

Update on Skills England Report September 2024

[Skills England: driving growth and widening opportunities \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

Summary

The Skills England report highlights the fragmentation of the UK skills system, insufficient employer training investment, and significant skills gaps. It emphasises the need for an integrated approach to skills policy, linking workforce development with economic and regional needs.

Skills England will deliver a unified, data-driven assessment of national and regional skills needs, guiding the creation of targeted training programmes. It will also link skills policy to migration, ensuring the workforce is aligned with economic needs while reducing dependency on overseas workers.

To set up Skills England, the government officially launched the body in July 2024 in shadow form. Skills England has begun developing data-driven assessments of national and regional skills needs and is engaging with key partners, including employers, regional bodies, and the Migration Advisory Committee, to create a unified approach. Initial consultations and sector assessments are planned for the autumn to further refine its functions and strategies.

Local and National Skills Needs

The Skills England report highlights the need for a close link between local and national strategies. It outlines that local skills systems, informed by Local Skills Improvement Plans (LSIPs), should reflect and feed into national priorities. Skills England will work with regional bodies like Combined Authorities and ERBs to ensure that local skills ecosystems align with national economic goals. This collaboration aims to create a coherent, flexible skills network that can respond to both regional and sector-specific needs while supporting overarching national strategies for growth.

Skills Strategy and Links to Migration

Skills England will work closely with the Migration Advisory Committee to align skills policy with migration. A key goal is to reduce the UK's reliance on overseas workers by growing the domestic skills pipeline. Skills England's strategy aims to ensure that the workforce is equipped to meet national economic needs, minimising the necessity for importing talent from abroad, especially in critical sectors. This alignment with migration policy is a significant part of the government's long-term strategy for workforce development.

The Role of Employer Representative Bodies (ERBs)

The Skills England report highlights a critical role for Employer Representative Bodies (ERBs). Their primary responsibility is to act as a liaison between local

businesses and Skills England, ensuring that employer needs are adequately represented in national and regional strategies. ERBs, alongside other regional bodies such as Combined Authorities, will collaborate with Skills England to shape training, qualifications, and upskilling opportunities that align with current and future demands of the labour market.

“This deep, data-led understanding of skills needs will provide a solid platform on which central and local government, employers, providers, unions, and regional organisations (e.g. Employer Representative Bodies) can come together to make effective decisions on where to focus to close skills gaps and mismatches”.

Growth and Skills Levy

The key proposed changes for the levy include:

The new Growth and Skills Levy (GSL) will offer more **flexibility** for both employers and learners. Employers will have greater control over how they spend levy funds, and the system will allow for shorter-duration apprenticeships, particularly in high-demand sectors like construction, digital, and green skills.

The new framework will introduce **shorter-duration apprenticeships**, recognising that some roles may require less than the current minimum 12-month training period. These will align with the industrial strategy and be focused on providing access to skilled jobs in growing industries.

There will be a rebalancing of levy spending towards younger individuals through the introduction of **Foundation Apprenticeships**. These pre-apprenticeship programmes aim to give young people who are struggling to enter employment a better start and a clearer pathway into work-based training and skilled jobs.

In an effort to refocus spending on earlier career stages, levy funding will not be available for many **Level 7 (postgraduate-level) apprenticeships**, especially those supporting established professionals. This will shift the focus of the levy towards entry-level roles and early career development. Employers will be asked to fund Level 7 apprenticeships outside of the levy framework.

The GSL is also tied to the government’s broader **Youth Guarantee** initiative, which aims to provide every young person with a promise of education, employment, or training. Foundation apprenticeships are the first step towards fulfilling this guarantee.

Skills England will work closely with employers, training providers, and other key stakeholders to ensure the levy funds are directed towards the skills gaps that matter most. There will be ongoing **consultation and engagement** to refine the levy’s design and ensure it meets the needs of the economy.