

Written evidence from Purple Beard (SFF0009)

Q1. What kinds of skills do you think will be needed for the future of the UK economy? Is the UK's skills and training system capable of equipping increasing numbers of people with these skills?

Answer: Tech skills will be paramount for the future of the UK economy across various industries. Proficiency in areas like coding, business analysis, data analysis, cybersecurity, artificial intelligence, and machine learning will be in high demand as businesses increasingly rely on technology to innovate and remain competitive.

To ensure that the UK's workforce is equipped with these essential tech skills, the skills and training system must prioritise providing accessible and affordable opportunities for individuals to develop these skills through vocational training, apprenticeships, bootcamps and online learning platforms will be crucial. Collaboration between educational institutions, industry partners, and government agencies can help tailor training programs to meet specific tech skill demands and bridge the gap between education and industry needs. In addition to Tech Skills Human skills will also be a key priority as without these decision making, problem solving and resilience would not be possible.

Q2. Is it clear to everyone involved in the skills system what the respective roles of the Government, employers, individuals and institutions are within that system?

Ans: On paper It is evident that the Government primarily functions in a regulatory and supportive capacity within the skills ecosystem, establishing policies, allocating funds, and supervising the overarching framework. Employers are anticipated to discern their skill requirements, provide training avenues, and occasionally invest financially in training initiatives. Individuals bear the responsibility of continual skill enhancement, actively pursuing training prospects, and honing their abilities to match market requirements. Institutions, encompassing educational entities and training facilitators, are entrusted with furnishing top-tier education and training schemes aligned with industry requisites and individual ambitions. However from a practical perspective these roles can sometimes be unclear and confusing unless you are involved with working within the system.

Q3. What is the appropriate level of government intervention in the development of skills policies? How can government best add value in this area?

Ans: Government intervention in skills policies should establish a robust framework that fosters collaboration among stakeholders, allocates funding to address skill gaps, ensures quality assurance, provides labour market intelligence, and facilitates partnerships. By setting policies and regulations, offering financial support, monitoring quality, disseminating information, and fostering collaboration, governments can create an enabling environment for skills development. This balanced approach aims to meet the evolving needs of the economy, promote innovation, and enhance the employability and productivity of the workforce, ultimately contributing to social and economic prosperity. The current framework isn't beneficial or fair to all the stakeholder for example private training providers especially when it comes to the investment required versus the actual support they get.

Businesses in the training sector heavily invest in their operations to ensure alignment with the framework's objectives. However, a concerning trend arises due to the absence of consequences for learners, who are the primary beneficiaries. This leads to a lax attitude among learners, resulting in significant costs for training providers. Interventions should logically consider that the knowledge acquired by learners during training benefits them throughout their careers, enhancing their job prospects eternally. Penalizing training providers for unmet milestones within tight time frames appears counterproductive and undermines the framework. Therefore, if training providers deliver fully professional training, proportional reimbursement is warranted. This ensures fairness and acknowledges the long-term value of the knowledge imparted to learners, thus safeguarding the integrity of the training framework.

Q4. Are current Government policies on skills, particularly apprenticeships and training, sufficiently clear? Have policies and the institutional set-up been sufficiently consistent over time? If not, what changes or reforms would you recommend?

No the policy framework is extremely complex and can be daunting to end users especially Businesses. The policy does not support innovation or flexibility or understand changing business needs. Policies are often far behind the changes that occur creating a widening gap that fails businesses engage with the skills framework. The further education policy and landscape needs to become more responsive to emerging needs. The organisations such as the DFE have very limited understanding of actual needs and what businesses need. Some simplification has occurred over time however its complex with competing services. Employer especially SME;s find the Skills landscape extremely arduos and complicated.

Q5. Are the right institutions in place to ensure an effective skills system for the future? Should co-ordinating institutions be national, regional or sectoral, or a mixture of each?

Ans: The existing institutions maybe appropriately structured however require becoming more responsive and adaptive on a national scale effectively. Additional support must be extended to training providers to safeguard their existence. This pivotal adjustment is essential for the model's success.

Q6. 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?

There are several issues such as low pay , lack of support from employers especially SME's, , perhaps ring fencing a % of the levy for young people could be something that could be implemented however this also needs to be aligned to employers being able to spend their Levy on No apprenticeship training that maybe a requirement for the business. Having a flexible apprenticeship model which could be less then 12 months. A shared responsibility model between employers, ITP and the Government to support uptake of apprenticeships.

Q7. What should the role of business be in encouraging the development of skills in the UK? Should business be a consumer, funder, trainer or co-designer of skills provision?

Ans: The business must take some responsibility in co- funding . They must invest in skill development initiatives, sponsoring training programs, apprenticeships, and scholarships to cultivate a talented workforce. Moreover, businesses directly contribute to skill enhancement by providing on-the-job training, mentoring, and professional development opportunities, fostering employee growth and loyalty. Businesses must collaborate with stakeholders to co-design skill development programs, ensuring relevance and effectiveness. By partnering with educational institutions, agencies, and other stakeholders, they shape training initiatives that meet evolving industry needs and emerging trends. Employers also should be incentivised to support the development of skills. Development of skills must be based on employer requirement and not on what government policy dictates. Perhaps we need to look at a model that fosters true partnership.

Q8. In a more mobile, flexible labour market, what incentives do employers have to provide training for their employees? Why do you think that employer investment in training has declined in recent decades?

Ans. Employer investment has declined in recent decades due to the volatile state of economy and other current geo-political occurrences. Add to this the pressures to deliver immediate results and meet short-term financial targets can lead to a focus on cost-cutting measures, including reductions in training budget. With the rise of temporary and contingent

work arrangements, employers may expect workers to bear the responsibility for their own skill development, reducing the incentive for companies to invest in training. In a more mobile labour market, where employees may change jobs frequently, employers may be hesitant to invest in training if they fear that trained employees will leave for other opportunities, leading to a lack of return on investment. Skilled workers contribute to innovation, efficiency, and quality, giving companies a competitive edge. By investing in training, employers can equip their workforce with the skills needed to adapt to new technologies, processes, and market demands, positioning the company for long-term success. Employer investment in training, policies and practices that promote long-term thinking, align training programs with industry needs, and encourage collaboration between employers, educational institutions, and government entities are essential. Additionally, initiatives such as tax incentives for training expenditures or partnerships that share the cost and benefits of training will effectively help.

Q9. Should further incentives be put in place to reverse the decline in employer investment in training, and if so, what form should these incentives take?

Ans: To reverse the decline in employer investment in training, governments can introduce tax incentives, grants, and subsidies to offset training costs. Flexible training funds and recognition programs can provide further motivation for employers to prioritize skill development.

Q10. What incentives do individuals have to involve themselves in apprenticeships and training? Is the system available and attractive enough to encourage individuals to seek training, and if not, what can be done to improve this?

Ans: The attractiveness of the system can be improved by enhancing accessibility through flexible scheduling and online options, providing financial support via scholarships and subsidies, and offering comprehensive career guidance. Collaboration with employers ensures training programs meet industry needs, enhancing job prospects. Formal recognition and certification for completed programs boost the value of training. Creating supportive learning environments with personalized instruction and mentorship fosters engagement and skill development.

Q11. How does the UK's approach to skills and training compare to those of other countries? Are there examples of good practice that the UK should be learning from?

Ans: The UK's approach to skills and training shares similarities with other countries. However, compared to some European countries like Germany and Switzerland, the UK could enhance its apprenticeship system by adopting a stronger emphasis on employer engagement, structured

pathways, and quality assurance. Countries like Finland and Singapore excel in integrating skills training with industry needs through close collaboration between education and business sectors, providing valuable lessons for the UK to learn from.

21 May 2024