



Securing  
UK advantage

# WORKFORCE SHORTAGES AND SKILLS



ADS represents aerospace, defence, security and space sectors which contributed a combined £37bn in value add to the UK economy in 2022. Our sectors are vital to the UK's future economic success and prosperity and our nation's security and international influence. 417,000 direct employees are at the heart of our four sectors and the workforce demonstrates hard work and dedication that enables the UK to celebrate such international success.

Collectively our sectors support more than 20,000 apprentices, a number that is rising despite the impact of the pandemic on manufacturing production. With our members facing up to the workforce challenges of skills gaps and employees taking early retirement, apprentices and graduates are seen as a route to grow their workforce in the coming years. Reforms to the Apprenticeship Levy are essential so that it can be better used for increasing apprenticeship uptake and for retraining and upskilling our sectors existing workforce.

To ensure long term competitiveness on the international stage, our sectors are working with the UK Government, the devolved administrations, and academia to ensure we are doing everything we can to address these workforce and skills shortages. By attracting and retaining world leading talent our sectors can lay the foundations to secure a prosperous future for the UK. The current Skilled Worker visa arrangements do not offer enough flexibility and opportunity for workers with a good foundation of skills to take up vacancies in the UK.

The UK is home to a unique workforce capability that generates UK advantage. Investment and collective action are needed to identify the future roles and skills required to grow our sectors capabilities and meet the demands of the future such as Net Zero.

**ADS has identified 10 key recommendations to deliver these priorities, which are detailed overleaf.**

# 10 KEY RECOMMENDATIONS

## APPRENTICESHIP LEVY REFORMS

1. Extend levy usage deadlines from 24 to 36 months so it better aligns with apprenticeship planning cycles.
2. Support Small and Medium Enterprises (SMEs) and supply chains by increasing the levy transfer amount from 25% to 35%.
3. Offer greater flexibility in businesses ability to use levy money to train and upskill their workforce and remove the 12-month minimum course requirement.
4. Remove the requirement for businesses in devolved nations to apply for levy money through central funding, which would enable more opportunities and would reduce demand on the devolved budgets.
5. Allow the levy to be spent on travel and sustenance to allow businesses to attract apprentices from wider locations.

## SKILLED IMMIGRATION

6. ADS would like to see the Shortage Occupation List (SOL) updated every six months instead of the current 12. The SOL details the roles that are in high demand in the UK and allows overseas workers with the matching experience to work on a skilled worker visa.
7. ADS calls for the creation of a 'Transferable Skills Catalogue' to enable a larger overseas worker recruitment pool and allows businesses to upskill and address workforce shortages far quicker. Greater flexibility should be introduced to allow workers with a good foundation of transferable skills to apply for SOL roles.

## FUTURE JOBS

8. ADS calls on the Department for Education, with support from other UK Government departments and devolved administrations, to work with our sectors to prioritise the development of their industrial skills needs and the training required to deliver them.
9. ADS sectors need to identify roles that are required to deliver future national and international targets for example net zero, and the skills that are needed to support the future job functions.
10. ADS will work with our partners and Government in the creation of education courses and pathways to upskill the future and existing workforce.



## ABOUT ADS

ADS is the trade association representing the UK's aerospace, defence, security, and space sectors. ADS collaborates with government, industrial investors, and innovators to shape and protect our sectors' interests by promoting best practice in our supply chains and help focus innovation on where it matters most.