The construction industry has a pivotal role to play in the delivery of the critical infrastructure projects the Government has planned to meet the country’s increasing needs for energy, transport and housing. But it has skills gaps across almost every technical discipline, with the knock-on risk that skills will be lost permanently despite the infrastructure investment, if we are not able to use the current, older workforce to train new recruits before they retire. Relying on skilled workers from continental Europe to plug the gaps is no longer an option: with Brexit now just around the corner, ensuring we have a high-calibre, skilled, domestic workforce has never been so important.

Apprenticeships can and should play a core role in addressing these skills gaps. However, the failure of the Apprenticeship Levy to drive the delivery of more apprentices has led to mounting frustration across the economy. The time has come to look again at how the Levy is implemented. We therefore welcome the Prime Minister’s announcement that the Government will be considering how to evolve the Levy.

Balfour Beatty has always put skills and training at the heart of our business. We have been vocal in our support of the Apprenticeship Levy in principle – with the caveat that it must deliver the large number of high quality apprentices the industry needs. To ensure it does so, we have outlined here 14 ways in which it must be changed. Key amongst these is the way we measure the Levy’s success, by looking at the number of people starting apprenticeships. This must be overhauled: it is not the starts that deliver a skilled workforce, but how many people are completing their apprenticeship – this is where we must focus our efforts. Unfortunately, looking at number of completions paints an even worse picture of how we are doing in training the skilled workforce the sector needs.

The ongoing issues with Apprenticeship standards also need ironing out. Being able to use the Levy to train people for back-office and other disciplines is of course important, as is investing in upskilling our current workforce. But what the construction and infrastructure industry really needs is more new recruits to the industry in engineering and other technical roles. Not being able to fund the training for such people because the relevant standards have not been approved yet is galling for businesses which have been paying into the Levy since April 2017.

Government and industry agree that the Apprenticeship Levy is not working. However, tinkering with it will not fix it. Now the Government has agreed to evolve the Levy, it must reform it thoroughly to ensure that it works for the construction and infrastructure industry, and the economy more broadly. The clock is ticking.

Leo Quinn
Group Chief Executive
Executive summary

The construction and infrastructure industry is of key strategic importance to the UK economy. It is not only a major employer and driver of economic growth in itself, it also sits at the heart of the Government’s plans to future-proof and strengthen the economy by implementing the ambitious infrastructure plans set out in the National Infrastructure Pipeline.

Balfour Beatty welcomes the Government’s focus on skills. The aim of establishing a technical education system to match the UK’s world leading higher education sector and to put us on a par with countries such as Germany is, we believe, the right one. However, one of the most significant things the Government could do to help deliver the skills the construction and infrastructure industry needs, and to therefore help improve the industry’s productivity, is to ensure the Apprenticeship Levy delivers the maximum number of “work ready” apprentices. Indeed, Balfour Beatty believes that supporting apprenticeships as a path into industry has never been more important.

The economy-wide Apprenticeship Levy, which came into force in April 2017, requires every firm with a payroll of over £3 million to pay 0.5% of their wage bill into a central levy fund. Balfour Beatty has welcomed and supported both the Apprenticeship Levy and the target to create three million new apprenticeships by 2020, driven an increase in the numbers of apprentices we recruit and structured and being implemented, means that the Levy has not been in previous years.

However, with the Apprenticeship Levy now having been in place for a year, Balfour Beatty has not increased the number of apprentices it trains. Indeed, the numbers of apprentices our industry and others are taking on this year is lower than it has been in previous years.

Only 10% of the ring-fenced Apprenticeship Levy funds were spent in the first year¹. Those paying in find it difficult to spend it all; yet SME employers remain unengaged in the debate and are not recruiting new apprentices.

Many large employers including Balfour Beatty have a long, proud tradition of recruiting and training apprentices, graduates and trainees. We plan our training needs based on workload visibility five years ahead. Greater, firmer visibility and consistency of the construction and infrastructure pipeline helps us to commit to more apprentices.

In addition to considering our confirmed and likely future workforce needs, we also take into account our ability to manage the number of people we are recruiting in order to ensure they will receive the appropriate quality of training and levels of supervision. These reasons, combined with the way the Apprenticeship Levy is structured and being implemented, means that the Levy has not driven an increase in the numbers of apprentices we recruit and will not do so as long as it is structured in this way.

We believe that part of the solution lies in reforming the Apprenticeship Levy to secure the maximum number of apprentices for the construction industry and train the next generation of high quality construction professionals. This paper outlines a number of recommendations and 14 steps we believe should be followed to make sure the Levy plays its part in delivering the skilled workforce the sector needs.

Key points and recommendations

1. The priority must be to bring more “new” people into the industry at all levels and from all backgrounds.
2. The way the success of the Apprenticeship Levy and apprenticeship policy is measured must be changed. The quality of training is more important than pure numbers of starts so a better measure would be the number of completions. Currently there is no incentive in the way that the Levy works to complete an apprenticeship; indeed all the risk of non-completion sits with the training provider.
3. Although there has been some progress since the Institute for Apprenticeships has taken over standards approval functions, there are still delays in approving the standards the construction industry needs. This situation must be addressed comprehensively and quickly.
4. The planning and preparation of colleges and lecturers must be undertaken as a matter of urgency to ensure a seamless transition and high level of teaching, once all the new standards come online. There is some evidence that training providers are reluctant to move from frameworks to standards, according to the CITB.
5. The scope of the Levy could usefully be expanded to enable it to be spent on essentials directly linked to apprentice training and assessment: training accommodation, for example, in cases where block release is demonstrably the only option, due to a shortage of adequate provision. Any situation where employers are essentially penalised financially for having an apprentice disincentivises companies from taking them on in the numbers the industry needs.
6. More support must be provided to smaller employers to ensure they understand how the Apprenticeship Levy can benefit them. Many of them remain unaware of it or view it as an initiative for larger businesses only and risk being left behind as a result. This is reinforced by training providers actively targeting Levy-paying employers and forgetting the SMEs which dominate our industry and where the majority of apprentices have traditionally been employed.
7. The trade-level jobs are all carried out by smaller companies, which must be encouraged to undertake training. Indeed, the Levy will not achieve its underlying goals or deliver its full potential unless as many small businesses as possible take on apprentices.

¹https://www.parliament.uk/business/publications/written-questions-answers-statements/ written-question/Lords/2018-05-22/HL8152/
8. The Levy could be extended to accommodate employers offering much-needed – often mandatory – work experience opportunities for students in relevant disciplines to support their transition from academia to work, and to underpin T-Levels.

9. The concept of Accredited Prior Learning (APL) needs to be more integrated into the system and the concept of Programme-led Apprenticeships may need to be resurrected for T-Levels. Otherwise there is a danger of perpetuating the current disconnect between full-time vocational learners and the workplace.

10. One way of encouraging more construction firms to take on apprentices would be to allow Levy spend on shared apprenticeships and to promote their use.

11. There should be no ring-fencing of unspent funds as this could be counter-productive: as an industry, construction does not raise enough Levy to support its existing apprenticeships, let alone any expansion. Our industry will therefore, of necessity, be relying on the re-allocation of surplus funds from other industry sectors.

12. Similarly ideas to devolve Levy to regions – such as those with Metro Mayors – may be counter-productive as it would reduce employer leadership and further complicate matters in the same way that devolution of the Levy to Scotland, Wales and Northern Ireland has already added complexity for UK-wide employers.

13. The two-year period for the spending of funds should be extended.

14. The Further Education (FE) sector must be well-resourced and supported to ensure it is able to play its part in delivering trained apprentices and a strong economy. There must be a coherent strategy or vision for the future to ensure that FE is able to play its part in delivering the skilled workforce employers need.

15. More must be done to make UCAS-style process for apprenticeship applications a reality.

16. The Apprenticeship Levy on its own cannot be seen as the only solution to the construction and infrastructure industry’s skills shortages. Attracting talented people to undertake apprenticeships and to other entry points into the industry is also critical. Using some of the Levy to drive a programme focused on attracting new people into the industry, and informing people about the benefits of apprenticeships and of the diverse range of careers available in the construction and infrastructure industry could have a real impact on the number of people applying to undertake apprenticeships.

17. The definition of an apprenticeship should be tweaked to include pre-apprenticeship schemes such as the ‘Get into’ pre-apprenticeships run by the Prince’s Trust, which focuses on enabling young people from disadvantaged backgrounds to access employment and training opportunities.

18. In terms of funding caps, there should either be a stronger relationship between what employers say is the cost of delivery and the final funding cap that is allocated, or more robust and transparent guidance regarding what can be included.

19. A number of providers are changing more than the funding cap of, for instance, a Level 3 Framework. With companies themselves covering costs beyond the cap and not covered under the Levy, the incentive is to not train people at this level.

20. The Levy must be structured in such a way as to encourage apprenticeships in new areas for the construction industry, for example, in artificial intelligence, digital and construction robotics.

21. Whilst employer leadership is critical to the success of apprenticeships, a purely market-led approach is unlikely to lead to adequate training provision and there needs to be consideration given to being able to take an overview of provision and intervene if necessary. In the construction industry this is clearly a role for the Construction Industry Training Board (CITB).

Upskilling and reskilling the workforce and creating a robust pipeline of new talent is of critical importance to the post-Brexit UK economy. For sectors such as construction, which have longstanding skills shortages, decisive action is even more important. In particular, the increased volumes of workers the industry is expected to need, together with the ageing workforce, mean that it will be challenging to recruit the skilled workers the industry requires to build tomorrow’s infrastructure, even if we guarantee the right to stay of existing EU migrants in the industry.

The projected need is for over 250,000 construction and over 150,000 engineering construction workers by 2024, equating to the need to recruit and train nearly 100,000 additional skilled workers per year by the end of the decade. If the EU workers currently employed in the industry were to leave in the short-to-medium term, this figure would be undeliverably high.

Furthermore, it can take a decade from someone starting an apprenticeship or training programme to them gaining all the skills needed in specialist areas such as nuclear new build. With various large infrastructure projects in the pipeline, including mega projects such as HS2 and Hinkley Point C, our progress in addressing the skills gap – and ensuring that the Apprenticeship Levy is fit for purpose – needs to be accelerated.

1. Improve the process for approving new standards

The construction industry has been working with the Government to develop new apprenticeship standards since 2014. These standards, which replace apprenticeship frameworks place greater emphasis on delivering what employers need, on workplace performance and all-round development. At the end of their training, apprentices have to undergo an End Point Assessment (EPA) that considers a range of things, including skills gained and exam performance. However, the industry is still waiting for all of the standards to be approved and there have been frequent delays and changing guidance from the bodies responsible. For example, Balfour Beatty led on ten standards for three years and only secured approval on four of them before passing on responsibility for them to another organisation; others have had similar delays and timescales with the ones they have led and finally had accepted. This is causing difficulties, particularly for the construction sector, which urgently needs the apprenticeship standards which have been delayed.

Since employers only receive funding for those undertaking “approved” apprenticeships, this means that those on schemes yet to be approved are being trained without any benefit from our Levy subscription, creating a double burden. This is unfair for those businesses that have been paying a levy towards the new apprenticeships since April 2017, yet are unable to spend their levy pot as intended because the standard they need has not yet been approved.

This has a knock-on impact in terms of the numbers of new apprentices being recruited, as companies will often not recruit if they cannot access the Levy yet. It also has an impact in terms of quality, as many providers are still using frameworks until the standards are approved, which amounts to material that is not quite right but is the best available. This will affect the alignment of what is being learnt with what employers actually need.

Although we have seen some welcome progress since the inception of Apprenticeships has taken over standards approval functions, and welcome the new apprenticeship standards that have recently been introduced, there are still delays. This situation must be addressed comprehensively and quickly.

A further cause of delay is the current policy of End-point Assessment (EPA) for Trailblazer Standards. There are still delays. This situation must be addressed comprehensively and quickly.

A further cause of delay is the current policy of End-point Assessment (EPA) for Trailblazer Standards. The policy requires that apprenticeships lead to professional status wherever possible, which is an idea Balfour Beatty supports. As well as containing on-programme training and assessment, all apprenticeship standards must contain an end-point assessment. An independent organisation must be involved in the end-point assessment of each apprentice so that all apprentices following the same standard are assessed consistently. However, this does not allow the professional organisations – often the only ones that can award that status and have a Royal Charter that grants them the right to do so (for example the Chartered Institute of Building (IOB), Institution of Civil Engineers (ICE), Royal Institution of Chartered Surveyors (RICS)) – to have exclusivity to the EPA. This is despite the contradictory fact that some Integrated Degree Apprenticeships do give exclusivity to those universities that deliver them. This point has proved controversial and has been a crucial issue in delaying Trailblazer development and lack of approval at Higher and Degree level. It must be addressed as a matter of urgency.

2 National Infrastructure Plan for Skills, HMT, September 2015
We are pleased that the Apprenticeship Levy has been introduced and that the government have now released the details of how it will work. Balfour Beatty supports the apprenticeship reforms because they will improve the quality of training and ensure that it is more closely aligned with the needs of employers, particularly the construction industry. We believe that there should either be a stronger relationship between what the employer consortium says is the cost of apprenticeship standards and the apprenticeship standards and the higher-level programmes, which are of course important.

In addition, once approval is gained, the allocation of funding for apprenticeship standards and higher-level programmes is not sufficient to ensure a seamless transition and high level of delivery. This is a consequence of the lack of transparency and can lead to a situation where apprenticeship standards are approved but lower funding caps lack transparency and can lead to a situation where apprenticeship standards are approved but lower funding caps may impact on the availability of provision and delivery. We believe that there should either be a stronger relationship between what the employer consortium says is the cost of apprenticeship standards and the apprenticeship standards and the higher-level programmes, which are of course important.

2. Flex what the Levy can be spent on

Balfour Beatty believes that the scope of the Levy could usefully be expanded to enable it to be spent on essentials directly linked to apprentice training and assessment: training accommodation, for example, in cases where block release is demonstrably the only option, due to a shortage of adequate provision.

Given that those taking on an apprentice must also pay for the wages and any relevant travel costs for their apprentices, we believe that increasing the Levy’s flexibility for costs such as block release would be helpful. Any situation where employers are essentially penalised financially for having an apprentice, disincetivises companies from taking them on in the numbers the industry needs. While companies such as Balfour Beatty, which are committed to training, may decide to absorb these costs, many other companies will not.

The apprenticeship reforms have not so far led to any expansion in provision, especially as construction apprenticeships usually require capital investment, and so block release with associated additional accommodation costs is often the only option for employers.

3. Ensure an equal focus on all levels

Businesses are only able to spend up to the funding cap for each apprenticeship. Different apprenticeships have different caps, so generally those at a higher level and which last longer have higher caps. This means that there is an in-built disincentive to train at lower levels and a related focus on higher-level programmes, which are of course important. However, we are concerned about the lack of programmes for basic trades. While this impacts our supply chain more than it impacts Balfour Beatty directly, it is an issue for the whole industry given that 80-90% of the sector’s headcount is employed in trades.

We believe that the focus on higher-level programmes also perpetuates the lack of parity of esteem between Higher Education and Apprenticeships and may reinforce or even exacerbate the inequalities in a skills system.

For many new entrants (and up-skilers) apprenticeships provide a route to a rewarding and fulfilling career and the apprenticeships immediately with a resultant lack of focus on lower level apprenticeships can act as a “Starter Career” which mean that:

- Level 2 ranges from £1,500 to £12,000
- Level 3 ranges from £1,500 to £27,000
- Level 4 ranges from £2,500 to £24,000
- Level 5 ranges from £1,500 to £27,000
- Level 6 ranges from £9,000 to £27,000
- Level 7 cost £27,000

There is therefore little correlation between the economic value added (higher levels tend to lead to better returns) and the costs of delivery and funding caps being awarded.

4. Rationalise and correlate Funding Caps with real costs

Caps themselves range from £1,500 to £27,000. However, in our view, there are inconsistencies in the funding bands which mean that:

- Level 2 ranges from £1,500 to £12,000
- Level 3 ranges from £1,500 to £27,000
- Level 4 ranges from £2,500 to £24,000
- Level 5 ranges from £1,500 to £27,000
- Level 6 ranges from £9,000 to £27,000
- Level 7 cost £27,000

Furthermore, in our experience, a number of providers are charging more than the funding cap of, for instance, a Level 3 Framework. With companies themselves covering costs beyond the cap and not covered under the Levy, the incentive is to not train people at this level.

5. Increase awareness amongst smaller companies

More support must be provided to smaller employers to ensure they understand how the Apprenticeship Levy can benefit them. Many of them remain unaware of it or view it as an initiative for larger businesses only and risk being left behind as a result. The trade-level jobs are all carried out by the supply chain, which must be encouraged to undertake training. Indeed, the Levy will not achieve its underlying goals or deliver its full potential unless as many small businesses as possible take on apprentices. Balfour Beatty is encouraging its supply chain to take on apprentices, but this needs to be done more consistently across the board – for example, via procurement.

It is important to remember that for a small business, taking on an apprentice represents a relatively more significant commitment, especially given that the apprentices’ wages must be paid by the business. To take on an apprentice requires the employer to provide meaningful work. The number of apprenticeship places in the industry is restricted by the number of five projects, investment and security of future pipework of work. For a small business to commit to taking on an apprentice requires as much certainty around future work and visibility of the future pipeline as possible, in a trickle-down effect through assurances to Tier 1 suppliers. Small businesses should, we believe, be offered tax relief on the wages they pay to apprentices, in order to give them some additional assistance and incentive to increase the number of apprentices they take on.

Furthermore there should be a publicity campaign around “non-Levy” apprenticeships. So much of the recent publicity has been around the Levy – only paid by 2% of businesses in the UK – that the other 98% of companies that do not and will not pay the Levy feel left out and may assume that apprenticeships are no longer for them.
This may account for some of the significant reduction in new starts that has been seen recently.

6. Allow Levy to be spent on shared and pre-apprenticeships

The Farmer Report found that only 57% of construction employers provided any training in 2015—the second-lowest of all sectors. Balfour Beatty believes that one way of encouraging more construction firms to take on apprentices would be to allow Levy spend on shared apprenticeships and to promote their use.

Shared apprenticeships are an effective way of addressing the difficulties faced by some smaller firms in sustaining long-term placements for the full duration of an apprenticeship. They allow apprentices to be employed by a specially-created body rather than one company, and then to be placed with different companies to complete the qualification. This gives the apprentice a range of skills and experience, and allows contractors to participate in apprentice training even if they have only short placements available.

The definition of an apprenticeship should also usefully be tweaked to include pre-apprenticeship schemes such as the “Get into” pre-apprenticeships run by the Prince’s Trust, which focuses on enabling young people from disadvantaged backgrounds to access employment and training opportunities.

In our experience, much of the training for pre-apprenticeships overlaps with the apprentice training. This move would encourage more employers to participate in schemes such as these, thereby serving two significant policy aims for the Government and benefitting the country as a whole.

Pre-apprenticeships also allow the cash-constrained industry, which may not take on a full apprentice until they are certain of the work, to pump-prime the system.

7. More than a numbers game

The apprenticeship reforms have provided greater flexibility for employers to upskill their existing workforce through the apprenticeship route. With degree apprenticeships and master’s level apprenticeships both available, and doctorate-level apprenticeships a possibility, apprenticeships are becoming a viable solution to skills needs at every level. However, apprenticeships are not available in all career areas—more must be developed.

Furthermore, while current measures will see overall apprentice numbers increase, this is not likely to drive the right outcome for the construction industry, which needs both a better skilled existing workforce and significantly more talented people entering the sector. 95% of Balfour Beatty’s apprentices are currently new entrants—the way the Levy funding is structured incentivises us to refocus and use the funding to train existing staff. While this will help meet the target of more apprentices, it is essentially just a rebranding exercise—the priority must be to bring more “new” people into the industry at all levels.

8. No ring-fencing of unspent funds

Under the Apprenticeship Levy policy, if a company does not spend its Levy funds within two years, then the money is re-distributed to the companies that do not pay the Levy (which accounts for 98% of companies in the UK) to support their apprenticeships.

There has been some discussion that Levy payers such as Balfour Beatty should be able to ring-fence left-over funds for our supply chain and other construction companies. This is part of the principle behind the recent introduction of the ability to transfer up to 10% of unspent funds to other organisations. However this could be counter-productive: as an industry, construction does not raise enough Levy to pay for its existing apprenticeships.

We believe that Levy funds should be used to effectivley build capacity and establish links with employers and to drive forward work placement delivery in readiness for T-Level roll out from 2020, employers will have to absorb the costs they incur themselves, which disincentivises much needed employer engagement. For some students, particularly in rural areas where these placements may require additional travel, which means that additional funds may also be needed to support student travel and subsistence. Indeed, Balfour Beatty believes that the Levy could be extended to accommodate employers offering much needed—often mandatory—work experience opportunities for students in relevant disciplines to support their transition from academia to work.

In particular, T-Levels will require a minimum 45 days of work experience, with an expected average of 50 days. While investment is available for educational institutions through the Work Placement Capacity and Delivery Fund (CDF), to effectively build capacity and establish links with employers and to drive forward work placement delivery in readiness for T-Level roll out from 2020, employers will have to absorb the costs they incur themselves, which disincentivises much needed employer engagement. For some students, particularly in rural areas where these placements may require additional travel, which means that additional funds may also be needed to support student travel and subsistence. Indeed, Balfour Beatty has concerns that, without reform of the Apprenticeship Levy and a joined-up, holistic strategy overarching T-Levels, apprenticeships and other technical and vocational routes, T-Levels may not be the success they could be and which the economy needs them to be.
There is already a danger of a disconnect between the aspirations of T-levels to act as an entry route to high-quality apprenticeships: if a new recruit has completed a relevant T-level prior to starting an apprenticeship they will undoubtedly have already achieved significant sections of the knowledge element of an apprenticeship; however there will still be a requirement for them to have 20% off the job training, that is usually spent on gaining the knowledge element of the apprenticeship. The concept of Accredited Prior Learning needs to be more integrated into the system and the concept of Programme-led Apprenticeships may need to be resurrected for T-levels. Otherwise there is a danger of perpetuating the current disconnect between full-time vocational learners and the workplace.

10. Change the focus to completions rather than starts

Balfour Beatty believes that the way the success of the Apprenticeship Levy and apprenticeship policy is measured must be changed. The benefit of apprenticeships for employers and for the economy lies in increasing the number of people successfully completing their apprenticeship, rather than those starting them. We must ensure that learners complete their courses.

It can be tempting for people to go straight onto site once they have the basic skills, without completing the full apprenticeship. This is bad for both the industry and the individual over the long-term. We believe that shifting the measure of success onto completions rather than starts should be the long-term aim to ensure that the focus is on increasing the total number of qualified, skilled workers. The funding system has no built-in incentive for either employer or providers to successfully complete an apprenticeship standard. Currently, all the risk of non-completion sits with the training provider.

11. Ensure the industry is training for the roles we will need in the future

The construction industry must embrace new, innovative, industrialised construction methods and digital approaches in order to deliver more efficiently, higher-quality assets for the customer. While it is for employers to decide how many apprentices to train in which discipline, we believe the Levy must be structured in such a way as to encourage apprenticeships in new areas for the construction industry, for example, in artificial intelligence, digital and construction robotics.

The role of colleges should also be considered. There must be some oversight of their activities and charging; but importantly we need to ensure that they are closely aligned with industry to ensure they are delivering what we need now and in the future. We do not believe there is currently an incentive for them to develop new courses in areas such as Building Information Modelling (BIM) or digital for the construction sector, for example.

12. Supporting the Further Education sector

The Further Education (FE) sector is critical to the creation of a skilled workforce. It provides the college training for those undertaking apprenticeships. However, it faces numerous challenges. Key amongst these are:

- Between 1988 and 2016, FE funding was halved, (primary and secondary school funding per pupil doubled in the same period). Indeed, the funding rate for 16 to 18 year olds has remained unchanged for six years in a row, resulting in significant real-terms funding cut for FE providers in that period. Further education spending per student was 45% higher than secondary school spending in 1980 and will be around 10% lower in 2019-20. Yet with current and predicted requirements for the skills training FE provides set to increase, these institutions need more investment in facilities such as high-tech laboratories and workshops, particularly in the digital and engineering spaces, moving more towards ‘live environment’ education. Additionally the FE sector needs to employ industry specialists who often expect high salaries to be incentivised away from their sector into the classroom.

13. Supporting the Further Education sector

In our view, apprenticeships currently lack a coherent entry route, particularly compared to colleges and university. The recruitment process is therefore a key obstacle to building an effective apprenticeship system. To this end, Balfour Beatty believes that the process should be simplified as much as possible, ideally via a centralised system for apprenticeships such as the UCAS university application process. The UCAS system enables school-leavers to fill out a single UCAS form to apply for several universities at a logical point in their final year of full-time education. Creating a parallel system for apprenticeships would further assist in shifting the apprenticeships on an equal footing with university education.

Currently young people must complete multiple applications for the same apprenticeship if applying to more than one employer, despite there undoubtedly being common information requirements for those employers and similar selection criteria.

We welcome steps that have been taken so far in this direction, but believe that more must be done to make this a reality.

14. Changing the sector’s image

Finally, the Apprenticeship Levy on its own cannot be seen as the only solution to the construction and infrastructure industry’s skills shortages. Attracting talented people to undertake apprenticeships and to other entry points into the industry is also critical. Key to this is changing the image of apprenticeships and of the sector, specifically in relation to those we wish to attract, but also those who influence their decisions, from parents and carers, to teachers.

More must be done to inform young people about all the options available to them and to attract bright school leavers from all backgrounds to undertake apprenticeships and other vocational routes. This requires more schools to allow employers to speak to all children about the range of opportunities on offer, rather than a pre-selected group, for example, as is currently often the case. Education about the range of careers and options on offer should also begin earlier, at primary school, while greater awareness-raising amongst parents and careers advisers must be a priority. The country’s hardworking teachers should be supported to become better skills advisers and society at large must be encouraged to change its perspective. Furthermore, while there has been some progress on making vocational and academic routes more equal, there is still a long way to go. We must reach parity of esteem between the two more quickly.

It would also be useful to take a more strategic approach to attracting people to apply for and take up apprenticeships in the industry by, for example, allowing a small amount of spend to be used on programmes to broaden the recruitment pool to the industry, especially among women, people from ethnic minority backgrounds and those from disadvantaged groups and areas. A small amount invested could yield significant results.

Using some of the levy to drive a programme focussed around some of these themes could have a real impact on the number of people applying to undertake apprenticeships.


1https://www.institutefiscalstudies.org.uk/2017/01/apprenticeship-standard/

2https://www.theinstitutefiscalstudies.org.uk/2017/01/05/the-disappoint-as-16-to-18-funding-rate-rise-rejected/

3Institute for Fiscal Studies, 2017

Building the future | Shaping the Apprenticeship Levy

13
Conclusion

Apprenticeships are crucial to plugging the construction and infrastructure industry’s skills gap. Balfour Beatty supports the aims of the Apprenticeship Levy: the recruitment of a new generation of construction professionals and the upskilling of the current workforce. However, we believe the Levy must evolve in order for those aims to be achieved. Crucially, anything which results in the Levy being seen as an extra cost will limit the number of apprentices being trained in the sector. Reforming the Levy in the ways this paper suggests would deliver more apprentices and ensure that the industry is able to deliver the housing and other infrastructure the country needs.

About Balfour Beatty

Balfour Beatty believes that a strong and resilient construction industry needs a robust domestic skills base. As a British company with a hundred year legacy in the UK, Balfour Beatty is committed to addressing the skills shortages in the UK and investing in home grown talent. Balfour Beatty recruits around 150 apprentices each year in the UK in addition to the over 300 currently under training in a diverse range of roles across the business. We employ around 700 more young people on graduate and part-time higher education/degree schemes.

Balfour Beatty is also a long standing member of The 5% Club, an employer led organization set up by our Chief Executive, Leo Quinn, five years ago, aiming to address the skills gap by getting more young people into earn to learn opportunities; encourage businesses to take the lead on training and promote apprenticeships as a positive career decision.