



The business of skills

In this episode, we're speaking to Jane Gratton who leads on employment and skills for the UK's Accredited Chambers of Commerce and the 50,000 plus businesses they represent.

We're also joined by Nicola Drury, Head of Skills and Apprenticeships at Amazon, recognised as the top employer in the UK for 2024.

We're discussing the ever-growing skills gap and asking our guests what employers want and need from a new Government and what needs to change to achieve it.

About Jane Gratton

Jane is Deputy Director Public Policy at the [British Chambers of Commerce](#). From schools and apprenticeships to lifelong learning, Jane is passionate about shaping an education and skills system that supports people to develop skills for great careers and that helps employers train and develop their workforce. Jane joined the BCC from the Staffordshire Chambers of Commerce where she led the delivery of business support programmes – including training, exporting, start-up and scale-up – helping thousands of firms of all sizes and sectors.

About Nicola Drury

After joining Amazon in 2013, Nicola went on to lead the UK teams responsible for training thousands of associates each year on the processes which result in products being delivered to Amazon's customers. In 2017 she became UK Apprenticeship Manager where she has led Amazon's efforts to create over 1000 apprenticeship opportunities. Nicola's career in retail has also seen her working for other big names such as House of Fraser, Debenhams and Marks and Spencer where she has worked across roles in HR and employee development.



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Transcript

Shane Chowen 00:00

Hello and welcome to a special pre election series of Let's Go Further, the podcast from the Skills and Education Group that challenges the way we think about skills and education. In this series, a collaboration with FE week, we're shining a spotlight on the FE and skills policy issues that should take centre stage at the upcoming general election. We'll be asking what we need from the next government and looking at how well our sector is positioned to fight for the resources it needs. I'm Shane Chowen, editor of FE Week, and I'm delighted to be your host for this series. With economic growth and productivity at the centre of the Conservative and Labour plans for the future, in this episode, we're talking about what businesses want to see to close ever growing skills gaps. Is our current skill system falling short. and if so, why? Recent years have seen a relentless focus on putting employers at the heart of the system. But has it worked? Should a new government continue down this path? Or should they try something different? Joining me to discuss these are two leaders from the world of business. Jane Gratton is Deputy Director for Public Policy at the British Chambers of Commerce. She joined the BCC in 2017 to lead on skills policy for the 53 accredited Chambers of Commerce and the 50,000 businesses they represent. She recently wrote their People and Work report, billed as a 10 point plan to boost access to skills and jobs and Nicola Drury is Head of Skills and Apprenticeships at Amazon, recognised as a top employer in the UK for 2024. And she's previously led on training at other big name employers such as Debenhams, House of Fraser, and Marks and Spencer. So thank you both for joining us, quite a big question to kick us off. You've both been involved in the skills system through much of this government's time in office. So I'd like you to tell me, do you think the skill system works for businesses in this country? Jane, I'll come to you first on that one, please.



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Jane Gratton 01:49

Oh thanks, Shane. So I think when you look at the number of businesses having problems filling skills shortages, so three in four firms that we survey can't recruit the skills they need. And it's the top of the agenda, whenever I speak to businesses, it helps me to fill these skills gaps and fill my job vacancies. One of the problems we also have is the constant tinkering and change in the system as well. So what we need is a stable process yeah stability and certainty, because it takes a long time for businesses to understand and hear about what's in place, then even longer for them to get their head around how they can make it work for their system. So we need some sort of incremental change where needed in sort of fine tuning, I guess, is good, but we don't want wholesale change in the system. I think that we've got most of the fundamentals in place, you know, businesses like this strong clear focus on apprenticeships and technical education, with employers having the opportunity to ensure these qualifications are relevant and useful to you know, the modern workplace and the skills we need. But I think rapidly increasing in importance now is the ability for firms to upskill and reskill their employees. The workplace is changing at a phenomenal pace, more digital, more automated, the circular economy, the green economy. What we really need is a slick system for getting people re-skilled, getting them into different jobs, if that's the case, getting them into new opportunities within employers, so that we can, the employer can grasp the opportunity and an individual has a really quick way to get the skills they need for them to progress at work.

Shane Chowen 01:50

Thank you Jane, loads to unpack there. Nicola, let's come to you.

Nicola Drury 03:42

Yeah, I absolutely agree you know, what you say as well, Jane, with that stability. There's been a lot of change over the last few years, driven by the economic uncertainties we've seen and the pandemic without a doubt. And I think might say we've had to react as a country to try and keep people in work, in education. And the change of landscape has just accelerated that change, which had to happen. And I don't think really, we were ready for it, anyone was, and the impact on that



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customer, for me, that learner, hasn't been that positive and has left even a bigger skill shortage than there was before you know. Digital's moved quicker than any technology and any future technologies are going to move even quicker. So it is about how we react to that. I mean, we've had, you know, we've really seen the way that online learning, remote education, technology integration, you know, mental health focus, and our future workforce needs us, you know, people who are coming into work who are impacted by that, and people who you know, yet to still come into that world of work, we need to support them even more, they do need additional support. We've had a number of changes in skills initiatives, we've had T levels, we've had Bootcamps, Multiply, Kickstart, a lot of initiatives. But as Jane said, we need time to embed. Anything like that. takes a bit of time to, you know, happen to embed, people to understand it. And you need educators and educating bodies to be able to invest and have that long term plan. So I think for me, that's it apprenticeships have been great. You know, I know there's a lot of talk about that. But as a business, we've really grown our apprenticeships. The fact that there's no age restrictions that helps that ageing workforce, they help people pivot, it gives people an alternative, and a great alternative to university. So for me, that's a really strong, still a strong system, I wouldn't want to tinker with it too much. I know Labour obviously talk about the Skills Fund. So I think that could be really interesting and especially around those regional skill shortages, you know, I do think, you know, we should look at, you know, that kind of regional devolved area of skills as well, and look at how we use the Skills Fund to support local communities, because it's very different and sectors. You know, we think about creative sector, construction. Yeah, they need very different things because of that model of work. So I do think we need to look at that level. And we've known for ages, but we still need to do more with it is the adult literacy. Only 50% of students are leaving with a grade C or above in Maths and English. So we really need to address that, because that does support that ability to learn. And we really move into we need to move into that life skills for life. It sounds very cliché, but we do need to do that, because change is going to continue to happen. And people need to keep stay in work because of the cost of living, we've got an ageing workforce. So we need to be able to update that educational system, those curriculums regardless of age, regardless of background, we need, you know, a model, which can really flex to that, but also allow people to have a long term strategy.



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Shane Chowen 05:39

Thank you, I think we're going to clearly going to have a lot to talk about in this podcast. What I want to come to though, is as two people who are really, really at the centre of the business involvement in the skill system, and have been for a while, we keep hearing a lot about how once we've put employers in the driving seat, designing the qualifications, designing the assessments, providing apprenticeships and work experience, that that will automatically make students more employable, more productive. And then we still, though, hear from businesses, that young people are coming out of the system, and they're not quite work ready. And we still, as you both pointed out, still got some really fundamental issues in the skills base in the economy. So we've got this system now where employers are, theoretically perhaps, in the driving seat, so why haven't we seen some of the fruits of the fruits of that policy? How about Nicola, I'll come to you first on this one?

Nicola Drury 07:35

Yeah. And I think it's an interesting one, because people do say employers are at the heart of it. I don't think we're at the heart of it. I think we're involved more involved in it. Yeah, I think very much. So and I think that is a good thing. And that shouldn't change. You know, when I think about apprenticeship trailblazers, you know, it's educators, it's, you know, employers working together. So it's that industry education, which has got to continue, that shouldn't change, because the educators specialise in what they do and the employers, you know, are at the forefront of those changes, which are going to continue to happen, as we said, going to continue to happen at speed. So that is really key. When we say like, so we're seeing people come out and maybe not work ready, I get that. Absolutely. And we have been through a huge, you know, the pandemic, I think we're under estimating the impact that has had in terms of social mobility, in terms of people ability to learn, confidence. And those employability schemes to me, you know, are those transitional to work. So work experience, all went virtual if, if that happened at all, so people aren't getting out to actually get into work at that age. And I think that's really key, that now I think T levels really create that



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opportunity for people to get into the world of work, first work experience, but everything's kind of shifted to virtual a lot. And I'm virtual is great, because it gets to reach it areas, you know, and it gets more accessibility. For me, I'm a big believer in, you know, having a Saturday job and doing work placements to really get people, you know, ready for that world of work. And there is a gap, there is a gap. And I think employers are seeing that and also trying to bridge that gap as well. But we need to help we need to help that workforce. We need to help them we need to invest in them more to get them ready, because we're relying on them right, to be our future leaders.

Shane Chowen 09:21

Jane, what's your assessment? And what do you hear from businesses about the ability of the local workforce and the skill system that surrounds them in producing the sorts of workers that they say that they need?

Jane Gratton 09:37

Just going back to that previous question as a start for this really, it's great that employers are involved in this skill system that they have a strong voice in this skill system. I think what's critical is that the system is has the agility to respond fast enough to the changing needs of the workflow, workforce and employers. So it's something around, aligning everything a little bit faster and having a bit more flex and a bit more agility in the system. And yeah, I mean, young people, you know, employers say to me, we need in place these fundamental things that, you know, basic literacy, numeracy, digital skills, an awareness of the green economy, these are really, really crucial. But we also need the building blocks, that once they're in the workplace, we, you know, we can develop so these are the softer employability skills as well, you know, personal resilience, you know, that on top of team working and, and those sorts of skills, it is about personal resilience and the ability to, for young people to adapt to this, I think what we're not seeing is people with a love of learning coming out of the education system, because you know, the world of work is constantly changing, and young people are going to have to continue to learn as adults are going to have to continue to learn and reskill and upskill. So part of it is, coming out with the basic fundamental



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transferable skills, but this ability to adapt, and this desire, and love for learning new things,

Shane Chowen 11:18

Jane, while I've got you, some businesses, you know, really try and work really, really hard to work with local schools, local colleges, and do a lot of work to help young people find their way into good jobs, but lots of them don't. And one of the sort of criticisms that, you know, I hear sometimes is that things like the local skills improvement plans, which we'll come to shortly, the sorts of employer led initiatives generally only attract a certain type of employer. So the types of businesses that have got the spare time and the capacity to go to meetings, and to do a lot of the legwork on some of these initiatives. So are there ideas that you've got about how the next government could perhaps widen the tent and help, you know, potentially more smaller businesses do more work for young people in their areas,

Jane Gratton 12:00

This is a shared responsibility. Business has to work with the education system, and government has to come into support to get the future workforce ready. It's critical that we do that. And the employers I speak to really do want to get involved, they want to get involved right the way from primary school, you know, through secondary school, college and university, because they want people make young people to have the information to shape the choices that they're going to make in their career. Lots of businesses I speak to want more young women to go into STEM subjects as they're desperate for, you know, for more engineers and higher technical skills, you know, we've made some great progress on careers, but there are still barriers for businesses who want to work with their local schools, they are still struggling in many areas to, to make those connections and to influence and support school leaders really in shaping a really high quality career system for young people. But you're, you know, you're right there, you know, businesses have limited resources. And it's important that, you know, when they do take the time to invest, that they can see a real impact and earn a return on the investment that the time that they make in that so, but I think you know, across the country chambers are bringing employers and schools and colleges



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together to have these conversations. And I don't whether you want to talk about the LSIPs now, but these are, these are really crucial to engage more employers.

Shane Chown 13:34

Definitely we will definitely come to the LSIPs in a moment. But before we do, though, Nicola, Amazon is obviously it's one of the most high profile companies in the country, if not the world, company at schools, colleges, trading providers, universities, they must all be knocking on your door asking for apprenticeships, work placements, internships, input on curriculum, guest lectures, assessment opportunities, all of those sorts of things. You're really at the apex there of the ask on employers, I guess from the education system just getting bigger and bigger and bigger. How do you choose what to get involved in as a company?

Nicola Drury 14:06

It's not easy. We do get a lot of contact, which is fantastic. And we've got a lot of teams within Amazon. I mean, Amazon is, you know, is a large employer, but we're very, very diverse. So you have like operations, we have our web services, you know, you have like Ring, IMD (Instance Metadata), but you know, it's really, really diverse. So we've got multiple teams across the business. And we've got some amazing teams that work with educators like AWS educate, they will work with educators to support curriculum, so to make sure that people have got the skills like say for Cloud when they leave, and then we've got certification, etc. So we, we do have a lot that we go out there with, and then the other side of that, and what I really see within my role is that schools want more and more employers to come in and speak to their students, because there was a very clear gap and we see that between expectation and reality of when you leave education and go into the world of work, you know, what does that job look like? What? What is that job? I don't understand. So there is a connection there. Now we use a lot of our apprentices and through like the ambassador network to go out to local schools. So that is the kind of model, you know, we use because actually, apprentices speaking to students is the best thing you could do, right? They don't want to listen to me. So we do a lot of that. And like, say we do to T levels, we're looking to do work experience, obviously, we can't work with everybody. So we do



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tend to work with maybe certain organisations or larger organisations. So their more nationwide, and we have like I say, we have a lot of websites of Amazon Future Engineers, again, where schools can go on there and pull down curriculum and pull down activities. So there's a lot of self-help that we do as well. But no, I agree. I think it is really hard. We do work with a number of, I'd say, providers in universities, and we work with those apprenticeship space, which are right for our customer. Yeah, right for the business and right for the customer. You know, I think the more we all work together, the more we all connect, it's not a bad thing. But I do think for employers, we do need to get out there. And I know it's easier said than done more into education and much more engagement with students and bringing the world of work to them and what that means and what that looks like.

Shane Chowen 16:12

But one of the vehicles for that could be these new local skills, improvement plans, or LSIPs, as they're otherwise known. So this is a fairly new innovation from the current Conservative government whereby local employer representative bodies have been tasked with developing, implementing, monitoring these local skills improvement plans, colleges have to take notice of them. Now that's written into legislation. Jane, you must be all over these plans, given that it's predominantly your member chambers of commerce that have been put in charge of development, it's clear to see from also the reports that you've done that employers are saying that they're more interested in small courses and more modular courses, very flexible courses than they are the sort of big qualifications that we're typically used to, and that are currently funded. So what I'm wondering is, is this an example of where employers are saying one thing, and the government isn't really listening?

Jane Gratton 17:05

When we look at LSIPs I mean, what problem are they trying to resolve? We did some research a couple of years back, which showed there's a real disconnect between employers at the local level and the skill system and employers were saying, Help me to connect because this, you know, for me, this isn't working. And



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so when LSIPs came along, you know, chambers jumped at the chance really to, to try and use the system to give businesses a stronger voice in this local skills planning. The idea is that businesses say, these are the jobs I am creating. Now, these are the vacancies I have, these are the skills I need, this is the way my industry is going and the skills I'm going to need in the future. And providers then can shape they can see the market there. And they can shape provisions to meet those needs. And then the aspirations and the investment of young people and adult learners can be aligned to all that. So the sweet spot is can we align the opportunities that businesses are creating, the training provision that's going to give the people the skills that they need to get these great jobs, and the aspiration, time, you know, ambition of young people and adults to get these great opportunities in their local area. So the evidence that we've found, we've just done a huge evaluation of the 32 chamber-led LSIPs, there are 38 across England, and 32 are being led by chambers. And what we've found is they are already making a difference. We've engaged over 65,000 businesses in a few months. Most of these businesses are talking about skills for the first time, they've been going out to recruitment, finding it more and more difficult now O, saying, okay, tell me what I can do to help get my local workforce ready to come and work with me and interested in what I'm doing and help me to connect to the local workforce and help me to shape the curriculum that's being delivered in our local training providers and colleges so that it better meets the skills I need. And people are better ready when they come into the workforce. So as a result of this work, we see more businesses engaged, we've seen businesses talking to colleges, about what they need, shaping curricula, coming up with some, you know, some great solutions or bits of hyper local, focused, granular data that we've got really for the first time ever. So this is the exciting bit, but we're just at the beginning of what is a process of change. It's all about connecting everything at that local level so that we don't have three quarters of firms saying I can't find the skilled people I need. We've actually got a plan in place that's going to make sure in the future business has the skills and people can access these great jobs.

Shane Chown 19:56

It sounds to me like you'd be very much in favour of the next government pushing forward, continuing with this LSIP model, are there ways you think it could be tweaked or improved in the future?



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Jane Gratton 20:06

Yes, I think it should continue. And again, it goes back to this my first point, you know, we need stability. We've marched businesses up the hill. Yeah, we've said, right, join us in this give us your views. And we've raised their expectations of positive change that things are going to improve. So the last thing we want is for this, you know, for another change in the system, LSIPs need time to embed, there's some great partnerships already there. So we need longer term funding for them, they should continue to be business lead, in my opinion, because chambers have had the sort of translator and interpreter role. So businesses talking about the jobs they need, and you know, the particular skills and the skill system talking about levels three, and five and whatever. And the ERVs have had this really important role of sort of translating, interpreting and bringing people together with a sort of common goal. So yes, they should. I think what you were saying earlier about LSIPs being focused on technical education. Yeah, that's absolutely right. But I think what we've heard through the discussions is that this need for employability skills, softer skills, and the agility in the system. So it's not just technical qualification, but apprenticeships are brilliant technical calls of brilliant. But actually, there are times when we need something more agile, something faster, sharper, more targeted. And I think that's what's coming through the evidence we're receiving right now.

Shane Chowen 21:34

Thank you, Jane. And Nicola, it was music to my ears earlier to hear you talk about adult literacy and basic skills. Because quite often, when we have these discussions about what businesses say they need from the skill system, we talk about very high level three, four or five, plus stuff, we talk about sexy green skills, and all of the stuff that looks great in reports and stuff that you can go around the world attracting investment. But all of that sits above a really, really dangerous issue, I think in our society, not just in our economy, which is vast numbers of adults in the workforce that have low levels of basic English, basic maths, literacy, numeracy and digital skills. So as a company, how are Amazon using their position in the market with their supply chains to make a difference at that level? In the labour market?



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Nicola Drury 22:22

Yeah, definitely. This is a whole different podcast, well it's an additional one. I'm so so passionate about it. We are a big fan of Level Two apprenticeships, there's less of them available, you know, and that is something once employers who work with ifATE may try and build more because, for me, the Level Two apprenticeship provides those entry skills. Now, you are maybe like, say out of education for a period of time, or you may not have achieved those functional skills to the level that may be needed. So things like you know what Multiply programmes as well, but like Level 2 apprenticeships really provide that opportunity for you. Now, there's two things here, doing the level two apprenticeship we've found is great because it gives people obviously it introduces people back into learning gives them that confidence and helps at the ability to learn because it's something about having the ability to learn. And we do see people go on to higher apprenticeships because it gives it opens that door for them. So super, super passionate about it want to see more that we can do. Now, we also have that they need to achieve a functional skills level. Now there's a lot of debate around some of my peers of employers. Because obviously, people do find it difficult, it can be quite disengaging, people can then drop off the apprenticeship, or if they don't achieve those functional skills, they become a partial completer. Now to us as a business they're a completer, right, we will probably the paths are completed, you've completed your apprenticeship, you've done what you know, you've done that. So to me, you're a graduate. But I think it goes to show that maybe the way we assess functional skills needs to change, there is something unfortunately, which has embedded us as a nation when people talk about maths and English, if you speak to a student who's maybe seven or eight years old, you talk to them about maths and English, what response you're going to get? Can't do it don't like it, what are their influencers saying, you know, so we've got to solve this because this gives you the foundation of that learning. And like you say, we focus a lot on that higher level of education, that's great. But that also rules a hell of a lot of people out straightaway. And it also rules out where the current workforce who need to pivot, who need to change who need to upskill it can be quite scary. We've we do internal apprenticeship schemes. And you know, we found that people who are in a really good positions I'd say at work and then if they can't find a certificate, they have to redo functional skills. It is not a positive thing to do, and



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it's a way it's assessed. So I do think that's there. As a business you know, we have a programme called Career Choice where again, we will fund the cost of if the qualification they want to do because we have a lot have obviously in our workforce of people who, you know, English is their second, third, fourth, fifth language. So again, we do a lot of skills and support, there as a business. But I think there's a wider issue here. And this gap just seems to be getting bigger and bigger and bigger. Like I say over 7 million people, as you know, is defined as poor literacy, we really need to tackle it, but I think it's a way we assess. And the way we provide that learning, I think has probably got to change.

Shane Chowen 25:28

Okay, let's we've only got time for my final question now. This is to go to both of you. And, Jane, I'll come to you first. I mean, this might have happened for all I know, but the shadow Chancellor Rachel Reeves, Jane calls you up and she says, I want to know how we solve the country's skills problems. But she's only got a minute or a minute and a half. What would you tell her?

Jane Gratton 25:47

Okay, so it's about having this agility and flexibility in the system that enables it to respond really quickly to the needs of employers and keeping employers in that in the skill system with a strong voice.

Shane Chowen 26:01

Nicola, I'll come to you next. Rachel Reeves is on the phone. I haven't got long Nicola, how do we solve the skills problems?

Nicola Drury 26:07

Right, so we create a national long-term skills strategy to allow people to work towards it, embed it, and then we flex around local skills needs and communities and sectors.

Shane Chowen 26:18



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Well, both of you answered that in record time. So that's all we've got time for on this episode of Let's Go Further. I want to say a big thank you to my guests Jane Gratton and Nicola Drury and thank you for listening. We hope you enjoyed the conversation and that it's got you thinking about what we in the FE sector should be asking for from the next government. If you have a question or a comment on what you've heard, please join in the conversation on social media and remember to subscribe wherever you receive your podcasts to access earlier and forthcoming episodes of Let's Go Further.