



Industry and Regulators Committee

Corrected oral evidence: Skills for the future: apprenticeships and training

Tuesday 30 April 2024

11.35 am

Watch the meeting

Members present: Baroness Taylor of Bolton (The Chair); Baroness Armstrong of Hill Top; Lord Best; Viscount Chandos; Lord Cromwell; Lord Gilbert of Panteg; Lord Jamieson; Baroness O'Grady of Upper Holloway; Viscount Thurso; Viscount Trenchard.

Evidence Session No. 3

Heard in Public

Questions 24 - 29

Witnesses

[I](#): Sally Andreou, Skills Hub Manager, Oxfordshire Local Enterprise Partnership; Pat Jackson, Director Skills and Education, Enterprise Cheshire and Warrington; Jane Gratton, Deputy Director for Policy, British Chambers of Commerce.

Examination of witnesses

Sally Andreou, Pat Jackson and Jane Gratton.

Q24 **The Chair:** Good morning. This is the Industry and Regulators Committee. We are conducting a Skills inquiry. Our evidence in this second session is provided by three witnesses: Sally Andreou, the skills hub manager in Oxfordshire at the local enterprise partnership; Pat Jackson, the director of skills and education for Enterprise Cheshire and Warrington; and Jane Gratton, deputy director for policy at the British Chambers of Commerce.

We will start, as we often do, with a very general question about the role that your organisation and your members play. You have particular experience at the local level. We would be interested in hearing more about that, if you will.

Pat Jackson: Thank you for inviting us to take this opportunity to give you evidence. Sally and I come, as you say, from very local areas. We have been asked to come to give our technical expertise on behalf of the LEP network—the local enterprise partnership network.

To explain the context of that, the local enterprise partnership network has traditionally supported 38 local enterprise partnerships across the whole of England. It very much supports co-ordination and collaboration among those organisations across a whole range of issues, including skills, education and employment, but also in terms of investment and infrastructure, transport, innovation and a whole range of issues that are important to economic development and delivery.

The network also provides some support to central government and other stakeholders in feeding up data and market intelligence about what is happening in their particular geographical areas.

I have worked both at national and local level. Hopefully, our technical expertise will help to inform this inquiry. The Government ceased funding the local enterprise partnerships themselves in April this year. The LEP functions continue to be integrated, either within the local authorities or are stand-alone, but working closely with the local authorities to make sure that local leadership is involved in that wider economic development. Our particular role is making sure that skills, education and employment sit within that broader context of economic development.

The Chair: Are all 38 able to continue despite that funding cut?

Pat Jackson: Some of them have merged into the local authorities; some of them are stand-alone. It varies across the country, basically.

Sally Andreou: I agree with what Pat has said. All the 38 LEPs are slightly different. They have existed since 2010, from the time of the coalition Government. They work to support business growth, economic development and to support communities with accessing good jobs. Certainly, that is the direction we come from to you today.

The Chair: Jane, you come from a slightly different angle.

Jane Gratton: Yes. Good morning, all. I am from the British Chambers of Commerce. We represent 52 accredited chambers of commerce across the UK. We have 79 British chambers overseas, as well, in our growing network.

In the UK, chambers are place-based organisations, typically working with around 300,000 businesses of all sizes and sectors on a daily basis. We are predominantly SME. Members of chambers include colleges, some schools, universities and independent training providers. Chambers have a key role now in local skills planning. They run 32 of the 38 local skills improvement plans across England.

The Chair: What are the main problems that you face? What are the main challenges in getting that local need met, discussed and progressed further?

Sally Andreou: For a lot of businesses, understanding the landscape is incredibly confusing. The skills ecosystem is very challenging to navigate. From our perspective, and an Oxfordshire point of view, we have tried to work with businesses to help them navigate that so they can grow, prosper and employ more people.

Some of the biggest challenges they have are cost and time, such as the expenditure on the courses and even knowing where to start. It is very confused from our perspective. For example, from Oxford's point of view, we had a skills and business programme through which we provided 12 hours of triage support to a business to help it navigate that, whether it is an apprenticeship, going into T-levels or upskilling current staff. We see that on the ground, and that is not uncommon.

When we look at our SME data, 99.2% of the total business population in the UK is nought to 49 employees. They do not have enough time to navigate that skills system. They need people on the ground who can help with that and do that with them. We think that is a real challenge.

The Chair: Is that because the skills system is fragmented?

Sally Andreou: It is just a question of, where do you start? They focus on the day job. They know they need to recruit. They need more talent, but where do they start? They might not put out the right advert. They might not get the right level. They do not even know about the different apprenticeship levels, 3 to 7. Trying to understand that is quite confusing for them. It is a question of having somebody who can navigate that. We have done that for free; we have not charged; it has all been free because it is ESF-funded. It helps to give them that time and expertise in achieving that aim.

The Chair: You are trying to be a one-stop shop.

Sally Andreou: Absolutely, yes.

Jane Gratton: Chambers have been working with businesses on the skills agenda for a long time. I agree that one of the problems is a lack of awareness of what training provision is available and how they can access it. There is complexity in the system, particularly in accessing apprenticeship levy funding, for example, using the digital apprenticeship service. They lack the internal resources to spend time on this. They very quickly move to something else with other business pressures, rather than seeing that through, as Sally was saying, unless hand-holding and support are available to them.

The other thing for employers is short-term initiatives and instability. Often, they hear about something and are just starting to think about how they can use it, when the whole system changes again. There is certainly a need for more stability, letting things bed in and allowing businesses time to get them on board.

Pat Jackson: There was a question in the previous session about whether we have a system. I think we do have a system but there are gaps in it. Different parts of the system are being encouraged to look at different outputs and activities. It is not as coherent as it could be because of those gaps in the system and different drivers of behaviour.

Some programmes are funded to deliver activity. Some are much more focused on whether a person gets training and moves to a job or progresses. There are different levers in the system. One of the challenges that we face at local level is to try to bring all those things together.

The Chair: Do you have any ability to feed that into what would be the system or, indeed, the Institute for Apprenticeships that we were hearing from earlier?

Pat Jackson: Yes, that is exactly one of the things we do at that level. For example, in Cheshire and Warrington we work really closely with our colleagues in the Department for Work and Pensions and the local job centres. We share data and labour market intelligence. We work through how we can move somebody from a long way off the labour market closer to the labour market, and then move them through. We are talking about that progression opportunity. We try to make that work at local level, basically, despite the drivers that sometimes come because they are national programmes that push people to behave in certain ways.

Q25 **Baroness Armstrong of Hill Top:** I am interested in the sorts of skills that you think we need to be training for and developing. I grew up in the north-east, so apprenticeships in those traditional industries were what everybody expected to do. The aspirations were around that. We now need many more different skills from those very straightforward basic ones. Also, the development of technology and the change in the way things work, at a much quicker rate, suggest that you need skills of analysis and understanding, and that more general ability to judge what you can trust in the data, the way the data is being presented to you and so on.

How do you see that scenario, and what are your organisations doing to try to work on that with employers?

Jane Gratton: We look at it in three ways. The workplace is changing at pace. It is becoming more digital, more automated and greener. We are asking that the education system ensures that everyone leaves education and joins the workforce with good working levels of numeracy, literacy and digital skills. Those are the foundations on which employers can build.

As you heard in the previous session, we will also need job-specific skills—technical skills. That could include, for example, importantly, skills for renewables, for the nuclear sector and for solar. Different sectors will need their own technical skills as we move on.

Increasingly, employers are talking to me about essential skills. Because things are changing so rapidly, young people and adults need to be able to adapt quickly to change. It is about problem solving, teamworking, resilience and the ability to adapt and change as industry trends change and the workplace changes quickly. It is that flexibility, I guess, that love of learning and that willingness to change.

Pat Jackson: Just to reiterate, it is very difficult to forecast the future and to know exactly what is needed. I think that culture of lifelong learning, wanting to change and inspiring young people about new technologies and opportunities is key, rather than specifically focusing in on it. Obviously, over time, those skills will become out of date, but they need to have that love of learning to move things on in that direction.

We have examples in Cheshire and Warrington where we know there will be huge investment in decarbonisation, but investment decisions have not yet been made. The employers are not ready to invest. The colleges are running out of businesses, effectively, so they cannot put the training on without knowing that these will definitely be the skills needed. We end up with those situations. Either you do some public sector pump-priming of that position, or you have to make those investment decisions faster so that those decisions and that training can take place.

Sally Andreou: I agree that a lot of employers want communication, teamworking and resilience. The green skills agenda is moving apace. When we talk to employers about green skills, it can mean a variety of things to different employers. It is very soft as to the actual wording. It can be very different. Moving forward, we need to be clear about what green skills are to employers and stakeholders. That is not happening at the moment because it is rapidly evolving.

I can talk only about Oxfordshire and our attitude in Oxfordshire, but through our careers and enterprise company partnership we piloted teacher encounters. We are trying to train STEM teachers to understand what skills and jobs their students might be able to get from that business round the corner in that discipline, whether it is biology or physics. The teacher went on a placement, saw the business in action and

created curriculum resources to teach in class. The thing about skills is trying to get multiple stakeholders and people of influence to work in the schools, so that they can inform their young people about what careers are available. We piloted that; it went through the careers and enterprise company and was offered on a national perspective. Those schemes are valuable because those are the people we need to help inform, because they are working on our skills talent pipeline.

Pat Jackson: I think employers see the sense of that as well. Having 10 teachers in front of you explaining those opportunities and those 10 teachers going out and talking to their students is a much more efficient way of translating that information.

The Chair: Jane, did you want to add anything?

Jane Gratton: One of the key roles of the local skills improvement plans is bringing employers to the table, many of them for the first time, to start to articulate how their industry is changing and the skills that they need, and to reach out to local providers to see where they can work together. It is important that businesses focus on their evolving skills needs and look for solutions.

Q26 **Baroness O’Grady of Upper Holloway:** Good morning. I have a two-part question. The first is about whether we have the right institutional map to address skills for the future and to reverse the decline in investment in skills and training. We have heard from others that there is a real enthusiasm about the focus on the local, but some major employers potentially have to spread themselves over a number of local institutions and might find more sense in a sectoral form of organisation.

How do we get the balance right? This has been a perennial debate in my working life.

Pat Jackson: In terms of institutions, there is a danger that every time anybody wants to look at the system, they just move the deckchairs around. I have seen too much of that. It is more about what is driving those institutions and making sure that we get the culture right, and that we are buying the right things from those institutions. We have to be clearer about the impact and outcomes that we want to achieve. Yes, you could play around with institutions, but that is where we have some of the problems. There are different drivers of behaviour in the system as it stands.

As to that focus on whether it should be local, I do not think there is a simple answer to that. We have to look at it from different perspectives, as Sally said. Employers cover the public sector, the private sector and the voluntary sector. They are all different sizes and shapes. Some of them will work very comfortably at the local level and others will be much more at the regional or national level. We need to accommodate those things. The system is capable of doing that if it has the right drivers.

Sally Andreou: The system needs to be agile. There are rapidly evolving technologies. We have cryogenics; we have space. In Oxfordshire, the

innovations are just unbelievable. We are trying to keep pace with that and do not want to have to wait for accreditation, which takes 18 months to two years. That is too late. We need those bite-sized, short-term courses, but to the level that those employers need. There will be huge development. Life sciences for Oxfordshire is massive and that will be the case across the country.

Those institutions need to be fleet of foot. We have jobs coming out in the next five to 10 years that these industries have never even thought about. Rather than being retrospective, we need to be ahead of the game in looking at this, training that talent and making sure that those young people—and adults—are aware of what opportunities there are locally, so that we can get that talent pool to drive that forward. It needs to work with our local employers and local institutions to create that. It has to be a little bit agile. Yes, we have to make sure the quality is there and that everybody buys in, but it is so important that we are quite swift.

Jane Gratton: For me, it is about better planning nationally for skills as part of an industrial strategy, with a strong skills plan underneath that. The institutions needed for that will automatically be clear. At the local level, things are resolved better because local partners know where their skills needs are and how they can best be met. I agree that sectoral bodies play a hugely important role for some of the national-based employers as well. It is about having the right institution for the right need at the right time, but better skills planning nationally, locally and even at the employer level is really important.

Pat Jackson: There is another thing that I think has worked. Jonathan was talking about the importance of very solid data and labour market intelligence. In Cheshire and Warrington we analyse our job vacancies on a regular basis. This week we have 14,000 vacancies in Cheshire and Warrington. We probably have about 13,000 who are claiming benefits and are required to look for work. You think, "What's the problem there?"

By looking at the descriptions that the employers use in their vacancy notices, for example, we have picked up over time that there had been a shift in language. A lot more employers were looking for Microsoft skills—Word and Excel, for example. We fed that back to the colleges. The colleges looked at it and said, "Well, we're teaching that. We're not teaching it as clearly as we might in terms of a young person knowing that they have that skill set and they can articulate it clearly". They have immediately gone back into their curriculum to see how they can integrate that skills need more clearly right across their curriculum. That illustrates that, as long as there is clear information and evidence, the colleges will respond very positively to that sort of situation.

Baroness O'Grady of Upper Holloway: Another thing we talk about a lot in this country is skills needs and skills demands. We talk less about skills utilisation, which is pretty important when it comes to productivity. What is your practical experience of the local skills improvement plans? To what extent is the need to get better at skills utilisation on the agenda? Is it measured and improving? Is it part of the plan?

Sally Andreou: Absolutely. LSIPs are really key. We created the local skills reporting plan. I am from an LEP. I actually wrote ours for Oxfordshire, for my sins. This helped with the LSIPs in using the data. We got the data, which Pat is using. It is about understanding that and working with our chambers to help to create it.

For example, bootcamps are one of the key strategies that have been labelled in the LSIPs as an opportunity. They are a free resource for those who are unemployed to get retrained and upskilled. We have taken that opportunity, which has been identified through the LSIP, and delivered it. We have our first year of bootcamps running this year. That involves working from the data, working with the team here and with chambers, and then delivering it on the ground. That is where the strength of the LEPs is—in the convening. We can put it on the ground and turn that around quite quickly.

Another thing we have really focused on is those people who are furthest from the labour market. That gap is widening because of digital deprivation. You were talking about Microsoft and people having Microsoft digital skills. We have run a programme called No Limits. We have put triage workers in food larders and community centres, where people feel safe, so that they can get that help and support. They have about 30 hours of support. We have got more than 450 people back into the labour market because they have received that support and help. The person we have running that said that if this could be delivered nationally, we would have a better impact on those more marginalised people, because they are not receiving the help they need in an environment where they feel safe. We feel that that is a real benefit. We want to try to encourage more districts to look at that to see whether it is an opportunity.

Pat Jackson: The skills bootcamp programme is interesting, in the sense that the outcomes we are expected to achieve are about people moving into jobs or having an impact on the productivity and performance of their business. Going back to your question, it is about what impact a skill has had, on both the individual and the business.

Jane Gratton: In the local skills improvement plan process, we talk a lot about creating a high-performance learning culture, whereby it becomes part of the DNA of the business to invest in new people and to train people, and how you can support employers to articulate their need. They need to understand what skills they have now, to articulate their need and then to reach out to providers. Providers must be able to flex to do that.

Some of our latest stats show that less than half of businesses have any plan to introduce AI in their business, because they do not know how to do it. They do not know what is needed and do not really have time to do it. Only four in 10 businesses have a training plan, or any sort of plan to get the skills that they need. Only 12% have any sort of mechanism to identify a return on investment in skills. We need to support businesses. They want to invest. They want to create opportunities for people in their local area. In some ways, it is about upskilling businesses to understand

their skills better. Some sort of business support intervention will be needed to help them do that.

Lord Cromwell: What you are saying is really fascinating. Thank you very much. The phrase that I am taking away from today is Sally's phrase "triage support", to get people through the deckchairs efficiently to a provider that they can use and afford. One of my questions is about the quality assessment. With such a diverse range of employers and skills, as you have outlined, how do you assess whether the courses are any good? Do you leave that to employer feedback ex post facto? Also, do you have a bunch of teenagers somewhere who can look at this AI stuff, who understand it and who can assess it for you? I am sorry. That is a whole nest of questions.

Pat Jackson: There are lots of people who are capable of doing that triaging and helping people to navigate the system. In one respect, it is then about saying, "What happened as a result of that intervention? Did they actually move into a job?" Sometimes the system is not really interested in that. It says, "Did that person achieve their qualification? If so, yes, tick".

Lord Cromwell: They did 10 courses.

Pat Jackson: Yes. As regards the quality, we always pilot the bootcamp programmes that we run in Cheshire and Warrington. If somebody says, "We have some fantastic connections with local businesses. We would like to run this bootcamp", we will say, "Fine. Here's a small sum of money. Try it out. If it works and you can demonstrate that you can get those people into jobs or change the performance of that business, we will give further funding". It is very much based on what happens at the end of the day.

Lord Cromwell: I have a small request. One of you mentioned that the landscape is constantly changing. Initiatives come up and then disappear. It might be quite helpful to us if you were able to write to us with some examples of that. That illustrates the underlying problem, which we may or may not be familiar with.

Q27 **Lord Best:** From some of your earlier comments, I picked up this tension between wanting to see change to the institutions, the systems and the policies, and the need for some stability and consistency and a lack of things constantly changing. I do not know how you resolve the dilemma between those two.

Jane Gratton: The thing that we hear all the time is that we need a stable, coherent system. What we often say is that it takes employers a long time to hear about something, years to have a go at implementing it in their business, and years on top of that before they start to see it embedded in some sort of return. It does not help when the system constantly changes.

However, the workplace is changing, and industry is changing. We need to balance the two. What we would say is that any changes need to be in

consultation with business, need to have long-term funding, need the flexibility to evolve and need to be based on quality standards. It is incremental change, rather than revolution, and it is in consultation with business. That is the best way forward.

Pat Jackson: It is not just employers. Schools and colleges would say the same thing as well. It is about making sure that there is a degree of stability, a longer-term nature to what is happening and a bit more trust, so that people can deliver on the impacts that we want to achieve, not just on a lot of activity.

Sally Andreou: I agree with both points. The only thing that I would say is that there is a huge amount of ask on employers. Ninety-nine per cent of employers have only zero to 49 employees.

There is a huge opportunity. You can be an enterprise adviser volunteer and help strategically with your schools and colleges to create a careers plan. You can offer a placement for T-levels. You can give work experience to a T-level student.

Then you have your apprenticeships. We have not really looked at the challenge around apprenticeship completions. There are 50% fewer of those than there are starts. What is the problem there? What is the barrier that is preventing those people who are taking apprenticeships completing them?

Some businesses want to offer undergrads summer placements or year placements. There are multiple things. That is not even talking about other opportunities to get into IfATE or working with the chambers or ourselves. Where do you start? It is all good stuff. It is all absolutely fantastic.

A lot of businesses say that they want to create a talent pipeline or engage with schools, but it is a case of how to make that accessible: how to really show the benefit for those businesses and why they would want to engage, rather than just focusing on the day job. How can we get them more engaged in that collaboration and discussion about what their skills needs are? We can then have those conversations and support them in that.

Lord Best: Politicians tend to like a big change that they are identified with and one that happens instantly. You make the point that it should be incremental. We should do it gently and give some consistency and stability to the system. That is very good.

Sally Andreou: You must also be prepared to U-turn if it does not work. You should probably get as many stakeholders as possible to feed into that and do pilots in various regions, before delivering nationally.

Lord Best: Pilots, yes.

Jane Gratton: There is an important point around less fragmentation of funding and more long-term funding and stability. We risk businesses

disengaging if they see an initiative coming to an end—and yet, something new and different coming forward again for them to try to get their head around.

Pat Jackson: We have plenty of examples of that. The skills bootcamp programme is funded through the adult education budget, so participants have to be 19 years old. We have young people who left school aged between 18 and 19 who would like to be part of the bootcamp programme, but we cannot fund them because they are the wrong age. There are examples like that.

Earlier this week, I was with a group of employers who said that the schools are not flexible enough in the way they ask for work experience places, but when you talk to the schools you find that they have two weeks to deliver. There are different issues in the system that are pulling against each other, even though everybody wants to make it work, if they can. We try to make it work, but, because of those pressures in the system, some people will just say, “That’s too hard”, and walk away.

Q28 **Viscount Trenchard:** My question relates to the fact that our witnesses have disclosed that, although the labour market today is more mobile and more flexible, in 2017 employers were providing 60% less training compared with 1997. It is clear that currently employers are not adequately incentivised.

My question comes in three parts. First, why do you think that employer investment in training has declined? Secondly, would greater employer involvement in the design of education programmes make it more likely that they would be able to hire people with the right skills? Thirdly, do you think that further incentives should be put in place to reverse the decline in investment in training, possibly through the introduction of a skills tax credit? The Government have been reluctant to consider that, although it seems to me that there should be an argument that it might well result in a net gain to the Exchequer, through an increase in productivity. What do you think about a skills tax credit or other incentives?

Jane Gratton: We should definitely recognise employers who invest in skills. We have talked today about a lack of investment, but there are some fantastic examples of employers who are doing the right thing and have really good investment programmes for the people in their workforce and those joining. We could use the tax system to incentivise businesses to invest more, however that might be.

Certainly, more flexibility in the levy would help, but I guess that we can talk about that a bit later. Some sort of kitemark, for example, could also be used in public procurement. Businesses that invest in skills are doing the right thing. They should be acknowledged and rewarded in some way through the public procurement system.

We have talked about the business support initiative that should run alongside LSIPs to help businesses that are not planning—most of them are not planning for skills—to recognise and articulate. That would help

them to invest. They know that they are struggling to go out and recruit. They know that they have an opportunity, through the LSIPs, to start to shape what provision is available and to grow their own talent, but they will need support.

As to why businesses are not investing as much as they used to, we have had wave after wave of economic shocks in recent years. As I said, only 12% have a process in place to recognise a return on investment. How do we help businesses to create this high-performance learning culture? Some employers say to me, "I have really good apprenticeship vacancies. I was an apprentice. I'm now the managing director of this company. I want to work with my schools, but I don't have any applicants. As an SME, I'm struggling to find apprentices to come into my business". We are still struggling, in a way, with the parity between academic and vocational. Doing more in schools to promote apprenticeships as a fantastic route to earning while you are learning and getting into great careers would be brilliant.

The Chair: We were told last week that there are three applicants for every apprenticeship. Is it the wrong match as regards what people want to do and the actual offers that are there?

Jane Gratton: Some of the big, high-profile employers will be well oversubscribed for their apprenticeship opportunities. Some of the smaller employers, with equally good opportunities, are struggling to get those vacancies communicated and to raise awareness of them. I speak to employers who say, "I'm just not getting people through the door, which is a real shame, because I want to train". It is important to recognise that employers want to recruit and create those opportunities locally. They just need help in making those connections.

Pat Jackson: Earlier this week, interestingly, we had a conversation with two of our larger employers in Cheshire and Warrington. Between them, they had about 80 apprenticeship vacancies and 7,000 applicants. It is great that the 70 or 80 who get into those apprenticeships are really good, but we need a system that makes the young people who do not have those jobs think, "There are other opportunities". As has just been said, some of the smaller companies might then be able to step up and do something. We are looking at that and whether we can do more to make it work better for those young people.

Sally Andreou: With the provider access that has come through government, schools are required by law to invite providers to come in to talk about the opportunities that they have, rather than just focusing on A-levels. That is happening. That is being delivered on the ground.

There is a challenge sometimes, because there are not that many providers that have the capacity to go in and talk to schools. For example, we have three FE providers in Oxfordshire. They do not have the capacity to work with our 58 secondary schools and come in to do talks. That is a challenge. However, we are providing support. We have apprenticeship ambassador schemes. We have ambassadors who go into

schools and talk about why they chose that career route. They inform and talk to young people about why they chose an apprenticeship, which is really engaging.

Taking Jane's point, what is important is having a central area where all young people can find apprenticeship vacancies. At the moment, if you want to hear about apprenticeships, you have to go to two or three sites. A career leader in a school who has a young person who wants to learn about apprenticeships has to signpost them to various places. It would be good to ensure that all the employers who have an apprenticeship vacancy put it up through the government website so that all young people can access it. At the moment, it is very potted. Some employers do not put it on the website. We need consistency. We can then support in that delivery and say, "This is the place to go. This is the website you need to look at if this is a route for you".

Apprenticeships are absolutely amazing, but they are hard work. We have an apprentice who came through the Kickstart Scheme. She is a single parent, with two small children, and had no qualifications. We have helped her get through to level 4 in marketing, but it has taken a lot of our time to help her progress. There are endpoint assessments. We have had to pay extra money for her maths and English. That has been a real barrier. We have had an email from an employer about how challenging the maths qualifications can be. A lot of people are walking away from apprenticeships because they are at too high a level for the qualification that they are trying to do, and they cannot complete them.

We have worked with our apprentice for the last 18 months now. She is going to complete her final course, which is fantastic. As an organisation, we feel incredibly proud of that success, but it is not an easy option for a business. It takes a lot of work. Looking at completions and how we can support businesses through that process is really important.

Q29 Lord Cromwell: On that last point, any research data that you have on why people are not completing will be very helpful in a whole range of ways to understand what is going on here.

You sat in on the last session, so you heard a lot of the debate. We talked about pre-apprenticeships, apprenticeships and a new name for new launch, new career or new direction—whatever the brand agency decides to call it. The two questions that I asked there, which I will ask you, were: should the levy be ring-fenced more for young people, and should there be more ability to use short and modular courses? You heard me ask that in the last session, so I will not elaborate. Who would like to have a go at that?

Pat Jackson: The answer to the first question is no. The answer to the second question is yes.

Lord Cromwell: You definitely get points for being succinct.

Pat Jackson: Reskilling and upskilling are important, and we need to address those as well. That has to be done. Some of it can be done in

modular forms, as was articulated earlier, if that is needed. But if somebody has an English A-level, for example, and wants to become a heat pump engineer, they need to do a much fuller engagement with the system and to get that apprenticeship. Apprenticeships need to cover that whole range. We just need to be careful that we monitor it and make sure that, as you suggested earlier, we are not swinging one way or another. It needs to be a balanced approach.

Lord Cromwell: Do you agree that, at least to us, the word "apprenticeship" feels like it is a young person's thing?

Pat Jackson: There has been a lot of controversy about that at national level. There was a programme of support for "young apprentices". Now that has changed to "apprentices", because there is a whole range of age groups that get involved in apprenticeships. Equally, older people will feel as if they do not want to get involved in that because it is just for young people.

Lord Cromwell: I am a millennial myself, obviously—just a last millennial.

Pat Jackson: It is about making sure that there is a balance between those programmes. We need to be careful to monitor that to make sure that there is not a swing from one to the other.

Sally Andreou: As a region, we have two apprenticeship advisers who have managed to unlock £3.2 million-worth of levy from big businesses: B&Q and Amazon. They have helped to invest and create new jobs in Oxfordshire, with over 170 new apprenticeships. Businesses want to give their levy away. That was 25%. It is now 50%. However, some businesses do not know that it is even there. They just ignore it. They think that it is just a tax.

In my opinion, there needs to be more flexibility. For example, we had a bursary scheme where we tried to help with completions by paying to remove any barriers that an apprentice might have to completing their apprenticeship. If you are working in the health sector and you are on the wards, you may not have a night-light laptop to do your coursework. If you are a chippy working in construction, you need to have your own tools. Those things can be a barrier. Also, is there anything else that we can use?

There is an opportunity for assisted apprenticeships for SEND students as well. I would really like to invite more employers to consider those. Our county council has been leading on this. It has supported apprenticeships to get more young people with SEND into training. That is an area we have not really focused on. That is something that needs to grow. It is an important aspect.

Lord Cromwell: That is very interesting. Jane, do you want to come in?

Jane Gratton: It links to your previous question about completion rates. If apprenticeships are the only option, employers will say to employees,

“This is the only option for you to train”. If it is not the right option for every employer and every employee, that may lead to a failure in completion rates. Some flexibility to provide the right training, at the right time, for the right person, in the right circumstance, would seem to me to make a lot of sense. Hopefully, greater flexibility in the levy will have more employers training more people. That is what we want to do.

There is another important thing. We have talked for a long time about parity of esteem between academic and vocational routes. Having the levy available for people of all ages to achieve and to progress within their technical and apprenticeship career is really important to businesses, so that it is seen not just as an academic route but as a real technical route, to get the skills that they need. I would say no: we need to keep it as an all-age, all-level apprenticeship levy, with more flexibility.

Lord Cromwell: That is very helpful.

Pat Jackson: May I build on what Jane has just said? We have been talking to one of our NHS trusts. It uses apprenticeships and supports the apprenticeship programme, but it has £1 million of unspent levy, which it would like to spend on continuous professional development and bite-sized training. That is not permissible at the present time.

Lord Cromwell: Thank you. That is really helpful.

The Chair: That is interesting.

I will give you the last word. You have heard our questions. Maybe there are questions that we have not asked that we should have asked. Are there any points that you would like to make to us before we finish this session, which has been very interesting and very valuable? Would you like to raise any other points? Jane, you look like you would.

Jane Gratton: We do not have enough time, but thank you ever so much for the opportunity.

I would like to stress the importance of the LSIP initiative. Over the first few months of the programme, 65,500 businesses have been engaged in planning for local skills—what their business needs and what the area needs. That is really impressive. Many of those businesses have come to the table for the first time. They have struggled to recruit in the usual way, and now they are saying, “Help me. Help me to invest. Help me to find out how I can train people and bring skills into my workforce”.

For that, we need LSIPs to be part of the long-term skills funding cycle. They need to be embedded in the system, they need long-term funding and they need to have employers at the centre of it. That is what we are trying to do. The real game-changer is to have the jobs and opportunities that businesses are creating, now and in the future, aligned with the skills system, the training and the curricula that are available, and aligned with the ambitions and careers advice of young people, adult returners and career changers. If we can get those three things aligned, we will go a

long way towards supporting and motivating businesses to invest and to solving the skills shortage.

Pat Jackson: I have a plea around not seeing skills as a silo. We must see them as a key driver of inclusion, sustainability and economic growth. That connection needs to be made, because there is always a danger of skills being seen as a bit of a silo.

The Chair: Sally, do you want to add anything?

Sally Andreou: I agree with both points. From my point of view, it has to be interconnected. The strength of LEPs is the institutional knowledge of the skills landscape. It has evolved and changed. Working with our chambers, it is evolving and working forwards.

We say that we are the interlinkers. Whether it is Jobcentre Plus, the National Careers Service, chambers or all the other agencies that we have, we bring them together. We do not charge for that service. We work together in order to help the local area to grow economically and to provide communities with sustainable, good jobs. We need to work on how we can forge forward on that.

The Chair: Thank you very much, all three of you. It has been a very interesting session and has been very useful from our point of view. Thank you for coming along.

Sally Andreou: Thanks for inviting us.