



# The Skills Commission Call for Evidence: Future of the Skills System

## Response from AXA UK

### About AXA UK

1. AXA UK (AXA) is part of the AXA Group, a worldwide leader in financial services. AXA Group operates in 61 countries with over 170,000 employees and 105 million customers. AXA has around 11 million customers in the UK and operates through specific operating companies – AXA Insurance and AXA PPP healthcare.

### Executive summary

2. As a leading insurer with around 10,000 employees in the UK, we aim to recruit and retain a diverse workforce with the skills to meet our business needs both now and in the future, whilst growing creativity and inclusion across our business. AXA strongly welcome efforts to engage with stakeholders on how the skills system can be mobilised to confront economic, social and technological challenges. Therefore, we welcome this call for evidence by the Skills Commission.
3. The introduction of the Apprenticeship Levy in April 2017 provided AXA with an opportunity to expand the number of apprenticeships we offer to new and existing employees. In the past year, AXA has started over 100 apprenticeships across our UK offices, and we expect that number to increase throughout 2019, especially as we decided to remove our main graduate programme in favour of apprenticeships. AXA welcomed the Levy as an opportunity to modernise our recruitment and retention processes, widening the applicant pool to stimulate greater levels of diversity and social mobility and instil a culture of continuous learning.
4. AXA believe that the skills system must be inclusive, diverse in the education opportunities offered and dynamic to ensure the future needs of stakeholders are met. To ensure the skills system can be underpinned by these features, we would welcome further engagement with policymakers and greater integration between employers, education providers and learners.

### **Consultation Question 1: What kind of skills system do we want?**

- A) **To you, what are the key features of a successful skills ecosystem and what role should different organisations play? What principles should be taken into consideration? How should different organisations interact?**
5. In AXA's opinion, a key feature of a successful skills ecosystem is inclusivity. A skills system should be open to all regardless of the background (e.g. social, geographical, ethnicity) of the learner.



6. AXA believe that employers should feed into the ecosystem; the desirable skills that are necessary in today's workplace and those predicted to be necessary in the future. Policymakers should look to ensure greater employer engagement with the skills system, taking into account a variety of different industries. A good example of where stakeholder engagement works well is the apprenticeship trailblazer employer groups which has, in turn, seen an increase in both the standards and the diversity of the apprenticeship programmes on offer. AXA would support similar practices in other forms of further education to improve collaboration between employers and the Institution for Apprenticeships, and to ensure leavers complete further education with a more robust skill set.
7. AXA would also urge schools and colleges to improve their promotion of all forms of further education rather than focusing on the traditional further education providers in their local geographical area. Widening the promotion of a range of opportunities for further education would stimulate greater diversity in the sector and would improve employer and learner understanding of the various pathways on offer.
8. Furthermore, AXA would like to see the skills system reflect changing digital infrastructure and technological innovation. Workplaces are increasingly embracing technology and automation with the ambition of achieving a better work life balance for employees and a more streamlined customer journey. Learning to work in this flexible, more technological way is vital for the future skill set of learners and therefore it should be instilled throughout the education system.

**B) What should be an overall vision for learning and skills success and why? What role do you see yourself and your organisation playing?**

9. AXA believe the overall vision for learning and skills success should be underpinned by the key feature outlined in our response to consultation question 1a, inclusivity. The vision must strive to create a wholly inclusive further education ecosystem which is available to all, regardless of background.
10. AXA is utilising apprenticeships to give a tailored approach to further education for new employees. The aim of these programmes is to attract candidates who are thinking longer term about their career development by offering structured local opportunities that combine a fast-paced work environment with high-quality education provision. The range of professional qualifications AXA has been able to offer through expanding its apprenticeship schemes include CII, CIMA, CIM, AAT/ATT and CIPD at level six and seven in areas including underwriting, finance, HR, customer service, IT, digital claims and management.
11. Equally important to AXA is offering apprenticeship programmes to existing employees who want to upskill within their role. This can include, but is not limited to, those who have taken a break from work (maternity leave for instance) or those who have not previously had the opportunity to acquire a new qualification since leaving full-time education. These employees, like any other apprentice, are given the 20% of working hours allocated learning time to assist their studies. In our experience, employees value the opportunity to incorporate learning back



into their lives, therefore in the long-term we expect greater retention of staff, improved wellbeing and a workforce prepared for future developments in the insurance sector.

12. With regard to regional disparities and local economic priorities, AXA is using apprenticeship programmes to offer a wide range of opportunities across its UK office locations. For example, this can mean attracting people into the insurance industry in geographical areas where it is often difficult to attract and retain employees, such as central Birmingham. Whilst AXA appreciate that regional needs may differ, the vision for employers, especially those that operate across the UK, should aim to reduce disparities that disadvantage learners in certain geographical locations.
13. Furthermore, the vision should also give choice to learners to learn in a way that suits their needs whilst aiding them in achieving the skills and qualification they require for future employment.

#### **Consultation Question 2: To what extent is the current system effective?**

##### **A) Does England have a functioning provider base? Why or why not? How are you affected by this?**

14. AXA does consider England to have a functioning provider base as we can in most cases find providers that fit our business needs. However, it often can be difficult to find high-quality providers for niche learning options, especially in certain geographical areas. Many opportunities are clustered exclusively in England's largest cities, particularly in London. A recent example of this is our difficulty in finding an open cohort for a Change Practitioner apprenticeship in the North of England.
15. As a large employer, our experience has shown that large providers do offer a good service to large corporate organisations as they can mirror geographical spread and provide a wider variation in the programmes and teaching methods they offer. Furthermore, we consider larger providers to offer a good level of stability due to their high-level of experience. Although colleges offer strong coverage at a local level, this is often through classroom-based learning which offers little scope for a digital or blended learning approach. In our experience digital and blended learning approaches is often favoured by many learners.

##### **B) How appropriate is the current model of commissioning and procurement? What are the implications of this for yourself and your organisation?**

16. As a large employer, AXA offer a significant number of apprenticeships programmes each year to new and existing employees. From our experience with apprenticeships we consider the procurement process to cause difficulties with regard to tutors and skills coaches requiring access to employer sites and evidence of learning. Often the procurement process results in tight data security reviews needing to be conducted to ensure the evidence required for the apprenticeships can be verified.



17. The introduction of the apprenticeship levy has had the welcome benefit of bringing many new apprenticeship providers to the market place and has seen many further education institutions such as college and universities diversify into this area. As a result, the apprenticeship levy has increased both competition and innovation in the system, especially with regard to the use of levy funds.

**C) To what extent do institutional and local system priorities align to national government priorities such as those described in the Industrial Strategy, the ambition ‘to create a country that works for everyone’ and other national policy challenges?**

**D) Is the current system adjusting and adapting to future needs? Why or why not? What does this mean for you now? What will it mean for you in the future? How does it affect your long- and short-term planning?**

18. The expansion of apprenticeships has enabled the current system to adapt to better meet the future needs of employers. Employers can recruit from a wider and more diverse pool of individuals that is not restricted by age or other socio-economic factors.

19. Companies can now incorporate into their longer-term planning the future skills they predict their workforce will need based on industry trends and technological changes. As a large insurer, planning for new technological innovation in areas such as data, AI and automated vehicles is a significant part of AXA’s strategy. It is therefore fundamental that our recruitment, training and education can be tailored to suit the future skills we need. We consider apprenticeship programmes to be a competent tool for growing an environment of continuous learning, personalised development and creativity.

20. AXA consider the apprenticeship levy to be a policy development that has been helpful in assisting in the mitigation of geographical and socioeconomic disadvantage in further education. For example, an employer can now offer a higher level or degree apprenticeship to someone who may never have previously considered this qualification as a realistic option due to a number of barriers, primarily the associated costs.

21. However, AXA believe that more could be done to promote apprenticeship opportunities to improve uptake across England. There are a number of ways this could be achieved. One potential improvement would be greater collaboration and integration between employers, education providers and different levels of government to ensure apprenticeship opportunities are widespread in all England regions rather than centralised in our largest cities.

22. Second, one of our visions for our learning and recruitment processes is to ensure our workforce are supported to obtain the skills needed to thrive in the future. Considering this point, we would welcome measures that improve the quantity and quality of apprenticeships offered in technology and innovation to ensure they are varied enough to support the skills employees with need in the future. This is particularly the case for robotics and Artificial Intelligence for which there is currently no provision.



23. Third, AXA believe more focus needs to be placed on promoting the benefits of apprenticeships from an earlier age. This would help to reduce the stigma that often surrounds apprenticeship schemes where they are considered as an inferior learning pathway compared to the traditional university route. It is fundamental that education providers and employers find ways to educate learners as to the wide range of learning options that are available to them.
24. Furthermore, AXA consider the skills system to be rigid in how it matches supply and demand for skills and subject knowledge. This can often have the consequence of stifling innovation in a dynamic, knowledge-based labour market.

### **Consultation Question 3: What do we need to do?**

#### **A) What needs to change to achieve an effective skills system? What steps can we take to achieve a better system and a vision you agree with?**

25. Considering our responses elsewhere in this consultation, there are a number of recommendations AXA would make to ensure a more effective skills system. First, AXA recommend that focus is placed on increasing the fluidity of the skills system to ensure it can adapt to a rapidly changing workplace and remain in tune with the future needs of employers.
26. Second, we believe that emphasis should be placed on better aligning the skills system nationally to ensure there are equal opportunities for learners in all geographical areas. In certain areas we have found that schools will tend to focus intensely on their promotion of university education at the expense of alternative further education pathways. As discussed in academic [research](#) and government [reports](#), this can be due to a number of factors including differing levels of engagement between schools and universities across the country or differing levels of provision of information, advice and guidance by schools due to a focus on other priorities, such as improving attainment. Similarly, the promotion of vocational career paths also tends to vary in different locations, which often prevents students from discovering the range of options available to them when they leave school. Therefore, AXA would support a holistic approach from the Government that incentivises the equal promotion of all further education opportunities to all students regardless of their social or geographical background.
27. Third, as discussed in our response to question 2, we would like to see more integration between education providers and employers to ensure further education opportunities are dispersed to all regions of the England and for greater education of all the different learning options available to young people. Policymakers must engage with the stakeholders associated with the skills system, such as employers, to ensure future policy and funding arrangements reflect their needs.
28. Fourth, AXA would also like to see policy makers engaging further with employers, education providers and learners to ensure further policy developments are in tune with the issues facing these stakeholders.

**If you need to get in touch regarding the information in this submission, please get in touch with Public Affairs Executive, Jonathon Murphy, [Jonathon.murphy@axa-uk.co.uk](mailto:Jonathon.murphy@axa-uk.co.uk) or on 07866032309.**