

Written evidence submitted by Heathrow

Executive Summary

Heathrow has worked tirelessly to build an effective learning and skills programme which focuses on engaging and supporting local candidates with the unique skills required to work at an airport. A chief obstacle to developing a wider and sustained skilled workforce for the future is the inflexibility of the Apprenticeship Levy. Whilst there are valuable modules within the individual apprenticeships, teams within Heathrow cannot afford to wait years for colleagues to develop skills they need now.

The main change which would help develop workforce skills for a strong economy is the ability to spend Levy funds on modular courses. Heathrow would be able to transform our apprenticeship programme and put hundreds more colleagues and candidates through valuable modules if this change was made. Colleagues would be able to learn valuable skills such as data, leadership and finance without taking years to do so.

A wider availability of these crucial skills, particularly digital, data and green skills, would be of significant value as we look to the future of aviation and seek to become an aviation nation.

Third, if Levy funds were unlocked for time-limited labour shortages, as in the HGV driver shortage, businesses would be able to contribute to building national resilience. Many operational roles across our Team Heathrow partners require colleagues to have a driving licence. Currently, half the candidates applying for roles through Heathrow Employment & Skills Academy had to be rejected because they do not have a driving licence. Being able to spend Levy funding on driving lessons and tests would be a major upgrade for the UK workforce.

To make apprenticeships more inclusive, a Support Fund should be established within the Levy fund, allowing businesses to use it to support candidates who may otherwise struggle with wraparound costs.

Finally, the inclusion of English language and mathematics skills in the 20% requirement for off-the-job training is crucial to building foundational skills and levelling-up. Currently, this learning has to be done outside the 20% requirement, placing significant disincentives to learn them. If we want a strong, resilient and skilled workforce, allowing businesses to support local communities develop foundational skills would be a big step forward.

We have also taken advantage of the new T-Levels, which focus on giving sixth formers practical knowledge and industry experience by hosting six students in our technology team. Further expansion of technical education and a fairer balance between practical and academic skills is essential for a strong workforce and a strong economy.

1. Ability to spend the Apprenticeship Levy on modular courses

Justification: In a rapidly recovering and dynamic business environment, many teams in Heathrow cannot afford to wait two years or more for a colleague to complete a course. Heathrow has seen 40 years of passenger growth in just four months, and every colleague is focused on delivering the best possible passenger experience under difficult circumstances. Nevertheless, we strive to be the employer of choice for local communities and to provide strong career development throughout the business. Unfortunately, the existing Levy framework does not facilitate apprentices as efficiently as it could if shorter courses were available.

Modular courses would offer a nimble and effective solution to the demand for qualifications. It would also be a way for Heathrow to raise awareness of apprenticeships and considerably improve development opportunities for colleagues across the business.

Teams cannot wait years for skills they need now. For example, Level 4 Associate Project Management apprenticeship takes 24 months and Level 6 Project Management degree is a 36-month course, which can only be reduced to 24 months if the apprentice has completed the Level 4 first. The high internal demand for project manager courses simply cannot be met due to the time it takes to complete them. Apprenticeships are not currently adapted to a recovering and dynamic business environment.

In fact, they actively preclude greater skills development.

Impact: Under an accredited modular approach, Heathrow could see a transformative apprenticeship programme throughout the whole business and stretching across a host of different roles both in management and operations.

We would have the opportunity to enrol an additional 1,000-1,500 in leadership courses alone, with the added expectation of greater uptake of modular courses throughout the airport and across Team Heathrow.

For example, Heathrow currently has almost 40 people waiting for a Project Management Qualification that will have to be delivered internally through a five-day course, which colleagues find significantly preferable to a 24-month apprenticeship course. This is entirely down to the need for immediate skills. A modular approach could transform apprenticeships in business like Heathrow, attracting and upskilling colleagues in a competitive labour market that support local communities and boost the regional economy.

Modular courses, which are accredited and developed to the approved standards, meaning candidates receive appropriate credits, would have an immediate impact at Heathrow. We are seeing a stream of demand across the business for a range of courses in areas such as finance, strategy, digital and data to name but a few. If modular courses were introduced, Heathrow could immediately grow the expertise of teams without individuals having to be absent for two-four years.

This would also have a major catalytic impact in promoting apprenticeships as a rewarding career option and boost our ability to train and retain young people throughout the business.

2. More digital and future skills

Justification: Heathrow is developing and upskilling data teams to meet present and future needs but struggles to meet demand with the existing courses available. Non-data focused teams are also looking to upskill and ensure digital literacy in the workforce is improved. These skills are essential for jobs of the future and to how businesses must evolve alongside technological developments.

Currently, we have five apprentices on Data Technician (level 3) and eight apprentices on Data Analyst (level 4). This is a supply-side bottleneck driven by positive trends towards digital skills which more and more businesses require. The expansion of these courses will help address the skills gap and meet future skills requirements. With the fantastic Digital Higher Technical Qualifications coming online this September, a digital tilt across the country will boost the efficiency and standards of business across the country and make us even more competitive on the global stage.

New skills are critical to the future of Heathrow and our ability to diversify and adapt to changing technologies and trends. With the recent Jet Zero announcements at Farnborough and the changes we see in the tech industry, UK aviation must be at the forefront of green and digital skills, but we can only deliver these jobs of the future if the right foundations are in place. More digital and future skills is the key to making a success of the Apprenticeship Levy in the years to come - we cannot maintain a business-as-usual approach in a rapidly changing economy.

As the airport operation continues to ramp-up, continued development of colleagues' customer service skills will be crucial in order to meet Heathrow's vision of giving passengers the best airport service in the world – a responsibility shared with Team Heathrow partners, who employ many of those colleagues in passenger-facing roles.

Impact: This would put apprenticeships at the heart of our future skills pipeline and could help Heathrow deliver more apprentices in data and future skills such as green aviation. It would upskill our own workforce whilst also levelling-up local communities and providing critical jobs of the future for our neighbouring boroughs and counties.

Courses such as Digital and Technology Solutions, Digital Marketer, Data Analyst, Data Technician are in demand and the more widely available and the more courses that are available will support Heathrow in strengthening our future skills pipeline.

3. Time-limited flexibility to support Labour shortage

Justification: A provision for flexibility on Levy expenditure related to in-demand and critical jobs in the country would dramatically improve how effective we respond to labour shortages.

Driving skills are currently critical for Team Heathrow cargo and logistics partners, in particular ground handling. However, c.50% of applicants through Heathrow Employment & Skills Academy have to be rejected because candidates do not have a driver's licence for the number of vehicles which are used onsite, from HGVs to busses to resilience vehicles to lorries, catering, ground handling, ambulance services and fuel bowsers.

The cost-of-living crisis has raised yet another barrier for potential employees seeking jobs at the airport, and around the country, with driving licences expensive to attain and time-consuming to retain, with everything from lessons to tests to additional tests for different vehicles. This is on top of all the additional fuel and travel costs involved.

Impact: Levy use for wider pre-employment training, such as driving lessons, in periods of national labour shortages, would be a substantial mitigation measure.

A clause allowing greater expenditure of the Levy to help resolve targeted labour shortages would alleviate pressure points and provide a better service for passengers. It would allow also us to more quickly and more effectively recruit and retain employees in key areas for the aviation community and at Heathrow.

4. Ability to spend the Levy on travel expenses & the creation of a Support Fund

Justification: A barrier to apprenticeship accessibility is the wrap-around cost associated with travel to location, and almost every apprentice will claim expenses for going to colleges and training, especially given the increasingly expensive cost of transport. Heathrow currently has to cover this expense, meaning using the Levy to support apprentices get to location would dramatically help in unlocking talent in local communities and a Support Fund would help focus assistance to those who need it most.

The Government is right to say that talent is spread evenly but opportunity is not, and at Heathrow we work tirelessly to support people into employment and throughout their career. Greater flexibility in use of the levy for travel will provide a considerable boost to this shared ambition.

Impact: People from an even wider range of backgrounds will immediately have access to the diverse range of apprenticeship opportunities at Heathrow and, together with a Support Fund, this would make the option of an apprenticeship far more attractive. From a comms perspective, it would also enhance Heathrow's ability to advertise opportunities and attract both internal and external candidates with an uncomplicated statement of support.

5. Inclusion of English language and mathematics skills in the 20% requirement for off-the-job training

Justification: English and maths skills are a mandatory and vital apprenticeship end point assessment requirement, but they are also skills in which some Team Heathrow partners see a significant deficit in their entry level roles. Currently, these have to be completed in addition, for level 3 apprenticeships and above if the apprentice does not hold an English or maths GCSE at grade C or above to the 20% off-the-job training requirement unpaid and in the candidates' own time. Inclusion of this functional skills learning within the 20% requirement would be attractive for the learner and significantly improve apprenticeship recruitment in local communities and beyond.

The skills training represents substantial additional costs, in both time and money, and an immovable barrier that could be overcome by the ability to include these essential skills within the 20% mandate. Levelling up through better job and learning opportunities would not only make a serious statement, but it would also improve the lives of people in communities up and down the country. By achieving this level of education, it helps provide parents with the knowledge and confidence to help their children learn English and maths. In this way, we support the education levels of the next generation and provide additional resilience to our future workforce.

Impact: This change would help businesses recruit apprentice candidates and it would help raise education standards across the country.

These skills are essential. English and maths skills are rightly required as pre-apprenticeship skills and Heathrow believes they must be encouraged and improved as much as possible. Inclusion of both in the off-the-job training requirement would consequently improve the skills of local communities in West London and the South East of England, driving forward the ambitious levelling up and outreach programmes both Government and Heathrow contribute towards.

October 2022