

Written evidence from Anglian Water (SFF0008)

Anglian Water serves the largest geographical area of any water company in England and Wales. We cover 20% of its total landmass, supplying drinking water to 4.3 million customers across the East of England while collecting and treating used water from over 6 million people. We currently employ 6000 people directly and thousands more through our supply chain. As a large employer in the East of England we take particular interest in skills policy and particularly the future green skills gaps.

1. What kinds of skills do you think will be needed for the future of the UK economy?

Over the next five years, Anglian Water will create 7,000 new jobs in the business and across our supply chain and alliance partners, including 800 new apprenticeships. These jobs offer skilled opportunities and provide a huge economic opportunity for the East of England region, but there is a clear risk that we will not be able to recruit the skills we need to deliver our plans. This risk is enhanced by the aging workforce in the water industry; Over the next five years, around 16% of our staff are due to retire taking a great deal of knowledge and experience with them.

The most concerning skills gaps in our business in the next 5 years are: modellers (especially people who can model nature based solutions and water catchments), engineers of all kinds, computer programmers and more broadly green skills. By green skills we mean people such as: Sustainable Drainage Solution (SuDS) and flooding experts, nature-based solutions experts, such as wetland managers and people who can form partnerships between organisations to enable these types of projects to flourish.

2. Is the UK's skills and training system capable of equipping increasing numbers of people with these skills?

As all water companies scale up their investment in the next 5 years there will be extreme competition for the required skills across the water sector (including third parties like regulators and local authorities) and more broadly in other sectors such as energy.

We find that currently industry and education have not yet developed training pathways for the skills required, and a lot of the training has to happen "on the job". We would also highlight that many of the green

skills gaps we have mentioned in question 1 are not ones that can be trained on an apprentice programme but generally require a higher level of education. That being said we hugely value our apprenticeship programme for the appropriate roles and have a brilliant retention rate.

We also suspect some of these skills will need to come from overseas. We would like to be able to offer more overseas visa sponsorships to fill the vital skills gaps and to resource industries of the future, such as water. Last year we were only granted 6 of the 12 overseas visa's we applied for. Within our last submission for sponsorship, we were asked to provide details of the roles and likely candidates we intended to use the certificates for, however its difficult to confirm this, if we follow the governments required advertising process for the role.

We would like to see more green skills added to the "high demand" lists that the government use to award visas. As well as using the overseas visa route to bring people in who can train and inspire more of the skills we need.

3. Concerns have been raised over the operation of the Apprenticeship Levy, particularly in relation to the decline in young people taking on apprenticeships. Is there a case for reforming the levy, for example by ring-fencing more levy funding for training for younger apprentices?

At Anglian Water we would like to take on even more apprentices, but we are limited by the number of college places available in the local areas. Many local colleges tell us that they don't have the funding or staff resources to offer more places to students, despite the demand being there from industry. Apprenticeships and skills training need to be expanded. We want to see colleges adequately funded to take on more apprentices where there is demand from industry.

We'd like to see schools and colleges funded and incentivised to work with businesses to understand the gaps and the skills needed for roles of the future and work with business to develop the right courses and standards. We see T-levels as an opportunity for young people to develop skills but there are very few colleges in the East of England region that currently offer these.

We would hugely benefit from the Levy being made more flexible. There are many things we would like to use the Levy for which we currently can't. For example, paying for apprentices to have driving lessons (an essential skill to work across Anglian Water's large region and one which is often linked to social status). If the Levy was more flexible, we would

use it in ways to promote social mobility, such as to pay for apprentices to have a mobile phone, clothes suitable for an interview or office work and support with public transport costs.

4. What should the role of business be in encouraging the development of skills in the UK?

As a purposeful business we believe there is a responsibility for business to encourage the development of skills and training and in turn help support the local/regional economy. Anglian Water employs 6000 people directly and thousands more via our supply chain. These jobs are a significant support to the economy of the East of England, which is [characterised](#) by pockets of low income and low skilled workers. We offer a huge variety of employment opportunities at all stages of careers.

Last year we launched 54 [Level 3 Apprenticeships](#), as well as our newer [higher level and degree level apprentices](#). We have worked actively to ensure our apprenticeships are available [across our region](#) – not just in urban hubs. We are committed to helping veterans transition into civilian careers and we are proud holders of the [Defence Employer Recognition Scheme](#) (ERS) Gold award. We are also working with prisons and ex-offenders to improve employability skills and have been building relationships with several prisons on our region.

5. Should business be a consumer, funder, trainer or co-designer of skills provision?

We see the role of business in the skills agenda as crucial, collaborative, and a co-designer of skills and training provisions. For example, our partnerships with local education providers are a key tool to develop the future skills we need, such as our partnership with the [College of West Anglia](#), to offer a level two construction and level three engineering course. We also fund and deliver [interactive lessons](#) in schools to teach about the water cycle and encourage girls into STEM subjects.

We would like to see flexibility and agility in the creation and improvement of standards. Business should work with local training providers to ensure standards are preparing students for the world of work.

We would also support government incentives for colleagues nearing retirement to stay on in a mentor or trainer capacity and pass on their skills to less experienced colleagues.

16 May 2024