

## Written evidence submitted by BAE Systems plc

### **BAE SYSTEMS' SUBMISSION TO EDUCATION SELECT COMMITTEE INQUIRY: IMPACT OF COVID 19 ON EDUCATION AND CHILDREN'S SERVICES**

#### **ABOUT BAE SYSTEMS**

1. BAE Systems is the UK's principal defence, aerospace and security company. Our advanced capabilities and technologies protect people and national security and keep critical information and infrastructure secure. We continually search for new ways to provide our customers with a competitive edge across the air, maritime, land, space and cyber domains.
2. Out of a total global skilled workforce of 87,800, BAE Systems employs around 34,000 people in the UK across 62 sites. We spend approaching £4bn each year with over 6,000 suppliers across the UK. We take seriously our responsibilities as a partner in defence and custodian of key sovereign skills. We deliver operational advantage and freedom of action to the UK Government and its armed forces, our key customer in the UK.
3. BAE Systems already works very closely with Government in this area and particularly with DfE and enjoy a constructive dialogue with them. We are committed to Apprenticeships to meet our long-term future skills requirements with over 1,500 apprentices in learning currently which will rise to close to 2,300 by May 2021. We invested more than £100m in education and skills activities in the UK in 2019. We manage our own sought-after apprenticeship training programmes and our apprenticeships have been rated as 'Outstanding' by Ofsted and rated 'Excellent' by Skills Development Scotland. In recent years, we have led sector-based employers by chairing the Apprenticeship Trailblazer Group, designing new apprenticeship standards and assessment plans.

#### **COVID 19 IMPACT ON OUR RECRUITMENT**

4. **Requirement** - We had planned to recruit c820 apprentices this year – a record number for BAE Systems – and did have to postpone the interviews that we were planning to hold in April. We were therefore pleased to confirm earlier this month that we will proceed with the recruitment of c800 new apprentices. We are running our assessment selection digitally throughout June and July and, following a review of our intake numbers, will recruit new apprentices in four intakes in September, October, January and May 2021. We will therefore be taking on close to 98% of our planned intake and indeed still recruiting more within one cycle than we have ever recruited before. Approximately 70% of the new apprenticeships are based in the North of England as we continue to make a significant contribution to the Government's "levelling up" agenda. This is predominantly as a result of our Air programmes (including developing combat air technologies for the Tempest programme in Warton), as well as the design and build of the Dreadnought submarines in Barrow.
5. **Recruitment approach** - The challenge of delivering recruitment in this environment has made us think very differently about how we recruit our apprentices. We are adopting a

new digital approach for apprentice recruitment using pre-recorded video interviews, followed up by confirmatory audio interviews, rather than the face-to-face assessment. We will reflect and learn from this experience and make further changes to how we recruit our 2021 cohort to strengthen our commitment to a digital approach to assessment.

6. **Special grading arrangements** – BAE Systems does not have concerns about the special arrangements made by Government for the assessment and grading of qualifications for young people leaving education this summer. We have our own robust assessment approaches and on entry we assess our apprentices' individual learning requirements and will (as we always do) take action and provide any additional support as required.

7. **Graduate recruitment** - We had already conducted a good portion of our September 2020 intake selection by the time restrictions linked to the pandemic were put in place. Some roles had to be delayed to allow extra time to gain the necessary security clearance, and remaining vacancies put back to a later start. We have recently introduced a new graduate programme, with multiple intakes through the year (as opposed to a single cycle and using online interviewing), which has given us the flexibility to adjust our demand, and means that we will maintain an overall intake of c250 graduates, largely within our Air and Maritime sectors, between September 2020 and June 2021, in line with our initial plan.

8. **Experienced hires** - we have not cancelled any recruitment. We are still actively recruiting and have switched to virtual interviewing and selection where possible. If offers have been delayed it is due to ensuring new starters can have the right induction experience in their first few weeks while we waited for sites to be up and running with social distancing in place. The health and safety of our current and prospective employees was and remains our first priority. We have worked closely with our Trades Unions, whose contribution and support has been invaluable, meaning we now have 10,000 people back on sites across the country. We have also faced some delays with security clearances for new starters which means we have had to delay start dates in some cases.

9. **Mitigating impact on wider sector** – Whilst defence has been relatively protected so far due to the long-term nature of the business, we recognise the challenges that adjacent industries are having, notably civil aerospace. BAE Systems is working actively with companies that have publicly announced plans to downsize. We are working with them to find a process to link with their outplacement providers to share current job opportunities that we have open. We are working with TRS (Talent Retention Service) to use their redeployment platform and link with employers who are making redundancies to make them aware of openings that we have within BAE Systems.

## **IMPACT ON BAE SYSTEMS' DELIVERY OF APPRENTICESHIPS AND SKILLS**

10. **Furloughing** - BAE Systems has not furloughed any of its UK workforce, including its apprentices. We have continued to support the learning for our 1500 plus apprentices during lockdown and are now arranging for their return to the workplace as part of our wider return to work strategies at a Business Unit level.

11. **Adaptions to sustain apprentice learning** – We have taken a number of steps including: reviewing working/learning arrangements to facilitate social distancing, use of

shifts so that we can spread training over a greater period of time, prioritisation of off the job learning in this time to take the pressure off work placements where closer supervision is often required, greater use of virtual learning both from us as an employer (with our virtual learning environment) but also from our providers and underpinning this a greater focus too on the mental wellbeing and pastoral care of our apprentices – through regular contact via phone and social media to ensure they feel supported and part of a wider team (i.e. part of a virtual apprentice community).

12. **End Point Assessment** - We have c160 apprentices completing their End Point Assessment (EPA) in the next few months. We have valued the new flexibilities agreed by DfE/IfATE and by taking a virtual approach we will be able to complete all these EPAs in the original time frame.

13. **Workforce training** - The large increase in our employees working from home due to the COVID-19 situation has also resulted in us pushing forward more quickly with our digital learning roadmap. The launch of a new mobile learning app, Percipio, has allowed us to continue skill building through this period of remote working, and also allowed us to quickly build capability at scale in remote working, remote management and wellbeing. We will continue this accelerated digital learning trajectory in the future, with further virtual and digital learning functionality – such as Virtual Classroom technology and Virtual Functional Academies - to build on the current momentum.

14. **Digital Skills** - The Defence Growth Partnership, of which BAE Systems is part, has been running a project looking at the key digital skills needed in the defence sector and plans to launch a portal later this year with content and links to existing good material. BAE Systems has been leading the sub group looking at Predictive Analytics' skills.

## **BAE SYSTEMS' VIEW ON POTENTIAL IMPACT ON WIDER EDUCATION SYSTEM**

15. **Top level** - It is probably too early to make a full judgement on the pandemic effect. The impact will depend on the length of the pandemic and the state of the economy.

16. **Partner impacts** - BAE Systems has strong links with its FE and HE partners that support our advanced and higher and degree apprenticeship programmes and is fortunate to have large volumes of learners in learning with our key partners. This gives us greater resilience. The feedback that we have had from them is that they are well positioned to continue to support our apprenticeship programmes. They are working through now how to support that learning, working within Government guidelines, for our new planned cohorts in the autumn. They have all responded well from March to help support our apprentices with online and distance learning during the lockdown.

17. **FE Provider base** - Like many employers and employer groups we are concerned to hear about the potential damage to the wider FE provider base and the independent learning providers in particular. This is not so much of an issue for BAE Systems, but for SMEs. These providers are critical to the apprentice training for SMEs in particular in our advanced manufacturing and engineering sector – as indeed others – and we would very much support the DfE and Government in its endeavours to assist FE providers, including Independent Training Providers.

18. **Youth unemployment** - Owing to COVID-19 there is likely to be a rise in youth unemployment. BAE Systems has been a founder member of Movement to Work and has a long history of working with the Prince's Trust to support young unemployed people get into employment. We have used Movement to Work as a pipeline into our apprenticeship programmes, with more than 100 of those having completed our work placements going on to become apprentices with the Company. We are currently in early discussion with the Prince's Trust about taking forward our partnership and support for the young unemployed.

19. **Higher Education** - We are aware that other large companies have had to significantly reduce their intake or graduates, or cancel their programme altogether. BAE Systems remains committed to graduate recruitment to maintain a robust pipeline of quality candidates to meet our requirements. While Universities have been impacted in the way they have been able to complete the academic year, we are not expecting any disruption or impact in our ability to offer roles on our graduate programmes for students completing their degrees this year. Our potential concern could be if the current situation had a longer lasting impact in Universities' ability to sustain their current offering, especially in certain critical and scarce skills. There has however not been any indication of such impact to date.

#### **SUGGESTED GOVERNMENT SUPPORT TO APPRENTICESHIPS**

20. **Apprenticeship Guarantee** - To help sustain the number of apprentice starts the Government should consider offering some form of wage subsidy for apprentice employers (and in particular SMEs) for the first year of an apprenticeship when apprentices are often off-the-job and are arguably largely 'commercially unproductive'. It would be reasonable for Government to mandate a repayment of that subsidy should the employer not complete that apprenticeship.

21. **Marketing campaign** - The predicted falls in apprenticeship starts and media reporting of apprentices being made redundant will damage the apprenticeship brand and could make further education and higher education look more appealing to young people, their parents and school teachers/careers advisors. DfE should consider running a media campaign to help bolster the appeal of apprenticeships. We in BAE Systems are very happy to support with role models etc, alongside other employers.

22. **SMEs** - SMEs need more support about how to deliver apprenticeships. Lack of understanding has always been a key issue for SMEs and with new safety related constraints apprenticeships will look more onerous.

23. **Providers** - Building upon the comments made earlier in this submission there is a need for targeted support to mitigate impact on providers. If the Apprenticeship Guarantee can be made to work this would be the enabler to sustain the provider base, including Independent Training Providers.

24. **Pre-apprenticeships** – It will be important for the bridge into apprenticeship programmes to be strengthened for those young people in particular from the most disadvantaged backgrounds. The Government should explore those models with proven schemes such as Movement to Work, which BAE Systems backs as it is underpinned by employability skills training (including mental health, resilience) by the Prince's Trust. There should be as part of this a review of Traineeships to make them more relevant and attractive

to young people and employers. This needs to be a separate programme from Apprenticeships in order to and as to protect the Apprenticeship brand.

25. **Digital** – We welcome the commitment by DfE to provide Level 1 Foundation Digital Skills training. However, there is (and as was signposted before COVID-19) recognition that UK industry needed to increase investment in digital skills training at all levels. Indeed, the Government might consider using the Levy to fund DfE approved Digital Skills training for a short period (2 years) to enable this upskilling.

26. **WorldSkillsUK LIVE** - We have recommended to WorldSkills that it should be a virtual event (recognising the continuing uncertainty around large public events) and that its focus should be adjusted to helping better support and prepare young people to understand apprenticeships and job opportunities. In this way it can provide practical opportunities to connect potential apprentices to employers, offer virtual training on how to apply for apprenticeships, prepare young people to write CVs and help perform well in interviews. Especially at this time it can also target support for resilience and mental wellbeing.

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