



Demystifying the Government's skills agenda.

And how that's driving the need for skills-focused strategies.

February 2025



Who we are.



Nicki Hay
Director of Apprenticeship
Strategy and Policy

Government's plans and their implications
for employers including:

Apprenticeships – foundation,
shorter duration, functional skills

Higher technical qualifications

Skills bootcamps

T-level placements

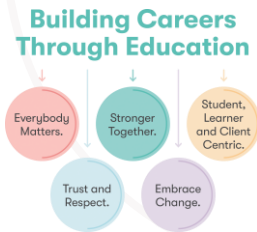


Emma O'Dell
Skills and Capability
Planning Director

How these changes are driving the transition toward
skills-based organisations and the need to analyse
talent, labour, and skills data to underpin skills strategy.



What we do.



The government's focus on further education.

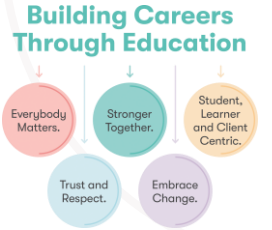


Baroness Jacqui Smith – key messages on direction.

1. **On Skills Policy:** “ There has been too much change, too quickly and done in isolation, leading to a confusing system.
2. **Great Employer Investment in Skills:** Employers need to “step forward” and invest more in skills. Employers' investment in skills is the lowest in the G7.
3. **Level 4 and 5 – middle solves the riddle:** “In England, only 4% of people have level 4 and 5 qualifications as their highest qualification, compared to around 20% in Germany.
4. **Level 7 – Skills England to recommend:** “(defunding would be) pretty widespread” (and go deeper than) “most people hope”. The decision to divert funding from level 7 towards young people is an “explicit choice” to “correct and rebalance” the system.
5. **Skill England – Authoritative and Influential Voice:** “...will be close enough to government to be the authoritative and driving voice to inform policy development and to ensure that the whole of government is bought into the priorities it identifies”.
6. **English and maths requirements as part of the apprenticeship programme:** Not yet come to any conclusion but we are looking at it... Recognising the “artificial barrier” that current approach to maths and English exist policy is bringing – although stressing the “significant benefits” maths and English bring too. “We get it, and we are working out what we do about it”



Shadow Skills England.

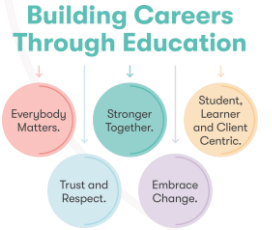


- Currently established in “**shadow**” form within the DfE
- **Focus:** Build a comprehensive suite of learning: *Apprenticeships, training and technical qualifications*
- **The three priorities of Skills England are:**
 - To develop a coherent single authoritative picture of what **national and local skills needs the country** requires over the next decade.
 - To develop a **highly responsive training system**, part of which is that Skills England will hold a list of eligible training that can be funded through the Growth and Skills Levy.
 - To ensure that national and regional **skills systems work together effectively to meet those skills needs**
- **To provide:** Leadership, direction, scrutiny and a skills framework
- **To work in partnership with** employers, government, trade unions, training providers, metro mayors and other stakeholders

- **The new team:**
 - **SE Chair:** Phil Smith CBE former CEO of international tech and telecoms giant Cisco
 - Vice Chair: Sir David Bell – four decades of experience in the education and skills sector and is currently Vice-Chancellor and Chief Exc of the University of Sunderland
 - **SE CEO:** Tessa Griffiths and Sarah Maclean – currently acting CEOs through job share
 - SE Deputy CEO: Gemma Marsh – former Director of GMCA Education, Skills and Work unit
- Confirmed SE will be an **executive agency** – CEO reporting to the DfE – Director General
- System will not be employer led under Skills England but move to become **sector led**
- Launch of first Skills England report [Skills England: driving growth and widening opportunities \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)
- Springtime – Skills England and DfE will launch a more detailed Post 16 Strategy while paper covering, HE and FE



The Growth and Skills Levy.



- ✓ DfE want to get the flexibilities right, so are ensuring cross-departmental alignment and linked to the **UK's Modern Industry Strategy and Post 16 strategy needs**
- ✓ 50% flexibility announced pre election by Labour somewhat killed off, flexibility focus around the apprenticeship structure
- ✓ **Labour do not want the apprenticeship brand damaged or to slow down starts on apprenticeships**
- ✓ **GSL Funding** – budget limitations causing dilemmas! Call for re-balancing the system to young people, and possible **defunding level 7**



Apprenticeships Flexibilities:

- ✓ **Foundation apprenticeship**
- ✓ **Shorter apprenticeships**
- ✓ **Functional Skills Qualification reform**
- ✓ **End Point Assessment review**
- ✓ Content and Off the job hours – one size all doesn't fit!
- ✓ High Value Training – (career boosters)



Non-Apprenticeship Flexibilities:

Types of programmes/courses **mooted**:

- ✓ HTQs – Higher Technical Qualifications (L4 & 5)
- ✓ Skills Bootcamps



Foundation and shorter duration apprenticeships: a new product and making flexible.



“The levy will deliver greater flexibility through **shorter-duration** apprenticeships in targeted sectors aligned with the industrial strategy”.

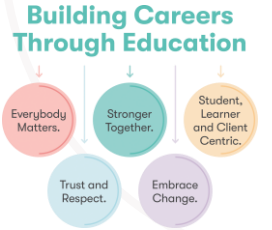
1. Will require changes to secondary legislation – at least 6 months to implement
2. Shorter duration for some apprenticeship standards, on programme practical period down from 12 to 8 months
3. Ambition to launch in Aug 2025 – three sectors announced during national apprenticeship week: green energy, healthcare, TV/Film Production.
4. Apprenticeship will still be substantial and significant
5. Achieving full occupational competency still will be the key denominator
6. Better recognition of prior learning (RPL) for time-served purposes, not just reducing price and/or fit delivery models with non-traditional delivery: front loaded and/or block release

Developing **foundation apprenticeships** – “a new training offer *young people* a foot in the door and supporting clear pathways into work-based training and employment.

1. Not a replacement for the level 2 apprenticeship!
2. Not for all sectors
3. Young people and youth guarantee hints at the scope
4. Not a Pre-apprenticeship...a paid job with training
5. Unclear if it will feature requirements such Functional Skills Requirement or EPA
6. Expected to start in some sectors in Aug 2025
7. Employer demand key: Flexible programme. Not everyone will move into a full apprenticeship



Committees, partnerships and plans!



Hopefully working together!

- ✓ Skills England – bringing the skills system together!
- ✓ Migration Advisory Committee (MAC)
- ✓ Industrial Strategy Advisory Committee
- ✓ DWP - 80% Employment Target
- ✓ Metro Mayors – gaining more power, delegated budgets
- ✓ DfE – setting policy
- ✓ Eight **new youth trailblazers** in devolved authorities
- ✓ **Eight new trailblazer groups** covering the 8 key areas highlighted in the Industrial Strategy
- ✓ Job Centre's and National Careers Service to become one.
- ✓ FE and Skills Select Committee inquiry – call for evidence



Driving growth – hope it's linked up.

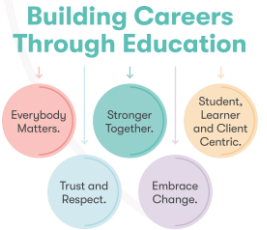
- ✓ Post 16 vision paper – Skills England
- ✓ Post 16 Strategy white paper
- ✓ The UK's Modern Industrial Strategy – Invest 2035.
- ✓ **Local growth plans**
- ✓ **Driving growth – Sector Plans**
- ✓ Local Skills Improvement Plans (LSIPs) – driven by Metro Mayors
- ✓ **Get Britain Working** white paper – achieve 80% employment rate – which would mean 2 million more people in work! Focus on health, welfare, employment and skills

National picture v local skills needs



Indicative timeline of key events.

<ul style="list-style-type: none"> Get Britain Working White Paper Skills England “Consulting” on flexibilities and level 7 English Devolution White Paper Skills England Recommendations Education Select Committee Inquiry into FE and Skills 	<p>November 2025</p> <p>By the end of December 2024</p> <p>December 2024</p> <p>“Early 2025”</p> <p>January 2025</p>
<ul style="list-style-type: none"> Ofsted Consultation on EIF and Inspection (pilots to follow) 	<p>January/February 2025</p>
<ul style="list-style-type: none"> DfE Post-16 Vision Paper 	<p>February 2025</p>
<ul style="list-style-type: none"> Adult Skills Fund and 16-19 allocations for FY25/26 	<p>March/April 2025</p>
<ul style="list-style-type: none"> DfE/ESFA Integration: ESFA Closed 	<p>By April 2025</p>
<ul style="list-style-type: none"> Full Skills England: IfATE Closed 	<p>Target April 2025 (potentially summer 2025)</p>
<ul style="list-style-type: none"> Youth Guarantee Regional Trailblazer Pilots 	<p>April 2025</p>
<ul style="list-style-type: none"> Apprenticeship Levy Flexibilities (High Value Training) 	<p>Potentially phased from April 2025, more likely the Autumn</p>
<ul style="list-style-type: none"> Post-16 White paper 	<p>Late Spring 2025</p>
<ul style="list-style-type: none"> Multi Year Spending Review Outcome 	<p>11th June 2025</p>
<ul style="list-style-type: none"> Curriculum and Assessment Review (CAR) 	<p>Summer 2025</p>
<ul style="list-style-type: none"> New Devolution Deals x 3 (East Mids, York & North Yorkshire and Cornwall) 	<p>August 2025</p>
<ul style="list-style-type: none"> Foundation and shorter duration apprenticeships 	<p>August 2025 onwards</p>
<ul style="list-style-type: none"> Potential Apprenticeship System evolution /restrictions 	<p>Autumn 2025 onwards</p>
<ul style="list-style-type: none"> Revised Ofsted EIF implemented 	<p>September 2025</p>



Government is highlighting the need for employers to act...

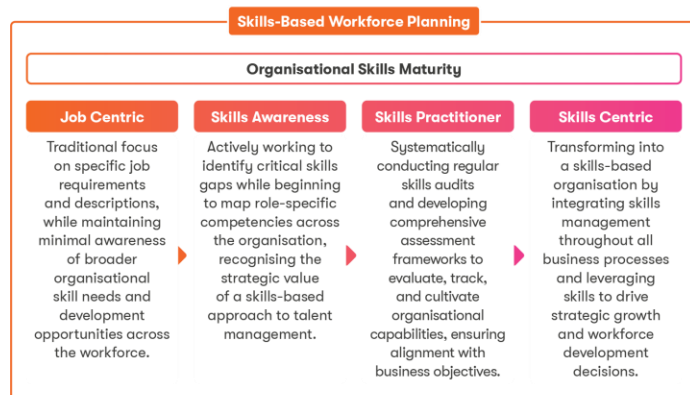
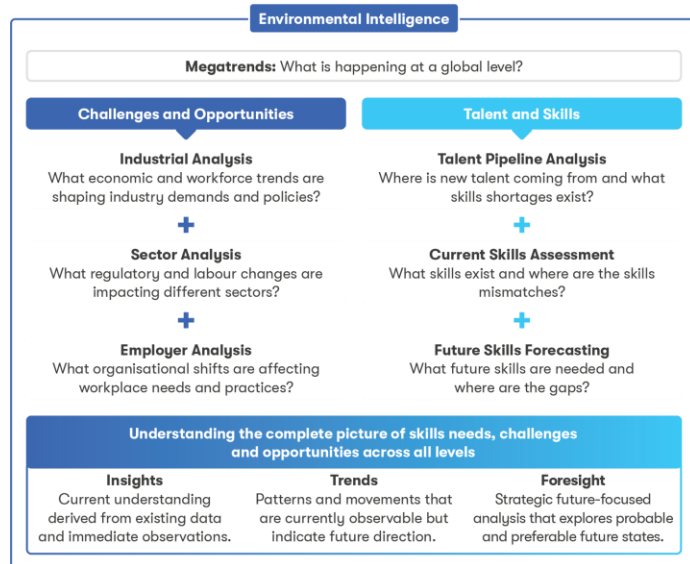
- Skills gaps are posing a significant challenge to organisations and are a board level company threatening issue
- Businesses are concerned:
 - **81% of executives** indicated talent to be their number one priority (KPMG)
 - **26% of CEOs** rank talent shortage as the top damaging factor to business outlook (Gartner)
 - **Two in five** CEOs fear their global firms will be unviable within 10 years (The Guardian)
 - **62%** of UK firms are facing skills shortages yet **71%** do not have a skills plan (Open University)
- There are risks of inaction:
 - Time and productivity lost
 - Workforce turnover increases
 - Replacement costs



...through the deployment of skills-focussed strategies.

- Early adopters will reap tangible benefits:
 - Greater workforce agility
 - Heightened employee engagement
 - Stronger talent pipelines
 - And better business performance





Analysing Talent Labour and Skills (ATLaS) framework is designed to help employers identify the best approach.

Framework that provides a systematic approach to building workforce capabilities by connecting three essential elements:

- ✓ Environmental intelligence is about current and future skill needs
- ✓ A maturity model for skills-based workforce management
- ✓ Targeted development pathways

Links external insights, internal capabilities and individual development to create a complete picture of what skills are needed, how to manage them, and how to build them.

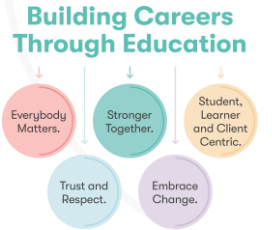
This leads to better targeted development investments, reduced hiring struggles, and a workforce better prepared for future challenges.

Building Careers Through Education



ATLaS Part 1 – Environmental Intelligence.

Understanding tomorrow's skills needs.



Environmental Intelligence

Megatrends: What is happening at a global level?

Challenges and Opportunities

Industrial Analysis

What economic and workforce trends are shaping industry demands and policies?



Sector Analysis

What regulatory and labour changes are impacting different sectors?



Employer Analysis

What organisational shifts are affecting workplace needs and practices?

Talent and Skills

Talent Pipeline Analysis

Where is new talent coming from and what skills shortages exist?



Current Skills Assessment

What skills exist and where are the skills mismatches?



Future Skills Forecasting

What future skills are needed and where are the gaps?

Understanding the complete picture of skills needs, challenges and opportunities across all levels

Insights

Current understanding derived from existing data and immediate observations.

Trends

Patterns and movements that are currently observable but indicate future direction.

Foresight

Strategic future-focused analysis that explores probable and preferable future states.

Comprehensive scanning and analysis of workforce trends and needs at global, industry, sectoral and organisational levels:

- ✓ Analyse megatrends and their workforce implications
- ✓ Conduct analysis of economic and workforce shifts shaping future demands
- ✓ Develop future state scenarios and capability forecasts



Skills challenges.

Questions to explore.

Building Careers
Through Education

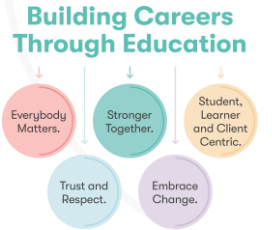


Skills Shortages	Skills Mismatches	Skills Gaps
<i>Not enough people with the right skills available</i>	<i>Available skills don't align with required skills</i>	<i>Current workforce lacks needed skills</i>
Which critical roles take the longest to fill?	Where do employee skills exceed job requirements?	What skills do your current staff lack?
How do shortages affect your growth plans?	Where do job requirements exceed employee skills?	How do you identify emerging gaps?
How effective are your "grow your own" programs?	How do you match people to roles?	What is the cost of your skills gaps?
What is your contingency plan for critical shortages?	What is your skills utilisation rate?	How do gaps affect team performance?



Talent and skills needs.

Questions to explore.

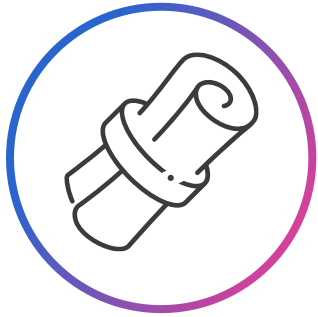


Available Talent Pool	Current Workforce	Future Requirements	Integration and Strategy
Do you know what talent is available in your local market?	Can you identify your current skills gaps?	Have you identified which roles will be most impacted by change?	Does your training strategy bridge current gaps while building future capability?
Do you understand the competition for available talent in your sector?	Do you know which skills are critical to your current business performance?	Do you know what skills your business will need in 2-5 years?	Are your development programs preparing people for future roles?
Have you mapped alternative talent pools for hard-to-fill roles?	Are you fully utilising the skills within your existing workforce?	Are you tracking emerging skills in your industry?	Have you budgeted for both immediate and future skills needs?
Do you need to invest in training due to talent scarcity?	Have you mapped your current internal talent pipeline?	Do you know your future leadership requirements?	Can you flex your workforce model to meet changing demands?

Megatrends.

Transformative, global shifts that have an impact on the skills needs of all sectors and roles.

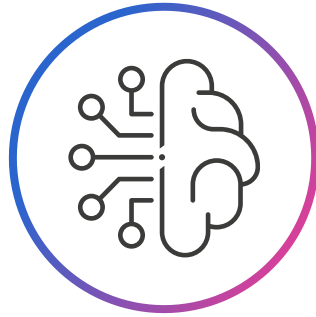
Building Careers
Through Education



**Changing Nature
of Employment
and Skills**



**Technological
Advancement
and Data
Literacy**



**Workforce
Automation and
the Future of
Work**



**Sustainability
and Climate
Change**



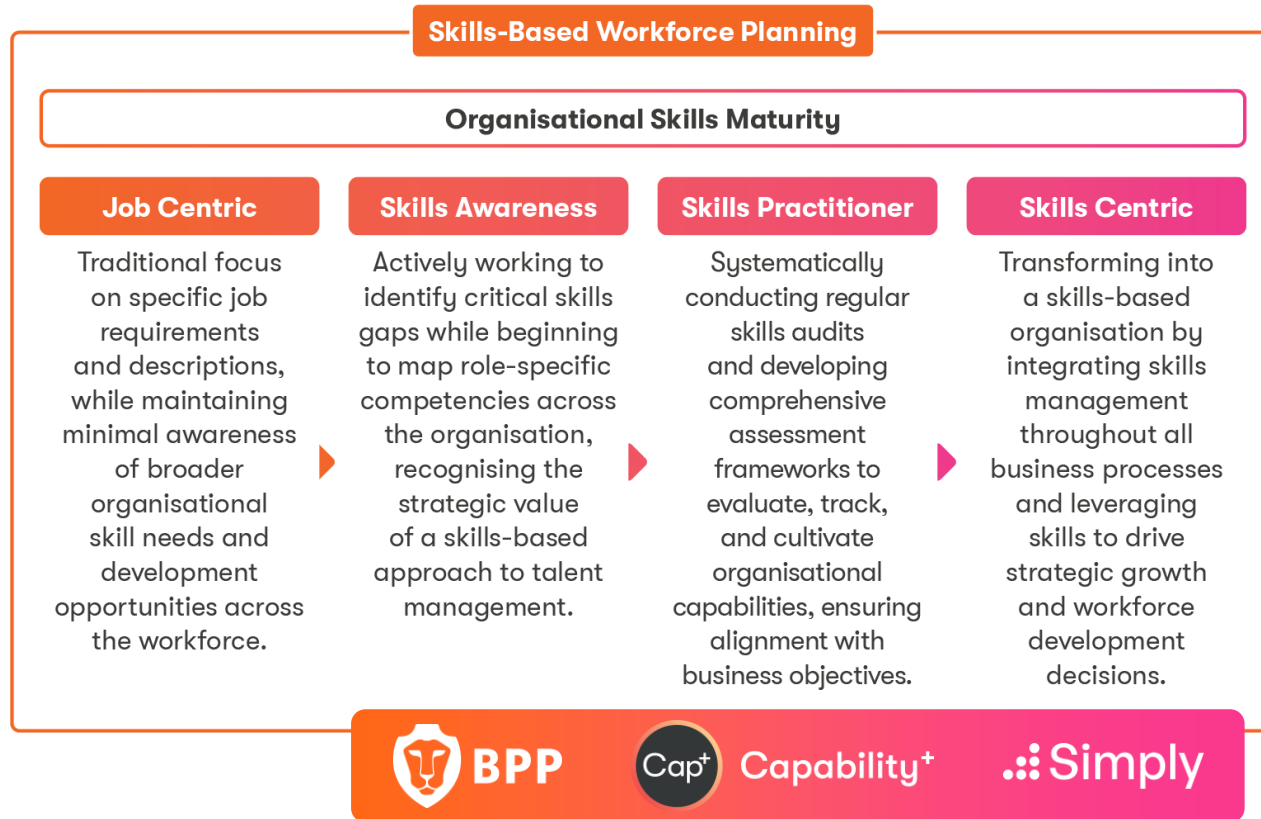
**Globalisation
and International
Collaboration**



**Social and
Cultural
Shifts**

ATLaS Part 2 – Skills-Based Workforce Planning.

Evolving beyond jobs.



Progressive development of organisational skills management capability and skills maturity:

- ✓ Develop capability frameworks that connect jobs to underlying skills
- ✓ Deploy metrics for measuring organisational skills maturity
- ✓ Support the progression from job-centric to skills-centric operations



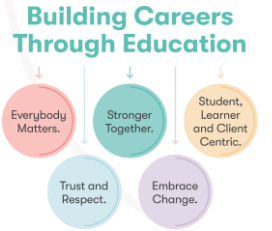
ATLaS Part 3 – Optimised Skills Solutions.

Targeted capability development.



Solution design to inform targeted people development interventions:

- ✓ Translate environmental intelligence into clear capability development requirements
- ✓ Create specifications for learning solution design based on intelligence gathered
- ✓ Provide evidence-based recommendations for development pathways



So, when thinking about skills...

- How much does your organisation understand the external skills landscape and how it affects your business?
- How much does your organisation understand your own internal skills landscape and the skills gaps, mismatches and shortages that you have?
- How far along the **skills-based organisation** journey is your business now and what is your future level of maturity?
- Does your business have a common skills language in which to align skills-based initiatives?
- And are you deploying the right training, retraining, upskilling or progression development programmes and pathways to support your overall skills needs?
- Creating a skills strategy is a cross-company challenge – have you engaged the right stakeholders and asked the right questions?





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