



Report on Resilience First Webinar

21 October 2020

‘Skills Resilience in a Changing World’

in partnership with The Foundation for Science and Technology

Speakers:

Ben Fletcher, Executive Director of Policy & Engagement, Make UK

***Austen Okonweze, Deputy Director, Engagement & Planning, Industrial Strategy,
Department of Business, Energy & Industrial Strategy***

Lizzie Crowley, Skills Advisor, Chartered Institute of Personnel & Development

Chair:

The Rt Hon the Lord Willetts FRS, Chair, The Foundation for Science and Technology

Key Messages

- The Chair noted that there were three areas that needed exploration. The first was the extent to which the Covid-19 virus was driving structural change in the economy. Some trends are already visible but others are hard to predict, hence the need for resilient skills. Which led to the second issue – what were the resilient skills needed? Literacy and numeracy were as core as ever, and digital skills are increasingly important, but what else? The third area was the policy implications flowing from this. The Prime Minister has recently announced action of skills including the Lifetime Skills Guarantee. What levers can government pull to deliver resilient skills?
- For UK manufacturing, the UK is in the global top 10 for manufacturing (though public perception is that it is much lower than this). Manufacturing represents 12% of UK economy but around 50% of exports, and the UK is one of the world’s best countries in using just-in-time logistics. However, skills development has not kept up with this renaissance, and manufacturers still have skills as their number one issue (above both Covid and Brexit).
- There is a real challenge around apprenticeships, which should be a key part of the long-term solution. There has been an increased interest in apprenticeships over the last few

months, driven in part by the manufacturing sector's visible contribution to dealing with the coronavirus pandemic. But because of the pandemic, firms do not have the money to take them on. In Make UK's own apprenticeship scheme, numbers have fallen from 350 to below 100 due to financial difficulties of firms.

- A myriad of things is needed to tackle the problem. The government should make reforms to the apprentice levy to allow greater flexibility in the way business can use the funds. Covid-19 could be a real driver to increase digital skills, but where people already have technical skills in other areas and want to upskill, they may not qualify for the support recently announced by the government if, for example, they already have A-Levels or equivalent. Again, more flexibility is crucial.
- There has sadly been an increase in redundancies in manufacturing, particular amongst older workers highly trained in skills that are becoming less relevant to firms. As manufacturing is a larger part of the economy in UK regions where the government is aiming to 'level up', a regional approach to support may be needed. It is also essential to take into account the differing costs of apprenticeships which are more expensive in engineering and manufacturing.
- A 20% of the rise in productivity over the previous 15 years is attributable to improvements in the quality of the workforce. The Covid-19 pandemic has had a major impact on the economy and labour market, with rising unemployment, and some sectors particularly badly hit. Some of these sectors may not recover to their pre-crisis baselines, so the post-Covid economy will not look the same. The young, lower paid and women are more likely to be seriously affected by these changes.
- Beyond Covid, other global trends are transforming the world of work. One is automation and technological change, which does not necessarily lead to a reduction in employment, but it does mean a change in the tasks people perform. Second is the transition to net zero, with new jobs created in new sectors such as electric vehicles. Thirdly, the digital transformation of business, already underway, is being accelerated by the Covid crisis. And finally, an ageing population is contributing to more people seeking retraining in later life to change careers. In the UK, EU exit is a further factor which will have an influence.
- Data show that skills shortages are costing UK organisations more than £4bn per year, and a lack of access to skills is reported by UK firms as the number one threat to the competitiveness of the labour market. STEM skills are in demand, with nine in 10 STEM businesses finding it difficult to get the skills they need. Digital skills are now a core skill and the demand for these skills will continue to rise, with what were previously seen as advanced skills now being seen as basic skills.
- This implies that everyone needs the opportunities to learn new skills. Around 80%-90% of the 2030 workforce are already in the labour market. Therefore, there needs to be a focus on lifelong learning, retraining and upskilling, enabling people to be adaptable to changes and take advantage of new opportunities. This needs to be a collaborative effort between government, employers and individuals.
- While the world of work in 2030 would look very different to today, it was very difficult to predict what the jobs of the future would look like. Instead, we need to focus on the core skills that would be needed. The majority of these were 'human skills', and the 2018

Future of Jobs Survey from the World Economic Forum identified a group of these, including analytical thinking, creativity, active learning, problem-solving, leadership, reasoning and emotional intelligence. As the average lifetime of a technical skill was around 18 months, even those companies that rely on deep technical skills will need a workforce able to adapt and learn.

- Despite the importance of these skills, it has been true for many years that both existing and new employees are struggling to demonstrate and develop them. This is true amongst all levels and age groups within organisations. 'Human skills' make up seven out of the top 10 skill gaps reported. This is not a new problem. Identified by the CBI in 1989, the UK has failed to make much headway in addressing the problem.
- These skills need to be embedded across the education system, with opportunities to build these skills throughout the curriculum, and to be able to engage with employers whilst still in education. Providing these opportunities during Covid is a challenge but some good examples exist for remote and virtual internships. However, employers also need to allow their employees to develop these skills throughout their career. These skills can be learned, and coaching and mentoring can be effective. Better job design can also allow staff to use and develop such skills, with support from their managers.

A copy of the full video recording can be found [here](#).

Speakers' Biographies

Lord Willetts

The Rt Hon Lord Willetts FRS served as the Member of Parliament for Havant (1992-2015), as Minister for Universities and Science (2010-2014) and previously worked at HM Treasury and the No 10 Policy Unit. He is currently Chair of the Foundation for Science and Technology, and also President of the Advisory Council and Intergenerational Centre at the Resolution Foundation.

He is a visiting Professor at King's College London, a Board member of UK Research and Innovation (UKRI), a Board member of Surrey Satellites and of the Biotech Growth Trust. He is the Chair of the Sanger Institute. He is an Honorary Fellow of Nuffield College, an Honorary Fellow of the Royal Society and the Chancellor of the University of Leicester.

Lord Willetts has written widely on economic and social policy. His book *A University Education* is published by Oxford University Press. A second edition of his book on the Boomers and the young generation *The Pinch* was published in November 2019.

Ben Fletcher

Ben Fletcher is Make UK's Executive Director of Policy and Engagement. Ben has oversight of all media, public affairs and communications work, and is responsible for promoting and representing the manufacturing and engineering sectors to key audiences in government, politics and the media across the UK and internationally, including at the EU.

Ben joined Make UK from the London Legacy Development Corporation where he was Director of Communication, Marketing and Strategy for the largest and most successful urban regeneration programme in Europe.

Ben's previous career spanned over 20 years in the civil service. This included leading the Home Secretary's Strategic Policy Team, managing the 2012 Olympic Security communications programme, and establishing the Security Industry Engagement team in the Home Office and leading an international marketing campaign on behalf of British industry, successfully creating commercial opportunities in Olympic host cities such as Rio and Tokyo.

Austen Okonweze

Austen is Head of Life Sciences Industrial Strategy, at the Department of Business, Energy and Industrial Strategy.

He was previously Head of Digital Skills Policy and Assistant Director of Cyber Science and Innovation at the Department for Culture, Media and Sport, and has particular interests in the interface between strategic policy, innovation, and practice.

Lizzie Crowley

Lizzie leads the CIPD's programme of research and policy development on the UK skills system. She is a policy and research professional with over 13 years' experience in the employment and skills arena, having worked with both the public and private sector to develop high-quality research to inform organisational practice, public policy and shape the public debate.

She has regularly appeared on national and regional TV and radio, including BBC Breakfast, BBC the One Show, the Today programme and Channel 4 news.