be positive. I think that we are in a better place and, as a result of efforts by successive Governments, apprenticeships are now regarded more highly than they have been for many years. Certainly, we are seeing very positive responses. Having 70,000 or so young people going to World Skills is astonishing. The breadth of apprenticeships that we now have, level 2 to level 7, means there is a whole range of opportunities.

I think that other companies and sectors such as media, TV, accountancy, medicine and the law offering apprenticeships has helped to change perceptions and minds. The cost of higher education now being more than £50,000 typically for an undergraduate degree and the uncertain outcome of doing a traditional university degree have reinforced the value and return on investment of young people doing an apprenticeship. So there are lots of reasons to be positive as well as reasons for concern.

**Lord Clarke of Nottingham:** I do not want to take up too much time, so I will just take up one other point with the witnesses. Lord Hall talked about relationships with the education system generally. No one has really talked about further education so far and further education colleges. How far do our two witnesses engage with further education colleges? What part do further education colleges play in providing training to their apprentices, and so on? Are the standards and funding of FE colleges sufficient to enable them to make a proper contribution?

**Kevin Blacoe:** We have historically fairly limited engagement with FE. Since we have moved into our new bases in Leeds, Glasgow and Bristol, we have tried to develop relationships with the colleges in those particular sectors. There is a real opportunity to build that and have them be more of a pipeline into the schemes that we run, and to make that a mutually beneficial relationship. They probably have limited impact at the moment in the work they are doing in relation to our schemes, but it is an area that we want to do more of in the future as it just feels like a natural opportunity to work in partnership.

**Lord Clarke of Nottingham:** Do you find them very responsive? Are they prepared to let you influence what they are going to provide for you if they do?

**Kevin Blacoe:** Yes, they are. We are a little fortunate in west Yorkshire because Channel 4 as a brand, as was touched on before, can bring people to the table. We are working with Screen Yorkshire—the screen sector agency in Yorkshire—which has set up a forum of FE colleges for

the region. We regularly go to that and talk about both the skills needs and the opportunities that we have. It talks about the development of what it is doing in training and skills with its students. We are trying to match those up much more closely, so that what it is doing on the development and education side can feed directly into the launch of our new cohort of production trainees or opportunities for work placements and experience. That relationship did not exist two years ago. It is still very early days, but we think it is really valuable in achieving our recruitment and diversity aims.

**Richard Hamer:** The relationship with the further education colleges and private providers—we are an employer-provider ourselves—is absolutely critical. Our relationship with Blackpool and The Fylde College in Preston and Furness College in Barrow is a long-term relationship. We need to invest in their skills and they need to understand us. It is a critical relationship around the design of the programme and a dialogue around the performance of the students, the apprentices themselves. We want them to be open and to talk to us, and, vice versa, we want to be able to share our requirements.

That close partnership is absolutely essential to the success of apprenticeship programmes. I would applaud the qualities and strengths of the partners we have had. I think that FE at times—and this is behind your question really—has been a bit of a Cinderella, and I think has suffered in reviews and changes and whatever. I think there is a willingness to see that change from the language we are seeing in the FE White Paper.

**Lord Clarke of Nottingham:** We have been saying it for 40 years.

**Kevin Blacoe:** It needs to happen, but I think the FE colleges, the private providing agencies and the GTAs are a critical motor to underpin vocational skills, and we need to cherish and to strengthen capability in the FE sector to underpin apprenticeships. It is absolutely vital. I would reach out and thank our providers for giving a good service to us. We know that we need to work closely with them, Lord Clarke, to make it a successful relationship.

**Lord Clarke of Nottingham:** I am conscious of the time. A lot of my other points have been touched on by other people. Thank you very much.

**The Chair:** I have supplementaries from Lord Layard and Lord Baker.

**Lord Layard:** I wanted to pursue the question of the number of apprenticeships raised by Lord Clarke. It is clear that the problem is the shortage of supply of apprenticeships from employers rather than a shortage of demand from young people. I would love to know what our witnesses think about how the Government could promote more apprenticeship places. Is it a matter of better financial incentives, which would include getting big employers to overtrain, as I think they do in Germany, for example, or is it a problem of organisation—that nobody is

out there in the field drumming up support? What should the Government be doing to promote an expansion in the number of apprenticeships?

**Kevin Blacoe:** From a creative sector perspective, there has always been much more demand than there is supply and availability. I read the stats about our current scheme, and Covid has not exaggerated or accelerated them. There has always been a huge amount of demand to find those entry-level opportunities.

As regards what the Government could do, it is a tricky challenge. It is probably about working in partnership with industry in those different sectors. The changes to policy—the stuff that has been talked about today and announced—are one step in allowing more of that supply to be realised and therefore more apprenticeship opportunities to be delivered in different ways and different formats, which then addresses that supply shortage.

It is incumbent upon Channel 4 and other broadcasters and members of the sector to talk with a bit more of a joined-up voice. When we are engaging with young people who are part of those application processes and looking at apprenticeship schemes, that should not just be Channel 4, but we should try to do things in a joined-up way with the BBC, or with regional and local partners and other organisations, so that people are aware and have the ability to develop opportunities within the broader sector, rather than it being all in this one opportunity that I have heard of. So it would be really welcome to do more of that across the board.

**Richard Hamer:** To build on the comments of Kevin and others, one aspect of creating the opportunities is to do more work through promotion, for example, by government advertising around what the opportunities and benefits are. This would be promotion aimed at the business sector and at small companies. I think that it is also incumbent on us as large companies to reach out to the supply chain and to help that promotional effort.

The second thing is around flexibilities. Again, we talked about it a little earlier with Channel 4, Tesco and Compass. Looking a bit more at how overtraining and perhaps some partner activities might work might be a good thing. I mentioned ourselves, Rolls-Royce, Airbus and GKN using employability skills. Looking back at things like that and making them work might be a good way forward.

The last thing is around support for small companies, SMEs in particular. I understand that there are lots of pressures on government funding and support, but there is probably less help than there was in the past to help small companies in how they set up and deliver apprenticeships. We should be putting an arm around them and giving them more help. BAE Systems is very fortunate in that it has people such as me and HR professionals managing apprenticeships and supporting our engineering and manufacturing colleagues to deliver them. Small companies probably do not have people who are specialists to help them. If more could be done to help smaller companies, that might be part of the answer.

**The Chair:** Lord Baker.

**Lord Baker of Dorking:** I will ask my question after Baroness Clark.

**The Chair:** Let us go then to Baroness Clark.

Q49 **Baroness Clark of Kilwinning:** The skills White Paper sets out a vision of a greater role for employers in the design of technical courses such as T-levels. How will your organisation seek to work with the Government to achieve the development of practical courses that meet your needs and, indeed, the needs of your sector more widely?

**Richard Hamer:** We have always worked closely with the Department for Education and education providers. With T-levels, in the same way we have with the new apprenticeship standards, we will work with IfATE and whatever, and we will liaise with smaller companies to ensure that we seek their feedback.

With the engineering T-level we have been working as a sector in aerospace and maritime, and liaising with our professional engineering bodies and the Royal Academy of Engineering on the design of the T-level. We have also been looking at the industrial placement as part of that. We have already done some pilot work with Blackpool and The Fylde College and had an initial conversation with Furness, too, around how we can make that work for us, and for other companies. It is 45 days—it is a long time, a lot more than normal work experience: how can we ensure that it represents good value for us? In fact, last year we utilised some of our apprentices to get them to think about what that might look like.

We want tangibly to get involved because we know that it is essential that we inform the curriculum that we require and do it in a way that is practical for us. Again, for four years I chaired the aerospace Trailblazer group. We are actively seeking to influence the design because we know that it is in our interests to do so, and, equally, to reach out to our own supply chain, and the group training agencies, to ensure that we take the feedback from them about what they think they need to see in apprenticeship standards or in T-levels. I hope that helps.

**Baroness Clark of Kilwinning:** Kevin, is there anything you can say from your perspective?

**Kevin Blacoe:** It is a little more arm's length for us in regard to T-levels, given the focus that they have. It comes down more to our work with our partners. We talked briefly about FE, but some of the industry stakeholders lead in those areas. We are a partner with ScreenSkills, which is the skills agency for TV production, on how it will engage with the areas and focus on things such as the different craft skills that are part of TV production and often get overlooked. I guess that is how we would engage with that debate, because it is a little more distant from the types of recruitment for our apprentices that we would do.

**Baroness Clark of Kilwinning:** Picking up on that, how particular are the skills in each of the sectors in comparison with those in wider sectors,

and how can that be factored into the design of courses?

**Richard Hamer:** In engineering we have very specific skills. When we developed the apprenticeship standards, we looked at knowledge, skills and behaviours. As partner employers, we have also worked with the engineering profession—the Engineering Council—on what sits within UK-SPEC, which is its definition of professional competence at different levels. We have worked with education providers.

We look very much to what our requirements are in the current frame, and we also look to the future. We have been doing work around digital skills—the particular skills that we have now, and the ones that we see for the future, and for green and for net zero. There is a whole range—electrification, autonomy, cyber, data analysis and big data, as was mentioned by Tesco earlier. There is a whole range of things that we know reflect into it.

I mentioned a bit earlier that we are working with the Institute for Apprenticeships and Technical Education—IfATE—on a review of all our engineering and manufacturing standards. Drawing in those points around digital and green will be absolutely essential to make them relevant for the near and future term.

**Baroness Clark of Kilwinning:** Kevin, is there anything that you want to add?

**Kevin Blacoe:** A focus on digital and green is really important and it cuts across a lot of the areas that we look at. We also work with organisations such as the National Film and Television School, which gets into the nuts and bolts of TV production—some of the craft skills, set design, lighting, those sorts of things—where we support and help shape what they are doing, but they are the practitioners and they know those areas really well. It comes back to having that really strong dialogue as a sector and with the education part of things as well and with Government too. It is about trying to speak with one voice and get as much as possible on the same page.

Q50 **Lord Baker of Dorking:** Richard, as you know, I am very familiar with your scheme. It is one of the best in the country and universities and technical colleges provide you with lots of higher apprentices at 18. Could you remind the other Peers how much you pay a higher apprentice at 18, please?

**Richard Hamer:** When they join us, typically, it starts at about £17,000. Equally, we have programmes that pay over £20,000 on starting. We look at the local communities and decide what the appropriate market rate is for that community. It is a very good starting salary at over £17,000 for a young person.

**Lord Baker of Dorking:** I do not think that people are generally aware of what apprentices can earn at 18. In fact, some of the car companies pay over £20,000. The Navy pays to 18 year-old apprentices £32,500 a year, which is more than a graduate gets after three years. In the way of

promoting apprenticeships, I do not think these figures are generally known at all. It is the same I imagine with Kevin. What do you pay your apprentices, Kevin, at 18?

**Kevin Blacoe:** Outside London I think the starting salary is £19,000.

**Lord Baker of Dorking:** There you are, you see. Those are very high figures.

Richard, you said that 75% of your levy is spent on under-25s. That means 25% is spent on 30 year-olds, 40 year-olds and 50 year-olds, your senior managers. In the past, they were never recorded as apprentices. Apprentices are up to 25. In the past, you would have paid for those from ordinary expenses for managerial development, which you are now charging against the levy. Some people have said that some companies, perhaps not yours, are paying very high expenses on management courses for 40 and 50 year-olds. Should you not bear that cost yourself rather than charge it to the levy? Should the levy not be much more focused upon under-25s?

**Richard Hamer:** I agree, Lord Baker. In fact, the great bulk of the 25% who are over 25 are not management but people joining us externally—and, usually, they are being retrained. In aircraft maintenance, it is a person in their early 40s or whatever, who may have worked in a garage but has always wanted to work on fast jets, who applies and gets an aircraft maintenance apprenticeship. The Government would not be paying £22,000, or whatever the standard value is, for that person. It would be less than that because we would be accrediting their prior learning, so that, rather than doing a full apprenticeship, they would do a shorter one.

We drew down £8 million from the levy last year. We spent over £100 million on education and skills in the UK. We see it as our responsibility to develop our own staff, and we invest in it and are passionate about that. For our apprentices and graduates, we spent more than £50 million in investing in academies of skills and knowledge, at Preston and Barrow and things like that. We see our responsibility as not just to the workforce but to apprentices, and to young people, too.

**Lord Baker of Dorking:** I think that is very encouraging. You set the standard.

Kevin, you mentioned T-levels and the new exams at 18, which you are going to watch very closely. Are you aware that if you take on a T-level student at school you have to provide 45 days of work experience in your business? Will you do that to many people?

**Kevin Blacoe:** I was not aware of that, no. I am not as across T-levels as I should be. We would consider that work experience and providing those career opportunities within the business is an area where we have not done particularly well in the past, I would say, and we want to do

more of it, whether that is in relation to T-levels or other parts of career engagement and work opportunities for young people still in education.

**Lord Baker of Dorking:** I want colleagues to be aware of the fact that when it comes to T-levels it is very demanding—even Richard is nodding. Even for a company such as British Aerospace, it is very difficult to think of 45 regular days of work experience per person you take on. It is probably too ambitious.

Anyway, thank you both very much; that is all. I think you have both informed us very well indeed. Thank you very much indeed. And congratulations, Richard: you are an exemplar.

Q51 **Lord Woolley of Woodford:** Good afternoon, gentlemen. I am particularly encouraged, Richard, by your enthusiasm for Kickstart, particularly the 90% plus transition from Kickstart to apprenticeships, and, Kevin, by your drive for diversity.

Richard, I am particularly keen to hear your answers, because in 30 minutes I am having a conversation with the Lewis Hamilton Commission about engineering in Formula 1, along with the Royal Academy for Engineering. I want to give a backdrop really for why we are having this conversation.

The pandemic has been particularly harsh for young people, and even more so for young black people. As Lord Davies said, young black people are at 40% unemployment, while the average is 13%. How do your organisations engage with young people generally, particularly those from disadvantaged or hard-to-reach backgrounds, to encourage those with relevant skills to come forward and apply?

**Kevin Blacoe:** As I mentioned before, it is an absolute priority for us across Channel 4, not just in the early career space but in everything we do, off screen and on screen.

As regards engaging with young people from diverse communities, there is not just one way of doing it that works. I think it needs to be multiple methods, all the time. For us, it is a lot about working really closely in partnership with organisations that have much stronger links to the sorts of communities that we want to try to encourage to apply for our production training schemes and our apprenticeship schemes. As part of the recruitment process we have done a lot of outreach working with some of those local organisations, whether that is in Leeds or around our other bases, using different channels, whether that is social media channels or asking our partners to use their own channels. There is a lot about the outreach side of it.

The other part is going back to representation and young people being able to see people a little bit older than them from their own background or community, or representing their way of life, or their location. You can break that down by location. You could also look at things such as the split between rural and urban people working within the TV sector,

gender, disability, and, in particular, ethnicity, where we think we have huge strides to make.

The other area that is really key is a joined-up approach with the rest of the business. It is not just saying, "In the early careers space, focus your recruitment and outreach activities on how you engage with communities that are not engaging with us." It is about how we do that throughout the rest of our commissioning and recruitment processes, so that we can bring a really diverse cohort of young people into our training schemes. If they do not have anywhere to go as a next step in their careers, you are perhaps exacerbating the problem.

For us, the other bit is about ensuring that it is a challenge owned by the business as a whole, as opposed to just parking it and saying that you need to bring more people from diverse backgrounds into the sector in the first place.

**Lord Woolley of Woodford:** Thank you, Kevin. Richard, what do I tell the Lewis Hamilton Commission?

**Richard Hamer:** From an ethnic minority perspective, because of our geographical footprint, Lord Woolley, it is more difficult. Half of our recruitment of apprentices is into Barrow-in-Furness, and fewer than 2% of the population within the travel time there are non-white. If we look at our intake last year, we see that 5% were from ethnic minorities. However, if you look at it another way, from social mobility and young people who are disadvantaged, we work very closely with the Prince's Trust and with Movement to Work, and, again, because of our geographical footprint, be it in Barrow or around Blackpool, in Glasgow or in Portsmouth, we want to support our local communities, and we do that very actively. Because, as I mentioned, two-thirds of our apprenticeships are at level 3 and some level 2, we have strong access routes. In 2019—we do not have all the figures confirmed for 2020—just under one-third of our English apprentice cohort came from the most disadvantaged postcodes by their home recruitment in England. I am using the indices of deprivation.

How do we reach out to them? Again, as Kevin was saying, and Tesco and Compass, by working with voluntary sector groups such as the Prince's Trust, working with Jobcentre Plus and working with schools, we can reach out to them. I have seen myself, and as the guy from Compass was saying, young people may have expectations about the Movement to Work programme and think, "We are not going to get into BAE Systems". When they do a work placement with Movement to Work, it is typically a month, and in the virtual environment we have condensed it to two weeks. When they are working for a month, they really get under the skin and understand what work is like. They grow in confidence and we see a huge change in those young people. There is also the opportunity to test them. Effectively, it is an extended interview. We put a different lens over the assessment of those young people from one we would use for someone ordinarily applying to BAE Systems, which gives them more support.

**Lord Woolley of Woodford:** For young black people it is not a good picture.

The second part of the question for both of you is: at what level are disadvantaged young people, particularly black people, coming into apprenticeships? The data shows that it is often at a low level, 1, 2 or 3, and not the higher level. First, is that true? Secondly, do either of you have any programmes that recognise the deficit and proactively try to transform it?

**Kevin Blacoe:** Our apprenticeship and our trainee schemes generally have a good representation within them. I do not think our challenges are as significant as the ones that Richard has outlined. Generally we find, for instance, for our current production trainee scheme, around two-thirds of those are from BAME backgrounds—

**Lord Woolley of Woodford:** Hold on for a second, because this is really important. You have used a number of times the BAME acronym—black and minority ethnic. That is fine, but I would prefer it if it was black, Asian and minority ethnic rather than the acronym. But it is also important to drill down on whether there are big deficits within that. Normally Pakistani, Bangladeshi, African-Caribbean are very low, and that catch-all does not tell the true picture.

**Kevin Blacoe:** Apologies for fairly sloppy terminology on my part. You are right, it does not capture the true picture, and when you drill down into certain categories, representation within those categories is much less. Recruiting young black men in particular is a real challenge within TV production. When you are also talking about relatively small numbers of people for the production trainee scheme that we run, it becomes a question of one or two decisions going different ways in recruitment that can make quite big differences. We are trying to do these schemes that support diversity across the board. It is not where it needs to be. It is a challenge, but I think we are addressing it, and trying to work on it as much as possible.

We are doing a lot of work at the moment with the Lenny Henry institute on the broader issues around representation within TV production. We are working with them and our colleagues in commissioning on how we can introduce some new programmes on the training and skills side that are part of that overall work that is more focused specifically on black people and their opportunities, and how we can address the barriers for them to have a sustainable career within TV production. That work is ongoing at the moment.

**Richard Hamer:** Apprentice recruitment by its nature, particularly at level 2 and 3, is still local and regional. We take a regional approach to that. That means addressing the communities that we have locally. I know that our sites are working with community elders. For example, in Preston we are reaching out and targeting our work experience on underrepresented groups, using role models from those communities to connect with that. Last year, in National Apprenticeship Week we did

some radio advertising, and a young Asian woman—I know she was not black, but that was because we were targeting trying to improve what we were doing in Preston—went on Asian Network radio to reach out to young people, the mums and whatever, around that.

So our sites are doing specific things. I mentioned that we put on a schools roadshow. That is challenging, and it is about using theatre and stories. We take that beyond our immediate regional footprints. We take it into London and into Birmingham because the Royal Air Force and the Royal Navy have challenges in the same way as we do. Part of the reason we are doing that is to challenge views around the defence sector and suitability of employment.

As regards the recruitment process, this year we are making changes to ensure that the process is open and fair, and in the training of the supervisors and the line managers doing the interviews they are made aware of unconscious bias and those sorts of things. We are also improving the training that we are providing to our own staff to do this.

We want to grow the funnel and raise visibility. We are conscious of the fact that BAE Systems, being a defence and aerospace company, does not market to the public. I was at BT before and it marketed to all of us. BAE System's marketing is to government. When we first started doing that research around 10 years ago, we were aware that of the community going to school near Blackburn 98% was Asian, and they did not know that BAE Systems existed, even though they drove past our big site in Blackburn. We have done a lot of work in work experience and reaching out to communities and whatever. We need to do more of that, more consistently, and change hearts and minds, and raise the visibility of us as a sector.

**Lord Woolley of Woodford:** As Lord Clarke quite rightly said, these two companies are ahead of the curve, but if they are so poor in this area and they are ahead of the curve, what does that say about the challenge that we are confronting?

**The Chair:** Richard or Kevin, do you have any final remarks that you would like to make, because that is the end of our formal questioning? Is there anything, Kevin, you would like to add?

**Kevin Blacoe:** No, other than to say thank you for the opportunity to talk about the work that we do here. I am happy to continue that dialogue. I think that final conversation is the one that we are having all the time at the moment and is the area that we recognise that we need to do more in. We are ahead of the curve, but you are right, Lord Woolley, that it is not sufficient at the moment, and it is the priority going forward.

**The Chair:** Richard, a final word from you.

**Richard Hamer:** Likewise, thank you for inviting us to participate. We are delighted to be here and, as Kevin was saying, we are happy to

provide more information. Being more inclusive is a priority for us. We have made big strides with gender and social mobility in its broadest sense, and disability too. A fifth of our apprentices have some form of learning requirement. We are conscious that we need to improve and work a lot on that.

**The Chair:** On behalf of the committee, thank you to both our witnesses for their enormously helpful contributions. If there is anything that you think about later that you wish that you had said to us, we are very happy to take written submissions during the course of the inquiry, which runs towards the end of July, so please feel free to do that.