



Select Committee on Youth Unemployment

Uncorrected oral evidence: Youth unemployment

Tuesday 27 April 2021

10.30 am

Watch the meeting

Members present: Lord Shipley (The Chair); Lord Baker of Dorking; Baroness Clark of Kilwinning; 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. 6

Virtual Proceeding

Questions 52 - 58

Witnesses

I: David Barker, Founder and Chief Executive Officer, Techcentre, and Director and Trustee, Livery Schools Link; John Grainger, Executive Director, Britain's Energy Coast Business Cluster; Jason Holt CBE, The Holts Group, and Chair of the Apprentice Ambassador Network and Co-founder, Association of Apprentices.

USE OF THE TRANSCRIPT

1. This is an uncorrected transcript of evidence taken in public and webcast on www.parliamentlive.tv.
2. Any public use of, or reference to, the contents should make clear that neither Members nor witnesses have had the opportunity to correct the record. If in doubt as to the propriety of using the transcript, please contact the Clerk of the Committee.
3. Members and witnesses are asked to send corrections to the Clerk of the Committee within 14 days of receipt.

Examination of witnesses

David Barker, John Grainger and Jason Holt.

Q52 **The Chair:** Welcome to this evidence session of the Youth Unemployment Committee. The meeting is being broadcast live via the Parliament website. A transcript of the meeting will be taken and published on the committee website, and you will have the opportunity to make corrections to that transcript where necessary.

I extend a very warm welcome to our first three witnesses today. They are David Barker, founder and chief executive officer of Techcentre, John Grainger, executive director of Britain's Energy Coast Business Cluster, and Jason Holt, chief executive officer of Holts Group. I would like you all to say two or three sentences of introduction about yourselves and then I will ask the first question, which relates to Kickstart. Perhaps we could go in alphabetical order.

David Barker: Thank you and good morning. I am an internet and social entrepreneur, and founder of Techcentre Training, which provides CPD-accredited online training courses on digital skills and soft skills to upskill people with those important skills for the modern workplace. We are delivering them in partnership, working with schools, colleges and universities to help students increase their employability with soft skills and digital skills. We work with charities and housing associations upskilling unemployed people with these important skills to help them improve their CVs and get into work.

John Grainger: Good morning. I am the executive director of Britain's Energy Coast Business Cluster. This is a membership organisation representing around 300 companies in the north of England, based in west Cumbria. I am speaking to you today from Cockermouth in west Cumbria. A lot of our companies are in the nuclear sector and the supply chain that goes with it, which means that they vary in size greatly, from large international and multinational companies to SMEs and micro-businesses. We also have a number of companies in the membership that are in business and professional services at micro and SME level.

Jason Holt: Good morning and thank you for inviting me here. I am CEO of a group of companies called Holts Group. We are a family of SMEs in the technology, jewellery and education sector. I am chair of the Apprenticeship Ambassador Network, which champions and promotes apprenticeships across the nation. I am also a co-founder of the Association of Apprentices that has just launched to build a community and support network for apprentices around and across the UK.

Q53 **The Chair:** Thank you all for that brief introduction. I apologise for the slightly late start today, which was due to technical reasons. I remind everybody to mute when they are no longer speaking, to avoid any feedback.

A number of colleagues will be asking questions in this session, but others may indicate a wish to ask a supplementary. It is for me to ask

the first question, which relates, as I said a moment ago, to Kickstart and how you find it as a scheme. How workable is it as a long-term option? How might it be adapted to provide sustainable opportunities for young people? How does it compare to previous schemes, in particular the Future Jobs Fund? I will take this again in alphabetical order.

David Barker: Thank you. My background is that I was an unemployed youth at the age of 16. I was NEET. The intervention I had to get out of unemployment into work was the YTS, the youth training scheme, of Margaret Thatcher's Government in the 1980s. From that, I became one of the UK's first internet entrepreneurs in the early 1990s. I then had a technology business in 2010. We put in a proposal and won Future Jobs funding. We opened offices in seven cities, took 233 long-term unemployed people, transformed them with digital skills and soft skills, and over 54% moved into sustainable employment afterwards. We had a very positive experience with the Future Jobs Fund.

I have a new technology company and, unfortunately, we cannot participate in Kickstart because the criteria are slightly different from Future Jobs. With the Future Jobs Fund, we were asked, "Can you be innovative? Can you come up with some great ideas for upskilling people, getting them real work experience and giving them a really good shot at getting into work?" Unfortunately, at the moment, we cannot participate in Kickstart because the criteria do not allow start-up businesses with good ideas. The criteria, I have been told, are that you can take only one Kickstarter for every three employees you have. We can create a scaling technology company with lots of Kickstarters, but it does not work on that logic. The Future Jobs Fund enabled that to happen, but unfortunately we cannot participate in Kickstart at the moment.

The Chair: David, can I clarify? You would like to take part in Kickstart. It might work for you. Given your situation, it does not, but you would like it to.

David Barker: Yes, definitely.

The Chair: Fine. Okay.

John Grainger: David Barker just made a very interesting point about wanting to be part of the scheme and being unable to be. This is a scheme that looks very like the Future Jobs Fund, renamed obviously, and relaunched. Of course, the timing of the relaunch was very unfortunate because of the pandemic. The uptake, from the figures that I have been allowed to see recently, is relatively small, so there needs to be more of a push on that.

The Kickstart scheme probably has to have an extended end date for it to be effective because it will be a few months before people are really getting on their feet. The pandemic means that for industry, particularly in the north of England, the return is quite an iterative process and depends on which sector you are in. If you are in things like energy and construction the situation has not been too bad at all, but I am speaking

to you from Cumbria, where we have a tourism and hospitality industry that has been absolutely floored for over a year. It is only now getting back on its feet and finding that it is not able to take on some of the workers from the eastern European area that it formerly had. It will be looking at schemes like Kickstart to bolster its cohort for work, but it is a bit early yet.

I would like to wait to see how the scheme pans out, because the uptake, from the figures that have been published so far, is relatively low. It needs to have a real opportunity to show itself over the next year or so. I am quite hopeful that it will help, but perhaps it needs to be widened, as David said, to give maximum opportunity for employers to offer the scheme.

Jason Holt: Kickstart is a product that is widely promoted through the ambassador network. Kickstart, together with apprenticeships, traineeships and T-levels, are products that are a conduit from government through employers to communities around the country. The principle is wonderful. We do not, as a business, participate in Kickstart, not because we do not want to but because we are such firm advocates of and believers in apprenticeships. We are looking for permanent employees who can help us grow our business. We veered away from Kickstart simply because it is a temporary six-month scheme.

My observation is that there needs to be clarity around how Kickstart interlinks with apprenticeships. That is not clear to me. Maybe it is partly due to the fact that there are two government departments responsible—DWP for Kickstart and the Department for Education for apprenticeships. How that interlinks might need clarity because I am not sure that those two pipes connect perfectly.

The Chair: Do you have any specific recommendations to make as to how Kickstart could be adapted to provide the sustainable opportunities that you want?

Jason Holt: I would first of all make it clear how providers work with Kickstart as a means to be a feeder for apprenticeships. The comments I hear from various providers are that that clarity is not there. It should be a fantastic pool of talent to feed naturally into the apprenticeship system. I do not think that clarity is there. Creating a toolkit for providers to give them clarity as to how it all connects, while giving clarity to employers, is what Kickstart is all about and that is how it works with other products, particularly around apprenticeships. It is partly about communication, but it is also—

The Chair: Sorry, Jason. Can we hang on one second? I had hoped somebody might be able to mute those joining. Maybe that has now happened. Jason, carry on, please.

Jason Holt: The second part is about the funding, how providers are working with the Kickstart scheme, and how that all feeds into

apprenticeships. Again, I am not close enough to the detail, but I do not think that clarity is there.

The Chair: Thank you very much for that. Could I go on please to Baroness Clark?

Q54 **Baroness Clark of Kilwinning:** Thank you very much. Could you talk about what kind of obstacles you think there are when hiring apprentices and how you think we could make apprenticeships more attractive so that more people see them as an option they want to pursue? Who would like to start? Jason?

Jason Holt: I am happy to, Baroness Clark. There are lots of reasons to be optimistic that many of the obstacles have been removed over the last few years, particularly through the reforms, but there are still a lot of obstacles in that space.

I speak from an SME point of view, a smaller business. Number one is the cognitive burden on a small business. Speaking personally, it is still fairly confusing, even for someone like me who is familiar with the system. There is a lot of information, but I do not think that it is altogether clear where I go, what I do and how I communicate my offer clearly. Simplification is needed. How do we have a system that is simply understood, particularly for SMEs, which are of course the lifeblood of the economy and carry the lion's share of employment of apprentices? It is about clarity. If there was a magic bullet, it would be literally a one-pager that every SME in the land could look at and understand how it works and where they go.

There is a question as to what support is available for smaller businesses. As far as I can tell, there is no single network nationally to support SMEs. The ambassador network does a huge amount to connect with SMEs to support them and handhold them, but the network is made up of 570 employers, and that will not necessarily be enough. There is a question as to what there is to support small employers to engage.

I think there is a question of funding. As you probably all know, there is a 5% requirement for businesses to contribute to the cost of delivering an apprenticeship. That is a barrier. I would remove that, particularly at this time. I would also look at wage subsidies. There is precedent in that through various charities and the guilds, which often provide wage subsidies to employers. I have quite a long list.

Fundamentally, there is a question as to how you can support the employer. There is a question particularly about providers that are massively incentivised to work with larger businesses where one business can provide 10 apprentices, whereas they might have to work with 10 organisations each with a single apprentice and there is a lot more work involved. How can we incentivise providers to handhold to provide the support that I have just talked about to smaller businesses? I have quite a long list of obstacles, but those are the fundamental ones.

Baroness Clark of Kilwinning: I know that you authored a report on

apprenticeships previously.

Jason Holt: Yes.

Baroness Clark of Kilwinning: Is there anything that you think has changed since that report? Is there anything that you think has got either better or worse, or that you think is different?

Jason Holt: The report was written in 2012. Since that time, we have had reforms. The system has been totally redesigned. There is far greater awareness of how it works. Employers have been in the driving seat. The standards have been written by employers. With their purchasing power, the employers are in the seat and deciding where their money goes. There is the digital Apprenticeship Service. There is the levy. There are huge amounts. There is "Find an apprenticeship". Large employers really feel it is their money being spent. There has been tremendous success in engaging large employers since my report, but, as I said, there is still more that can be done.

The Chair: Baroness Clark, could I intervene? Lord Layard has indicated that he would like to ask a supplementary of Jason Holt.

Lord Layard: That is very interesting. What is the biggest barrier to the growth in the number of apprentices? Is it not enough demand from young people or is it not enough supply from employers? If it is the latter, who is trying to promote the growth of offers from employers of apprenticeships? Is a proper local structure in place for doing that? Is there any financial constraint on the public funding of apprentices in SMEs, or should it be more demand-led, as in the case of people going down the academic route? I think we would all love to see your list of reforms. Maybe you could send it in afterwards. I would love to hear your answers to those questions.

Jason Holt: Thank you, Lord Layard. I will do my best. My understanding is that 50% of young people would choose to do an apprenticeship. From the UCAS figures, I think that 50% choose to go to higher education and 50% choose an apprenticeship. There is no shortage of talent and young people wanting to do an apprenticeship. I think the shortage is around the number of businesses that for whatever reasons, which we can go into in relation to that list, do not engage. The magic bullet is to drive engagement, particularly in the SME community.

You asked who is responsible. There are employer networks and provider networks across the country that are responsible for engaging with communities, schools and businesses. The Apprenticeship Ambassador Network is one of them. It is made up of volunteers, employers who are so evangelical about how wonderful apprenticeships are and what they have done for their businesses that they go out into communities to support, signpost, and celebrate them, and bring people in and engage with them. I do not necessarily think that is enough.

There is an opportunity to have a national network that specifically targets businesses and engages with them to handhold them into becoming apprentice employers. Bear in mind that some 15% of employers engage with apprenticeships, which means that 85% do not. Yet a lot of businesses are interested in one thing, and that is growth and productivity. We all know the figures: growth and productivity in employers engaging in apprenticeships are far greater than in those that do not. There are some levers there that can help smaller businesses to get engaged.

The Chair: Baroness Clark, I will be back to you in just a second. Baroness McIntosh wants to ask a further supplementary.

Baroness McIntosh of Hudnall: I will be as quick as I can. Forgive me if I have missed something in the information you have already given us; I want to ask about the proportion of apprenticeships in the research you have done that are postgraduate as opposed to post-18. We tend to think rather simplistically about either higher education or apprenticeships, but quite a lot of apprenticeships, as I understand it, are in fact postgraduate. Could you give us a view on where you think that stands at the moment?

Jason Holt: I am a mere SME employer. I do not have those figures, unfortunately. I dare say they could be obtained from the right officials in the Department for Education.

Baroness McIntosh of Hudnall: But just among the people you are working with, your colleagues and your sector.

Jason Holt: In my particular sector, we favour new entrants to the market—young people, 18-plus, not necessarily those who have graduated from university. The way we see it in Holts Group is that we are shaping somebody to fit our organisation and to grow with us. In pretty much all cases, they come to us either at 16-plus or 18-plus, and they stay with us through their apprenticeship and post apprenticeship. That works brilliantly.

Any employer I speak to will possibly talk about the value and benefits in equal measure. It is true to say that at the moment I have observed growth, but the numbers are focused on existing employees—people already employed in the workforce—as opposed to new entrants. I think that is a symptom of the pandemic. What we need to look forward to and to focus on when we go into recovery is how we support businesses to engage with new entrants to the market, and ring-fence the levy budget particularly around new entrants, young people who are coming to the market for the first time.

Baroness McIntosh of Hudnall: That is very helpful, thank you.

The Chair: Thank you very much. Baroness Clark, back to you.

Baroness Clark of Kilwinning: Maybe we could move to one of the other witnesses. David, I will repeat the question because it has been

some time. I am interested in what obstacles you have faced or been aware of in taking on apprentices. How do you think we can make apprenticeships more appealing, so that we get more applicants?

David Barker: From my perspective, the biggest obstacle is perception. Parents guiding their children with careers advice are probably still thinking university rather than apprenticeships. There is a job to be done in reaching the parents' perspective to provide that advice. We still have some incentives from an education perspective that steer students towards university. There are financial incentives around schools and education, so there are some barriers there.

What we really need is an army of people like me who have done apprenticeships. It is interesting. When I say to someone that I was one of the UK's first internet entrepreneurs and had grown tech companies, the first question is, "Which university did you go to?" I say that I did not and that I did an apprenticeship. We need an army of people who have done apprenticeships to find a better way to channel their stories to parents and to careers coaches. That is what we need to start to do.

Baroness Clark of Kilwinning: Do you think apprenticeships are too geared towards large companies? Is that something you are aware of? What are your thoughts on that?

David Barker: That is a really good point. We all know that job growth and job creation will come from SMEs. I was contracted in 2015 to research why there is so much graduate unemployment after university. When I audited the job boards and the platforms that supposedly connect employers with people to hire, whether it is apprenticeships or graduate jobs, I saw only the FTSE 250. There is a technology solution platform yet to be created to "swipe left" for people looking for opportunities and employers that is affordable to SMEs, because they cannot afford the fees that many platforms charge. There is a systemic failure in the platform space around the use of technology in this area.

Baroness Clark of Kilwinning: John, would you be able to say whether you have faced obstacles when trying to take on apprentices, what you think we could do to make them more attractive, and whether they cover the spectrum of different organisations that potentially could take on apprenticeships? Do we have John with us?

The Chair: There is a sound problem.

John Grainger: You have me now, Baroness Clark. Thank you for your question. I can give you a much more practical response because I am speaking to you from an area where apprenticeships have been extraordinarily successful.

The major employers in my area are Sellafield and, further to the south of the county, BAE Systems Submarines, which builds the nation's submarines at the Barrow shipyard. Those schemes have been very successful for quite a long time, but they need feed-in as well. People

look at their options in year 9 at school and maybe go off in different directions—those going down, say, a more traditional academic route and those looking at potentially going into apprenticeships. Because of that, we have a very successful university technical college in Workington. Those colleges have not been established that long, but people remember the successful technical colleges. Lord Shipley will remember the one at Wallsend for Swan Hunter, I am sure.

The Chair: Yes.

John Grainger: The university technical college here has been extraordinarily successful. It gives a route into employment. I am very much a disciple of the world-of-work route that young people have to take. More than 90% of our people will be looking for employment one way or another. The apprenticeship schemes have been very successful, and they have been very successful for young girls as well.

The only barrier in that sense is sometimes the need to achieve grade 4 GCSE level, in the new counting methodology, for English, maths and one science subject, when the strength of apprenticeships is in their aptitude, quite honestly doing things with their hands and solving solutions to problems that are put in front of them. That can be a barrier for some people. They perhaps have to be coached past that, or exceptions made in exceptional circumstances.

The high-level apprenticeships have also been very successful in this area. You are taken on as an apprentice by a large company, you earn while you learn, you have no debt, and there is a degree opportunity at the end of it and a guaranteed job, so you would say, "What's not to like?" Perhaps the only little thing is that they do not get the opportunity to leave the area and broaden their mind to different aspects.

These are not barriers. They are certainly opportunities and something that we support greatly. We have a schools collaboration programme where people go into schools from industry at quite a young age—between 20 and 30 mainly, if we can get them. We say, "Ten years ago I was sitting in your seat. I had no idea what I was going to do. This is me now. This is the route I took". A lot of that is the localised apprenticeship route, which has been particularly successful.

A lot of large companies such as Sellafield and some of the larger tier 1 and tier 2 contractors within it take quite a lot of apprentices over a period of time. The barrier is in the SME community. They would like to take on more apprentices if they possibly could. We have a discussion called "Swimming with the big fish" where we try to encourage through the supply chain longer contracts in the SME community—three to five years—that will enable them to take on more apprentices in the future. If those contracts are very short, they physically cannot do it. They will be exposed financially in business terms by doing it. If we can encourage those lengths of contracts from, say, three to five years, a much larger SME community would be willing to take on apprentices locally.

Lord Baker of Dorking: Could I ask a question, please? I am attending by phone because I cannot get on Zoom.

The Chair: Yes, please, Lord Baker.

Lord Baker of Dorking: John, as you know Cumbria so well, you will know about the UTC at Sellafield that produces an enormous number of apprentices each year—80% are apprentices. Some go to Sellafield, but others go to the supply chain and the smaller companies. How has that worked out?

John Grainger: As I was saying to Baroness Clark, it has been extraordinarily successful because of the rooting-in there. I think that the quality of the level of training and education there has meant that they have been sought out by employers. The more people who can be fed into that system, the better. I am particularly gratified to see so many more females going down that route, and going into apprenticeship programmes as a result. My experience would be that the UTC has been really successful, and I would like to see it rolled out in other parts of the country as well.

Lord Baker of Dorking: What is interesting is the number of girls. We get quite a few girls doing it. They are doing nuclear stuff and that sort of thing. They want to set up another one in Carlisle. They want to support the one in Carlisle, so we are going to apply for that. The fact that they are doing technical training from the age of 14 makes them quite capable of getting a good apprenticeship at 18. That is where it really is important. I expect Sellafield pays quite a lot for your 18 year-old apprentices, probably about £20,000 a year. Do the smaller companies pay salaries like that for good apprentices at 18?

John Grainger: Perhaps slightly less, Lord Baker, but proportionately higher. There is a premium on salaries here because if you do not pay them they will get poached, quite frankly. That is always part of the problem. If you get a good apprentice and train them up, they will get known. That is business life.

Going back to Carlisle, I am chair of the consultative community at Carlisle Lake District Airport, which has no flights at the moment. When it starts resuming, we will need quite a lot of different skills at the airport, not least air traffic controllers. There is a big opportunity for those with technical skills to help with the broadening out of an economy near the borderlands.

Lord Baker of Dorking: That is very helpful. When it comes to our application, we will certainly involve the airport because I think we could probably replicate Sellafield in Carlisle. John, thank you very much for all you do for Cumbria. The UTC in Sellafield is thought to be the best school in Cumbria. Some say it is the best school in the north of England. We need to replicate it. Thank you very much for your support.

John Grainger: Thank you.

Q55 **The Chair:** Can I check, Baroness Clark, that you had completed your questioning? Yes? Thank you very much.

Those who have joined us recently will know, or may not know, that we have had some technical problems. I want to check whether Lord Clarke and Lord Davies are with us. They were going to ask questions next. In fact, I think they were going to talk about were broadly things that we started to cover, so let me pose two or three questions to each of our witnesses.

Do you think that enough is done for smaller businesses in comparison to larger businesses and larger organisations that may have more funding and more resources to attract and retain young workers? In other words, is there a level playing field between small and large, and what should government do about that? How can smaller businesses provide high-quality continual training and upskilling for young people who join them rather than a large organisation? Do they have the same kind of opportunities, and, if not, what might be done? I will go to David Barker first. I think Lord Woolley will come in in a moment.

David Barker: Corporations have funded graduate recruiters. They can afford to do all the career fairs and invest in all the platforms to find young people. As I mentioned, we need to use technology better. A company from the US called Handshake has launched in the UK. It has created a platform with technology to connect university graduates to employers, including SMEs, very affordably. It has come up with the word “netpotism”—the idea that even though we have moved online we still have closed networks. We need to break through that and enable SMEs to equalise opportunity by offering them opportunities on the same platforms as the big corporates and afford it, and allow young people to find those opportunities and apply for them.

There is a challenge with affordability of platforms for recruitment. We are launching things like youth hubs and platforms to connect unemployed or young people with employers. A better way for an employer would be to use one app to see graduate jobs, posts, and all the different types of people coming out of different systems on a single platform. There is a place still for technologies to play a part. That would then allow SMEs to compete on graduate and general apprenticeship employment as well.

Jason Holt: To the question of whether enough is being done, as David just shared, inequality is the issue. I think that, if you are a small employer in the state of mind of recruiting an apprentice, you are already almost over the line. It is a question of how to get them over the line in the first place. I have a few thoughts to share.

First, there is a role that large employers can play to help smaller businesses. Two areas spring to mind. One is around the levy transfer. At the moment, it is capped at 25%. I am not sure why that is the case, particularly at the moment. It would make a lot of sense for that cap to be removed, and for large employers that cannot make the most of their own levy to be able to encourage their SME supply chain to engage. That

is the first thing. I would also try to make it easier. I have heard that large businesses need to employ people full-time just to manage the levy transfer process to their SMEs. That needs to be made much easier.

The second part is that large businesses can really help hold the hands of SMEs in their community by giving advice about how they engage in the apprenticeship ecosystem. I think more can be done around incentives. I talked earlier about wage subsidies. Going back to 2012-14, £3,000 was offered to SMEs to engage for the first time with apprenticeships. We now have a similar type of incentive, not just for SMEs. I am not sure that many people are aware of it. In 2012, there was a big advertising or promotional campaign, and it really worked to move the needle to get SMEs engaged. Why are we not doing more publicity of the £3,000 incentive we currently have, even though it is temporary?

I want to get the word out. There is a role that providers can play. I talked earlier about the financial viability for providers to engage with SMEs relative to large employers just by virtue of the numbers. How could providers aggregate demand from individual SMEs to be able to change the model so that they get the numbers, but it is done through an aggregated model? I want to see how we could support the provider base in doing that.

John Grainger: I will confine my remarks to the SME sector to broaden it out. It is good if employers get an incentive to do this thing, but I wish in some ways that that was not the precursor to actually taking on an apprentice, and that they would see the value of attracting a young person to their business and training them, with the particular aim of offering full-time employment in the future. People would say that there is no loyalty around anymore. I think there is; people who are given the opportunity to work in a small business have that loyalty. There is always the opportunity to move on, but they get a couple of things. There is the very personalised training level. There is a multiplicity of training opportunities within a small business as well, so that people actually discover what their major strengths are. I am not sure you can always do that in a large employer where you are rather pigeon-holed, with maybe two or three different types of work.

In a small business, you are working every day in a number of different aspects and can find out what your absolute skill is and what you want your career to be. It might be completely different. It is a bit like going into the health service and then specialising after a period of time. I think that smaller businesses give breadth of opportunity to develop a young person. I think that that will continue. As I said before, it helps an awful lot if there is a long-term contract that enables them to be retained over a long period and, I hope, become full-time members of staff.

The Chair: Thank you very much for that. For reasons of timing, I will take Lord Woolley's supplementary now. I will then go to Lord Hall, again for reasons of timing, to ask his question, and then I will go on to the Lord Bishop of Derby and then to Lord Empey.

Lord Woolley of Woodford: David, you said that you are not allowed to engage in Kickstart because you are a start-up business. You are not the first person to tell me that. There was a company in Northampton with a £3 million investment but it could not engage in Kickstart. How widespread might that be and what is the challenge with it?

Secondly, you seemed to indicate that there was a gap between Kickstart and apprenticeships. We probably feel on this committee that there should be a conveyor belt so that people learn the skills and are then better placed to go into some of the apprenticeships, particularly the high-level ones.

Lastly, Jason and John, how do we ensure that small businesses can deliver quality apprenticeships and not just, as some people would say, tick boxes? I am sorry that is a lot, but I wanted to get it off my chest.

The Chair: We are looking for quite succinct answers to those supplementaries.

David Barker: Thanks for the question, Lord Woolley. I think the opportunity is that with every Kickstart job we create the employer is given £1,500 to invest in their training development. We had the same structure for the Future Jobs Fund. You get all their salaries given as well. For the Future Jobs Fund, we put in a bid to say that we could create 233 jobs; £1,500 times 233 gives you a big investment budget. We created 15 jobs to deliver our Future Jobs Fund programme and created 233 jobs around it. Essentially, we created a perfect, scalable Future Jobs Fund programme on the funding from the Future Jobs Fund.

Kickstart, unfortunately, has not asked for innovation like that. You can only take one Kickstarter for every three employees you have. We can innovate and scale jobs across the green energy technology sector. We can do it across technology in any sector, creating jobs as we go, but the structure does not allow it. That is the missed opportunity with Kickstart. We took on 233 long-term unemployed, and to be honest, when you have been unemployed for over six months, there are mental health and confidence issues, so the first three months are about rebuilding people. I think that these are really pre-employment, pre-apprenticeship programmes getting people perfectly ready for the employer of an apprenticeship to say yes to them, or for the graduate company wanting to hire young people generally to say yes. That is what these are. They are perfect pre-employment programmes.

Jason Holt: Thank you, Lord Woolley. To your point that what should happen is a conveyor belt of Kickstarters moving into apprenticeships, I could not agree more. This goes to the opportunity to get clarity between different products such as Kickstart, apprenticeships, traineeships and T-levels. We need clarity so that employers really understand the products that are out there and how they meet their needs. It needs to be really simple.

When initiatives are across different government departments, it is much more complicated. Obviously, that is the wiring behind it that employers should not need to know about. Somehow, the interface of Kickstart, as you say, needs to be part of the customer journey to move into apprenticeships. "One size does not fit all" is the challenge. How can we make it really simple?

Your second question, Lord Woolley, was about how to ensure that an apprentice in an SME has a quality apprenticeship. In my personal experience, while I hear of some other examples, I only know of high-quality apprenticeships in SMEs. In fact, I sometimes fathom as to why there are not more apprentices in SMEs. I would say that the experience you get in an SME gives far greater depth and dynamism than you would have in a large business just by virtue of the size of the business, the level of responsibility you are going to have and feeling part of something significant rather than being a small cog in a big wheel. It is about getting the message across to young people that working in an SME is in some ways better than working in a large business. What you will learn and the experience you will have is unbelievable, and we should celebrate that. Getting that message to young people and to parents is a challenge.

I have noticed that few SMEs engage with higher-level apprenticeships and degree apprenticeships. We see large organisations engage with degree apprenticeships. Let us see if we can have more SMEs engaging with universities so that they can offer degree apprenticeships. Then they will be able to secure even bigger and better talent and compete with larger businesses for that talent pool.

John Grainger: Thank you, Lord Woolley, for the question. In essence, you are saying, "Make sure they are not just another pair of hands in the business". That is important. They need to go through the health and safety training aspects. We need to make sure that they are being mentored properly and that there is genuine training on the job. There is a review of that. It happens frequently. It is not just, as I said, another pair of hands coming into the business and doing menial tasks. We must make sure that there is work—[Inaudible]—within that. That aspect is important.

High-level apprenticeships going to SMEs will be more difficult because sometimes more time is needed away from the business, and that can be time costly depending on where the higher-level institution is, for instance. Some areas are not blessed with having higher-level institutions nearby. You could be away for a day or so from the workplace at any given time.

We can actually get there in a period of time. It will be difficult during this year because, as you can understand, many people are still furloughed as we speak. The recovery and reboot part of the programme will take time. We do not have time for our young people because they are churning out every year in large numbers. We have to play some sort of catch-up on this but understand that it is not a quick fix. It has to be over a longer

period. Therefore, in my view, the incentives and the programmes have to be extended further into the future.

The Chair: Thank you all very much for that.

Q56 **Lord Hall of Birkenhead:** Could I pull out a theme that has been running through the conversation this morning and has been big in all the evidence we have been hearing? That is careers advice and what goes on in schools. There was broad agreement in the careers strategy three or four years ago, in the Gatsby benchmarks, et cetera, that work experience and other opportunities for engagement were really important. For SMEs, that is quite difficult to be able to deliver. Do you have thoughts about how we could make those opportunities more real for the sectors that you are involved in, particularly for the SMEs? Jason, I have read your document on this. You might like to start.

Jason Holt: Thank you, Lord Hall. You are right. It is harder to engage with schools as an SME and to be part of that career advice. The Careers & Enterprise Company does a huge amount already around those touch points with employers.

It is about how SMEs can bring what they do to life. A lot of it is around communication, and they need support there. How do we support SMEs to tell their story to engage with young people such that they might consider working in those companies after school? The Careers & Enterprise Company does a lot, but more can be done around creating that awareness. I agree that it is hard, given the resource issues of an SME, to engage as a large business would, but I do not think it is impossible with extra support.

John Grainger: We started a scheme called the business and schools collaboration programme four years ago. Interestingly enough, it was crowdfunded—quite unique in its time. It was to get businesses into schools, telling them about the opportunities that were out there. It was not confined to large businesses. It was all sorts of businesses, including driving schools, for instance. That has been great because it has almost replaced careers advice per se by looking at what really is available.

We have extended that scheme, and a local organisation called the Centre for Leadership Performance put on something called Dream Placement, a programme for school pupils in years 10 and 11 to get a week's experience in the late wintertime. It just happened in the last two or three weeks. It is a genuine opportunity to go to large and small businesses to see what is there. As you can imagine, people see large factories, but they have no idea what goes on inside some of them. There are all sorts of different skills and opportunities. That is perhaps the first opportunity for young people to see what their future opportunities will be, be it T-levels, university, straight into the world of work or higher-level apprenticeships. It gives them a guide as to what is available. It is really to be encouraged.

David Barker: The challenge with careers advice is that there is a lot of bad careers advice. When I went to my careers adviser at 15 and said, "I'm leaving school at 16 but I want to get into technology", he said it was not possible without a degree and he would help me get a job in retail. That could have killed my dream, but I persevered and found an opportunity.

Even in 2011, we launched 233 Future Jobs Fund jobs only for a girl at the jobcentre to be told she should not apply for that but should go for hairdressing and beauty. The problem with careers advice is that you do not know what you do not know. We need a technology solution to careers advice in a way that better understands individuals and makes recommendations about potential career paths, and then has intervention with humans as well. There is a lot of bad careers advice. We need to look at how we make it better.

Q57 **The Lord Bishop of Derby:** I want to turn our attention to how we can best enable schools to be an environment that provides young people with the skills and experience that means they can make best use of the opportunities that may be available to them, specifically the importance of digital skills. Can you talk a little about the digital divide that there may be between what is offered in schools and what might be most valuable for young people taking up the opportunities we have talked about this morning, and then perhaps what other skills you might consider vital to enable our young people to make best use of the opportunities that we aim to provide?

David Barker: I am a trustee of a charity called Livery Schools Link that works with other livery companies to help students in education. Last year we launched the digital divide fund, which raised centralised donations. We have worked with 59 schools to buy devices for over 800 students in London, Bristol and Leeds. Those children were literally forced to work from home. They could not do their homework or their classes, and were getting depressed and isolated. That one intervention changed their lives, but we can do only so much. The key is that the digital divide is not a Covid issue; it has been around for years, and it is easy to lose momentum. We have to keep it political. We have to keep pulling all these organisations together to help.

When I was a child of 12, I did not know what I wanted to be, but when my dad put a computer in my hand at 13, I knew my future was technology, and that took me on a career path. If we truly believe that every job is a tech job, because we all need technical skills, if we truly believe that every company is a tech company, because everyone needs technology, every child has to have a device. Only through that can we really equalise opportunity and ensure that everyone has those important digital skills. The real poverty of tomorrow will be lack of access and lack of a device for a lot of students.

The Lord Bishop of Derby: That is really interesting, David—the reflection that it is not necessarily specific digital skills but accessing all our skills digitally that will really make the difference.

John Grainger: The digitisation issue is quite strong because it will obviously be a strong career for the future. A lot of people are talented in that direction. As David said, during the recent lockdown people have been having to share both devices and broadband width. There are two aspects to this. We need ubiquitous broadband coverage, particularly in rural areas, which does not disadvantage those people, and we need a number of devices that are available for people to use. Some schools have had devices for all their children for some time, but others clearly have not, so we need to do a bit of, as we say, levelling up on that particular aspect.

You are quite right to identify those sorts of skills for the future. Some of the advertisements I have seen recently have been for people who have social media experience and know how to do the technical aspects of that as well, because lots of businesses are going down that route for PR, marketing and even recruitment. That is a good career opportunity in itself. It can be extrapolated to a rural area like Cumbria in the north of England. As you can imagine, climate change and the environment are big issues around here. I think those have been highlighted with the year we have just had.

First of all, we have to do something about helping the children who have been in school for that period of time because, effectively, everybody—certainly in secondary school—has virtually lost a year of education. People coming from year 6 have lost the last part of their primary school enjoyment and are now struggling to equalise themselves in year 7, trying to play catch-up. Before they know it, they get to year 9 and options. We have to present a range of options on the table now that are not necessarily the traditional ones. The demand might be there, but we have to make sure that there is supply in training, and that opportunities from that are provided.

The Lord Bishop of Derby: Thank you, John. There is a really interesting interplay between addressing the immediate presenting issues, because of the past year, and weaving that together with what David was highlighting about this being not just about immediate response. There is a longer-term issue. Jason, perhaps we might come to you on the initial question around digital skills and digital divide, and on some of the threads that have come out in the conversation.

Jason Holt: Of course. Thank you. To pick up on an earlier point from David, I agree completely, as an SME employer, that every one of my businesses is, essentially, a technology business and every single one is recruiting or has recruited a digital marketing apprentice. You cannot not have a core part of your business around social media. I absolutely agree. For me, it is the connection between schools and the community of businesses that all need those digital skills. How do you connect?

I chaired a round table about a year and a half ago of stakeholders, particularly in the school communities, on what obstacles prevented schools engaging with local employers. Every teacher understands the UCAS system. Every teacher understands how they can advise their

young people to go to university and how that all works. When you talk about how to get a job in a technology business, it is far harder and it is a far greater burden on teachers. They do not have the resource and they do not necessarily have the time to give that advice to young people. I think a lot of it is around providing the right tools to teachers, and possibly the right experience, through UCAS, for example, that allows them to understand equally the world of work, of work-based learning, and higher education.

The Lord Bishop of Derby: Does the idea that actually all businesses are digital businesses, and all businesses, as you were saying, David, are technology businesses now, mean that all our schools should be digital schools and technology schools, not because they are teaching those subjects but so that how things are taught, delivered and engaged with is done in a way that equips children and young people to work in today's world? Are there ways that we can go about doing that better for our schools, so that our schools are all digital schools or technology schools? How can we make that shift in our schools?

Lord Baker of Dorking: Hear, hear. I agree with that entirely.

The Lord Bishop of Derby: Do you have ideas about how we might go about that kind of revolution? Let us call for revolution—that kind of revolution—in our schools.

Lord Baker of Dorking: Hear, hear.

The Lord Bishop of Derby: Every school would be a digital school, not just because it teaches digital skills but because its whole approach is digital, and every school is a technology school. Are there ways, David, John and Jason, that you think we could take steps towards that?

David Barker: Yes, definitely. I am a governor of a school called the Ada Lovelace school.

The Lord Bishop of Derby: Excellent. Hurray for Ada Lovelace.

David Barker: Exactly. Actually, we have already partnered with IBM, where it has launched what is called the P-TECH initiative, which it rolled it out in North America and is now in 250 schools across the world. The Ada Lovelace school in the south of England is the first pilot of a programme. Basically, the Ada Lovelace school is using a lot of the national curriculum but weaving in an additional curriculum around technology, with IBM leading the march on that. That is not just about needing to have a technology career. Everybody, whatever their aspiration, links into the training at Ada Lovelace to help them get there. I hope that we can see that as the pilot of the revolution that needs to come as we scale it out. IBM is behind it and wants to scale it up to every school. It is a great partnership between industry, government, schools and civil society. If we embrace that, there is a lot we can do in that space.

The Lord Bishop of Derby: Thank you, David. John and Jason, is there

anything you want to add?

John Grainger: Yes, we should remember that children at school now were born in the digital age. We were not, but they were. They know nothing other than that. My daughter is a PE teacher in Penrith. She did an awful lot of stuff virtually and visually as well during the closedown, including a lot of practical demonstrations using video.

The Lord Bishop of Derby: Absolutely. There are all sorts of things we learned in the last year that I hope we will not lose.

John Grainger: That is right. That brings it to the way that schools are managed. The whole thing has taken off. We should not see it as something new; it is something that for those people is a normal way of life, and has to be embraced and developed. Some young people know an awful lot more about the digital world than, say, teachers.

The Lord Bishop of Derby: That is the point. Absolutely. It is about how we equip our teachers to catch up with the children they are teaching.

The Chair: I will pass to Lord Storey for a supplementary, and then we will go straight to the final question with Lord Empey.

Lord Storey: Thank you all for your comments. There are two things. First, John, you are absolutely right about the importance of everybody having access to computers, PCs, et cetera, but it is not just that; it is also access to the internet. In many poorer homes, people cannot afford the packages. We have seen during lockdown how younger people have fallen further and further behind because they do not have a quiet space in which to work, and their parents cannot afford access to internet packages.

Digital skills are hugely important, and the opportunities for businesses and for jobs for young people are so important, but we need to understand that traditional numeracy and literacy underpin access to digital literacy and learning. We have to not think that suddenly this is the panacea when we see ourselves as a country slipping down the international tables for numeracy and literacy, as indeed are other European countries and the US. Let us not just think that it is about concentration on digital skills. Of course they are hugely important, but we must not lose sight of the fact that numeracy and literacy will be hugely important for the development of those digital skills. Can you comment on that, and do you have any other thoughts on how we ensure that everybody has them?

The Government, I think in 2014, said that all young people should do computing up to the age of 16, but computing in itself is not about digital skills. It is important, but it is not the panacea. I will shut up now and pass it on to you.

David Barker: Research a few years ago showed that 80% of people in the prison system are illiterate and/or innumerate. If we extrapolate that, are we going to see a potential problem? If people do not have literacy

and/or numeracy and/or digital skills, are they destined to end up in that system? When I left school, a group of friends who left with me were passionate about getting great careers, but they were given bad careers advice. They went on the wrong track. They gave up jobs they hated. They could not do the ones they wanted to do because they did not have the training, and they fell into crime and drugs. One committed suicide. Negative destinations are not predestined, but they are if we do not equip people with literacy, numeracy and now digital skills. That is the problem of the future.

John Grainger: With the pandemic, all bets are off in a sense, because we have a changing of the guard. We are going back to the pecking order. Say there are a husband and wife, partners, or whatever they might be, and three dependent children in the same household. Who is going to use the computer and degrade the bandwidth first? That has been a bit of a problem. It has been challenging for some families to achieve that. What it has meant is that there has been a spread of learning across the day, not necessarily at the traditional times, or even breaking into doing study in the morning and then getting out to the great outdoors in the afternoon, with awareness of the scenery and the environment around you. It has brought some benefits, but it is quite difficult and it has certainly gone into haves and have-nots, which will increase that divide educationally and digitally.

Lord Storey: Jason, could you comment? Our school curriculum is very much knowledge based. One of the key components of digital literacy is problem solving. Does a knowledge-based curriculum help in that respect or not?

Lord Baker of Dorking: Not much.

Jason Holt: I concur with what David and John have said and, essentially, what you said, Lord Storey, which is that it is about those essential skills. I would put maths, English and digital skills as a premium. One of the questions is how you can have a common framework between education, schools and employers so that each understands the other as to what it means to be literate and what it means to have digital skills. If we could have a common understanding and a common definition it would go a long way to making sure that young people are fit for the world of work. Many are of course, but one of the questions that many employers raise, particularly around apprenticeships, is whether the young people are ready to work for them. Having that certainty would be helpful.

Lord Storey: That is all very helpful. Thank you very much indeed.

Q58 **Lord Empey:** A lot of what I was going to say has been covered. It brings us back neatly to the curriculum. We have discussed STEM skills. There is obviously a lack of female participants in many of the engineering sectors. Could the witnesses tell us how they think schools could nurture those subjects better so that when students emerge from school they are better equipped? Are there still what they see as barriers

to studying those subjects at school?

David Barker: One of the biggest challenges for schools at scale is hiring good computer science teachers with the right background to inspire students. For example, I know of a school that needed a teacher to teach computer science and asked all the science teachers, “Who can teach computer science?”, rather than hiring a specialist technologist to deliver computer science. Our problem is having the right level of teachers to inspire students in subjects around computer science and technology.

John Grainger: I go back to my statement earlier about young students on their journey to the world of work. One of the things that can help is the network of enterprise advisers around the place. I do not think they are ubiquitous in being spread all over the place. A large school might have three different types of enterprise adviser coming in from industry and business, describing what the opportunities are and the subjects you would need to pursue that particular career. That is where you would, for instance, encourage females to go down the engineering route—there are routes that are particularly applicable in some industrial areas—but they have to know what the purpose is and they have to know what is right at the end of it. It may not come from their family. They might be involved in something completely different. Having that expertise from industry, from business, from commerce going into a school, rather than a careers person who is given that role within the school framework, would, I think, be advantageous.

Jason Holt: To build on what John just shared, as part of the ambassador network, we have the Young Apprenticeship Ambassador Network, made up of many hundreds of apprentices who go into schools promoting apprenticeships and telling their story. The inspiring journeys that these young people have taken to work in STEM subjects really bring them to life to students, parents and teachers. They do terrific work around the country. We need to see more of that. Storytelling, the first-hand accounts that John just mentioned, are so impactful, far more than any teacher can impart.

The Chair: Thank you all enormously for your contributions this morning. It has been hugely valuable to the work of the committee. Thank you on behalf of everybody for your time and your commitment in giving us your advice. If there is anything that you wish you had said, we are taking written evidence until July, so please feel free to get in touch with the committee secretariat at any time over the next few weeks.

Many thanks again on behalf of the committee. We will be taking a two or three-minute suspension to enable us to transfer from this session to the next session. Thank you all very much.