Westminster Hall debate on Adult Learning
Wednesday 3 September 2014, 2.30pm – 4pm
Briefing for MPs

Background
UNISON represents 350,000 education workers, including 25,000 college staff. Beyond FE sector interests, we have members across careers, information, advice and guidance services and in youth work. UNISON's youth section is concerned with learning and labour market opportunities for post 18 year olds. Since the 1980s, policy-makers have been concerned that the UK lacks a sufficient skill-base to meet 21st century economic challenges and global competition. The government is well aware of the 'global skills race' and the UK's poor standing in terms of 16-24 literacy.

Funding Challenges faced by Adult Education Sector
Every year colleges educate over 3 million people. Over 2 million are adults in FE either gaining skills for the first time or engaged in professional development. UNISON believes that tackling inequality, unemployment and in-work poverty requires significant state support and skills investment. It is difficult to hold out hope for long-term improvement in the economy when the FE sector, responsible for the generation of vocational skills, has sustained cuts of 35% from the core Adult Skills Budget between 2009 and 2015 with total spending falling from £3 billion to £2 billion[1]. The government is limiting investment in training, other than funding employers for apprenticeships and those on benefits. Working life until pensionable retirement is now 50 years and rising. Without skills and the pay premium that they bring, the penalties to the individual, the Exchequer and the nation are considerable.

Loans and the impact on Access and Participation for Adult Learner
BIS has sought to bring additional funding into the system through the introduction of student loans for people aged 24 and over on advanced level courses. By 2015-16, BIS expects to pay out £498 million in further education loans. However the introduction of FE loans has resulted in a decline in participation in the first year. Research commissioned by AoC suggests that the number of students on advanced and higher level courses that now require a loan, but didn't in the previous year, declined by 20% (from 107, 200 in 2012/12 to 84,300 in 2013/14)[2].

The aim of strengthening incentives and widening access to college courses will provide both new and better job opportunities. Since the 1980s, policy-makers have been concerned that the UK lacks a sufficient skill-base to meet 21st century economic challenges and global competition. The government is well aware of the 'global skills race' and the UK's poor standing in terms of 16-24 literacy. Loans are no doubt preferable to up-front fees and welcomed by many adults, according to the tracking impact report (DBIS, April 2014). Direct comparisons, we believe, between the 19-24 age group and older adults should be made with care. Adults who are already on a career path or re-training will have greater motivation than younger people who may still lack a direction.

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[1] AoC calculation comparing 2004 Skills funding statement with SFA accounts
[2] AoC RCU report on 24+ loans http://www.aoc.co.uk/sites/default/files/24_Loans_Report.pdf

That the repayment of the full loan will only be taken from individuals who earn over £21,000 for a long enough period will benefit part-time workers, for example, young mothers. It may be unrealistic though, to expect low-paid workers, possibly with insecure and unpredictable working hours or even multiple jobs, to commit to training. In-work poverty, use of food banks and pay-day loans are characteristic for far too many younger people and does not provide fertile ground for investment in learning. If an employee is just above the £21,000 threshold, repayment of the loan may cause hardship. It is UNISON's experience that many people with lesser qualifications after compulsory schooling, need a great deal of encouragement to re-engage with education; fees, even with a loan, are a likely deterrent rather than incentive. The hypothesis, quoted from Rigour and Responsiveness, that paying for learning is an incentive to choosing and achieving in high-quality, relevant training, makes assumptions about initial motivation. At 19, this is not necessarily the case, especially if there is a lack of information, advice and guidance or parental support.

The Government Role

A much-needed skills strategy, bringing better goods, services and wages, will not be delivered in a cost-cutting environment. Tackling inequality, unemployment and in-work poverty will require significant state support and skills investment. It is difficult to hold out hope for long-term improvement in the economy when the FE sector, responsible for the generation of vocational skills, has sustained a 35 per cent cut in adult budgets since 2009. The government is limiting investment in training, other than funding employers for apprenticeships and those on benefits. Working life until pensionable retirement is now 50 years and rising. Without skills and the pay premium that they bring, the penalties to the individual, the Exchequer and the nation are considerable.

The role of employers

This disinvestment comes at a time when many employers are cutting training budgets in the face of reduced public spending or reduced profits and individual employees are suffering wage restraint and job insecurity. Moving responsibility for training costs to the individual may lead to employers forcing staff to take out loans for courses that must be undertaken to meet statutory requirements, for example, food hygiene. This is no idle caution as Train to Gain funds were sometimes used in this way.

Of 22 nations, the UK has the second lowest (after Spain) demand from employers for workers educated beyond compulsory education. It is suggested that there has been a sharp reduction in the number of hours of workplace training and that from 2005, employer training budgets declined significantly (Keep, 2014). The DBIS tracking impact report on the 24+ FE loans provides worrying data on the attitude of employers. Only 20 per cent of providers in the survey believed that employers would contribute to the repayment of loans and only seven per cent of employers paid fees, while 12 per cent made a contribution. Of employers who supported training, 69 (81 over two waves) per cent did so because of government funding and were most likely to abandon apprenticeships as a result of the loan system on the basis that apprentices could not afford to pay. If skill development is seen as a necessity for personal, economic and societal growth, it cannot rely on voluntarism. Employers should be incentivised to support staff training, for example, through the tax system and in the case of public employers, it should be a condition of funding.

Impact of the cuts to Information, Advice and Guidance

The DBIS recognition of the challenges faced by young adults who have been in care, are carers, lone parents, offenders, and who lack support systems or good advice is welcomed. BIS has agreed to protect or increase spending in the following areas:

- Community learning, offender learning, financial support for individuals (for example childcare) and other initiatives have been protected.

- People who receive benefits or who are taking courses at the lowest qualification levels continue to pay nothing for their education.
- The number of apprentices aged 24 and over has increased quickly. These have been funded almost entirely by the Government. Employers feel that they discharge their obligation to apprentices by paying them the minimum wage (ie they expect government and colleges to provide them with free training). Ironically government has ended up subsidising the training costs of large profitable companies while pushing colleges to charge full-cost fees to students on the minimum wage.
- £340 million was allocated for the employer ownership of skills pilots, up to 2015/16, through which, so far, only 20,000 people have started a training course.

However the background to this is the fragmentation and inconsistency of information, advice and guidance for young people. With its imperfections and lack of resources, the Connexions strategy did at least acknowledge the need for a comprehensive structure for advice and support for all young people beyond 13, but especially for the most vulnerable. With the demise of the service and other local authority youth provision, there is little in place to support decision-making or access to education and training for disadvantaged young people. UNISON welcomes EFA grant funding for 19-24 year old learners with learning difficulties and disabilities, but also reports that members have been informing us of cuts to learning support staff and services. This brings into question whether providers are observing their public sector equality duties when making cuts.

UNISON Recommendations

Restructure post-18 education

Although governments have often talked of the importance of skills, skills policy has in practice often been created in isolation from industrial policy, with too few connections between education and the labour market. We have an education system which does not adequately prepare young people for work; with poor mechanisms to ensure that vocational courses are adequately linked to progression into good jobs or further study. The result is a system that too often fails to meet the needs of either employers, young people and adults. Learners' interests are best served by training that not only provides access to the labour market, but supports mobility and progression throughout their working lives. Employers should play the key role in supporting the development of their workforce and industries and government should ensure that the levers are there to get them back in the habit.

Further education colleges are perfectly placed to take on the role of providing higher technical vocational education and these should be achieved by close integration with the National Careers Service and employers.

Stability in Funding Streams

The Government should provide budgets to colleges for three years, something promised in 2002 but still not delivered. Alongside this, Government should publish indicative long-term figures for further and higher education for 2015, 2020 and 2025 to assist institutions and employers with long-term planning and also to clarify budget choices.

The current funding system, which is led by student numbers, can also mean that providers are unwilling or unable to provide tailored or specialist courses to individuals and smaller companies. There is a need to bring local industry, universities and training providers closer together in curriculum planning and delivery. In addition to arrangements to improve how training providers work with local authorities, the local and regional arrangements discussed above, such as City Deal sand LEPs, provide a structure through which this could be done.

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