unionlearn from the TUC

Learning & Skills Policy Update

November 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.

Budget & Spending Review

TUC submission

The TUC submission to the government's Budget & Spending Review highlighted the need for a major boost to skills. It said that government must end the short-sighted under-funding of the skills sector, with a co-ordinated plan to upskill the country. More detail is available in the full submission and our responses to the recent consultations on FE and skills (see page 3).

Boost to skills funding fails to materialise

The government announcements on skills were heavily trailed by the Treasury on the weekend before the Budget/Spending Review. Talk of a "skills revolution" and a major boost to funding were difficult to dispute in advance of the exact figures being published. However, early analysis of the data by the Institute for Fiscal Studies (IFS) painted a very different picture. This showed cumulative increases in "per student spending" in FE and sixth form colleges up to 2024 still leaving a shortfall of 10% compared with the funding level back in 2010. Summing up the overall picture, Paul Johnson (Director of IFS) said: "Spending per student in FE and sixth form colleges will remain well below 2010 levels. This is not a set of priorities which looks consistent with a long term growth strategy. Or indeed levelling up."

FE Week highlighted other critical comments by the IFS Director, including that the Treasury briefings on skills funding over the weekend had "served only to obfuscate" and "revealed less than nothing". The day after the Budget the Financial Times published an analysis entitled: UK Budget fails to deliver 'skills revolution' say education leaders. This drew heavily on the analysis by IFS and other bodies, including the Learning & Work Institute (L&WI). Some of the key findings highlighted included the following:

- The claim that total spending on skills will increase by £3.8 billion by 2024-25 failed to acknowledge that this included much of the £2.5bn previously announced for the National Skills Fund over the current Parliament
- The commitment that apprenticeships funding will increase to £2.7 billion by 2024-25 consisted of an already planned increase in employer contributions to the apprenticeship levy
- According to IFS the combined funding for adult learning and apprenticeships will still be 15% below 2010 levels
- According to L&WI total planned spending across further education will still be £750m below 2010 levels.

Skills spending plans

In addition to the increases in "per student spending" in FE, the Chancellor announced that the National Skills Fund will quadruple the number of places on Skills Bootcamps and expand the Lifetime Skills Guarantee providing access to free level 3 courses for adults who have not previously achieved a qualification at this level. However, it was already anticipated that these measures would be taken forward as part of the ongoing plans for rolling out the National Skills Fund during this Parliament. And according to previous analysis by the IFS, government funding for adults attending college courses was cut by a half in the last decade and the new spending via the National Skills Fund will only reverse one third of this reduction. See previous editions of our newsletters for more analysis of new skills policies and programmes.

The Chancellor also announced funding to expand the number of Institutes of Technology, but this has been planned for since the beginning of last year when the bidding process opened (see pages 7-8 for more details about IoTs). It also reiterated its commitment to increase capital funding for the FE sector.

Multiply programme

The only entirely new skills initiative announced was the *Multiply* programme aimed at improving numeracy skills. This is to be funded from the UK Shared Prosperity Fund which is the replacement funding stream for the EU structural funds (e.g. ERDF and ESF) that the UK previously qualified for. The Budget/Spending Review documents describes Multiply as "a new UK-wide programme to equip hundreds of thousands of adults with functional numeracy skills to improve their employment prospects."

This will be one more in a long line of government initiatives to tackle the large number of adults in the UK who lack minimum numeracy skill levels. The Moser Report (1999) triggered previous large-scale government initiatives (e.g. the *Skills for Life* programme) to help adults with limited functional skills in English and maths. It is not clear why the government has decided to focus on numeracy skills and not to address the challenges millions of adults face due to difficulties with reading and writing.

The Union Learning Fund (ULF) and supportive role of union learning reps are widely acknowledged to have been one of the most effective approaches at engaging and helping working adults to commit to programmes to improve their literacy and numeracy skills. The DfE published a research report in 2018 which identified *"union-supported learning, through learning centres and Union Learning Representatives (ULRs) as one of the few effective existing models of work-based support for maths and English."* In recent years ULF projects continued to surpass the targets given by government for supporting English and maths learners. In its last full year these projects supported nearly 38,000 adults to achieve qualifications in English or maths, a 48% increase on the target agreed with the government.

FE & skills consultations

In July the government launched two consultations on further education and skills policy reforms that were originally set out in the skills white paper. One consultation focused on the further development of the National Skills Fund and the lifetime skills guarantee (see our full response here). The other consultation set out proposals to reform the FE and skills funding system and accountability measures for colleges (see our full response here). The key points we made in the consultations are highlighted below.

In both responses the TUC warns that the country is already facing a skills crisis and that there is a need for urgent action on a much greater scale than the policy framework set out in the consultations and the white paper. The TUC is calling on the government to bring employer bodies and trade unions together to agree strategies to tackle labour and skills shortages, including getting industries and sectors to prioritise delivering decent terms and conditions, direct employment and a proper pay rise.

The TUC is also calling for a national lifelong learning and skills strategy based on a vision of a high-skill economy, where workers are able to gain both transferable and specialist skills to build their job prospects. A strategic approach along these lines could be delivered at pace by a National Skills Taskforce bringing together employers, unions and other key stakeholders along with government. The responses also say that there need to be extensive reforms to tackle the skills crisis and combat unemployment, including:

- a significant long-term boost to investment in learning and skills by the state and employers
- new learning and skills entitlements and workplace rights to support upskilling and retraining whenever necessary, including the introduction of lifelong learning accounts
- a regular equality audit to ensure that skills policy development and delivery are focused on tackling the significant barriers impacting on groups facing disadvantage and discrimination
- a new social partnership approach on skills and renewed government support for union learning
- ensuring the college workforce is valued and empowered, with an immediate priority to tackle the long-term decline in pay
- focusing the review of the apprenticeship levy on boosting the number of high-quality apprenticeships and widening access to under-represented groups
- increasing college and sixth form funding for 16-18 year-olds and introducing a number of reforms to guarantee quality post-16 education and skills pathways for all young people.

In response to the consultation on FE funding and college, the TUC made the following additional points:

- The proposed accountability and outcome regime for colleges is highly flawed because of the sole remit given to employer bodies and the lack of any reference to the role of trade unions and other stakeholders. A reformed model should balance the needs of employers, learners and workers by widening stakeholder engagement and consultation on the framework of college provision
- The definition of eligible outcomes for the proposed accountability system should be widened out to prevent a focus largely linked to employers' skill needs. The list of outcomes should be reframed to encompass: progression to good jobs; enabling adults to

contribute to the wider economy and society; helping them to lead enriched and fulfilling lives; and, improving their health and well being

- The proposed plans to simplify the college funding system may trigger a number of unintended consequences, including increasing the barriers to learning faced by certain groups. The increased focus on employers' skills needs also risks reinforcing this. Priority should be given to developing an accountability system focused on narrowing inequalities in participation and outcomes.

Commenting on the TUC response to the National Skills Fund consultation, Kevin Rowan, Head of Organisation, Services and Skills at the TUC, said:

"The modest package of measures in the National Skills Fund will be too little too late for many workers needlessly facing unemployment or insecure low-paid work. We need a lifelong learning and skills strategy that will guarantee high quality upskilling and retraining opportunities for everyone needing this now to boost their job prospects. Trade unions and employers should be trusted to work in partnership with government to advise on and help deliver such a strategy, as is the case in many other countries."

Skills and Post-16 Education Bill

This legislation is enacting a number of reforms in the skills white paper and it is going through the House of Lords first. Up-to-date information on progress of the Bill is available here. The report stage in the House of Lords led to a government amendment being passed that will require the forthcoming Local Skills Improvement Plans (LSIPs) to take into account learning and skills provision needed to contribute to the net-zero agenda. There was also a successful opposition amendment requiring local authorities and Combined Authorities to be consulted on the development of LSIPs.

Another amendment was passed to reinforce the existing "Baker Clause" that currently requires secondary school pupils to get advice and guidance about progressing to apprenticeships and technical education qualifications. Not surprisingly this amendment was led by Lord Baker. Some of the other successful amendments included measures to: stop cuts to Universal Credit for people taking up learning or training; require special educational needs training within FE teacher training programmes; and, require employers to spend two-thirds of their apprenticeship levy funding on level 2 and level 3 apprenticeships for under-25s.

The FE Week website has issued summaries of the amendments passed on and 12 October and 21 October in the House of Lords, including a heated debate and amendments on the government's plans for BTECs and other applied general qualifications (see below).

BTEC Campaign

The most contentious amendments that were passed in the report stage of the Skills and Post-16 Education Bill included a number highlighting entrenched opposition to the government's plans to press ahead with the abolition of BTECs (and similar qualifications). This decision was taken in spite of the vast majority of respondents opposing this proposal in a consultation on level 3 qualifications published earlier this year. For more information on this consultation, see the April and July editions of this newsletter).

The amendments to the Bill opposing the government's decision on BTECs was reported widely in the media (e.g. Scrapping B-Tecs 'hammer blow for social mobility') and builds on a growing campaign supported by the TUC and affiliated unions in recent months. A useful summary of the debate in the House of Lords on this issue, including a copy of a letter from MPs and peers calling on the government to reverse its decision, are available on the FE Week website. It is notable that the letter is signed off by Lords Baker and Willetts, who both held senior education posts in previous Conservative administrations.

The letter from MPs and peers was coordinated by the campaign coalition, #ProtectStudentChoice: Don't Scrap BTECs. The coalition includes a large number of organisations (including unions) that represent staff and students in schools, colleges and universities who are deeply concerned about the government's plans. Its website says that the plan is "far too simplistic, and many young people will continue to be better served studying a BTEC rather than an A level or T level-only study programme." The shared priority of the coalition is to protect student choice by ensuring that BTECs (and other applied general qualifications) continue to play a major role in the future qualifications landscape. There are recent indications that DfE Ministers may be reconsidering the current policy approach to defund the majority of BTECs and other applied general qualifications in the future.

Apprenticeships & young people

Apprenticeships: equality & diversity

The Social Mobility Commission has produced a toolkit designed to offer "tailored guidance on developing inclusive apprenticeship programmes that fulfil their potential as tools of social mobility." The guidance points to guidance that will help employers and other stakeholders to:

- remove barriers to accessing apprenticeships for people from lower socio-economic backgrounds
- increase the socio-economic diversity of their apprenticeship intake
- support all apprentices to complete their qualification, regardless of socio-economic background.

The SMC toolkit makes reference to the four apprenticeship equality and diversity toolkits for union reps produced by unionlearn in recent years, which are available at:

- www.unionlearn.org.uk/publications/accessible-apprenticeships
- www.unionlearn.org.uk/publications/supporting-black-and-minority-ethnic-apprentices
- www.unionlearn.org.uk/publications/tackling-apprenticeship-gender-inequality
- www.unionlearn.org.uk/publications/lgbt-inclusive-apprenticeships.

However, it is disappointing that despite referencing these guides for union reps, there is actually little or no acknowledgement in the SMC toolkit of the key role of unions and their reps in negotiating with employers to widen access to apprenticeships for under-represented groups.

Apprenticeships: trends and policy

The SMC toolkit includes an appendix highlighting that the proportion of people from disadvantaged backgrounds who start an apprenticeship has declined steadily over time. For example, this group accounted for 30% of all starts in 2010/11 but only 22% by 2017/18. The SMC's analysis also finds that this trend has been further fuelled by the introduction of the apprenticeship levy. More detail on the SMC's analysis of apprenticeship trends is available in its latest State of the Nation report, where it calls for a number of reforms to boost the number of disadvantaged people accessing high-quality apprenticeships. This includes the following two actions:

- Use the levy and other mechanisms to incentivise employers to provide more Traineeships and Level 2-4 apprenticeships, and to move higher level apprenticeships into social mobility coldspots; and
- Stop using the levy as an alternative route for degree qualifications for more privileged staff.

A recent analysis by the Institute for Fiscal Studies (IFS) has highlighted that the number of 16- and 17-year-old apprentices fell by 30 per cent between 2019 and 2020 and only 3 per cent of this group took up an apprenticeship in 2020. IFS estimates this to be the lowest level "since at least the 1980s and almost certainly a lot longer" and that there is a real risk this could become a permanent trend. The TUC agrees with IFS that "there are few policy reforms or incentives in place to arrest" the decline in apprenticeships. The TUC is calling for the review of the levy promised by the government to focus on boosting the number of high-quality apprenticeships and widening access by under-represented groups.

This should include changes to enable employers to use their levy funding in a much more flexible way. For example, there is a strong case for allowing employers to use levy funding for innovative pre-apprenticeship programmes and other initiatives aimed at boosting take-up and widening access to under-represented groups. But we will also be calling for wider policy reforms beyond the remit of the levy. There is a pressing need for government to enforce existing regulations and introduce new requirements of employers and training providers in order to tackle the continuing high incidence of poor quality training, exploitative employment practices, low wages, and limited progression routes.

A recent report by the All Party Parliamentary Group (APPG) on Apprenticeships endorses much of the thrust of the TUC's call for policy changes. For example, it recommends that:

- The Skills and Post-16 Education Bill should be used as an opportunity to improve overall apprenticeship provision and support the delivery of quality apprenticeships
- Government should increase the flexibility of what the levy can be used for, with a focus on "resources to improve provision of apprenticeships"
- Businesses and providers must invest in a suitable virtual learning environment, suitable office workspaces and staff training "to ensure apprenticeship provision is of the highest quality both online and offline"
- To ensure parity of esteem, the government should raise the Apprenticeship Minimum Wage to be in line with the National Minimum Wage.

The APPG on Apprenticeships is a cross-party group of MPs and peers which provides a forum for parliamentarians and other stakeholders to discuss how to promote the role of high quality apprenticeships.

Post-16 education & skills funding

The IFS analysis of apprenticeship trends also highlights major concerns about post-16 FE and skills funding, including that:

- Colleges and sixth forms have seen the largest falls in per-pupil funding of any sector over the past decade. Funding per student aged 16–18 fell by over 11% in real terms between 2010–11 and 2020–21 in further education and sixth-form colleges, and by over 25% in school sixth forms
- These spending changes will make it difficult for colleges and sixth forms to respond to students' lost learning during the pandemic and a 17% expected rise in the number of 16- and 17-year-olds between 2019 and 2024
- IFS calculate that an extra £570 million will be required by 2022–23 just to maintain spending per student in real terms from 2020–21 onwards.

The Social Mobility Commission State of the Nation report also addresses the post-16 funding shortfall, especially for disadvantaged students. It recommends that the government should:

- Introduce a Student Premium for 16-19 disadvantaged students building on the Pupil Premium for school pupils aged 5-16. The SMC emphasises the need for this to be additional funding and that it should not be used to replace the current bursary block funding pots, which serve different purposes
- Fund additional teaching time in post-16 institutions to support catch-up and education recovery provision.

Institutes of Technology & new courses

The government has announced a range of new short technical courses that will be delivered through the network of Institutes of Technology (IoTs). According to the DfE press release these free courses are designed to help people "rapidly upskill or retrain, as part of the government's drive to plug skills gaps and boost access to more high-quality training alternatives". However, as highlighted by the FE Week website, availability of these courses will be restricted to certain parts of the country for two key reasons.

First, the existing IoT network is very patchy and two regions - the North West and East of England - don't have any at all. So these new courses will not be available in either of these two regions. Secondly, only 10 out of the existing 12 IoTs will be delivering these courses with two out of the three in London not involved at all (only the East London IoT is participating).

The new courses that are being funded will be rolled out from the end of this month and comprise 65 short and modular courses "in sought-after STEM subjects" such as Artificial Intelligence, Digitisation of Manufacturing, Digital Construction, Agricultural Robotics, and Cyber Security. The courses will be a blend of classroom and remote online study, and will vary in length from 50 to 138 hours. The aim is to give adults "greater flexibility in how and when they learn, so they can fit it around their lives". The courses will be available to working adults aged 19 and over, with priority given to those employed locally to the IoT and/or in related industries such as digital or healthcare. The FE Week article includes a full list of all the courses and where they are available.

A total of £6.4 million is being invested to support IoTs to offer the free courses, which will be available to 4,000 working adults in total. According to the FE Week website this is less than the original plans which involved funding of £10 million for the piloting of these courses. The government said that this was because the number of bids to run the courses did not reach the original estimated amount.

The DfE press release describes IoTs as "collaborations between leading employers, further education colleges and universities – specialising in delivering high-quality Higher Technical Education and training in Science, Technology, Engineering and Mathematics (STEM) subjects, such as digital, advanced manufacturing and engineering, providing employers with the skilled workforce they need." They are viewed as contributing to the overall policy aim of boosting access to higher-level technical qualifications. This involves more people attaining level 4 and 5 technical qualifications (above A levels and T Levels but below degree level) in key sectors such as digital, construction, advanced manufacturing and engineering.

The existing 12 Institutes of Technology - made up of more than 40 FE providers, around 60 leading employers and 18 universities - were selected through a government-led competition. This process involved a lead provider, an FE college or university, collaborating with a group of employers and other providers to create an IoT for their area. The following links take you to the websites of the existing 12 Institutes of Technology: North East; Yorkshire & Humber; Lincolnshire; Black Country & Marches; Greater Birmingham & Solihull; South Central; Swindon &

[Wiltshire](); [West of England](); [South West](); [West London](); [London City](); [East London]().

The second wave of the bidding process for IoTs is shortly coming to an end and will result in 8 new IoTs being established. There will then be 20 in total across England and one of the stated aims of the second wave is to ensure every region in England has an IoT. The final announcement on the next 8 IoTs is due by the end of the year.

Higher level technical qualifications

In addition to the new short courses that are being piloted (see above), the DfE press release also announced that over 100 FE and HE institutions had been awarded a share of £18 million to invest in new equipment to help them expand provision of higher level technical qualifications. The press release said: "Higher Technical Qualifications will provide a natural progression route for both young people taking T Levels or A levels, and adults looking to upskill or retrain – enabling them to take the next step up and gain higher technical skills in key subjects like STEM."

In the skills white paper the government said: "We plan to have a phased, multi-year roll-out of approved Higher Technical Qualifications, with different occupational routes coming on stream over a four year period. This will begin with the Digital route in 2022, followed by the Construction route and Health and Science route in 2023. The future roll-out pattern will continue to broadly align with Government priorities and early T Level waves." There is also a commitment in the white paper that the new Lifelong Loan Entitlement, which will be fully rolled out by 2025, will provide tuition loans for qualifications at levels 4 and 5 as well as for degree-level qualifications.

Regional TUC Skills Projects

The TUC is currently establishing joint skills projects with a number of Combined Authorities. The first project was established earlier this year in partnership with the West Midlands Combined Authority - the TUC project officer leading on this is Matthew Pointon and he can be contacted at m.pointon@tuc.org.uk for more information. Joint skills projects are also being funded by the South Yorkshire and North of Tyne Combined Authorities and the appointment of an additional two TUC project officers will be announced shortly.