

# Small change, big difference

The main obstacle to increasing the number of apprenticeships is getting employers to 'buy in' to the idea that investing in training and skills could make a big difference to their business and to the lives of their workers. Public procurement is the ideal tool to encourage organisations to develop their apprenticeship plans, writes **CATHERINE MCKINNELL**

Last month Buckinghamshire councillor David Shakespeare, the leader of the Conservative group on the Local Government Association, was quoted in the press as saying that the problems of the employment market could be solved in a simple way: 'The north may replace the Romanians in the cherry orchards ... and that may be a good thing.'

Well, I don't agree and over the last few months I have been working in Parliament on a cross-party basis to create a solution that will provide a more positive option for the future of skills and employment, both in the North East, where I have my constituency, and across the UK. My Ten Minute Rule motion to introduce the Apprenticeships and Skills (Public Procurement Contracts) Bill passed to its second reading with unanimous support from all members present in the chamber on 14 September 2010.

The bill aims to introduce a requirement that when awarding contracts public authorities must ensure that successful bidders

demonstrate a firm commitment to skills, training and apprenticeships. In effect, it seeks to enshrine in legislation a requirement to comply with the Office of Government Commerce guidance (OGC), *Promoting skills through public procurement*, bringing into play the unique leverage of public sector procurement to promote skills, jobs and training opportunities, particularly important in the current economic climate.

## Procurement policies

The guidance published by the OGC in April 2009 aims to encourage government departments to address skills and apprenticeship issues through their procurement policies. My bill looks to build on those guidelines, ensuring that organisations help to develop skills in their workforce through these large-scale public contracts. The bill would help to develop training and apprenticeships for young people and adults as well as helping to enshrine a culture of lifelong learning and development throughout organisations.



The economic case is clear. Expanding access to apprenticeships will help to bridge the current employment and skills shortfall. It is particularly important in the current financial climate to ensure that for every pound of publically funded investment, those profiting from it are giving something back. With an annual expenditure in 2008-09 of £175 billion, public procurement is the ideal tool to encourage organisations to develop their apprenticeship plans. And despite the more austere climate, this will still provide a weighty incentive for organisations, and an ideal carrot to encourage more apprenticeships.

The bill has drawn widespread support from across the political spectrum and endorsement from the TUC, the Federation of Small Businesses, the Association of Colleges, the National Union of Students and a range of other unions and employer organisations.

This month it also received the backing of Lord Sugar, former Government Enterprise Advisor, who said:



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*I fully endorse Catherine McKinnell's Apprenticeships and Skills (Public Procurement Contracts) Bill, as she too realises the crucial role of apprenticeships in developing the skills of people through training and real work experience. Through this initiative, by ensuring there is a firm need for contracts awarded by the public sector to stipulate a commitment to taking on and developing apprentices, I believe she will continue to build upon the impressive strides made under the last government in the area of apprenticeships.*

Since the general election the Conservative-led government has repeatedly stated its commitment to apprenticeships. John Hayes, the Minister of State for Further Education, Skills and Lifelong Learning, with responsibility for apprenticeships, stated: 'We have promised to re-shape the apprenticeships programme to ensure that it provides more high-quality training opportunities. We have already begun to deliver on that promise by

redeploying £150 million to provide an extra 50,000 places.' The government has also committed to re-examining the barriers to expanding Level 3 apprenticeships for 19 to 30-year-olds in line with the commitment set out last year as part of its skills strategy.

#### **Huge task**

No-one underestimates that this is a huge task, building on the Labour government's success in increasing the number of apprenticeships available in the UK. In 2008-09 (the last year for which figures are available) there were 239,900 apprenticeships taken up in the UK, an all-time high. Therefore, in the current economic climate, using public procurement to encourage apprenticeships really does make sense. The financial investment required to expand training will be shared by the taxpayer and private firms making profits from public contracts.

Government spending is declining, yet the need for jobs and training is higher than ever. The current supply of quality

apprenticeships is clearly not sufficient to meet demand and that was highlighted this year when British Telecom received 24,000 applications for only 221 places on its apprenticeship programme.

Over the last few months I have met with representatives from NIACE as well as a range of other organisations in the education field; time and time again, I hear that the main obstacle to increasing the numbers of apprenticeship available is getting employers to 'buy in' to the idea of making that small change within their business to bring about a big difference in their organisation and the lives of so many people. I am hopeful my Apprenticeships Bill might be just what is needed to make this happen.

*Catherine McKinnell is Labour MP for Newcastle North and Shadow Solicitor General.*

*The Apprenticeships and Skills (Public Procurement Contracts) Bill receives its second reading in Parliament on Friday 11 February.*