

FABIAN POLICY REPORT



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For a better working world

EQUIPPED FOR THE FUTURE

A VISION FOR ADULT SKILLS AND TRAINING

*Edited by Josh Abey, with a foreword by David Blunkett
and contributions from Fiona Aldridge, Bharvina Bharkhada,
Paul Nowak, Michael Marra MSP and more*



The Changing Work Centre was established by the Fabian Society and the trade union Community in February 2016 to explore progressive ideas for the modern world of work. Through in-house and commissioned research and events, the centre is looking at the changing world of work, attitudes towards it and how the left should respond. The centre is supported by an advisory panel of experts and politicians.



Community is a modern trade union with over a hundred years' experience standing up for working people. With roots in traditional industries, Community now represents workers across the UK in all sectors of the economy.



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FOREWORD



*Lord Blunkett is a former secretary
of state for education and employment*

IF THERE WERE ever a moment for reflections on lifelong learning, the skills of the future and the engagement of adults in education, that moment is now.

The aftermath of Britain's departure from the European Union; the messages sent out by the government's nationality and borders legislation; and the impact of the Covid-19 pandemic – these events have come together in a way which requires adult education to be a priority for any government that seriously wants to address Britain's challenges.

Talk of 'levelling up' is meaningless if it is confined to smartening up buildings, second order infrastructure programmes and centrally controlled decision-making. Instead, it must mean liberating the talent of the people of the United Kingdom, addressing the nature of work and meeting the skills needs of the future.

This will be a future that will entail not only the decarbonisation agenda, but developments in artificial intelligence and robotics, longer working lives, and the disruption of working environments for millions of people.

Of course, there will be a need for basic skills, for quality vocational and technical education, and for meaningful apprenticeship opportunities. But there will also be an ever-increasing need for access to higher education, and to creative and intellectually stimulating experiences, in order to prepare for a world beyond the immediate demands of the current labour market. Progression within and between jobs requires a vision of, and preparation for, this constantly changing world.

That is why the current failure of government to appreciate what needs to be offered now is so disheartening. It is why investment is needed to make lifelong learning a reality rather than a slogan. And it is why the subsequent chapters offer perspectives on, and a road map to, the future – going beyond short-term, dispiritingly narrow and unimaginative policy proposals.

Learning for life, with access to education right through to retirement, should be seen as an entitlement. At this crucial juncture in the evolving story of the United Kingdom, any forward-thinking government made up of politicians of stature should embrace the opportunity. **F**

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Introduction

Kate Dearden and Josh Abey



Kate Dearden is head of research, policy and external relations at Community and Josh Abey is a senior researcher at the Fabian Society

WE FACE A huge skills challenge in the UK. The skills demanded by employers are constantly evolving as new jobs made up of new tasks are created. This is nothing new – politicians have grappled with such challenges for many years. But over the last decade, Conservative-led governments have responded inadequately to the seismic shifts taking place and policy is failing to meet the needs of our current and future workforce. Spending on adult skills has been cut dramatically over the last decade and participation has fallen too, as Fiona Aldridge notes in her contribution to this essay collection.

Employers were already facing the prospect of skills shortages before the pandemic. In 2019 the Industrial Strategy Council (ISC) estimated that, by 2030, 7 million extra workers would have insufficient skills for their jobs. ISC modelling suggested that the single largest problem would be a lack of basic digital skills, followed by shortages of management skills, STEM and teaching skills. Their analysis showed that existing policies will not address the problem. We will need to increase formal learning outside the workplace and we will need a huge increase in employment-based lifelong learning too.

The recent levelling up White Paper acknowledged the role of skills and education in reducing inequalities across the UK, but it failed to commit any new funding to underpin its targets on skills. The Learning

and Work Institute suggested that under the government's adult skills plans, investment in skills would still be £750m lower in 2025 than it was in 2010. Similarly, the Skills and Post-16 Education Bill seeks to tinker around the edges, rather than delivering what is truly needed from a government committed to lifelong learning.

Shadow education minister Mike Watson, in his contribution to this collection, outlines the shape of a potential Labour government's alternative approach. Between now and the general election, Labour must grasp every opportunity to hold the government to account on its inadequate skills funding and unambitious targets and set out a vision for a wholesale revolution of adult education in the UK.

Such a vision must enable workers to move seamlessly in and out of training as structural changes transform our economy. New technologies will continue to change the nature of jobs, meaning that people will need support to adapt and reskill throughout their careers. And the decarbonisation required for the UK to meet its net zero targets will disrupt the labour market too – as Bhavina Bharkhada writes, a Labour government must work with key sectors like manufacturing to ensure that a green transition is a just transition.

In this collection, we bring together business leaders, policy experts, politicians, trade unionists and practitioners to lay out

ideas to develop adult skills policy ahead of the next general election. The contributions demonstrate the scale of the skills crisis and the urgent action required. The authors also provide insightful and practical policy solutions – from the TUC's Paul Nowak on why we need to introduce a 'right to retrain', to Elena Magrini's proposals for a lifelong learning national campaign and voucher credits for training, to David Hughes' recommendation of a statutory right to lifelong learning.

We know that meeting the UK's skills challenge is not just a task for government. Employers have a responsibility to support workers, as well as economic incentives to invest in the skills that they will require in order to thrive. Trade unions will be crucial in working with individuals, government and employers to deliver training and upskilling opportunities to ensure workers are equipped and resilient. As Amanda Mackenzie observes in her contribution: "It's going to take collective action, strategic thinking and public and private sector input to get this right."

Skills are the new currency in work and will be critical if we are meaningfully to drive forward our economy post-pandemic. Continuous investment in skills and technology must be at the forefront of Labour's long-term vision for the labour market, and diverse and engaged workforces must at the heart of shaping that vision. ■

Assessing the landscape

What are the problems with our adult skills system and how can we begin to address them? *Dr Fiona Aldridge* discusses



Dr Fiona Aldridge is head of skills insight at the West Midlands Combined Authority

THE PANDEMIC HAS had a profound impact on the labour market, changing sectoral and occupational patterns of employment, as well as where and how we work. The extent to which the economy will return to pre-pandemic patterns or whether the pandemic has led to a permanent step change in our working lives is not clear. What is clear is that long-term trends were reshaping the labour market well before the pandemic took hold – and will continue to do so into the future.

An ageing population has increased demand for health and social care services, while longer working lives require us to update our skills more often. Advances in technology have enabled more home working, while also propelling a shift towards online retail. Brexit has disrupted the UK's role in the global supply chain, forcing changes to working practices. The move to net zero will reduce the demand for some roles, create new roles, and change the skills required in many more. Each of these trends will affect the jobs available and skills needed for the coming decades.

And while these changes should inform what and how we teach young people in our schools and colleges, more than three-quarters of the 2030 workforce has already left compulsory education. As such, ensuring the UK has a highly skilled workforce for the coming decades relies as

much – if not more – on our investment in adult skills, as it does on improving initial education.

This is a significant challenge – and one where we have, arguably, been going in the wrong direction for many years. Since 2003–04, spending on adult education has fallen by two-thirds. And even accounting for the accompanying increase in apprenticeships and work-based learning, investment still fell by 35 per cent or £1.9bn in real terms in the decade between 2009–10 and 2019–20. Employer investment in learning has fallen too; with UK employers spending £5.1bn less in real terms on training than ten years ago, even before the pandemic.

In this context, it is unsurprising that far fewer adults have had the opportunity to learn and develop their skills. There are now 1.5 million fewer adults participating in publicly funded further education and skills provision than in 2010/11, while Learning and Work Institute's 2019 survey of adult participation in learning showed that just one in three adults had done any learning or training in the last three years – the lowest level in the survey's 20-plus year history.

Reversing this decline in investment is critical to the transformation of adult skills provision, but so too is ensuring that any investment is well spent. Doing so

will require us to take a long-term strategic approach that avoids the constant 'tinkering' of recent decades. It will require us to move away from our over-centralised, predominantly competitive landscape to a more collaborative system in which partners work together to meet the needs of both learners and employers. And it will require us to have a better understanding of, and greater responsiveness to, current and future labour market needs.

Developing a highly-skilled workforce will of course require investment in higher level skills provision, but this must not be at the expense of having a breadth of provision at lower levels – to engage and build confidence among reluctant learners; to develop a solid foundation of English, maths and digital skills; and to provide clear pathways for progression into higher-skilled roles. Just as importantly, we need to radically rethink how we make adult learning more accessible, affordable and attractive for all, particularly if we are serious about engaging adults who are currently under-represented in learning – those who are older, have fewer qualifications, are in low-paid work, or are outside of the labour market.

The Independent Panel on Technical Education, chaired by Lord Sainsbury, identified four key factors that underpin a successful skills system: a national system of qualifications understood and valued

by employers; widespread availability of comprehensive career guidance based on accurate and up-to-date labour market information and institutional performance data; stable institutions with appropriate infrastructure; and a system of adequate funding that incentivises both individuals and employers.

A single skills funding pot would enable us to align resources more quickly and efficiently

The current set of reforms being introduced by the government seeks to make inroads into each of these: reviewing qualifications, introducing local skills improvement plans and establishing a Unit for Future Skills, investing in capital and beginning to reverse the decline in over-

all spend. However, its efforts risk falling short of the step change required to truly transform adult skills, particularly where there is a continued emphasis on driving the system from the centre, through a complex range of competitively awarded funding pots, and with a primary focus on achieving qualifications. Such an approach can only serve to reinforce the weaknesses of the current system.

Here in the West Midlands, devolution of the adult skills budget has enabled us to take a different path. We have adopted a more strategic and collaborative approach to commissioning provision, based on local labour market data and insight. We have strengthened our focus on the outcomes rather than the outputs of learning, and have introduced a range of flexibilities to enable our providers to respond quickly and effectively to meet the needs of our residents and local employers. As a result, we have overseen the removal of generic low-value provision, which have been replaced by more vocationally aligned courses. We have also seen a 33 per cent increase in

provision aligned to regional priority sectors, a seven-fold increase in higher-level skills provision and a 20 per cent increase in job outcomes through our training.

While we are proud of these achievements, there is so much more we could do. A single skills funding pot would enable us to align resources more quickly and efficiently to meet local employer and community needs. Greater responsibility for technical and vocational training in the region would allow us to create a more clear and integrated offer for employers and learners to drive up higher-level skills. And devolution or co-commissioning of careers services would ensure that we can target those young people and adults most vulnerable to labour market change.

The 'trailblazer' devolution deal offered through the levelling up White Paper provides an exciting opportunity for us to pursue these ambitions – unleashing the potential of a highly skilled workforce, stimulating economic growth and productivity, and opening up opportunity for individuals. **F**



What we need

Policy must make better use of information about in-demand skills if we are to get retraining right, argues *Amy Solder*



*Amy Solder is head of
adult skills innovation at Nesta*

MANY WORKERS WILL need to upskill and retrain over the coming decade to keep up with changes to their jobs or to transition into new ones. This is a significant challenge for policymakers, the adult education and training sector, workers and employers. If workers are not able to upskill or retrain, we can expect to see an increasing skills mismatch, resulting in negative impacts on productivity and wages.

Analysis from Nesta's 2017 report *The Future of Skills: Employment in 2030* shows:

- Around 10 per cent of current jobs are likely to grow in number. Creative, digital, design and engineering occupations have bright outlooks and are strongly complemented by digital technology. Furthermore, architectural and green occupations are expected to benefit from greater urbanisation and greater interest in environmental sustainability. And education, healthcare, and wider public sector occupations are more resistant to automation.
- Around 20 per cent are likely to shrink in number due to technological change and globalisation. Many of these jobs are low- or medium-skilled such as manufacturing production, administrative, secretarial and some sales occupations. But not all low- and medium-skilled jobs are likely to face the same fate. Food preparation and hospitality, for

example, will likely grow in importance. These occupations also have lower skills requirements but are associated with differentiated products, which consumers increasingly value.

- This means that, for roughly 70 per cent of jobs, we cannot know for certain what will happen to them over the next decade. However, our findings suggest that job redesign coupled with workforce retraining could promote growth in these jobs.

Seven key trends affecting labour markets

The Future of Skills: Employment in 2030 took a holistic view of the seven key trends affecting labour markets in the US and UK (see figure 1). It combined historical trend analysis, foresight approaches and machine learning modelling to generate predictions about the future of skills.

Challenges for mass upskilling and retraining of workers

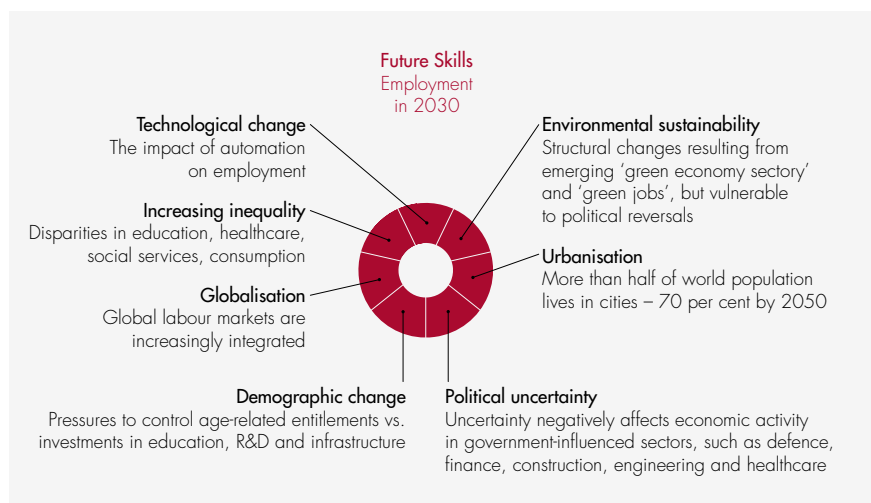
If a large number of workers are to effectively upskill and retrain over the coming decade, there are significant challenges to overcome:

- **Training opportunities:** Over the past decade, there has been a decrease in public spending on adult education

and employee spending per trainee – employers in the UK spend half as much on continuing vocational training as EU average. Participation is not equal – low- and medium- skilled workers are least likely to receive training even though they may be facing the greatest risk of job loss. Only one in four adults in the UK undertook job related training in the three months prior to being surveyed in 2017, and almost half of people from the lowest social grades had not undertaken any learning since they left school.

- **Navigating the labour market:** Many people struggle to navigate the jobs market – finding the right job, understanding how and when to gain new skills and coping with career changes as jobs are destroyed. Fear, lack of confidence and low self-esteem are significant barriers that workers face when changing careers, and the benefits of training are not always clear from the offset. Having job applications rejected can be demoralising and few training opportunities have a clear sightline to guaranteed employment, whilst often requiring significant time and/or financial investment. In addition, job adverts often contain unclear information about salary, contract and tasks required, which further prevents workers from seeking opportunities.

FIGURE 1: Seven key trends affecting labour markets



Source: Nesta. *The Future of Skills: Trends impacting on UK employment in 2030*.

Better use of data & behaviour change of employees & employers

To have a labour market that makes the most of people's skills – one where individuals can successfully transition between jobs and avoid long periods of unemployment – investment in skills must be at the centre of a long-term strategy. A precondition to this is access to reliable and quality information on what skills are needed.

By focusing on the skills underpinning jobs, rather than the jobs themselves, it is possible to examine the transferability of, and pathways between, jobs – in addition to opportunities for job redesign. However, it is vital to avoid perceiving workers as simply bundles of skills that can be slotted into particular roles. People have their own agency, responsibilities, preferences, fears and aspirations that must be considered.

Whilst there is a huge amount of publicly available and commercially held labour market data, the quality, accessibility and visibility vary considerably. Incentivising data providers to offer up-to-date, consistent, standardised, easily accessible and high-quality datasets should be a priority. Nesta has invested time and expertise to make sense of existing data, making it open and publicly available, and presenting relevant insights in a usable format for others. Nesta uses novel data such as online job adverts, machine learning approaches and interactive data visualisations to better understand and communicate future labour market needs, with a particular focus on skills and jobs transitions. This includes:

- The Open Jobs Observatory which contains free and open insights from UK online job adverts, with a focus on the skills requested by employers and detecting job adverts for 'green jobs' in the environmental goods and services sector.
- Mapping Career Causeways, a project measuring the similarity in skills and work activities required in more than 1,600 jobs. The underlying algorithm can identify the skills gap between any two jobs, which can inform decisions around training.

While we can map potential job transitions, there is no public data available on actual job transitions – specifically which sectors people transition between, and how many people make these transitions. In order to generate these insights, we need data on people's job titles to be collected and shared, at either a local or national level.

Transitioning between jobs and retraining

Jobseekers need to be able to understand and articulate their own skills and abilities. With this knowledge, they would be able to identify feasible employment options as well as pathways to growth jobs. For example, a jobseeker would understand that they possess a set of skills that match a certain job, but need an additional skill to successfully transition to that job – and be directed towards training to help them acquire that skill.

Employers also need to recognise the transferable skills of applicants who may be transitioning from other sectors and adopt a more skills-based approach to hiring. This stands in contrast to dominant recruitment practices, which rely heavily on sector experience and workers' contacts (in other words, who you know instead of what you know). In addition, employers should provide better sightlines to employment for transitioning employees, for example by linking up with training partners and guaranteeing interviews for those completing the training, or offering more on-the-job training for workers transitioning from other sectors. Finally, greater transparency in job adverts is also needed, with clearer information on salaries and tasks, and greater flexibility. While most jobs eventually become flexible (statistics from 2017 show 60 per cent of workers end up working flexibly) a lack of flexibility at the point of hiring can put off qualified candidates from applying. The Behavioural Insights Team ran a large-scale randomised control trial with Indeed which found that job adverts offering flexible working attracted 19 per cent more applications.

Upskilling and job redesign

Rather than jobs 'disappearing' from the labour market, it is expected that many jobs will need to be redesigned – particularly around technology. Too often, employers simply make staff redundant and recruit workers with different skills, rather than investing in upskilling their existing employees. This is hugely wasteful for both companies and for society as a whole. Policymakers should encourage and incentivise employers to invest in learning and development for their workforce. As David Willett, former corporate director at the Open University put it: "Employers are spending more than £6bn a year on the skills shortage, predominantly through recruitment activities, but buying skills and not building them is a short-term approach, which ultimately won't pay dividends. It is crucial that organisations take a more sustainable approach, using training to address their skills gaps from within and reducing their spend in the long term."

Ultimately, there is a great opportunity for us to make better use of skills data for jobseekers and policymakers, and in turn incentivise employers to invest in training their existing employees in the skills needed for jobs in the coming decades. **F**

Skilled places

Addressing regional inequalities must mean more investment and local leadership in adult skills, argues *Elena Magrini*



Elena Magrini is head of global research at Emsi Burning Glass UK

SKILLS ARE CLOSELY linked to inequalities – both among individuals and places. Education, qualifications and skills increase the chances of being in employment and of realising higher earnings over a lifetime. They also increase the chances of acquiring further skills once having left compulsory education: research shows that graduates are over three times more likely to participate in training than people with no qualifications.

Highly-qualified, highly-skilled individuals are in turn a key determinant of the success of a place. This is clearly visible in the UK: in the Greater South East of England – the most productive region in the country – 42 per cent of working age adults hold degree level qualifications compared to only 27 per cent in the less productive North East. Similarly, only 14 per cent of working-age adults in the Greater South East have no or low qualifications, against 19 per cent in the North East. And this holds true even at a more local level: cities and towns where more people have high-level qualifications tend to be more productive (see figure 1).

This interrelationship between skills and productivity creates a feedback loop that further exacerbates inequalities between places. On the one hand, places where there are more high-skilled workers and where productivity is already higher attract even more

high-skilled workers and high-productivity businesses, creating a ‘high-skilled equilibrium’ that fuels economic growth. On the other, local economies with fewer people with high-level qualifications and high-productivity businesses tend to be less attractive places for prospective businesses and workers and remain stuck in a so called ‘low-skilled equilibrium’ of low skills, low productivity and low wages.

Bring back investment in adult skills to at least pre-2010 levels

Investing in adult skills is crucial to help break this cycle, boost regional and local economies and reduce inequalities. Given the central role skills play in determining the success of people and places, the rationale for government intervention in this space is strong. Yet, since 2010, public investment in adult education has decreased dramatically and the UK is currently one of the OECD countries with the lowest share of participants in publicly funded adult education.

To address the skills challenges this country faces, and truly ‘level up’, public funding for adult education must at least return to its 2010 level. In recent months, government has made a series of announcements that move in this direction – from increased investment in further education to a ‘lifetime skills guarantee’ to provide free level 3 qualifications, equivalent to A-levels,

to all adults currently not holding such qualifications. These announcements are welcome, and estimates show they reverse the last decade of cuts by a third. The task now must be increasing funding to at least cover the other two-thirds of cuts.

Address the real challenges behind low take-up in adult education

The next question is how to maximise the impact of additional funding. When it comes to barriers to adult education, the costs of training is only one of the many challenges people face: lack of confidence, feeling too old, and work and time pressures all contribute as major barriers to adult learning. To successfully invest in adult skills and reduce inequalities, interventions must address all these barriers.

Here are five ideas that would help do that:

1. A Singapore-style voucher for adult education: this would allow us to address the financial barriers that prevent individuals from taking part in training. Each individual aged 25 or older would be assigned a certain number of credits by government to be used for training. The number of credits would be higher for people with no qualifications and would gradually decrease the more qualifications people have. Individuals could use

these credits to take up courses offered by eligible providers and credits would be topped up periodically over time.

2. A human capital tax credit: this could be introduced to stimulate demand for training among employers, as suggested by the Centre for Vocational Education. The human capital tax credit would function in a similar way to the more established R&D tax credit, making it more appealing for employers to invest in training.
3. Certainty over long-term funding for education providers: one of the main challenges education providers face is the lack of certainty over funding. This means that providers are not able to plan against their long-term needs and those of the local economies they serve, making the system less efficient. These funding settlement mechanisms are currently under review by government and there needs to be a move away from short-term pots towards long-term stability over five to 10-year periods.
4. Experimenting with flexible provision: time pressures and work and family

commitments are often cited among the key barriers to adult learning. Giving education providers and local areas the powers to experiment with flexible provision of education – be it bitesize, blended learning, evening or weekend learning – and carefully monitoring the impact of each approach would allow them to increase awareness around the most effective ways to provide adult education and maximise the impact of learning.

5. A lifelong learning national campaign: this would be crucial to address people's feeling of being 'too old to train' and their lack of confidence. Normalising adult education and talking about it at the national and local level, in formal and informal settings, informing people about the opportunities they could unlock through training would help change perceptions of adult learning for the long term.

The central role of local government

While the task of central government is to set the direction of travel, it is arguably local government that is best placed to de-

liver on the adult skills agenda, as different places face very different challenges. Local authorities and local enterprise partnerships have years of experience delivering employment and skills programme funded by the European Union. More recently, mayoral combined authorities have been tasked with the delivery of the adult education budget. This approach helps tailor initiatives to local needs, maximising impact.

Local authorities should build on their work to date and use their convening powers to bring stakeholders together with the goal of improving efficiency in their local skills system, even where they do not currently hold any formal responsibility. This is because, using their soft powers, local leaders can help map local education provision (identifying duplication or lack of focus), understand business needs and identify ways to bridge gaps in provision in a way that maximises the impact of existing skills spending.

Alongside that, recognising the central role local leaders can play in this area, national departments such as the Department for Education should grant greater flexibility around delivery of adult skills training to local areas.

Adult skills policy is no panacea

Adult training is undoubtedly the single most important policy area when it comes to 'levelling up' and reducing inequalities between places, but on its own it will not solve regional inequalities. Having more skills not only increases employment opportunities, it also increases mobility, meaning people are more willing to move out of their local area if there are no suitable jobs for them. In the longer term this would exacerbate, rather than reduce, inequalities between places.

To maximise the impact of adult skills training on the place agenda, it is imperative these reforms are implemented as part of a wider plan to improve the economic performance of 'left behind' parts of the country. This includes stimulating demand among businesses, making these places more attractive locations for high-productivity firms through investment in office space and infrastructure, as well as investment in R&D and innovation. Only in this way will regional inequalities be addressed for the long term. ■

FIGURE 1: The relationship between skills and productivity in the largest cities and towns



Source: Centre for Cities data tool. ONS, Subregional productivity: labour productivity indices by local authority district. ONS, Business Register and Employment Survey. ONS, Annual Population Survey, resident analysis

Union learning

To ensure no worker is left behind in a changing world of work, trade unions need to be at the heart of adult learning and training, writes *Paul Nowak*



Paul Nowak is deputy general secretary of the Trades Union Congress

TRADE UNIONS HAVE a long tradition of supporting learning and skills at work. One of the key debates at the TUC's founding meeting over 150 years ago concerned the need to improve the technical skills of workers. The case for investing in workers' skills is as strong, if not stronger, today as it was then. From its beginning the union movement has constantly been innovating to provide tailored opportunities for workers to make the most of their potential, especially people who have been unfairly written off. The innumerable case studies on the TUC unionlearn website give a flavour of how union learning has transformed the lives of millions of adults.

The Union Learning Fund and union learning representatives

The last two decades have witnessed a huge revival in union-led learning and training in workplaces of all types and sizes. It all began with a strategy by the TUC and its affiliated unions in the 1990s to build on growing grassroots union activity on skills to develop a new type of union rep – a union learning rep (ULR) – dedicated to supporting skills and personal development. These efforts were significantly boosted by the Labour government's Learning Age green paper which established the Union Learning Fund (ULF) in 1998. No-one anticipated the sudden and inexplicable decision by the

current government to end the grant funding for the ULF last year, despite it being recognised as one of the most effective and value-for-money investments in engaging workers in skills development.

Reaching out to adults, engaging them in learning or training, sustaining them to attain qualifications and to progress further up the skill ladder are all integral aspects of the highly successful union learning model. The 46,000 ULRs trained to date are central to this and have pioneered support for learning and skills that would have simply been rejected or ignored if it came from management. Subsequent developments, such as union-led workplace learning centres and learning agreements negotiated with employers further boosted the reach and impact of ULRs.

Independent evaluations reflect this success: they show that 70 per cent of ULF learners say they would not have engaged in the learning or training on offer without the active support of their unions and ULRs. More than two-thirds of ULF learners with no previous qualification gained one for the first time through the fund. At its peak the ULF supported 250,000 employees into learning and training every year and the original offer was greatly broadened over time to cover a wide range of opportunities for adult upskilling, retraining and apprenticeships. 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 those workers least likely to access learning and training at work.

Scale of the skills challenge

Unionlearn responded rapidly to Covid-19, including launching a Learning@Home resource to promote a range of online learning and training opportunities for workers on furlough or working from home, with 10,000 workers accessing this learning route within its first couple of weeks. ULF projects adapted quickly to respond to workers' training and development needs during the pandemic, including making the case for sustaining apprenticeships and avoiding apprentices being made redundant. We now need to adapt and innovate the union learning model in the face of other major challenges impacting on our economy and society.

Supporting a rapid transition to net zero, retooling and reskilling our carbon intensive industries and boosting green jobs are high priorities, as are strategies to make sure developments in flexible working, automation, digitalisation and AI are of equal benefit to workers. These and other challenges are going to require a revolution in upskilling and retraining of the existing adult workforce. For example, the Green



Jobs Taskforce estimates that one in five jobs in the UK (approximately 6.3 million workers) will be impacted in order to achieve net zero.

The union learning model is seamlessly suited to reaching out to the rapidly growing number of workers at risk of displacement, who will need access to highly tailored learning and development. Relatively sophisticated digital skills will increasingly become a basic workplace requirement and ULRs have great experience of helping progression in this area. The TUC and unions will accelerate innovations in training union reps and delivering workplace learning through a wider range of media over the coming years, in response to digitalisation and increased levels of flexible working.

Collective bargaining, social partnership and lessons from abroad

The expanded role of unions through the ULF and ULRs was not matched by parallel advances in collective bargaining and social partnership arrangements on skills. A TUC review of the progress on union learning under the last Labour government concluded that there was little shift in the balance of power on collective bargaining because of a failure to change employment law or to grant unions statutory rights to bargain on training.

There were moves to try and instil social partnership at the sector level through sector skills councils and sector skills agreements. However, these were a long way off the genuine tripartite arrangements

covering training found in many other European countries. In the UK such agreements are now largely confined to the public sector, such as the NHS Agenda for Change, which includes a knowledge and skills framework.

The role of union learning should be widened and integrated with a revitalised collective bargaining agenda on skills

Numerous OECD reports have highlighted the benefits that accrue to economies and societies from strong collective bargaining and effective social partnership on skills. This was also a key finding of the Industrial Strategy Council in one of its final reports. But since 2010 things have gone backwards. The latest skills White Paper marks a new low point, making no reference to unions at all. It is worth noting that dialogue between unions and employers on skills, and continued government funding for union learning has continued in Scotland and Wales.

Looking to the future

The scale of the skills crisis requires urgent action and the TUC is calling for a number

of reforms to empower more workers to upskill and retrain. This could be achieved fairly rapidly by expanding existing skills entitlements and establishing a new 'right to retrain'. These entitlements should be incorporated into lifelong learning accounts and accompanied by new employment rights, including a right to paid time off for learning and training for all workers. Union learning reps would be at the ready to empower workers to take advantage of skills opportunities under such a framework.

The Labour party has developed some positive proposals to strengthen the role of unions to promote quality learning and skills. The fair pay agreements in the workers' rights Green Paper would give employer and union representatives the right to negotiate on other key issues, including training, as is the norm in many other countries. There is also an opportunity to build on the work that combined authorities, in collaboration with unions and employers, are doing to link skills strategies with fair employment charters and quality jobs. Another objective should be to consider policy measures to drive up bargaining on skills in individual organisations and workplaces.

In a changing world of work, investing in skills is vital to equip workers to stay in and get on at work. We are a long way from achieving lifelong learning. If we are to get anywhere near the 'high-skill, high-wage' economy that the prime minister referred to then we need to act much more urgently and on a much larger scale to enable working people to learn while they earn.

The role of union learning going forward should be widened and integrated with a revitalised collective bargaining agenda on skills. Union-led projects, supported by the ULF and unionlearn, would have the capacity to deliver on skills strategies and priorities agreed by employers, unions and government nationally and locally, and at sectoral and workplace levels. Technological developments will revolutionise how unions can engage with workers to support skills and the TUC and unions are already engaged in developing cutting edge initiatives. However, union learning reps will remain the backbone of the union learning model going forward and continue to give workers the confidence and support to change their lives through learning and training. **F**

Leading the way

The UK needs a proper skills system, not a random menu of options, and it's up to the government and businesses to deliver it, argues *Amanda Mackenzie*



Amanda Mackenzie OBE is chief executive of Business in the Community

THE GOVERNMENT'S LEVELLING up agenda and the momentum following COP26 means for the first time in many years it feels like there is a real window of opportunity to change the way we upskill the UK workforce. As it currently stands, there is a mishmash of responsibility that lies somewhere between the government and businesses.

Business in the Community (BITC) has been driving business to embrace new ways of thinking, develop innovative ideas and share best practice when it comes to upskilling employees. We want to demonstrate to those businesses which do not yet prioritise skills in the way they should that there is a mutual gain to investing in people. While there are examples of many businesses doing great work in this area, it is concerning that there are some businesses who have not yet grasped this way of thinking.

We work with businesses to ensure they are providing jobs that have security, rights and a fair income. We also want businesses to prioritise development and progression for people in every part of their organisations. If every business were to do so, not only would that ensure that they have a high-performing workforce today, but that they would have access to the best possible talent in the future. The collective gain would be much greater than any investment made.

Businesses need to be investing in essential, transferable skills such as communication, problem-solving and teamwork through our partnership with the Skills Builder Partnership. Through this partnership, and alongside business, we developed an essential skills framework which focuses on skills that are highly transferable from roles to sectors and industries. These skills are the bedrock of success for any business, and they support people at all stages of life, whether taking their first steps into work, re-entering the labour force after a period of unemployment, or progressing in later careers.

The pandemic has brought both challenges and opportunities, with many companies now balancing moves to hybrid

working, digitalisation, skills shortages, and difficulties recruiting workers to fill unprecedented numbers of vacancies. Because of this, essential skills have become even more important for both businesses and job seekers as they look to find new talent and new roles respectively.

Many companies have recognised the benefits of providing people with essential skills. KPMG is just one company which is investing in skills by providing young people from some of the UK's most disadvantaged areas with essential skills such as problem solving, listening and teamwork; all of which will increase their chances of getting into work. This is a great example of how businesses can help plug the skills gap by giving people opportunities that may not have been available to them without business intervention.

Before COP26, BITC conducted research on what businesses need to do to ensure that no one is left behind as they prioritise climate action. We found that that six in 10 employees feel that their employer is not helping them get the skills they need to be part of the solution to the climate crisis and future-proof their jobs. I worry that the skills gap that we are seeing across the UK is only going to get worse as the demand for green skills grows.

We need leadership to support and drive businesses' action as we change the way

Employers need to
map out and invest
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we live to help save the planet. There is a unique opportunity now for cross-sector collaboration to ensure that there is a skills system that works for everyone.

Employers need to map out and invest in the skills that they will need in order to thrive over the next 10, 20 or 30 years. If we do not act now, companies will struggle to find the expertise they need to be successful in the future.

Research has shown that high-polluting industries, such as mining, manufacturing and transportation, employ 45 per cent of the UK's workforce. These industries will be the most impacted by the climate agenda as they are responsible for 93 per cent of the UK's carbon emissions. Businesses need to get creative in how the skills currently used in these industries can be used in different ways that support the climate agenda.

The good news is that some companies are leading the way in this area already. They understand that they have a responsibility to their employees and wider society. National Grid has developed an initiative focused on equipping new graduates with the skills needed to help achieve the company's environmental goals. As part of the company's biodiversity enhancement targets, over 250 new graduates have gained skills and knowledge in biodiversity and sustainable business. Now, these graduates have the skills needed to not only further enhance National Grid's progress against their environmental targets, but also contribute to a climate-led future.

We need initiatives like this rolled out at scale and speed to really see change. It is going to take a collective effort to shift the way we think about skills as one of the solutions to the climate emergency. I believe they go hand-in-hand, and upskilling the UK workforce now will save us time and prevent further inequalities in the future.

But to consider how we use skills to address the climate crisis, we need a skills system that works for everyone, not a menu of options with no strategic overview. Many businesses have told me that they find the current skills system confusing, and sometimes a barrier to upskilling people. The apprenticeship levy is a good example of a scheme that is not working for many companies and is not being used to address the challenges that it was set up to fix.

In February 2021, we supported the Co-op to design a nationwide scheme which enables businesses across England to share

unspent money from their apprenticeship levy with smaller businesses. The scheme allows for this to be done in a targeted way that supports the provision of apprenticeships for under-represented groups. It is designed to give those who are at risk of being left behind a chance to learn skills and earn a wage at the same time. By innovating around a government initiative, this has ensured that both the smaller businesses and job seekers can reap the benefits of the apprenticeship levy.

This is just one example which shows how greater impact can be achieved if businesses and government work together

more closely on the development of national skills initiatives. With change on the horizon, following COP26 and the pandemic, we must use this time to work together to get our skills agenda right.

From legislation to delivery, there is a part for everyone to play, and businesses and government alike must be clear on their role in making the skills agenda a success. No one company, government department or education provider is going to devise a skills system that is fit for purpose both now and in the future. It is going to take collective action, strategic thinking and public and private sector input to get this right. ■



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A green transition

How can we ensure we have the skills we need to meet our net zero ambitions? *Bhavina Bharkhada* discusses



Bhavina Bharkhada is head of policy and campaigns at Make UK

THE TERM ‘INDUSTRIALISATION’ often conjures images of dark factories, powered by heavy, manual work and blowing thick black smoke from chimneys. For the earlier industrial revolutions the UK, this was an accurate description. But while the contribution of the manufacturing sector to the UK economy has reduced since its peak in the 1980s – it now accounts for only 10 per cent of GDP – current estimates suggest it accounts for 18 per cent of greenhouse gas emissions.

It is clear that if we are to meet our net zero ambitions as a country, transitioning our entire industrial base from brown to green will be central to our success.

What we make, how we make it, and why we choose to make it, must change

Manufacturers are already rising to the challenge – 77 per cent have committed to reduce their emissions by setting their own net zero targets and 92 per cent say the 2050 net zero target is achievable. After all, the industry’s transition to net zero is not just a challenge but an opportunity, which will allow manufacturers to improve process efficiency and productivity, maximise innovation to develop new products and develop new supply chains both in the UK and abroad.

But there is more both industry and government can do to fast-track this

process. For this reason, new industrialisation should be a core element of Labour’s plans to meet our net zero ambitions.

The growth of net zero awareness is fuelling the need to secure green skills

To some extent, every single job will need to be ‘green’. That is why meeting the net zero challenge is not so much about the creation of millions of new jobs in completely new industries, but rather rethinking existing manufacturing processes and production, and upskilling individuals to adapt to changes within their jobs.

One of those key skills is innovation – the ability to imagine new methods, ideas and products. Make UK research found that 72 per cent of manufacturers ranked innovation as the most in-demand skill to achieve sustainable manufacturing. This key skill can support businesses to not only adopt but successfully embed new technologies to meet their net zero targets, and to attract people and skills to the industry that otherwise would never have joined.

Furthermore, we may not know exactly where every single green job will be created but we do know that many jobs with a significant green element will require higher-level qualifications. Make UK research shows 45 per cent of ‘green skills’ are needed at levels four and five, with another 30 per cent required at level six and

above, i.e. degree level. Sub-sectors such as automotive and aerospace have seen a dramatic increase in the need for higher-level skills in the last few years and, as more jobs move towards being digital and green, this trend will likely continue.

Meeting our net zero ambitions will not only require strong political leaders, but brave business leaders – brave enough to rip up the blueprint. Make UK research shows almost 6 in 10 manufacturers require effective management skills in order to manufacture goods and products in a more sustainable way. Implementing rapid change is not an easy feat, underlining the growing importance of visionary business leaders willing to buck the trend.

How do we attain these skills?

The Department for Education’s own data shows that 84 per cent of skills-shortage vacancies were at least partially caused by a lack of technical skills amongst candidates. Our chronic skills mismatch is a longstanding issue, which is likely to be made even more testing by our transition to net zero – particularly in the manufacturing sector. Nevertheless, there are a few policy levers we can use to address this.

The first involves making digital skills as important as maths and English literacy. Generation Z are evidently digitally fluent, but for many older workers already in the workforce, adapting to

ever-changing digital requirements is a challenge. With digital literacy a core component of most jobs nowadays, every single working adult should have access to a digital skills learning account – similar to that developed by the Open University. Once a digital platform has been created, this should be used as a foundation to create a lifelong learning account, allowing any adult to up-skill and retrain throughout their career through short, modular courses, leading to recognised qualifications.

Second, to meet the increased demand for higher-level skills, we need to explore the possibility of evolving the apprenticeship levy into a wider skills and training levy. The current system risks being financially unsustainable in the long term; lessons need to be learnt about what works to boost apprenticeship numbers in the places and sectors they are needed. The best way to do this is to test the flexibilities of the levy, for example in supporting apprentices' wages and upgrading capital equipment, with employers that already deliver apprenticeships well including manufacturers.

Third, to encourage more businesses to prioritise the acquisition of green skills to meet net zero ambitions, the government should introduce a green skills tax credit. Businesses actively taking steps to develop the skills they need, as well as operate more sustainably, should be rewarded through a green skills tax credit. Incentivising businesses to begin acquiring green skills through available education and training routes would be more effective than punishing those who choose not to.

We must create an education system that embeds flexibility and agility at its core

Fourth, we must create an education system that embeds flexibility and agility at its core to adapt to the next new challenge we face. Today it is attaining the skills to meet our net zero challenge but in decades to come it will be something else. Creating a skills system that can adapt to future needs is crucial. To do this, we need to get better at horizon scanning – exploiting data to understand where skills gaps are, and then feeding that into policymaking across government. The void left by the decision to scrap the UK Commission for Employment and Skills has yet to be filled. There is a compelling argument that such a body – independent of government but influential enough to shape policy – could help us build a more flexible education system.

We need to ensure the right places have the right skills

The UK manufacturing sector accounts for a disproportionately high number of jobs in what are deemed 'left behind' areas. The evidence shows that in the sector is a source of high-quality, high-paid jobs in these places. Wages in manufacturing are 13 per cent higher than the national average, with an earnings premium seen across all qualification levels. Supporting local manufacturing sectors to expand can drive up wages and boost productivity, which in turn can 'level up' regions.

As we look to transition to a net zero economy, expanding our industrial base in these places will not only be a source of high-quality jobs for those most economically disadvantaged, but it can support local communities and the wider regeneration of areas. This does not mean going back to the days of manual factory-based labour, but rather embracing new industrialisation – green, innovative, and digital.

In a recent speech, Labour leader Keir Starmer said: "For too long the decline of manufacturing has been treated as if it was inevitable and irreversible. The next Labour government would support our manufacturers with practical plans to buy, make and sell in Britain."

The Labour party should actively work with industry to develop this through a national manufacturing plan – a plan embracing new industrialisation which can bring prosperity through good, skilled jobs across the UK, and help us to meet our net zero ambitions. ■



A path forward

Getting apprenticeships policy right can drive a transformation in adult skills, writes *Jane Hickie*



Jane Hickie is chief executive of the Association of Employment and Learning Providers

BY WIDENING PARTICIPATION and increasing social mobility, vocational learning transforms lives. Schemes offering training alongside actual work experience are great ways to see people move into good jobs and long-lasting careers – and a future Labour government must put such programmes at the heart of its skills strategy.

Even before the government's 'levelling up' agenda was conceived, the last decade has seen both main parties acknowledging the need to invest in skills and promote vocational education as a quality pathway, alongside traditional academic routes. The apprenticeship system has improved, in no small part through extra funding from the apprenticeship levy. But more is needed to secure its future, ensure school leavers know all their post-16 options, and give people the ability to learn key skills throughout their working life.

What do apprenticeships look like in the 21st century?

There is a persistent myth that apprenticeships are low-paid, entry-level jobs – yet they range from being suitable to school leavers and those with low levels of attainment right through to master's degree level. The costs are met by the employer and the state – and there are options for all ages and experience levels. More than two-thirds of all apprenticeship training is carried out by

independent training providers (ITPs), such as those that AELP represent.

Apprentices spend 80 per cent of their time doing the job, with 20 per cent of their time being spent on off-the-job training. They are relevant to more than 1,500 different job roles across more than 170 different industries and have great labour market outcomes – 93 per cent of all apprentices remain employed on completion of their training.

Despite this, we have seen apprenticeship starts drop dramatically since the start of the Covid-19 pandemic. The trends are particularly concerning when it comes to younger apprentices and lower-level starts. For example, level 2 starts have fallen by 45 per cent and level 3 by a third. The next government will therefore need a plan to ensure the apprenticeship system is sustainable – both by increasing the number of apprenticeships available and by stimulating demand from people to start them.

What is the UK getting wrong on apprenticeships?

With the largest employers injecting more money into the system, the apprenticeship levy has had a positive impact on the programme. However, since the advent of the 2017 reforms, fewer young people have participated in apprenticeships. Sixteen to 18-year-old apprentices accounted for just

20 per cent of all new starts, with young adults aged 19 to 24 making up a further 30 per cent of apprenticeships. Our young people should not be left behind. We therefore need the right balance of incentives and funding premiums to encourage businesses to offer opportunities to young people.

Despite the levy providing additional money overall, the apprenticeship budget has been placed under massive pressure. To secure long-term financial sustainability of the apprenticeship system, overall funding for apprenticeships should match employer demand rather than facing an arbitrary cap. This should include a stand-alone annual budget for small and medium-sized enterprises which are not able to draw down funding from the apprenticeship levy.

Apprenticeships remain the only part of the education system where 16–18 provision is not fully funded by the state, showing a further lack of parity between work-based and academic routes. Apprenticeships for 16 to 18-year-olds should be funded from the Department for Education's 16–19 budget. This would remove them from the scope of either co-investment or levy funding and support more employers to employ younger apprentices.

Incentives made available for apprenticeships through the Plan for Jobs have been a fantastic success. Nearly 128,000 new



jobs have been created so far, of which 77 per cent have been for 16 to 24-year-olds, and 83 per cent are at levels 2 and 3. These cash incentives give employers control over how they invest the grant, whether that is an indirect wage subsidy or investment in infrastructure to support the apprentice. Continuing with these incentives in the longer term – instead of restricting them to apprentices who started their employment before the end of January 2022 – would go a long way towards supporting the sustainability of the apprenticeship programme. Ensuring employers can take on apprentices is only one side of the coin though. There needs to be demand from people in every region, of every age, and at every level to start them. Although apprenticeships are paid, the national minimum wage rate for the first year of training and for those under 19 is currently set at just £4.30 per hour. AELP research shows that 37 per cent of all apprentices are paid at this rate; and the average wage for a level 2 apprentice is £5.45 per hour. An approach to incentivising learners without placing a burden on employers – for example, through government wage subsidies – would make them a more attractive prospect, particularly for those who cannot afford to earn less than the real living wage.

Young people must also be made aware of their options. It is vital that every person, in every region has easy access to careers information and guidance. For too long careers guidance has not clearly showed the different routes – beyond university – to a successful career. That is why we welcomed the inclusion of the Baker

Clause in the Technical and Further Education Act 2017 and we have worked with the DfE to monitor its effectiveness. This made it a legal requirement for schools to allow colleges and training providers access to every student in years 8 to 13 to discuss non-academic routes that are available to them. However, there is growing concern that the clause lacks teeth and there is a widespread lack of compliance.

Adult education – not just apprenticeships

Adult education is not just about apprenticeships. There are around 9 million adults in England who do not have the skills they need for the roles available in the job market, but for whom an apprenticeship may not be the most suitable option. It is vital there are routes available for them to still achieve the qualifications they need to enhance their career options.

From 2025, residents in England will be able to access a learning loan entitlement worth the equivalent of four years of post-18 education that can be used across higher and further education as they see fit. Although this is an improvement on the current system, there is an alternative approach being taken in Wales through the introduction of personal learning accounts. These are available to adults earning under the median wage, or at risk of losing their job. If these types of individual skills accounts were introduced in England, they could help tackle skills shortages and promote social mobility, particularly if they were to include full funding for level 2 and 3 qualifications. This would

put learners and employers at the heart of the system and facilitate greater choice and ownership of lifelong learning, with the ability for different parties to contribute towards the investment in skills required.

Sharing best practice beyond Westminster

In considering its approach to skills, Labour would benefit from looking further into what the party is already achieving in power right across the UK. In addition to skills accounts in Wales, in London Sadiq Khan's mayoral academies have proved an early success by supporting those hit hardest by the pandemic into good jobs in the construction industry. These are now rolling out in other key sectors, including digital, health and social care, the green economy, creative industries and hospitality. The scheme offers payment on results and has ambitious equality, diversity and inclusion targets. An incoming Labour government could also look to Andy Burnham's administration in Greater Manchester, which has introduced the GMACS scheme – a UCAS-style apprenticeships and careers service, which gives young people the information and tools needed to help plan their future.

Sustainable training schemes shaped for local needs

Apprenticeships are not just for young people and people with few qualifications. Apprenticeships are – or at least should be – considered a prestigious brand. But their success must be inclusive. For this reason, government subsidies should not be directed at higher level courses and older apprentices; the funding that is available should be aimed at younger people. And courses must be relevant to the local economy. This requires employers, colleges, training providers, and local partners including councils and combined authorities to work together to identify the needs of local labour markets in a holistic and joined-up way. Young people need to know their options too. The Baker Clause is so important because it ensures that tomorrow's workforce are aware of the whole host of post-16 routes, and are not just shoehorned into university courses that may not meet their needs or the needs of employers. By offering this parity of esteem and truly putting apprenticeships on sustainable footing, the next Labour government could supercharge a skills revolution in our lifetime. **F**

Equal opportunities

More must be done to ensure adult education reduces inequalities instead of reinforcing them, argues *Jeff Greenidge*



Jeff Greenidge is director for diversity at the Education and Training Foundation and the Association of Colleges

THE UK IS emerging from a volatile and uncertain two years, having been buffeted by the perfect storm of Brexit and Covid-19. At the same time, we have seen the emergence of the MeToo movement, the Black Lives Matter movement, and growing calls for equality from LGBTQ+ voices. All have challenged the country to recognise the intersectionality of our lives and have underlined the need to support diversity. But we are seeing widening inequalities, with some members of our society more at risk of exclusion than others.

In many ways young people have endured the most in the crisis. Youth unemployment remains a concern, with stark economic costs. Those who have missed learning during the pandemic are likely to see depression in their future earnings; and young people have missed many opportunities that they would have otherwise had to engage in learning and with employers.

The gap is widening

As the recent Pearson report on post-Covid inequalities highlighted, it is not only young people but women, and Black, Asian and ethnic minority groups who have been disproportionately impacted by Covid-19. The witness testimony in the report identified a fragmented system of advice and guidance in which 'gatekeeping'

causes knowledge to remain in the hands of too narrow a pool of institutions – namely schools, colleges and universities. Young people say that it is hard to navigate this system.

Youth labour markets are often volatile in prosperous times and a prolonged period of unemployment does more harm for a young person than for someone older. Covid-19 has also created new regional inequalities and deepened old divisions. And the gaps are exacerbated by digital exclusion, which aggravates other forms of inequality and poverty.

Some of the hardest-hit sectors over the pandemic – including hospitality, travel, retail, healthcare, and cleaning – disproportionately employ women. Women have also conducted two-thirds more childcare than men during the pandemic. Many women left employment or significantly reduced their hours to care for children. Women experienced inequalities in pay and promotion before the pandemic and have been overrepresented in furlough and redundancies in the last 18 months.

Further education as a game changer

Post-16 education will have a pivotal role in developing the skills and competencies required for the UK to bridge the widening inequalities gap post-pandemic and create the employment opportunities that our

citizens need. To do that we have to create an environment in our colleges that makes the most of our diverse talent. A recent report by the Student Commission on Racial Justice, a national student-led project, highlighted that 17 per cent of Black, Asian and minority ethnic respondents feel that they cannot be themselves and must act differently in school, college or university because of their ethnicity or race. Some commented that it is necessary to suppress aspects of their identity to protect them against the impact of abuse or injustice they have experienced.

More than 3,000 young people aged 16 to 25 were interviewed for the report. They told the Commission directly that to create an environment that is genuinely inclusive, we will need to openly explore the complex concept of identity and find ways for it to be recognised and valued in institutions.

Although education has the transformative power to provide learners with a 'leg up' and boost social mobility, there are still questions to answer within the education sector as to how inclusive the system really is. Does it give our diverse student population the equality of opportunity required to succeed?

The sector response

The past 24 months have served to make more apparent the lack of equality that still

exists in our society. Sector organisations are mobilising to respond and identify their role in reimagining the system. Commissioning bodies such as the Greater London Authority are looking at what levers they must use to stimulate inclusion and narrow the gaps. In November 2021 further education sector leaders including City and Guilds, the Education and Training Foundation, the Association of Colleges, WorldSkills UK and the Federation of Awarding Bodies pledged their commitment to supporting the sector in creating an inclusive environment in which diversity can thrive.

A key element of creating this change is empowering young people to use their voice, by providing them with a platform to be heard on issues surrounding exclusion and inclusion. Initiatives such as the Student Commission on Racial Justice worked with ten leading colleges from across the country to do just that. Organisations such as the Association of Colleges and the Education and Training Foundation have amplified their voices and used this lived experience to inform their work programme.

This more intentional approach to listening to people's experiences and involving them in the solutions is beginning to achieve results. West Suffolk College is embedding equity and inclusion through teaching Black history throughout the year, with a curriculum co-designed with their learners. In doing this, they have taken their learning back out into the community to engage learners with local people through local project work. The college is also incorporating the history of the LGBTQ+ community and the devel-

opment of women's rights in this diversity curriculum. Such approaches across FE create a safe space for conversations to take place, facilitate the development of positive teacher-learner relationships, and visibly model inclusive behaviour and attitudes.

If the government is to deliver on promises to bridge infrastructure gaps, we must see a growth in skilled trade occupations

Some colleges are improving career advice and guidance services to better support young people to make the right choices, by focusing on their lived experiences and aspirations. This approach is designed to improve retention, achievement confidence in learners. There is potential to build on examples such as Bolton College working with Greater Manchester Higher – a collaboration of universities and FE colleges from across Greater Manchester – to change the mindset, develop the skills and raise the aspirations of its 7,000-plus learners to either go onto higher education, accept apprenticeships or to set up businesses.

If the government is to deliver on promises to bridge infrastructure gaps, we must see a growth in skilled trade occupations, including architects, engineers, electricians, carpenters. As our population ages,

we anticipate new demand for a range of 'caring' occupations, including doctors, nurses, and carers. Apprenticeship providers are innovating to confront these changes, with organisations such as Multiverse seeking to build high-quality alternatives to university and corporate training.

Recommendations

In reimagining the post-pandemic skills and employability ecosystem, we need services that are joined-up and quickly accessible, as well as a system that provides the equity and equality of opportunity required to make the most of the UK's diverse talent pool.

The Pearson report made several proposals to provide equity for those disadvantaged by the pandemic. For example, there should be a mentoring scheme, supported by central government and driven by the National Careers Service and the Careers and Enterprise Company. Mentors should be drawn from the local community and could include college staff, higher-level learners, and others. People of all ages need to be supported to recognise the skills they have and more easily identify the ones they need to switch jobs. We should also use the power of big data to 'match' employers with those looking for work, to at least broker a conversation between jobseekers and employer. A reimagined skills and employability system must promote the multiple routes into employment through vocational and non-university pathways, such as apprenticeships and T-levels alongside the traditional academic routes. We live in a world where technology can shape and support our lives. Organisations such as Ufi VocTech Trust, through grant funding, venture investment and advocacy, champion the power of vocational technology to improve skills for work. There are some compelling examples of how technology can enable learners and support tutors to navigate the world of work, apprenticeships and traineeships.

Finally, to give people a 'leg up' and increase equity, we need more local and regional decision-making – tailoring employment and skills strategies to places, albeit within the context of national need. Local leaders must have more say over how funding is allocated.

We need unified action rather than uniform action – promoting equal outcomes for people living in less prosperous places should be the way forward. ■



System change

A coherent new skills settlement is needed to tackle the challenges we face, writes *David Hughes*



David Hughes is chief executive of the Association of Colleges

AFTER WHAT HAS been without question a decade of neglect from politicians – a 50 per cent cut in funding, and a consequent 50 per cent decline in participation – adult skills is happily achieving some level of prominence in public policy. The prime minister and chancellor have recently set out their intentions to drive a ‘skills revolution’, and the education secretary has described his priorities as being ‘skills, skills, skills’. Keir Starmer has made it clear that adult skills will be a priority for Labour too.

This renewed attention on adult skills reflects both the realities of our labour market, and the political context we inhabit. On the labour market side, CBI analysis has shown that 9 in 10 adults will need access to reskilling and retraining over the coming decade as a result of technological and other changes in the world of work, while investment in skills is critical to unlocking longstanding productivity challenges. And on the politics, a focus on adult skills is critical to any discussion about redressing regional and social inequalities – from supporting the 9 million adults without basic literacy, numeracy and digital skills, to building opportunities for people to gain new green and advanced technological skills.

What would a coherent adult skills system look like? For me, there are five central priorities. First, it does in fact need to oper-

ate as a system – which is something we are currently a long way from. A systems approach requires a long-term post-16 education and skills strategy sitting across government, linked to industrial, health, welfare and net zero strategies. It would set out the complementary roles of every part of the system, and would offer a stability that has been starkly lacking from education and skills policy for a very long time. It might even ensure the longer-term funding settlements that institutions crave so that they can, in-turn, set their own long-term strategies and plans, rather than having to make short-termist, survivalist and tactical plans on shifting sands.

Second, the national strategy must spawn local, place-based plans, bringing together colleges, universities, schools and other providers, alongside local government, unions, employers, JobCentre Plus and other key agencies. There should be a new legal duty on post-16 education providers to collaborate. They should agree their complementary roles, develop clear pathways for people to progress through the system and allow employers to ‘know where to go’ for the best skills advice and support. This is the antithesis of policy over the last decade and more, which has been based on the mistaken belief that a market-based approach to education would deliver the best choice and quality. Our analysis

has shown that the market-based approach leads to insufficient specialist provision particularly at higher levels and is confusing for learners and employers. A new place-based approach would also support good devolution within England, something the existing mayoral combined authorities are already showing can work well.

For colleges, this more networked approach presents opportunities for collaboration in many areas which have been neglected in recent years as a result of funding cuts. These include the need for an expanded lifetime careers and skills advice service to be located within college networks, the resourcing of independent student voice functions, better student enrichment and engagement and new strategic employer support roles.

Third, a high-quality adult skills system requires an expert and properly remunerated workforce, across colleges and other providers. The stark underfunding of colleges over the past decade has had a disastrous impact on staff pay and conditions. This needs urgent attention, with a ‘catch up and keep up’ strategy on pay, as well as serious investment in continuous professional development, secondment opportunities into industry and investment in lecturers’ digital skills.

Fourth, an adult skills system needs a new, strategic partnership with employers,



nationally and within localities. This means ensuring fundamentally that employers' needs are central to the system. That is not to say that employers should be driving the skills system (most of them would rather be happy passengers on a journey they have chosen), rather they should be key influencers. Their needs must be balanced with the needs of students over the long term. The best employers understand that, welcoming well-rounded and confident people into their workforces who can carry on learning and developing.

Colleges want to be employment-led, supporting their students into good jobs, with prospects, for employers who will carry on investing in training and skills. The partnership colleges want with employers goes well beyond supplying job-ready candidates. The biggest barrier we have in the UK to productivity gains is that too many employers do not have the time, resources, support or capabilities to innovate. That means they often can get stuck in a low-pay, low-skills, static productivity equilibrium. Economic progress will depend in part on colleges and others being resourced to offer advice and support on digital transformation, innovation and adopting new working practices as well as being able to train staff in the appropriate new skills.

And fifth, we need the government to commit to a new statutory right to lifelong learning – with colleges coming to be a genuine touchpoint for people

throughout their lives. This must include a funded entitlement to study at least up to level three (A Level/BTEC equivalent) – including subsequent qualifications as required. It means ensuring that people can afford to study throughout their lives – with equal maintenance support across loans and grants available in further and higher education and advanced skills training, whether part-time or full-time, in-person or distance learning, and with flexibility in the use of the entitlement.

The biggest barrier in the UK to productivity gains is that too many employers do not have the time, resources, support or capabilities to innovate

A statutory right to lifelong learning also means redressing restrictions on studying and training whilst in receipt of universal credit – ensuring that people do not lose their benefits where they use their entitlement to reskill/retrain for work.

Happily, elements of all five points are being taken forward in England. The Skills for Jobs White Paper, published in early 2021, makes some important steps towards redressing the neglect of adult skills – with proposals to introduce a new lifelong loan entitlement which would enable people to access L4 and 5 qualifications and a 'lifetime skills guarantee' of a fully funded L3 qualification. Just as importantly, the White Paper seeks to strengthen the capacity of colleges to work on a collective basis across a locality to deliver on long-term strategic outcomes. But attention needs to be given to ensuring that the component parts of the reform deliver as a coherent system and we want to see the lifetime skills guarantee becoming a statutory commitment.

What is so fascinating is that there is a very similar trajectory in Northern Ireland, Wales and Scotland – with increasingly networked, place-based systems, a greater emphasis on strategic partnerships with employers, moves towards greater collaboration between education institutions and a growing recognition of the wider social as well as economic imperative of lifelong learning.

The progress and attention are welcome. But the nature of the challenges we face, and the long journey we must take from the disjointed, under-resourced system that we currently have will require cross-party consensus for long-term change. **F**

A skilled nation

Making the most of economic change means equipping Scotland's young workers with the skills they will need to thrive, writes *Michael Marra MSP*



Michael Marra is a Scottish Labour MSP for North East Scotland and the shadow cabinet secretary for education and skills

FAR TOO OFTEN when we talk about Scottish education, we talk about the past rather than grasping the future.

Sometimes, of course, we do so for good reason. To understand how to meet the challenges of the future, we must appreciate the issues of the past. We must appreciate what we have tried before, and we must use the foundations that exist in order to build the future for which we strive.

And when we think about the economy of the future, where our young people will not have just one career but several, in jobs that are yet to exist, we must consider whether our education system is equipping them with the correct skills and experience to grasp such opportunities.

The pace of technological change is the fastest it has ever been and is likely to speed up further. Economic change has also been accelerated by the pandemic. Climate change demands that rather than searching for the brake we put our foot on the accelerator – that we embrace further, deeper, more profound change.

Yet on the contrary in Scotland, we have seen a regression of digital skills in our schools – leading to an acute shortage of digital skills in the wider economy. We have seen a reduction of computing teachers in schools at a rate of around 17 per cent and computing is one of the subjects disappearing at the fastest rate from school timetables.

Beyond this, there has been no robust analysis conducted on the impact on attainment – on young people's experience of education, attainment and skills. This is the case in schools, as it is in

tertiary education, including for those taking apprenticeships and other work-based learning. We do not know either the full extent of the skills gaps that exist regionally, or across different industries due to numerous incomplete skills audits.

When we consider the realignment of the economy following Brexit and the pandemic, we need to remember that our skills system was not functioning well before either. This is necessary if in order to design a system fit for the future. That future system must be strategic in its purpose, it should look forward to the reality of the way that our economy is changing and where the opportunities lie, and it must be centred on the individual.

A key focus of this must be ensuring that our skills system aligns with the long-term needs and interests of the economy, rather than being a device of short-termism. There can be nothing more important than digital skills.

Scotland is woefully unprepared to embrace the jobs and growth of the future. To illustrate this, the unemployment rate for young people peaked at 10.1 per cent this year, over double the national rate. There is little to no plan of substance for getting unemployed young people into work and equipping them with the skills that they need.

Speaking to businesses in my home city of Dundee, there is a desperate need for software engineers, coders, developers and IT support, but no skills base from which to meet that demand. Hundreds of people in the city are missing out on these opportunities, because the Scottish government is not

equipping them with the necessary skills. The issue is complex, and it requires careful planning and multi-agency coordination.

I want to see new places and ways of teaching – digital academies, technology colleges, continuous innovation in how we educate. Teachers must be given the chance to lead change in a hundred different ways. We need a Scottish education system that will power us through this century. I believe that the private sector has the ideas, engagement and willingness to engage on these issues – after all, it is businesses that require the skills we are talking about – but often they feel they are left to themselves, with only ad-hoc opportunities to work with Scottish government to meet skills challenges. Instead, employers need the right structures in place to systematically engage with government.

There are many routes to ensuring a better, more responsive and more strategic skills sector, and Scottish Labour stands ready to make it a reality. What this requires at its core is the political will to embed these skills within an economic policy agenda. It requires that our skills and education agencies go against the grain of their culture and are proactive in coordinating action. We must ensure that young people have digital skills embedded in their broad school experience, and have opportunities to gain the core practical digital skills the economy demands – coding, design, development.

We cannot waste time talking about how things used to be. That is not real Labour. Labour must – Labour will – embrace change and lead that change for our future. **F**

An alternative vision

Labour would act fast to future-proof the economy
with a bold skills policy, explains *Mike Watson*



*Lord Watson of Invergowrie is a shadow
education minister in the House of Lords*

THE SKILLS AND Post-16 Education Bill is one of the government's flagship pieces of legislation. In effect it represents an attempt to undo a decade of the Conservatives' own neglect and underinvestment in further education and skills policy.

At present 40 per cent of young people leave education without level three (A-level/BTEC) qualifications essential for them to prosper in the modern economy. Meanwhile, over the past decade annual apprenticeship starts – at all age levels – have fallen by 200,000 and the number of adult learners has reduced by nearly 4 million.

The skills bill covers only further education providers and sixth form colleges. It makes no reference to schools, yet they play a vital role in equipping young people with the skills they need to thrive in life.

The introduction of T-levels is being carried out without a sufficient review of the rest of the education system, both pre- and post-16. The government's plans to defund most BTEC qualifications to ensure the success of T-levels would close off a route to higher education for many young people – particularly from disadvantaged communities – for whom neither T-levels or A-levels are suitable. Labour would ensure an appropriate mix of all three remained available, to provide a regular supply of young adults properly prepared as they enter the labour market.

We have a more ambitious vision for equipping the workforce of the future with the skills it will need in a rapidly evolving world of work.

At last year's party conference, Keir Starmer announced Labour's plan to ensure every young person leaves education ready for work and ready for life, by embedding the digital skills they need, the careers advice they deserve, and guaranteeing work experience for all.

This sits alongside the commitment to use unspent funds from the failing apprenticeship levy for a wage subsidy, which could have created 100,000 new apprenticeship opportunities this year. These would include older workers who need to reskill and upskill to remain in employment.

One of the lessons to be learned from the past is that root and branch changes to the delivery of skills and training have rarely proved sustainable. Revisiting the plethora of initiatives during Labour's period in government from 1997 to 2010 is mind-boggling. Each term produced its own skills act, and over 13 years there were seven green or white papers and many national skills strategy papers.

The next Labour government would not adopt a 'rip it up and start again' policy on skills. We have acknowledged that there are aspects of the current skills bill that are worthy of support and need to be successful, but we would build on them to ensure that success.

For example, under the skills bill proposals, employer representative bodies (ERBs) are required to draw up local skills improvement plans – but these new structures specifically exclude local authorities, mayoral combined authorities and local colleges. That is not just wrong, it is contradictory. When the levelling up White Paper was published, the government stated that it:

"recognises the strong local leadership mayors... have shown and wishes to replicate this success across England". These are the same metro mayors deliberately sidelined by the skills bill proposals for developing local skills improvement plans, demonstrating a serious lack of joined-up thinking in government policymaking.

Labour will give a central role to local authorities – including mayoral combined authorities – as well as local FE providers and independent training providers. These local bodies will work with the ERBs to develop local plans that reflect the needs of learners and employers, together with social and economic development strategies in their area.

Labour will establish where skills gaps exist and in which industries, and ensure adults will be able to access free, flexible training to secure the skills they need to build careers in sectors such as green, digital and construction.

We will place the lifetime skills guarantee (the right to free education on an approved course up to level three) on a statutory footing, ensuring that any approved provider automatically receives funding from the government. It would also apply to employers receiving funding for people under the age of 25 who begin an apprenticeship at level two or three, equipping them with the skills the economy requires.

We are running out of time to improve skills policy – a fact seemingly beyond the grasp of this government, with the skills bill not due for full implementation until 2025. A Labour government under Keir Starmer would act with much greater urgency. ■

