

APPRENTICESHIP LEVY: The Great Leap Forward

Submission to A Future for Public Service Television Inquiry by Michael Foster, co-Founder, Creative Access

Any potentially ideological, imposed tax will meet opposition from those who reject its fairness and applicability to their business. This paper would hold that the tax is a potential godsend to the long term future of Television as it will, if adapted to correctly, fundamentally change the necessary training, its funding and its organisation, and increase the likelihood of the creation of a whole new generation of talent that must be brought into Television to keep it relevant and maintain its economic growth for the long term. Current training and recruitment methodology at all levels of Television are both anachronistic and insufficient and without change decline is inevitable.

Preamble

The UK has historically built a great Creative Sector by bringing together diverse talents from school leavers to graduates and from the working class and to the middle class and then training them to high standards. The Television Industry as an employer has increased in size six fold since 1965.

Unfortunately in recent years recruitment is being drawn from an increasingly narrow group. 93% of Creative Industry employees are now white and 62% have a higher education. This is happening at a time when today's society is moving in the opposite direction. Both at home and abroad we have seen a massive explosion in the scale and depth of audiences able to access and create content due to advancements in technology.

The Government has a manifesto commitment to create 3m new apprenticeship jobs by 2020. In the South East of Britain media employs one in ten of the population but in media only one in 200 employees have trained as an apprentice and the clear result of the lack of access for disadvantaged young people has led to a massive diminution of socio economic diversity within Television employment. If British television is to remain relevant to its own

community and to continue to economically flourish it needs to widen the talent pipeline and it can only do so by recruiting from the presently all but excluded disadvantaged sectors of society.

The Government has proposed that this fundamental change is funded by the apprenticeship Levy. The Television Industry, rather than trying to maintain that media is a special case and try to have Government back down or at worst alter the structure of the Levy for media companies due to its high usage of freelance workers, must seize the opportunity and adapt and move away from its own very outmoded forms of recruitment, outreach and training in order that it absorbs exceptional talent from diverse groups so that it can remain relevant, successful and competitive for the future.

Training in media must be seen as a way for the disadvantaged to gain the necessary skills so that they can compete on a level playing field with their graduate entry counterparts. The Television Industry, if it does not act, will wonder why the young social and educationally disadvantaged creative talent ends up in Gaming and in Social Media companies such as Google, Facebook and Twitter, all of whom are adapting quickly to the Levy

Recent Industrial History

UK Television beginning with the Robinson/Allen take over of Granada has progressed in the 21st Century from a “Culture” to a world class business, exporting culture and entertainment around the globe. Accompanied by necessary structural changes such as the Broadcast Act there has been a large increase in output and rise in profitability with the move to low overhead Broadcaster production (continuing, in delay, at the BBC with outsourcing of Studios), high risk, low training, sparsely staffed start-ups with the new large producers being conglomerates of separately purchased start-ups, none with neither the history nor heritage of training.

The rise in the middle class, broadcaster educated and trained owner supplier has meant a low level of training for employees and a narrowing of the recruitment methodology and funnel. The downward spiral of in-work, vocational, Broadcaster and producer sponsored training across all forms of television begs the question as to the future competence of suppliers to maintain the necessary supply chain of quality television to Broadcasters.

Government and The Television Industry

The Government will not make any exception for Television as an industry concerning the Levy. It will not give ground on this in the face of lobbying from Industry bodies such as Creative Skillset. Television must prepare now, and quickly, or it will get no benefit from the Levy which will become a simple tax, the benefit flowing to industries that have a history of apprenticeships or are willing to adapt to their changing needs by changing training practices and reaching out to a wider talent pipeline.

Television is one of the most heavily publically subsidized industrial sectors in Britain eg BBC and Channel4 are in part funded by the public purse and the Treasury, and through the public investment of Creative Sector Tax Reliefs on production, it is increasingly profitable and becoming an ever bigger employer.

The Government in return expects that increased employment to reflect as it should the diverse make up of the population and not be directed just to the already advantaged middle classes that populate television employment. Additionally the tax rebate increases profitability for the production sector and increases the budget available to broadcasters to expand and diversify their output (and allow surplus non programming monies to flow to dividends or, at public broadcasters, to management salaries; see wage explosion at BBC between 2004 and 2012). To claim that Television cannot afford to properly train and recruit disadvantage people by the correct application of the Apprenticeship Levy is to deny the huge increase in profitability and wealth created within Television within the last 20 years.

Pathway to successful Application of the Levy within Television

Act in Concert

The industry can take advantage of its own unique structure. It has four to six huge broadcasting leaders of the industry. BBC, ITV, Sky, Channel4, Viacom/C5, UKTV; and it has six or seven monolithic producers eg Endemol/Shine, Discovery/A3M, Warners, Sony. What these companies do, the 85% of the industry that are SME will follow. They will have to follow as they form the supply

chain to the Broadcasters and those Broadcasters thus wield great clout. The Broadcasters must act in concert, not each pursuing their own variation of action in a manner they view to best advantage their own company.

Training the workforce and widening the funnel for the intake, because of the freelance nature of work that so many use as an excuse to close down training and not adapt to the potential Apprenticeship intake, will in fact in the medium to long term benefit all of Television for the very reason that the television labour force is freelance and transient and will transfer and carry skills from job to job, company to company.

The Broadcasters must reform, combine and eliminate the duplication and multiplicity of the separate bodies that they fund for training and advise on recruitment. The idea that the Levy will cannibalise the meager amounts that flow into HETV for training is a complete misnomer if not deliberate red herring, rather typical of the bluster that flows from satisfaction with the status quo of many television representative bodies. Most of those being trained under the Skills Investment Funds are certainly not from disadvantaged communities but from the normal middle class recruited cadre. Too many bodies, each with their own workforce and own agenda leads to the deadening of purpose, the lowering of ambition, too much consideration of possible problems and kinks and ultimately inaction. Television is already leaking young and new talent to the digital world. There is no time for prevarication of Television UK Plc is to keep its dominant and healthy economic earning position in television in the world market.

Create Standards that are of real value and benefit

Britain has the best actors and a wide range of very capable actors because in Britain we train them well and previously recruited widely against standards that were codified by drama schools many years ago.

The television industry must not be satisfied in training the disadvantaged to just NVQ2 or 3 where all the standards now sit, but must within the next 12 months show real ambition for this new workforce and create codified new standards written by the industry to degree equivalent in-work vocational training qualifications to NVQ6 for training in drama, entertainment and

factual. This can be done with just 2 or 3 standards all which would in effect cover entry level jobs that end with qualifications, where companies currently employ graduates, as researchers, production assistants, script editors/ supervisors, and the same for behind the camera and physical production roles.

Creative Access has already assembled a Trailblazer group which will be guided and advised by Creative & Cultural Skillset to write, develop and have certified by BIS such standards for our industry partners of over 100 firms from the BBC to ITV to Betty and A3M. Such standards once established will be available to be used by any company within the industry.

National Media Apprenticeship College

The standards must be taught not by whatever FE colleges happen to claim they can train to these standards, but as with drama schools and with Creative and Cultural Skills, the industry must establish its own National Media Apprenticeship College where it is not “media studies” that are taught, but the necessary practical realities of development, research, commercial programme making, broadcasting and production skills. The College over time will also be a place where in-work vocational training can also be offered to more experienced workers, or in the case of returners (i.e. women and men after maternity/child leave) can go for continuous, in work further vocational training.

There can be a college at the outset in say London and perhaps in the North West, the college can send tutors and can use other temporary locales for training in say Bristol, Newcastle, Cambridge, wherever there is a need. Additionally tutoring to some students may be online or in some locals taught by audio visual communication. But the important thing is that the teaching is to industry standards, emanating from a industry supported centre of excellence. It cannot be emphasized enough that most important aspect is that this training is industry and not educationally led. Creative Access has planned and is raising the necessary low level of Cap Ex to cover the setting up of such a college. It is not sufficient to just have the industry write standards, it is necessary for the industry to control the teaching and continual assessment and applicability of the levels of qualifications attained.

The establishment of a school of excellence will not only

concentrate Broadcaster and producers attention on long term training and the future health of the industry, but it will act as a beacon to young people to both educate about and attract to the available careers in Television. It will additionally through a promoted outreach programme recruit into Television the brightest and the best young people from schools, academies and colleges around the county.

The College in being paid for and maintained out of the margin on teaching of each Apprentice (paid for by grant from Government) is a further boon to a united and organised industry. Thus the industry by having its own self funded school is not only having its trainees taught by a contemporary and in-work vocational methodology, but it is also extracting further value from the prepayment of the Levy Fund as it is Government that pays the fees for the tuition, from the Levy raised funding.

Present Apprenticeship Broadcaster and Production Company Training

Several broadcasters, BBC with 120, ITV 40, Sky 180 and some larger production companies, have in the last five years begun training Apprentices. These are qualifications at NVQ2 or 3 level and do not compete with the intended training levels nor recruitment pool as written in this paper. These schemes can either be combined with those in this paper, folded in and can carry on separately as they are run now by their separate organisations. None will substantially dilute the monies available and collected by the levy paid by those companies.

The “Problem’s” of the SME’s

SME’s form 85% of the production output of the Television sector. The lobbying of Government by Pact and Skillset and Independent producers around the difficulty of, recruiting, organizing, training and paying for Apprentices is misplaced and comes from lack of knowledge and is a by product of the lean and mean, rather short sighted, level of employment at many companies. Broadcasters must here encourage their suppliers on the benefits of training, perhaps in part allowing for some cost within budgets in order to preserve and educate and train the supply chain, but also must, as say Channel4 have done with diversity, have the stick of tying

training to commissions.

By copying from other industries which also have short production periods and are cyclical in terms of employment eg Building, it is completely possible to show that Apprentices, if their training is underwritten in part by the excess from within the large Employers pot (ITV, BBC, Sky etc, will never be able to employ and train all the apprentices its Levy tax pays for) can be formed into a holding company (say Media Apprenticeship Training Agency: MATA) which is responsible for their employment, payment and overall vocational training, but which allocates them out for their work element to production companies in their supply train, on shows in prep and in physical production for the course of those specific productions. At the end of each work placement, the Apprentice returns to the parent holding company (MATA) for further educational training or further in-work vocational training depending on their progress through the course. This can all be administered by the same organisation that recruits, selects and places apprentices, runs the college and liaises with Employers and Government.

Apprentices at 18 will, importantly for media, need life training skills that individual SME's are unlikely to have the manpower, skills, nor time to deliver, so that specific life skills training too will be handled by the National Media Apprenticeship College in co operation with the MATA.

Outreach, Recruitment and Selection of Apprentices

For each of the above headline descriptions there are copious back up materials; and the provision of any this will need dedicated hard work by committed and knowledgeable people, but must, to succeed, be coordinated by a single purpose organisation.

Creative Access has shown empirically by its work with BIS over the past four years, that in order to succeed with a change in labour recruitment, for the diversification of the supply of labour to be successful, for in-work training and retention rates to rise, then the following must occur:

- Television organisations must willingly accept the economic need for change in the training and adoption of the

Apprenticeship policy and the reasoning behind it.

- Television broadcasters and suppliers must act in seamless and organised way; all facing the same direction and recognising the mutual benefits of sharing goals in training and the results that come from the training of such labour
- There must be an offer up of new job positions; these are not substitutes for other employment opportunities i.e. a demand led call for this new labour force from within the industry must be willingly forthcoming; there must be no cannibalisation by the industry of neither entry points nor opportunities for employment, in the early days of the scheme
- The recruitment for the labour to fill this new talent pipeline must have national outreach, both through personal interaction, as well as by social media and electronic communications, and must be directly connected to schools, academies and colleges and in particular to the cleverest of the young disadvantaged
- That the same organisation, industry savvy in its make up, also needs to be responsible for taking the clear employment need briefs from Television employers as to their labour training needs and employment needs
- The allocation of pre-selected and interviewed apprenticeship labour needs then to be managed between this supplier and the employer, both on a formal level but also concerning life skills, networking, internal mentoring, which must all be taught and catered for if the Apprenticeship model is to work in both short and long term.