

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

EXAMINING THE BENEFITS OF ADULT SKILLS AND LIFELONG LEARNING
A response to the Education Select Committee Inquiry from the
Association of Employment and Learning Providers (AELP)

August 2019

KEY POINTS:

1. It is vital to maintain sufficient opportunities at Level 2, and that there are sufficient and appropriate intermediate levels of learning to enable progression through a career to an equivalence in skills at the higher end of academic learning.
2. It must be ensured that those who leave school without a level 2 education should have second-chance opportunities to bring their learning up to these levels with suitable Study Programmes.
3. We are concerned at the continuing implementation of policies which:
 - reinforce provision at Level 3 whilst ignoring access to this for those not at this level (as evidenced by the introduction of T Levels without the parallel introduction of a suitable transition offer)
 - continues to impose financial constraints on the provision and thus volume of in-work learning for those aged over 19 (as evidenced by the continued diminution of Adult Education Budget funding over a number of years)
 - have the effect of raising participation in higher levels of all-age apprenticeships at the expense of lower levels (as demonstrated by the changing profile of recruitment to apprenticeships after the introduction of the levy);
 - deliberately underfund some Level 2 apprenticeships (as evidenced by the slashing of funding for apprenticeship frameworks for which no equivalent apprenticeship standard exists);
 - block the approval of employer-led apprenticeship standards at level 2 (such as the replacement for the Business Administration framework, a critical first step on the employment ladder for both adults and young people, and which will be removed and not replaced from Autumn 2020.)
4. There is a definite positive effect on social mobility arising from following technical qualifications, evidenced by reports of increased projected lifetime earnings and data suggesting that most technical learners in the post-compulsory period of education tend to come from relatively lower socio-economic groups.
5. We believe that local authorities are in the position to have the deepest understanding of local need and are best placed to be held accountable at a local level for the provision of skills needs in local economies. However, given the devolution agenda and particularly the granting of responsibility for skills to Mayoral Combined Authorities, we urge that a level of consistency across common areas of the infrastructure/delivery system should be maintained.
6. We strongly believe that the apprenticeship levy should be expanded to support the growing demands of employers for apprenticeships which would help address the anticipated £500m overspend of the apprenticeship programme in FY20-21 which was highlighted by the National Audit Office (NAO) in early 2019. If no further funding is forthcoming then we

propose removing L6/L7 apprenticeships from levy funding to be replaced with an HE-style loans model, and using a co-investment model between the learner and employer for levels 4-5, to provide fully-funded Level 2 and Level 3 apprenticeships. This would still enable choice whilst balancing the challenges government faces on affordability.

7. The government's new National Retraining Scheme (NRS) has a critical role to play in adult skills and lifelong learning, with the Office for National Statistics reporting that the jobs of 1.5m workers in England are at risk due to automation. However, in order for the scheme to be a success the programme needs greater flexibility to allow adults to retrain and requires critical participation funding to support the needs of adults going through the programme.

- **What are the benefits of adult skills and lifelong learning (ASALL) for productivity and upskilling the workforce?**

Who currently participates in and benefits from lifelong learning?

8. In a 2018 report¹ the CIPD found that high performing learning organisations, on average, experienced a 24% increase in productivity and performance as a result of learning done well, which fundamentally means striking a balance between rules, regulations and procedures, and creativity and innovation. As a result, they found that of these companies:
 - 59% increased productivity
 - 47% built the capability of organisation to solve problems
 - 68% facilitated new ways of working
9. Many researchers have also found links between upskilling and economic performance; Walker and Zhu (2003) for example found clear evidence from the relationship between educational levels and wage rates in the Labour Force Survey suggesting that there is a high financial return to investment in education from the resulting rise in productivity.
10. The link between learning, the improvement of skills, and productivity is therefore undeniable. However, research from the Learning and Work Institute in 2018 shows that participation in adult learning is at a 20-year low², and that those who could benefit most from retraining often have least opportunity to do so. Amongst other things, this gives the advent of the National Retraining Scheme added urgency, given that it is designed to prepare adults for future changes to the economy, including those brought about by automation, and to help them retrain into better jobs.
11. None of this is out of line with the experiences of our members, who have always been very clear about a direct link between the learning and employability/productivity – a very deliberate rationale behind our calling ourselves the Association of *Employment and Learning* Providers. AELP has therefore always supported the building of a ladder of work-related and work-based technical learning that would facilitate the start of a career journey at an appropriate level of learning and to have the chance to constantly improve this as the individual becomes more experienced and more skilled at their occupations. This means both ensuring that there are sufficient opportunities to begin the work journey at Level 2, and that there are appropriate intermediate levels of learning to enable progression through a career through to equivalence at the higher ends of learning.
12. 600,000 young people currently leave school each year, of which currently circa 50%, or around 300,000 go through to join a higher education institution and undertake a traditional degree programme. The recent Augar review on post-18 education³ clearly identified the

¹ https://www.cipd.co.uk/Images/driving-performance-and-productivity_2018-why-learning-organisations-propel-and-sustain-more-impact_tcm18-40383.pdf

² <https://www.learningandwork.org.uk/our-work/promoting-learning-and-skills/participation-survey/>

need to support the other 50% that did not. This means ensuring that those who leave school without a level 2 education should have second-chance opportunities to bring their learning up to these levels with suitable Study Programmes.

13. We are therefore very concerned at the continued implementation of policies which:

- reinforce provision at Level 3 whilst ignoring access to this for those not at this level (as evidenced by the introduction of T Levels without the parallel introduction of a suitable transition offer)
- continues to impose financial constraints on the provision and thus volume of in-work learning for those aged over 19 (as evidenced by the continued diminution of Adult Education Budget funding over a number of years)
- have the effect of raising participation in higher levels of apprenticeships at the expense of lower levels (as demonstrated by the changing profile of recruitment to apprenticeships after the introduction of the levy);
- deliberately underfund some Level 2 apprenticeships (as evidenced by the slashing of funding for apprenticeship frameworks for which no equivalent apprenticeship standard exists);

- **What are the benefits of ASALL for social justice, health and well-being?**

14. Extensive research over a considerable period of time links the attainment of education and skills with positive wider benefits on the individual. The Economic and Social Research Council report “The Wellbeing Effect of Education”⁴ found in 2014 that “education has become one of the clearest indicators of life outcomes such as employment, income and social status, and is a strong predictor of attitudes and wellbeing”.

15. In terms of social mobility, it is clear that higher levels of skills and learning give a measurable positive income differential over the lifetimes of individuals. Recent reports have even begun to demonstrate evidence that the lifetime earnings of individuals following technical apprenticeships are beginning to outstrip those of traditional academic graduates.⁵ This can only indicate a positive effect on social mobility given that those following technical qualifications are found to be most likely to come from relatively lower socio-economic groups than those who follow degree courses.⁶

16. There is certainly a positive relationship between levels of learning and health, but there are mixed views as to why this – broadly, the question is whether or not having better health enables more learning to take place, or whether having a lower level of learning translates into a greater likelihood of living an unhealthy life. Certainly high-income families are more

³ <https://www.gov.uk/government/publications/post-18-review-of-education-and-funding-independent-panel-report>

⁴ <https://esrc.ukri.org/news-events-and-publications/evidence-briefings/the-wellbeing-effect-of-education/>

⁵ The Independent – 16 August, 2016: [Apprentices’ lifetime earnings surpassing university graduates’ by up to 270%, report finds](#)

⁶ Urwin, P. 2018. *Technical Education in England: Investigating Seven Key Assumptions*.

<https://westminsterresearch.westminster.ac.uk/item/q90z1/technical-education-in-england-investigating-seven-key-assumptions>

likely to be able to afford better nutrition, healthcare and education; but congenital indicators such as a low birth weight can also suggest lower test scores and lower education levels later in life. The question of how the relationship between health and education should be presented remains inconclusive, but the overall impact of one on the other is positive and undeniable⁷.

- **What role can local authorities/combined authority areas play in ASALL provision?**

17. In our view local authorities are in the position to have the deepest understanding of local need and are best placed to be held accountable at a local level for the provision of skills needs in local economies. In the current fiscal climate however they often struggle to fulfil this role properly, with many not properly understanding the complex landscape of skills provision in their area and thus not necessarily being in a position to offer the best support to those seeking to navigate it.
18. In some areas this function is to one extent or another being taken on by LEPs. However, LEPs continue to be only patchily effective, and in general terms there is a need for them to be more representative of their local area with a greater diversity of organisations being represented.
19. Devolution is also beginning to have an impact on local accountability structures, with each Mayoral Combined Authority showing signs of establishing their own. Whilst this is an opportunity for them to design structures that are flexible and contextualised to their needs, at the same time it can make it difficult for national providers who have a strong track record of delivery in localities for high-quality niche provision to continue to do so. Combined authorities should work collaboratively to come up with an education offer where the co-creation, collaboration and co-design of provision is important. It is also important that where there are differences, these should be visible and clear. We would therefore urge that there should be a level of consistency across common areas of the infrastructure/delivery system.⁸

- **To what extent is the range, balance and quality of formal and informal ASALL education adequate?**

20. Currently through the Adult Education Budget (AEB), adults are able to access a legal entitlement in the following specific circumstances:

- For 19 to 23 year olds they are to be fully-funded if they study for a first qualification at level 2 and/or level 3.
- For adults aged 19 and over, who have not previously attained a GCSE grade C/grade 4 or higher, to be fully-funded if they study for a qualification in English or maths, up to and including level 2.

⁷ See for example, Hernández-Murillo and Martinek (2011), "[Which Came First—Better Education or Better Health?](#)"

⁸ <https://www.aelp.org.uk/media/3202/70-aelp-response-to-labour-s-consultation-on-the-national-education-service.pdf>

21. However, the funding is not made available to deliver this ambition for over half of the population⁹, yet the volumes choosing the apprenticeship route remain stubbornly low. AELP supports skills at all levels but given the limited apprenticeship budget to cover L2-L7 and the shift towards L6/L7 increasing, there is an imbalance here which needs to be addressed. We strongly believe that the apprenticeship levy should be expanded to support the growing demands of employers for apprenticeships which would help address the anticipated £500m overspend of the apprenticeship programme in FY20-21 which was highlighted by the National Audit Office (NAO) in early 2019. If no further funding is forthcoming then we propose removing L6/L7 apprenticeships from levy funding to be replaced with an HE-style loans model, and using a co-investment model between the learner and employer for levels 4-5, to provide fully-funded Level 2 and Level 3 apprenticeships¹⁰. This would still enable choice whilst balancing the challenges government faces on affordability.
22. Outside of this new entitlement the government's new flagship National Retraining Scheme would remain and fill the void to the support adults over the age of 24 alongside apprenticeships, looking to reskill or whose current roles face long term uncertainty due to the risk of replacement as a result of automation. The NRS should complement rather than compete with the mainstream apprenticeship programme, especially for learners who already have significant experience and prior learning and for whom an apprenticeship might not be feasible. The NRS has a critical role to play in adult skills and lifelong learning, with the Office for National Statistics reporting that the jobs of 1.5m workers in England are at risk due to automation. However, in order for the scheme to be a success the programme needs greater flexibility to allow adults to retrain and requires critical participation funding to support the needs of adults going through the programme.
23. In addition, the low take-up of the Advanced Learner Loans facility needs to be better understood, particularly to understand if there is a trend of low take up across any of the priority sectors, which could help inform whether AEB could be extended to target groups of learners and sectors to encourage more engagement.
24. It is worth noting that a vast range of apprenticeships now include level 4 and above qualifications which are being taken up by existing staff rather than being offered as apprenticeship opportunities to new recruits. Some employers have been considering rebalancing costs of graduate recruitment versus their large apprenticeship levy contributions in this manner. A big driver for this has also been to diversify their workforces to attract individuals into higher level skills roles in local areas who could not go to university for a variety of economic and social reasons. This change in the profile of apprentices needs

⁹ <https://www.aelp.org.uk/media/3188/66-a-fully-funded-level-2-and-level-3-entitlement-for-young-adults-aged-18-to-24.pdf>

¹⁰ <https://www.aelp.org.uk/media/3189/67-spending-review-2019-a-submission-from-the-association-of-employment-learning-providers-june-2019.pdf>

to be fully recognised and policy must take account of this, or risk inadvertently reducing opportunities for those who do not fit these criteria.

- **What lessons can the UK learn from abroad?**

25. UK policy on lifelong learning in the last thirty years or so has been largely predicated on a model of improving human capital, aiming to build a “knowledge economy” by increasing productive capacity, and encouraging competition, privatisation and human capital formation to enhance economic growth. This has been the basis of not only UK policy but also that of the EU and organisations such as the World Bank. One of the main issues with such an approach is that whilst it can enhance efficiency in some circumstances, it almost always produces losers as well as winners.
26. The alternative would be a more “humanistic” approach¹¹, which prioritises citizenship education and building social capital, as evidenced by policies in (for example) the Nordic countries and international organisations such as UNESCO. The success of these policies in international comparative assessment is undeniable but in practice they can encourage inertia, and a reinforcement of the value of existing domestic systems which can impede attempts to improve it.
27. On top of this, the British system of lifelong learning has never been planned as such, but has grown organically over time and is in many respects an outlier in terms of international comparisons. This makes it not only difficult to replicate, but difficult to substantially modify. There are certainly lessons to learn from international models, but the UK needs to be cognisant of the underpinning thinking behind them and how they would publicly translate into a UK system that is still largely subject to severe financial constraint. The “Big Society” concept that briefly emerged under the coalition government of 2010-2015 is a case in point – it sought to improve overall citizenship but failed to get traction because it was perceived as a cover for government cuts¹².
28. This is not to say that there are not lessons that can be learned from international models. However, it must be recognised that the British context of how we address skills in lifelong learning is almost unique in the world, which can make it difficult to easily introduce concepts from abroad, particularly if they are at the more “social capital” end of the policy spectrum. Doing so will require careful thought as to the disruption that could be caused in transition, and the communication strategy required to engage the sector to work with it.

¹¹ Regmi (2015) “Lifelong learning: Foundational models, underlying assumptions and critiques” in [International review of Education, April 2015](#)

¹² Seldon & Snowden, “Cameron at 10”: *The Verdict*, Harper Collins UK; 2015

About AELP

Members of the Association of Employment and Learning Providers (AELP) support employers in the delivery of 75% of apprenticeships in England and they deliver other publicly funded skills and employment programmes through engagement with 380,000 employers. The majority of AELP's 900+ members are independent private, not-for-profit and voluntary sector training and employment services organisations with employers, universities, FE colleges, schools and end-point assessment organisations joining AELP in increasing numbers.

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