

Skills for the future: apprenticeships and training

Creative UK welcomes the opportunity to respond to the Industry and Regulators Committee's call for evidence as part of its inquiry into *Skills for the Future: apprenticeships and training*. We acknowledge the Committee's vital role in examining the effectiveness of current apprenticeship systems and the evolving needs of industries across the UK. This inquiry is timely and essential, particularly as the cultural and creative sectors continue to face unique challenges in developing a flexible, diverse and inclusive skills pipeline.

As the UK seeks to strengthen its competitive edge, it is crucial to recognise the distinctive structure of the cultural and creative industries, where many careers are project-based, freelance or short-term. This demands innovative approaches to training and career progression that go beyond standardised pathways, whilst also ensuring access to lifelong learning and upskilling opportunities. This is particularly important given the growing impact of AI on the cultural and creative industries, which is reshaping job roles and skill requirements at an unprecedented pace.

About Creative UK

Creative UK is an investor, connector, supporter and champion of creative businesses working to generate the right conditions for a thriving creative economy.

Our members are based all around the UK and range from freelancers and small and medium-sized enterprises (SMEs) to providers of further and higher education, trade and representative bodies, arts and cultural organisations, heritage sites, international industry powerhouses and local authorities. We also provide expert resources and financial opportunities that are tailor-made for the CCI, offering bespoke investments, access to funding, loans, growth mentoring, policy development, industry insights and analysis through engaging with members, stakeholders and UK Government departments.

Creative UK has actively invested in and supported small, private-sector creative companies in the UK for the last decade, investing more than £50m into these businesses' promising creative ideas, and combating market failures in the sector. In 2019, Creative UK agreed a new creative financing partnership with the sustainable bank Triodos to launch a £20m venture debt fund – Creative Growth Finance. This has now

been re-capitalised, resulting in an additional £35m in both debt and equity investment for the CCI.

Support for non-traditional career pathways

Many successful careers in the cultural and creative industries do not follow linear, traditional pathways. Government policy should more actively support non-traditional, portfolio careers; where individuals may combine training, freelancing and short-term contracts. Creating clearer incentives for businesses to invest in training for freelancers and developing better pathways for informal, peer-led learning could be crucial for nurturing future talent.

The proposed Growth and Skills Levy, which sits at the heart of the Government's mission to break down barriers to opportunity, aims to address the inflexibility currently seen in apprenticeship frameworks. The existing system, which is rigid and requires year-long structured apprenticeships, does not cater well to the project-based nature of many creative careers, particularly for SMEs that struggle to meet these requirements.

Labour's new strategy intends to provide greater flexibility in how businesses can use their contributions. Under the redesigned Levy, up to 50 per cent of a company's total apprenticeship training can be allocated to non-apprenticeship training, allowing creative businesses to access essential training, tailored to their specific needs, rather than being limited to traditional apprenticeship schemes. This flexibility is crucial, as many smaller enterprises in the cultural and creative sector require more adaptive training solutions that align with the diverse, and often freelance, nature of their workforce.

By facilitating a more responsive and inclusive training environment, the Growth and Skills Levy has the potential to better support the skills development needed across the cultural and creative industries, ultimately helping to address skills shortages and foster growth. For example, businesses across the cultural and creative industries could look to upskill teams with shorter courses in technical skills, including AI, which will be vital for the sector's future success and its ability to maintain a competitive edge. A report by the Creative Industries Policy and Evidence Centre (PEC) highlighted that automation and AI are set to affect 30 per cent of jobs in creative sectors over the next decade; with roles in design, advertising and media production being more susceptible to automation.

Consistent, cross-government focus on creative skills

A long-term, cross-government strategy is needed to support creative education and skills development, ensuring that creative industries are recognised for their significant economic and cultural contributions. This should include reintegrating arts subjects into the core school curriculum, expanding access to vocational training and internships, and supporting creative career pathways from an early age.

The establishment of Skills England and the introduction of the Skills England Bill in the King's Speech represents a significant shift in the coordination of the skills system in the UK. This new body aims to unify various stakeholders—central and local governments, businesses, training providers, and unions—to address the growing skills shortages that have been identified across multiple sectors, including the cultural and creative industries. According to statistics from the Department for Culture, Media and Sport, 33 per cent of vacancies in the cultural and creative industries are attributed to skills shortagesⁱ – underlining the necessity of an effective body capable of bringing together stakeholders from across industry to meet the skills needs of the next decade and beyond. It will be essential that Skills England aligns with the Government's forthcoming industrial strategy and that the economic contribution of the cultural and creative industries is acknowledged by ensuring our sectors sit at the heart of policy development.

While the cultural and creative industries already represent 6 per cent of GVA, there remains strong potential for job growth across the sector. In 2021, UK employment overall fell by 0.6 per cent, whereas the jobs in the cultural and creative industries grew by 5.1 per centⁱⁱ and include many of the jobs cited as being very likely to grow as a share of the workforce by 2030. This shows that addressing current and future workforce challenges is critical to growing the economy and enabling the cultural and creative industries to increase productivity, train staff, reduce recruitment burdens and improve diversity.

Regional focus that is sector-specific

Local government plays a critical role in tailoring skills training to local labour market demands. This regional focus is vital for addressing disparities in skills availability and economic opportunities across the UK.

In January 2021, the Department for Education published a white paper, *Skills for jobs: lifelong learning for opportunity and growth*ⁱⁱⁱ, which previewed the introduction of Local Skill Improvement Plans (LSIPs). LSIPs are designed to provide an agreed set of actionable priorities that employers, providers and other stakeholders in a local area can get behind to drive change. Putting employers at the heart of local skills systems is a step in the right direction, but LSIPs will fail to prove effective without addressing the growing crisis in creative education in the national curriculum.

As such, while Skills England is positioned to oversee a broad skills strategy, it is essential that there is a concerted effort to ensure that creative education is a key focus. The Secretary of State for Culture, Media and Sport, Lisa Nandy, has already launched a curriculum review with the aim of putting subjects such as music, art and drama back into the heart of learning. This is essential for several reasons, not least because we know from our members that many schools are struggling to fill creative T-Level placements as the businesses simply aren't there to help plug the skills gap. Businesses should therefore have a crucial role to play in co-designing skills provision and should look to emulate the successes of skills bootcamps and UTCs.

The workforce of the UK will also be better equipped to adapt to the evolving needs of industries across the UK if creative thinking is championed in the curriculum. When nurtured and developed properly, creative thinkers demonstrate greater flexibility and adaptability in their approach to problem-solving. They also tend to exhibit better communication skills, enabling them to clearly articulate complex ideas and collaborate more effectively. Ultimately, placing creative thinking at the heart of an improved skills strategy will provide individuals with a wider skillset that can help drive a culture of innovation in business and civil society.

The cultural and creative industries are not only significant for cultural enrichment but also contribute substantially to the economy. By integrating creative skills training into the broader skills strategy, Skills England can help to cultivate a workforce that is both innovative and equipped to meet the demands of the future. There are many UK businesses which are already harnessing creative thinking to propel innovation in their products and services, including Liverpool-based creative technology company Sum Vivas. Sum Vivas is responsible for pioneering the UK's first AI-integrated Digital Humans. Its approach included the seamless integration of varying disciplines, from fashion and environmental design to music and motion capture. By blending these disciplines together, Sum Vivas has exemplified how creative thinking can be utilised to

humanise unfamiliar technologies, thereby enhancing business, employee and customer experiences.

To help ensure Skills England meets the demands of the future, there must be:

- Collaboration with stakeholders across the cultural and creative industries: engaging with creative businesses and educational institutions to create training programmes that reflect the needs of the industry.
- Focus on innovative teaching methods: supporting the development of teaching practices that foster creativity and critical thinking, which are essential skills not only in the cultural and creative industries but across the UK economy at large.
- Investment in creative infrastructure: advocating for funding and resources specifically directed towards enhancing creative education and training.

Best practice from abroad

While the UK's approach to skills and training has its strengths, including through its emphasis on higher education and vocational training through FE colleges, there are considerable areas for improvement. As alluded to earlier, most of these changes should focus on integrating skills training with industry needs and based around growth sectors of the economy.

Germany's dual system of vocational education and training is widely recognised across the globe due to its combination of theory in the classroom and hands-on experience in the workplace. According to Germany's Federal Ministry of Education and Research^{iv}, Germany enjoys low youth unemployment and high skill levels as a result of the dual system. One of the main benefits for these apprentices is that they receive market-relevant training that improves their chances in a labour market which is constantly evolving and upgrading skills in response to digital and technological innovations.

Elsewhere, Singapore's SkillsFuture is recognised for its success in promoting a culture of lifelong learning and upskilling across the country's workforce. Every Singaporean aged 25 and above receives an initial S\$500 in credit which can then be used for skills-related courses approved by SkillsFuture, while Singaporeans aged 40 and above are eligible for an additional subsidy of up to 90% for SkillsFuture-supported courses^v. This means mid-career professionals are supported to reskill and transition into new industries or roles, particularly as the needs and demands of the economy continue to evolve.

ⁱ May 2024. *DCMS Sector Skills Shortages and Skills Gaps: 2022, UK* [Online]. Available from: [https://www.gov.uk/government/statistics/dcms-sector-skills-shortages-and-skills-gaps-2022-uk#:~:text=33.4%25%20of%20all%20vacancies%20in,higher%20for%20sport%20\(41.2%25\)](https://www.gov.uk/government/statistics/dcms-sector-skills-shortages-and-skills-gaps-2022-uk#:~:text=33.4%25%20of%20all%20vacancies%20in,higher%20for%20sport%20(41.2%25)). [Accessed 1 October 2024]

ⁱⁱ November 2022. *DCMS Sectors Economic Estimates: Workforce, January to December 2021* [Online]. Available from: <https://www.gov.uk/government/statistics/dcms-sector-economic-estimates-workforce-2021/dcms-sectors-economic-estimates-workforce-january-to-december-2021> [Accessed 1 October 2024]

ⁱⁱⁱ January 2021. *Skills for jobs: lifelong learning for opportunity and growth* [Online]. Available from: <https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth>. [Accessed 1 October 2024]

^{iv} [no date]. *The German Vocational Training System* [Online]. Available from: https://www.bmbf.de/bmbf/en/education/the-german-vocational-training-system/the-german-vocational-training-system_node.html. [Accessed 1 October 2024]

^v [no date]. *SkillsFuture Credit* [Online]. Available from: <https://www.skillsfuture.gov.sg/initiatives/mid-career/credit#:~:text=How%20much%20SkillsFuture%20Credit%20do,expire%20on%2031%20December%202025>. [Accessed 3 October 2024]