

## Education Committee

Oral evidence: [Adult skills and lifelong learning](#), HC 278

Tuesday 22 September 2020

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Members present: Robert Halfon (Chair); Fleur Anderson; Apsana Begum; Kim Johnson; David Johnston; Ian Mearns; David Simmonds; Christian Wakeford.

Questions 1 to 57

### Witnesses

I: Matthew Percival, Director of People and Skills Policy at the CBI; Joe Fitzsimons, Head of Education and Skills Policy at the Institute of Directors; and Iain Murray, Senior Policy Officer covering education and skills at the TUC.

II: Professor Josie Fraser, Deputy Vice Chancellor at The Open University; Dr Sue Pember, Policy Director for HOLEX; and Simon Parkinson, Chief Executive of the Workers' Education Association.



## Examination of Witnesses

Witnesses: Matthew Percival, Joe Fitzsimons and Iain Murray.

**Chair:** Good morning, everybody. Welcome to our Committee. Thank to you, witnesses, for being very patient in this new format; sorry we have started a little bit later than planned.

Could I ask you to introduce yourselves very briefly, for the benefit of the tape and those watching outside? Could I also ask that everyone be as concise as possible—we are pressed for time because of broadcasting rules? I will ask start off with you, Joe, please.

**Joe Fitzsimons:** Good morning. My name is Joe Fitzsimons and I am the Head of Education and Skills Policy at the Institute of Directors.

**Iain Murray:** Good morning, colleagues. I am Iain Murray, I am a Senior Policy Officer covering education and skills with TUC.

**Matthew Percival:** Morning, I am Matthew Percival. I am the Director of People and Skills Policy at the CBI.

Q1 **Chair:** Thank you very much. If I could start off, please, how would you describe the state of adult learning in the UK at the moment? Who would like to go first? Iain, I will start off with you.

**Iain Murray:** We were in a pretty tough position six months ago; we are now in a hugely difficult position. Over the last 10 years we have seen a huge decline in Government investment, with a 50% decline in Government investment in adult skills. Some of the independent surveys of adult learning show now only about one in three adults are taking part in any form of learning. Participation is down by 10 percentage points since 2010—nearly four million fewer adult learners, with one million fewer adult learners in the FE system and part-time university students down from 250,000 to 100,000.

We have seen a massive decline in the number of adult learners. On top of that, we have now been hit with the Covid-19 crisis, which means we have to up our game even further. I think we are in the most challenging time we have seen in recent decades.

**Matthew Percival:** We are certainly a long way from where we all need to be. Our best analysis at the moment is that, if we look at even just the skills we will need in 10 years' time rather than the skills we need today, almost everybody will need to learn new skills over the next decade and the vast majority of them are already in the workforce.

We are underinvesting in adult education currently, which is businesses underinvesting, Government underinvesting and individuals themselves feeling far more confident investing at a younger age than an older age. I think all stakeholders have a responsibility to step up. There is an



## HOUSE OF COMMONS

economic opportunity if we get it right and there is a social cost if we get it wrong. It is a very important issue and I am pleased to be here discussing it this morning.

**Joe Fitzsimons:** IoD members certainly understand the importance of adult learning and of training and developing within their workforce. It plays a vital role in driving forward productivity and about a third of members offer training where they are preparing staff for promotion.

The challenge, particularly for SMEs, in investing in training at this time is there will be the costs that we know about, but also the opportunity cost and the lack of courses available for time-poor firms as well. There is a range of wider challenges but also, indeed, wider benefits to all involved, both the individual who will go through many different career paths during their lifetime and also to the organisation that benefits from that individual having the skills and development they need.

Q2 **Chair:** As of 2019, 33% of adults had participated in learning during the previous three years. That is, as I understand it, the lowest participation rate in the 23-year history of the Learning and Work Institute survey and the third year in a row in which participation has fallen to a record low. The Social Mobility Commission's report in 2019 on adult skills found that 49% of the poorest adults received no training since leaving school compared to 20% of the richest.

Can I ask you why you think this is the case, what is going on? I will start off with you, Joe.

**Joe Fitzsimons:** There is a range of challenges. There are challenges particularly when it comes to part-time flexible learning that can be accessible to individuals in regions where there are particular challenges around—perhaps an aging demographic or brain drain from regions, as particularly felt in areas like the south-west. There are steps that must be taken to bridge the gaps that you mention, particularly around support for individuals who would like to go through part-time flexible learning and also around wider participation. It is certainly being exacerbated by the current situation with firms often having to put a red line through some of the learning and development that they would ordinarily invest in within the workforce.

**Iain Murray:** There are a number of trends; I have already referred to some of them. We have seen a significant decline in Government investment in adult learning and skills and that basically means that there are fewer opportunities for adults to access qualifications through the FE system. I think that has been reflected in some of the surveys where we have seen a major decline.

There has also been a decline in training going on in the workplace. We need to remember that for many people the training and development they get is through their work. There have been various research studies showing a sharp decline since around the mid late-1990s. We



## HOUSE OF COMMONS

commissioned some research last year from Professor Francis Green of UCL University. He had published an earlier study showing that the volume of training had declined by about 50% between 1997 and 2010. We asked him to do an update on that and his update showed that it had declined a further 10% since 2010. It also highlighted that the hardest hit were the people with the lowest qualifications; the volume of training for these workers had declined by 20% compared with the average.

Therefore, there are things going on with state funding and the way our skills system is creating value for adult learners to take up learning and there are things going in the workplace, some of which are not wholly explained.

**Matthew Percival:** There are three things I would pick out. The first is that we do not have a culture of lifelong learning in the UK. I think there are lots of individuals who deem themselves to be incapable of learning. There is a job for all of us to help give them the confidence to learn, where there is not always any barrier to be able to get the qualification apart from the confidence.

There is also an investment challenge here as well. You have already cited some statistics around Government investment. In terms of the business investment picture, we have increasingly seen in the last few years that what has happened is a lot of companies' training budgets were converted into what financed the apprenticeship levy. That has skewed business investment towards longer-term apprenticeships, where a lot of the adult education that is needed for reskilling is shorter, more modular, training. We need to get to an environment where we can fund both rather than either/or.

Q3 **Chair:** Businesses have R&D tax credits. Should businesses be offered a skills tax credit to incentivise them to do more adult learning if they do adult learning that meets the skills needs of the nation and they retrain their workers?

**Matthew Percival:** I am happy to take this one first, Chair. I absolutely think that they should, but I would target that investment at SMEs rather than all businesses. I think you can leverage larger businesses, levy-paying businesses, by making the apprenticeship levy more flexible so that they can spend it on non-apprenticeship training as well, and encouraging them to spend the full value of their levy. At the moment, the system is designed such that they should not because there is a cross-subsidy to the SMEs.

Q4 **Chair:** How much would it cost, a skills tax credit?

**Matthew Percival:** I would not have that figure to hand of exactly how much that would cost.

Q5 **Chair:** But you agree with the principle of it?



## HOUSE OF COMMONS

**Matthew Percival:** I agree with the principle of it and we will be publishing research with a fully costed proposal in a few weeks' time that I will be happy to share with the Committee.

**Chair:** It will be very helpful if you can send that, seeing as you have it.

**Matthew Percival:** Absolutely.

Q6 **Chair:** Joe, do you want to comment briefly on that?

**Joe Fitzsimons:** Absolutely. It is certainly something we have long advocated for. We have actually advocated for two versions of what we call a tax nudge: one will be for employers to train stuff and one will be to the individual workers themselves to incentivise lifelong learning in a way that can be simple to teach.

Q7 **Chair:** Do you agree that the skills credit would only be if it met the skills needs of the nation?

**Joe Fitzsimons:** Absolutely, very much an employer-led system that fills those gaps we currently have.

Q8 **Chair:** Iain Murray, do you want to finally comment before I pass over to my colleagues?

**Iain Murray:** Certainly, yes. We are certainly open to looking at a range of fiscal and financial incentives. One of the things we need to be careful about is any degree of dead weight that we might be developing through a tax credit system, where employers are not doing additional training using tax credits but are just doing the same training that they are getting tax credits for.

One thing we have been pushing quite strongly is the development of personal lifelong learning accounts, and that is something many other stakeholders are support.

**Chair:** We are going to come on to that, thank you.

Q9 **Fleur Anderson:** Can I raise the issue of the National Skills Fund and proposals for that? What do you think are the key skills challenges that the National Skills Fund will need to solve? What are the key challenges and what should its funding priorities be?

**Iain Murray:** We are in a very different place from when the Government initially announced the National Skills Fund. We welcomed the fact it is going to bring an additional £600 million to the Adult Skills Budget, although the Institute for Fiscal Studies has highlighted that will just actually recover 20% of the cut to the Adult Skills Budget over the last 10 years.

We are in a different place from when it was announced. What the TUC is calling for at the moment is that we do not wait until next year to roll out the National Skills Fund, but we pool that £600 million into this financial year and use it to develop an expansion of retraining for adults that will



be linked to a new jobs protection and upskilling plan that we are recommending the Government introduces when the Job Retention Scheme finishes. Many stakeholders are concerned that that is going to cause a cliff edge, we need to tackle the imminent rise in unemployment and one of the things we need to do is offer people retraining.

**Joe Fitzsimons:** We have considered a range of things. What we have arrived at, when discussing things with members, is very much around retraining and upskilling the existing workforce but also providing a digital accessible platform for the wider population to bridge some of those existing skills gaps and therefore giving as broad a reach as possible in terms of widening participation, also considering innovative ways that the fund could be accelerated so it would begin to have an effect as soon as possible, and perhaps some version of a training loan through the fund so there are funds available for a longer period of time for individuals to engage with learning and development.

**Chair:** Thank you. Who else would like to comment on that?

**Matthew Percival:** Yes, if I can please, Chair? The way we see the National Skills Fund having most value is if it is both addressing a particular market failure in investment in retraining rather than just in upskilling. In our analysis of the skills gaps that are going to open up over the next 10 years, we see one in six people having skills gaps that will be new skills gaps significant enough to need retraining, and we see only one in four of those having a positive business case for an individual company to invest in.

There is a collective interest in business to invest in that, but in only one in four of those instances will there be an individual business that will see a return on its own investment so there is bit of a market failure going on here. If we are able to direct Government investment into correcting those market failures, I think we will have a much greater additionality in Government spend than we would see if it was a more universal entitlement so I would be very needs focused.

Q10 **Fleur Anderson:** Do you think there could be a link here with the talk about green jobs and a move towards that, could that be part of the innovation? Is that part of the role of the National Skills Fund, do you think?

**Iain Murray:** I think that is incredibly important. One of the points we have been emphasising is that what we do not want is a new skills strategy in isolation. It needs to be integrated into the wider industrial strategy that Government is developing and also the move towards carbon net zero and attacking climate change.

We need to have a fairly high-level strategic approach to what our skills strategy is going to do, not just for upskilling and retraining adults in the face of huge changes but also how is this going to relate with wider economic and industrial policies and also delivering on the social justice



agenda. Therefore it needs to be a more integrated skills strategy than we have seen in the past.

- Q11 **Ian Mearns:** I was quite interested in Matthew's answer about the market failure because it seems to me, from previous experience through this Committee, that there is a very different attitude towards the issue of training, skilling and reskilling in Britain compared to some of our European counterparts.

When we are talking about a market failure when it comes to training, is there not a major problem in that far too much of British industry and commerce has a laissez-faire attitude towards the whole idea of upskilling its own workforce or training its future workforce and it is always somebody else's job to do? For instance, in Germany they regard it as a social responsibility to be involved in the process at every stage just about.

**Matthew Percival:** When we speak to our members about their investment in skills, they are telling us that they will invest more in skills than they have before and that skills are vitally important to them. What I am saying when I say there is a market failure is not that somebody else needs to pay, but that there is a problem when the investment return is a shared benefit across businesses but their investment decisions are being taken about the return for that individual business.

There can be mechanisms through which it is still business money that pays for the investment in skills, but through Government involvement, we are talking about addressing the market failure that means there is not a positive business case for that particular investment. We do see a positive business case for investment in 80% of the new skills gaps that we see emerging in the next decade.

- Q12 **Ian Mearns:** The overall position for United Kingdom plc, is that not a concern in terms of employers and businesses?

**Matthew Percival:** I have confidence that our members—businesses, large employers and small employers—absolutely see the importance of investing in skills. Often it is about finding ways to help them to do so rather than having to overcome a reluctance on their part to recognise its importance both as a driver of productivity but also in terms of retaining and developing their most important asset, which is nearly always their people.

- Q13 **Ian Mearns:** Do not get me wrong here; there are undoubtedly good employers, good businesses, doing the right things, but it is not spread broadly enough. That is why we are in the position that we are with the statistics we opened up with in terms of the number of people actually engaged in learning not being anywhere near enough to meet the needs of our economy in the next five or 10 years.

**Iain Murray:** Both the OECD and our own Industrial Strategy Council have been highlighting some of the key deficits in our skills system



compared to many other European countries, which is that we really do not have strategic partnerships at different levels where unions, employers and other stakeholders come together around an agreed skills strategy. Most European countries have bought a social partnership approach to learning and skills where the culture is about people coming around the table, agreeing what the strategy is and how to deliver on that. If we do not tackle that, we are going to continue to face these challenges.

**Q14 Christian Wakeford:** Why are higher-level skills important to employers and for productivity, and what policies would ensure more adults can access higher-level qualifications to both upskill and retrain even more so now in the post-Covid world we are emerging into?

**Joe Fitzsimons:** A phrase that comes to mind: train your staff and there is a risk that they will leave; do not train your staff and there is a risk that they will stay.

Our members absolutely recognise the value in training and the need to train and develop their existing workforce, both now and for the future. The challenge is often accessing and finding the correct type of training. There are combined authorities, LEPs and various other places that members would go to locally to find out how to access training, but part of the solution can be achieved by improving the digital interfaces between business and training that can be found in the area and perhaps that training is also digitally accessible.

We would very much look towards a tax incentive structure both for the SME and for the individual so that there is an incentive to invest in the right type of behaviour at both the individual and organisational level.

**Q15 Christian Wakeford:** As a quick follow-up to that particular question, what would you say is probably the biggest block to doing training? Is it the cultural aspect that I think Matthew was mentioning earlier as we do not really have that culture of lifelong learning? What do you think is the biggest block and what can we do to overcome it, or do we just try to incentivise?

**Joe Fitzsimons:** We certainly see a cultural element there, but I suppose from a SME perspective, with our members it is often the resource around the time, the information and the access to information to be able to engage in the right type of training and just identifying where the training is available locally. Therefore some form of digital interface where all of the information is available centrally would be a really useful tool for SMEs particularly to access the information and have the support they need to walk through training and development for their workforce.

**Matthew Percival:** Chair, if I could add a couple of extra proposals in that point, if possible?

**Chair:** I first want to check if Christian had a follow-up, sorry.



**Q16 Christian Wakeford:** My final question on this point would be how should a national retraining scheme work and how would that link up to provide opportunities for adults across all regions? Would you say a bit more fitting on a devolved basis or combined authorities as opposed to a one-size-fits-all centralised policy?

**Chair:** Matthew, why do you not answer both in one answer as concisely as possible, please?

**Matthew Percival:** Of course. I think we do see some really good local practice going on where we have seen growth hubs as local collaborations help smaller businesses with skills audits. We do see the larger businesses tend to have greater capacity to understand their skills needs and therefore to work with local education providers to be able to develop the provision that they need. For the small businesses, there is both the finance challenge and the capacity challenge and skills audits programmes via growth hubs is a good way to bring that forward.

Other policies we think would help to develop both the culture of lifelong learning and to give people the confidence to invest in their own lifelong learning would be a lifelong learning loan allowance, and also to turn the Jobcentre Plus network to give it a greater role in becoming a local skills help, to help people to think about retraining as well as finding a job.

**Q17 Chair:** Thank you. We have had suggestions from the Association of Colleges and The Open University to perhaps bring together the Adult Education Budget, the National Retraining Scheme, the National Skills Fund and the Shared Prosperity Fund into one big adult learning pot that works for adults in every situation in every community. The AoC, the Association of Colleges, suggests that this will enable colleges to meet need and make the best use of their budget.

Do you think there is a 'spaghetti junction' of adult training schemes and it should all be consolidated? Who would like to answer first?

**Iain Murray:** I certainly think it is a complicated landscape out there. It is a complicated landscape for employers and it is a complicated landscape for individuals, so we have some sympathy for developing that kind of funding approach. Some of the challenges are how do ensure that, for example, upskilling and retraining does get a much bigger cut of the purse and there are systems in place to make sure that we are delivering on some of the key objectives.

For example, we are hoping the Government will deliver on the Augar Review's recommendations that all adults should have a fully-funded entitlement to achieve a Level 2 or a Level 3 qualification and that is probably a bit different to the retraining agenda. Therefore, there need to be things in place to make sure that we are spreading the focus across all the key priorities.

**Chair:** Joe, should it be in one pot, or is it okay to have all these different streams that are quite confusing for the landscape I think?



**Joe Fitzsimons:** Echoing Iain's points, the landscape is indeed very confusing not only for organisations but for individuals. Anything that can be done to help articulate the landscape or simplify some of its workings for those groups is a positive step. What we want is the highest level of ongoing engagement from both groups so it is certainly would be worth exploring looking at how that might work in practice.

**Matthew Percival:** If we go back to the Government's manifesto for the last election, saying that the National Skills Fund was a step towards building a right to retrain, if a right to retrain is a vehicle for bringing together different strands of funding I think that would be helpful. I do not see a huge division between the objective of the National Retraining Scheme and the National Skills Fund if they are both building towards trying to build a culture of lifelong learning.

I think the difference at the moment is that the National Retraining Scheme has focused on helping learners to navigate the existing pots of funding and entitlements that are available to them and the National Skills Fund would be the first increase in Government investment in actually helping people to get more skills through more investment. Therefore I think both are very welcome and some consolidation through a right to retrain would be a good idea.

Q18 **Apsana Begum:** Following on from what Robert has asked about, I want to know what the panel's thoughts are on regional disparities. There was written evidence, for example, from KPMG that talked about the retraining scheme having more of an impact, where it can offer opportunities to retrain in regional economies or economic cold spots, if you like, and recognising the inequality of opportunity outside the southeast of England. I want to know what the panel's thoughts are about whether linking up the National Retraining Scheme and National Skills Fund provides opportunities across all regions.

**Iain Murray:** The regional imbalance and inequalities across our country are huge. There have been some developments with the Government's devolution of the Adult Education Budget to combined authorities and the Greater London Authority. In general we support the policy thrust of that. It is giving local areas and their democratic structures the ability to use adult skills funding to meet the priorities of their local areas, including economic inequality and economic deprivation.

We are going to see a devolution White Paper published alongside the FE White Paper, so I think there is going to be a degree of policy co-ordination between the use of adult skills funding even further in partnership with the launch of the new devolution plan.

There have been some issues around the devolution of the Adult Education Budget because it has created some barriers for individual learners who are outside certain postcodes. I will not go into that in detail but there are some things we need to review.



**Matthew Percival:** There certainly are local needs that can be addressed through devolution of budgets. The one concern I have about the potential logical end of that is if the journey we have been on in skills funding is tipping it more and more towards making sure it is targeted towards labour market needs and responsive to what employers are saying they are needing, we also have to make sure we have those checks and balances in the way we approach devolution so that it does not become a less employer-led and labour-market focused approach locally, as it has nationally in recent years.

Q19 **Chair:** Thank you. Joe, do you want to come in briefly?

**Joe Fitzsimons:** Yes. Each region certainly has bespoke needs when it comes to skills. Around half our members have said that long-term skills strategy would be a priority for their local industrial strategy. A similar proportion of members felt that there was a mismatch between educational offerings and business needs in their area. There is an issue there, and also around that participation piece.

We have taken some practical steps to encourage members and individuals in the business community to join curriculum advisory boards in FE and HE, and various other practical steps, but there is a need to devolve some of this so that it can be led locally and based on the local needs.

Q20 **Apsana Begum:** There was evidence from HOLEX that criticised Get Help to Retrain, the just call and get an information-sharing platform that just duplicates existing Government-backed signposting initiatives, and people do not feel it brings any sort of value. I want to know what the panel thinks about that, and also about the objectives and priorities for the National Retraining Scheme over the next 12 months. There has been some criticism that the pace of progress is quite slow on this. What is your assessment of that?

**Joe Fitzsimons:** Absolutely. On the National Retraining Scheme, I am very keen to see it accelerated as much as possible. We would advocate for would be combined authorities, LEPs, growth hubs, the Department for Work and Pensions, The Careers and Enterprise Company and Jobcentre Plus working more widely together to offer assistance, not just for individuals looking for work, but for those who are currently in employment looking for high-quality, tailored, in-work career advice and job-matching services, so that there is that agile approach to learning, involvement, and moving.

**Iain Murray:** Yes, I support that. In the context of the challenges facing us related to Covid-19, we need to accelerate policy and delivery on retraining. That is why the TUC is saying that at the end of October the Government should be developing a new plan, and a jobs-protection and upskilling plan to deliver retraining, and short-term working support should be the heart of that, as it is at the heart of many other schemes in



other European countries, which have announced they are running their schemes up until next autumn in many cases.

**Matthew Percival:** It is certainly a priority for us to accelerate progress towards the longer-term vision of creating a right to retrain. The National Retraining Scheme was largely about helping people navigate existing provision, and we hope that the National Skills Fund is a first step towards building out so there is more provision, rather than just more awareness of existing provision.

Q21 **Ian Mearns:** We know that the stats on employer-led training are not good. The number of employees receiving job-related training fell from 4.2 million in 2004 to 3.8 million in 2019. That is a 9.5% decline, and that is despite the fact that during that period the workforce overall has grown. The Apprenticeship Levy has been mentioned as one factor, but why are rates of employer-led training in decline and do we have the right balance of cost sharing for training and upskilling between taxpayers, employers and learners?

**Matthew Percival:** I think there are a few things to pick up on in there. I mentioned that we are publishing a report in the coming weeks, and we will make sure we share a copy of that promptly with the Committee.

One of the things that came out in the research for that project was the psychology of boardroom decision making around investment and training at the moment. There is definitely a big disconnect between the businesses that heard when the levy was set up that they were going to get their money back, if not more, if they were a good business that was investing in high-quality training, and a system where if every levy payer gets its full levy back the system falls over and runs out of money.

Resolving that tension of, "Is it a tax or is it a levy?" is a really important part, because companies are saying, "I am not investing in that particular training need until we have spent all of our apprenticeship-levy budget, because that is the training budget to be spent first". Resolving that tension will help us to reverse some of that decline, getting more business money invested in skills rather than fewer.

That is the main thing that we have seen come through in this space. Given it is a relatively small share of overall business investment in skills, in any given year it dominates a disproportionate portion of the discussions about skills investment. I think removing that thorn in the side would be a great step forward for having a more positive and constructive conversation.

Q22 **Ian Mearns:** But, sorry, why is it that the overall proportion of employees who receive job-related training is at its lowest point since the mid-1990s? I am not convinced that that is the answer. Is there not a new mindset with business now that it is somebody else's job to train the workforce?



**Joe Fitzsimons:** I echo Matthew's comments. There are many challenges within this space. Looking at the Apprenticeship Levy, there are challenges for SMEs specifically with off-the-job training and the cost of filling that person's role while they are away from the business, perhaps 20% of the time. There are also challenges around the landscape becoming quite complex in terms of the number of different ways in which employers can engage with training and a lack of clarity around how exactly to identify the right type of training.

Again, for SMEs there is the time-cost information trade-off, trying to fully understand, "How can I best engage with the training and skills agenda right now, and how can I best grow as an organisation?", as a result of the strong recognition that it is a really important thing to do. But there is a lot of complexity in the system just now, and a lot of ambiguity around things like the Apprenticeship Levy.

Q23 **Ian Mearns:** What are your views on a social-justice style tax credit to incentivise lifelong learning, and how might this work in practice? Can I also ask whether you have any thoughts on how that would work for low-paid workers who are barely breaching the income tax-thresholds with their earnings? Would a tax credit work for them?

**Chair:** Just to be clear, this is different from the skills credit that I was suggesting earlier, and this is specifically focused on the disadvantaged.

**Matthew Percival:** Can I ask a clarifying question about the proposal? Is this a tax credit for the individual, for their own personal investment in skills training?

**Chair:** It would be for the business, if they had employed and retrained people from disadvantaged backgrounds. It would be different from a general-skills credit; a more micro-targeted tax credit. Iain Murray first.

**Iain Murray:** This takes us back to the opportunities for developing some kind of account for people and different ways of doing that. Tax credits are one way of doing it.

If you do develop lifelong learning personal accounts, the recent evidence—and the OECD published a report last year—is that you need to overcome some other challenges. Quite often it is the professionally better off people who take advantage of individual learning accounts. So, even when you develop tax credits and things like individual learning accounts, you need to put in place things like access to paid time off and ensuring people are getting the right guidance.

One of the key things that unions do in the workplace, especially through the union learning reps, is tackle the lack of confidence many people have about even envisaging taking up learning again. That confidence barrier is a huge thing, on top of the time and money barriers.

**Joe Fitzsimons:** It is an absolutely very interesting proposal, and certainly hugely important to make sure that individuals from



## HOUSE OF COMMONS

disadvantaged backgrounds have access to the right training, because it is important for all. It is certainly something we would be pleased to canvass members' opinions on to understand how it might work in practice. We would be very happy to write to the Committee with some of those views, if that would be helpful.

**Matthew Percival:** We have not tested that particular proposal with our members, but we have tested the appetite for individual learner accounts.

**Chair:** We are going to come on to individual learning accounts in a minute.

Q24 **David Simmonds:** I would like to pick out some of the long-term questions about this. What would you regard as an ambitious and long-term funding settlement? And is there anything you would like to say about the issue that is being much debated at the moment about the future of the UK Share Prosperity Fund and what was there before with the European Structural Funds, mindful that there is something like £730 million left unspent, a portion of which could be going into adult learning in the UK?

**Iain Murray:** If we just want to get back to where we were at the beginning of this decade, we are talking about a cut in the region of £3 billion to the adult skills budget. Studies have highlighted that the National Skills Fund in itself will only recover about 10% of that. We are looking in that ballpark, really. That would deliver a huge boost to the ability of people to access skills.

In addition to that we need to look at how we empower and incentivise people to take up these entitlements that will be funded by the state. For example, we have existing entitlement for adults who do not have a Level-2 in English and maths. They are entitled to go to an FE college or to another provider to achieve a GCSE or the equivalent qualification in English and maths.

In recent years, we have seen a significant decline of about 30% in the numbers taking up that entitlement. As well as a huge boost to funding, we need to put in place the structures that enable people, especially people who are furthest from the education and skills provision, to get back to it. That is something that union learning reps are doing daily in many workplaces.

Q25 **David Simmonds:** If I understand it, essentially what you are saying is, "Wind the clock back". Having been somebody who was responsible for adult learning at the beginning of the last decade, it certainly did not seem like a perfect world then. Do you think there are changes where the money needs to be better spent?

**Iain Murray:** As my colleagues have also mentioned, we need to look at a package that will empower and incentivise individuals to feel they have ownership.



## HOUSE OF COMMONS

One of the things we have been considering with the development of the lifelong learning account is that it functions as a wrapper. It makes people aware of their entitlements to funding coming through the state, but it also would facilitate other innovative kinds of funding, for example, employers agreeing to put in some money if an employee puts in some money. There are innovative ways of using lifelong learning accounts to empower people to take up boosted Government funding and also funding from other sources.

**Matthew Percival:** In terms of our analysis of this, we think that the amount of money that will be needed from individuals, from businesses and Government, with businesses paying the largest share, to prevent new skills gaps from emerging, will be £130 billion over the next 10 years. Approximately £13 billion a year is a quantum for all of this. It is going to be an important objective for the Government FE reforms when they consider those later this year that we are helping people to understand the value of intermediate-level qualifications.

If we look to our most recent survey data from our members, we have almost the same proportional increase in the demand for intermediate-level skills as higher-level skills. That is a balance of plus 44%, relative to a balance of plus 46%. Employers are lacking confidence in the ability to access intermediate-level skills as well as higher-level skills. Giving people the confidence that they can learn and helping them understand the value of what they can access are both important objectives.

Q26 **David Simmonds:** It does not seem to me that we have a sense of what the vision is around this. It just feels like a bid for more money. The challenge for us is if we are saying to the Government, "This is how structurally it needs to be changed to be better", we have not quite answered that question.

**Joe Fitzsimons:** To pick up on some of the points from recent surveys with members, in July we asked members if they anticipated an increase or decrease in skills needs at various levels. At Level 4, 44% expected it to increase significantly over the next three to five years, and a further 43% expected it to remain the same. Only a small percentage expected decrease.

The picture was very similar across intermediate skills. There is recognition that we run the risk of additional skills gaps coming about. Lifelong learning accounts are certainly an innovative way to articulate to individuals how exactly they can go about the development of their own skills and learning, but there is also a cultural element of ensuring that everyone feels they are able to undertake learning and development successfully. It is a multifaceted issue, but there is a burning platform around ensuring the situation improves at this point in time.

Q27 **David Simmonds:** Again, it comes back to that burning-platform question. It does not feel like it from the description if the answer is, "We just need to go back to the past and do what we did then". It feels like



## HOUSE OF COMMONS

this is one of those things that is not really coming across as a particularly high priority. It feels like it is just a matter of a few tweaks to funding and it is all sorted. As a Committee, we feel that there is so much more we could be doing and so many new opportunities that we could take advantage of. Maybe you still have a little bit more meat on the bones for some of those points.

**Matthew Percival:** I think it is definitely more than just a plea for investment. As I was saying, a lot of the addressing market-failure investment will be from revenue raised from businesses anyway. So, it is not just from Government finances, there are broader structural issues going on here that we need to address.

Earlier we touched on the fact that supporting SMEs with understanding their needs is a key area for improvement, as is giving individuals the confidence to learn and the confidence to invest in their own learning. We have been caught in a bit of a trap of thinking that sometimes, even if I have the ambition to learn, I lack the confidence to invest in learning. We see that particularly acutely among the most disadvantaged groups. Employers have a role to step in, help people and give them the confidence to learn. That is something that business and Government need to do together as a strategic priority.

**Chair:** Okay. Thank you. David, are you going to ask specifically about the individual learning accounts?

Q28 **David Simmonds:** We did hear a bit of comment about that earlier on. Would anybody like to add a little bit more about the specifics?

**Chair:** I am interested in how it would work in practice. Sorry, David, go ahead.

**David Simmonds:** I think that is the question, Chairman.

**Chair:** Sorry. I beg your pardon for interrupting. Matthew, how would it work in practice?

**Matthew Percival:** The way we would see this work in practice is by using it as a vehicle to encourage investment from all three of the parties we have spoken about, Government, businesses and individuals, and encouraging people to contribute to it, but where the Government part of that investment is focused particularly on those people who are most disadvantaged and who have the greatest need.

That is why I started to mention this point in the context of the social-mobility discussion earlier on. That is where I would see it as a vehicle for leveraging Government investment. One of the things you would do to try to fix the problems with the UK's previous iteration of individual learning accounts is by binding it to needing an employer to sign off on the drawdown of those funds, particularly where there is public money involved, so that you are guaranteeing it has a labour-market outcome.

Q29 **Chair:** Right. What I am trying to understand is: if you are a worker, how



literally would it work? How much would they have, how would they access funds, and so on? Can Iain Murray answer that question?

**Iain Murray:** There are a number of models in many other countries. I previously referred to a major OECD report on lifelong learning accounts that was published last year. That looked at some of the models in the devolved nations. It praised the Scottish Individual Training Account, which is fairly small-scale, but it said it was quite effectively designed. It looked at models they are developing in France and models in other countries, like Singapore. Something that they have raised that we need to be clear about when we are developing an individual-learning-account model is that it did not solve all the problems, because many of the issues remained—for example, people having the time to do the learning or training. In some of the countries, in France, for example, they have developed associated entitlements around paid time off for workers. That was one of the challenges it raised. Just developing an account in itself will not be the silver bullet.

We need to be looking at other barriers that people are facing, particularly in the workplace, where people just do not have the time to do it. That needs to be recognised, and the TUC is calling for a right to paid time off—and that could be linked to the development of a lifelong learning account—but also calling for employees to have an entitlement to regular career and skills reviews. Union learning reps quite often do that in the workplace anyway, so a model has been developed. As my colleagues have said, we also need an adult careers and skills guidance system that is easily accessible to put this account into context and to make maximum use of it.

Q30 **Chair:** Thank you. The other countries' examples are very useful. If you have not sent them to us as evidence, what you have would be very helpful to have, Iain Murray. Joe, finally, do you want to comment?

**Joe Fitzsimons:** Certainly. That would be a very sensible approach. Picking up on the time element, that certainly is a consideration for the SMEs themselves, as well, indeed, for individuals when they look at this type of training and development, just ensuring that they have the time to fully evaluate, and understand, and engage with the learning, and undertaking it.

Where time for training might be considered or provided, it would be looking at what kind of background support might the SME or the organisation need in that scenario, bearing in mind there would be significant benefit to gain from the individual having gone through the training. Indeed, flexible, bite-sized modular learning is always a useful way to provide flexibility within this type of structure, so that individuals can continue engaging but flex where required, based on the needs of the business or their own personal circumstances. It would just be ensuring that the system is flexible, so that both individuals and the organisation will be keen to engage and have the bandwidth to engage with it.



Q31 **Chair:** Thank you. Matthew, you mentioned you were doing research and publishing a report. The earlier that you can share it with us would be very helpful.

**Matthew Percival:** Yes. It should be coming out in the next few weeks.

**Chair:** Yes. You know that in Whitehall a few weeks can mean a very long time but I suspect with you it is probably very different—it is probably genuinely a few weeks. Thank you very much everybody. This has been invaluable information for our inquiry. I wish you well, and we look forward to carrying on dialogue with you. We are going to have our next session, but we will have a two-minute break and start just at 11.05. Thank you.

## Examination of Witnesses

Witnesses: Dr Sue Pember, Professor Josie Fraser and Simon Parkinson.

Q32 **Chair:** Good morning, everyone, formally. I am very pleased to have you here. I have three of my favourite organisations: The Open University, HOLEX and the Workers' Education Association, and I am very pleased that you have come to give us evidence. I will ask you briefly to introduce yourselves for the benefit of the tape and those watching on the internet. Are you okay with first names? If you could just put your hands up. Thank you. Josie, could you introduce yourself, please?

**Professor Fraser:** I am Professor Josie Fraser. I am Deputy Vice Chancellor at The Open University. Good morning.

**Dr Pember:** Yes, I am Sue Pember. I am the policy director for HOLEX, which is the professional body for adult community educators.

**Simon Parkinson:** Yes, good morning everybody. I am Simon Parkinson. I am chief exec of the WEA.

Q33 **Chair:** Thank you. I will ask you to describe the state of adult learning in the UK today, and particularly the lower participation of people from disadvantaged backgrounds. Can we start off with you, Sue?

**Dr Pember:** Yes. If we do pre-Covid and post-Covid, pre-Covid the adult community education services—there is one in every one of your constituencies, normally known as the local authority service, or sometimes they have a different name—were doing really well. Some 92% of them were good or outstanding, and they were educating around 500,000 learners each year. There was a drop, but also they were doing longer courses. They mainly concentrate on those furthest away from the workplace, so those that are mainly unemployed or need support to socially integrate, ESOL, low skills, basic skills and, of course, in some areas they continue to offer a funded programme for those who wanted



## HOUSE OF COMMONS

to do more social-type activities that are good for their wellbeing. Right at the top of their game, as I said, 92% good or outstanding, using their funding, and then Covid comes.

One of the things that they pride themselves on is learning. I was worried for about a month wondering how on earth services up and down the country would respond to Covid, but they have been amazing. They have gone online; they have had a great response to that and worked very well. They started face-to-face learning a couple of weeks ago and they have done all the safety things, but what they are telling me is they are finding that those who are furloughed are looking for new courses to help their employment. They are looking to retrain themselves. But the ones not coming forward—

**Chair:** Can I ask you to be concise, Sue, because I have three people to go through?

**Dr Pember:** I will finish my sentence and then I will shut up. What they are finding now is that those at the low level, Level 1, those who lack confidence, are those who are not presenting for learning.

Q34 **Chair:** Okay. Josie, I will just reiterate: I am not just talking about Covid here. What are the fundamental reasons for low participation in adult learning, particularly by the disadvantaged? I mentioned in the previous session that the social abilities 2019 report found that 49% of the poorest adults have received no training since leaving school, compared to 20% of the richest.

**Professor Fraser:** Yes. I think it is really striking. The Open University believes that flexible higher education is really important to help disadvantaged people climb that climbing frame to new opportunities. There is no question but that adult learners, people who did not go to university at 18, are much more debt averse than students of 18, where that is what all their peers are doing, and they are quite confident about their loans, and paying it off feels a long way in the future. The 26% fall in the total number of people across England of all ages who are reaching higher education is largely about significantly fewer people from disadvantaged areas, and that is because those people are more debt averse.

If you look at the shift in tertiary education, part-time study and lifelong learning has lessened as we have progressed in policy and funding to make it much easier to do full-time, three-year degree courses undertaken as school leavers. That is why now we are in the position where more than half of higher education provision is in that fulltime space. Fulltime just does not work for our adult learners. If we need to address the skills gaps with higher-level skills and top-level technical skills, it is really important that we shift that balance.

**Simon Parkinson:** You heard a lot of evidence this morning about the significant decline in funding; that is real and is a big part of this. Also,



## HOUSE OF COMMONS

there is a role for us all to play in rebuilding a culture, and a positive culture, towards lifelong learning.

We need a national lifelong-learning strategy that has cross-Government and cross-party support and that comes through in the narrative. If all we ever talk about is schools, colleges, university and formal education, the promotion that we need for the culture of lifelong learning is not there. In terms of the poorest students that we are engaging with, you are absolutely right, Robert: they are at the sharp end of this. The digital divide is likely to increase the difficulty for people from poorer backgrounds to engage in learning, because an element of digital learning, I believe, is here to stay now. There is a multitude of issues, but creating that positive culture, and us all promoting that lifelong learning, is a massive part of the economic and societal recovery that we want to see.

**Q35 Chair:** I will ask you about community work particularly, what used to be called night schools or adult community learning centres. As you know, it has devolved to local authorities. I understand that the DfE does not keep a record of what is going on. What is your impression of the state of play of adult community learning centres? Should there be one in every town, and how do you make them fit for the 21st Century? If you do think there should be one in every town, what funds should be used to pay for it? Sue, we will start off with you.

**Dr Pember:** There is probably a service in every major town, but there is not a centre. We have some fantastic centres in the country, whether we are talking about City Lit in London or the centres in Manchester. There is coverage, but it is just not big enough.

Also, where they used to be able to use school or college sites, so there was a centre, that infrastructure is not there now. If you said to certain people on the street, "Where is your nearest adult education centre?" they might not be able to pinpoint it.

I think you are right, Robert: we need a badged centre in every community so people know where to go to, but we also need to keep some of the benefits of the present system, which is very agile, so if a community needs something, or a migrant community moves somewhere, we can put up a centre really quickly. We do need to bring back that night-school feel, and as part of that, bringing back the way individuals think about their own retraining, taking responsibility for it, and going somewhere.

**Q36 Chair:** I am going to come to you in a minute, Simon, because you do a huge amount in this area, but Josie, this is presumably where The Open University could have a massive impact, even, let us say, in certain rural areas where it is difficult to set up night schools, or there might be a village hall, or whatever, but it will not be a permanent place.



**Professor Fraser:** Yes. We traditionally work with a blended approach. There is a lot online and there are a lot of tutorials online. It is face-to-face in the same way this is face-to-face, but it is an online face-to-face environment. We are not having live, face-to-face at the moment, due to the Covid situation, but we do normally, and it is about having that all over the country, all over the four nations, actually, so that people can reach an access.

I do think it is a challenge to reach the lost learners. We estimate there are well over 1 million lost learners in the last decade of adults who would have accessed higher education if the fees regime had not changed, and that is a significant number to try to reach. If you look at the statistics of what is happening with people searching online learning at the moment, those numbers have gone through the roof. Certainly, some of the things that The Open University does to support unconfident learners, people wanting to start their journey with our free learning on OpenLearn, and the work that we do with FutureLearn, we have had four to 10-fold increases in visits to those websites. People are starting to look online for this now, and that is a trend that was there anyway, but has been massively accelerated with Covid.

Q37 **Chair:** What would the Government need to do to support you, specifically, in terms of reaching out to some of those more vulnerable people?

**Professor Fraser:** I do not think there is a single silver bullet, but reducing the cost of part-time study, perhaps with having fee grants that are targeted for priority subjects, priority geographies, or disadvantaged individuals, would really make a big difference.

There is also an anomaly that distance learners are excluded from maintenance loans. They are the only group. It means in effect that only one in 10 part-time students in England can get maintenance loans, only those who are doing face-to-face towards a degree. Removing that anomaly would really help. It supports flexibility, and it means the student support system is not distorted so much in favour of fulltime, three-year courses. Addressing the financial disincentives that we currently have for part-time study would be useful too. There have been quite significant real-time cuts in the part-time student premium over the last few years. It is really critical that that 19% real-terms cut that we have had in the last two years does not go any further.

**Chair:** Yes. The decline of part-time students is staggering.

**Professor Fraser:** Yes.

Q38 **Chair:** Simon, could you comment briefly, please?

**Simon Parkinson:** Yes, thanks, Chair. In a normal year of face-to-face teaching and learning we would be supporting somewhere around 50,000 students, and the overwhelming majority of them would be travelling fewer than 2.5 miles to their place of learning. Yes, it would be good to



## HOUSE OF COMMONS

see a dedicated centre in every town, but the way we are able to do that is through an extensive use of thousands of community venues.

You referenced, Robert, the church hall and the local assets. They are vital not just to adult learning, but to social cohesion. I would like to see investment in those community venues. I think the Department for Education has a significant capital budget that at the moment is used in campuses. Reprovision is perhaps something we could look at there. Then it is a matter of working with colleagues across DCMS and really thinking about, as we see the changing nature of our high streets, the potential to use venues that people are already accessing and getting over that fear of having to walk into a formal classroom. Why are we not using the venues that are in and among them already, that people are comfortable attending?

**Chair:** In my area, the Essex Adult Learning Centre in Harlow is moving to the library, because it was in a place quite far away from the town centre. It is now moving into the main library, which is exactly what you are talking about.

**Simon Parkinson:** There are many examples of that, Robert. Then again, if you overlay that digital dimension, they become community hotspots. They become the wi-fi connection point for people as well. The key is venues where people are, take the learning to where they are, and make sure they can connect both physically and digitally.

Q39 **Chair:** Should this be led by the DfE or by local authorities?

**Simon Parkinson:** I think it needs to be a combination. A national lifelong-learning strategy will create that umbrella under which you could drive that local and regional variation that is needed.

Q40 **Fleur Anderson:** Those are very interesting points about linking up between high-street policy and planning, and the high-streets fund as well; that could be linked in with this strategy.

A couple of points of interest: I am an alumnus of The Open University as a part-time student, and I was running a community learning centre until I became an MP in December. I would like to ask if you are finding this as well, a key part of that community learning centre was ESOL—teaching English for speakers of other languages—which has been reduced a lot. Those learners were a cohort of those disadvantaged people who are not getting on to the learning ladder. Could you comment on the reduction of ESOL and the impact that is having?

Also, and linked to that, is the provision of childcare within places, so enabling, especially mothers and carers, to access that learning. Are you seeing a difference there? What policy could be put in place to encourage both of those and to reverse the downwards trend in both of those? I know our local education authority, for example, cut out all childcare from their ESOL classes, and we were the only ones providing it.



**Simon Parkinson:** That is a great question, Fleur. ESOL students are one of our biggest groups, and by definition they have struggled most to engage digitally, particularly at entry level, because they are at the start of their journey. We are trying desperately to prioritise that group back for face-to-face teaching and learning in the communities where they are. Obviously, that is really difficult as we keep coming in and out of local restrictions, but that is our priority.

What we are actively talking to the Department about as well, which is one way that we could support those students, is to be able to repeat their original learning aims. There has now been a period of months where, not only have they not accessed adult learning, but they may not have spoken English in that environment at all. We would like to see the Department be much more flexible around the funding over the next two to three years so that we can start again with some of the learning aims. This has not been just a break in learning; this has been a gigantic stop in the middle of the motorway, and we need to ease people back into it.

**Dr Pember:** On ESOL, you are absolutely right: it is a worry area at the moment, because those particular learners are not presenting themselves at centres, even those centres that are open. However, some services have gone online and there has been a take up. We are at early days with the digital offer at this level, and we need the investment from the Government, and more digital devices for these types of adults. Then, of course, there is what Simon was talking about, the ability to get connected.

Also, we just need an ESOL policy that fits into this lifelong-learning strategy, because that is one of the areas where there is duplication of effort, where the Home Office has a different project with different outcomes, and we have DfE, and we have different monitoring and different performance measures. It would be good to see a lifelong-learning strategy with an ESOL element within it.

Q41 **Apsana Begum:** I have a question about the National Skills Fund. The panel must have been listening into the previous session. I want to know what you think the key adult-education challenges are that the National Skills Fund will need to resolve, and what you think specifically the funding priorities should be for the National Skills Fund.

**Professor Fraser:** I think it is really important that it is a key enabler of lifelong learning. It needs to be accessible for all ages, and it needs to cover all levels.

Obviously, among this panel you have a representation of people who look at all the different layers of education. If we are going to have a £3 billion investment in high-quality education and training, it has to upskill the UK's workforce, strengthen the economy, and boost productivity. Those are absolutely critical goals. But it also has to work for people who want to change their lives, whether that is progressing in work because their job is subject to automation challenge, or whether it is progressing



a change of career because of the new economic opportunities that are opening up.

The Open University regularly does a business barometer survey, which has just been published for this year, and it is really interesting to see what businesses are saying about the skills gaps. A lot of the skills gaps are at the higher end, at the technical end; they are in digital and they are in leadership skills. I think it would be wrong if the National Skills Fund is all focused on lower-level learning. It needs to cover the full range to provide a framework for people to be able to participate wherever they are. Ideally, for me, it would be guided by employer's knowledge of skills gaps. That came out very strongly from the earlier panel, and I would support that, that that is an important part of it.

**Simon Parkinson:** I agree with Josie about all the levels. It definitely should look at the range. There are opportunities here. There is the opportunity for it to be sector-specific skills; I think Fleur mentioned green jobs in the last session, but I also think there is a narrative here where we reinforce that hole that has been blown in the argument that somehow if you work in social care it is a low-skilled job by acknowledging that working in social care and working in other sectors you can access the National Skills Fund, you can build a career and you can build a position and a range of skills. It has to address that narrative as well. If all of the focus is on higher-level skills only, we are missing a massive piece of the jigsaw.

**Dr Pember:** We still have 17 million people in this country who do not have a Level 2 qualification. The National Skills Fund, the National Retraining Fund and the AEB collectively, and whatever replaces the SF, need to work together. There needs to be one fund that covers all the client groups. We need to break the cycle for the 17 million. Many of them have already been made redundant. They need to change their lives. They need to get on a course that gives them a qualification that gives them a better job. That is what I think the National Retraining Scheme and the Skills Fund should be there for.

Q42 **Fleur Anderson:** We have already touched on some of the challenges and the solutions, but do you have anything further to say on this? Why has the participation in lifelong learning fallen so steadily, and what policy solutions would help restore participation, particularly among disadvantaged adults?

**Chair:** I am going to come on to a skills credit later, but would a specific social-justice tax credit for businesses to retrain people from disadvantaged backgrounds, make a difference, just to add to Fleur's question?

**Dr Pember:** Shall I go first? One of the main problems we have is that we have free entitlements for people now, whether it be to do basic skills or a level 2, but they do not know about them. Before we start thinking



## HOUSE OF COMMONS

about high-level, new business operations to bring in an individual learning account, there are some easier solutions.

First, an advertising campaign to tell adults what this Government has on offer for them would be quite simple and effective, because one of the main issues with participation is that adults do not know what is on offer. Many of them are not in that traditional form of employment, it is the gig economy and around 20% are self-employed. We cannot rely on everything coming through an employer route any longer. We need to make adults responsible and we need to tell them what is on offer.

**Simon Parkinson:** I agree with Sue about promotion. There is lots of information, advice and guidance, we talk about it all the time, but it is about promoting a culture of adult learning and underpinning that with a national lifelong learning strategy and then the funding can flow from there. There does need to be increased funding, but there is a cultural issue too.

**Professor Fraser:** It is worth highlighting, as colleagues have just talked about, that mature students have access to far less information, advice and guidance and they do not make fully informed choices, they do not have those choices in front of them. OU research earlier found that only half of people in England who were interested in higher education study even knew that they could get a tuition fee loan if they wanted to study part time.

We have a challenge there about good advice and bespoke support for the people who most need it. Part-time students are further disadvantaged—and part-time flexibility is hugely important to adult learners—with less support and less funding provision. It is not just about childcare though. Part-time students do not get childcare grants and Parents' Learning Allowance either, so it is partly that, but it is the lack of maintenance loans. In Wales, where maintenance loans have come in, numbers have gone through the roof because people now have a way to manage their life and manage their study at the same time, with all the benefits that brings to the Treasury in terms of the economics of part-time study being so much better.

Q43 **Kim Johnson:** I do want to declare an interest, because as the chair of Squash Liverpool, we have gratefully received funding to deliver some community education courses for women in my constituency.

What are your views on individual learning accounts to support individuals to upskill and retrain throughout their working lives and how should this be implemented to ensure a more rigorous process to avoid fraud? Simon, we will start with you.

**Simon Parkinson:** Thanks, Kim. That is probably the one question where I would have welcomed Sue starting. We are absolutely in favour of individual learning accounts. Sue is probably best placed to talk through some of the technicalities of how we implement them. Again,



## HOUSE OF COMMONS

that umbrella of a national lifelong learning strategy—let's enable people, let's trust them to take control of their learning and fund it in a way that allows that. Sorry if that is a hospital pass, Sue.

**Dr Pember:** Simon suggested me because I have lived through or worked with every form of individual learning account since about 1986, but the biggest one was in 1998 to 2000. It definitely did stimulate demand, people were taken by it, but also the worst side of the provider base came out and it was hard to manage the fraudulent side of it. I personally think with IT now we could do that.

However, it is not a solution just by itself. All the other bits of infrastructure we have just talked about, for instance, if we add them tomorrow, we do not have enough capacity in the system, because if they were released with an advertising campaign, AEB is just not big enough to cope with it. Then you come into rationing, then you come into disappointment and you have learners in a position that they are keen to learn.

The other thing is that if you look at the data, without them being prioritised to people with say low skills or who live in deprived areas, it is often the middle classes that make the most use of them and they get there the quickest. Again, you are then into two forms of rationing. However, the concept is fantastic and always has been. The implementation over the several times we have tried this—*[Inaudible.]*

**Chair:** Sorry, it is the House of Commons bells in the background. I cannot do anything about it, unfortunately. Kim, you have some follow-up questions, I think.

Q44 **Kim Johnson:** Yes. It is anticipated that there will be an increase in the take-up of adult skills due to the imminent job loss tsunami that we have heard about. With more local lockdowns, there will be an increased dependence on online learning and many providers and learners will not have resources to undertake the channel. Do you agree that additional funding and support will be needed to safeguard community education provision post-Covid?

**Dr Pember:** Yes, absolutely, both. We have limited the use of charities and everything else this summer. We need a proper fund now, the same as everybody else.

Q45 **Chair:** How much do you think it needs?

**Dr Pember:** If I had to put a figure on it, I would be talking about £40 million now just to go into the individual services. That is to buy kit and connectivity and to do training. It could be over three years though, Robert.

**Simon Parkinson:** Nothing to add, other than do not lose that point, as Sue said, it is not just about kit, it is about connectivity, so just providing every household, or people, with laptops does not cut it. When you are



## HOUSE OF COMMONS

making a choice between buying data and feeding the gas meter, you have real issues. Connectivity is the key.

Q46 **Kim Johnson:** What are your thoughts on establishing a capital technology fund using local flexibility to support the expansion of online provision?

**Simon Parkinson:** If that question was for me, Kim, I would welcome that. I think there is a chance to work with the industry as well. Why are we not working with the major broadband providers? It is almost a national infrastructure now. Those that need access to free gas and electricity also need access to free broadband. It is just the reality now.

Q47 **Kim Johnson:** It was in our manifesto. Do you remember?

**Simon Parkinson:** Exactly.

**Professor Fraser:** It is an interesting question. There is no doubt that digital poverty is affecting some of the most disadvantaged and also even in households where there is a decent broadband connection and a computer, these times have demonstrated that now our students certainly have to take their turn and battle with the kids doing home schooling and their homework, as well as the adults working on the computer for work meetings and then trying to fit their study in around that too.

Thinking about infrastructure and equipment is going to be important to support disadvantaged learners. As the OU, we do have funds where we try to support students who need equipment who are from disadvantaged backgrounds to facilitate and enable their study, but it would be good to see a bigger and more national system.

Q48 **Kim Johnson:** Thanks, Josie. My final question, Chair, is how can the need be met when the AEB funding has been significantly cut over the past 10 years, by almost 50%? How do we engage those adults left behind, those who have been failed by the education system in their past?

**Professor Fraser:** It is important that adult education information is widely available and that we have information, advice and guidance for adults centre stage. The National Careers Service needs to help people to get links to bite-sized, free, online taster stuff as well as the local community education that Sue and Simon are talking about.

There are so many ways that we can help learners build confidence, whether it is digital confidence, learning confidence, the confidence to identify their skills needs and inform their decisions. It is really important that we connect the National Careers Service, the National Skills Fund and the National Retraining Scheme together to make sure that we deliver that.



Then it is about a proper marketing campaign, that when routes to funding are available, when routes to equipment or other needs are available, we get the word out to learners because so many of the most disadvantaged are the least aware of what is available to them.

**Kim Johnson:** I agree. Thank you.

Q49 **Ian Mearns:** We are straight into the territory that I wanted to come to and that is about the availability of independent, impartial careers advice and guidance. I do stress the independence and the impartiality of it because there is an awful lot of advice and guidance out there, which is about getting individuals into the course that is being provided by the person or the organisation that is providing the advice. That quite often is not the right advice for that individual.

How are we going to mitigate against that and what improvements need to be made to existing information, advice and guidance services, ie the National Careers Services resources or elsewhere? There never was a golden age of careers advice and guidance even when I chaired the board of Tyneside Careers two decades ago, but in many respects, in terms of what we were able to do for adults, it was better than it is now.

**Chair:** Sue, you talked about there being no understanding from people about what is on offer. I think that underlies a lot of Ian's question, given that you have all this money floating about with these career organisations, the National Careers Services, the Careers & Enterprise Company and so on, yet you are saying that people do not know what is available.

**Dr Pember:** The National Careers Service is a good platform for what we need, but again the resource that it has is very targeted and it does not have the money for the promotion campaigns that we are talking about, whether it is the right or wrong vehicle to do it.

The National Careers Service needs to be larger, bigger, more reach and very local. The timeline that we are talking about, the 17 million who do not have Level 2, getting a bit of advice online about a course that may or may not be available in their area does not work. They need intermediaries, they need diagnostic assessment, they need handholding, they need confidence building. The Careers Service needs to be bigger than the information bit. It needs to be about advice, it needs to be about guidance and it needs to be about handholding to get that person into that exact provision that would suit them.

**Professor Fraser:** I thought this was a good moment to mention a pilot scheme that the OU is running. We have been running it with Jobcentre Plus in Kingston. It is getting jobseekers to gain new skills through our free to use work on our OpenLearn platform and they are now rolling that out across the Jobcentre Plus network.

The idea is that Jobcentre Plus colleagues help job-seeking learners find the short courses that will help them with leadership, networking, career



resilience, basic maths, English and digital courses. The Jobcentre Plus staff then do some coaching around that, which addresses some of the challenges that Sue has just raised. I think that is going down very well in a lot of constituencies and I am very happy to provide further information on that.

Q50 **Chair:** Where is this pilot programme happening?

**Professor Fraser:** We did it in Kingston initially, but it is starting to roll out now.

Q51 **Chair:** Could you send us some more information on it and also, if you have any, some evaluation of the outcomes?

**Professor Fraser:** Absolutely.

**Chair:** That would be helpful. It sounds a great idea. Who else would like to speak on that, please, on Ian's question? Simon.

**Simon Parkinson:** Yes, I think Josie is highlighting a good initiative. When you are at that job-seeking stage, that is a good programme, but there is also a lot of focus around 18 to 25-year-olds who are job seeking. We are increasingly seeing older workers who may not be redundant yet, but are the most vulnerable in their current workplace and have been in the same sector for many years. Their journey back into work or securing more permanent work is very different.

The careers advice and guidance they need, first is starting with that rebuilding confidence that they are not too old, secondly that they have valuable skills and experience that you have honed over many years, and thirdly that there are many more options now in the world of work than there were when they left school. The careers that they can pursue are multifaceted, so fundamentally we have to recognise that it is a different journey for older workers and they are by far the bigger group here. A recognition of that upfront would help.

**Chair:** Do you have any further questions, Ian?

Q52 **Ian Mearns:** We have had the stats reiterated a number of times this morning about the 49% of poorest adults have had no training since leaving school. How do we connect with them and get them into the learning process? As we have heard, quite often the services that are provided are taken up by the people who need the least help.

**Simon Parkinson:** I think you are right, Ian. As well as the digital piece that we have talked about, there is something about our language and how we position it. If we are always talking about courses being badged solely as skill development—this is a maths course, an English course, a literacy course—you are going to alienate the very people that you are describing.

At its best, adult community learning embeds those skills in the wide range of courses that we provide. It is about being in the communities,



highlighting the issues that are important to them, developing content that they will engage with and then building skills off the back of that. If that leads to employment, if that is the right route for people, great, but it also leads to social cohesion or improvement in health and wellbeing, and that has benefits as well.

**Professor Fraser:** There is some evidence that if we open up the flexibility and the opportunity, people from disadvantaged backgrounds will take advantage. Some 22% of the OU's undergraduates are in disadvantaged areas; 26,000 students with disabilities studied with us in 2018-19.

**Chair:** Sorry, I missed that. What percentage figure was it?

**Professor Fraser:** Some 22% of undergraduates are in disadvantaged areas. In Wales where the funding has opened up and there is more support, that has further reached disadvantaged students compared to the English population.

**Chair:** Your answer has given us a lovely segue to Fleur's question.

Q53 **Fleur Anderson:** I absolutely recognise the issue of adults being in work but for in-work poverty and wanting to move on to the next stage, that is the biggest barrier. They don't know where to go for help or how to get up there.

I would like to move on to modular and flexible systems for higher education learning, really seeing that as being the whole of your adult lifetime and over much longer—I know you are past masters at The Open University in a modular system and being able to pick and choose different parts, but how could more of that support lifelong retraining and upskilling?

**Chair:** In essence and what is very important in this, why can't people have a train journey, get on and off at various stations but it builds up to their qualification rather than having the rigid approach that we have at the moment?

**Dr Pember:** The modular system is not just important for degree level but we also need to live in the moment. We have more people going off to university this week than we have had ever, probably, so we are not short of people wanting to do university work.

What we are short of is people wanting to do their first level 1 or their first level 2 and feel confident about that. As Simon said, we need some tricks in our toolbox for them. They are more interested in learning how to be a forklift driver because they can see that that would give them a job in a warehouse but if they are in work now they don't want to tell their employer they are doing it. They need guidance on how they can go and get on it. I pick on that course because it is quite short. We need to be able to do that for all our vocational areas. You might get them in on forklift training but actually you are teaching them a bit about maths. You are encouraging them. That is the link.



Thinking about Ian's question, we do not have enough links in society. We have union work for those at work. For those who are unemployed we should have Jobcentre Plus, but even then the new Kickstart scheme doesn't really have a training or qualification element to it. We keep on losing tricks and, therefore, we need more intermediaries in the system, like in family learning, schools, doctors' surgeries, to help the low-skilled people into education.

**Q54 Chair:** Are you saying there are too many clothes pegs and not a washing line?

**Dr Pember:** Yes. I have not thought about it like that.

**Professor Fraser:** Modularity is going to be increasingly important. If you look at how student behaviour is changing—and we see that very clearly in the OU with our huge numbers; we have something like 175,000 people studying with us currently—there is more and more of a call for bite-sized learning.

We have more and more people who are studying some of the degree journey part-time but some of it at a higher intensity when they have capacity and some of it slower. People are looking for flexibility and they are expecting more choice and more flexibility. There is an opportunity if we can support that, whether that is with the lifelong learning allowance, the Augar report that talked about any approved course by module, whether it is about removing the rules around ELQ that basically constrains student choices about how to retrain once they already have a qualification. I think that removing some of those barriers is really important to encourage people to study more flexibly across their lives. Everything we do funding-wise at the moment encourages people to do a three-year bang at 18, and we have to get beyond that or we will not meet our economic need.

**Q55 David Johnston:** I think the panel has answered this in some of their other answers but the question is: what policy changes do you think we need to get part-time higher education participation back to where we want it and also to widen access to higher qualifications among working adults? I think you have touched on this in some of your answers. Don't feel you need to repeat them again but please do let us know.

**Simon Parkinson:** I think short courses can and do work, whether they lead to a formal qualification or not, and the funding should recognise that when you think about funding and policy changes. Robert used the analogy of a washing line. We talk about pathways and people being able to move pathways quite simply. It is about recognition in funding and policy that short courses can and do work.

**Professor Fraser:** I think it is about doing fee grants that target priority subjects and skills gaps, priority geographies, bringing the maintenance support that we have seen work so well in other parts of the UK appropriately, any anomaly of excluding distance learnings from getting



## HOUSE OF COMMONS

maintenance loans, extend things like childcare grants and the parents' learning allowance to everybody who is studying a recognised qualification, whatever size that may be, and make sure that we don't continue putting a part-time student premium.

If we could hit those policy shifts, I think we would really support the part-time learning world. I agree with Simon that recognising and finding ways to incentivise providers—universities, colleges, adult education providers of all varieties—to create modular pieces and encourage them through policy to stack and combine those in innovative ways to create pathways through is very important.

**Dr Pember:** There are still lots of barriers. If you are a young adult with a child and you want to do part-time HE, you have your childcare, your timing, your travel, you have to be able to maintain yourself in your job. All those areas, all those barriers need to be sorted out, so there needs to be a package there.

But also full-time HE education allows people to have a job now, so when we say part-time HE has gone, it probably has in one way but there are more people working now in HE than ever before, so they do it with a job. I wonder whether they would have made the swap if you offered them a part-time degree over five years doing what they are doing now. I am not sure that we have enough research into that.

Q56 **Chair:** Should all the different funding pots there are—National Retraining Scheme, National Skills Fund, the adult education budget—be consolidated into one easy-to-use pot? Would that make a difference so you would avoid the kind of spaghetti junction of different funding streams that everybody has to apply for?

**Dr Pember:** Yes, absolutely. The whole overall budget needs to be bigger, the envelope is not enough, but in the meantime if we could merge all those together with the replacement of the ESF fund, any moneys that are sitting in the Home Office, that would be a great step forward.

**Professor Fraser:** We would support that. Also we desperately need a dedicated team that understands part-time funding in the Student Loans Company. It is an absolute maze for OU students to figure out their funding because everything is set up on the assumption that you are going to do a three-year full-time course.

**Chair:** Yes, I have had to sort out problems in my own constituency with part-time students; I know exactly what you are talking about.

**Simon Parkinson:** I certainly feel that a simplification of the existing funding environment would be welcome, but we need to watch for unintended consequences of a single pot so that there is not a narrowing of the diversity of provision we need. How we commission this work is really important. A single pot that leads to large monolithic providers and a supply chain, payment by results model is not the consequence we are



## HOUSE OF COMMONS

looking for from a simplified funding landscape that meets the diversity of need that we all feel is important.

Q57 **Chair:** Would that also question whether or not you would be able to put adult learning community centres in towns? Would that have an impact? Is that what you are saying? Are you saying you are worried it would become like a Serco or Capita type arrangement?

**Dr Pember:** At the moment we have quite a secure and respected provider base in the colleges and adult community learning and institutes of adult learning. That is our assured provider base and they should be able to be commissioned to do exactly what you said, Robert, to put a centre in every town.

Whether we need any more providers in the system—I know my independent sector friends will now be shouting at me—I am not sure. I think we should be building on the assured providers that we have at the moment and allowing them to expand and do right for their communities, which is an incredibly important part of the future landscape.

**Chair:** Thank you very much, everyone. I was very pleased. I did a Workers' Educational Association visit to a school in Dagenham to see an ESOL course, which was incredible and at very low cost and run from a school building. I thought: why on earth isn't this replicated? It is relatively so low cost and yet it is genuinely transformative of the lives of the students that I met because it gave them the empowerment of the English language at such low cost. Also I was very pleased to go to The Open University and meet some incredible students. Thank you, everybody. That was really helpful and I wish you well in what you do.