Skills Federation
The voice of employer-led sector skills bodies

APPG Youth Employment – Inquiry into employer engagement in the Youth Guarantee

Introduction

About the Skills Federation

Skills Federation brings together the shared perspective of different industries on how the UK can build a workforce able to meet our skills needs. Our members are 18 employer led sector skills bodies who work across more than 20 sectors of the economy and represent over 150,000 employers, both large and small, across the UK. They are funded by their industries to provide sectoral voices and vital support on skills issues. This includes workforce planning and intelligence, professional standards, tailor made skills solutions, qualifications, kitemarking, accreditation and quality assurance.

Our vision is for a skills system that supports industrial investment and growth by providing a pipeline of talent into each sector of the economy, giving the opportunity for everyone to get in and get on at work through pathways that turn jobs into great careers.

The Skills Federation response

We wanted to respond to the inquiry because the extensive evidence base that our members have provides a wealth of sector specific detail which is not available elsewhere. Our response provides views across sectors where there is commonality, in addition to sector specific examples to illuminate both differences between sectors, and areas of effective practice.

Understanding the barriers and opportunities for employer engagement in the Youth Guarantee.

The Youth Guarantee will provide access to further learning, help to get a job or an apprenticeship. The inquiry rightly identifies the importance of employer engagement – not least because apprenticeships are jobs with training and so don't happen without employers. Employers also play an important role in helping to shape technical education and in offering work experience and work placements, including as part of T Levels.

The main benefit for employers of engaging in the Youth Guarantee is the opportunity to attract new talent, particularly in sectors including manufacturing, engineering and utilities where young people may not understand and/or may have a negative perception about the roles available. The Youth Guarantee could strengthen talent pipelines into those sectors which have historically found attraction of young people challenging.

More specifically, engagement creates opportunities for employers to:

- Upskill and reskill the workforce with 86% of employers saying apprenticeships helped them develop skills relevant to their organisation.
- Save on national insurance contributions for apprentices under 25.
- Support young people to develop practical skills as well as gaining theoretical knowledge. This approach is particularly beneficial in industries where technology and best practices are constantly evolving. A good example is in the automotive sector with the industry's rapid pivot towards electric and hybrid technologies.

- Boost staff loyalty with 92% of companies that have taken on apprentices believing this leads to a more satisfied (and therefore productive) workforce.
- Create a stable workforce as 80% of employers who use apprenticeships report having seen a significant increase in employee retention.
- Enhance their reputation by demonstrating a commitment to employee development which provides greater opportunities to attract and recruit top talent.
- Cultivate future leaders through investing in young people to create a pipeline of skilled, loyal employees who can grow into leadership roles.
- Enhance workforce innovation through younger employees introducing new perspectives that can drive innovation and adaptability.

However, the key barrier for employers to engaging is likely to be a lack of knowledge about what the Youth Guarantee is and how they can best engage with it. We already know that employers find the skills and employment system complex and new initiatives could be viewed as increasing the difficulties employers have in navigating the system.

More specific barriers include:

- Employers, particularly SMEs, may struggle to understand the processes related to apprenticeships, and not feel confident in identifying a provider, an end point assessment organisation etc.
- There is a long and well-documented list of asks of employers to support skills development which often isn't well coordinated. Employers, particularly SMEs, often don't have the capacity to be able to work out what's expected of them and what support is available to help them carry this out.
- Employers may have specific concerns about recruiting young people including about their preparedness for a work environment, practical skills and employability skills. Skills Federation members also report that it is difficult for employers in safety-critical industries to offer work placements on site for young people.
- In some areas of the economy, such as the creative industries, the traditional apprenticeship model may not be as effective due to the prevalence of freelance employment in these fields.

Exploring the benefits for employers and effective communication strategies.

Some of the benefits for employers are set out above. The potential benefits are significant but for employers will need to be balanced with the time taken away from other business priorities. This means that the method, mode and tone of communication is important.

An effective communication strategy could include:

- **Utilising sector skills bodies**. Sector skills bodies provide a collective voice for employers in their sectors on skills. They have extensive employer contacts across their sectors, including with SMEs, and could be used as a trusted voice to advise on sector specific challenges and messages, and to encourage engagement across their areas. A sector-based approach can add value by capturing economies of scale, identifying where places need sector specific support, and avoiding duplication of effort by sharing what works.
- **Tailor the communications.** There is a well-rehearsed complaint by employers that education and government 'speak a different language'. In developing an effective communications strategy, it will be essential to use language that employers understand and to tailor communications for different sectors.

- **Quantity the benefits**. Employers care about their staff but the smooth running of their business matters as well. Case studies and testimonials from employers which highlight the benefits alongside quantitative evidence which demonstrates positive impact on the bottom line can be useful in winning hearts and minds.
- **Multi-channel communication**. A range of channels should be used to engage employers including digital platforms, webinars, events and more traditional media. Sector specific channels should be sought, and sector skills bodies can support with identifying these.

The role of government incentives and best practices for employer engagement

There are a range of ways in which government can incentivise employers to get involved in delivering the Youth Guarantee and more broadly in recruiting more young people including:

- **Streamline processes.** Any processes associated with delivery of the Youth Guarantee should be simple and come with clear guidance notes and the offer of further support if needed.
- **Join up with related initiatives.** There are many related services which could be helpfully coordinated to deliver the Youth Guarantee which includes the extensive information offered by sector skills bodies. This includes Skills Miner a game created by Enginuity to help young people discover engineering and manufacturing through problem-solving challenges in Minecraft, Tasty Careers created by NSA Food and Drink which provides a wealth of information about careers in the industry, and the extensive support offered by the Career Development Institute.
- **Tailored programmes.** Government could work with sector skills bodies to develop and deliver sector specific programmes to attract young people into growing sectors including occupations required to deliver net zero and critical sectors including construction and health and social care.
- **Greater support for HR for SMEs.** Capacity can be a challenge, and smaller employers may not have the resource to develop workforce plans and to recruit and support young people effectively. More practical tools and resources provided by Strategic Authorities as part of their Youth Guarantee plans could support this.
- **Wage subsidies.** Government could consider providing wage subsidies to incentivise employers to recruit young people. This may not fit as part of an apprenticeship programme, but there are lessons from programmes such as ‘Kick Start’ which could be learnt in considering a different way to incentivise youth recruitment.