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Learning & Skills Policy Update

April 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.

FE and Skills White Paper

In January the government published its Further Education and Skills White Paper, Skills for Jobs. The TUC's initial reaction highlighted the puzzling decision to cut the grant for the Union Learning Fund, saying that it was "reckless for government to break up this incredibly successful partnership between government, unions and employers." As highlighted in our last policy newsletter, the findings from independent evaluations evidences the wide-ranging impacts of the ULF, especially how it has it has supported adults most in need of opportunities to upskill and retrain.

A missed opportunity to boost retraining and skills

The TUC has highlighted that there was nothing new of substance in the white paper to address the scale of action needed now on retraining and skills to support the economic recovery. This month the independent Institute for Fiscal Studies has published a similar analysis with a press release entitled, *Government White Paper on adult education and skills is a missed opportunity*. The TUC's briefing paper underlined that most of the key policy proposals had already been trailed by the government in recent months and these had serious shortcomings. This included the *Lifetime Skills Guarantee* and *Lifelong Loan Entitlement* announced by the Prime Minister back in September. For an update on the latest developments with these two policy proposals, go to pages 3-4 and also see the last issue of this newsletter.

The white paper also had little to say on the long-term funding picture for FE and skills on the basis that this will have to wait until the spending review in the autumn. It had been anticipated that the white paper would be accompanied by the government's full response to the review of post-18 education and skills led by Philip Augar that reported in May 2019. Instead, we got a very short interim response with the full response now expected at the time of the spending review. The TUC's Budget 2021 submission reiterated calls for a more ambitious skill strategy but the Chancellor did little more than repeat the thrust of the white paper (see page 5 for more details).

A highly employer-led approach

The white paper is very clear about giving employers the sole remit for agreeing the standards for all technical qualifications and apprenticeships and for shaping "technical skills provision so that it meets local labour market skills needs." There is no mention of trade unions, the TUC or unionlearn anywhere in the document. The white paper says that government will be "putting employers at the heart of post-16 skills" in local areas through the following two initiatives:

- Give employers a central role working with further education colleges, other providers and local stakeholders to develop new *Local Skills Improvement Plans*. Pilot these new plans in Trailblazer areas to explore an approach where they are led by accredited Chambers of Commerce and other business representative organisations in collaboration with local providers
- Make a *Strategic Development Fund* available in 2021/22 in some pilot areas to support colleges to reshape their provision to address local priorities that have been agreed with employers. Also invite proposals through this Fund to establish *College Business Centres* in colleges to work with employers in a designated sector on business development and innovation.

The government has recently announced plans to test out these two new initiatives through a Skills Accelerator programme. This will involve government taking expressions of interest from employers and providers who are being asked to put forward bids for becoming a Local Skills Improvement Plan trailblazer and/or a Strategic Development Fund pilot. According to the DfE, the aim will be to "help build stronger partnerships between local employer groups, such as Chambers of Commerce, colleges and other providers to make sure communities are getting the training needed to meet local skills gaps". Those interested will have access to a £65 million fund to develop and deliver plans in pilot areas in 2021-22.

The employer-focused approach set out in the white paper is very different to arrangements in most other countries, where employers, unions and other stakeholders come together to influence training and skills provision at geographical, sector and national levels. Last year the Learning & Work Institute published a report highlighting the positive links between trade unions and workplace training, including how a social partnership approach in other countries underpins high quality skills systems. The government's own Industrial Strategy Council has recommended that we look at adopting the approach in other countries where there is "a greater role for employer representative and employee representative organisations (i.e. social partners) than exists in the UK." The employer-led approach also goes against the grain of the theme in the white paper about giving more people ownership of their career development and skills by encouraging them to access skills entitlements to plan their future in our fast changing economy.

FE workforce

There is a whole chapter in the white paper on supporting the development of the FE workforce but with little reference to the hugely important role of employees in support roles. Surprisingly, there is little or no reference to some of the key recommendations by the Independent Commission on the College of the Future which reported last autumn. For example, the commission's recommendations for FE in England included: a new starting salary of £30,000 for teaching staff in colleges to tackle the pay gap with schools; and, a national social partnership between government, the Association for Colleges and trade unions to look at long-term strategic workforce challenges. These and other recommendations by the commission are covered in more detail in the last issue of this newsletter.

The Chief Executive of the Education and Training Foundation (ETF), David Russell, has also recently given his view on the absence of any reference to FE pay in the white paper. The ETF is the body with the remit for professional development and standards in the FE and training sector in England. At a webcast hosted by FE Week earlier this month, the ETF CEO said that the white paper “dealt with recruitment, with training, with development, but it does not deal with recognition or reward”. He added: “It’s like a chair with three legs: it’s pretty hard to sit on a chair with three legs, you’ve got to sit right at the edge really tense, so you don’t fall over.” In conclusion he described the white paper’s lack of action on pay as a “massive gap” which the government and the Department for Education are aware of and have to return to. But he warned that he was not convinced that the Treasury would step in to fund a significant pay rise for the sector.

FE unions expressed outrage in December when the Association of Colleges proposed a pay rise of 1% or £250, whichever was greater. In their joint pay claim the FE unions had called for “a significant move towards the full restoration of college pay levels to where they would be had college pay kept pace with inflation since 2009.” The pay claim highlighted that college staff had suffered a real-terms pay cut of 30% since 2009 and that the increased government funding of £400 million into colleges this academic year allowed for a significant investment in workforce pay.

National Skills Fund & level 3 entitlement

A major element of the plans in the white paper to boost adult learning will be through the National Skills Fund and the new entitlement for adults to be able to access free learning or training to achieve a qualification at level 3 if they have not already done so previously. This entitlement, and other new skills initiatives described below, are being referred to as the *Lifetime Skills Guarantee.* The TUC welcomed the original recommendation by the Augar Review that government should re-establish an adult level 3 entitlement, but only as a first step towards a much broader adult skills entitlement. As it stands the new entitlement won’t deliver for many adults. It excludes qualifications in many sectors - including those hardest hit by the pandemic - and many adults will be ineligible on the basis of level 3 qualifications they acquired up to decades ago.

Also, many adults who left school without a full level 2 qualification may need to aim for attainment at this level before progressing to level 3. However, free courses for level 2 courses are currently only available to unemployed adults and some groups on very low wages. The white paper does not change this, in spite of the Education Select Committee calling on government to re-establish the right of adults to free level 2 courses if they don’t have already have such a qualification.

According to the committee, over 6 million adults do not have a level 2 qualification and enrolments fell by 87% in the first six years following abolition of the pre-existing adult level 2 entitlement in 2012. The committee also called for unemployed adults already with a level 3 qualification to be entitled to access free courses to retrain at level 3 for jobs in sectors facing skills challenges. The government’s response to the select committee stated that there would be no further changes to the level 2 and level 3 entitlements beyond what was already set out in the white paper.

Skills bootcamps

The government has committed to spend £500 million each year on the National Skills Fund. In

2021-22 some of this funding has been allocated to deliver the new level 3 entitlement and the rollout of skills bootcamp training programmes that have been piloted in a number of regions since last autumn. So far, the bootcamp pilots have supported 2,700 people to take up training opportunities, mainly in digital skills. The government is describing the bootcamp model as follows: "Skills bootcamps offer free, flexible courses lasting up to 16 weeks covering areas including construction, digital and technical. The courses are open to adults aged 19 and over and provide a chance to learn sector-specific skills and offer a fast-track to an interview with a local employer at the end." There is more detail on the bootcamp programme and the pilots in our last newsletter.

So far the focus of these 12-16 week training programmes has been on digital skills, but in March the government announced that construction will be a new focus. Most of the new spend on construction training will go to the West Midlands Combined Authority. It will receive £475,000 to train people for green jobs in the construction industry in the coming 12 months.

Lifelong Loan Entitlement

Another key element of the *Lifetime Skills Guarantee* is the forthcoming Lifelong Loan Entitlement. This was also first announced by the Prime Minister last September and the autumn spending review set out initial developmental spending in 2021-22 that will be drawn from the National Skills Fund budget (see previous newsletter for more details). The white paper includes more detail on the new loan entitlement and plans for pilots and a full consultation in the coming year. The loan entitlement proposal draws from the following recommendation by the Augar Review:

- The government should introduce a single lifelong learning loan allowance for tuition loans at Levels 4, 5 and 6, available for adults aged 18 or over, without a publicly funded degree. This should be set, as it is now, as a financial amount equivalent to four years' full-time undergraduate degree funding.

The white paper says that the loan entitlement will:

- be usable for modules at higher technical and degree levels (levels 4-6) regardless of whether they are provided in colleges or universities; and
- make it easier for adults and young people to study more flexibly - allowing them to space out their studies, transfer credits between institutions, and partake in more part-time study.

The scale of the reforms required is emphasised, as follows: "Delivering this vision will require extensive changes to the student finance system and to the types of courses available." As a result the Lifelong Loan Entitlement will not be rolled out nationally until 2025. In the intervening years there will be pilots "to stimulate higher technical education and incentivise more flexible and modular provision" and "determine how we can best stimulate credit transfer between institutions and courses.

The TUC's briefing on the white paper said that the lifelong loan entitlement "does have some possible merits, including that it could support access to funding on a more flexible and modular basis and develop greater parity between our FE and HE systems". However there are concerns that it may lead to excessively high levels of student debt, currently affecting university students, becoming a reality for people using loans to fund sub-degree technical qualifications in the future. One means of partly tackling this would be for government to take forward the recommendation by the Augar Review for the restoration of maintenance grants of up to at least £3,000 per annum for "socioeconomically disadvantaged students". This will be clarified when the full government response to Augar is published later this year.

Budget 2021

The TUC has consistently highlighted that the government's current spending commitments on skills need to be viewed in the context of deep long-term cuts during the last decade. For example, an analysis by the Institute for Fiscal Studies (IFS) shows that the promised spend on the National Skills Fund will only reverse about one third of the reduction in government spending on adult education and skills since 2010. In addition, the NSF spending projection for 2021-22 is £375million, which is already an underspend of £125 million in the first year (see our last newsletter for a more detailed analysis). Another IFS analysis shows that government spending on adults attending classroom-based courses in colleges has been cut by 50% since 2010 and in this period annual attendance by adults at colleges has nearly halved to 1.5 million.

The Budget did contain some new announcements on apprenticeships and traineeships (see page 6 for more details). The only other new announcement on skills in the Budget was the new *Help to Grow* management training programme aimed at SMEs.

Management training programme

Help to Grow will receive funding of £220m over the next three years and aims to upskill 30,000 SMEs in this period. It will be developed in partnership with industry, last 12 weeks and 90% of the costs will be subsidised by government. The aim is to combine a national curriculum delivered through business schools with practical case studies and mentoring from experienced business professionals.

In its reaction to the Budget the TUC said: "Comparative international analyses have consistently flagged up the shortcomings in our management skills and the need to tackle this. But it's wrong to spend an additional £220m on management skills over the next three years while cutting the Union Learning Fund and its support for thousands of workers with few or no qualifications."

Furloughed workers

The Budget contained nothing new on giving furloughed workers greater access to training, as is the case in other countries. The TUC had set out some options the Chancellor could have considered, including extending entitlements to free courses to accelerate learning and training for many furloughed workers facing an uncertain future.

Industrial Strategy and skills policy

The Budget was also accompanied by a separate document - Build Back Better - which sets out the government's plans to support economic growth through significant investment in infrastructure, skills and innovation. This document provides an overview of ongoing reforms in further education and skills and the Chancellor says the following in his foreword: "The best way to improve people's life chances is to give them the skills to succeed. The UK has a strong foundation of advanced skills, but lags behind international comparators on technical and basic adult skills. The government is transforming Further Education, encouraging lifelong learning through the Lifetime Skills Guarantee, and building an apprenticeships revolution."

This document was the first indication that the government was abandoning the Industrial Strategy launched in 2017 and the role of the Industrial Strategy Council. The final annual report of the Council recommends that the government's Build Back Better strategy, including the focus on skills, could be boosted through the development of a "comprehensive Labour Market Strategy, co-ordinated across government and in collaboration with employers, the education sector and trade unions."

Apprenticeships

Flexi-job apprenticeships

The Budget also set out more detail on the plans in the spending review (see page 3 of last newsletter) 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. The government has now followed up on this by issuing 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 has expressed 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.

The TUC is calling for a requirement that the design and regulation of any flexi-job apprenticeship scheme must be agreed by employers and trade unions in the relevant sector beforehand and closely monitored on a regular basis. Priorities will be to safeguard high quality training, decent pay and conditions and health and safety standards, 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.

Recruitment incentives

The Chancellor announced in the Budget that the government would be increasing the financial incentives for employers to recruit new apprentices. A recruitment incentive was introduced last August to tackle the decline in apprenticeship starts due to the pandemic and the economic fallout from it. This incentive comprised a payment of £2,000 to employers in England for each new apprentice they hired aged under 25 and a £1,500 payment for each new apprentice they hired aged 25 and over. From 1 April to the end of September this recruitment incentive has been increased to £3,000 for all new apprentices regardless of age. These payments are in addition to existing £1,000 incentive payments for two groups – new apprentices aged 16-18 and/or those aged under 25 with an Education, Health and Care Plan.

Traineeships

The Chancellor also announced additional funding of £126m for more traineeships in the coming academic year (August 2021 to July 2022). The £1,000 incentive for employers to recruit young people to a traineeship will remain in place during this period.

Apprenticeship statistics

The House of Commons Library has recently published a new detailed analysis of the latest participation trends for apprenticeships in England, including for the first 6 months of the current academic year (August 2020 to January 2021). This analysis draws on the latest release of apprenticeships data tables by the DfE this month.

As we reported in the last edition of this newsletter, the last full academic year (August 2019 to July 2020) saw a large fall in take-up of apprenticeships. This was largely due to the adverse impact of Covid-19 on employer recruitment levels and an increase in the number of apprentices being made redundant. In the 2019/20 academic year there were 322,500 starts compared with 393,400 in 2018/19 (a decline of 70,900 or 18%). Much of the decline in 2019/20 occurred during the first national lockdown. Government statistics enable a comparison of trends during the period between the start of the first national lockdown up until the end of the academic year (23 March to 31 July 2020) with the same period in 2019.

During this period in 2020 there were 60,860 starts, which was 45.5% less than in the equivalent period in 2019 when there were 111,570 starts. So in these months there was an overall decline of 50,710 apprenticeship starts compared with the same period in 2019. The greatest impact in this period was on the youngest apprentices with a decline of 66% in apprenticeship starts for those aged under 19 compared with 2019. The rate of decline in apprenticeship starts for those aged 19-24 was 47% and it was 38% for those aged over 25.

The House of Commons Library briefing also provides an analysis of the trends in apprenticeship starts in the first half of the 2020/21 academic year, August 2020 to January 2021. It highlights that compared with the same period 12 months earlier, apprenticeship starts fell by 18%. There were 161,900 starts from August 2020 to January 2021 and this was 36,700 fewer than in the equivalent period a year earlier. This is not too surprising considering that the second and third national lockdowns occurred in this timeframe.

Some of other key findings highlighted in the briefing paper include:

- The regional variation in the decline in apprenticeship starts during 2019/20 – the North East recorded the greatest rate of decline (-23%) while the South East and South West both recorded the lowest (-15%)
- The large decline in 2019/20 means that apprenticeship starts are at their lowest level in ten years
- There have been some significant changes in starts by sector in the last decade. For example, starts in *Retail & Commercial Enterprise* comprised 21% of all starts in 2011/12, but by 2019/20 only accounted for 10%
- 75% of all starts in 2019/20 were linked to the new apprenticeship standards (compared to only 2% back in 2016/17).

Review of post-16 qualifications

Earlier this year the TUC responded to two government consultations reviewing post-16 qualifications at level 3 and below in England. One consultation focused on qualifications at level 3 (A level equivalent) while another consultation looked at qualifications at level 2 (GCSE equivalent) and below. The DfE said that the overall aim of the review was to establish "clearer qualifications choices for young people and adults, and to ensure that every qualification approved for public funding has a distinct purpose, is high quality and supports progression to positive outcomes for students."

While this is a welcome aim, the TUC expressed some significant concerns about aspects of the government's proposals for reforming the funding of level 3 qualifications. The consultation on level 3 qualifications was largely seeking views on proposals for the groups of qualifications that would continue to be funded once T Levels become more widely available. The consultation on qualifications at level 2 and below was looking for evidence from stakeholders on "what is working and what more level 2 study needs to do to support all students." This evidence will inform future government's proposals on the funding of these qualifications going forward.

Qualifications at level 3

The TUC response to this consultation highlighted key concerns shared by many stakeholders about proposals to remove government funding for existing technical qualifications. We said that removing access to existing popular qualifications (e.g. BTECs) at a premature stage could be viewed as government unfairly using its funding rules to force people to pursue T levels instead of other technical qualifications that they genuinely believe better meet their needs in current circumstances.

The TUC response called on the government to consider a much longer transitional period for a programme of removal of funding that will significantly impact on Applied General Qualifications (AGQs) and Tech Levels. Many of these qualifications, such as BTECs, are a cornerstone of the existing technical education offer for young people and adults. We believe that the funding of these qualifications should not be radically altered until all the T Levels have been rolled out and we can get a picture of what qualification framework is necessary to support all young people and adults to fulfil their potential, especially those facing the greatest barriers.

In addition, the TUC called for a further review of the impact of the proposals on key groups, in particular students with special educational needs and disabilities (SEND) and other groups facing significant barriers. It is questionable whether the T level qualification model will ever be suitable for a large number of people with special needs, many of whom are successfully attaining existing qualifications, such as BTECs. On this basis the TUC response makes the case for extending the list of additional qualifications that will be eligible for funding to include some existing technical qualifications where there is a demonstrable case that they will meet the needs of specific groups (e.g. SEND students) to a better degree than T Levels. It was notable that Ofqual's response to the consultation said that "some learners, including those with SEND or caring responsibilities, may find T levels less well-suited, too big or not sufficiently flexible for their individual study needs."

Qualifications at level 2 and below

The TUC response to this consultation agreed with the principle that all learning programmes must lead to good-quality experience and progression. We highlighted that attainment up to level 2 is a fundamental base for progressing to higher level qualifications and improving jobs prospects. For many adults who left school with few or no qualifications, attainment at entry level, level 1 and level 2 is the route map for rebuilding their education and qualifications.

The TUC response stressed that having a view of clear progression routes and how they are funded helps individuals make informed decisions. However, this can only happen if people get appropriate information, advice and career guidance and are actively engaged to look at the options available. For adults such advice remains very limited and this is why the TUC is calling for a new entitlement to a mid-life skills/career review and development of an all-age careers guidance service.

Independent evaluations of the Union Learning Fund (ULF) had shown that it was highly effective at supporting adults to embark on learning at level 2 and below, often for the first time since leaving school. In many respects the ULF's success is explained by its effectiveness in addressing some of the key barriers facing these adult learners. A recent DfE research report has highlighted some of these barriers, which include:

- being particularly influenced by previous negative experiences of compulsory full-time education, and
- fears about feeling too old to learn, not being able to cope with a course, being made to feel stupid and feeling unsupported.

The research also concludes that a positive and supportive learning environment is particularly important in helping these adult learners to achieve qualifications up to level 2. Union-led learning, especially through the crucial role of union learning reps, provides a supportive and collaborative space which has been proven to motivate adults who are pursuing qualifications at level 2 and below. The TUC response also highlighted the recommendation by the Education Select Committee that all adults should have an entitlement to free level 2 courses if they don't already have such a qualification.