



POLICY BRIEFING NOTE: 1

This is the first of a series of short Policy Briefing Notes prepared by Patrick Watson, MONTROSE PUBLIC AFFAIRS CONSULTANTS LTD, and published by Careers England.

“Changing the pace”

CBI/Pearson education and skills survey

– June 2013

http://www.cbi.org.uk/media/2119176/education_and_skills_survey_2013.pdf

BUSINESSES FEAR SKILLS SHORTAGE COULD HOLD BACK GROWTH:

CRITICAL AREA OF WEAKNESS REMAINS CAREERS ADVICE,

WHICH IS ‘HAPHAZARD’ ACCORDING TO CRIDLAND

Policy Briefing Note: Comment

1. There is a stubborn shortage in the skills the UK needs to remain competitive and fuel long-term growth, according to the annual CBI/Pearson Education and Skills survey published recently.
2. The key findings from the survey of 294 firms, employing 1.24 million workers show:
 - 39% are struggling to recruit workers with the advanced, technical STEM skills they need – with 41% saying shortages will persist for the next three years.
 - almost half lack confidence in getting high-skilled workers in future overall – with more acute concerns in key sectors like manufacturing, construction and engineering.



- *we still tolerate a long tail of low achievement on literacy, numeracy and technical skills, with 48% of firms putting on basic remedial training for employees – up from 42% last year.*

- *55% say school leavers lack the right work experience and key attributes that set them up for success, including self-management (54%); problem solving (41%); and attitude to work (35%) – stressing the need for school reform to produce people who are rounded and grounded, as well as stretched academically.*

- *32% and 31% respectively are dissatisfied with some school and college leavers' basic literacy and numeracy - 31% report young people lack the technical skills they need.*

3. The CBI fears a return to long-term growth might be held back by shortages in key industries. It argues next week's Spending Round needs to protect the skills and apprenticeship budgets as far as possible, while giving employers' greater control.

4. John Cridland, CBI Director-General said:

"We're facing a critical lack of skills in some key industries, just as the economy starts to pick up. Long-term, sustainable growth will come in part from rebalancing towards high-value products and services, which demand much better technical skills.

"We need to boost our skills base urgently before the UK loses more ground. It's time to stop looking on enviously at Germany and build a system that works."

5. The CBI is urging the Government to implement the independent Richard Review into apprenticeships, which proposed a range of measures designed to ensure investment follows industry demands - giving employers control over qualification content and structure, while routing funding more directly to businesses, rather than spending the money through intermediaries.

6. **Mr Cridland added:**

"The Chancellor is walking a tough line in making substantial savings, without harming the fledgling recovery. There are few better ways of underpinning long-term growth than investing in skills.

"Firms are already investing in training but they cannot do it on their own. We want to see the skills budget protected as far as possible, while focussing on business needs.



That means routing funding more directly to firms. We can't afford for funding to be badly targeted or sucked up by bureaucracy.

"On school reform, businesses want rigour, as well as young people to be rounded, grounded and ready for working life."

- 7. In his foreword to the survey John Cridland says that *'a critical area of weakness remains careers advice which should lubricate transitions between education and work.'* But, he continues *'services available to young people and to adults seeking a change of direction have been far too haphazard'***

- 8. Rod Bristow, President of Pearson UK said:**

"Youth unemployment remains stubbornly high, so now more than ever, business, government and the education community must work together to ensure young people learn what they need, for a better job and a better life. This data shows that employers still have to do the leg work to get young people ready for work.

"This means considering the skills and knowledge that young people need to compete on an international level. We share an ambition to ensure that the qualifications and skills people acquire at school, college, university or in work are truly world class, and globally benchmarked."

"By bringing together our strong national heritage in education and lessons from our partners internationally, Britain has the potential to become the global leader in the race for knowledge, skills and innovation."

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