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Our evidence focuses on the following themes:

- *Raising participation levels in further education and skills training.*
- *The engagement of people with lower levels of education and skills attainment.*
- *Building capacity and engagement within the employer-led skills system.*

Key Findings: The sectors affected by Brexit-related shortages such as hospitality, warehousing, social care and manufacturing were also significantly affected by the COVID-19 pandemic. These events have exacerbated long-term issues such as lack of employers' capacity to invest in training, overcome skills shortages and increase productivity. Training participation is affected by working patterns and intensification, uncertain investment decisions, the relevance and responsiveness of training provision and the challenges of attracting workers and learners into sectors perceived as 'low-skilled'. Research shows the need for a cohesive educational strategy, which includes clear routes for vocational training, is supported by sufficient funding, and facilitates opportunities for coordination between educational bodies and industry stakeholders.

Recommended Actions:

- 1) The provision of support and funding for courses that fit around non-traditional working patterns
- 2) The creation of easy-to-access opportunities to refresh or improve basic skills, ideally in 'bitesize' chunks
- 3) Building employer capacity through supporting coherent training infrastructure
- 4) Strengthening legislation around better working conditions
- 5) Reviewing the effectiveness of already existing sector initiatives and the potential for implementing them on a larger scale

Questions to ask government: This in turn gives the following questions to pose for Government Departments regarding the effective implementation of skills policy:

- 1) What scope is there to encourage the provision of support and funding for courses for workers that are employed on so-called non-traditional working patterns – especially night shifts but also seasonal work?
- 2) How can basic skills provision be made easier to access for workers who need to refresh or improve these skills, ideally in 'bitesize' learning?
- 3) How can skill strategy support employer capacity to engage with different elements of the skills system through supporting a coherent infrastructure that connects local and sectoral challenges?
- 4) How can Departments (such as BEIS, DfE, DLUH&C) work jointly regarding the strengthening legislation that improves working conditions to help ensure skills needs are met?
- 5) What work is underway to review the effectiveness (and the potential for scaling up) of already existing local and sector initiatives focused on increasing adult participation in skills training, especially in more disadvantaged areas?

Expert credentials: The authors, Dr Alberti, Dr Dolezalova and Dr Cutter, are based at the Centre for Employment Relations, Innovation and Change (CERIC), a research centre at Leeds University Business School focused on the changing dynamics and future of work, employment, labour markets and skills. [Dr. Gabriella Alberti](#) is an Associate Professor of Work and Employment Relations and expert in labour migration, inclusion and precarious work. She is a member of the [ESRC funded ReWage](#), an independent group of experts advising the UK Government on work and skills. She has recently co-authored [the ReWage report](#) on how the ending of free movement affects the low-wage workforce in the UK. She is the lead investigator of the [ESRC funded LIMITS project](#)¹ (also see below). [Dr. Marketa Dolezalova](#) is a Research Fellow in Labour Migration, with expertise in migration, inequality, and the wider impacts of insecure and low paid work on individuals and communities. Her previous work focused on the impact of deprivation and economic inequality on health. [Dr. Jo Cutter](#) is a Lecturer in Work and Employment Relations and expert in the employment relations of skills and comparative employment and training systems. Prior to her appointment she worked in post-16 skills, workforce development and lifelong learning policy evaluation in the UK and EU.

Evidence: The [National Audit Office report](#)ⁱⁱ notes that the exit from the EU ‘potentially increased the need for the country to train its own workers’ (p7). Our ESRC funded [LIMITS project](#) is specifically focused on the question of changing labour market and skills needs post COVID-19 and post-Brexit, and how employers, industry stakeholders, and workers are responding to these challenges on the ground with a focus on recruitment, retention and training. This involves a large scale [survey of employers in four sectors](#) (care, hospitality, manufacture and logistics) supported with a review of secondary data, literature review and interviews with employers, workers and industry representative bodies. The LIMITS project advisory board members include Leeds City Council, the UK Warehousing Association, Food and Drinks Manufacturing Federation, Skills for Care, the Regional Chamber of Commerce, the Regional TUC and Migration Yorkshire. Evidence presented from the first phase of work draws on secondary data on [changing migration patterns](#)ⁱⁱⁱ and [labour market changes and vacancies](#)^{iv} and a round of interviews conducted in 2022 with sectoral and industry representatives², see also Alberti et al 2022^v and Dolezalova et al 2022^{vi}

Contribution: The effects of COVID-19 on labour market participation of older workers and the changing patterns of immigration since the end of free movement have affected both labour supply and skills shortages in the UK, particularly in key sectors of the UK economy that are most affected by the exclusion of migrant workers (EU and non-EU) that do not meet skills and salary thresholds to qualify for Skilled Worker visa. The demand for workers, particularly in sectors that have historically relied on a large pool of suitably qualified and experienced EU migrant labour has increased (see graphs in Appendix I). Work intensification and capacity to invest in training create barriers to participation along with other sector specific issues relating to work patterns, uncertain investment decisions, the relevance and responsiveness of provision and the challenges of attracting worker and learners into sectors perceived as low skilled. Key findings are as follows:

¹ Other scholars involved in the Labour Mobility in Transitions ESRC research based at the University of Leeds/CERIC are Professor Chris Forde, Dr Zinovijus Ciupijus, Dr Ioulia Bessa, Dr Eleonora Morganti and Dr Gary Graham, drawing in expertise on logistics, supply chains and automation to the analysis of labour markets, migrant workers and skills.

² Later phases of the 3-year study will, in Year 2, focus on in-depth employer cases in the Yorkshire and Humber region and, in Year 3, on working with industry partners to share good practice in addressing employment and skills challenges and embedding this knowledge within policy making.

1. Sector bodies and employers stress that labour **shortages further reduce employer capacity to invest in training**. The reduction of staff numbers in workplaces, exacerbated by the Covid-19 pandemic and increased levels of sickness and sick leave, compounds this: those in employment are under greater pressure of **work intensification**, limiting the scope to participate in in-work training.
2. The time commitment for participation in training often does not **fit with work patterns**. Sectors with non-traditional working patterns such as **regular night shift work** in warehousing have limited scope for in-work training. There are no incentives for providers to train during night shifts and these workers cannot access daytime provision. Programmes that run over yearly cycles do not accord with **seasonal work patterns**, leading to a low take up of apprenticeships in industries such as warehousing and agriculture.
3. **Working patterns affect provider willingness to offer sector focused provision**: if a worker enrolled in training moves to another job before completion it risks provider funding and a negative impact on their Ofsted inspection. This contributes to providers being reluctant to develop courses for industries perceived as transient and lacking long-term career opportunities.
4. Sector bodies note that many **adult (or older) learners** may have low **confidence in their literacy and maths skills** (potentially reflecting actual low level of these skills) which then hinders their willingness to apply for promotions and for upskilling opportunities. This is more likely to affect workers and learners in areas where economic deprivation is higher than average, and previous studies have demonstrated links between economic deprivation and poorer educational outcomes.^{vii}
5. Insecure contracts and precarious working conditions also have a negative impact on workers' ability to take up training. The Chartered Institute of Personnel and Development^{viii} have highlighted poor work quality and HR practices that compound skills shortage problems in these sectors.
6. There is take up of government schemes such as traineeships, apprenticeship and boot camps but this has been limited because the **process for developing apprenticeship frameworks is not sufficiently dynamic** to meet changing sector requirements. This is especially the case in sectors such as warehousing and food manufacture that are increasingly digitised and require workers in both advanced and intermediary technical level occupations to have strong digital skills.
7. The solution to labour and skills shortages for some employers is further digitalisation and automation. However, investment decisions in new technologies and in related skills investment are intertwined. The challenges in finding suitably qualified labour or appropriate training provision also inhibits investment decisions in new technologies.
8. The potential for **digitalisation and impact on skills needs is different across sectors**. In warehousing and manufacturing there is considerable scope for further technological innovation and training for staff is required to ensure efficient and effective utilisation of the new digital or automated systems. The potential for the automation of work in service sectors has intrinsic limitations (e.g. social care and hospitality). Some digital skills are needed even in these sectors but the emphasis on future skill needs remains on service quality, customer/patient interaction and soft skills alongside the development of specialised skills.
9. Recruitment and skills challenges are compounded by the way workers, and especially new entrants, perceive career opportunities in sectors historically branded as low-skilled. In our research, sector bodies note that in educational settings and in careers advice, there is a strong emphasis on getting young people ready for university, and **less emphasis on promoting career opportunities based on vocational or technical skills**, which hinders the uptake of vocational and technical educational opportunities.

School students are not made aware of entry or career routes and most careers guidance providers are not familiar with the opportunities emerging, for example, for intermediary and advanced digital skills in sectors assumed to be 'low-skilled'.

10. The hollowing out of training capacity within organisations becomes self-reinforcing: a negative image of the sector, concerns about the transient nature of the industry and lack of career prospects leads to low interest in working in some sectors, and consequently there is less interest in further education and adult learning in these areas. These factors add to the "image of the sector" but also **highlight lack of coordination** between local schools and colleges, training providers and industry actors.
11. Employers and sector bodies have been developing **on the ground responses** to these skills challenges, albeit currently constrained by other priorities and pressures such as labour shortages and inflation. These are still emerging initiatives and the outcomes need to be assessed and monitored (the focus of the later phase of the LIMITS project). Examples include:
 - 11.1. **New sources of labour** - working more effectively with those in the charity sector that support labour market activation; in response to a large shortage of forklift drivers in warehouses, the employer association has worked with the charity sector and prison service to create opportunities for inmates to train as forklift drivers.
 - 11.2. **Sector progression pathways** – the food and drink manufacturing sector has developed a 'careers passport', which consists of a mandatory programme where participants gain essential knowledge around issues like health and safety and allergens, and this makes people 'job ready', thus reducing the time needed to train new employees. The careers passport training programme consists of online modules and builds learner awareness of different career pathways, and the skills and qualifications needed to progress.
 - 11.3. **Sector focused collaborative skills forums** - these bring together local training providers, training or educational experts and medium to large employers to tackle skills and labour shortages at sector levels to help building capacity and engagement within in the employer-led skills system.

Conclusions:

Interconnecting factors affect both employers' and workers' capacity to engage in skills training with negative consequences for long-term planning and investment including investment in human resources and upskilling. Developing a long-term vision is key in creating skilled workforce yet barriers to participation are often sector specific and solutions require better coordination between key stakeholders. Strengthening long-term local level coordination between industry and government post-Brexit (see also [Alberti and Cutter 2022](#))^x and linking a new cohesive vocational educational strategy with the government's levelling-up agenda would substantially raise the skills level of the UK workforce. While the Local Skills Improvement Plan (LSIPs) process is very welcome in this regard, some sectors have fluctuating demand and are perceived as transient, which limits the scope for viable provision to be made available locally and regional or national sectoral solutions are needed.

Training and educational opportunities that more accurately reflect the skill needs of employers in specific sectors should be developed through a dialogue with sector bodies as well as colleges and other training providers. Emphasis is needed on **promoting career options, quality of work and opportunities in industry and in specific sectors**. This strategy needs to increase awareness of industry roles with primary and secondary education and help improve the image of sectors that are currently perceived as 'low-skilled': while many entry level jobs do not require higher level qualification, these sectors do require more highly skilled workers and there are opportunities to progress. Initiatives are

emerging on the ground, such as sourcing alternative pools of labour, though often those 'harder to reach' require additional support. Developing industry standard and 'skills passports' recognised by employers *across the sector* could increase uptake of upskilling opportunities (this needs testing).

Recommendations

1. Support colleges and other training providers to develop courses that fit around non-traditional working patterns (e.g. industries that work round the clock), including funding for trainers to work around non-traditional working patterns and developing shorter courses that fit in with seasonal working patterns to facilitate participation.
2. Provide learners with opportunities to refresh or improve basic skills, including literacy, maths, and IT as a way of supporting people to engage with initial work training. Provide training in smaller 'bitesize' chunks, rather than longer courses, to increase uptake of upskilling opportunities.
3. Learn from comparators, such as Germany and Denmark, on the features and benefits of coherent skills system infrastructure that support employer engagement within the employer-led skills systems
4. Strengthen legislation around better working conditions, working time and job security would encourage the uptake of courses aimed at developing skills needed to work in the sectors with current labour and skills shortages
5. Review the effectiveness of on-the-ground sector level responses to skills challenges and review the scope to scale-up effective initiatives.

Appendix I: Vacancy trends

The following graphs use data from [Office for National Statistics Vacancy Survey](#) (see also Endnote iv, below) and show long-term trends of increase in vacancies in four key, but 'low skilled', sectors.

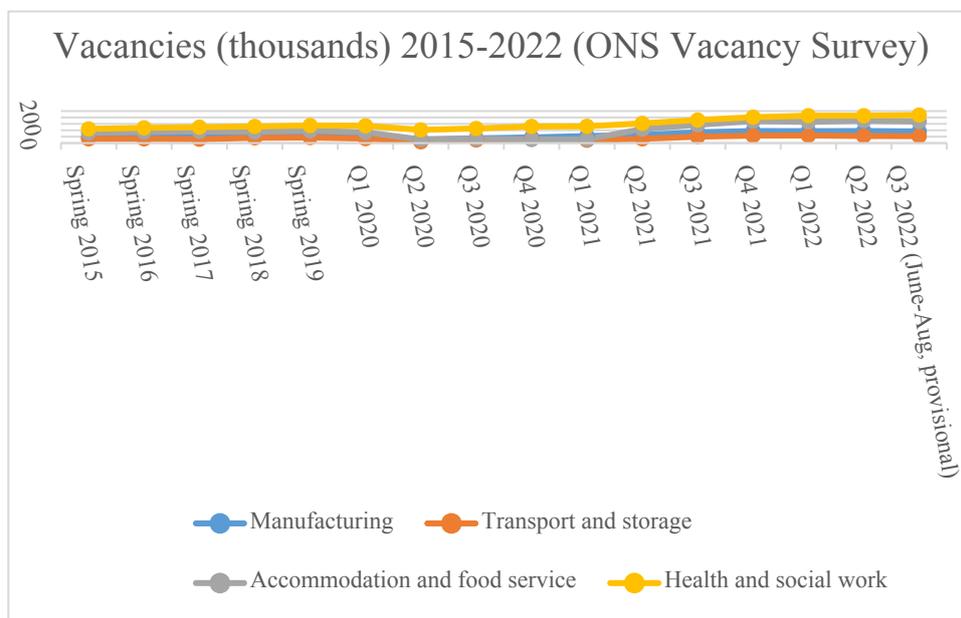


Chart 1: Vacancies in manufacturing, transport and storage, accommodation and food service, and health and social work, from 2015 to 2022.

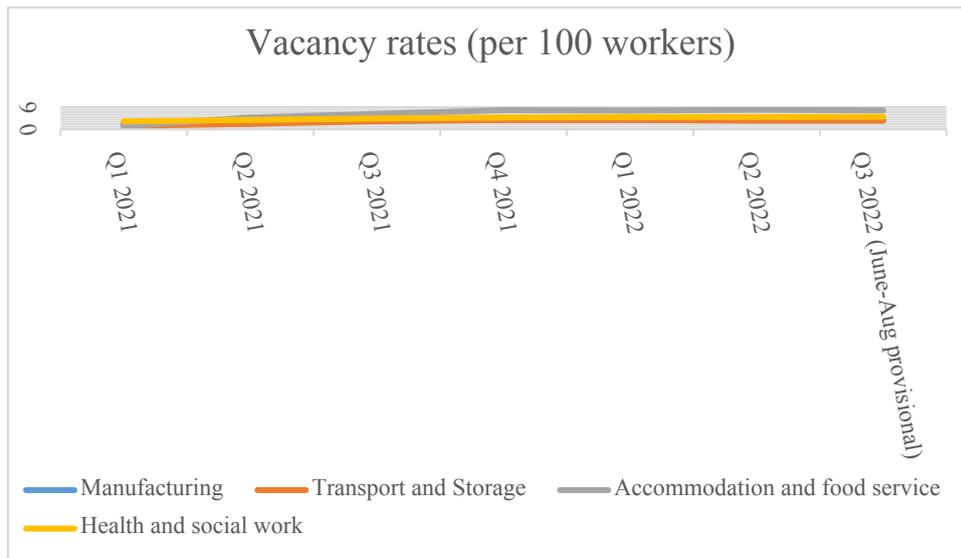


Chart 2: Vacancy rates per 100 workers, in manufacturing, transport and storage, accommodation and food service, and health and social work, from the first quarter of 2021, to August 2022. Please note that data for Q3 2022 is provisional.

ⁱ Sumption, M., Forde, C. Alberti, G. and Walsh, P.W. (2022) How is the End of Free Movement Affecting the Low-wage Labour Force in the UK? Migration Observatory and ReWage Report.

<https://migrationobservatory.ox.ac.uk/resources/reports/how-is-the-end-of-free-movement-affecting-the-low-wage-labour-force-in-the-uk/>

ⁱⁱ National Audit Office (2022) Developing workforce skills for stronger economy. Department for Education report. <https://www.nao.org.uk/reports/developing-workforce-skills-for-a-strong-economy/>

ⁱⁱⁱ Fernandez-Reino, M. and C. Rienzo (2022) Migrants in the UK labour market: an overview. Migration Observatory Briefing. <https://migrationobservatory.ox.ac.uk/resources/briefings/migrants-in-the-uk-labour-market-an-overview/>

^{iv}

<https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/datasets/vacanciesbyindustryvacs02>

^v Alberti et al 2022 [Labour mobility post-Brexit: a sectoral and multi-scalar approach to changing migration regulation, impact on labour processes and social dialogue](#) ILPC Conference, Padua 2022.

^{vi} M. Doležalová, G. Alberti, Z. Ciupijus, C. Forde, J. Cutter, I. Bessa, (2022) University of Leeds [“Migrant workers in the UK after Brexit: labour shortages in the context of the hostile environment”](#). 6th Regional Studies Association MICaRD Research Network Conference University of Lincoln.

^{vii} See for example Carneiro, P., Cattán, S., Dearden, L., van der Erve, L., Koutikova, S., and L. Macmillan (2020) The long shadow of deprivation: Differences in opportunities across England. Social Mobility Commission Report.

^{viii} Davies, G. (2021) Addressing skills and labour shortages post-Brexit. London: Chartered Institute of Personnel and Development. <https://www.cipd.co.uk/knowledge/work/trends/skills-labour-shortages#gref>

^{ix} Alberti, G. and J. Cutter (2022) Labour migration policy post-Brexit: The contested meaning of regulation by old and new actors. Industrial Relations Journal 53 (5): 430-445. <https://doi.org/10.1111/irj.12382>

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