

Supporting rail employers to fill skills gaps through apprenticeships

July 27, 2023



Apprenticeships can ease wage inflation pressure and bring fresh, diverse talent into the rail industry.

NSAR Chief Executive Neil Robertson is passionate about increasing apprenticeship numbers – and the role NSAR will play in supporting employers to overcome the barriers they face with apprenticeship provision.

Neil is straightforward about what he sees as the biggest problem in rail.

“We are short of people. Wage inflation is costing the industry a fortune. So just at a time when we should be further increasing the number of apprenticeships and the training we do, we’ve plateaued.

“A lot of people have done some good things to get us to get us to where we are now – 2,500 apprentices per year, approximately – but that’s only about half of what we need.”

Barriers to training

Neil comments on the barriers that are discouraging businesses – especially small and medium companies – from taking on apprentices. Many businesses are unsure where to start with apprenticeship delivery and

there is a first-mover disadvantage leading to a market failure in training and apprenticeships – employers don't train as they fear, with some justification, that staff will be poached by the competition.

These barriers mean that businesses would “rather just go to the market. But the wider market has shrunk, not least because of Brexit but also because of lots of demand elsewhere. It's good that the industry is busy, that there's lots of investment, but there are not enough people to service that demand.”

Another part of the problem is training. Neil says: “Training is a numbers game and typically you would want to have 12-16 candidates for an apprenticeship group or class. The medium and smaller companies won't have enough apprentices for that. So, we need to create viable cohorts for the training providers by working together.”

“Put all that together and you have companies who support training, believe in training but, for a combination of reasons, they don't do it.” And so, they interact with a tight market and wage inflation increases.

Supporting employers with apprenticeships

Following consultation with the industry, NSAR's board has set a new top priority – converting latent demand for apprentices into actual demand. As part of its new strategic direction, NSAR is introducing a service called Skills Match. Skills Match aims to remove barriers to apprentice recruitment by helping employers identify their apprenticeship needs, create cohorts of individuals and match them with the right training and education providers. This includes support with apprentice procurement when needed.

NSAR's mandate and expertise put it in a unique position to act successfully as a broker between businesses, training providers and potential recruits, says Neil.

“This is what NSAR was designed to do. NSAR was set up to work with government and industry to fix skills gaps and shortages, market flaws.

“NSAR designs apprenticeships, quality assures the training market and holds the data. And there's no conflict of interest because we don't provide training.”

Why the focus on apprentices to fill skills gaps in rail? Firstly, Neil says, using apprentices to fill gaps is policy.

“Secondly, we've used apprentices for a long time and the industry is familiar with apprentices. Thirdly, we have an older, experienced workforce who are committed to sharing their knowledge and apprenticeships are structurally designed to take more experienced people's knowledge and skills and pass them on. And they're practical, they work well for some of the very practical roles that we have.”

He points out that apprentices don't have to be young people or recruits to the rail industry – existing staff or recruits from other sectors are also great candidates for upskilling through apprenticeships.

Benefits to employers and the industry

Neil reflects on the benefits of Skills Match for rail businesses and the wider industry. Apprenticeships provide a talent pipeline into rail – and they also play a vital role in increasing the social value created by the industry. Apprenticeships are a valuable means of bringing diverse talent into businesses that is reflective of the communities rail serves.

“The effect will be that employers will have a better story for their clients, they will be able to refresh their workforce and give local people a chance.”

Procurement in transport infrastructure is increasingly measuring companies’ performance in relation to apprenticeships and wider social value. It is something that is measured at both the bidding and delivery stages. The clients expect the supply chain to be utilising apprenticeships – so hiring apprentices can provide a competitive advantage.

Better utilising apprenticeships to create a new talent pipeline and improve skills gaps and shortages will reduce wage inflation in the industry.

“The relentless bidding war for talent is costing us – in some cases – 10% per annum in wage inflation, which is hugely damaging the profitability and credibility of the industry.” Training new people, with the right skills at the right time, will help create the job market competition needed to ease wage inflation. And NSAR’s strategic workforce planning expertise can advise employers and the industry on what the ‘right skills at the right time’ are.

“This is a priority”

Benefits aside, Neil is straightforward about the necessity of businesses increasing their apprenticeship uptake. “GBR are making this a priority and we will all be asked to do this. We are preparing the industry for a strategic and business question that they are already facing and will only get stronger.”

He acknowledges how hard the rail industry has worked to get to this point but stresses that there is more to be done.

“NSAR has worked with the industry to grow the number of apprenticeships to get to the level of 2,500, which is a significant growth, but not enough to create the talent pipeline we need. Our aspiration is to help rail employers set up and deliver great apprenticeships. Addressing skills shortages and training the next generation of rail workers will be a collective effort – NSAR is focused on the role we can play.”

Visit www.nsar.co.uk/skills-match for more details.