



Skills means growth



AELP's vision for a sustainable skills system

2023



Foreword



Skills means growth. Investing in skills is essential for unlocking economic growth. Skills enhance productivity and innovation, leading to better job opportunities for learners and the creation of new industries. A skilled workforce drives efficiency, competitiveness, and technological advancement, all of which contribute to a thriving economy.

Skills means people. We put people at the heart of economic growth by empowering them to thrive and realise their ambitions. AELP believes this opportunity should reach every individual and reach into every community. Investing in people's skills not only enhances employability but also encourages lifelong learning, a cornerstone of personal growth and social mobility.



Skills means investing in the future. The opportunities presented by advances in artificial intelligence and green technologies can only be harnessed and realised through a skilled workforce. By channelling resources into education and training, government can empower individuals to stay ahead of the curve and remain competitive in the job market.

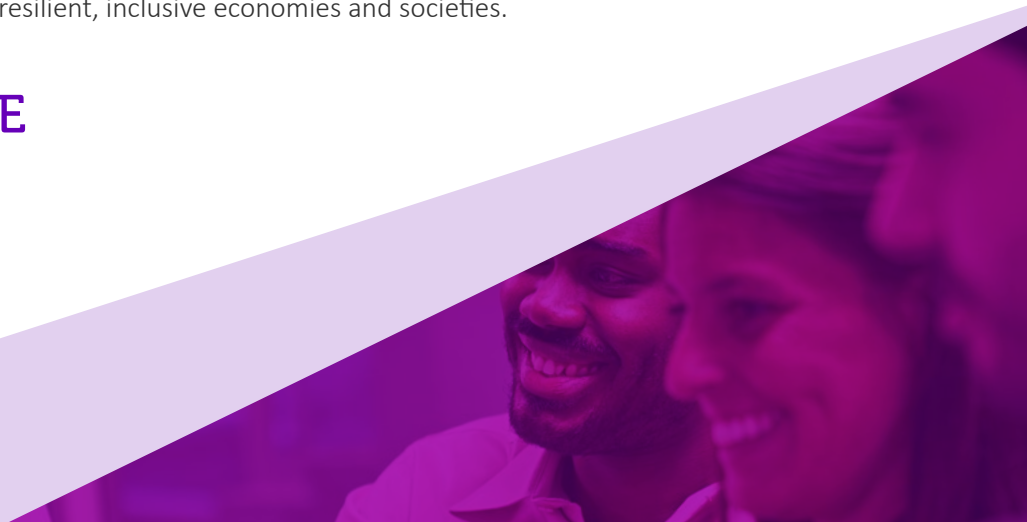
Skills means economic prowess. Skilled workers contribute to enhanced productivity, improved industry standards, and the creation of new markets. By nurturing a workforce capable of embracing innovation and technological change, the government can drive economic growth and Britain's global standing. Moreover, increased skill levels translate into higher incomes, reduced inequality, and improved overall quality of life, creating a virtuous cycle of progress that benefits everyone in society.



Skills means social mobility. Skills investment is a testament to a nation's commitment to social equity and inclusivity. By providing accessible and quality education and training opportunities, governments can bridge the gap between various segments of society, levelling the playing field and offering a chance for all individuals to realise their potential. This approach fosters social cohesion, reduces disparities, and cultivates a sense of collective purpose.

In the pursuit of our vision, this report outlines a set of powerful asks and principles designed to galvanise action at the highest levels of government. We call upon policymakers to recognise the centrality of employment and learning providers in building resilient, inclusive economies and societies.

Nichola Hay MBE
AELP Chair



To unlock growth AELP is calling for:

1. A sustainable and integrated national skills strategy.



The Federation of Small Businesses found that 80% of small firms faced difficulties recruiting applicants with suitable skills in the previous 12 months

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A report by the Learning and Work Institute (L&W) in 2019 found that the UK skills shortage will cost the country £120 billion by 2030

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2. The promotion and enabling of greater learner choice.

3. A simplified, high-quality apprenticeship system.

Independent Training Providers deliver:

ITPs deliver
89%
of skills bootcamps

ITPs deliver
62%
of apprenticeships

4. Learning opportunities for all.

5. An approach to functional skills that delivers for learners and employers

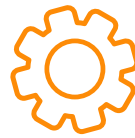


1

A sustainable and integrated national skills strategy

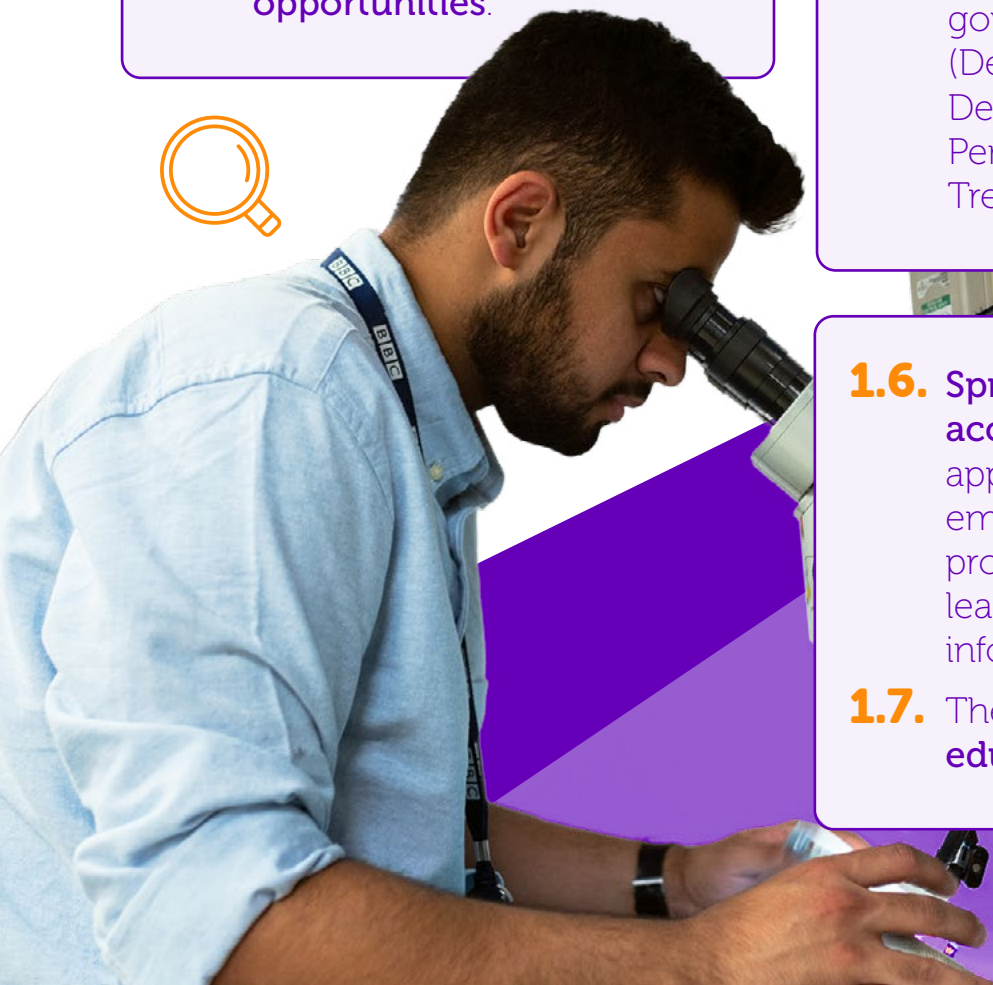
A national skills strategy should stand as a cornerstone of the UK's economic growth. Such a strategy would lay the foundation for cultivating a skilled and adaptable workforce aligned to the economic needs of the country. For too long learners, providers and employers have been at the mercy of short-term changes in skills policy, funding decisions and funding streams, creating uncertainty in the supply of skills at a time when we need stability. We call on the next government to create a long-term plan to stabilise the skills sector, through a sustainable and integrated national skills strategy, aligning all aspects of our skills policy.

- 1.1.** The creation of a **national training body** that has direct ministerial oversight.
- 1.2.** A review of the roles and responsibilities of the Institute for Apprenticeships and Technical Education (**IfATE**) to enable it to achieve its aims.
- 1.3.** Integrated progression opportunities.



- 1.4.** The sum of local skills needs should meet the sum of national skills needs.
- 1.5.** **Shared responsibility and deeper collaboration** for skills across interconnected government departments (Department for Education, Department for Work and Pensions and His Majesty's Treasury)

- 1.6.** **Spreading public accountability** for apprenticeships to employers as well as providers, improving learner choice based on the information available.
- 1.7.** The introduction of an **education taskforce on AI**.



2

The promotion and enabling of greater learner choice

Greater learner choice empowers individuals to adapt, grow and participate in a rapidly evolving economy. It places learners at the centre of the skills system and allows them to shape their education and training according to their unique strengths, interests, and career aspirations. Allowing learners to choose from a diverse array of courses and pathways ensures that their educational experience is relevant, engaging, and tailored to their needs. This approach fosters a sense of ownership and motivation, leading to increased participation, retention, and success rates. Moreover, a system that promotes learner choice enhances the overall flexibility of the skills ecosystem, enabling it to adapt more swiftly to the dynamic demands of industry. By encouraging learners to take an active role in their educational journey, the UK skills system not only equips them with the specific competencies required by employers but also nurtures a lifelong learning mindset essential for personal and professional growth in an ever-evolving landscape.

2.1. A national system that can be accessed locally, with local flexibilities.

2.2. The extension of lifelong learner skills accounts below level four for adults.



2.3. Greater choice of skills provision at all levels, in all locations.

2.4. A skills system that treats all types of providers with parity.



2.5. Careers information, advice and guidance that treats technical pathways equally to academic pathways.

2.6. A common framework for skills commissioning across all devolved areas, allowing providers to meet local flexibilities.



3

A simplified, high-quality apprenticeship system

Apprenticeships are a fantastic way for learners to get industry relevant skills and learn while they earn. AELP recognises that the Apprenticeship Levy has been a game changer for the apprenticeship system in England. That said, there is still work to do to ensure the apprenticeship system gives employers and learners flexibility and choice while keeping quality at the heart of the system. This includes an increase in the Apprenticeship Programme Budget to keep pace with the increased Apprenticeship Levy take, and funding rates that reflect the real cost of delivery.

3.1. Introduce flexibility to the Apprenticeship Levy, enabling wider employer choice.

3.2. A protected, ring-fenced and **guaranteed apprenticeship budget** for small and medium sized employers.

3.3. Improved **simplicity** and accessibility within the system.



3.4. A more **balanced approach** to accountability that recognises the role of employers as well as other measures of success.

3.5. A system that **supports learners of all ages** and at all levels, while prioritising young people.

3.6. An apprenticeship programme budget that **reflects the amount raised** through the Apprenticeship Levy.

3.7. Fair, transparent funding rates for all programmes which reflect the real cost of delivery and are reviewed timely.



4

Learning opportunities for all

Ensuring learning opportunities for all is crucial for fostering social mobility and creating a more equitable society. Education and training serve as powerful tools to break the cycle of generational inequality by providing individuals from all backgrounds with the chance to acquire knowledge, skills, and qualifications that can help them get on in life. When everyone has the ability to access quality education and training, regardless of their economic or social circumstances, it dismantles barriers that limit upward mobility. This inclusivity not only promotes a fairer distribution of opportunities but also harnesses the untapped potential of individuals who might otherwise be hindered by systemic disadvantages. By levelling the educational playing field, society cultivates a diverse and skilled workforce, strengthens its economic prospects, and paves the way for individuals to and pursue a brighter future, ultimately creating a more just and thriving community for all.

- 4.1.** Ensure that **social mobility** is at the heart of the skills system.
- 4.2.** The introduction of a new traineeship or pre-apprenticeship programme.
- 4.3.** The need for **academic parity and the introduction of UCAS points** for vocational learning and apprenticeships.



- 4.4.** **Accessible entry routes** for people with complex needs wanting to join the labour market.
- 4.5.** A commitment for the UK Shared Prosperity Fund to **focus on disadvantaged** and unrepresented groups of learners.

- 4.6.** **Improve access to travel**, for example through the introduction of a bursary for certain learners.
- 4.7.** **16-19 apprenticeships to be fully funded** directly through the Department for Education, rather than through the Apprenticeship Levy budget.



5

An approach to functional skills that delivers for learners and employers

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5.1. A review of the content of functional skills qualifications to ensure they are both appropriately contextualised and become **a practical equivalent to GCSEs**.

5.2. Increased funding rates for **functional skills** reflecting the true cost of delivery and assessment in both workplace and classroom-based settings.



5.3. A broader approach to the current exemptions policy, **recognising prior maths and English competency** for apprentices at higher and degree levels.

5.4. Bringing functional skills policy into alignment with T-levels and A-levels, making them a condition of funding, not an exit requirement.



- 1.** All government policies on training, employment and skills should be **focused on improving productivity and personal growth by focusing on the employer and individual choice**. Further education and training providers of all types should, therefore, be treated equally in terms of the general approach towards funding and contracting. On that basis, AELP believes that individual skills accounts are the ideal vehicle that the government should adopt.
- 2.** **Procurement of training services should be open equally to all registered training providers**. It should recognise past performance but encourage new provision based on evidence of good performance elsewhere.
- 3.** **Some programmes should remain nationally contracted such as Apprenticeships**. AELP continues to support the devolution of some programmes where there is evidence of improved take-up and delivery.
- 4.** **Funding rates for all programmes should be fair**, and transparent and reflect the real cost of delivery.
- 5.** In supporting programmes for all ages and at all levels, **priority should be given to ensure that the provision for 16-24-year-olds and those with disadvantages are high quality**.
- 6.** **The quality of all provision should be measured effectively** using an appropriate range of measures agreed upon with providers and customers.
- 7.** In **maximising the impact of programmes by ensuring that all funders coordinate their provision** using providers to integrate delivery in the need for a more integrated and simplified approach to funding.

