

# Transport Committee

Oral evidence: [Skills in transport manufacturing](#), HC 1223

Wednesday 5 November 2025

Ordered by the House of Commons to be published on 4 November 2025.

[Watch the meeting](#)

Members present: Ruth Cadbury (Chair); Dr Scott Arthur; Mrs Elsie Blundell; Jacob Collier; Olly Glover; Alex Mayer; Baggy Shanker; Rebecca Smith; Laurence Turner.

Business and Trade Committee member present: Antonia Bance.

Work and Pensions Committee member present: Amanda Hack.

Questions 78–118

## Witnesses

[II](#): Lilian Greenwood MP, Minister for Local Transport, Department for Transport; Sarah Maclean CBE, Chief Executive Officer, Skills England; Alan Krikorian, Deputy Director for Growth and Skills Levy, Department of Work and Pensions; Rebecca Schapira, Deputy Director for Advanced Manufacturing, Department for Business and Trade.

Written evidence from witnesses:

- [Department for Transport](#)

## Examination of witnesses

Witnesses: Lilian Greenwood, Sarah Maclean, Alan Krikorian and Rebecca Schapira.

Q78 **Chair:** Welcome to our second panel today. First, please could I ask you to introduce yourselves, starting with the Minister?

**Lilian Greenwood:** I am the Minister for Local Transport.

**Alan Krikorian:** I am the deputy director at the Department for Work and Pensions for the growth and skills levy strategy.

**Sarah Maclean:** I am co-CEO of Skills England.

**Rebecca Schapira:** I am the deputy director for advanced manufacturing at the Department for Business and Trade.

Q79 **Chair:** Thank you for attending, and thank you for coming from different Departments. When we do a cross-cutting inquiry such as this, it is really welcome that the Departments are able to work together and come as witnesses. Thank you, Lilian, for ensuring that happened as well.

Starting with you, Minister, to what extent does it matter to your Department whether we use British-built transport on our roads and networks? Is this a goal, or is the Department agnostic about where vehicles and equipment are manufactured?

**Lilian Greenwood:** I hope you will not mind if I just make some very brief opening remarks. Obviously, this inquiry into skills for transport manufacturing comes at a really pivotal moment, in terms of the Government's ambitions for our advanced manufacturing sector. We really welcome the Committee's scrutiny and insight at this juncture. Ensuring businesses have a diverse workforce with the right skills is absolutely pivotal to delivering the Government's ambition to drive economic growth, productivity and innovation.

Nowhere is that more clear than in transport manufacturing, where—as you have heard in the earlier panels and in previous sessions—the pace of technological change and the demands of a green transition require a workforce that are agile, skilled and ready for the future. The skills agenda for transport manufacturing sits across multiple Government Departments, as you have seen. That is why I have brought a panel of officials with me today, who can speak in more detail about areas that might interest the Committee, because we wanted to make sure that the evidence you received presented the fullest possible picture.

Now, turning to your question, we are not agnostic, but we are bound by rules and regulations. When you look at cars, they are purchased in a really competitive market. People should buy the car that is right for them, but at the same time, the Government are absolutely committed to making sure that we are supporting British-built transport. In April, the



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Prime Minister set out a strengthened package of support for UK automotive. That includes £2.3 billion to boost zero emission vehicle manufacturing. We have tax breaks for consumers, obviously things like the electric car grant and reforms to the zero emission vehicle mandate—the ZEV Mandate—to give manufacturers greater flexibility.

All those measures are designed to protect jobs, support British brands and ensure that the UK remains a global leader in the EV transition. Backing British business is absolutely central to our plan for change. It means giving homegrown firms the confidence to invest, export and grow. Whether that is Rolls-Royce, Vauxhall or Land Rover, it is providing the certainty and ambition that we need to secure the future of British transport manufacturing and the skilled jobs that come with it.

We want to support British manufacturers to be competitive in the global marketplace. This is not just about serving our domestic market, it is, of course, serving the huge potential there is for export growth. For example, in automotive, many of the cars that are produced in this country—not just cars, obviously vans and trucks—are serving other markets. They are exported to Europe or to North America, among other places. Part of what we have set out in the industrial strategy is reforms to procurement laws as well, which will enable British manufacturers to do just that. I could perhaps turn to Rebecca at the end to say a little more about procurement processes and how those better support domestic manufacturing.

Q80 **Chair:** Yes, do you want to just specifically answer that point?

**Rebecca Schapira:** We definitely agree that public procurement is a critical growth lever to bolster domestic competitiveness. We have looked to build on recent initiatives. The Procurement Act 2023 came into force only in February. The “National Procurement Policy Statement” really emphasises that it can be a tool to look at how we can drive domestic competitiveness, while being really cognisant of the international trading rules landscape that we are bound by on procurement policy. We are consulting at the moment on how we can potentially go further in this space, but really all the reforms are centred around ensuring that there is national capability, small business and supply chain resilience, and good quality jobs across the country in regional hubs. Those sorts of matters are going to be fed into procurement processes.

**Chair:** We are going to come back to some issues.

Q81 **Dr Arthur:** I am actually quite proud of the work the Government have done to encourage people to buy British cars and support the automotive sector in the UK. But the state is one of the biggest purchasers of cars from outside the UK. That comes in a lot of shapes and forms, but in particular, I am thinking about the Motability scheme, which is one of the biggest car importers in the UK, perhaps the biggest car importer in the UK. Those cars are bought using money from the state. Is there more we can do through procurement to encourage it to support the British



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automotive sector?

**Rebecca Schapira:** I am sure that as part of these procurement amendments that it is being looked into. I do not know specifically about that scheme, but I can follow up if that is something that would be helpful.

**Lilian Greenwood:** Obviously, we do not want to make it so that people who get their car through the Motability scheme are more restricted than other car drivers. They have a right to have the same choice that other people would have. But absolutely, we want British cars to be the car of choice. We are supporting British manufacturers to make sure that they are able to provide products that are going to be popular both here and abroad.

Q82 **Dr Arthur:** There is significant purchasing power there. If people see more British cars on the road, perhaps they are more likely to buy them. Does that also extend to buses? I know manufacturing in the bus industry in the UK is under a lot of stress. Often Chinese vehicles are more tempting. In some parts of the UK, particularly in Scotland, we have been buying Chinese buses using state money. Is there more the state can do to make sure that where state money is involved, we are buying British-made buses? Sorry, I am looking at you.

**Lilian Greenwood:** You can jump in, Rebecca, all right? I am happy to say something about that. In terms of bus manufacturing, as we have seen, there is a shift as a result of the Bus Services Act 2025, with more of the mayoral combined authorities going down the franchising route and potentially procuring buses themselves, because in the past it would have been left to individual operators to make those decisions. That actually opens up some changes, partly because when mayoral combined authorities are looking at making those procurement decisions, they are perhaps thinking in a different way. They want a much more passenger-focused bus. They want zero emission vehicles, because in the Bus Services Act, we are putting in a requirement that new buses that are procured after 2030 are going to be zero emission. Obviously, the Government have put a lot of support into zero emission buses, which UK manufacturers are now gearing up to.

Absolutely, we can use those procurement rules that Rebecca has talked about so that when mayors are doing procurements, they can think about the wider impacts in terms of social value. All of us who have been knocking around transport for a while have seen that in other countries they seem to manage to buy things domestically, even though they are bound by exactly the same international rules and regulations. We want to make sure we are in the strongest possible position to be ensuring that our UK manufacturing can compete.

Q83 **Rebecca Smith:** Just very briefly on that, I hear what you are saying and that sounds like it answers Scott's question. However, because it is this devolved transport system, are the procurement rules actually going



to be telling the devolved areas what they should be doing as well, or is that just an aspiration that it would just be included? It sounded a little vague that yes, that would definitely be happening, but what mechanism are you using to ensure that those devolved transport authorities are looking to do British? Because ultimately, they are not allowed to make a profit, so they are going to be looking for the cheapest, best value. Is that just a nice aspiration, or are you actually going to do something practical to ensure it happens?

**Rebecca Schapira:** The consultation that is out at the moment is to really garner as many ideas as possible on how to direct this system, so it gets the result that it drives British competitiveness locally. All those devolved areas will use the Procurement Act as a guide to do that. It is a balance because we have to sit within that international trading remit, and we benefit from that international trading remit. We export £1.3 trillion for contracts related to British procurement. It has to be constructed in a way that has that balance attached, while acknowledging the goal is local growth. We are trying to do that.

Q84 **Rebecca Smith:** On that, the challenge is you are consulting at the moment, but most of those strategic mayoral authorities do not yet exist. It is important to make sure you are getting the voices of not the big city mayoralties, but the slightly smaller ones that are going to exist, because ultimately, they are going to get delivered with a package of procurement rules that they have no opportunity to implement.

**Lilian Greenwood:** In terms of bus franchising, it is the established mayoral authorities that are progressing most quickly with that. Whether we look at the North East Combined Authority or the West Midlands Combined Authority, they have already built up that capability and have obviously been looking at how they are going to boost their bus services.

I should say, in terms of the Department for Transport, we launched the UK bus manufacturing expert panel earlier this year, which was convened by my colleague, the Minister for Roads and Buses. That brings together industry experts and local leaders to achieve three key objectives of supporting growth in UK bus manufacturing, developing a pipeline of future bus orders, and prioritising passenger-centric bus design. Having certainty about what is coming should enable our domestic bus manufacturers to gear up to be in a really good position to win those orders in the future.

It is a competitive market. That is absolutely right because as a bus passenger, you want to make sure that the bus operators are getting buses that are going to be reliable and deliver the best possible service. But our UK bus manufacturing can absolutely step up and benefit from that thing that is happening.

Q85 **Amanda Hack:** Thank you to the panel for coming to speak to us today. What is the Government's assessment of the most pressing skills need for the transport manufacturing sectors? How does that differ from other



forms of manufacturing?

**Lilian Greenwood:** Thanks for your question. The challenges that we face in advanced manufacturing, and transport manufacturing in particular, include a lack of clear pathways for older career changers, a need for better career guidance, and flexible entry routes to support a diverse range of entrants. As you have heard in the other panel, there is also a lack of employer investment in upskilling, especially within supply chains, which obviously can be dominated by SMEs.

There are some specific skills needs in different sectors. If you look at shipbuilding, there are persistent shortages in some skilled roles such as welders, pipefitters and electrical engineers. In automotive, the shortage is more in the skills needed to support the EV transition, including the manufacture of electrical drive units and batteries, the repair and maintenance of EVs, and the use of fuels such as hydrogen. Of course, manufacturing is not just about building the vehicles themselves. It is about things like building electric charges as well. In aerospace, we face a critical shortage of mechanics, technicians and materials specialists, including composite engineers and manufacturing engineers, among others. The overlapping skills across transport manufacturing sectors mean that we need a more agile workforce, one that can move more fluidly between industries like automotive, aerospace and rail, to respond to evolving technologies and market demands.

Some members of the panel will be very familiar with that. I know my Friend for Derby North will know that in having Alstom, Rolls-Royce and Toyota in a relatively close geographic context, there is movement between those three really large employers and probably within the supply chain. In terms of what we are doing as a Government, our investment in short courses is to increase the agility of the existing workforce to take advantage of those overlapping skills. That includes the £100 million that we are investing in the engineering skills fund to address those skills shortages among engineering professions in advanced manufacturing, clean energy and digital. Sarah, I do not know if you want to say any more on the wider trends and assessment of skills needs for transport manufacturing?

**Sarah Maclean:** From a Skills England perspective, our role is really in understanding the national, regional and local pictures and how they connect. There is really important work to try to have a good grip on that. One of the things that we are doing is pulling together the data, evidence and insight to enable us to really get under the bonnet, if you like, of some questions because as we know, the skills landscape is a complex thing. There are a lot of players within it. Skills England's role in bringing that together to help people find the right way through the skills system to access skills provision, whether they are an employee, an employer, or a training provider, is really critical.

We have been up and running in full form only since June, so we are still quite new but have managed to produce quite a lot, I am very proud to



say. What we know from the data we have published already is that across advanced manufacturing generally, there are 49,000 manufacturing vacancies across sectors. That is not just in transport, but as the Minister was saying, there is some commonality across different advanced manufacturing roles. We know where those vacancies are. We have a local skills dashboard, which is published. If you want to click on a map and see what it looks like in your area, you can do that and see in real time where the shortages are.

Layering on top of that, we have published a sector needs assessment looking at advanced manufacturing. A lot of the themes from that relate very closely to the questions that you have around transport manufacturing. For example, automation and industrial digitalisation—that is hard to say, and even harder to effect—adoption of AI. What does robotics mean in this sector? Data-driven production systems are reshaping every level. The impact of AI is great, and it is fast, so we need to move quickly as this develops. There are also themes around environmental sustainability and, of course, those core engineering craft skills, the hands-on craft skills of welding, fabrication, electrical and mechanical maintenance, which we must not forget because they are really critical too. It is about understanding the whole landscape for skills and how people can access the right bit.

**Q86 Amanda Hack:** Just to really quickly follow up, I am guest sitting from the Work and Pensions Committee. We have just published the inquiry on “Get Britain Working” this morning. The big element of that was good jobs for people who need them. What work is being done? We have a skills shortage, and we have lots of individuals who are not in the employment market. What work is being done to match those things off?

**Sarah Maclean:** Following the recent machinery of government change, I am sure you are aware that Skills England and all policy relating to adult skills is now with DWP. At Skills England, we report into DWP, which makes a lot of sense since our strapline is, “Better skills for better jobs.” Joining that together even more effectively is a real opportunity for us.

To your question about how we actually do that on the ground and how we make sure that people can see those pathways into jobs, join-up across Government on skills is very good and Skills England provides a focal point for that now. But sitting next to colleagues who are working on NEET policy and the youth guarantee, it is much easier to do that faster and more effectively. Things like our new foundation apprenticeships—the Minister already mentioned one in engineering—are really good. They were launched only in August, so it is early days, but we are seeing how those come through as entry-level apprenticeships for people interested in engineering and manufacturing, in particular.

We also work locally with mayoral and other strategic authorities on what is working on the ground. There is a local flavour to skills provision, and there are specific local needs depending on the manufacturing in a particular area. Looking at those employability programmes and industrial



placements, so that employers and young people can meet each other and see that this person is really enthused by a career in manufacturing or engineering, is the on-the-ground real difference that we can make through those kinds of join-ups.

- Q87 **Antonia Bance:** For Sarah, if I may, following up, some criticisms of Skills England have been that it does not have the directive power that it needs to actually push the findings from your insight work. I have been impressed by some insight work that I have seen so far. As you say, I know you have been set up only since June. The issue is, can you be really directive towards local areas that they should follow the insight work and the skills gaps that you have identified, rather than just going off and doing their own thing? Do you think Skills England has the power that it needs to make people follow the insights set out in its work and in the industrial strategy from the Government, or are we just going to see more hairdressing courses?

**Sarah Maclean:** I could do with some hairdressing at the moment.

**Antonia Bance:** Me too, for sure.

**Sarah Maclean:** It is a really important question. Skills England is already seen as the authoritative voice on the data and the evidence. People are quoting our figures and insight and using them locally already, which is really pleasing to see. At a session yesterday, for example, Make UK was making great use of our data and evidence to help its work, which is really fantastic to see. We are really proud of that.

Because the skills system is complicated, big and messy, having a single source of data, information and insight that people can use and rely on, where they can talk the same language and use the same terms and definitions of things, is really helping already. It also helps that we have such an enthusiastic and energetic board and chair in Phil Smith—whom many of you will have already met or know—formerly of Cisco, with really strong experience and a passionate advocate for digital and AI innovation. We are well connected through our board to a huge range of sectors and industry. The proof will be in the pudding, but so far it feels pretty good.

**Lilian Greenwood:** Actually, Alan can probably tell you a lot about skills improvement plans as well.

- Q88 **Chair:** It is important that we remember what Skills England is but also what, quite clearly, it is not.

**Alan Krikorian:** In terms of some teeth in the system, there are local skills improvement plans, which have to exist in every area.

**Chair:** We will come on to that in more detail.

**Alan Krikorian:** But providers, particularly FE colleges, are under a statutory duty to adhere to and have regard to those plans, which in turn



need to go through a Secretary of State and Education Secretary sign-off. That is one mechanism whereby there are some teeth in the system, in terms of providers having to have regard to the findings of these plans. Indeed, Ofsted then has a role in assessing how providers are meeting local skills needs as well. Again, this is a relatively newish bit of the picture, but it has been around for a few years now. That is another lever that can be used to try to push provision of skills training in the right direction.

**Chair:** Now we are going to move on to the impact of the skills shortages in transport manufacturing.

Q89 **Dr Arthur:** Quite a lot of this has been covered actually, but I would like to just go back to Amanda's point on NEETs and economic inactivity. I have met with The Purpose Coalition employers in my constituency recently, Rebecca, and what they bring up is that these employers want to do this, but how do we encourage employers to do more through the social element of contracts? Is there something in that?

**Rebecca Schapira:** We have discussed the procurement changes that are going on at the moment, or have gone on, and the consultation that has been looked at. When you have such skill shortages across the piece, the wider challenge is ensuring that we are directing our attention to reskill the current workforce to the jobs of the future that are really going to help those industries be future-facing. That is certainly what the industrial strategy and advanced manufacturing sector plan, which look at some of this stuff, are really trying to do.

Q90 **Dr Arthur:** But there is a shortage of people overall. Surely getting people who are inactive into skilled positions is a good thing to be doing, and procurement is a valuable tool in doing that?

**Rebecca Schapira:** It's about training, isn't it? It is about bringing people in through various different levels, be that entry or reskilling, for different professions within the system, to plug those gaps as much as we can.

Q91 **Dr Arthur:** Sarah, you spoke quite well about what the Government are doing in terms of meeting the skills gap. Employers are partners in this. Is there more employers can do alone, or is it always going to have to be a partnership with the state to get this right? Because employers like Airbus and the automotive sector came in last time and spoke at length about the challenges they face. Is there more they can do, or do we really need state intervention to solve this problem?

**Sarah Maclean:** There is a huge amount that employers are already doing and could continue to do to go further, in terms of their own learning and development. There are some fantastic examples of the training they put on in-house, and I am sure you have seen and heard from industry about those. What is interesting is the slightly grey area where Government responsibility ends and industrial responsibility starts,



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if you like. Where do we meet in the middle, and how do we come together to work out what the problems are?

Our chair, Phil Smith, has described it in the past as Government pointing at industry saying, "You need to do more," and industry pointing at Government and saying, "No, no. You need to do more." What Skills England is doing is bringing employers and Government together and saying, "Okay, what actually is the problem here? What is the gap? What is the problem? What's wrong with the current system that is not meeting a need? Which apprenticeship is not quite working as it should? Where is there a need for a new short course?" Those sorts of questions. What are the solutions that are needed? Then they sit down around a table and say, "Okay, so which part of this problem can be fixed by Government, by strategic authority, by employer?" They then come together and work out exactly how to overcome those obstacles.

Already we are seeing some benefits in those sessions, or roundtables, bringing people together to pinpoint what the problem actually is, and then finding the solution to resolve it.

**Q92 Dr Arthur:** Lilian, Sarah talked about a fantastic website that told us where all the skill gaps were. I am sure it is quite gloomy in some places, but there is lots of opportunity, I guess. Is that a challenge for the Department then, just to make sure that you are keeping an eye on both the skills we need now, but also the future skills? We were talking earlier in the previous session about hydrogen-powered cars, which to me still seem quite futuristic. It is about meeting the skills gaps just now but also looking forward. Is that something the Department is on top of?

**Lilian Greenwood:** Yes, that is right. Obviously, much of the skills investment is what is being focused on in the advanced manufacturing sector plan. That is drawing on the evidence that is there. The Government are investing, £1.2 billion in skills every year by 2028-29, with targeted support for things like digital, defence and engineering. Obviously, you will know that the Government have already invested £625 million in construction skills.

There is more I could say about some things that we are already doing. But you are absolutely right, we also need to be looking to the future and what the future skills are that we are going to need, and making sure that we are already gearing up for those. It is things like the rise of AI, or the challenges around the electrification of transport. That is common across all different modes of transport, and that brings forward a requirement for particular skills needs that we are starting to develop. But we need to constantly be looking at what the evidence is telling us and how we can fill the gaps that we are anticipating. That is absolutely right.

**Q93 Dr Arthur:** It feels like right across this conversation, a lot of things are coming into alignment. There is still lots to do, of course, but it feels like we have identified a problem. But what we have not really spoken about



is universities. I come from the university sector, so I can be a little critical of it. Are they aligned with this correctly, or are they too focused on what students want to study rather than what the sector needs, in terms of being able to meet these gaps? Because it is driven by what students want to do at university, rather than necessarily what industry needs graduates to do. I know the two things are not completely separate, but it is very much a market, is it not, when it comes to universities?

**Lilian Greenwood:** One of the challenges we face in relation to advanced manufacturing more broadly, and obviously transport manufacturing is a subset of that, is attracting our share of STEM graduates. There are lots of people going to university and studying science and engineering degrees, but they are not necessarily coming into manufacturing. It is really important that they see it as a really valuable career and one in which you can have a long and exciting future. I do not know whether, Sarah, you wanted to come in on that?

**Sarah Maclean:** Yes, definitely. Alan mentioned LSIPs. That is another way in which universities are really engaging well through a local planning system. I was at a meeting last month in Bedfordshire, where universities, colleges and local employers were all sitting down together going, "Okay, what are we going to need? Who's delivering what? Let's carve it up between us and make sure that what we're planning to do over the next few years makes sense for this particular patch."

There is also something really interesting for universities in thinking about how to connect in that way, not just nationally but locally, because universities are such an important part of local economies themselves. It is important to see that and see how that planning locally can really have a big impact.

**Dr Arthur:** The next question is going to focus on local.

Q94 **Rebecca Smith:** Obviously, one of the things that we have been talking about quite a lot in these inquiries is the challenge that we have around transport manufacturing and manufacturing in other sectors. Obviously, there is a huge push on the industrial strategy. In my constituency down in the south-west, defence is the main hub, so the vast majority of businesses down there want to be focusing on defence. But there are other key areas further up the country where you might have manufacturing for transport and defence going on.

Our question is: how are you planning on striking the right balance between addressing the skill shortages at a national level but also in those local areas? In a sense, Alan has already described this with his local plans, but when there is a drive from that industrial strategy coming from the top, how do we relate to what is going on locally?

There is just a sub-question particularly around SMEs. I am assuming you get SME groups that come and speak to you, Sarah. But ultimately, particularly around FE colleges, it is the big players that dictate what is



taught in an FE college usually, rather than upskilling those smaller manufacturing pipelines. We know that is something that is key for transport, but also there are other areas. We would like a sense of how we can address that challenge of the different demands, but also, specifically, how are you looking at the big players versus SMEs?

**Sarah Maclean:** That is great. It is really important because it is a complicated picture in trying to do that national, regional, local join-up. When we look at what the economy needs in terms of the occupations that are in demand, the job vacancies that we know exist now, how does that look? You can look at it in a national picture. You can see job vacancies, data, labour market information, and what that is telling us regionally and then locally. The planning and the join-up—the joining the dots, as I call it—are really, really important.

There is that local lens through LSIPs, which Alan has described. Skills England has oversight of those 39 LSIPs, those local skills improvement plans. Our team checks and makes sure, in fact, sometimes using AI ourselves to analyse them and check the themes that are coming through from them. A really strong element of those LSIPs is also that co-design with local partners, as I have mentioned, with employers, universities, colleges, making sure that they stack up to a sensible whole.

The south-west is a really great example. A couple of weeks ago, we hosted a roundtable with employers, in which we thought about the skills needed for EV battery production. We talked to a local college about the new provision that is coming there, and how we make sure that that pipeline of people comes through for those up to 4,000 jobs in Somerset. It is really, really important that we have that pipeline in time for the jobs when they hit and they are needed. Careful planning is required at that level.

Also, through understanding regional need, and particularly through conversations with SMEs and umbrella organisations for SMEs, certain aspects and job skills gaps have come to light. They coalesce, and we see them at the local and regional level. For example, there is a real need for more welders, and skilled welders, as you all know. One of our board members convened a meeting of all the key players around what is missing, what the gap is. Is it about a passport? Is it about a short course that is needed? What is it that is missing, and how can we pull people together to fill that gap?

I hope that gives a bit of an explanation of how it works on the ground, through those examples. It is really, really critical to get that regional planning right.

**Q95 Alex Mayer:** We heard in a previous session that the skills that people need for making biscuits can overlap with the skills needed to make batteries for electric vehicles. What is the Government doing to make the best use of those overlapping skills, ideally without causing a shortage of custard creams?



**Lilian Greenwood:** One of the things that we are doing is investing in short courses to increase the agility of the existing workforces. That includes the £100 million engineering skills fund that I have already mentioned, which will address skills shortages among engineering professions, such as across advanced manufacturing, clean energy and digital, whether it is biscuits or buses.

The industrial strategy also includes new programmes like the upskilling and reskilling programmes. They are designed to help current workers because obviously, we really, really want to ensure that young people have opportunities to get into advanced manufacturing, but we also want to take with us the existing workforce. As we heard from the previous panel, we want to ensure that experienced current workers can change careers mid-career and gain the skills they need for emerging technologies and, indeed, for small businesses.

There are things like skills bootcamps. There is a £130 million budget for those, which are short, flexible training courses for adults to retrain or upskill in key skills gaps. If they are moving industry, they can be quite flexible in that. Obviously, for older career changers, we are also launching the lifelong learning entitlement in autumn of next year. That will offer flexible student finance. It can enable people to do modular courses or offer new ways to study, to make it easier to train for jobs in priority sectors. Again, we know where people have skills in one sector but want to be able to shift to another. That probably is one of the things that is really helping. I do not know whether other panel members want to jump in or whether you have a follow-up.

Q96 **Alex Mayer:** We have heard that qualification requirements can sometimes hamper movement between different manufacturing sectors. Do you think this is something where, basically, the job adverts and the expectations of the company need to change, or is it that we need to change the qualifications themselves so that they, in essence, become more cross-sector?

**Sarah Maclean:** Skills England is the custodian of occupational standards. Those are the standards that relate to particular jobs. From those occupational standards, apprenticeships, T-levels, other technical qualifications—in future V-levels—will all relate. It is the skeleton, or the bedrock, for all technical and vocational courses and training. Having a more common language and a better understanding of those key skills and occupational standards across the piece, will help employers to either describe things in those ways or talk to us about why the occupational standards need to be updated, because things have moved on or technology has changed. Therefore, that conversation will help the underpinning of the system relate more effectively to what employers need.

**Alan Krikorian:** Might I just add to that? We are quite an outlier when it comes to apprenticeship standards. We have over 700 in England, which is really very high compared to other countries. We are increasingly



looking at whether we need to have them all. Some have never even been used. Also, where there is a demand for something new, can an existing standard be adapted, rather than just creating something new and adding to this really big breadth of offer?

**Rebecca Schapira:** Just to add to that further, where there are new things coming on stream, where we are looking at automation, AI, digital, which are much more cross-sector and have that transferability, can we be signposting to something that can be common for multiple sectors to use?

Q97 **Antonia Bance:** I would just add to that. One of the things that needs to be taken into account is the frequent review of the standards. We heard at the last session that the automotive technician T-level standard has not been updated for six years, and obviously things are moving on in that field.

The people I worry about particularly are those currently employed in internal combustion engine manufacture, or in repair and sales of motorcars, who are in the workforce now and are going to still be in the workforce in 20 years, when we do not need internal combustion engines or the repair functionality that we have at the moment. Lilian, I appreciated you setting out our offer to career changers. I worry that the lifelong learning entitlement starts at too high a skills level and that there is a gap, particularly for people who do not have formal qualifications but have skills. I would be very interested to hear what Government intend to do across the Departments to ensure those career changers get to the next good job, which may well be in transport manufacturing in some parts of the country like mine.

**Lilian Greenwood:** Absolutely, Antonia. We do not want to lose those fantastic workers, who actually have a huge amount of experience and knowledge, in the transition to new technologies. We want to be able to take them with us and for them to flourish in that new environment. I previously mentioned that the industrial strategy includes new programmes like upskilling and reskilling, which are specifically designed to help current workers. I do not know whether maybe Rebecca can say a little more about that programme?

**Rebecca Schapira:** We would completely agree with you. Those existing employees are the lifeblood of manufacturing. We cannot afford to lose them, simply because of the number of shortages we have, but also because we want to honour the fact they have been in these companies for a long time. They have so much expertise. We need to just grow that and pivot that into new areas of functions for those companies. Through the consultation that we did through the industrial strategy, employers told us that very loudly and clearly.

As part of the thinking on what to do about that, we have created and announced the upskilling and reskilling programme. Really the goal is to provide a nationally consistent and quality-assured approach to the



development of short courses for advanced manufacturing, with a real focus on what industry needs in that particular period of time and looking specifically at tech transformations and SME training needs. The goal is really to enable businesses to find that quality training quite easily. There will be a website, and there will be clear demand signals from the industry on what it needs and who the providers are locally; we can put some sort of map system on how we can provide it. We will also provide courses that are shorter duration so that they can be done around a working schedule, which we know is really important for current employers.

**Q98 Alex Mayer:** In our last panel just before, we heard how there were cleaners working on trains. Is it an issue that our policy does not talk to people like that? In the sense that we have policies that talk to people who are furthest away from the labour market, but what about those people who have a job already, they are in work, but they are really thinking, "I'm only going to clean this train for ever. I might not be able to fix it"? Do we have policies that speak to those people?

**Lillian Greenwood:** That is a really important point, Alex. It is about getting people into the sector in the first place. We know there are outdated views of manufacturing that somehow it is old-fashioned, or dirty, or involves a lot of manual labour. There are physical jobs involved in it, but there is also a wider range of jobs. We also want to improve careers advice so people can see the opportunities, not just to get into the sector, but to advance within the sector. Obviously, we want job centres to be playing a role, not just in connecting people to work, but also in connecting them to high-skilled roles and career and guidance opportunities. I do not know whether other members of the panel want to jump in on that?

**Alan Krikorian:** We have mentioned some initiatives before, like the skills bootcamps, which start at level 2 to 5. They are shorter—up to about 16 weeks—to help people reskill and move. There are some in relation to electric vehicles, related to the point you mentioned about combustion engines just a moment ago. Obviously, there is also the Adult Skills Fund, which is mainstream funding for adults covering a variety of levels, right from the very lowest levels and upwards. That is increasingly being devolved through mayors to bring to bear on their specific local priorities. Those are some other elements of the skills package that help with that reskilling.

**Rebecca Schapira:** I would just add, we came in at the end, but the word that struck me that was said was, "Aspiration." How do you have aspiration within this sector? If people really understood what was going on in terms of the transformation, in terms of dealing with some of the biggest challenges of today such as net zero or electrification—how innovative the technology and the production that needs to adapt around that are—they would find it exciting. It definitely suffers from a bit of a brand issue. It is the challenge for us as the Government, but also for



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employers, to really think about how to market that, so that the aspirational element really pulls through.

Q99 **Chair:** Is anyone doing it right, in terms of getting people to aspire and then transition?

**Rebecca Schapira:** Some big OEMs have wonderful apprenticeship programmes, and they have a really—

Q100 **Chair:** They have great apprenticeship programmes, but are they particularly good at getting people—particularly older people, young people or more diverse people—actually to join those apprenticeships?

**Rebecca Schapira:** I have not looked at the stats. I would not want to mislead, but I am pretty sure the purpose of those apprenticeships is to widen the diversity pool, to bring different people into those organisations.

**Chair:** It is a question I often ask. We are always discussing skills, not just in this Committee.

**Lilian Greenwood:** I know that Nissan, for example, runs a skills bootcamp on electric vehicle component manufacturing. That offers people a direct route into employment at its Sunderland factory. That is perhaps an example of a way in that might not be a formal apprenticeship.

Q101 **Chair:** We have all been at schools, colleges and so on and seen some great initiatives with employers and industry coming in and doing a lovely workshop. But I am never quite sure how systematised that is and how much measurement there is that those events actually get those young people or returners to work, or those middle-aged people shifting into whatever the target post, training programme or apprenticeship is that that employer is looking for.

**Lilian Greenwood:** Alan, I do not know if you want to say more about the skills bootcamps. They are specifically to skill people up with the sight of a job at the end of it, which is really important so that young people or other people know about the opportunities that are available and can actually see what the industry looks like. Sometimes it is about changing people's perception of what it is, because I am sure members of the Committee have probably all been and visited some transport manufacturing sites. They are definitely not dirty, and not all the jobs involve hands-on work. There are huge numbers of skills that are digital, or computerised, or in robotics.

Q102 **Chair:** We know that, but it is about getting that messaging.

**Lilian Greenwood:** It is about showcasing that. It is actually not a small thing when we go out and do that because it is about making it more visible, is it not? It is so that people can see, oh, look, people like me work in that sector and it does not look quite like how I thought it might look. That is really important. We are changing that perception.



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**Chair:** Good. Okay, now we are going to move on to modern industrial strategy.

Q103 **Mrs Blundell:** This is a question directly for the Minister, if I may. The rail manufacturing sector does not currently feature on the Government's list of priority sectors in the industrial strategy. You have probably seen the Rail Industry Association's written evidence to this inquiry stating, "This leaves the industry in an uncertain position within the strategy." What is the reason for that, and is there scope for that to change?

**Lilian Greenwood:** Okay, so the industrial strategy focuses investment on the sectors with the biggest potential for growth and advanced manufacturing, with a focus on automotive and aerospace. That was identified as an area where the UK is globally competitive, absolutely at the cutting edge of innovation, and offers the most sizable opportunities and the chance for major economic impact. But clearly, rail is still really, really important. It is an enormous enabler of growth and connectivity. But it did not show quite the same growth potential in the market analysis, which obviously is a DBT lead. That said, many of the investments in advanced manufacturing, like skills and supply chain support, will also benefit the rail sector.

Of course, as a Government, we are backing rail with really significant investment: £3.5 billion for the Transpennine Route Upgrade, £2.5 billion for East West Rail, and of course, £25 billion for HS2. The opportunities are being created for rail manufacturing, given the investment that we are putting into the infrastructure. In terms of the choices made in the industrial strategy, I am sure Rebecca could speak a bit more to that.

**Rebecca Schapira:** There were choices made. It was done on a data-led approach, on which areas had the highest potential for growth. Auto and aero were two transport-related areas that showed that potential, as did batteries, which is why we put that front and centre. But rail is mentioned within the advanced manufacturing plan, and it is noted as an enabler within the industrial strategy. No one would disagree on its value and purpose within a wider manufacturing ecosystem.

Indeed, lots of the interventions and measures—both in the industrial strategy white paper, but also specifically within the sector plan that I lead on—will benefit the rail sector, whether those are the cross-cutting skills measures, the broader trading environment, or the supply chain resilience. Those are things we are looking at, and they have a spillover effect to the other sectors that are within the wider manufacturing umbrella.

Q104 **Mrs Blundell:** Just to get under the skin of it a little more, it would be good to understand why you think the rail manufacturing sector might be concerned about this. What difference do you think being a priority sector might make for the rail manufacturing sector, versus other transport manufacturing sectors, for example?



**Rebecca Schapira:** It will be about prioritisation, right? Government will be prioritising resources and spend accordingly. The frontier industries: aero, auto, batteries, space, agri-tech and advanced materials, which are in the advanced manufacturing plan, all received, for example, very big R&D-focused investment, which is brilliant. We are going to be able to drive forward innovation of the future in those areas. That was a conscious choice. We see the growth potential in those areas, and we are choosing to back them and invest. That is one way that there is a clear differentiation. As I said, there are lots of cross-cutting measures that will benefit rail and other sectors that are not specifically highlighted as a frontier industry.

**Lilian Greenwood:** Maybe the technological shift that is required in automotive and aerospace is greater than it is in rail. I am guessing a little there. Also, the size of the industries is different.

Q105 **Laurence Turner:** I would like to draw the Committee's attention to the fact that I worked for the Minister between 2012 and 2016. It is a question for the Minister, and Sarah, you may wish to comment. We have heard throughout this inquiry that there are generalised skills requirements within the transport sector that are subject to competition from other sectors, but then there are also very specific skills needs within transport. Skills England's assessment of advanced manufacturing was, if you like, across the piece, but the Department's evidence to us said that the Department, "Will consider the merits of conducting a transport manufacturing skills assessment, if it becomes clear that the Skills England assessment for advanced manufacturing more broadly is insufficient." What criteria will you apply when you are considering whether that Skills England piece of work requires further elaboration?

**Lilian Greenwood:** Well, what we are wanting is for Skills England to work really closely with stakeholders in the transport manufacturing industry to understand their needs. So far it has found that the skills challenges in transport manufacturing are very similar to those in the wider advanced manufacturing sector and are obviously being addressed through the industrial strategy.

Due to that continuing active engagement with aerospace, automotive, rail and shipbuilding, alongside the other priority sectors, we are confident that if there is a divergence—if it is not being met by the advanced manufacturing group as a whole, and if more targeted action is needed—then obviously we will respond. But at the moment, the assessments already in place are doing the job. I do not know, Sarah, if you want to add anything to that in terms of how you are doing that skills assessment?

**Sarah Maclean:** Not hugely. I would just say that at the moment, it feels as though this is the right approach for looking at skills across advanced manufacturing. The way in which we gather the insight about what is working well and what is not, by talking to employers and stakeholders, will tell us if we need to adjust that, and we can feed that



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back to the Minister. It is a watching brief at the moment. It feels like it is working for now, but we will keep reviewing that situation.

- Q106 **Laurence Turner:** Presumably the Department itself also receives a good deal of information about skills requirements and skills shortages; some that are perhaps systematic and some that are anecdotal. How does the information flow between Skills England and the Departments? Are those systems set up at this point, or is it a work in progress?

**Sarah Maclean:** Do you want me to answer?

**Lilian Greenwood:** I was going to say, from your perspective, it probably is a bit of a work in progress because it is a changing landscape and Skills England is relatively new. I have had the skills within my portfolio for only a relatively short time, but it is really important that we are bringing those insights together and building that strong relationship. But Sarah, what about from your perspective?

**Sarah Maclean:** Since Skills England has been set up, we have seen a bit of a step change in Departments wanting to come and talk to us about skills, rather than going around trying to engage people on the skills agenda. The join-up is good across Government. In terms of the industrial strategy itself, there is excellent join-up at official level, but also our chair, Phil Smith, sits on the Industrial Strategy Advisory Council. There is great join-up at that level. The structures and the governance are in place, and the conversations are happening, but we are just also very open to conversations as things arise because sometimes things happen out of time sequence, in terms of formal meetings. That happens through conversations at regular intervals.

- Q107 **Baggy Shanker:** The advanced manufacturing sector plan includes a target of 35 by 35—that has nothing to do with my age—which is aiming to increase women's representation to 35% by 2035. What are the Government's plans to meet this target, and is transport a priority area in this?

**Lilian Greenwood:** Look, I am really glad you have asked me that because building an inclusive workforce is not just the right thing to do, it is a bit of a no-brainer really, is it not? You want to bring in the best talent and get people building long-term careers in the manufacturing sector. If you are not fishing from the widest possible pool, you are missing out on lots of that talent. That is why we have set that ambitious target of increasing the number of women in transport manufacturing to 35%.

Make UK is establishing a dedicated equalities taskforce. It is going to take forward an equalities charter to help deliver that goal, encouraging companies to report on diversity data and the action that they are taking to move us towards that target. There are actually some really good examples of good practice that we can draw on and circulate. I came across a company called Produmax. It is an advanced engineering



company in Shipley, and it is in the aerospace sector. It is really showing what is possible. It has boosted its diversity through outreach and apprenticeships, and it has brought the average age of its workforce down to 35, from an industry average of around 55.

We can share some of that good practice and show what works and how it benefits those companies that are doing it. But we know that there is a perception challenge. We have to show that manufacturing jobs are high-tech, exciting and full of opportunity, available to women as well as to men, and more diverse on other terms. The National Careers Service will promote these roles directly to young people. They need to see it to be it: they need to see other young people like them, in order to be attracted to it. We are tackling that issue around not enough STEM graduates going into manufacturing. We are doing outreach in schools and communities and using events like National Manufacturing Day and Apprenticeship Week.

But there is a challenge. I was once set a challenge by Ailie MacAdam, who is an engineer who has worked on a lot of the big projects, like Crossrail and HS1. She said, "Lilian, when you meet a young woman in engineering, ask them what their dad did because you'll almost always find out they were an engineer." We need to change that. There is nothing wrong with young women whose dads are engineers going into engineering. That is great. But we need—

**Sarah Maclean:** It will be nice when they say, "It was my mum."

**Lilian Greenwood:** It would be even better if they said, "It's my mum." We need more young people—especially young women and people from a different variety of backgrounds—seeing the possibility of a career in transport manufacturing.

Q108 **Baggy Shanker:** Sarah, just on the general perception issue of jobs in manufacturing and advanced manufacturing, what more do you think your organisation could do?

**Sarah Maclean:** As the Minister has already outlined, there are a number of things in train, but something Skills England takes really seriously are role models and positive stories of young women who have gone into apprenticeships in engineering. There are some great examples through Aerospace and Rolls-Royce; a number of companies have done pretty well on this agenda. Getting that out and promoting those stories and role models, is really, really critical. We will be doing that too.

**Baggy Shanker:** Brilliant. Just to highlight, last week I was visiting Alstom with the Secretary of State, and we met a former apprentice, a young girl called Chloe, who had done a four-year apprenticeship and is now working as a process engineer at Alstom and had recently bought her first house. These have transformative impacts on people's lives.

Q109 **Amanda Hack:** The industrial strategy says that Skills England has a



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crucial role in simplifying the skills landscape. Do you think that will make the impact that we want it to? How will simplification increase the number of people taking up training in transport manufacturing roles, rather than just manufacturing overall?

**Lilian Greenwood:** That probably is best addressed by Sarah because I know that Skills England is making it easier for people to get into transport manufacturing, by improving those vocational routes and introducing new high-quality qualifications for everybody, actually. That is really important because we want to make sure there are better options for learners with special educational needs, for example, and learners with disabilities, because we want the pool from which we are recruiting to include absolutely everyone.

Obviously, at level 3, we are going to move to a position where V-levels are the vocational qualifications that sit alongside A-levels and T-levels. For retraining people, we have already talked about the upskilling and reskilling programme. Sarah, I do not know if you want to say more about how you think simplification will help increase people getting into manufacturing?

*[Rebecca Smith took the Chair]*

**Sarah Maclean:** Yes, sure. The skills system is complicated, as I was saying earlier. The simplification that Skills England can bring is helping people to see a clearer route map into particular occupations, whether they are entering the labour market for the first time or they are progressing through their careers. Some is about hiding the wiring, so you do not have to look at the whole thing. You can look at the bit that relates to you as an individual, whether you are in work or wanting to join a particular occupational route. That is something that Skills England is actively working on now.

In our conversations with employers, we are also trying to understand where, over time, systems and processes and things have been layered upon, and where there are things that we can strip away and help to simplify. One of the things we are looking at currently with Alan and colleagues is simplification of assessment for apprenticeships. That is another area where, if we can make that more straightforward, people will complete an apprenticeship quickly, for example, and be able to progress even faster.

In terms of simplifying and understanding the system and understanding those routes through, from skills training into jobs and up through career progression, that is where Skills England can really help provide clarity.

**Chair:** Olly, you are going to take us on to training and qualifications.

**Olly Glover:** Yes, indeed. Thank you, new Chair.

**Chair:** I should probably just explain that because of all the new MPs on the Committee, I was the first one to sign the oath. That is the only



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reason why I ended up being the vice-Chair.

**Q110 Olly Glover:** Yes, it is one of many excellent and logical ways of deciding things here. Very good to see you in the Chair. Pleasure to serve under your chairship, we might say in a different place, Ms Smith.

The Government have announced that they intend to remove funding for level 7 apprenticeships for people over the age of 21. Now, the consensus in our last oral evidence session was that that will lead to a reduction in the number of people with the advanced skills needed for transport manufacturing. What would your response to that be?

**Lilian Greenwood:** From my perspective, it is about priorities. We know that there has been a really large decline in the number of young people starting apprenticeships: around 40% down in the last 10 years. Frankly, that is just not acceptable. It is not good enough. We want to reverse that trend, and our decisions reflect that. The focus is on making sure that government funding supports young people starting out in their careers, rather than those who are already in work with higher prior qualifications.

But absolutely, we know that level 7 apprenticeships can be really valuable, particularly for young people in certain industries, so we will continue funding them for learners under 22 as part of our reforms. That is not to say that we do not want people who are already in work, or older people, to have the opportunity to access high-level apprenticeships. Alan is our apprenticeships expert, and he can probably say a little more about what we think the implications are of removing level 7.

**Alan Krikorian:** There are a few things I would add. As well as the 40% decline in young people starting, which is a real concern across Government, we also have excessively high numbers of young people who are NEET now: nearly one in seven. That is about 800,000 young people who are not in education, employment, or training. That coupled with a fixed pot of money for the apprenticeship budget and growth and skills levy means that choices need to be made. Some of that funding that will not now be directed at level 7 will be recycled into the new foundation apprenticeships that were mentioned earlier, which started just a few months ago, designed for younger people to help them on their first steps in.

The other thing I would add is that quite a lot of work was done by Skills England ahead of those decisions to look at level 7, what was offered, and whether there were appropriate substitutes or alternatives elsewhere. The consensus was—this was put out in the recent ministerial statement—that in most areas there are adequate other opportunities for people to progress at level 7, just not through the growth and skills levy or apprenticeship offer, because those courses are very expensive through the levy.



**Q111 Olly Glover:** Can I probe that just a little further? Because I understand what you are saying, there is a fixed budget, choices have to be made and so on. If we had £1 for every time we had heard that one, we would be very rich. But the worry is that in light of some things we have been discussing—AI, robotics, data, all this high-tech stuff—in the future it is going to need a very, very different skillset from what has come before. Is there not a risk here that that decision makes it look like we are prioritising training younger people, versus upskilling older people? Does that not run real risks, in terms of future productivity from that existing workforce?

**Lilian Greenwood:** No. Over the course of the last hour, we have talked a lot about the things that we are investing in, in order to upskill our existing workforce. It is just a reprioritisation, in terms of the Skills and Growth Levy funding going into apprenticeships; we are really concerned about young people. It is quite a shocking statistic that one in seven young people are not in education, employment or training. That is why we are deciding that that is our focus and that is where we want to target this investment. It is not to say that we do not want people to be acquiring the higher-level skills. I do not know whether anybody else on the panel wants to add to what we have already said?

**Sarah Maclean:** I agree with that.

**Q112 Olly Glover:** You are nodding vigorously as well, Rebecca.

**Rebecca Schapira:** There are other routes for that higher training that are embedded within manufacturing and schemes. Looking at the frontier industries that we prioritise within the sector plan, I will take batteries, for example: we have a £452 million investment in the battery sector. We know we are going to need some pretty highly qualified people within that sector. There is going to be money available for PhDs and funding for academia within that space. We are looking at what more we can do to ensure that that skills pipeline is really robust.

We might not be able to support it through the levy, but it is looking at what other options there are across the board, as we said, to keep the people who are in work, in work. But as the Minister said, one in seven is quite a shocking statistic that needs addressing.

**Alan Krikorian:** The only thing I would add is we have what we call the missing middle—the qualifications at level 4 and level 5—where we are so light and low in numbers compared with other countries. Yes, maybe not a level 7 unless you are 21 or under, but in those other levels, which are high levels, that remains a priority.

**Q113 Jacob Collier:** This is to Sarah. The Government are introducing more short courses in England, which are going to be funded through the growth and skills levy, and Skills England has a role in advising the Department for Education on that and which ones should be prioritised. How do you feel that these short courses are going to improve skills



across the country and the industry that we are talking about today?

**Sarah Maclean:** That is a really important question about the role of short courses. Alan might want to contribute on this. The policy around apprenticeships, and what we are now terming apprenticeship units, is really critical. In the past, maybe a whole apprenticeship may have been the right choice for somebody to get trained up in something. But as technology moves on—as we have been hearing—something shorter and sharper that allows the training provider to keep up with the rapid changes in technology, and top up or add to somebody's skillset in a more agile way, might be more useful. That is a theme that we are hearing right across actually all the industrial strategy sectors, and from you, and the evidence that you have already heard.

Short courses, or apprenticeship units, are going to be really critical, particularly in upskilling those already in work, so topping up skills and allowing really cutting-edge training to happen at pace. Obviously, engineering is one of the areas that we are looking at for short courses. That work is happening in real time, so we can watch this space and see where we come out on the specifics for those short courses. But they have a really, really critical role to play, and employers are telling us that that is what they need.

**Alan Krikorian:** I would add that this is a direct response to the calls over a long period of time for more flexibility in how you can spend the levy. This is something that the Government have committed to, and we are looking to roll them out from 1 April starting in some specific areas. In terms of what next, decisions have not yet been made obviously. They will be fund-independent. The Secretary of State for Work and Pensions is also very keen to have a process of engagement with business, so that when we are making decisions around where we can go with short courses and what other types of things we might want to look at in terms of the levy, they are informed by a proper engagement with business. That is something we are looking at doing very soon.

Q114 **Jacob Collier:** Sarah, you mentioned the changing technology landscape. How are you going to ensure that these short courses keep pace with the change and with what industry needs?

**Sarah Maclean:** The same way in which we do that insight and data gathering already for everything that we do. But it is really through conversations with stakeholders and employers, in particular, in those specific areas where technology is advancing quickly. This month, we published a report into the impact of AI on all the industrial strategy sectors in collaboration with Royal Holloway, University of London, looking sector by sector at what the impact of AI and technological change is. Obviously, for manufacturing and engineering, it is huge. There is real need to speed up and look ahead. We have to future-proof what we are doing. We cannot rest and look back, we really need to look forward, and we can do that only in partnership and collaboration with industry.



**Rebecca Schapira:** Just on technology, if I may, in addition to the short courses, one of the interventions we announced as part of the sector plan was an increased budget. Now we are expanding England-wide for the Made Smarter adoption programme, which is looking to go into businesses—it is specifically tailored to SMEs—to think about what technology they need and to help them adopt and be more future-facing. As part of that programme, there is a skills element to train employers on how to use that technology and how to work with it, which is a really useful thing for on-the-ground businesses.

Q115 **Antonia Bance:** Building on the points about the responsibilities of employers and Government to ensure that our existing workforce are upskilled, I would appreciate any further thoughts on what more the Government can do to encourage employers to provide more training. I am particularly interested in what we can do to get SMEs providing more training.

On that point, I have a particular question. Whenever I talk to any of the supply chains of the large OEMs, they say to me that obviously, there is an apprenticeship scheme at the OEM. The OEM and the supply chain would love to take part in a shared apprenticeship scheme together, which would take some burden off the small SMEs, for which it will be a big deal to take an apprentice and manage the bureaucracy. But at the moment, the system is not set up to help the up-and-down supply chain apprenticeships. Are there any thoughts on that specifically, and more widely, any thoughts on what more the Government need to do to encourage employers to take responsibility for training?

**Lilian Greenwood:** We have spoken quite a lot in this session about how important it is to ensure that we are training and reskilling the existing workforce. Of course, that is going to be a partnership and a collaboration between Government and employers. The industrial strategy includes that major skills boost, that £1.2 billion extra every year. We want to deliver more opportunities to people at every stage of their life, to learn new skills and ensure that businesses have the talent they need to grow. As you have already heard, we have the £100 million engineering skills fund, which is about short courses to meet future needs. Alan, I do not know whether there is something more you could add to that?

**Alan Krikorian:** I just have a few thoughts. There is obviously the levy transfer, which helps the money side, but your point is that it is difficult to access. One thing we do—it is not a silver bullet—is we invest in something called the Apprenticeship Ambassador Network, which is made up of both apprentices themselves and employers. We grant fund nine regional entities across the country. One of its specific objectives is to get out and do outreach work with SMEs. We have a target to try to hit 3,000 SMEs by the spring. I know there are a lot more than that. That is actually employers going out and explaining, trying to demystify a bit, and actually handholding and helping SMEs to go through those steps: how do you hire your first apprentice? What do you need to do?



That is one thing that we are doing, and that network is always growing. Just looking at our list of top 100 apprenticeship employers, there is a good number from the sector in question today, like Go-Ahead, TFL, British Airways and the AA. They are all represented in that list of top 100 employers, which is really good to see.

There is work there. I am not saying there is not more that would need to be done. I can certainly take your point about the shared nature, and whether there is anything more we can do about that, away to talk to the team about it.

Q116 **Antonia Bance:** That will be great, thank you very much. We all think that there probably is some funding that is being lost or not able to be used, which could be better used if it were able to be shared down the supply chains. I have heard that from SMEs and from OEMs. There is something we can do there, and it would be good if you would, thank you very much.

I am absolutely obsessed with career changers and adult skills, as opposed to young people. The final question I wanted to ask was about whether we are seeing too much emphasis on the younger learners and not enough on the older learners? That may be a more difficult question for some to answer, but perhaps the Minister would like to comment?

**Lilian Greenwood:** We are getting the balance right. As I have set out, there is a huge challenge for our young people in making sure that we are equipping them to have long and fruitful careers. We cannot have a situation where one in seven young people is not in education, employment or training. We really need to change that, but we also need to care about our existing workforce. We have spoken about that a number of times over the last hour and a bit. I hope I have given you some reassurance that both things are important, and we can do two things at the same time.

Q117 **Chair:** I just want to ask one further question while we are on this upskilling piece. I have alluded to it already in my comment about the challenge that SMEs have with apprenticeships. I know they have a name, and I cannot think what it is, but you have the Babcocks of the world that basically go to a college and say, "We need a full-time apprenticeship to skill up our workforce." Then you have neighbouring SMEs that are part of the wider—in this instance—marine engineering space, which have to send their young people to a town an hour away because that is the only place that offers the apprenticeships.

What are you thinking through, in terms of making sure that you do not end up with the big beasts, which we need, controlling the apprenticeship market at our FE colleges? Because that is definitely what we have seen down in Plymouth, where I am based. Obviously, we want to keep the local people in our towns and cities rather than them going to Paignton—in this case—on a bus from home. It is almost saying to them, "You can't do what you want to do in this city. You're going to have to go



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somewhere else,” which is perhaps not the narrative we want to be giving to them. What is the DWP, in particular, doing?

**Alan Krikorian:** Yes, it is a really interesting one. Of course, they have some excellent colleges down there, I know. The apprenticeship scheme is employer led, so there is that key element of it. Part of the reason for the local skills improvement plans and to have employer representative bodies was to give a greater voice to all employers and businesses within that. When a local area sends its skills plan to the Education Secretary, one of the things that she would check is whether a proper process has been followed. By that I mean, has there actually been some effort to reach out and talk to a real breadth and range of employers? That is one thing.

The other point is it is not all just about FE colleges. About 90% of the provision—I think that is the right figure—of apprenticeships is delivered by the independent training provider market, which tends to follow the money a bit more quickly than colleges. Actually, they often will be the ones which, if they can spot an opportunity, will grab it and take it. You have some very strong colleges down where you are, but across the country the ITPs are really the mainstay of the apprenticeship provider market.

Q118 **Chair:** Brilliant, that is really helpful. That just takes me on to the final question, if I may. This is to the Minister. We are not going to be doing prayers in here, but we will just wait for the bell to finish, and then you can answer in the gap before the next bell. If we do not get this right, what do you feel is the potential impact on transport users? I am just bringing it back to the focus of this Committee.

**Lilian Greenwood:** As we look to the future, we know that demands on our transport system are going to only grow. We have a huge shift to zero emission vehicles, the integration of digital technologies and automation. There is a profound transformation going on when it comes to transport, and if we do not get it right on skills, then frankly, we will fall behind. The consequences will not just be felt in transport manufacturing, in terms of our factories and our supply chains, but they will be felt by transport users across the country. We do not want delays in adopting new technologies, we do not want gaps in maintenance capability and slower progress on decarbonisation, because all those would undermine the reliability, accessibility and sustainability of our transport network.

That is why, as a Government, we are committed to supporting business to achieve precisely the skills and diverse workforce it needs in transport manufacturing to drive economic growth, productivity and innovation, and to make sure that we have a transport system that we can be proud of. I am really grateful to the Committee, frankly, for the opportunity to discuss this issue. I really welcome any further engagement or your conclusions. Thank you.



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**Chair:** Great, thank you so much. Thank you very much to you all for your evidence today. We really appreciate the time you have taken to work collaboratively with us to engage with the terms of our inquiry. The evidence we have heard this morning from both our panels has been really helpful. If there is anything you did not get a chance to cover, please feel free to write to us after this meeting today. We look forward to considering our recommendations to you on this topic. That concludes today's meeting.