

Written evidence submitted by WorldSkills UK (IPO0065)

1.0 Introduction

- 1.1 WorldSkills UK is a world-class skills network focused on raising standards, championing future skills and empowering young people of all backgrounds. We work with colleges, universities and independent training providers across the UK to embed world-class standards in apprenticeships and technical education for the benefit of young people, businesses and the economy. As a member of the 86-nation strong WorldSkills movement, which supports young people from around the globe to test their skills in the biennial 'skills olympics', we have a unique opportunity to see how other countries develop the skills needed for their economic and industrial policies. These insights inform our programmes to help make the UK a competitive 'skills economy' and inform our submission to this inquiry.
- 1.2 Our submission explains how other countries are using world-class skills as an integral part of their industrial policies and as a source of economic competitiveness. It also shares evidence on skills challenges facing UK priority sectors and makes the case for the UK to build a world-class 'skills economy'.

2.0 Other nations are linking world-class skills with their economic priorities

- 2.1 Through our international skills network and comparative research we know that other countries are developing world-class skills as part of their economic and industrial strategies in three ways. Firstly by making sure there are structural links between employers and training providers. This ensures that skills training is delivering what key sectors of the economy need to thrive. Secondly by making sure the skills pipeline supports their strategies for attracting and retaining foreign direct investment (FDI). Thirdly by closely aligning delivery of skills to sectoral priorities across government agencies.
- 2.2 In several countries the links between employers and training providers are closer than they are in the UK, which helps delivery of their industrial and economic strategies. For example in Switzerland employers work through strong industry associations to co-design and co-invest in technical education¹. This helps ensure that skills development is responsive to employer demand and seen as a prestigious route for young people. This approach has helped ensure high quality in skills as demonstrated in Switzerland's 1st place finish in EuroSkills Gdansk 2023. In Austria the Ausbildungsverbund² model sees employers co-delivering technical education and collaborating to pool their training capacity and exchange skills. This eco-system ensures young people can access industry standard equipment at key stages of their training³. In Japan, a 'cross appointment' system allows educators to retain a foot in private sector companies while teaching and researching. This helps the sharing of skills and expertise between business, colleges, and universities, and boosts the supply of higher technical skills the Japanese advanced manufacturing sector needs to thrive⁴.
- 2.3 Other countries have put a particular focus on using skills to attract FDI⁵. For example, the Irish Investment Promotion Agency (IDA Ireland) is a significant

Comment [RE(U)]: This section needs to come first to follow the order in the intro.

¹ Switzerland: Institutionalised Innovation (2020), WorldSkills UK/Further Education Trust for Leadership/RSA

² Drivers of technical excellence in the skills economy (2021), WorldSkills UK

³ International Benchmarking and Insights: bringing world-class skills to the UK (2022), WorldSkills UK

⁴ Drivers of technical excellence in the skills economy (2021), WorldSkills UK

⁵ Wanted: Skills for inward investors (2022), Skills Taskforce for Global Britain (J. Buscombe)

stakeholder in the skills system and sees skills as one of its key priorities⁶. It uses sophisticated tools to map the supply of skills at both a regional, sector and activity level and makes this information freely available to prospective investors. This is coordinated alongside multi-departmental efforts to assess and improve the strength of the Irish skills offer in targeted sectors such as digital, life sciences and financial services to meet the needs of communities, the economy, and prospective inward investors⁷. France's skills offer also features prominently in Business France's investment promotion activity, including in flagship events such as Choose France⁸. Over recent years, France has taken a strategic approach to tackling technical skills shortages by launching a Skills Investment Plan. This is paying dividends, with France overtaking the UK as the leading destination for FDI projects in Europe⁹. The strength of the French skills system is also reflected in their 5th place Finish at WorldSkills Special Edition 2022 – the highest of any European nation¹⁰.

- 2.4 Singapore takes a whole government approach to the design and delivery of skills policy to ensure that it complements its industrial policy and focus on key sectors. Statutory body *Skills Future* has played a key role by developing Industry Transformation Maps for 23 different sectors with accompanying Skills Frameworks detailing emerging skills requirements. The organisation has also helped strengthen integration between schools and technical education, and leveraged multinational firms' input in creating state of the art training facilities¹¹. To help deliver this Singapore's Investment Promotion Agency (EDB Singapore) is a critical stakeholder in the Institute of Technical Education, which is responsible for delivering technical education across Singapore. This helps determine which skills should be developed to attract prospective investors.

3.0 Skills gaps persist in sectors key to UK growth

- 3.1 WorldSkills UK's diagnostic research helps us understand how our programmes can help boost the supply and quality of skills needed by key industries. Our recent reports on digital technology, green industries, and advanced manufacturing (produced in partnership with the Learning and Work Institute) show the UK is struggling to deliver the skills these industries need to deliver growth.
- 3.2 For example, persistent technical skills gaps are impacting the UK's ability to become a global leader in advanced manufacturing. These gaps are being driven by shortages of young people entering the sector and skills providers struggling to keep their expertise and equipment in line with fast-moving industrial change. Only half of manufacturers polled reported that they are engaging with the education and skills system despite 55% experiencing a shortage of advanced manufacturing skills and 63% believing young people are not coming through the education and skills system with the necessary advanced manufacturing skills¹². At the same time 83% of young people feel they face barriers to pursuing a career in manufacturing¹³ and many

⁶ OCO Global Interview with IDA Ireland, 16 Nov 2021.

⁷ Promoting technical skills to win foreign investment (2022), OCO Global/WorldSkills UK

⁸ Ibid

⁹ How can Europe turn on the taps of foreign investment? EY Europe Attractiveness Survey (2023)

¹⁰ International Benchmarking and Insights: bringing world-class skills to the UK (2022), WorldSkills UK

¹¹ Singapore: Building a future economy with TVET at its heart (2020), WorldSkills UK/RSA/FETL

¹² Manufacturing Excellence (2023), Learning & Work Institute/WorldSkills UK

¹³ Ibid

young women, in particular, have negative perceptions of the sector, lack inspirational careers support, and are missing out on opportunities for high-value, highly skilled jobs. This emphasises the need to follow the lead of other countries that have built systemic partnerships between education and industry in key growth sectors.

- 3.3 The UK also faces shortages in the skills needed to reach net zero and fuel growth in green industries. The UK's ability to develop these skills will be key to both attracting FDI in new green jobs, but also in overcoming challenges already experienced by firms. Six in ten employers in need of green skills report having a green skills gap which is impacting on their ability to manage rising energy costs, keep up with changes in technology, remain competitive, and reduce emissions. Whilst 55% of young people feel inspired to pursue a career that can combat climate change, a lack of information, advice and guidance is acting as a major barrier to the fulfilment of these aspirations, particularly amongst young women¹⁴. Nevertheless, young people's commitment to net zero provides a vital opportunity to boost enrolments in technical education and apprenticeship pathways that can unlock growth in UK green industries.
- 3.4 Digital skills are important for the UK's world-leading digital technology sector but also for diffusing productivity and innovation within the rest of the economy. However, polling data collected for our Disconnected report¹⁵, shows 37% of firms reporting digital skills gaps, with three in four pointing to digital skills shortages affecting the profitability of their businesses. The research also highlighted concerns about whether the provision of digital skills is keeping up to date with the needs of employers. Fewer than one in five young people reported being confident they had the advanced digital skills employers need despite nearly nine in ten (88%) saying digital skills would be vital to their career. To sustain the competitiveness of the UK's digital technology sector and deepen the adoption of these technologies in other areas of the economy, there is a need to ensure more young people can develop advanced digital skills.

4.0 To remain globally competitive the UK needs a world-class 'skills economy'

- 4.1 To remain competitive with other countries successfully linking skills to industrial policy, we believe there is a strong case for the UK to build a world-class skills economy. For the last few decades, the UK has focused on developing a thriving knowledge economy, underpinned by our fantastic universities and research institutions. This has rightly been the jewel in the UK's economic crown and something we should continue to champion. However an unintended consequence of focusing on the knowledge economy has been the undervaluing of technical skills. This has contributed to underinvestment in technical education and training; a lack of ambition for young people who choose these options; and limits to the UK's ability to meet the skills needs of key sectors.
- 4.2 WorldSkills UK is pioneering efforts to build a world-class skills economy by working with colleges, universities, and independent training providers to raise standards, prestige and participation in apprenticeships and technical education. We share our

¹⁴ Skills for a net zero economy: insights from employers and young people (2022), Learning & Work Institute/WorldSkills UK

¹⁵ Disconnected: Exploring the digital skills gap (2021), Learning & Work Institute/WorldSkills UK

international skills expertise in all nations and regions of the UK, using our Centre of Excellence and Learning Lab to support the Continuous Professional Development of tutors and educators across the skills system. We're also working closely with the Institute for Apprenticeships and Technical Education to ensure UK apprenticeships and technical qualifications reflect international standards of excellence.

4.3 In addition, our portfolio of skills competition programmes is increasingly geared towards the needs of priority sectors, learning from the approach that Singapore takes to developing future skills to meet economic need. More than half of our programmes are now in STEM disciplines, including skills such as Industry 4.0 and additive manufacturing (3D printing). By feeding through to international competitions at WorldSkills Lyon 2024, these can help guide the development of qualifications and occupational standards in the UK and ensure these reflect international best practice from the offset.

4.4 WorldSkills UK is also working with major employers to empower more young people of all backgrounds to consider an apprenticeship or technical qualification in sectors like digital, green, or advanced manufacturing. This includes working with IBM, EDF Energy, Amazon and BAE Systems and featuring ex-WorldSkills UK competitors (known as Skills Champions) to inspire the next generation.

5.0 Conclusion

5.1 This submission offers the committee some insights on how other nations are locating world-class technical skills at the heart of industrial policy to boost competitiveness and support economic priorities. It also sheds light on skills challenges stymying growth in key UK sectors. Finally, it shows how WorldSkills UK is working to overcome these challenges and help the UK become a world-class skills economy. Through international benchmarking, competition-based training, careers advocacy, and continuous professional development, we are uniquely positioned to work alongside education, industry and government to boost the supply and quality of skills the UK needs to remain globally competitive and succeed.