

# Work and Pensions Committee

## Oral evidence: The work of Skills England, HC 1845

Wednesday 22 April 2026

Ordered by the House of Commons to be published on 22 April 2026.

[Watch the meeting](#)

Members present: Debbie Abrahams (Chair); Lee Barron; Johanna Baxter; Mr Peter Bedford; Steve Darling; Damien Egan; John Milne.

Questions 1-32

### Witnesses

**I:** Phil Smith, Chair, Skills England; Tessa Griffiths, Co-Chief Executive Officer, Skills England; and Gemma Marsh, Deputy Chief Executive Officer, Skills England.

### Examination of witnesses

Witnesses: Phil Smith, Tessa Griffiths and Gemma Marsh.

**Q1 Chair:** Welcome to this one-off evidence session with Skills England, who are here today before the Work and Pensions Committee. My name is Debbie Abrahams; I am the Chair of this Select Committee, and it is a pleasure to welcome you all. We have Phil Smith, chair of Skills England, Tessa Griffiths, the co-chief executive officer, and Gemma Marsh, the deputy chief executive officer. It is lovely, as I say, to welcome you all.

I am going to start the questions. To set the scene, if you could, what are the roles and responsibilities of Skills England?

**Phil Smith:** Let me start by saying, first of all, thank you for this opportunity, because we have not had a chance to talk to this Select Committee—obviously having moved from the DFE to the DWP—and this gives us a great opportunity to give you a bit of a sense of what is going on in Skills England. We are very interested to be here because I think the importance of what Skills England does is right at the top of the agenda for many people.

Skills England was officially launched in June 2025, although it was announced by the Prime Minister around 11 months before. It was announced as an arm's length Government agency to address, broadly, the misalignment and structure of the skills system. I think most people would agree that the skills system is not aligned; the narrative that the

Prime Minister gave at the time was that the skills system was not aligned to the growth aspirations or the opportunities that we needed for our economy. Therefore, Skills England was set up as an arm's length Government agency to be able to address that broader mismatch.

Of course, we will talk more about it, I am sure, but we see that mismatch everywhere, from the issues around NEETs to graduates and so on, where the system is not aligning to what we need for economic growth. As a small aside on that point, I actually sit on the Industrial Strategy Advisory Council as a result of this role, which is important because that is clearly about the Government's growth strategy.

I also sit on the Labour Market Evidence Group, which pulls together not only the devolved nations and combined authorities but the Home Office, the DWP and so on to look at the balance of domestic skills versus migrated skills. All that is within the remit of Skills England and what we need to achieve. As I say, we are now housed within the DWP, hence the opportunity to appear today, which is great.

Q2 **Chair:** Would anybody else like to add to that?

**Tessa Griffiths:** Yes. Thank you so much; it is a real pleasure to be here. All I would add to what Phil said is that we see huge opportunities in being part of the Department for Work and Pensions. Skills England has always worked closely with the Department for Work and Pensions—for example, on labour markets—but we think bringing together skills, employability and labour markets offers huge opportunities.

I am sure we will talk about it more this morning, but we are already starting to see the benefits of much closer collaboration in thinking about the youth agenda, working with jobs and careers services and thinking about how to get the inactive back into work. We think bringing together those agendas is really helpful.

The only other thing is that we have been through quite a lot of change. Gemma, Sarah—my job-share partner, who I share this role with—and I are incredibly proud of our staff. We have a hugely committed team, many of whom have worked in and around skills for a very long time. We have a group of people who are really committed to this agenda. We understand the important role that skills can play in a person's life, not just for employment but in many other ways—in respect of opportunity, reducing inequalities, building communities and so on. We have a team of people who are really committed and enthusiastic for what is, I would say, quite a challenging agenda.

Q3 **Chair:** Can I pick up on what you just said? We obviously have massive inequalities across the country; how are you going to pick that up in your work? I had a quick look on your website yesterday and I did not see inequality as one of the core areas you would be responsible for.

We have a thriving economy in the south and south-east, and you could argue that we have world-leading higher education settings and so on. How are you going to address the inequalities we have talked about? I



## HOUSE OF COMMONS

represent a constituency in the north-west of England, and the north-east is similarly struggling—not as much as it has done, but it is still struggling compared with London and the south-east.

On particular cohorts, we have just concluded an inquiry into the employment of disabled people; there are implications right through from school to training and employment support for those who do not want to go on to higher education. How are you going to deal with that?

**Tessa Griffiths:** I will start, then bring in Gemma on some of the detail. As I said before, we know that skills is an enabler. We know that the huge disparities we see regionally are holding back opportunity, and we think we have a really important role to play in that. It is really important that we work regionally—we are not an organisation that just sits in London—and Gemma will talk a bit more about what we are doing regionally. We work with mayoral authorities, with local government and with regional partners.

You are absolutely right: I was recently in a college in the north-west, and the challenges that college is facing are completely different from those facing a college in, for example, Bristol. That college are dealing with huge numbers of young people who cannot find work, and huge numbers of young people who are leaving the area to find work elsewhere, and they are trying to build their local economy. You are absolutely right that we are seeing huge disparities. Gemma, do you want to say a bit more about what we are doing?

**Gemma Marsh:** Thanks for the welcome. I worked at the Greater Manchester combined authority for many years, and I think the role of place is critical. You can see that in the work we do within Skills England. You are absolutely right about the difference between places like Bristol and places like Oldham. They are completely different.

Skills England's role is, first, to ensure that the provision is as good as it can be and meets the needs of employers, but not just at a national level. We work with mayoral strategic authorities and strategic authorities to understand that place agenda, and the people who live there and their needs. The skills system has to work for everybody, but it has to work within a local setting as well.

We do a lot of work within a place to understand the people, so I think that the move to the DWP is absolutely fantastic because understanding a skills lens through economic inactivity is completely different from understanding a skills lens for those NEET young people. We work with employers and try to understand what is happening in that place to ensure that the provision is matching it. But we cannot do that by ourselves, so that collaboration and the building from place example, to make sure that it is meeting those needs, is critical to the work that we do.

**Phil Smith:** To add to that, one of our key tenets is to try to simplify and provide the access to the skills system much more creatively than has maybe been done before. I think that the challenge is that the system is

so complex and impenetrable to many people, so particular people in disadvantaged environments, small business owners and others struggle to access the system at all. That is despite the fact that there is a huge amount of supply and capability available. We believe that if we help do that not just at a local level but in selected groups such as NEETs and so on, it will be beneficial for everyone. If we simplify any system, it makes it easier for everyone to access at a lower cost and so on. That is an important part of what we are doing, but we are trying to address the key issues with the right data and the right interventions.

**Q4 Chair:** A final one from me, which is on international comparisons. How do we compare with other comparable economies in terms of our young people with, say, a level 4 or 5 qualification?

**Tessa Griffiths:** We do not compare favourably on level 4 and 5 in particular. We often refer to that as the “missing middle”; it is a level that is above A-level but before degree level. Other countries such as Germany and France have much better numbers of people going into those level 4 and 5 qualifications, particularly technical qualifications.

The research that we have done indicates that when looking at the industrial strategy sectors plus construction and health and social care—those are the 10 sectors that we looked at recently—two thirds of the jobs coming into those sectors are going to need those level 4, 5 and 6 qualified people. It is not just people who have degrees; it is going to be those with level 4 and 5.

That is important: if we want to be able to compete internationally, we need to develop these technical routes into these levels. It is interesting that when comparing the labour market we have here with somewhere like Germany, we see that the apprenticeship programme in Germany is much more focused on career starters. In this country, we are focusing on that too: how can the apprenticeship programme pivot towards young people? I know that you have taken some evidence on that previously.

**Q5 Chair:** Are there equivalent bodies internationally?

**Tessa Griffiths:** Yes, there are.

**Chair:** Are you setting up contacts with them to see what they are doing?

**Tessa Griffiths:** I have been to Germany and seen what is happening there; we work closely with Gatsby, for example, to go and see what happens elsewhere internationally. I think that is really important.

**Q6 John Milne:** Good morning. I have a couple of questions. The first is: what do you think your main achievements have been in your first 10 months? It is perhaps a little unkind to ask you that after only 10 months. Going forward, what do you see as your main challenges for the future, and do you think that you are reasonably equipped with resources, powers and status to face those issues? Please start with your achievements.

**Phil Smith:** I will kick off and then let Tessa and Gemma give some more detail. The reality is—as you are implying in your question—that there is



## HOUSE OF COMMONS

an awful lot to do in this system. As was described in the previous question about international comparisons, a lot of that is embedded in what we have been doing for a number of years. There has been a lot of work looking at the numbers of apprenticeships standards, the evaluation of those apprenticeships and how they are qualified, and about feedback that we garnered previously from various surveys we did around the length of apprenticeships and the relevant areas for them and so on.

To your second question, what we have been trying to do this year is set a lot of the substructure in place that allows us to build and say, "Okay, where can we really take this now?" One of the key attributes we have is that, despite initially being housed in the DFE and now the DWP, we are an organisation across Government. This is an issue across Government, and so our necessity to bring parties together to collaborate on this issue, whether in the DBT, the Home Office or wherever, is very important. We cannot have that continued fragmentation and think, "This is something the DWP are doing, and no one else is going to do it." Lots of what we have done has been to set that up.

I will let Tessa and Gemma take you through some of the specific numbers of things, if you will, in terms of new apprentices and new areas. As you might imagine, areas such as AI and so on have been right at the front. That is for lots of reasons: first, it is important; secondly, there is a general misunderstanding and trepidation about AI, and we are trying to give people confidence and capability to engage with that.

**Tessa Griffiths:** Phil is exactly right. The critical thing for us in the past 10 or 11 months has been making sure that we have that firm evidence base. We have now published six major reports; we are publishing another one—our annual report—in about a month's time, which will bring that together and synthesise that. That builds the evidence base from which we can move forward, and it has been really important to invest time in that.

However, Phil is right that we do not want to just sit here and be researching; we want to take action, and there is a lot of work for us to do. What we have been doing with that insight so far is we have been looking at the standards of the apprenticeships, technical qualifications and education that sit in our system. We are responsible for occupational standards, which are the standards that set out the knowledge, skills and behaviour that employers want to see in apprenticeships. We work really closely with employers to do that. We have been looking at the evidence we have been collecting against those standards and saying, "Where are the gaps? Where is the duplication? What do we need to do?"

As Phil noted, AI—we will talk more about it, I am sure—is a particular issue and driver at the moment in terms of what employers want and the changes in the labour market. For example, we have developed a new apprenticeship in AI very quickly. That is out in the market now as a level 4 apprenticeship. We have also developed a number of apprenticeship units. One of the things that you may have heard from employers is that they want more flexibility in the system. We have introduced 10 apprenticeship units—I think they were announced just today—which are

smaller, shorter pieces of learning that can be funded via the growth and skills levy. Three of those are in AI, so we have been taking that research and really trying to use it.

The other thing we have done, which we might want to talk more about in a bit, is develop something called an investment and infrastructure service. That speaks to some of the points you were raising about inequalities and how we can work regionally to minimise inequalities and develop a pipeline of jobs for local people.

This service is new, and works with major investors and the big infrastructure projects that may or may not be in receipt of Government funding. It works closely with them to bring partners together to ensure that they can develop the skilled workforce they need. We are now doing some quite innovative and exciting work in different parts of the country with big infrastructure projects that want to develop their skill pipeline of workers locally but have struggled to do so in the past. By bringing partners, colleges, training providers, mayoral combined authorities and so on together, we are helping to develop that pipeline.

**Phil Smith:** A real example is Agratas, the battery manufacturer down in Bridgwater. I went down there three or four weeks ago to announce a short apprenticeship that we created in a record short time specifically for battery manufacturers, so that a big investor like that, which comes in and will create thousands of jobs, is able to get all the capability it needs, including the technical qualifications. That is just a real example down in Bridgwater. There is a number of those happening around the country at the moment.

**Gemma Marsh:** I was going to add something about the local skills improvement plans. Using that local data, and using our data nationally, what does that look like? We are really listening to employers in that local space and, as we have said, making sure that we can respond. The occupational standards are the bedrock of what we do, and they are what the technical education and apprenticeships hang off in terms of knowledge, skills and behaviour. We are updating them all the time and responding to employers, but what does that look like locally?

How do we make sure that the local skills improvement plan docks in and is not just another plan that sits locally? How do we make sure that it is relevant to our national data, but also to what those employers are saying? As we said, things like the apprenticeship units that Phil just talked about hang off those occupational standards, but they are more flexible and more fleet of foot. They support inequality, because not everybody has to do a full apprenticeship or full qualification; they are responding to what employers need as well.

Q7 **John Milne:** On the specific issue of powers, do you think you have enough powers from Government?

**Phil Smith:** It is an interesting question; we have often been asked about this, and there was a lot of discussion among the Lords and others on

whether we should be an arm's length statutory body or a Government agency. Truthfully, as a leadership team, we have taken the mandate that we have—the power—but that does not mean that we can do everything we want to do. In reality, it means that we need to collaborate. Having run a big business, I know that this is true of any business: you do not own everything. If you are a retailer, you do not necessarily own the shops, and if you are a manufacturer, you do not own the retailer. You have to work with them, and that is the attitude we have taken.

We are not finding that any of the current structure limits our ability to engage. We believe, and we will continue to push, that this is a cross-Government agenda and we need to keep tucking people in. You know as well as I do how difficult that can be in Government at times, as various things fragment off. We continually see that, but we see support from No. 10 and various other bodies, including Ministers, for our ability to do that.

Now that we have created the substructure and some of the fundamental capability—and, frankly, now that the staff, having made a couple of changes, are working and know what they are doing—we can really accelerate that and take that position. I think we have to take that position in the centre if we are going to solve this, rather than just doing a bit more of what we used to do, because that is not acceptable for what we need.

**Q8 Lee Barron:** Welcome, everybody. You mentioned earlier that you came from the Department for Education to the Department for Work and Pensions. How have you found that transfer? What will the transfer enable you to do that you could not do before, now that you are aligned with the DWP?

**Phil Smith:** I will give the very high level and then let the team talk a bit more about it. From our perspective, as I previously said, we did not ever see an issue in working with the Department for Work and Pensions—we always saw it is a good collaborative source, but people have ways of working and so on. The interesting piece of foresight was that, when we put our strategy together, the tagline we took was, "Better skills for better jobs". We always saw that this was not about skills for skills' sake; this was about skills for job creation, job improvement and productivity improvement.

To your point, moving into the DWP is clearly much more aligned with jobs. I keep saying that the Department for Work and Pensions is the only Department that has the word "work" in it. It is the Department for Work; it is defining the future of work and what we need, not just jobcentres and other things, important as they are. We think we have an opportunity to do that.

I think this gives us an opportunity for innovation, because we can look at things in different ways. If you are in the education Department, your main focuses are qualifications, skills and schools. That is not to say we were not focused on other things, but the DWP is much broader; it is

about how we get a proper labour workforce in place, and how we get correct labour market intelligence.

Even in that short time, we are seeing lots of information. People are saying, "Oh, you have information on that. Let's pull that in," and I think we need to do that across other Departments as well. Again, the industrial strategy is driven out of the DBT, so we are pulling that into our work as well, including the employer engagement that we do, and how we can use that growth aspiration to grow.

**Tessa Griffiths:** I can give a couple of specific examples that might bring this to life a bit. I will pick on two areas where we are collaborating much more closely than we perhaps would have done. First, there is youth employability—I am sure we will talk more about that this morning. What role can Skills England play as part of the drive across Government to reduce the number of young people who are not in employment or work?

Secondly, there is the collaboration with the jobs and careers service. We are finding that there are huge opportunities to share information and data, as well as to ensure that jobcentres have the data we have on regional skills gaps and that they work with local partners to have a much better understanding of the kind of demands in a local area and the workforce that is available—that is the part that the jobcentre can play. For example, we currently work really closely together on economic shock. When we see an area where a company is at risk of going out of business, we work very closely with the jobcentre to ensure that we are helping local people to build the skills they need, if they are likely to be displaced.

Finally, we are working really closely together on the investment and infrastructure service that I talked about. We are coming together in a place to say, "What workers do we have available in this area? What demand do employers have for workers? Who is available? How can we upskill and reskill them?" I think that is working really effectively.

Q9 **Lee Barron:** You mentioned the fact that skills is a cross-cutting issue and that you work with other Departments, and work well with some of them. I suppose we are looking for the tensions that may lie in other Government Departments, and what their priorities and agendas are where they are not wholly aligning with what you want as Skills England. How would you see us working through that? Where are the tensions? What Departments are they in?

**Phil Smith:** In anything—business or Government—change is difficult. If people want to do something differently, as we do, they will come across tensions, but I would not say we have found any overt resistance of any sort. No one has actually said, "No, we don't want to do this," but we need to make sure that we are using evidence. One of the strong aspirations and actualities we have is that we have a lot of the evidence and capability, so as we work with people, we want to make sure that we use that ability to make sure everyone comes on board.



## HOUSE OF COMMONS

The reality is that unless the Department for Business and Trade is aligned with what we are doing, it will be talking to businesses about something completely different. Fortunately, through the industrial strategy, we pulled that together. We are very aligned with the Home Office in its aspiration to try to build a domestic workforce. That is something that has to change. You will have heard of discussions about jobs plans and so on, which are there to assign temporary visas and so forth, and the ongoing view of how you continue with that.

I do not think there is anywhere where we would say, "Do you know what? If you could go and give these guys a bit of a nudge, it would be really helpful." We have not actually found that kind of resistance, but the challenge you have—this is true in business, and it is true in Government—is that people are busy doing what they are doing. Unless you keep pushing that as the broader agenda and keep your eye on the bigger goal, people will disappear off and do what they are doing.

To be fair, that is part of the discussion that Tessa and Gemma talked about when we looked at apprenticeships and so on. There are a lot of apprenticeships that are really good, but there are more than 700 of them. It is quite hard for anyone in any system to deal with 700 things, so how can you make sure that you make those simpler and more accessible to people, and so on? I think we are keen, and we have good support from Ministers, No. 10, the Lords and others we know for any changes we are trying to make, though I am not saying by any means that the job is done.

**Gemma Marsh:** It is interesting. We have a place sub-group as part of our board. Yesterday we met and this discussion came up. We have the DBT and DWP in the room, as well as mayoral and local partners. We discussed things like the data—the local skills improvement plan, the jobs plans, skills needs analysis and how they all dock together. It is not tension as such, but how people use all the information for the good of getting those people into their local labour market. It was a fantastic meeting whereby people understand place and where jobs plans need to play out, while also coming together to say, "I have that data here and they have that data there—we need to bring this together."

As our role evolves, we are seeing where we can pull other Departments in, because one of the things that people talk about is that there are myriad programmes—you will all know things like Connect to Work, Pathways to Work, WorkWell and SWAPs. If we are using really solid data and evidence, local insight and the insight from employers, it only strengthens that provision. That is the beauty of what we are finding—people are coming and saying, "We are doing this. How does it dock in? What evidence can we use? How do we make it stronger?"

**Phil Smith:** Just from a governance perspective, that sub-committee is essentially a sub-committee of the board, so we are expecting that group to continuously engage on place-based issues and to bring them back to the board on a regular basis. We have on the board a number of representatives from all around the country, including college principals,

folks from authorities and so on. We are trying to piece all those together. It is important.

**Q10 Mr Bedford:** The number of young people not in education, employment or training is hovering around 1 million, which is clearly not good news. What issues in the skills system might be contributing to that, and what is your body doing to address that?

**Phil Smith:** Again, I will let Tessa and Gemma pick up some of the specific programmes. Like you, we feel horrified by this, and it was right at the top of our agenda as we put our strategy together.

We know this is a complex issue. It is not a matter of, "Wouldn't it be great if you just had a million jobs available and these young people would get them?" That is not the case. Around 300,000 people, I understand, are not even on benefits. That is 300,000 people who are not sitting and sponging off the state, as people like to say—they are actually not on benefits. They are just not anywhere. That is really bad.

We are trying to say, "Can we, working with Departments, move some of the programmes that may have been slipping towards more senior people later in careers, such as apprenticeships, and align them more closely to provide opportunities? Also, can we simplify the system?"

We have announced a series of foundation apprenticeships and so on, so capabilities are there. However, by far that is not job done. We must make the system relevant for people where they are at that time—how they get pathways and on to these things. Tessa mentioned job coaches and work coaches, and understanding the pathways available, and working with the Careers and Enterprise Company and others to give the right career advice.

Frankly, this is also about industry engagement, which Gemma is driving, to ensure that we are out there talking to employers and giving young people opportunities to spend time in business and realise there are lots of interesting jobs, not just doctors, nurses and so on. Many jobs are available to them. There are many areas we are trying to address at multiple levels. I don't know whether Tessa wants to pick up a few specific programmes.

**Tessa Griffiths:** Thank you for asking this question, because it is something we are really concerned about. We convened a series of summits to ask exactly that question, with a particular focus on what the skills system needs to do to support youth employability. We held one with employers, one with local partners and one with young people, so we heard a range of different views.

We heard three things. First, young people felt they were developing skills, but often those skills were not recognised—certainly not by recruitment processes. They felt they were developing skills through informal jobs, Saturday jobs, caring responsibilities and everyday life experiences, but that they did not have a way of expressing those skills in a way that employers could see, understand and value. What we heard from

employers was, "We need people who are work-ready. We are under huge pressure. We need people who can work immediately."

We also heard that there is a gap between education and the workplace, which I do not think will surprise any of us. Young people said, "At school and college we don't feel like we're developing some of those skills we need in the workplace," and the things they talked about included networking, real examples of teamworking, interview preparation and financial literacy.

Thirdly, we heard about work experience. Work experience was considered to have a high impact when it was high quality, where people were given real responsibilities. We know that work experience is very patchy, and for some of the young people we are talking about it is almost non-existent. We know a lot of these young people are falling through the system and cannot access some of those opportunities.

We are thinking about the findings from the summits, but the work we want to do next year, or in the coming year, will be in two areas. First, can we help to identify, define and design into our systems the employability skills that young people say they have but cannot define, and that employers do not always recognise? What can we do to help develop a shared language between employers and young people?

Secondly, what can we do to ensure that there are pathways through the system so that young people can see the qualifications, apprenticeships and training they need to get jobs? It is really complex—I will bring Gemma in—because this is not simple, and this is not a homogeneous group of people. They have huge challenges, and a local and regional perspective is really important. That is the focus of our work. Gemma, do you want to say a bit more about the people aspects of this?

**Gemma Marsh:** Yes. You will know this, but when we talk about NEET young people, they are not a homogeneous group. The skills system is, of course, fantastic and it supports many people. One of the things we are finding, as Tessa said, is that it is quite complex for employers, so there is a role in that space. We want them to be work-ready but what does that actually mean? How do we teach it and make sure that career advisers and work coaches understand it?

For us, it is about taking that information and trying to simplify the work experience landscape for employers—there is quite a lot in that space—and then making sure that the provision matches the need and that there is flexibility. It is not just about technical qualifications; there is our adult skills funding, which has obviously also come over to the Department for Work and Pensions. Much of that is devolved to place, but it again gives a lot of flexibility to be able to respond to employer needs for all different groups. There are an awful lot of DWP programmes that sit in that space as well.

For young people, it is about making sure that we are looking at the occupational standards and the apprenticeships. Are there entry-level



## HOUSE OF COMMONS

roles? Are we looking at level 2? Are they there so that people can step in? Does there need to be a foundation apprenticeship in some of those sectors? We have just developed one in retail and hospitality because we know that there are lots of stepping-in points in that space. It is also about making sure that young people understand what the jobs are. Using our data and evidence, we know where the vacancies are, but do young people understand that? Do they know what a sector is? Probably not.

**Q11 Mr Bedford:** To pick up on that point, one of your Skills England priorities is to “mobilise employers and other partners, co-creating solutions to meet national, regional and local skills needs”. What does that mean in terms of engaging with employers? What are you doing to speak to employers?

**Phil Smith:** I will let Gemma pick that up because it is a very important programme, and I 100% agree with you. The challenge is that many employers have the narrative that Gemma and Tessa mentioned: they are not work-ready, they are not the right people and so on. But there are 5.5 million small businesses in the UK. Half the European average is spent on training people in the UK, and 40% of companies do not do any training at all, so the muscle memory about how you bring people in and develop them is not really there.

The work done by our predecessors and our team around building apprenticeship standards and so on has been amazing, but we felt that we needed to collaborate on a much broader basis. That means building a continuous dialogue between not only us and employers directly, but representative bodies, regional authorities and so on. Gemma can talk a bit about that, because we have announced what we call the expert network, and that is the start of what you might call a distribution model that allows us to go back and forward.

**Q12 Mr Bedford:** I am interested in tangible examples of what you will do to engage with employers, because Government bodies have created lots of high-level, strategic directions, but what does that actually mean in practice? With Jobcentre Plus and all those types of things, what will actually happen to engage properly with the SMEs in my constituency to address those skills needs? Can you give some examples of what that would mean?

**Gemma Marsh:** Tessa will want to talk about the SMEs, but you are absolutely right. There are things that we are doing through the expert network and our general engagement with employers; we hear about employers at the heart of a skills system, so what does that actually mean? Things such as the local skills improvement plan are asking those questions: “Locally, what are you hearing? What is your gap? How do we then respond to it?” That is absolutely a local plan.

We also want to build on best practice. There are amazing employers out there doing phenomenal things without public funding. Part of our role is to shout about that, talk about that, share best practice and make sure that everybody understands what can be done. We are working with employers to make sure that the occupational standards and all the



## HOUSE OF COMMONS

provision are absolutely right, but we are also hearing from them. I was with one the other week that has a fantastic programme from early careers all the way up, and they understand the system absolutely brilliantly. We are then saying, "How do you work with your supply chain? How do we share that best practice? How do you support others?"

Employers are at the heart of this, without a shadow of a doubt. We need to make sure that we are responding to their needs, but a push of the local skills improvement plan is also saying, "What are you doing as employers to support this agenda?", because we cannot do everything. For Skills England, it is about trying to make it as simple as possible.

**Q13 Mr Bedford:** On that point, the employers I talk to in my constituency say that it is very complicated. The apprenticeship schemes, the upskilling and the whole Government landscape are so complicated. What is your role in helping them navigate the complications of the system?

**Phil Smith:** It is interesting, because this is one of the examples of cross-governmental co-operation. I chaired a taskforce last year on small business engagement in digital and technology adoption. The result of that, of course, is that there is now a service called the Business Growth Service, which is a front door for small businesses to say: "I need funding. I want to export. I need to skill myself. What can I do?" It is a great service, with lots of really good stuff in there, but it definitely has potential to improve. We have been involved with that, putting in the skilling opportunities.

However, I would also say, in response to Gemma's point, that people look local typically. They will not necessarily say, "Okay, I will go on the DWP website," or something like that. They will say, "What is my local authority doing and what is my local college doing? Can I get people from there?" It is important to allow them to build, champion, accentuate and amplify the stuff that is being done. However, joining it up with the bigger system is the work that we are trying to do, through a combination of the place work but also the expert network.

We are trying to be very tangible. We see this challenge of a small business that just bounces off the system, often because it is just too complicated to get involved in. We need to simplify the system itself, but then we need to provide the access points. There are those things like pathways, which are all a bit jargon-ish, but actually mean: "I'm a small business, I'm a manufacturer, I'm in Warwickshire and I've got 20 people. What do I do? Show me how to look at my workforce. What's my local college? What grants can I get?"

We are trying to pull all that together, because there are things like the lifelong learning entitlement and the adult skills fund, which is held by the local authority. Frankly, you do not want to tell an SME that. You just want to say, "Here's what you can get. Fill this form in. And we'll make sure you get these things."

**Q14 Mr Bedford:** You have touched on my final question: what is your

measure of success? What are your metrics and how will you be judged on whether you are successful or not?

**Tessa Griffiths:** We have some hard measures and some softer measures, to be honest. If we were coming back to you in a year's time, some of the areas where we would want to see a change are that we want to have really good jobs plans in each sector of the industrial strategy, plus construction and health and social care, whereby we have a really clear sense of where the skills gaps are and how we are going to fill them, and we have public-private partnerships in place to deliver that, because Phil is right that public investment will never deliver what we need on its own. We need to have collaboration with business to do that and we have some great examples of where that is happening—for example, in construction, in engineering and in defence. That is one thing I think we would want to see a change in.

If we were coming back to you in a year's time, the other thing is that we would want to be able to say to you that there are better pathways through our system for young people, particularly those who we have been talking about this morning—those vulnerable young people who are at risk of being not in education or work. We would want better pathways through the system for them, so that they understand, as Gemma was saying, what they can do and how they can get through the system, and that we have better relationships with local partners to enable them to do that.

Those are the areas where I think we would really want to have an impact and make a real difference. I do not know whether others want to come in.

**Phil Smith:** Clearly, we would like to see a much greater uptake of the skills system by small businesses. Obviously, the Government's aspiration is to get two thirds of people on higher-level courses, and not just university courses. Obviously, we are aligned to that in a lot of the work that we are doing on apprenticeships.

The situation is moving—it is not as desperate as it might have been 10 years ago, when it was kind of: "Do a degree, or if you can't do a degree, do an apprenticeship." That situation has definitely moved and we are building on that momentum. If you look at the AI stuff that we talked about, people are now logically looking at that as the way to do something, funded by the growth and skills levy, rather than saying, "Well, I have to go to uni to do that."

Now, there will always be advanced people who want to do advanced PhDs in algorithmic science or whatever, but that is not what we are trying to get. We are trying to get everybody to have the confidence to be part of the workforce.

- Q15 **John Milne:** We have been talking a lot about the challenges of youth employment, but you do not actually have a specific priority around young people. How does increasing youth employment, education and training fit

within your priorities?

**Phil Smith:** In our priorities, and actually even in our remit letter, we were specifically asked to address the NEET issue. We are trying to get that within the Government's targets, to try and improve the overall number of young people who are not NEET—I am sorry; pardon my use of the double negative—to make them employable and available in the workforce.

I think there are higher-level aspirations from the Departments to make sure that we do that, but certainly, everything that we are doing is aligned. If you look at the recent set of announcements around funding for young people going into jobs, all of those have specific budgets and specific targets to get people into them. We are trying to align as much as possible to address those. Again, we will always try to take the bigger picture as well, and say, "We not only need to do that, but we need to address growth in the growth sectors, so that the jobs they go into are sustainable jobs and are there forever."

**Tessa Griffiths:** As I alluded to, we are shortly—in the next month—going to be publishing our annual report. We will then be publishing our delivery plan. You will see youth employment very much through that. There will be a whole chapter on youth employment in the report that we are about to publish. We would expect it to be one of our priorities in the next year, so you will see it through a lot of what we are doing.

What I would add is that we are very keen to make sure that we are adding in this space. This is a really complicated landscape. There are lots of people and lots of different Departments that have a role to play here. We have to think about what we can do that is going to have the most impact.

It is interesting. We go out to colleges a lot. One of the things that we see is some of the incredible work that colleges do with these very vulnerable young people, who have maybe been out of education—they were not in school. They are taking these people in who have not been in school because they were not able to be in school for whatever reason. They are working with them, often one on one. What they are telling us—this will not surprise you at all, of course—is that skills is just one of their many problems. They are dealing with homelessness, mental health issues, family issues—all sorts of different problems. Skills is just one of them. That speaks to a collaborative approach. We have to work together across Government.

Going back to the question that was asked earlier, having us in the Department for Work and Pensions really helps us take that collaborative approach and make sure that what we are doing adds to that whole story of what we are doing to address this collective problem.

Q16 **John Milne:** That is an interesting point about the need for a collaborative approach, particularly because of the cohort that is coming through from special educational needs. They have to end up somewhere.

**Tessa Griffiths:** Yes, exactly.

**Gemma Marsh:** I think that is the beauty of it. We talk about this when we talk about economic inactivity. We know that people are not going to start looking for a job until those core issues are resolved. We are working in that space, as Tessa said, and addressing when is the right point for skills, and making sure that that is as good as possible and as flexible as possible to move people forward, making sure that they have that clear line of sight so that they understand where they are heading. It is really critical for us. There are lots of things that we are doing in the young person space that will come through in our next delivery plan.

**Phil Smith:** That is why the employer engagement is important as well—showing what real jobs are available. I was with the defence sector yesterday. There is a characterisation of what the defence sector means, but there are logistics people, there are all sorts of people working in all sorts of areas. Most people have no idea what is really in defence and assume you are going to be a soldier or work in the Navy or something. There is a mass of jobs available, but we need industry engagement. That is part of our role—to make those visible to people.

**Q17 John Milne:** Do you see any potential conflict between an urgent priority to boost economic growth and the longer-term investment that is involved in youth training?

**Phil Smith:** Hopefully they should be complementary, but I agree that you could argue there is a timing issue. Obviously, 80% of the workforce of 2030 are in the workforce already, so the bulk of people need upskilling. But that is not contrary to youth because, as was said at the beginning, it is unacceptable that we have 1 million young people in the situation that they are in—let alone there being graduates who are applying for hundreds of jobs, and hundreds of applications for a single job. There is clearly a misalignment there.

What we want to do, and what you will see from the report that Tessa mentioned, is align the skills system and the vacancies that we see to the growth sectors, including defence, digital and life sciences and so on, that we have expertise and capability in. Then not only getting people on to that ladder, but giving them economically acceptable and productive roles, is very important.

I think there is a timing issue. In other words, we can't just say, "It's all about youth—forget about everything else," because everything else is what is building the growth for the economy now. The alignment to the industrial strategy, the alignment to the Migration Advisory Committee and to the Labour Market Evidence Group is about saying, "How do we make sure that we build real jobs that are giving productivity and are progressing so that there is space for the young people to come in?" They are not contradictory, but we should not take our eye off the bigger picture, or we will flounder.

**Q18 Steve Darling:** Before I go to my main question, I want to understand



## HOUSE OF COMMONS

whether you are alive to a ticking time bomb that I am concerned about: the doubling in the number of youngsters who are now educated at home. Is that beginning to feed into your world yet, or is it too early doors for that?

**Tessa Griffiths:** I will come in on that, and others may want to. What we hear from the FE sector is that more and more young people are struggling to study. As I alluded to before, colleges are having to put on quite specialist provision to support those young people who may not have been in school for all sorts of reasons, and who now need to upskill to get into employment. Many of those colleges are doing incredible work, working closely with local employers to try to find pathways in.

It is a huge challenge. As we said before, it is not necessarily just a skills challenge. It is a much broader challenge than that, because young people, as we have talked about before, need all of those skills in the workplace. The skills we talk about are employable, transferable skills: the ability to communicate, to be part of a team, to be responsible and accountable. To develop those skills at college is hard without that kind of support and the work experience underpinning it.

**Phil Smith:** That demographic position is one we need to continue to focus on. We know there is a big bulge of young people coming through at the moment, then we are going to see a demographic decline in most developed nations. It is about building a system that does not suddenly find there is massive overcapacity in one area versus others—that is about dynamism and flexibility.

We are back to some of the fundamentals about how apprenticeships are defined. As an example, when apprenticeships were defined every one of them had its specific capability, but when you talk to most sectors now, they want digital people—they want the same things. How do we consolidate that?

**Q19 Steve Darling:** This is the main question I want to explore with you. Clearly, as John as alluded to, you do not have a dedicated element focusing on youth and getting young people into work, so you need to ensure that it goes through your organisation like Torquay through a stick of rock. How do we achieve that?

There is another element I want to unpick. You talked about your delivery plan. I have seen delivery plans before, and they can be very motherhood and apple pie. Do you have SMART targets within your delivery plan that you can be held to account on, or do you plan to have?

**Tessa Griffiths:** I will say a bit about that last one. You are absolutely right. We are keen for it not to be motherhood and apple pie. We are keen, in the report we are about to publish and in our delivery plan, to be clear: "This is what we're hearing from the data, evidence and insight, and this is what we're going to do about it." Hold us to account on that. You are right that we need to have a clear set of KPIs and metrics that underpin that—watch this space, I would say.



## HOUSE OF COMMONS

I agree with what you just said and I liked the way you said it. Our work on youth employability and what we do for the young needs to be exactly as you say; it needs to run through what we are doing like a stick of rock. I would say that is also the case with other groups, for example, the economic inactive, or those who are reskilling or upskilling as a result of turbulence due to AI in the labour market, for example. That is a good way to express it and exactly how we would like it to move forward.

**Q20 Steve Darling:** You have said warm words about it. How do you evidence that? Is it set within people's targets in your organisation and their personal priorities? Is it set in the priorities of your personal performance management? What is in your personal performance management plan over the next 12 months to do with young people?

**Tessa Griffiths:** Our delivery plan will have a set of metrics and requirements around what we will deliver for young people. We have talked about them a bit today, and I agree with you that is really important. Do you want to say a bit more, Gemma, about what some of those might be?

**Gemma Marsh:** I think you are absolutely right to raise it. As Phil mentioned before, with the move into the DWP and a revised remit letter, youth will absolutely be in that as a core theme. It just might not be coming through at this moment. We definitely are focusing on that, and obviously we are structuring the team around that as well.

As Tessa said, it is quite a complicated and noisy landscape at the moment. What can Skills England do and what role can it play? As we have said, looking at that employability, what are those skills? How do we translate them? We can look at the work experience, but look at it through the lens of an employer as well.

It will absolutely run through. We are already structuring the team. We have a member of staff out on secondment to Youth Employment UK. We are taking it really seriously because we want them to work on the ground and be able to feed back. Although it is not there at the moment, there will be a solid focus and a core team around youth employment and making sure, as we have said, that we add value and not try to do the same as other people. The link with employers is critical.

**Phil Smith:** To your point, the board are holding the executive to task on the KPIs around areas that we already have challenges in, whether that be employability or the simplification of apprenticeship standards and so on. How many have we actually done? When are we doing them and by when will they be delivered? Those are all within the goals already. As I say, there are 700 at the moment. Do we really need it to be at that level? How much endpoint assessment work should there be? It is a simple example, but a significant portion of apprenticeship money is used on endpoint assessment, which is crazy. We should be focused on what it is doing for young people or for people on apprenticeships—many of those metrics.



## HOUSE OF COMMONS

We should also remember that we have gone from IfATE through various parliamentary things to the DWP, so we are looking at the size of the organisation, what resource we are putting in and what places we are able to resource. Those questions have been asked. If we are going to focus on youth and productivity, where are the people who are doing that?

All of those questions are already inside what we are talking about, and they will increasingly be baked into our report. Remember that, as I say, we have just come into a new financial year from a year where we transitioned. We have come into that new financial year and all of that is being defined now for this year to come.

**Tessa Griffiths:** I would add that there are some specific things we have done already that I think have laid some great groundwork. We have developed a suite of foundation apprenticeships that are aimed specifically at young people. The two most recent are in retail and hospitality, which we know is a really important entry route for young people into employment. We have also developed a level 2 admin assistant apprenticeship, which is another route for young people to develop the general skills that they need to be able to operate in the workplace. We have had some early successes and now need to build on them.

**Q21 Johanna Baxter:** Thank you for joining us this morning. Before I get on to the meat of my question, I want to pick up on the international comparisons that the Chair asked about earlier. I am a Scottish MP and I am interested in how your work compares with that of Skills Development Scotland. I am acutely aware that in Scotland one in six young people are NEET. My first question is: how do you compare with the situation in Scotland and is there any collaborative working cross-border?

**Gemma Marsh:** I chair a devolved Administration group around skills so that we can learn and share. We are in a process now; we actually met last week. We talk about the combined issues that we all face. Obviously NEET comes up, and SMEs come up a lot. Interestingly, what comes up is around that cross-border employer—how do we make it really simple? There are examples of working in Scotland in the clean energy sector, but then moving to an organisation that requires a different element of training.

It is early days, but you are absolutely right. How do we make sure that we have a skill system that has difference in place—we heard that from the Welsh Government—but that allows for the movement of people quite easily, and the movement of businesses, and does not restrict? The comparisons and the cross-border element are really interesting. There is significant difference, I would imagine, in terms of some of those things, but SMEs particularly and young people are coming up. We are only in our second meeting, but it is a strong group.

**Phil Smith:** It is also important to say, to the previous question, that there is no resistance in Scotland. I went to Northern Ireland and talked to them and engaged with Wales as well. They all see that they need to have alignment, if not exactly the same models. One of the beauties is—though



## HOUSE OF COMMONS

it has not quite manifested itself yet—that the DWP is not an English Department; it is a national Department. If someone is in a jobcentre and looking for some capability—and increasingly people who are highly qualified go into jobcentres—what do you want to do with them? Those pathways may well be specifically designed by us, but we want to align them, so we will look at how we do that in Scotland. I have known Damien at Skills Development Scotland for years. He and I agree that there is definitely alignment.

Frankly, there is also a lot we can learn from the devolved authorities. When I was in industry, it was always easier to work with Scotland because it was smaller and everybody knew each other, so you get things done quicker. It probably does not feel like that sometimes, but it is definitely the case. It is really interesting to bring some of that expertise—“We tried this, it worked”—such as the foundation apprenticeship work that they have done up in Aberdeen. They managed to get people into work, get them to relearn and so on. There is stuff that we can do not only internationally, in the sense of Europe and beyond, but nationally within the UK.

**Q22 Johanna Baxter:** Are there any particular areas where you are performing better than Scotland or Scotland are performing better than down here?

**Gemma Marsh:** I don't think that we have seen that, at this moment in time. To be perfectly honest, we want to learn from the devolved nations. How they do their work and their skills is completely different from here. I see it from a devolved Greater Manchester point of view and so on. Devolution causes differences; that is the whole point of it, but taking those best bits is absolutely critical.

**Phil Smith:** It is interesting. The only other bit that I have seen is that of course with the growth and skills levy in England, the employer has an account to spend that money. In Scotland the money is taken and goes in via the algorithm, if you will, which says, “You use it.” Employers are sort of disconnected from that. That does not mean that they do not want apprentices, but they have sort of gone, “Okay, that was just money that I had to pay, so now I'm actually going to build things that are specific to us.” There may be some attractions to that because they are not tied to saying, “It has to be apprenticeships.” They are using the skills for things that are more relevant.

I saw some of the brokerage work in Northern Ireland that brings young people to small businesses, as a sort of broker service. There is a Government DWP programme at the moment, nationwide, to have a series of brokerage pilots. You see that all over the place, in the devolved authorities but also the mayoral authorities: they are doing really interesting things, joining people with businesses and building the muscle memory, so the small business gets someone and then, once they have one, they go, “Actually, that wasn't so bad. Maybe I can get some more.” That is a really interesting key thing. It has been done in the devolved



## HOUSE OF COMMONS

authorities, and it has been done in the mayoral authorities. I think we need to think about it more broadly.

**Q23 Johanna Baxter:** In 2025, fewer than half of apprenticeship starts were by people under 25. You have just outlined the suite of foundation apprenticeships that you have put together, but how are you increasing awareness and improving perceptions of apprenticeships among young people?

**Tessa Griffiths:** We want to support the ambition to get 50,000 more young people into apprenticeships. That is really important. The apprenticeship is a critical path for many young people. We talked a bit about foundation apprenticeships. We know that many young people enter the employment market through retail and hospitality, so we really want to support that route and work with employers to put on more apprenticeships in those areas.

Interestingly, we often see great demand for apprenticeships. We see lots of young people wanting apprenticeships and not able to get on them. At a recent visit I went to a college in the north of England. They talked about having 500 young people who wanted to apply for an apprenticeship and in the whole of their local area there were only 300. We need to—yes, absolutely—support young people into apprenticeships, but also support employers, and particularly SMEs, to put on apprenticeships and be willing to take young people into them. The Government have announced a whole set of incentives to support that. We are keen to amplify that message because we think it is critical.

**Gemma Marsh:** Phil just touched on the brokerage. It is early days and that is still in development. But how do you connect young people with SMEs? SMEs used to be a real driver for apprenticeships in that space. It is early days, but as that brokerage develops it will be interesting to take the learning from it. From a young person's point of view, it is about making sure apprenticeships are as relevant as possible to jobs in their local area. It is about working with organisations such as Careers and Enterprise Company, schools, colleges, and mayoral combined authorities to do as much as we can to generate demand for young people, while also ensuring employers understand that, and how they can take on apprenticeships.

**Tessa Griffiths:** We don't underestimate the challenge. For SMEs, it is not just the complexity of the system that puts them off. It is lack of time, the potential costs they worry about, and taking someone on when they cannot commit to a long programme. There is a whole series of factors that make it enormously difficult for small and medium-sized enterprises to be willing to take on young people on apprenticeships. It is really complex.

We see some great practice out there. I was in Hull and visited a small employer who had once been an apprentice himself and was now building his business with young apprentices. He introduced us to an apprentice who was about 18 or 19 and said, "This is the person I want to lead this organisation." But we know that is rare. Often it depends on someone like

that who can see the opportunity because they have benefited from it themselves. It is about how we can share that best practice.

**Phil Smith:** Frankly, that is what encourages us—every time we go out, even if it is getting a bit hard, we talk to real apprentices and think, “Oh my God, this is amazing.” It really inspires you.

- Q24 **Steve Darling:** What you just shared was really inspiring; thank you for all your work in this area. Understanding future skills need is a leading light in your world. The Government have made significant changes to their focus on apprenticeships. Have you done a risk or equality impact assessment of those changes? Are there any red flags thrown up from this or particular green lights in play?

**Phil Smith:** That is a really interesting question. The risk assessment model is definitely something we should think about in those contexts. We certainly talk about it in terms of risk in several areas; Tessa has mentioned our ongoing reporting model a number of times and how we genuinely get in front of this.

We are also working with organisations such as Innovate UK. Innovate funds new technology and businesses using horizon-scanning mechanisms, matching that to jobs, and using AI-based large language models to work out where the gaps are and what trends we are starting to see in a programme we call Skills Compass.

There is a series of things that we are trying to do, but one of the areas we are particularly exercised about at the moment is not only AI and digital, but clean energy and so on that the skills system was not really built to deal with, and to which we are now trying to align it. Part of this is also about building shorter systems, faster approvals, modular units and stackable things, which we are trying to work with. It is also about badging—for example, allowing us to badge a curriculum from technology providers to show that a set of criteria are fulfilled.

Importantly, our continuous view is not only of the skills system but, as we said earlier, of demographics and other things that are coming along, so that we get a predictive sense of where we think the skills system needs to go. It is the old Wayne Gretzky thing: we need to skate to where the puck is going, not where the puck is now. I don’t know if we are really at that stage yet, but that is genuinely what we are trying to get to with the expertise we have.

- Q25 **Steve Darling:** Are you considering ensuring there is a pipeline of opportunities for skills training? Are you at that stage yet, or is it just over the horizon? Equally, have you undertaken any assessment of the defunding of level 7—that leadership and management approach—and what impact that may have on productivity and growth in our economy?

**Tessa Griffiths:** The role of Skills England in this system is to provide the insight and the evidence to underpin some of these decisions. When the Government took that decision to defund level 7, we spoke to employers,

and we provided some of the insight and evidence that they then considered, together with other evidence, to make their decision.

We know that there are difficult trade-offs in the system at the moment. The Government are having to make hard decisions about where the limited amount of funding we have goes. Obviously, that decision to defund level 7 apprenticeships was on the basis that we could tilt the system more to apprenticeships that support progression for young people. It is a hard choice.

All that we can do as Skills England is continue to provide the data and the evidence. As I said before, next month we will be publishing our full set of skills needs assessments for the 10 sectors we have been talking about this morning, which will talk about progression and some of that future forecasting you were talking about. At the moment, future forecasting is really difficult, because the pace of change with AI and other technologies and the impact that is having makes forecasting very, very difficult.

**Q26 Steve Darling:** Is the evidence that you have shared publicly available, or can you point us towards it?

**Tessa Griffiths:** Yes, we can point you in that direction.

**Q27 Steve Darling:** That would be really helpful. Would you recommend that the Government's pivot towards the lower end is a short-term move for two to three years, to try to tackle the NEETs challenge at the moment, which can then be recalibrated in the longer term back towards level 7, so that there is the opportunity to develop people into middle management roles? What are your reflections on that?

**Phil Smith:** I think we have to focus on where the market is failing in those circumstances. There is definitely a model that we need to continually assess, which is: how much do people assume that unless you get Government money, you are not going to do it? As someone who ran a big company, that was not the way I thought about it. I thought, "I need these skills. I need people at these levels. I need to get them before anybody else gets them. If I happen to get some Government money, that's quite handy—thank you very much—but that's not my only reason for doing it." There is a little bit of a learned behaviour that says, "If we've not done this, we'll not train in it."

If you look at some of those advanced apprenticeships areas, much of that work had previously been done by employers and continues to be done by employers, and yes, there are good cases made for inclusion and so on, but I don't think it is exclusive. We need to continue to look at what the evidence is—where the market failures are, where we need to intervene, where we need to recommend that things change—and provide that to the Departments and policymakers.

**Q28 Steve Darling:** Is there anything we could learn from similar economies in Europe, Canada or Australia in terms of boosting funding appropriately?

**Tessa Griffiths:** I think there is, and as we talked about earlier, there is a huge amount that we can learn internationally. We spend quite a lot of

time talking to our international partners about that—for example, the comparison body in Australia, where there is lots for us to learn.

To go back to your question, what you will see when we publish our skills needs assessment in the next month is that to support the industrial strategy sectors we will need workers who have level 4, 5 and 6 qualifications. That will be critical. We talked at the start about the need to grow particularly technical skills at levels 4 and 5. That is what our research is showing.

It will probably show that the biggest-growing occupations that we need to support are in construction, clean energy and digital engineering. Many of the roles—particularly in construction and health and social care—are at level 2 or 3. You will get a much more complete picture when we publish that in a month's time, but that gives you a sense of the direction of travel.

**Steve Darling:** I await it with interest.

- Q29 Damien Egan:** Our Committee has been looking at the transition to pension age and the impact on older workers as the pension age increases. We took some evidence from people who are mostly 60-plus but not yet at retirement age about the challenges they face in terms of how to reskill if they need to change jobs. There is a gender dynamic to this as well: men who may have been in construction—not that women cannot be in construction too, but it is predominantly men—will want jobs that are less physically demanding as they get older. How do you see the role of Skills England in helping those older workers in the workplace who have so much experience to give, and that they want to give?

**Phil Smith:** That is a really interesting point. It came up yesterday. I was with the defence primes and the MOD yesterday, talking about the skills plan for them. They talked about the fact that many industries, including them and engineering and so on, have got a cliff edge coming—a set of older workers who are going to drop off. How do they then make useful use of those?

One of the areas we talked about was the further education colleges that provide a lot of the expertise into those sectors—as Tessa mentioned before, people in those mid-level skills areas. Further education colleges obviously have some challenges, with teachers and equipment and so on. A lot of the discussion within that sectoral model was about whether some of these people who are in the older demographic—or the younger demographic, as I like to call them—move in to do some work in the colleges. There are already programmes in the DFE to support that move of people into colleges. We have also seen some great examples where equipment and so on has been lent by those industries.

There is another point, which is not actually a Skills England thing but is very interesting. We discussed it yesterday. I did some work through the Digital Skills Council, which I also chair. We were talking about how we got older workers back in. Basically, if the messaging did not include the word



## HOUSE OF COMMONS

pensions in it, they did not want to engage. You had to say, "This will have an effect on your pension"—to top it up or maintain it and so on. Otherwise, they genuinely just disconnected. We have to think very carefully about each of the demographic groups we are engaged with, and the language that we use to engage them.

**Q30 Damien Egan:** Was there any understanding of why that was?

**Phil Smith:** To your point, they were at the stage where they were thinking about where they were going to go and the end of their career. From all sorts of perspectives, they were thinking about what they were going to do, and the disruption in, "Oh, there is some new digital skill you want me to learn. Why would I do that?" There is also, "I've got my plan. I know where my pension is going to go," and so on. Unless you addressed that head on, they backed off.

We have talked a lot in the team about the complexity of young people, because the same is true there—there was a whole set of language that had to be used for them to see it as relevant to them. Gender was a big issue—young women saying, "That's just not the kind of job I would ever do." Yet I know from employing loads of young people in Cisco when I ran it, as soon as you get them in they say, "Oh my God, this is amazing. There are some really good jobs here that I didn't even realise existed." We are aware of that, and that bigger demographic picture is certainly something we need to be aware of.

It is something that we need to focus on, because in engineering, in defence and various other areas there is definitely a cliff edge coming, so we need to find a way of bringing those people into the workforce productively.

**Gemma Marsh:** There is definitely something, particularly with the move to the DWP of the jobs and careers service, in terms of that lifetime of careers and reskilling and information that we can help provide on what are the transferable skills. That does not just happen with young people. Employability is about what job you need and what you need to do that job. If you are in one sector and you need to move to another, how do you use the data and the evidence, and how do we inform work coaches in that space?

We've got great examples of the flexibility we have talked around in terms of apprenticeship units. They are reskilling models, in effect. They are there for 19-plus. You are doing a job now and this is where the gap is, and this is where employers want you to be. You could do a short, sharp intervention.

There's lots of flexibility and there are some great local models as well, such as the Centre for Ageing Better. There are loads of things that people are doing that I think we can build on. But I think for us particularly, it is about getting the data and the impact in the jobs and careers service, where people are interacting with that reskilling, and then, what is the

provision that helps people move from one job to the other, and how do they use their transferable skills?

As has been said, if you have been in construction for 50 years, what do you then do? Actually, you could go into teaching and, as Phil said, there is that programme there, but you might just have to do one little bit and you can pivot into something else. That is the role that we can play with the data and the evidence and the provision.

**Q31 Damien Egan:** We have talked about future forecasting. We spoke about AI at the beginning and changes in the world of technology. I speak to a lot of people who are worried about what that means, mainly for their children and for future generations. There can be a feeling that this is an increasingly global world, so how is Britain keeping up with that pace? I am interested to know whether Skills England—this will perhaps come out from the report that is being published next month—and employers have clear sight of what skills they will need in the workplace, against that rapidly changing backdrop.

**Tessa Griffiths:** That is a really great question, and it is one that we are asking ourselves all the time. It is the core question for us all. Predicting what will happen in the labour market is really complex. There are lots of people out there trying to do it. We are seeing issues with graduate recruitment—it is reported that some employers are not recruiting graduates because they are using AI. There is lots of stuff out there, but it is really difficult to predict.

Your question about what skills people will need in this world is a really good one. One of the things we have been thinking about is what skills employers will need in a very uncertain world. Employers say to us that they need critical thinking, analytical skills and digital skills—those are the skills that workers need in order to engage with and get the best from AI and benefit from it in the workplace. We think it is worth investing time and effort in helping workers develop those evergreen skills—the skills about which employers are saying, “You need these in order to engage with AI and derive benefits from it.”

We are also trying to develop the evidence base, working with partners. There are lots of people across Government and beyond thinking about this. We have to keep building the evidence base, and use it in very quick time—I don’t want to use the words “real time”—to respond. What is that telling us? What does that mean? Do we need a new unit that will upskill someone on AI, or do we need something completely different? We have to do that because the pace of change is so significant that, if we don’t, we are going to be lapped. Phil spends a lot of time with tech companies. We have been talking to the big tech companies about what they are seeing and how we need to change our provision.

The final thing I will say, which speaks to the point that you are making, is that we need to build resilience in the workforce. People will have to retrain and upskill. Jobs are going to change, so we have to play our part in making sure we build a resilient workforce, and ensure people have

pathways through so that they can upskill. It is a huge challenge, but it is a shared challenge. I don't know whether Phil has anything to say.

**Phil Smith:** There are two tangible things that have happened. The first is that we published a report on AI that talked about the behaviours and skills needed, and gave small businesses, in particular, some tools that they could use to assess their workforce. I am off to a conference this afternoon, which I am sure will talk about the essential digital skills that are needed.

We have also announced a thing called the standard skills classification, which is about how you classify skills. We are looking at things like skills passports. We have a mandate to do that as part of the White Paper. We see the portability of skills—a representation of some of those basic things—as really important.

The other point is the collaboration. I have said a number of times that there is no way that the Government will develop the best, latest AI courses; that will be the tech companies themselves. With AI Skills Boost, which was announced by the Prime Minister to upskill 10 million people, we are bringing the tech companies and the financial companies together and allowing them to put a curriculum in place that 10 million people can have access to for free, and then we will put a level of certification on it. It is relatively light touch—it is a digital badge—but we are allowing people to certify against that. It is quite a big step for us to say, "Can we build this sort of dynamism?" We want people to feel that this is a course that is doing the right kind of thing because it has the knowledge, skills and behaviours that we have agreed on as part of this course, but it happens to have been created by Google, Microsoft, Cisco or whoever. We are really trying to push the edges of some of this, and it is important that we do that.

**Chair:** The last question is from Johanna Baxter.

Q32 **Johanna Baxter:** Sorry, I am bringing you back again to devolution and how you work with local government. How do you see the local skills improvement plans making a particular difference to young people? How will you bring coherence to the skills agenda when you are dealing with different devolution settlements and different priorities in different areas?

**Gemma Marsh:** That is a great question. The local skills improvement plan is exactly that; it is local. There will be difference and I think that is fine. I don't think you will have any area that doesn't highlight the issues around young people. The challenge we have is how you ensure it can support all the provision in that area. This time around, the statutory guidance did look from entry level all the way up to level 8, involving HE as well as colleges and providers, and also the jobcentre. In terms of compiling that local skills improvement plan, it has many partners and many people engaged. The recommendations that come out of that belong locally.



## HOUSE OF COMMONS

Our role is to provide additional information so that people can make really informed choices about provision, young people or jobs. The beauty of the local skills improvement plan is being able to ask employers about their role as well. It is not a transactional relationship, where they say, "I can't find the skills and you provide them for me." It is actually about how we work locally to ensure that we can access the workforce that we need. It will look at mapping it together with the Get Britain Working plans. They sit locally. How do you ensure that it is responding and that employers understand what jobs they have, what level they are at and who is available to work with and for them? How do we access that?

Our role is to bring those partners together. Mayoral strategic authorities do that really well—of course they do. There is a huge amount of resource that sits in a place. We need to ensure that all our partners—the voluntary sector, everybody—are part of that local skills improvement plan. The first one that landed, we pushed it as far as we can. It is jointly owned by the mayoral strategic authorities and the ERBs, the employer representative bodies. The reach of it is wider.

For us, it is absolutely about seeing the impact of that. At the place subgroup yesterday, that was what came up. How do you measure the impact of that? What does that look like? How do I know that it is sustained? That will be as we go through and it will be announced in the summer. There will be 39 different plans, which is part of the problem, isn't it? But there is the added value that we can bring in things like the skills needs analysis—all those additional extra things. How do we make that land locally and then couple it in with the local skills improvement plan? That has to be the right thing to be able to support this.

**Phil Smith:** It is also clear that we were responsible for specifying the structure of those and some of the requirements for them, so we want them to have some consistency. In parallel, there are the sectoral jobs plans coming through and the industrial strategy. We have a matrix of things that we need to match together and that will not be straightforward, but it is important that we do it in that way. We are representing sectoral growth opportunities within the regional environments, so that is what this will do. We have mandated, or certainly recommended, that more people are involved with some of the original skills improvement plans in the local university, and now they do that. We are seeing that. It is not really a local improvement plan if it does not have all of that. We are very keen to keep doing that.

**Chair:** Thank you very much for providing evidence to us today. It has been a fascinating discussion and we have all thoroughly enjoyed it. There may be a few questions, if we could follow them up with you in writing, which would be fantastic. That concludes the oral evidence session today.