

Response to A dual mandate for adult vocational education: a consultation paper

Vocational education is vital to the British economy and social mobility. Quality provision that provides choice, realistic job opportunities and career development will enable local economies to grow and individuals to progress. Adult vocational education needs to be informed by the demographic and employment needs of local areas, ensuring there is adequate provision for the breadth of the population. In addition poor provision in the early years of education has a direct drag through effect to adulthood and it is impossible to consider post 18 vocational education requirements without addressing how provision at all stages is effectively delivered. The current system of delivering vocational education is uncoordinated, driven by market forces and fails to address local economic and individual need. The consultation provides us with the opportunity to address the current skills deficit to enable a locally driven, employment centered approach across local areas in England.

Adult vocational education is centrally funded by the Skills Funding Agency (SFA). The last ten years of structural change to accountability and funding, from local, regional and national agencies, has led to a decline in local accountability for the design, quality and shape of vocational education provision. The result is overprovision of certain courses and inconsistent quality of choice in many localities with no direct coordination with employers and businesses linking to employment and career development opportunities. While recent harmonisation has been applied to 16-18 education funding, adult education has not benefitted from parallel reform. It is vital this happens to ensure current problems with adult vocational education funding are addressed to best meet local needs of the cohort.

An ageing population, as well as significant skills gaps in literacy, numeracy and ICT skills (NIACE, Skills for Prosperity 2015) means establishing an effective system of vocational education is vital both for national economic prosperity and meeting the development needs of individuals. Spending on adult vocational education needs to be aligned with the future needs of a changing workforce, targeted towards funding basic skills for adults, i.e. maths and English qualifications, as well as continuing skills and development to adapt to the changing workplace.

Research has identified that one in six adults in the UK struggle with literacy and numeracy skills (BIS Skills for Life review, 2011), while other research highlights the gaps and challenges present in the current vocational education system, including the prevalence of low level vocational qualifications (The Wolf Review, 2011), leading to much of the post-16 cohort gaining no achievements of labour market value. A vocational education system must take steps to adequately address this.

Crucial to addressing the skills gap is communicating choice. People need to have correct and accurate information regarding their career and development options. Too often, in the current labour market, development needs or options are the responsibility of individuals and information on training and vocational education offer is the responsibility of individual providers. This leads to uncoordinated and patchy provision. A joint approach, shaped by local business, providers and funders is required.

We agree with the general principles of the consultation document that the current system has several significant disadvantages, including limited local accountability and rigid outputs lacking an individual approach towards skills development. The mainstream adult skills offer needs to be directly connected to the 14-19 vocational education policy; the educational deficit in a large proportion of adults is rooted in the failure of appropriate provision at an earlier stage. It is, therefore, vital to look at reform in this area in its entirety.

The current funding system does not leave space to assess specific local employment opportunities and requirements. The introduction of Growth Deals, providing support to local businesses to train young people and create new jobs (amongst other objectives) is an example of an attempt to join up the skills and development of a local area with business employment needs. A mandate for adult vocational education must expand on this. However such policy initiatives need scale, leadership and coordination in order to impact. Strong local leadership and direction will be integral in bringing together the skills and business needs of a locality.

Structural changes to central funding bodies have led to a deficit of accountability in matching learning, skills and employment needs specific to localities. Currently Adult Skills Budget is funded to individual providers on a national basis with a lack of local responsibility and area based commissioning. This has resulted in a proportion of both young people and adults gaining qualifications in courses not linked to realistic employment opportunities in their local area. An example of where this occurs would be Essex, which has one of the largest oversupplies of hair and beauty skills; around 20 people train for every job. As in Essex, employment needs across localities are not being met despite over provision of certain courses in many areas, due to a lack of local responsibility for assessing and allocating funds based on local requirements. Vocational education is central to addressing under skilled workforce and social mobility. There is a pressing need to provide genuine opportunities for sustainable employment, with development opportunities that enable long term economic growth. The current system is failing to tackle the skills gap and demonstrably contributes to a cycle of unstable employment and welfare dependency experienced by too many people passing from poor outcomes across

early years and adult education systems. We need radical change. This means having a less rigid approach to vocational education outcomes, i.e. attaining qualifications, but rather looking at individual development and progress in a more flexible way. It means offering people opportunities that will result in tangible job opportunities and career progression.

Importantly, people need to have a consistent opportunity to access what is right for them and have the ability to choose a more tailored approach to their skills training. This leads to a more sustainable employment trajectory.

Question 28: What is the best way to ensure greater local accountability on the part of providers towards learners and employers, in terms of relevance and quality of provision, and social and economic impacts?

Local accountability is vital to ensuring provision is mapped correctly for the needs of the area. Strategic area reviews were important mechanisms in planning education provision and mapping to local and national economic priorities. This function was dissolved following the creation of the SFA. However, in addressing the bureaucratic nature of the Learning and Skills Council (LSC), previous governments, Labour and coalition led, disabled the mechanisms required to shape provision that connects skills to growth which resulted in an accountability deficit for skills provision in the local area.

In reality current FE Commissioners are responsible for addressing failing colleges (those rated 4 in Ofsted inspection), and those in poor financial health. They are not responsible for the strategic composition of local vocational provision. This needs urgent redress. Given structures already in place through, FE Commissioners, local authorities and local enterprise partnerships (LEP) strategic area reviews it should be possible to conduct area reviews, and, shape and allocate provision accordingly without another layer of costly and unnecessary level of bureaucracy that defined many elements of the LSC.

Currently, individual providers are allocated funds to provide provision as they see fit, with little coordination with other providers in many areas. This leads to overprovision and a disproportion of qualifications in relation to realistic job opportunities. There is also a need to ensure basic numeracy and literacy skills are being met, meaning the collection of local demographic and labour market information is vital.

While this function might in some respects restrict the breadth of the curriculum compared to what is currently available, it will also stop over delivery of courses being offered with no employment prospects, which can lead to a cycle of unemployment and subsequent dependency on welfare support.

LEPs and local authorities should play a central role business needs and local growth, using their local growth strategies to raise skills in their areas. Joining up skills budgets more closely with employers will be central to local economic prosperity, and can shape how the needs of local population are met.

However, it is important to recognise that the market expansion in pre-16/18 education, reducing accountability through the Free School and Academy programme, could impact attempts to join up skills provision to economic need in local areas. It is critical that pre adult education connects into plans for local growth and economic prosperity, with funding mechanisms placing clear expectations on school principals to engage in local planning and strategic area reviews.

Question 29a: What benefits would there be to commissioning Adult Skills Budget provision through local partnerships or through a local provider acting on behalf of a partnership?

Commissioning adult skills provision through a local partnership or a lead individual (such as FE Commissioner) or body would create a strategic based approach, addressing the needs of specific areas. Local agencies should be given responsibility to plan and map out provision need, allocate budget and be accountable for successful delivery, quality and outcomes.

There is a need to stimulate employer engagement and investment in a sustainable manner, and this needs to happen collaboratively between employers in the local area to successfully identify skills gaps and necessary provision. A cohesive approach is vital to ensuring labour market demand fits with educational provision. Local agencies need to provide leadership and follow up, as well as gathering accurate data from the local authority on a timely basis to ensure skills strategies are as meaningful and realistic as they can be. In order to do so, investment needs to be redirected to these bodies in order to ensure they can carry out this function effectively with a sense of accountability. This would also mean engaging employers more effectively if a match funding arrangement could be established for investment in training.

This local approach should be further supported by accurate and timely information for learners to ensure they are properly informed of career opportunities and developments.

Question 29b: What downsides might there be to such an approach?

Commissioning adult skills budget through local partnerships/lead individuals and or organisations may limit the breadth of provision currently being offered. It should provide for the skills and employment needs of the local area and in doing so, end current saturation levels in provision which result in courses with limited employment and higher education prospects. While the addition of this responsible lead organisation/partnership may add a layer of bureaucracy and extra cost, it can be argued that this function already exists to a certain extent in the form of LEPs.

A potential downside to a new approach is that independent and specialist providers are blocked from accessing the market. While the pre 16-18 market expansion of academies and free schools has caused fragmentation and reduced accountability, it is however important that independent providers are able to enter the market to provide for the identified needs of the area. Central to addressing accountability and shaping provision is to establish a market that responds to and operates within parameters of need.

Enhancing joint working and cohesion between the SFA and the EFA also presents an opportunity to streamline education and skills policy on a national scale. The division between departments is not helpful. Whitehall cultures invariably disable join up. It is crucial that this is addressed. In order to design a local education system that responds to economic priorities, enhances individual aspiration and deliver skills for growth, provision needs to be planned, connected and integrated through school age and post 18. As the consultation states, lack of appropriate education at a young age leads to, in many cases, skills crisis in adulthood. While recent senior accountability has been amalgamated between the SFA and EFA there is further work to do to ensure cohesion. In the absence of amalgamated Whitehall Departments, we recommend that the EFA and SFA publish a joint business plan and that the business plan has a high level objective to align skills and education provision with local and national labour markets and tailor provision to the learning needs of the individual. As a base level, Departments should respond urgently to the findings of the Skills Commission in 2014 calling for a joined up strategy for education, skills and growth. Providers will need to be incorporated into shaping this strategy to ensure thorough engagement of all parties.

Question 30: How do we ensure a stronger focus on outcomes without encouraging cherry picking of the easiest to help?

It is arguable that 'cherry picking' by providers is not as relevant an issue, than access for disadvantaged groups. Whilst the two may be mutually inclusive, it is important to understand the levels of disengagement within the disadvantaged young

adult population and, the social barriers in place before provision is sought or accessed. Targeting hard to reach groups is critical to addressing skills gap and engaging adults subject to chronic disadvantage requires a multi agency approach and therefore emphasis should be focused on ensuring the right providers are integrated. There are, however, important points around outcomes that need to be considered.

Measuring outcomes is an important tool in assessing how a system is working, however in the context of adult vocational education, this needs to take an individualised approach. Traditionally, and in line with past funding structures, outcomes have been measured by qualification attainment. This does not, however, reflect the breadth of skills needed for sustainable employment and career development. A more flexible mechanism to evaluate outcomes in employment and career development is therefore needed to take into account the nature of adult vocational education and the fluid trajectory this can take.

It is important to address the skills shortages reported directly by employers and UK Commission for Employment and Skills (UKCES) research has shown that employers have reported a rise in skills shortages in literacy and numeracy between 2011 and 2014, as well as softer skills shortages in communication (both written and oral) and time management. As well as emphasising the importance of qualifications in numeracy and literacy as foundational skills, innovative approaches also need to be developed to engage employers to address training needs which could include moving away from traditional classroom approaches, towards e-learning or peer to peer learning, for example. Embedding elements of softer skill learning in qualifications, acting as a dual 'work ready' qualification would also help to address a range of different skills gaps.

The UKCES has started exploring workforce development improvements through its UK Futures programme, trialling projects with industry to develop what works in improving workforce training. Investing in structured pilot projects is one way of assessing the best way employers and providers can work together to pinpoint what training needs are as well as to engage learners in the most effective way. Once 'what works' evidence is known this can be rolled out more widely.

Question 31:What issues would there be with supporting programmes of study rather than qualifications?

The Study Programme already acts as a mechanism for 16-19 year olds to access more tailored provision which reflect their career and education goals. A similar approach could be taken to adult provision, creating a more standard and harmonised approach to meeting learner and employer needs.

It is also important to consider the wider impact of departmental policies on achieving employment led skills strategy. Access to training and skills development not only requires greater integration with employers it also needs to consider personal responsibilities for individuals in receipt of Universal Credit, JSA and other employment support benefits. Increased conditionality and sanction based policies need to connect with opportunities provided through local skills provision. A joined up approach provides an opportunity for long term pathways away from unemployment. However, a failure to plan at scale will ultimately reduce the potential impact of an employment led skills strategy and could risk any attempt to offer long term routes out of insecure employment and a cycle of support requirements from job seekers allowance.

Adult skills budget commissioning must offer skills for hardest to reach communities. To achieve this it cannot be the sole responsibility of educationalists in the area. Commissioners must connect direct with VCS and statutory agencies operating in communities impacted by deprivation to ensure this provision is appropriate and effectively meets the needs of the community.

Question 32: What risks do we need to cater for in testing out new local arrangements to deliver skills provision for unemployed individuals and those with skills below level 2?

There are a number of risks to consider when testing new local arrangements to deliver skills provision. It is essential outcomes are defined in consultation with VCS as well, as other organisations working with this group, to ensure all risks are taken into account. New local arrangements also need to make sure they capture all the groups and individuals it needs to.

A further need to consider is the impact of testing new arrangements on current providers delivering over provision, as well as current learners on courses, so that their exit can be managed smoothly with minimal disruption to individuals and organisations.

If a new approach is to be successful and sustainable, there will need to be sufficient join up with other departments, for example DWP, to ensure welfare support is not affected. Coordination with pre-18 education, i.e. schools, academies and free schools also needs to be addressed, as stated above.

There is significant disengagement in the current system and a deficit of local accountability with local authorities, which will need to be taken into account when carrying out a new approach, to ensure this is not replicated or exacerbated.

Question 33: What new approaches can be taken on commissioning and funding streams to maximise the value gained from public spending to support unemployed and disadvantaged learners?

In order to maximise the value gained from public spending to support unemployed and disadvantaged learners, commissioning and funding streams need to take account of requirements going beyond traditional qualifications that address the needs of behavioural, learning and employability needs. For many people from disadvantaged backgrounds, or who have been out of work for a long time, provision needs to include softer skills such as communication and general work readiness, leading to sustainable employment.

Commissioning and funding streams therefore need to work closely with local VCS and other providers to fully understand this cohort of learners; with flexibility to provide provision for a variety of behavioural and other needs.

Taking this approach will in turn provide value for money by keeping people from welfare dependency, promote health and increase social mobility towards a healthier economy. We know that preparing people for employment is vital and requires more than formal qualifications. New approaches to commissioning and funding streams will need to be taken into account alongside conditionality and welfare changes.

Establishing connections with employers, to provide investment in this group to sustain employment and enhance opportunities, will also contribute towards maximising value gained from public spending. By maintaining employer engagement and increasing investment, this will take ease pressure on public spending on supporting unemployed and disadvantaged learners long term.