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Learning & Skills Policy Update

July 2021

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Introduction

This newsletter is intended to keep unions and other stakeholders up to speed on recent learning and skills policy developments, including commentary by the TUC and unionlearn. It also highlights new resources developed by unionlearn to support union reps to boost learning and skills opportunities in the workplace. If you have any suggestions about either the content or design of the newsletter, please contact Iain Murray: imurray@tuc.org.uk. The newsletter and a range of other learning and skills policy briefings are available on the unionlearn and TUC websites.

Skills policy

Government skills consultations

The government has launched two skills consultations that were originally highlighted in the Skills White Paper published in January. One consultation focuses on the development of the National Skills Fund and the other consultation is looking at reforms to FE funding and accountability. The TUC will be submitting responses to both consultations and drawing on the input of all our affiliated unions.

There will also be an opportunity for trade unions to feed in their views via online feedback sessions that will take place in August. The relevant sessions for unions include event 3 (11 August) focused on meeting the skills needs of individuals or event 4 (10 August) that is open to all stakeholders. We would encourage unions to participate in one of these sessions to highlight the positive impact of union learning and the need for policies and programmes to boost learning and skills opportunities for many more people.

Commenting on the announcement, Kevin Rowan, Head of Organisation, Services and Skills at the TUC, said:

"The government must understand that we are facing a national skills crisis and that there is a need for urgent action on a much greater scale than the policy framework set out in the white paper. While employers in every sector are concerned about major skill shortages, many workers are facing unemployment in the coming weeks and months.

The government needs to act now to boost funding and launch new skills entitlements to empower people to upskill, reskill and retrain to take advantage of available employment opportunities. A strategic approach along these lines could be delivered at pace by a National Skills Taskforce that brings together the expertise and hands-on knowledge of employers, unions and other key stakeholders along with government."

Key themes of the consultation papers

The National Skills Fund consultation is looking at the ongoing development of the *Lifetime Skills Guarantee* entitling adults to free courses to achieve a level 3 qualification if they do not already have one. It also asks a number of questions about the new *Skills Bootcamps* training programme that is currently being rolled out. Finally, the consultation looks at how the National Skills Fund can be used to deliver provision for critical skills priorities below degree level that currently are getting less attention and funding.

The consultation on FE funding and accountability is looking at two key areas. First it is examining ways of simplifying the adult skills funding system and ensuring that there is a sharper focus on the outcomes achieved by individuals. Proposed reforms of the accountability system consulted on include introducing a new skills measure that will capture how well a college is delivering local and national skills needs. The overall stated aim is "to simplify funding for adult skills training, while giving colleges more freedom to decide how best to support the training needs of the local communities they serve, so they can focus on helping more people into good jobs locally."

The consultations do not look at the 16-19 or the apprenticeship training and funding systems. Also, there will be a subsequent consultation on the future Lifelong Loan Entitlement later this year.

Other announcements

In the press release the government also announced an expansion of its Skills Bootcamps training programme. The government website describes this training as follows: "Skills Bootcamps offer free, flexible courses of up to 16 weeks for adults aged 19 or over and who are either in work, self-employed, recently unemployed or returning to work after a break. Some Skills Bootcamps have additional eligibility criteria. They give people the opportunity to build up sector-specific skills and fast-track to an interview with a local employer." So far the programme has offered a range of digital courses, technical training in skills like construction or engineering, and green skills like electrical vehicle maintenance. A full list of all Skills Bootcamps and the different types of training available can be found here.

The press release also revealed which areas will be "trailblazing" and/or piloting the following developments announced in the white paper:

- *Local Skills Improvement Plans* - giving employers, led by Chambers of Commerce and other business representative organisations, a lead role in articulating skills needs that colleges should be prioritising
- *Strategic Development Funds* - enabling colleges to reshape their provision to address local priorities that have been agreed with employers. Includes the option of establishing *College Business Centres* in colleges to work with employers in a designated sector on business development and innovation.

Full details of all the trailblazers and pilots are available here. The government is badging these initiatives together as a Skills Accelerator programme for colleges and training providers.

The government announcement also flagged up that new careers guidance had been published for all schools and colleges. The aim of this is "to make sure that every young person is aware of all the options available to them, including apprenticeships and technical education opportunities instead of concentrating on the traditional university route." This builds on the "Baker Clause" that was introduced as an amendment to the Technical and Further Education Act 2017. This clause stipulates that schools must allow colleges and training providers access to every student in years 8- 13 to discuss non-academic routes that are available to them. However, there remains concerns that too many schools are not meeting this requirement fully.

Skills & Post-16 Education Bill

As anticipated, the Queen's Speech included new legislation on learning and skills, a *Skills and Post-16 Education Bill*. The Bill covers a range of the commitments in the FE & Skills White Paper published earlier this year. The last edition of this newsletter provides a detailed review of the key measures in the white paper. The TUC's immediate reaction to the Queen's Speech highlights that this was another missed opportunity to boost retraining and skills to support economic recovery and job prospects.

Commenting on the skills announcements in the Queen's Speech, Kevin Rowan (Head of Organising, Services and Skills at TUC), said:

"Once again the government is delivering too little too late when it comes to investing in training and skills. Everyone at risk of unemployment in the coming weeks and months needs access to courses now to help them retrain and upskill, and the legislation and white paper fails to address the urgency of this.

Other policy priorities, including the transition to a Net Zero economy and society, also need the government to take much more ambitious action on skills. The Union Learning Fund would have hugely boosted take-up of some of the new measures, including the adult level 3 entitlement, and the government's decision to cut the ULF grant will greatly reduce the number of workers taking advantage of this."

Other stakeholders have also been critical of aspects of the legislation, in particular the sole focus on developing an employer-led approach with little or no reference to other key actors. Trade unions are completely absent from the document and there is little reference to other major stakeholders, including the devolved authorities, Mayoral Combined Authorities and the Greater London Authority. While the government has devolved over half of the Adult Education Budget to MCAs and the GLA, the white paper does not recognise that they should have a strategic role on skills. There is also little reference to other bodies with an existing strategic remit for skills, including Local Enterprise Agencies (LEPs).

Details on how the Bill is progressing through Parliament and links to the debates and amendments are available here. The government has also published a set of additional documents about the Bill, including an impact assessment, policy summary and draft regulations here.

TUC view of skills policy

In an article published on the FE News website, Kevin Rowan sets out the TUC's view of the limitations of the government's current policy approach on skills. The article, in full, is below.

Greater scale of ambition needed for quality jobs and skills.

Kevin Rowan. Head of Organisation, Services and Skills, TUC

There is common ground that expanding quality sustainable employment must be a key plank of our efforts to rebuild the post-Covid economy and achieve a much fairer society. And there is also a consensus that access to well-paid jobs depends significantly on opening up opportunities to learning and skills for young people and adults alike, especially as almost all occupations are increasingly subject to technological change and the utilisation of AI.

Promoting access to learning especially applies to those who are too often locked out of education and training and trapped in a cycle of low pay or no pay. Even before the pandemic hit, a huge swathe of the labour market was dominated by insecure and precarious work paying very low wages.

Covid-19 has served to make matters much worse on this front and also triggered rising unemployment, especially among young people in relatively low-paid, low-skilled jobs. At the same time we are grappling with the challenges arising out of the impacts of Brexit, automation and the transition to a greener economy.

We have entrenched weaknesses in our skills system which puts us toward the bottom of OECD skills league tables and limits the growth of quality jobs. First, we have a poor record in supporting more people to progress to intermediate and higher-level technical skills. Secondly, adults have few if any opportunities to improve on poor attainment in formal education or to upskill and retrain for a career change.

All of this calls for a new scale of ambition beyond what is on offer in the skills white paper. The government must set an ambition for a high-skill economy, where workers are able to quickly gain both transferable and specialist skills to access new opportunities. And that vision should be matched by an efficient and effective skills system focused on access as well as outcomes.

Many more young people should be empowered to purse an apprenticeship or a higher technical qualification and enjoy the quality experience that is the norm in other countries. In the case of apprenticeships this requires a new approach by government to enforce employment and training rights, eradicate low pay, widen access, and to guarantee minimum progression to an advanced apprenticeship.

For adults the much-lauded policy answer is a “lifetime skills guarantee” that is actually more restrictive than the adult skills entitlements that were abolished around ten years ago. The new guarantee only applies to a prescribed list of level 3 qualifications and many adults are completely excluded from retraining because they have achieved this level of attainment.

TUC research shows that take-up of this “guarantee” will be further reduced by the puzzling and counter-productive decision by government to cut the grant for the Union Learning Fund. The OECD, a massive range of leading employers and many other stakeholders have hailed the ULF as one of the most effective initiatives at helping workers with few or no qualifications to progress up the skills ladder.

Much promised long-term investment in FE and lifelong learning has been pushed down the tracks to the spending review later this year. But we already know from the Institute for Fiscal Studies that spending on the National Skills Fund will only reverse one third of the reduction to the adult skills budget over the last decade. Employer investment in training has not compensated for the decline in state funding. We have witnessed falling spend over the past two decades and a sharp rise in the proportion of employers not providing any training at all in recent years.

The TUC is calling for a package of measures to give a real boost to lifelong learning. This would involve a new right to retrain for everybody, backed up by personal lifelong learning accounts and a significant increase to the government’s adult skills budget. We should also follow the examples of other countries that have introduced rights for workers to guarantee them paid time off for education and training and access to regular skills reviews in the workplace.

Trade unions and their union learning reps have years of expertise and experience that could be drawn on to kickstart workplace initiatives along these lines. However, there is not one mention of unions in the white paper despite the OECD highlighting that England lacks the institutional partnership of employers and unions that effectively govern quality skills systems in other countries. There is also little mention of the strategic role of Combined Authorities and the significant strategies that are under development in some parts of the country to link skills strategies with Fair Employment Charters.

Green skills

Green Jobs Taskforce

Last November the government announced the establishment of a Green Jobs Taskforce to "set the direction for the job market as we transition to a high-skill, low carbon economy." Membership of the taskforce included Paul Nowak, Deputy General Secretary of the TUC, and Sue Ferns, Senior Deputy General Secretary of Prospect. The taskforce was co-chaired by ministers from the Department for Business, Energy and Industrial Strategy and the Department for Education. On 14 July the government issued a press release announcing the publication of the independent report of the taskforce. The full report is available here.

The press release includes a quote from Sue Ferns, saying: "The drive for Net Zero is not only essential for the future of the planet, it has the potential to usher in a new wave of good quality, high-skilled jobs right across the country. But this won't happen without coordinated action from government, industry, and trade unions. Together we need to work to make sure that we properly deploy the skills we have, develop those we need, and create green jobs in every nation and region - and this report sets out a plan to do it, starting with the creation of a new national body to help guide the important process of workforce transition so that no worker is left behind as we green our economy."

The taskforce had been asked to advise government on a number of key challenges, including the following:

- the skills needed to drive a green recovery from the Covid-19 pandemic
- the skills needed to reach net zero greenhouse gas emissions by 2050
- how the UK can ensure green jobs are good jobs, and open to all
- how workers in high carbon-sectors can be supported to transition to the new green economy.

The final report includes 15 recommendations grouped under three themes: 1. Driving investment in net zero to support good quality green jobs in the UK; 2. Building pathways into good green careers; 3. A just transition for workers in the high carbon green economy.

Upskilling & retraining for adults

The report acknowledges the challenges facing many workers, especially those currently employed in "high-carbon" jobs and sectors that are likely to be most affected in the short term. In particular it recognises that many workers may face barriers to accessing the necessary upskilling or retraining. Recommendation 12 says: "Employers, industry bodies, government and unions should work together to tackle barriers to retraining and upskilling so that no worker is left behind by the transition to net zero." The detailed recommendation also calls for the following measures in support of retraining and upskilling:

- "Test innovative approaches to tackle barriers to training faced by many workers, such as skills vouchers, training sabbaticals and paid-time-off-to-train arrangements. It is imperative workers collect an appropriate wage (as close as possible to their normal income) during their training."
- "Employers should make full use of workplace mentorship schemes, including recognising union learning representatives, in order to increase access to training for hard-to-reach employees."

Unions should have a strategic role

There is also a commitment to a strategic approach that includes trade unions. The analysis highlights the following lessons from abroad: "Proactivity is essential to ensuring a just transition for workers. Experience from countries such as Germany and Canada demonstrate the value of joint planning with union representatives, involving the workers affected, and pursuing an agreed course of action". Recommendation 12 says that: "Employers and sector bodies should set out business and skills plans for the net zero transition, engaging unions and workers." The report also calls for collaborative approaches along the following lines:

- "The government's support to decarbonise sectors should be tied to industry commitment to retraining existing workers, and transition agreements to ensure job quality and numbers are protected through the transition"
- "Sector industry bodies should bring together large and small employers to develop skills strategies for the entire sector that tackle skills transition in their supply chains and the communities in which companies operate, involving workers and unions"
- "Where redundancies cannot be avoided, government should offer adequate financial support to enable people to make a meaningful choice according to their wishes to retrain or relocate, as relevant to their circumstances, to transition into new sectors and further employment."

<u>Young people and equality & diversity</u>

Theme 2 of the report – *Building Pathways into Good Green Careers* - includes a number of recommendations on how apprenticeships and other education and training options can be reformed to boost entry routes for young people into high-quality green jobs. This section also includes a specific recommendation on new measures to "prioritise the creation of a diverse workforce", including the following:

- "Industry bodies and employers in the green economy should agree stretching and sector relevant targets for driving up the diversity of their workforce, and progress against this should be assessed independently and be held accountable for their delivery"
- "Sector deals should include appropriate and stretching equality and diversity targets and initiatives to achieve them."

The broader recommendations on boosting entry routes include building on existing work to develop green apprenticeships and new measure to tailor other education and training programmes "to ensure they support a diverse, inclusive and net zero-aligned workforce across the UK." There is also a commitment to develop careers guidance in support of this aim.

<u>Education workforce</u>

There are many references throughout the report to the crucial role of the education workforce, in particular in schools and colleges. This includes measures to build effective teaching of climate change and the STEM knowledge and skills needed for green jobs. The Taskforce also recommends that "every school should receive a financial incentive for the recruitment or internal promotion of one or more 'Green Skills Champions'."

The role of the FE workforce is at the centre of the report and in particular about what can be done to attract and retain "talented teachers to teach subjects, including in STEM, which are important for green jobs". There is a call for government to provide additional recruitment and retention payments and flexible working opportunities to attract more people from industry to teach in colleges. The Taskforce highlights that the "pay differential between the FE sector and other parts of the education sector (particularly schools) should be addressed" in order to meet recruitment and retention challenges.

The Taskforce also recommends that the overall capacity of colleges needs to be increased significantly. To support this it has called on the government to:

- "allocate strategic development funding …. to support local areas to expand their provision of green skills, and ensure there are FE colleges who can provide regional and national hubs of expertise in zero carbon skills"
- ensure that these hubs "form a network that develops high-value courses and upskills the teaching workforce in line with local labour market needs, boosting the supply of high-quality FE teachers and trainers covering green skills".

Campaign for Learning report

The Campaign for Learning recently published a new report calling for a comprehensive jobs and skills plan to successfully support and drive the transition to Net Zero. The report - Racing to Net Zero: the role of post-16 education and skills – includes a contribution from Paul Nowak, Deputy General Secretary of the TUC. This article sets out the TUC's vision for transition to Net Zero and calls on the government to take forward much more ambitious action on skills, infrastructure, job creation, research & development, and union engagement.

The TUC article warns of the dangers of a badly managed industrial transition, but says that an ambitious strategy could create over a million decent green jobs over the next two years. It also points to recent research by the University of Leeds showing that as many as 3 million jobs will require significant change and/or upskilling and a further 3 million are in occupations that will see increased demand for their work. A major boost to skills will be needed for young people entering the labour market and to help existing workers to upskill or retrain.

Entry routes, such as apprenticeships, will need to be open and accessible to all with targeted bursaries for currently under-represented and marginalised groups. Workers will need an entitlement to paid time off work to undertake retraining, in particular in sectors (e.g. oil and gas) that will be most impacted in the short term by the necessary technological shifts. There will also be a need for properly resourced colleges, including appropriately recognised and rewarded FE staff. The TUC contribution also points to best practice in other countries where government, employers and unions have worked in partnership on this agenda for years.

The article ends with three key recommendations for government action:

- Establish Just Transition Commissions at the national and regional levels, with representation from employers, unions, and the skills sector to manage the transition to Net Zero
- Resource the FE sector to update vocational qualification standards to align with Net Zero, using Strategic Development Funding to create regional Centres of Excellence for Net Zero at FE colleges
- Align infrastructure investment with a pathway to Net Zero and require framework agreements with unions for major infrastructure projects, incorporating retraining entitlements for workers.

Apprenticeships

Flexi-job apprenticeships

Earlier this year the government published plans to test out more flexible working patterns for apprenticeship in certain industries. This will involve a new £7m fund from July 2021 to help employers in England to set up and expand portable apprenticeships. In April the government issued a consultation document setting out its plans for a new flexi-job apprenticeship scheme involving apprentices experiencing their employment and training with a number of different employers.

The consultation document says that the aim of the new flexi-job apprenticeship scheme is to enable employers to recruit apprentices even if they can't employ them for the full duration of an apprenticeship and to allow people to pause and resume their apprenticeship between stays with different employers. Organisations running these schemes will be the direct employers of the apprentices – they will pay their wages, negotiate their placements with different employers, and try and manage the complexities of their training and assessment with a number of employers. This new flexi-job scheme will be tested out during 2021-22 with a particular focus on the creative industries and construction sector.

The TUC response and an earlier blog raised serious concerns about the higher risks of exploitation of apprentices on such schemes unless there are clear safeguards in place to secure quality training and decent pay and conditions. Many young people are already deterred from pursuing an apprenticeship by low pay and poor treatment and a flexi-job scheme will only exacerbate these concerns. There are clear implications both for job security and employment prospects of apprentices as well as the ability of unions to organise and bargain effectively on their behalf. Organisations running the new flexi- apprenticeship scheme are also likely to face major cost pressures and this risks many apprentices being recruited on the lowest wage possible.

The TUC response says that the government should be tackling the root causes of insecure employment directly and incentivising employers to recruit apprentices for the long-term rather than promoting even more short-termism through such schemes. There is a danger that some employers that currently recruit all their apprentices directly will see this as an opportunity to adopt the flexi-job model to the detriment of their existing apprenticeship scheme.

The TUC response does acknowledge that in some instances - especially in the creative, cultural and media sectors - the high incidence of freelance work and/or contractual employment for time-limited productions can pose challenges for the recruitment of apprentices. In these circumstances, stringent measures must be put in place to ensure that any portable apprenticeship scheme is of a high quality and that this is guaranteed by leading employers and unions in the sector in question.

To this end the TUC response calls for a requirement that the design and regulation of any new portable apprenticeship scheme is agreed by employers and trade unions in the relevant sector beforehand and closely monitored on a regular basis. Priorities should be to safeguard high quality training, decent pay and conditions and health and safety standards, progression to sustainable well-paid employment, and a proactive approach on equality and diversity. This sector sign-off would also deliver robust accountability and regulation to ensure that any agencies involved are pursuing the best interests of apprentices and have the clear support of employers and unions in each sector.

The government has committed to review the apprenticeship levy during this parliament. When this review is launched the TUC will be repeating its calls for key reforms, including allowing levy funding to be also used for innovative pre-apprenticeship programmes and initiatives to widen access to high quality apprenticeships for under-represented groups. But the TUC will also be calling for this review to take a wider perspective and include new policy actions to address the impact of the pandemic and other longer-term trends that have led to a significant decline in the number of apprenticeships in recent years. Urgent reforms are also required to strengthen enforcement of employment and training rights of apprentices, boost wage levels, improve equality of access, and guarantee a minimum progression to a level 3 apprenticeship for those starting off on a level 2 apprenticeship.

T Levels

Financial incentive for employers

In May the government announced a new cash incentive for employers hosting T Level students on an industry placement. Industry placements are a key component of T Level courses, with students spending at least 45 days (or 315 hours) with an employer. According to the government, the cash incentive fund is "designed to offer support to employers impacted by the pandemic, to ensure they can continue to host placements." The regulations specify that employers will be able to claim for up to 20 students for the available T Levels from 27 May 2021 until July 2022.

The new cash incentive is an increase on the £750 payment made to employers offering placements to the first T Level students that started last September. According to an article on the FE Week website the reason for the significant increase is because the "Department for Education has become increasingly concerned with convincing businesses to host students for the 315-hour or 45-day placements."

T Level timetable

According to the government's website, the timeline for the gradual phasing in of T Levels is as follows:

Started September 2020 - Design, surveying and planning for construction; Digital production, design and development; and, Education and childcare

Starting September 2021 - Building services engineering for construction; Digital business services; Digital support and services; Health; Healthcare science; Onsite construction; Science

Starting September 2022 – Accounting; Design and development for engineering and manufacturing; Engineering, manufacturing, processing and control; Finance; Maintenance, installation and repair for engineering and manufacturing; Management and administration

Starting September 2023 - Animal care and management; Agriculture, land management and production; Catering; Craft and design; Hair, beauty and aesthetics: Human resources; Legal; Media, broadcast and production.

Recent reports suggest that the HR T Level may now have been abandoned.

Review of level 3 qualifications

The government has reset out its response to its consultation on the proposed reform of post-16 level 3 qualifications in England. It is largely going to pursue the reform agenda set out in the consultation paper despite a large majority of respondents arguing against this. The detailed response is available here. There is a widespread consensus in support of the government's plans to develop three main post-16 pathways following GCSEs: A levels, Apprenticeships, and the new T Levels. However there remains a great deal of opposition to the plans to remove government funding for many existing level 3 qualifications in the relatively near future.

In line with most stakeholders, the TUC had strongly recommended that any plans to remove the funding for existing qualifications (e.g. BTECs) should be delayed until the full T Level programme is rolled out and fully evaluated. We also agreed with Ofqual and other stakeholders that some existing level 3 qualifications will remain more suitable than T Levels for SEND students and other groups. See our last newsletter for more detail on the TUC response.

While the government response confirms that there will continue to be other level 3 qualifications on offer, for example in creative and performing arts, the likelihood is that any existing level 3 qualifications directly competing with T Levels will be defunded by government and not available to students.

The body representing colleges, the Association for Colleges, was highly critical of the government's response. It has "urged the government to reconsider its plan to defund qualifications" and argued that "more time is needed for the new T Levels to become established before any successful existing qualifications can be defunded." It has also warned government "that a hasty scrapping of hundreds of level three qualifications starting in 2023 risks leaving some of the most disadvantaged young people without routes into meaningful work, and will harm businesses' abilities to employ staff with the right skills to help them grow, especially in economic cold spots."

Employer investment in skills

The Learning & Work Institute has published a new analysis of employer investment in skills. The report, Learning at Work, highlights a number of worrying trends, including the following:

- Employer investment in training fell sharply during the pandemic, with low wage workers and young people most likely to be adversely affected
- Young workers aged 16-24 working in the private sector, who have borne the brunt of the employment crisis, saw the largest falls in training
- Graduates are four times more likely to have undertaken training compared to workers with no qualifications. An extra 1.2 million people would receive training each year if workers with lower-level qualifications were as likely to access workplace training as graduates
- The total number of days spent training at work is at its lowest level since 2011. There would be an additional 20 million training days delivered if employer-led training had remained at 2011 levels
- Employer investment is relatively thinly spread with the annual amount invested per employee - £1,530 - half the EU average. There would be an additional £6.5 billion spent by employers per annum if investment per employee rose to the EU average.

The analysis also contends that the skills funding policy approach by government reinforces many of these inequalities in access to learning and training at work. This is in addition to the fact that government spending on adult education has fallen by 50% in real terms since 2009/10.