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Skills Training in the UK: Comparative Recommendations

Research Report

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Contents

	Executive Summary	pg.2
1.0	Introduction	pg.3
2.0	Background	pg.4
2.1	Timeline of Evolution of Skill Training Programmes in the UK	pg.5
2.2	Overview in the Decline in Investment in Training	pg.6
3.0	Gains and Losses: Lessons Learned from Skills Training Initiatives: United Kingdom	pg.8
3.1	Train to Gain	pg.8
3.2	Skills Bootcamp	pg.9
3.3	The National Skills Fund	pg.9
4.0	International Case Studies	pg.10
4.1	Case Study: Ireland	pg.10
4.1.1	Technology ICT Skillnet Ireland	pg.12
4.2	Case Study: Wales	pg.14
4.2.1	Flexible Skills Programme Wales	pg.15
5.0	Summary	pg.17
6.0	Policy Recommendations	pg.18
7.0	References	pg.21

Executive Summary

Key Findings

- UK skills training programmes should focus on improving **5 key areas** to achieve a more comprehensive approach to skills training investment: **long-term programme sustainability, addressing sector-specific needs, cross-sector collaboration, simplify complex onboarding processes for employers, and alternative mechanisms apart from monetary incentives are sufficient in encouraging skills training investment.**
- The primary **causes of the decline in skills training investment by employers are: economic pressures, policy changes, and shifts in business priorities.** Notably, it has been identified that employers lack the knowledge of what skills training programmes are available due to the high complexity of the UK skills system. Amongst employers, those belonging to SMEs are often likely to be less knowledgeable with **22% of SME companies uncertain or completely unaware of where to seek further information.**
- There is **limited flexibility in training funding mechanisms.** Current funding models, such as the previous Apprenticeship Levy, are often viewed as restrictive, particularly by employers looking for flexible options that fit diverse training needs. Alternative funding structures could encourage more aligned training investments and enhance program accessibility.
- Analysed international case studies initiatives of **Ireland's Skillnet and Wales' Flexible Skills Program.** These skills training systems and its initiatives **offer insights on creating a more inclusive and responsive system** that addresses both employer engagement and their skills needs.

Main Policy Recommendations

- To encourage employer investment in and engagement with the UK's skills system, **(1) the UK's National Careers Service platform should shift towards a more holistic, one-stop-shop approach, (2) introducing New Skills Investment Bonds (N-SIBs) to encourage business investment in skills training, (3) allocating a specific skills training manager across the UK that focuses on increasing employer engagement with the skills system.**

1. Introduction

Presently, the UK is facing a continued decline in skills training investment by employers with a 27% decrease on training expenditure per trainee by employers between 2011 and 2023 (Tahir, 2023). The decline in upskilling investment by employers is further exacerbated by increased skills shortages in the labour market with the skills shortages doubling from 2017 to 2022 (HM Government, 2024). A major challenge in the UK's skills gap is that small to medium enterprises (SMEs) in particular, are more hesitant to invest and 'face greater barriers' (Tahir, 2023, p.27) compared to other types of enterprises despite increasing openness to do so (Department for Education, 2024), and yet they are less empowered within the skills training system (Papworth, 2023).

It is important to address the skills gap in the labour market because it has been established that there is a link to economic growth, especially with the case of the UK. Not only is upskilling seen to increase productivity, it also increases wages in the UK (Conlon et al, 2023). Additionally, upskilling of the workforce contributed to a third of 'productivity growth between 2001 and 2019' (Skills England, 2024, p.13).

This rationale also aligns with the new Labour government's five missions namely to kickstart economic growth and break down barriers to opportunity (Labour Party, 2024). It is encouraging that the new government's quango, Skills England, recognises the need to fill the skills gap to reach economic growth (Skills England, 2024) and that the current skills training system is not effectively 'encouraging employers to invest in skills' (Skills England, 2024, p.8). The new government's focus on skills training is also demonstrated through their replacement of the Apprenticeship Levy with the Growth and Skills Levy which will allow employers to use the levy fund for other alternative skills training approaches aside from apprenticeships as defined by the previous levy (Department for Education, 2024).

The United Nations Sustainable Development Goal (SDG) 4, which aims to promote quality education and lifelong learning, underscores the importance of skill development to improve employment and entrepreneurship prospects globally (United Nations, 2015). Within this framework, Target 4.4 is especially relevant,

emphasising the enhancement of skills among youth and adults to meet the demands of a dynamic global economy. For the UK, skill training aligns with these objectives and is bolstered by European strategies, such as the European Skills Agenda, which stresses public-private partnerships to address evolving labour market needs (European Commission, 2020). The UK has developed initiatives like the National Skills Fund to encourage upskilling in critical sectors, aiming to bridge skills gaps and increase workforce productivity (Department for Education, 2020).

The scope of this report will examine England's labour market conditions with a particular focus on SMEs and the skills training policy landscape. This report also conducts a case study analysis of three UK skills training initiatives (Train to Gain, Skills Bootcamp, National Skills Fund), which includes both past and ongoing programmes, and a case study evaluation of two countries (Republic of Ireland, Wales).

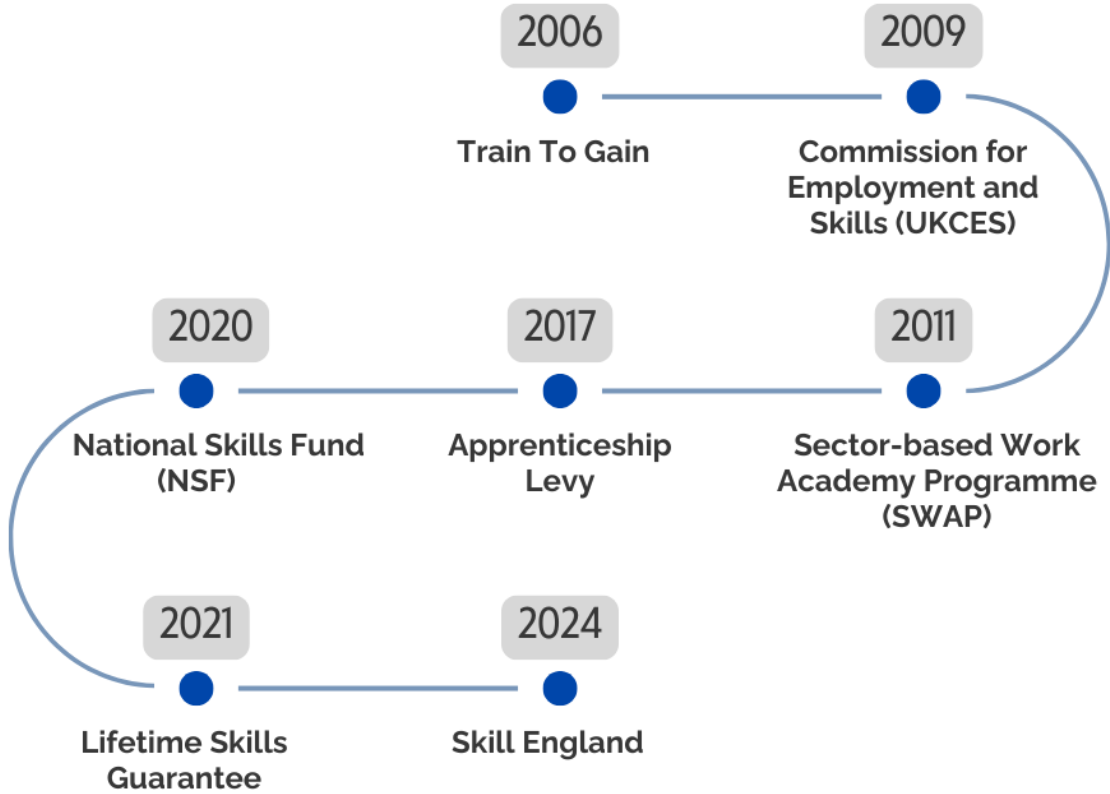
This report aims to produce targeted policy recommendations to help encourage investment into skills training by UK employers by assessing the UK skills training landscape in tandem with international case study research. The report will begin by providing background context, through a timeline overview of skills training programmes and policies by the UK government along with an overview of the main causes of the decline in skills training investment by employers. Section 3 will examine the domestic (UK) approaches to skills training and the following, Section 4, analyses the international approaches to skills training through case study explorations to identify areas of improvement for the domestic policy landscape and programme features of the international cases that can be applied to the UK. Next, the report concludes with ending remarks with a recap on the key findings in Section 5. Section 6 details the policy recommendations, informed by segment 4, on how the UK government can address the existing deficit in training.

2. Background

The UK has a history of adapting skill training to meet shifting economic needs, reflected in various programs introduced over the years. Initiatives such as "Train to Gain" in 2006 and the creation of the UK Commission for Employment and Skills in 2009 sought to improve workforce capabilities through employer-led training and

targeted upskilling efforts (GOV.UK, 2006; UKCES, 2009). In recent years, initiatives like the Apprenticeship Levy (2017) and the Lifetime Skills Guarantee (2021) have further emphasised the need for continuous skill development, especially in response to post-pandemic challenges and digital transformation demands (HM Government, 2021). The latest effort, "Skills England," launched in 2024, aims to unify the fragmented skills sector, promoting collaboration among local governments, businesses, and educational institutions to address skills shortages in sectors such as healthcare and construction (Department for Education, 2024).

2.1 Timeline of Evolution of Skill Training Programmes in the UK



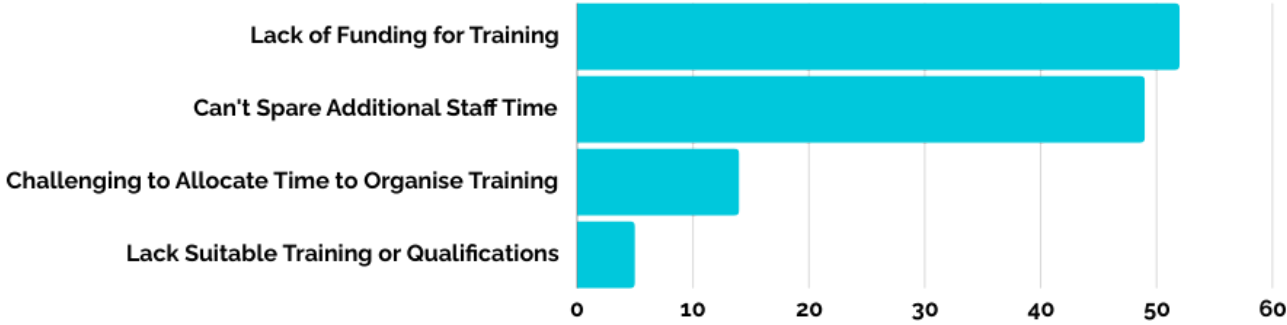
Timeline - Evolution of Skill Training Programmes in the UK

Despite these advancements, skill development in the UK faces ongoing challenges, including the need for more flexible funding models and increased

employer investment. The 2024 Budget's approach, which introduced localised funding through devolution deals, has been met with both support and criticism; many argue that broader reforms are needed to allow flexibility in funding and enhance the effectiveness of the Apprenticeship Levy (HM Treasury, 2024; Association of Employment and Learning Providers, 2024). These reforms could enable better alignment of skill training programs with industry needs, fostering economic resilience and helping the UK workforce adapt to an increasingly competitive global market (Make UK, 2024).

2.2 Overview in the Decline in Investment in Training

In recent years, employer investment in training within the UK has notably declined due to a mix of economic pressures, policy changes, and shifts in business priorities. Small and medium-sized enterprises (SMEs) are often the main group reluctant to invest in skills training. In a 2015 government survey "Reasons SMEs Avoid Providing Skills Training," reported that among the 33,000 employers who claimed they were willing to offer more training, the top four most frequently cited barriers were: 52% lacked funding for training, 49% couldn't spare additional staff time, 14% found it challenging to allocate time to organise training, and 5% lacked suitable training or qualifications (Vivan, 2016).



REASONS FOR DECLINING TRAINING INVESTMENT IN THE UK (PERCENTAGE BREAKDOWN) (VIVAN, 2016)

Here's an overview of the primary reasons:

1. Economic Pressures and Cost-Cutting

Economic challenges, particularly during recessions and periods of slow growth, have led companies to prioritise cost-cutting measures. Training budgets are often seen as expendable in favour of more immediate cost-saving strategies.

Uncertainty from events like Brexit and the COVID-19 pandemic intensified these pressures, with many companies deferring training expenses to manage liquidity concerns.

2. Short-Term Business Priorities Over Long-Term Development

Companies increasingly focus on short-term goals, such as meeting quarterly earnings and cutting immediate costs, often sidelining the long-term benefits of employee development.

High employee turnover in certain sectors has discouraged long-term investments in training, as employers are less willing to invest in skills for workers who may not stay.

3. Availability of a Mobile and Skilled Workforce

With greater international mobility and the ability to recruit skilled workers globally, some employers rely on hiring talent rather than training existing staff. This “buy not build” approach reduces the need for internal training investments.

The gig economy and flexible work arrangements have led some employers to use temporary or freelance talent for skill-specific roles, lowering the need to invest in permanent staff training.

4. Apprenticeship Levy Challenges and Perceived Inefficiency

The 2017 Apprenticeship Levy aimed to increase apprenticeship opportunities, yet some employers find the levy restrictive. They may perceive the levy as a tax, rather than a flexible investment in skills, and struggle to utilise the funds effectively.

Many companies report difficulty in aligning apprenticeship programs with their specific needs, leading to underutilisation of levy funds.

5. Increased Use of Technology and Automation

Automation and digital tools have reduced the need for certain manual and repetitive skills, decreasing the need for traditional training in specific areas.

In sectors where automation is prominent, employers often prioritise training for tech-specific roles, leaving other training areas underfunded.

6. Public Funding for Training Programs

With the government's increased funding for certain skill development programs, such as T-Levels, Digital Skills Bootcamps, and the Lifetime Skills Guarantee, employers rely more on these publicly funded programs instead of investing directly in training.

7. Complex and Rapidly Evolving Skills Landscape

As technology and industries evolve, the skills required for many roles are changing rapidly. Employers are sometimes hesitant to invest in training programs that may become obsolete quickly, particularly in fields with high innovation turnover like IT and engineering.

8. Poor understanding of available skills provision

Some employers have a lack of knowledge of available training opportunities. The UK's skills system is highly complex with numerous training providers, a variety of training types, and a large number of potential qualifications. 22% of companies with fewer than 250 employees are uncertain or completely unaware of where to seek further information. This figure rises to 31% in micro-companies (with 2-4 employees). In response to this issue, UK government's recent proposal (such as simplifying certain professional and technical education options for those aged 16 and over; forthcoming "Skill England" initiative) aimed to consolidate the skills training sector, reduce the number of qualifications available and to create more general pathways for key industries (Skills UK, n.d.).

3. Gains and Losses: Lessons Learned from Skills Training Initiatives: United Kingdom

It is essential to apply the lessons learned from previously developed initiatives that focused on skill training investment. While these initiatives address fundamental aspects of specific issues, they have generally operated independently since their implementation, without fully embracing a holistic approach from the perspective of the involved stakeholders. Thus, three initiatives have been selected as a foundation, which will be instrumental for developing the policy recommendations.

3.1 Train to Gain

Train to Gain, launched in 2006, aimed to elevate the skill levels of the adult population (Salam, 2021). Managed by the Learning and Skills Council (LSC), it provided businesses with impartial, independent training advice through a network of training agents across England (Institute for Employment Studies, 2008).

After four years of implementation, approximately 75% of employers observed improvements in their employees' job skills, with many attributing increased competitiveness and productivity to the program (National Audit Office, 2009),

highlighting the importance of investing in skill development. However, the program demonstrated that training providers encountered confusion due to varying regional approaches and frequent policy changes, leading to stakeholder inconsistencies and distrust (Institute for Employment Studies, 2008). Additionally, half of the employers reported that they would have arranged similar training without public subsidy, indicating that the program partially subsidised training that may have been conducted independently. Finally, a key insight across initiatives nationwide is that employers are unlikely to engage in programs that are overly complex and time-intensive (Salam, 2021).

3.2 Skills Bootcamp

An initiative that remains active yet lacks visibility is the Skills Bootcamp. These boot camps were introduced in the country in 2020 as a way to support the government's goal of expanding sector-specific training. The program targets both unemployed individuals and those seeking to enhance their skills. It enables the identification of industry needs, as courses are co-designed with employers, particularly in sectors such as digital, construction, engineering, and green skills (Garner et al., 2024).

The initiative has been effective in supporting employability, facilitating rapid adaptation to market changes, and fostering technical skills development. However, the lack of formal alignment with occupational standards may limit the validity of the credentials obtained, affecting the recognition of the skills acquired. Additionally, while the program is available through the National Careers Service website, it is challenging to navigate and understand.

3.3 The National Skills Fund

Finally, among the most recent initiatives is the National Skills Fund (NSF). This program was launched in April of 2021 with the aim of enabling adults in England without an A-level qualification or equivalent to obtain a Level 3 qualification free of charge, thereby enhancing educational accessibility for disadvantaged populations. In particular, the NSF funds programs like Free Courses for Jobs, offering fully funded qualifications to help adults gain in-demand skills across various sectors. Additionally, the Lifetime Skills Guarantee, as set out in the Skills Act 2021, supports lifelong learning, allowing adults to upskill throughout their careers. Since its

implementation in 2020, the NSF has raised questions about sustainability. Due to complex interactions with other training programs, such as the Adult Education Budget, suggest that the NSF may face challenges regarding coherence and unified administration. Without a clear and coordinated structure, the NSF risks duplicating existing efforts and funding streams, leading to inefficiency, particularly if it overlaps with the National Retraining Scheme (Jones et al., 2022).

In conclusion, five key points can be highlighted in the development of these initiatives. (1) First, although they address skills training concerns, there is no long-term sustainability. (2) Second, these initiatives were not identified as being focused on the local or sector-specific needs of the industry, a critical factor for the inclusion of SMEs in such programs. (3) Despite being government-led, there is no comprehensive vision that values productive linkages or cross-sector collaboration to reduce complexity barriers. This leads us to the next point: (4) the complex onboarding processes required from companies act as a major disincentive. (5) Lastly, there is no need to introduce monetary incentives (subsidies) for companies if a mechanism can be implemented to promote investment in skill training.

4. International Case Studies

4.1 Case Study: Ireland

Ireland has had a deliberate shift towards skills development and the government has developed a range of skills initiatives that are aimed at boosting its economy and ensuring a better skilled and more efficient workforce. The government has done this through collaborations with various industries and sectors and educational institutions. These programmes are focused on upskilling, reskilling and lifelong learning. Ireland's efforts towards skills development also supports the importation of skills into the Irish economy through permits and visas for expatriates and those considered integral for the programs available. Below is an evaluation of Ireland's efforts towards skills development.

Critical Skills work employment visa

The Employment Permit Act 2006, as amended, provides nine categories of employment permits, one of which is the Critical Skills Employment permit. It aims to pull highly skilled and competent individuals to take up residency in Ireland. The

skills occupation list has different professions where experience or skills are scarce. This list is effected December 2023 and includes occupations such as ICT professionals, engineers, technologists and digital experts.

Ireland's National Skills Strategy 2025

The national skills strategy is designed to use education and training to equip companies and actively involve employers, especially small and medium-sized enterprises (SMEs) in a system that fills the necessary skill gaps and provides lifelong learning. The education and training providers place a greater emphasis on providing skills development opportunities that are tailored to fit the needs of the beneficiaries, society and the labour market. There will be constant re-evaluation and enhancement of these training programs. The National Skills Strategy creates a suitable environment for an increase in the supply of skills to the labour market and the enhancement of the existing skilled labour.

Ireland has a sophisticated skills policy structure drawing from the framework of the National Skills Strategy which mainly includes the National Skills Council and a network of nine Regional Skills Fora (RSF). These were founded in 2016. The nine RSFs work uniquely to provide the regional needs of employers by bringing the employers and the education and training system together in order to address the emerging skills needs in their various regions. This innovative approach places opportunities for skills development within accessible reach for the individuals. These Fora also serve as information and data hubs that keep the national level informed so as to ensure the success of this policy.

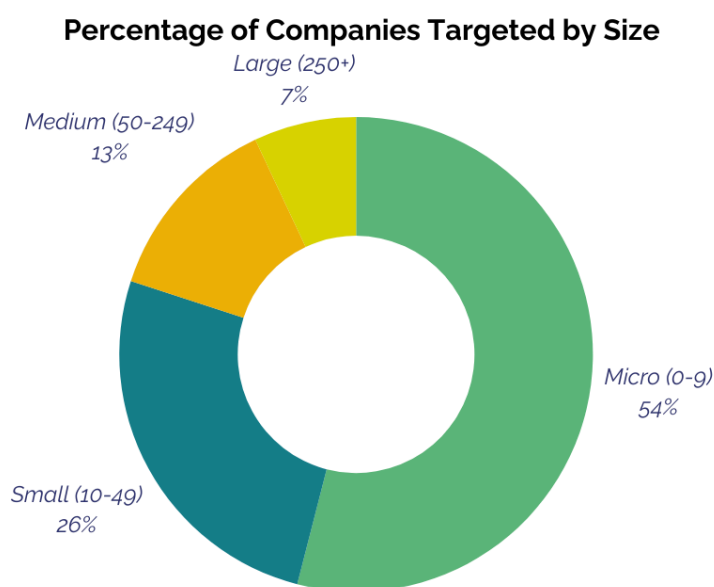
The core objectives of the Regional Skills Fora are:

- A single contact point in each region that aids employers in connecting with the range of services accessible to them in the education and training sector.
- Collate more detailed and robust information and data on the labour market and employer needs which help in policy formation and re-evaluation.
- Better collaboration and use of resources across the education and training system
- An opportunity for employers to become more involved in enhancing employment roles and opportunities for career progression in their industries.

4.1.1 Technology ICT Skillnet Ireland

The ICT Skillnet Ireland was founded in 1999 and is state-funded by the National Training Fund through the Department of Further and Higher Education, Research, Innovation and Science. This is a business support agency of the government

specialised and dedicated to workforce development. It aids businesses in Ireland to address their skills needs by supporting and making enterprise training and workforce learning possible. The ICT Skillnet targets small and medium-sized enterprises, SMEs, job seekers, and employees aiming at an up-skill or re-skill through capacity-building initiatives and resources.



Source: Skillsnet Ireland (2023) Annual Report 2023.

Objectives

- Groups of companies in the same sector/region/industry known as Nationwide Learning Networks manage and coordinate the training and support SMEs in identifying their skills needs.
- Skillnet finances the Learning Networks to subsidise the training of companies.
- Future in Tech and the Digital Skills Accelerator are successful skills training programmes launched by Skillnet.
- Skillnet operates a joint-enterprise system where funding is a combination of government and enterprises and this reduces costs for businesses.
- It also encourages a more cohesive networking within enterprises which gives room for flexibility.
- Helps employers and employees to be prepared for the future of work, especially with work design and people development.

Successes:

- Since its establishment, over 30 accredited courses on various topics in technology have been launched.
- Skillnet Ireland presently supports over 22,500 businesses nationwide while providing valuable learning opportunities to over 86,500 trainees.
- This programme launched the first master's level intensive programme in Artificial Intelligence for employees and companies.
- Skillnet has utilised its expanding networks by including distance and blended learning opportunities and industry-led programmes.
- Its success can also be accredited to the continuous engagement of stakeholders and a strong commitment to funding.
- The high employment progression rates into skilled work show that the Skillnet qualification courses are recognised by employers.
- Over the last 20 years, more than 5000 companies have taken part and benefitted in the workshops and training by Skillnet Ireland.
- Over 12000 professionals have been trained in digital skills.

2023 Performance Output

(Skillnet Ireland,2023) (CEDEFOP,2023)

- Provided upskilling programmes for 26,626 businesses.
- Upskilled 97,776 workers and delivered 748,434 training days (exceeding targets)
- Record growth in industry co-financing with companies contributing €31.4 million for Skillnet Ireland programmes, a €4.9 million increase from the previous year.
- Total Investment of €83.4 million for workforce development was made in 2023

Supporting Government Policy

(Skillnet Ireland, 2023)

- Skillnet delivered on the mandates assigned to it by the government namely; National Digital Strategy, the National Artificial Intelligence Strategy, the Climate Action Plan, Housing for All and Ireland for Finance to name a few.
- The Digital Skills Programme benefitted 14,021 workers in 2023
- 4,672 businesses and 7,287 workers benefited from the programmes addressing climate change in order to take steps towards a greener future.
- It has also supported government policy by accelerating competitiveness through partnerships.

4.2 Case Study: Wales

(Bell, Bristow, Martin, 2017)

Wales has a strong commitment to vocational qualifications with the proportion of establishments providing training towards a National Vocational Qualification being the highest among all the UK nations. Wales has a Post-19 education and training program focused on work-based learning providers and higher education institutions over a 10-year horizon. The key aim of the statement is to support Wales to evolve into a highly skilled nation and to create the conditions that allow businesses in Wales to grow and flourish.

Four priority areas for the Welsh government:

- Skills for jobs and growth
- Skills that respond to local needs
- Skills that employers value
- Skills for employment

Higher Education Funding and Student Finance Arrangements in Wales have a focus on the developments in e-learning and use of ICT in delivering distance learning represented, for example, by Massive Online Open Courses (MOOCs).

Welsh-medium Education Strategy²⁰, launched in April 2010, sets out how the government intends to strengthen Welsh-medium provision and highlights the importance of effective progression pathways for learners into Welsh-medium higher education and training.

In August 2011, the Labour Market Intelligence (LMI) Project was established to encourage greater use of skills intelligence to shape decisions on the supply of provision.

Initial and Continuing Vocational Education and Training qualifications (IVETs and CVETs) to be used flexibly to respond to local skills requirements.

The following programme has recorded success:

4.2.1 Flexible Skills Programme Wales

(Welsh Government,2024)

The Flexible Skills Programme (FSP) was established in 2016 as an intervention tasked to support businesses in Wales through upskilling of their workforce. This programme benefits employers by aiding them in developing more technical and transferable skills. This is in line with the plan of the Welsh government of raising skills sets in the Welsh labour market. With economic benefits as its main focus, the FSP also focuses on community benefits by collaborating with the education and skills development networks.

The FSP programme is doing well today because it is a better and an upgraded version of past programs and it does this well by targeting strategic employer-led projects capable of harnessing the highest economic benefits for Wales. This programme is mainly targeted at data Anchor Companies, Regionally Important Companies (RICs), major Foreign Direct Investment (FDI) projects, Indigenous growth businesses and clusters of employers affected by major growth or market failure.

The Flexible Skills Programmes consists of two branches:

- a) FSP Business Development – centres on support for considerable business development projects that are employer-led and projected to result in expansions and investments that can translate to high quality job creation.
- b) FSP Partnership Project- focuses on priority skills and skills deficits shown by employers and industry representatives such as Advanced Digital, Advanced Engineering and Manufacturing, Creative, Export, Tourism and Hospitality, and Net Zero.

Application and Review Procedures:

Business Development Stream (Bebe, Bryer, and Grover, 2024)

- Employers send in a skills development plan and a project based application form.
- Each applicant must acquire an endorsement from their Welsh Government Senior Relationship Manager or Head of Branch
- Each applicant is also required to submit a MERIT self-assessment.
- The maximum funding for this stream is £500,000 per annum per company.

Partnership Project Stream (Bebe, Bryer, and Grover, 2024)

- Companies interested in this stream must submit a project-based application from Skills Development Plan and also a MERIT plan.
- Each company must provide a list of training areas that are tailored towards skills challenges and gaps in their sector or locality.
- The Employer Engagement Team will inspect applications.
- The maximum funding for this stream is £25000 for each employer in one financial year.
- An FSP investment panel holds meetings to review applications and make funding recommendations.

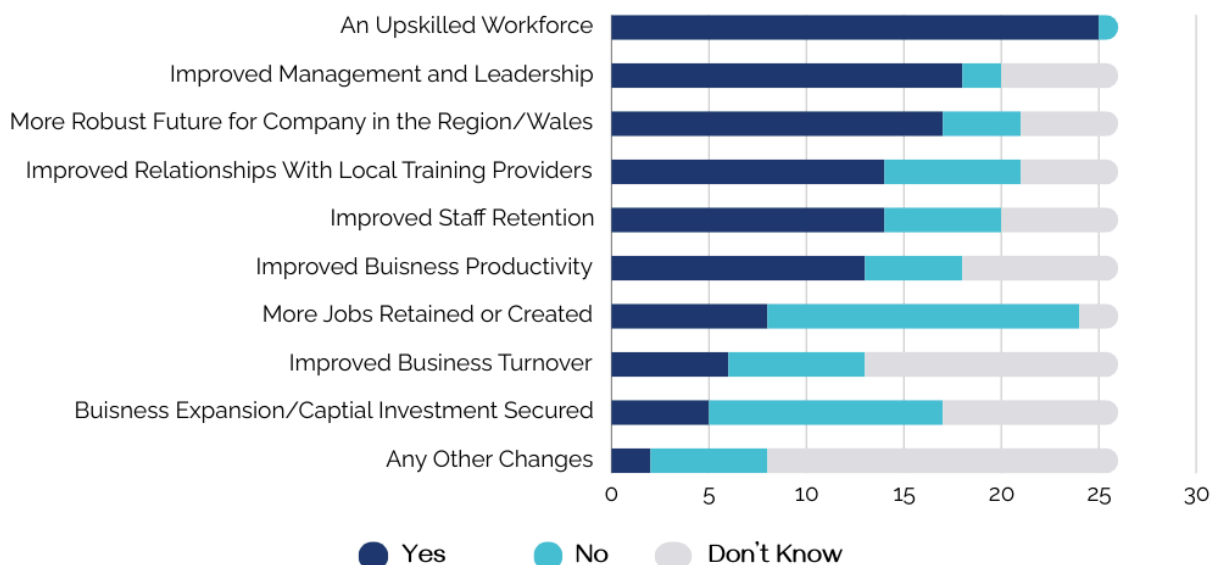
Welsh Government Policy Priorities and FSP

The Welsh Government identified that FSP was well aligned with the government's priorities for skills support. The programme was considered to be effective in delivering against industry-based deliverables and priorities. There are sector experts that are constantly engaged in order to allow the FSP to be responsive to skills gaps across various industries. This program is seen as the only demand-led skills support outlet by the state which gave effective and sufficient support for companies.

Outcomes and Impacts of the FSP

(Bebe, Bryer, and Grover, 2024)

Benefits Observed by Employers Since Undertaking FSP Funded Training



Source: OB3 Employer Online Survey, March 2024

- From the 2022/23 and 2023/24 applications, 144 companies out of 194 were successful. This means that around 50 companies made successful, repeat applications and about three quarters (72%) of all successful applications were SMEs while about 28% were large sized companies.
- The successful applications had businesses spread across the country with the highest numbers from Cardiff, Bridgend, Powys, Flintshire and Carmarthenshire.
- 8,199 different training interventions were funded with the FSP 2022-23 and 2023-24 allocations.
- Overall, employers ascertained that the programme satisfied their needs and some stated it exceeded their needs,
- Case study employers emphasised the key strengths of the program:
 - flexibility, ease of funding process and that the provided financial support allows them to provide better staff development more effectively in their various companies.

5. Summary

This research sought to explore new avenues of policy recommendations that effectively aim to enhance the skill training in employment workspaces. Current

research on skills training in the UK has indicated a decline in employee skill training with many individuals being under qualified in their role or gaps in the workplace due to lack of available skilled staff. The methodology undertook an inquisitive analysis of current UK initiatives and an international perspective of Ireland and Wales. The findings reported that the UK initiatives had a robust model for improving skills training especially for those from disadvantaged experience backgrounds. However, these programs lacked a local or regional approach meaning the implementation was too broad and added to the struggle of programs being applied to certain areas. Moreover, money incentives for the scheme rebounded as they funded programs which would have occurred regardless. Ireland's programmes tackled the issues of a lack of local or regional approaches to implementation with RSF allowing employees to easily access training courses relevant to their area. Wales' strategies for skills training focused on enhancing technology usage and digital capabilities for employees with Massive Online Open Courses (MOOCs) which acknowledges the importance of easy and accessible technology-based training. This report has highlighted that the UK currently faces challenges in providing accessible skills training programmes that cater to local or regional areas, do not depend on monetary incentives, and build employer trust in their long-term effectiveness.

6. Policy Recommendations

Deriving from the analysis conducted, the following policy recommendations are made.

1. UK employers have identified that the current skills training system does not sufficiently address sector specific skill gaps, which the RSF approach detailed in Ireland's National Skills Strategy could help narrow this gap. **Setting up a specific skills training manager in different regions across the UK can help employer engagement with the skills system where their input will help identify the type of skills training needed by the employers** within the area instead of a one size fits all approach. These regional managers could also provide assistance for employers in navigating the skills training system as some UK employers have identified that the complex procedures discourage onboarding thus limiting the reach of government skills training investment mechanisms.

Currently, the UK's skills training system does have regional mechanisms in place, aiming to address regional-specific issues namely the Local Skills Improvement Plans (LSIP) set up by the Department of Education, but it only

covers England. The LSIP was implemented in 2021 and it divides England into 38 areas that covers all nine regions of England. The LSIP's aim is to identify improvement areas in the skills training systems to meet 'local labour market needs' (UK Government, 2024). All 38 LSIP areas have specific skills development plans that are managed by an LSIP-appointed employer representative body (ERB) who collaborate with local stakeholders. Skills England has also identified that they need to collaborate ERBs to help with designing a system that addresses the local skills gap (Department of Education, 2024). To respond to LSIP, the UK government allocates funds to the Local Skills Improvement Fund (LSIF) that are responsible for providing LSIP the finances for their plans. However, it has been identified that there is low employer engagement with ERBs despite there being opportunities for employer input into their area's LSIP (Association of Colleges) which limits how effective the LSIP is in addressing local skills gaps. To improve the bridge between employers and LSIPs, the UK's Department of Education could **consider adopting Ireland's RSF approach which has a dedicated Regional Skills Manager (RSM)** whose responsibility is to be a single contact point between employers and the government's skills training system. This provides assistance for employers to navigate the system and simplifies the layers of engagement processes in place. Additionally, RSMs are able to focus on building stronger partnerships between employers and bringing the system to them instead of employers coming to the system and relying on employers' voluntary efforts. Depending on the LSIP area's level of employer engagement, there would need to be different levels of funding required for the RSM which the LSIPs could identify which would give feedback to the LSIF on how funding needs to be allocated. In cases where employer engagement is extremely low and more needs to be done to drive up employer participation, the singular RSM role could be expanded into a team role to make tasks more manageable.

2. **Improve current skills training platform (National Careers Service) with a holistic vision that allows companies to access available service offerings tailored to their needs.** To integrate all available initiatives in the country, it is recommended to improve the National Careers Service platform which guides employers through the skill training services (from already existing initiatives) in a simple and quick manner. The platform should have training pathways that companies tailor to specific roles or skill sets, as a strategic tool rather than a directory of resources. Also, should include a feature where employers can compare their training investment with industry averages or benchmarks.

As a first step, the platform should include a needs identification stage to guide employers towards their goals and enable them to invest in their employees. To encourage skill investment through non-monetary mechanisms, it is proposed to create a “points” system where each time an employer invests in skill training, they earn points. After reaching a certain threshold, the platform could recognise their efforts, granting a certification to the company (which would be renewed annually). Higher level of points could grant companies access to exclusive government resources or participation in training-focused events, promoting their inscription. Each level can signify a stronger commitment to skills development, attracting companies interested in public recognition.

Also, it is recommended to partner with Companies House to automatically introduce newly registered businesses to the platform, through an onboarding email or even a welcome toolkit with a step-by-step guide to using the platform. Its primary owner should be the Department for Education (DfE) given its mandate on education and training. The DfE would oversee the platform's alignment with national skills priorities and manage resources to ensure quality and accessibility.

3. The **UK government may consider introducing New Skills Investment Bonds (N-SIBs) to encourage business investment in skills training through flexible fiscal measures**. Modelled on Social Investment Bonds (SIBs), N-SIBs would link returns to measurable improvements in workforce skills and employment, incentivizing companies to invest in skill development. This initiative aims to address skills shortages and support economic growth. N-SIBs would operate within a public-private framework, with government matching employer contributions to increase the impact of training investments. This approach would also foster collaboration between businesses and educational institutions, creating training programs that address regional skill needs. The House of Lords Industry and Regulators Committee has identified this as a priority, emphasising the need for greater government direction to reduce fragmentation within the skills system (House of Lords Industry and Regulators Committee, 2023). Adopting this model could strengthen corporate investment and help build a resilient, demand-driven skills system essential for long-term economic growth.

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