

AA response to DfE National Skills Fund Consultation:

**Q47. Are there any current critical skills gaps below degree level and in particular sectors, occupations, or locations that you think the skills system will not meet, either now or in the next five years? For example, some sectors might have specific skills needs which have emerged since exiting the European Union, whereas other sectors might encounter skill needs in the future – for instance, because of new technologies linked to transitioning industries or our ambition to reach net-zero by 2050.**

**a. What are these skills gaps? Please set out what these skills gaps are and specify whether they apply to a particular sector, occupation, or location.**

The Advertising Association (AA) represents the industry tripartite, the common viewpoint of the advertisers, agencies and all the advertising-funded media. Our role is to advocate the importance of advertising and its value to people, society, businesses, and the economy. We are the umbrella body representing companies and 30 associations representing different sectors in the advertising and marketing services industry, of which a number, for example, the DMA (Data and Marketing Association), the MRS (Market Research Society) and the IPA (Institute of Practitioners in Advertising) run industry skills and training courses and qualifications as an important part of their activities.

As we set out in response to questions 47, 48, 49, 55 and 56 of this consultation, professional associations are regarded by their industry sectors as crucial to skills training and development. Because their courses and qualifications are designed by professionals working in those sectors, they are up-to-date and fit for purpose, focused on the skills needed in that sector now and in the future.

Training and qualifications run by these associations cover a wide spectrum of cross-cutting business skills, as well as more bespoke courses important in the sector concerned, and these can be broadly grouped into the following categories:

- a) Advertising effectiveness and measurement, b) Business Skills, c) Creative skills, d) Data science, e) Digital marketing performance, f) Digital marketing skills for SMEs, g) Media planning and buying, and l) Project management.

Whatever sector a company operates within, the shift to the advertising and marketing sectors are dynamically evolving with the increasing shift to digital commercial communications. This is requiring new skills to be brought into businesses. For example, data science, coding and maths skills are increasingly in demand in data marketing agencies and in the digital advertising agencies and intermediaries companies involved in programmatic advertising. This is also the case in the market research sector, where bespoke courses aim to build skills in data analytics, behaviour change, quantitative and qualitative research, machine learning, Python and so on.

In terms of skills gaps, we would summarise with the following list:

- a) Digital marketing skills for SMEs, b) Project management, c) Data science, c) Web design & development and d) Graphic design. Post Brexit and with the UK's vision for global Britain, we would also add the need to build exporting skills.

In terms of building knowledge amongst companies about exporting, the Advertising Association can offer an example of this. Working with the support of DIT, the AA runs an advertising exports group, known as UKAEG, to help companies in the advertising sector develop insights and new market opportunities, to win more business from overseas. The activities are coordinated with the GREAT programme. We have just launched a new initiative, called UK House, which will run a virtual showcase with a different country / new market each fortnight, allowing companies in the advertising and creative industry sectors to take a deep dive into a particular market, and build learnings about marketing to that country. This is a new and innovative approach which seeks to meet a gap in skills and a growing market need. For more information, see this link:

<https://adassoc.org.uk/our-work/uk-advertising-export-group-to-visit-india-brazil-nigeria-japan-this-autumn/>

**b. At what level are these skills gaps?**

The skills gaps are at levels 4-7 of the National Qualification Framework (NQF).

**c. Is this a current skills gap, or something that you see emerging in the future? If in the future, please detail when you think this skills need is likely to arise.**

This is a current skill gap that we foresee widening further in future. As stated in the latest PBSC (Professional Business Services Council's) skills report, the pandemic, the change in immigration controls as a result of Brexit, and automation are accelerating these skills gaps, intensifying a need for existing and emerging skills in technology, data, digital, and interpersonal communication. Approximately 80% of UK business leaders say that investment in digital skills will be needed to help the post-pandemic recovery (PBSC, 2021: pg 23). The report also found that less than half of UK employers believe that new entrants to the workforce are arriving with the required digital skills, such as data analytics, digital marketing, and web design skills.

Source: <https://www.pbsc.uk/wp-content/uploads/2021/06/Skills-for-Future-Success-2021-vF-Single.pdf>

**d. Why do you think the skills system does not meet this skills gap?**

The skills system does not meet this gap for four reasons. First, our education system is not particularly responsive to market developments. The Government needs better and more timely data to inform policymaking. This will ensure that the skills system can identify these fast-emerging gaps and direct the workforce to train in areas where there are skills shortages. Second, there is a lack of integration between DfE, the Home Office and BEIS. The Departments should combine their perspectives to ensure that the skills system can enable people to attain specific skills for specific job opportunities. Third, the economic incentives are not strong enough to encourage students to study a particular topic and to pursue it as a career. As noted in the latest World Skills UK report (2021: 24), there appears to be some room for improvement in ensuring that all young people are made aware of the opportunities available through digital skills. Through improving data and integration between Government Departments, students will have greater confidence in their job prospects and become more motivated to advance their digital skills.

We believe, for reasons stated earlier in our response, that the Government's current skills programme should include working with professional bodies and trade associations because of the added value they bring.

For example, they have often established talent pipelines for skills services that consider feedback from employers and clients, and aim to diversify the talent pool. One example of this is the work done by the Institute of Practitioners in Advertising (IPA) to encourage under-represented groups. The IPA runs Creative Pioneers, a programme that has, to date, found 800 apprentice jobs in advertising agencies for non-graduates. Over 40% are from a BAME background, the gender split is almost 50-50, and 80% have stayed on in the industry after the completion of their apprenticeship qualification. Source: [Disconnected-Report.pdf \(worldskillsuk.org\)](#). Source: [ipa.co.uk/news/a-future-of-fairness/](https://ipa.co.uk/news/a-future-of-fairness/)

To address the skills gap, DfE should consider collaborating with professional bodies to strengthen the talent pipeline. They provide an important channel to deliver training for their sectors at scale, and this is good at reaching sections of the population for whom traditional education routes are not delivering, for example, SMEs. Although professional bodies wish to collaborate, currently, there is not an access route for businesses to engage.

**Q48. If you have any further comments or reflections on 'Critical Skills (Section 3: Meeting critical skills needs)' you can add them here.**

As a trade body, we feel that there is an under-recognised role that trade associations and professional bodies play in delivering training and skills to employees. We think that Government could consider utilising trade associations and professional bodies as another channel to deliver training at scale and reach others who may feel that formal education is not suitable for them. As is often the case, SMEs are members of such organisations and hence it is an effective way to reach them.

Many trade associations and professional bodies have catalogues of training courses and qualifications that have been developed with employers to ensure that the content is relevant and practical. This ensures that the skills learnt can be quickly utilised by their employers. The skills and qualification programmes that these organisations run are employer-led which means they can respond dynamically to business needs. The Data and Marketing Association (DMA), for example, runs the Institute of Data & Marketing (IDM) which offers online courses and qualifications that have been designed to address the in-demand skills of employers, identified by the research and engagement conducted with DMA members and councils throughout the year. They are also recognised by institutions of higher education and are integrated into their offerings, with the DMA accrediting 26 university marketing courses. Moreover, as other training participants are likely to be peers in the same industry, it also creates an effective platform for networking opportunities.

Industry associations in the services sector provide strategic and business skills such as marketing strategy, data strategy, leadership skills, presentation skills, and not just the technical skills that DfE tends to focus on in further education and reskilling existing employees. The recently published PBSC Future Skills Report (PBSC, 2021: pg 20) and the insight we have gained from stakeholders inform us that there exists a particular gap in strategic business skills, such as marketing strategy and planning, which are just as important as operational and technical skills in helping firms grow. There is also a need to reach out to those who have previously not had a good experience with the conventional education system and consider alternative routes for helping them to re-engage.

Associations such as the Institute of Practitioners in Advertising (IPA) have a long-established programme of careers advice for schools, as well as their Creative Pioneers programme, showing how such professional bodies can provide a key role in information provision to widen and diversity access to the industry. It also has a Careers section on its website, which aids those searching for their first job in advertising or seeking an apprenticeship. As such, trade associations can help enlarge and diversify the available talent pool for the sector and help the government deliver on its Levelling Up agenda.

Many trade associations and professional bodies can deliver courses and assessments online. This means the training is highly scalable, flexible, accessible, and has a greater national reach. Correspondingly, employees do not have to travel to the big cities to take a course, they can take it anywhere. This would be of particular benefit to SMEs who may feel that sending staff to take courses is prohibitively expensive or are unable to justify a long absence away from the office. The members of the Market Research Society, for example, are 99% SMEs; so, empowering them to deliver skills programmes will directly contribute to the Levelling Up agenda.

Source: <https://ipa.co.uk/knowledge/careers-in-advertising/>

**Q49. Are there any particular sectors or occupations which would benefit from improved access to shorter courses? Please set out which sector or occupation and, where possible, provide a reason and/or evidence for your response.**

The advertising and digital marketing sector would particularly benefit from improved access to shorter courses. The key reason for this is because digital technology changes rapidly due to frequent upgrades and therefore is not suited to long courses since they require a lot of time to plan.

**Q54. Considering the provision we have already made available through National Skills Fund investment, do you think there are any further gaps below degree level in adult skills provision which would benefit from targeted support?**

**a. Specify what these gaps are. b. Provide evidence for your answer, including evidence on the impact of this gap**

There is currently a digital skills shortage. In their latest report, World Skills UK (2021: 17) found that over one in three (37%) employers say that they face skills gaps with their current workforce for advanced digital skills. Moreover, demand for advanced digital skills is likely to rise substantially in the coming years. A recent survey conducted by CBI in 2019 found that three in five (58%) of employers expected they would need significantly more advanced digital skills in the next five years (CBI and Tata, 2019: 19).

Source: [Disconnected-Report.pdf \(worldskillsuk.org\)](#)

Source: [final\\_digital-skills\\_june.pdf \(cbi.org.uk\)](#)

**c. Suggest ways that these gaps in provision might best be met.**

Collaborating with trade associations can help employees improve their skills and widen their career prospects with learning developed by employers in collaboration with their industry association. Industry associations have an advantage in that they have been active in the vocational education sector for some time and have a current catalogue of industry-endorsed training packages that can be delivered online and are easily scalable. Industry associations also have ready-made employer networks, which lowers search costs for individuals or employers seeking relevant training courses.

**Q55. If you have any further comments or reflections on ‘Shorter Courses (Section 3: Meeting critical skills needs)’, you can add them here.**

Improving people's access to shorter data, and digital marketing courses is essential for empowering and supporting the growth of SMEs. Established SMEs and innovative start-ups can only attract new customers if they are fully proficient in modern data, digital marketing, and market research techniques. Shorter courses are especially helpful for smaller businesses that cannot afford to have their staff on leave for extended periods of time. As noted in PBSC's latest report, SMEs often struggle to dedicate the same level of resources to upskilling (PBSC, 2021: pg 12). Therefore, by making shorter digital skills courses more accessible, smaller businesses can flexibly train their employees and keep pace with developments in digital technologies.

[Skills-for-Future-Success-2021-vF-Single.pdf \(pbsc.uk\)](#)

**Q56. If you have any further comments or reflections on ‘Section 3: Meeting critical skills needs’ you can add them here.**

Further thought needs to be given on how to increase competition during tendering processes. Does the current tendering process think outside the box and facilitate consideration of newcomers or does it favour incumbents? If the process tends to favour incumbents does then reduce the incentive to innovate? How do we market needs are adequately addressed in a timely manner?

We ask the DfE to recognise the important role that professional and trade bodies can play in supporting the skills system to address the skills gaps that we have outlined in our response.