

Centre for Progressive Capitalism

The Brexit technical skills challenge

Speakers: Thomas Aubrey, Director, Centre for Progressive Capitalism (Chair); Andy Norman, Head of skills, Centre for Progressive Capitalism; Sandy Lindsay MBE, Chair, Institute of Directors North West and chair, North West Business Leadership Team; James Scott, Vice Principle of Curriculum, Trafford College.

Thomas Aubrey introduces the event with an overview of low productivity growth in the UK, the challenges to wage growth this brings and key issues of housing and infrastructure. He says a lack of technical skills in the workforce is also a major reason for low productivity growth, and has been for the last 100 years. Aubrey then explains the positive impact that increasing technical skill capacity has on quality of life.

James Scott discusses his attempts to turn policy talked about at conference into reality at Further Education (FE) colleges, and the regional differences in skills requirements which need to be taken into account. In terms of Greater Manchester (GM) he feels they do well in identifying skills – where many regions struggle is making sure the skills system can supply the requirements rather than trying to figure out what they are. If you take GM as an example, he says there are lots of good initiatives happening at the moment in terms of responding to the challenges which are coming up – there are 10 GM colleges working together to understand the requirements of T Levels and how they should be implemented. As FE providers, the arena is competitive but resources need to be pooled to understand how young people can have the best information as possible regarding apprenticeship opportunities. At a more local level providers are trying to test out the principles of T Levels in order to help people progress into certain occupations, especially ones which are challenging to get placements in such as financial services. Scott says he wants to introduce more vigour into technical qualifications. Any discussion about skills also needs to account for general skills such as English, Maths and digital skills. Employers also need to be specific about what skills they need for their sector, so colleges can work with them to address the employee shortages they have. Especially in context of post-Brexit world, collaborative working will become ever more important.

Scott says that with regards to conversations between providers and employers, the dialogue tends to be transactional rather than transformational. Conversations need to be about working together to ensure skills are right. In terms of SMEs, they often say they don't have the time to sit down with colleges and have discussions. This will be a challenge in the future, and so far success has come when SMEs have already got some connection with FE colleges through work experience. There needs to be a focus on what skills they need and how FE colleges can help them.

Andy Norman discusses the impact of skills shortages on social mobility, wage growth and the economy. All the policy changes in terms of apprenticeships are significant, and Brexit makes this even more so: whatever people's thoughts are on Brexit, free movement of labour means that skills shortage will get worse not better, and this will impact our trading capacity post-Brexit. He discusses the reforms that have taken place regarding apprenticeships, and the challenge of quantity versus quality – having a high target for apprenticeships creates the issue that people will start pushing to reach it rather than ensuring the right types of apprenticeships are done. Norman says there are

different skills needs for different areas, and this is particularly true of FE courses and apprenticeships. Often there are too many people doing courses where there isn't very much demand, and not enough doing courses such as electrical engineering, where there are. The data we have needs to be fed back into careers advisory services to combat skills mismatches in local economies.

Sandy explains the difficulties of being a small training provider – her communications company has had to provide social media training because there are massive skills gaps in the digital world. The lack of skills has always been a limiting factor in growth for her business. Explains there is a huge amount of will from local businesses to get involved in skills but simply don't know how to go about getting apprenticeships up and running. She explains how she got the CBI, IoD and North West Business leadership team together to explore what "good" looks like to them in terms of apprentices. They want resilient, agile young people with the right attitude – the rest can be taught to them. Together they produced a skills charter with some key principles – one was sharing. LEPs for instance are not sharing enough so there is a lot of overlap, both good and bad. Also scalability and signposting, to ensure business can get involved. The lack of flexibility in terms of funding is also crucial. She says the private sector is keen to get involved, but find it very hard. Says she's looking into making an online hub where employers can offer work experience and be matched with those who need it. Lots of initiatives do have their own websites but need to centralise them together.

She goes on to say that in terms of people coming into the world of work without basic employee skills, if small businesses had more support in terms of how to do an effective induction then a lot of problems could be solved.

Andy is asked for comments on careers advisory services. He says he feels strongly about this and that more people should be given options about FE colleges as HE isn't for everyone. Careers services should use data to inform people's choices so they can see how much they could earn over a certain amount of years, and where there are gaps which need filling.