



All-Party Parliamentary Group for Responsible Business Minutes for Roundtable on Skills for the Future

Tuesday 4 March 2025, 3:30pm – 4:45pm

Location: Committee Room 3A, Houses of Parliament

Present: APPG members: Dame Harriett Baldwin MP (Chair), Lord Aberdare (Co-Chair), Baroness Wilcox of Newport (Vice Chair), Alison Griffiths MP, Baroness Sater, Lord Haskel, Lord Younger

Business in the Community (Secretariat): Mary Macleod (CEO), Gail Greengross (External Affairs Director), Laura Dunn (Head of Media and Public Affairs), Jamie Titterrell (Senior Public Affairs and Research Officer), Paula Cruz (Employment and Skills Manager), Ola Kolade (Employment and Skills Director)

Speakers: The Rt Hon. Baroness Smith of Malvern (Minister for Skills), Baroness Diana Barran (Shadow Education Minister), Duncan Reynell (Learning, People & Places Director, Lloyds Banking Group), Carl Hickson (VP of Social Performance & Programmes, bp)

Attendees: Approximately 45 senior business leaders and representatives from industry.

1. Welcome from Lord Aberdare, Co-Chair of the APPG for Responsible Business

- Lord Aberdare welcomed attendees to the meeting and outlined his views on the key challenge for skills in the UK - matching the skills needs of employers to deliver growth with the skills provided by education and training providers.
- He highlighted that the UK has seen per employee spend on skills training decrease by 26% since 2005, to a level that is half the average of the EU.

2. Baroness Diana Barran, Shadow Education Minister, House of Lords

- Baroness Barran highlighted that skills were crucial for the economy to grow, and this requires collaboration between government and employers, with government intervening to prevent failure and set out a roadmap, without crowding out employer funding.

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- She set out the previous government's agenda on skills which prioritised achieving parity of esteem between technical and academic routes and raising the standard of qualifications, highlighting T levels and apprenticeships that reflect the breadth of the UK economy, and including some areas where practical experience is particularly relevant such as childcare, social work and teaching.
- She also spoke about changes to the funding model, such as establishing the Lifelong Learning Entitlement, which would allow people to upskill throughout their careers. However, she emphasised that employers will need to must support these initiatives and create flexibility for employees to build their qualifications over time.
- Looking forward, Baroness Barran highlighted areas where more work was needed, including having policy stability (such as in Germany), and the need to have "broader" qualifications that allow adaptability.

3. Duncan Reynell, Learning, People & Places Director, Lloyds Banking Group

- Duncan described how skills were a crucial part of Lloyds Banking Group's transformation and employee value proposition. Duncan detailed the components of their skills offer; key initiatives include:
 - a. Giving employees a personalised skills offer, use of sponsors, initiatives such as "90 days" to learn a skill, as well as general upskilling and cross-skilling opportunities.
 - b. Careers@LBG, which provides initiatives such as skills based volunteering, mentorship and "gigs" to get experience, as well as reskilling people for moves across the organisation.
 - c. Engaging the next generation by directly engaging with schools and organisations such as Skills Builder, and by having 4,000 work experience places at LBG.
 - d. A new Skills Council, which works with unions to ensure the correct changes are made across the organisation.

4. Carl Hickson, VP of Social Performance & Programmes, bp

- Carl highlighted the importance of skills and workforce development for bp – given their support for 81k jobs nationally across bp and the supply chain (1 in every 410 UK jobs)
- From North Sea oil and gas in Aberdeen, to bp’s low carbon projects in Teesside – delivering on large scale infrastructure like this requires the right skills at the right time. Getting workforce development right can have a huge positive impact on communities by creating opportunities and improving access to them
- Realising the skills opportunity starts with strong policy certainty – that enables industry to progress projects at pace, and gives educators the certainty of what occupations they need to skill up for, aligned to a wider industrial strategy
- This then translates into how bp develops its own workforce – by
 - a. Investing in their own workforce – both technical skills, and leadership and wider essential skills
 - b. Partnering with the supply chain on skills development
 - c. And supporting skills development in communities – through a long history of education programming, work experience, and apprenticeship offers
- Many of the contributions organisations make to skills development extend beyond their direct benefit – equipping people with the skills needed for long-term careers and positively impacting the overall economy.

5. Ola Kolade, Employment and Skills Director, Business in the Community

- Ola highlighted the barriers facing jobseekers. A way to reduce barriers to employment is to focus on skills based recruitment that considers what people can do rather than what they have done before.
- Ola highlighted three areas of skills that need to be addressed for the future:
 - a. **Essential skills:** these are transferable skills and promoted by Skills Builder Partnership. With 40% of jobs today not existing in the future, essential skills are key.
 - b. **Digital Skills:** due to the rapid development of digital technology, this will impact everyone, regardless of industry, and it is essential to ensure no one is left behind.

- c. **Green and technical skills:** workers must be prepared for the transition to a low carbon economy. Workforce plans must mitigate risks regarding unintended consequences of change, with women more at risk of losing jobs to AI.

6. The Rt Hon. Baroness Smith of Malvern, Minister for Skills

- Baroness Smith said government and businesses have a shared objective to create a skills system that will be able to deliver the government's missions, including growing the economy, greening the economy, rebuilding the NHS and building homes.
- She addressed the shortcomings in the system, with the UK being one of the lowest investors in skills across Europe, with inflexibility and limited coherence across the skills system. With 36% of vacancies due to skills shortages, there is a question as to how to plug the gap.
- She argued that changes must be strategic and over the long term. Skills England is part of the government's answer to bring coherence to the system. It will:
 - a. Provide authoritative analysis
 - b. Produce a comprehensive assessment of skills needed across the UK
 - c. Work with employers and businesses to ensure their needs are met
- She said that the government must listen to employers, acknowledging that greater flexibility in apprenticeships is key, and that the Growth and Skills Offer will create flexibility.
- Skills for good jobs will have to align with the industrial strategy. Further changes include reducing the requirements for English and Maths, simplifying end point assessments, introducing Foundation Apprenticeships, and providing opportunities for shorter apprenticeships, with a minimum duration of 8 months, to upskill people already in work.
- The Minister recognised the work of local skills improvement plans that are bringing together training providers with businesses. The Minister reflected that from her experience FE colleges that had partnerships with businesses were delivering the most impressive work.
- The Minister also said it was important to get parity of esteem between technical and academic qualifications and described T levels as having the potential to do this.

Questions and discussion

- **Kate Young, Enginuity: “What are the risks to levy reform?”**
 - a. Smith: There has been a huge decrease in apprenticeships take up for young people, an apprenticeship makes most impact at the start of a career. For those in work, shorter courses will help those already in work to upskill.
- **Alice Chan, Skills Builder Partnership: “What is the role of essential skills in the Post 16 Skills Strategy?”**
 - a. Smith: The strategy will be published in the Summer with a lot of engagement with stakeholders planned. Currently, too many people are sidelined by the system. Essential skills have an important role to play in ensuring opportunity for all here - and a more coherent, agile system, underpinned by more collaboration across education and training providers, is also key. To make the system more coherent, there needs to be collaboration, but this needs a 10 year strategy and the considerations of the Spending Review.
- **John Wriighthouse, Orbit: “Orbit desire to build the houses the country needs, how can they upskill their workforce with the green skills they need? The Apprenticeship Levy is very inflexible.”**
 - a. Smith: For those already in work, shorter duration apprenticeships will help to upskill, for example for those with prior learning a shorter time will be needed.
- **A representative from Talent Tech UK, “It is very difficult to plan for the future, will level 7 funding continue?”**
 - a. Smith: The big fall off in young people starting apprenticeships has happened at the same time as level 7 apprenticeships increasing. A formal announcement will be made soon, but the intention is to prioritise getting young people into apprenticeships.
- **Alison Scowen, Coop, “With the Growth and Skills Levy, is 0.5% of payroll still appropriate?”**
 - a. Smith: Employers are welcome to pay more, but making the levy more flexible will allow employers to develop skills where they are needed most.
- **Natalie Gregoire Skeete, HSBC, “What more can be done to promote T levels to young people?”**
 - a. Smith: Increasing take up will be a part of future strategy. The T level is improving based on student feedback and is a high quality qualification.

- **Lord Hampton, to Carl Hickson, bp, “There is a feeling that employers do not get the full benefit of providing training, how are people retained?”**
 - a. Carl Hickson: There are two elements to this:
 - i. This is not a zero sum game, everyone benefits from developing skills – we rely on a large workforce through our supply chain, and often see talent frequently moves into that supply chain. So, when we upskill the supply chain, everyone benefits from better talent availability
 - ii. Equally, we do invest in our holistic employee offer – from the opportunities we provide, access to development, reward, and more – to retain talent and ensure people want to stay with bp
 - b. Lord Aberdare: Goodwill is created by training, his experience at IBM saw people return to buy products and work with IBM.
- **Peter Williamson, Automate UK, “How can SMEs get support to offer apprenticeships?”**
 - a. Lord Aberdare: This is a long term problem in the UK, an answer could be getting devolved governments more involved in tackling it via regional skills plans.
 - b. Duncan Reynell: Lloyd’s Banking Group supports the transfer scheme, but there needs to be other mechanisms, many SMEs are unaware of this support and other support from government.
- **Nicola Stoops, Simply Sustainable, “Recently there has been a negative DEI trend in many companies, how can we overcome a gender split from the start?”**
 - a. Lord Aberdare: Disappointing to hear, Sherry Coutu does a lot of work on this. Whilst Skills England have a lot to consider, it may be able to identify barriers to entry from different groups.
- **Frances Clark, DS Smith, “DS Smith has an aging workforce and must upskills younger employees, there is an issue of accessing younger people as there is no public transport and many manufacturing companies are in remote areas.”**
 - a. Lord Aberdare: This is a significant issue, local skills improvement plans and devolved governments may have to consider this. Despite this, there must be a national strategy that pulls all actors together.
- Final remarks from speakers:

- a. Baroness Barran: Highlighted the importance of policy stability, T levels must continue to improve, and SMEs need information for example on the Levy Transfer.
- b. Duncan Reynell: Stability, flexibility and adaptability all important. Inconsistency across the UK regarding funding models and terminology makes navigating the skills ecosystem very difficult.
- c. Carl Hickson: We need to foster a culture of investing in skills, with a strong partnership between businesses and the government. In other countries, successful skills development is driven by this collaboration, alongside a stable policy foundation.

7. Mary Macleod, CEO of BITC

- Mary said that businesses are up for the challenge and are willing to convene and work with government to improve skills.
- Mary highlighted the issue of economic inactivity, with 22% of people being inactive across the UK. Connecting these people with the right skills is crucial to reducing this number and would have a significant economic impact.
- Solutions are available and they must be created together between business and government.

8. Closing remarks from Dame Harriett Baldwin MP, Co-Chair

- Dame Harriett thanked the speakers and confirmed a letter will be written to the Minister for Skills detailing the themes of the meeting and asks of government.
- Dame Harriett said that there will be no simple solution for the UK skills issues, but a path of constant improvement can be set up, with both stability and change. Lifelong learning, focusing on young people and developing apprenticeships will all contribute to improving the skills landscape.
- Dame Harriett posed a final question; how should success be measured? This question will feature in the letter to the Minister for Skills.