

Written evidence submitted by The Association of Employment and Learning Providers (AELP)

About AELP and Our Members

The Association of Employment and Learning Providers (AELP) is a national membership body, proudly representing around 800 organisations. AELP members support thousands of businesses and millions of learners in England by delivering a wide range of training, vocational learning, and employability programmes. We support learners of all ages, in every community, and at every level of post-16 study. Formed in 1988, AELP's priority has always been advocating for the training providers that we represent and offering a wide range of competitive member benefits.

Government's understanding of the key skills that are or will be, needed in the workforce

At times it feels like the government is far too obsessed with reforming vocational and technical skills provision through trying to replicate or align to models in other parts of the world rather than focusing on the key skills needs that employers need now and in the future. In every DfE consultation, one of the rationales nearly always provided is always a comparison vs either the Swiss and/or German education systems.

The DfE's Further Education White Paper, Plan for Skills, published in January last year focused very much on level 3 and above, setting out a vision of developing a higher-skilled economy. This includes the lifelong loan entitlement at levels 4-6, a level 3 adult entitlement and Skills Bootcamps at levels 3 and above. However, this ambition will not be achieved without the government doing more to fill skills gaps through upskilling adults and young people with low levels of skills and/or prior attainment. We believe this to be a mixture of a lack of understanding, but also a lack of appetite at times to acknowledge and properly address it.

We have an underlying issue that 40% of young people leave school without a pass in mathematics or English and we have 8 million adults who do not possess a level 2 qualification. In two of the local skills improvement plan pilots that AELP is involved in the skills that top employer's wish lists are core building block skills in good levels of literacy and numeracy. It feels that the government wants individuals to "climb the skills ladder", but the bottom few rungs are still missing. AELP has called this out before as 'elitist snobbery' and it is a constant battle with officials and ministers to properly recognise the key skills needs at level 2 and below.

The new government programme, Multiply, part of the UKSPF is another case of a lack of join up. There is a need to drive up numeracy skills in adults, but why only numeracy and not literacy? And how does this new initiative fit with the existing national entitlement for functional skills at up to level 2 for all adults in England? This is just another example of

another shiny initiative that does not help develop a properly joined-up approach to developing the workforce skills that employers want and need.

The move by the government to devolve skills needs to localities through the inbound Local Skills Improvement Plans will allow key skills to be more specific to a regional, but ensuring the skills needs of a region link to the national needs will be important to allow individuals to be portable in their chosen occupation. How differently LSIPs will operate in comparison to the role and work undertaken by the LEPs and SAPs is still too early to tell. In 2021 the new adult level entitlement was rollout, this saw an immediate dispute between which qualifications the government said were national key skills needs and skills that mayor combined authorities said were skills priorities for the workforce in their localities. Moving forward are likely to continue to see a disjoin.

It is a positive move though that the Secretary of State for Education is very focused on using data to help inform policy decisions. AELP is positive in the news of the development of a new data unit in the DfE to help inform future decision making on issues such as key needs and skills gaps. It is important though that transparency is maintained at all times, rather than cherry-picking statistical outcomes that are specifically very narrow to serve a particularly vested interest.

Is it clear what the government's role is regarding workforce skills development?

To some extent yes, but it is fragmented and not always joined up. On the apprenticeship programme we've seen the impact of giving employers control of the system, this has edged out smaller employers, young people and lower level provision and we have seen a ramp-up of upskilling existing employees in higher-level programmes. The government has been slow to try and encourage a broader range of outcomes through things like incentivisation to obtain a better balance that takes a more holistic view of the output of the apprenticeship programme rather than at an individual employer level.

This as an example highlights a degree of confusion about at what point the government should intervene and what its role is in an employer-led system, which was a big change that was made in 2017, with non-levy apprenticeships transitioning to being fully employer-led through the Apprenticeship Service from 2019.

AELP believes that there is not enough of a coherent skills strategy within the government that looks across all skills programmes -there are individual programmes with specific purposes and targets, but how that interlink or overlap is not always clear to either providers or employers. The rollout of devolution will likely cause more confusion as commissioning potentially leads down to a more granular county level.

It still feels like the expectations of the state, individuals and employers' responsibilities on workforce skills development are patchy and not properly joined up either. This is especially so in adult funding.

The introduction of the lifelong learning accounts as part of the lifelong loan entitlement allows the government to use such a vehicle that could in the future all the state, individuals

and their employers to contribute to, top-up or pay off the cost of the lifelong learning. This is a future opportunity to help shift some of the burdens of the cost of investment from the state to beneficiaries.

Do government bodies engage effectively with you and other stakeholders in discussing workforce skills issues?

The level of government engagement in its policy design is mixed, both in terms of its willingness to flex and also the extent it chooses to engage in the first place.

In some policy areas where there is a specific direction of travel, the level of engagement with stakeholders is noticeably tapered – a good current example is the level of engagement on the DfE level 2 and below review. This follows a similar approach seen with the reform of level 3 qualifications. With these examples it somewhat feels like the government knew the response would be negative, so hunkered down and purposely choose not to openly engage in the design of the policy with stakeholders.

We tend to find that once a policy has been announced and launched then the government is better at engaging with stakeholders on how to refine it to make it more effective.

A recent example of this is the refinements to Skills Bootcamps as part of the wave three opportunity and changes to eligibility, SMEs funding rates and data capture.

Sometimes this is frustrating as if the DfE engaged properly on the design some of the issues could be eradicated before the launch in the first place. This would save cost and duplication and ultimately provide better value for money.

Over the last year years, it can at times feel like the government becomes too focused on engaging with employers (particularly large employers) and not with providers and other stakeholders. Rhetoric and terminology like “employers at the driving seat” and “employers at the heart” have been widely banded around. For programmes to truly work the government needs to acknowledge the expertise of the range of stakeholders. An example has been how training providers and EPAOs were locked out of the design of early apprenticeship standards – these were proposed and then designed by employers which lead it issues on quality, accessibility and deliverability.

How well does government support and incentivise individuals to develop their skills both in the short and long term? Which government interventions do you consider to be the most effective? How could government improve its effectiveness?

Whilst there have been some good incentives to drive employer behaviour, the government's approach to the incentivisation of individuals is much less effective and in some cases counter-intuitive.

The Kickstart programme has had a detrimental impact on programmes such as apprenticeships and traineeships. For some young people, a paid work placement at NMW was far more attractive than an apprenticeship at ANMW or an unpaid traineeship.

An apprenticeship is a full-time job with high-quality training attached and on a traineeship, the progression rate into a job, apprenticeship or future study is around 75% - it is unlikely that as many young people on a Kickstart programme will lead to such a positive longer-term direct outcome. Again this is yet another example of a lack of government join-up across governmental departments as programmes compete rather than complement one another.

Unfortunately, this is not a new problem with the latest challenge being Jobcentre Plus mandating referrals to Restart to meet their internal targets as opposed to DfE funded provision such as apprenticeships or Skills Bootcamps.

There are some good principles to support individuals, particularly with the lifelong loan entitlement, including modularity, transferability of training and greater control and choice through the introduction of lifelong learning accounts. AELP would argue that the flexibilities have a role outside of just levels 4-6 to allow more adults to engage with lifelong learning.

Another good example of individual incentivisation is the writing off of access to HE advanced learner loans if the individual progresses and completed further HE study – more approaches that rewards individuals could be used in a targeted way to fill hard to fill high skills needs specifically at level 4 and 5 (“the missing middle”).

How well does government encourage and incentivise employers to develop the skills of their workforce both in the short and long term? Which government interventions do you consider to be the most effective? How could government improve its effectiveness?

Certainly, on the flagship apprenticeship programme, the introduction through the Plan for Jobs of the new hire employer incentives was an effective boost during a time of economic uncertainty during the pandemic.

The latest DfE shows that c171k new jobs were supported. Although it is impossible to know whether those roles would have been created regardless of the scheme or not, the fact that the number of 16-18 apprenticeship participants jumped from a dwindling 20% of all starts back towards a third, along with a boost for diminishing level 2 apprenticeship starts does give some confidence it drove decision making that would have otherwise not been to engage in the programme.

Despite the incentive scheme concluding in January 2022 after two previous extensions, AELP believes that there is a need for a long term offer on employer incentives, but it should be targeted specifically at young people under 25. The weak spot in the apprenticeship system remains non-levy payer engagement and declining participation of young people and entry-level programmes and a target incentive scheme would bring a positive impact on those underperforming components of the system.

A missed opportunity, AELP lobbied for was to allow Kickstarters the opportunity to transfer across any period of their remaining wage subsidy and commence an apprenticeship during

their Kickstart programme. Again this would have offered continuity and a more coherent and joined-up approach between employment, skills and supporting workforce needs.

Employers (including large employers) reported to us that they are still waiting for outstanding incentive payments relating to starts from Autumn 2020. It is critical that where incentives are deployed there needs to be a more seamless approach to making sure the funds reach the employers in a timelier way.

To what extent do you think that government's support for workforce skills development is directed at individuals in disadvantaged groups and employers in deprived local areas?

The way in which the government directs support to disadvantaged groups and employers in deprived local areas is fairly limited.

On some programmes such as AEB, there are uplifts to recognise and support providers target those from disadvantaged postcodes, but then these no longer apply to apprenticeship provision, so again it is very piecemeal.

On apprenticeships, the funding band methodology is now a holistic average rate, that offers no real incentive based on age, location or significantly enhanced by specific disadvantage indicators. Employers and providers tell us that the £1k incentive payment for 16-18 is relatively inconsequential in most cases.

In August 2021, the ESFA introduced new rules on providers claiming additional learning support for apprentices, this has resulted in a significant decline in funding being drawn down to support apprentices with additional learning needs. This hampers existing issues with maths and English functional skills on an apprenticeship not being part of the off-the-training measure and being discounted to nearly half the classroom rate at a meagre £471 per FSQ. This feels very much anti the levelling-up agenda.

One positive example in the adult funding space though is the move from April 2022 to support unemployed adults or in low wage employment wider eligibility rules to access a second level 3 fully funded qualification. This is a positive intervention, but if you were being sceptical you could also say this is a way of funding more learners as the programme has been slow to get traction since its launch in April 2021. Again this yet another example of an earlier intervention that could have been shaped with engagement with relevant sector stakeholders.

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September 2022