**Edge response to the National Skills Fund (NSF) Consultation**

**Section 1: Free level 3 qualifications for adults Accessibility**

Q10. What do you think will be the key barriers to adults taking up the free level 3 qualifications?

**The new guarantee may lock out learners with existing Level 3 qualification** - The new guarantee only applies to a prescribed list of Level 3 qualifications, but many adults are excluded from this because they have already achieved this level of attainment.

But more people aged 25-34 want to retrain (14% compared with 10% across all age groups) or follow a completely different career path (14% compared with 9% all ages) since the pandemic ([Aviva](https://www.aviva.co.uk/aviva-edit/in-the-news-articles/how-we-live-2/), 2021).

The upskilling challenge should not just be about encouraging more adults to hold a Level 3. The [CBI](https://www.cbi.org.uk/media/5723/learning-for-life-report.pdf) estimate that 26m workers will require upskilling and 5m will need retraining by 2030 and this will require adults to progress and retrain both vertically and horizontally. With the oncoming changes to the economy and labour market, we need to encourage learners to embrace a mindset of lifelong learning. Moreover, with the impact of digitalisation and automation, workers across different sectors and occupations, at very varied skill levels are likely to need to upgrade and change their skills. There will be many adults who, even with an existing level 3, may need to reskill at lower levels.

**No wider support for living costs / maintenance -** There is currently no national system of full-time or part-time maintenance loans to support 19-24 year-olds with living costs to achieve a first full Level 3, let alone all adults to do so. Insecure incomes and low pay would make paid time off for retraining impossible for many adults who need to retrain most. Reskilling will not happen for those who feel insecure about their personal and household finances. So we need to see grant funding and maintenance loans extended to those wishing to reskill at Level 2 and Level 3 and adults who are combining employment with part-time study.

**Self belief barriers**. Cohorts of older workers, or women [who are likely to have more caring responsibilities] may also need extra support and encouragement to take up the L3 qualification. Mid-career workers have not received any training since leaving full time education, meaning they have no recent experience of engaging in learning and skills development. So there may be self belief barriers that need to be addressed in order to support these adults to retrain and take up the offer. Is there a possibility for agents to raise awareness of the NSF with these cohorts i.e via nurseries, hospitals, care homes?

Q13. Are there any other ways through which it would be useful to publicise learner support? Please set out what these other ways are and explain why they might be useful.

We need to make information clear and accessible to those already in the workplace. Some adults may not be actively reaching out to education providers, or aware of the skills offer, so we need to be publicising learner support across a range of employers and to SMEs.

The government should provide additional funding for colleges to be able to advise SMEs in key local industrial/economic sectors to help them design business change/innovation programmes which the college can support with skills training. The NSF should have a strong focus on supporting SME engagement in skills development, increasing the opportunities for them to recruit apprentices, and supporting universities and colleges to engage with them at the local level.

The National Skills Fund and probably the skills system more widely needs to support individuals to understand not only the breadth of opportunities but also the pathways to achieving them and the pathways within that career as a whole. That needs FE, HE, employers, local authorities, LEPs and others to support a more collaborative approach.

We should also signpost opportunities to community-based adult learning providers and job centres who support those furthest from the workplace.

We recommend reading CBI’s ‘[Learning for life’](https://www.cbi.org.uk/media/5723/learning-for-life-report.pdf) report which highlights barriers to training from CBI recommends:

* + Help small businesses overcome barriers to training investment, such as lack of capacity and resource, by introducing SME tax credits.
  + Encourage people to take up new training opportunities by introducing Career Development Accounts which help remove financial barriers.
  + Encourage more people to have a stake in lifelong learning by turning ‘Job Centres’ into ‘Jobs and Skills Hubs’ which offer face-to-face support.

Q15. For the non-financial flexibilities below, please select which you think are valuable:

**• Flexible start dates**

**• Breaks in learning**

• **Flexible modes of delivery**

• Weekend and evening learning

**• Recognition of prior learning**

• **Other** which is not listed (please specify)

Other – the flexibility to work and train at the same time (with financial support where that affects income).

There is much we can learn from the Graduate Apprenticeship system in Scotland. The programme offers flexible entry and exit points, offering ‘recognition of prior learning’ (RPL) to take into account previous qualifications, skills and experiences. The flexible nature of the Graduate Apprenticeship offers an attractive option for new and existing employees.

Q16. Are there any barriers which might make it difficult to use or deliver the existing non-financial flexibilities? Please set out what these barriers are and, where possible, suggest ways that these barriers may be overcome.

Officials will need to consider how the programme will be made consistent across providers. If some providers recognise certain aspects of prior learning whereas others do not, this will lead to an inconsistent experience for learners. There is also a question over who will decide these flexibilities – will responsibility sit with providers, employers or students, or will there be shared responsibility?

Q20. How might we adapt the offer to better meet the needs of employers, including those from a range of different sectors, and a range of sizes? Where possible, please set out the proposed adaptation and which types of employers it would suit.

On average across the OECD only two in three firms assess their future skill needs and those who do, do not always align their training policy with this analysis. All firms need to be given the tools and encouragement to self-assess their skills needs and enabled to take proactive training decisions based on this. [(OECD, 2019)](https://www.oecd-ilibrary.org/education/getting-skills-right-future-ready-adult-learning-systems_9789264311756-en)

Learning & Work Institute ([2021](C://Users/kemms/Downloads/Building-Strong-Foundations-May-2021.pdf)) highlight the necessity of getting managers on board to support low-skilled workers in the workforce. They found that 93% of employees agree that when taking up a new role it’s important to have a manager that supports you to develop technical skills. They recommend ‘Build the role of the manager into employment and skills policy. Consider mechanisms to incentivise a commitment to good management practice and development and progression’

Q21. How else can we encourage employers to use the free level 3 qualifications for adults to train or upskill their workers?

It's important that over time the requirements and incentives on employers to support skills are increased. A potential option would be a model of training pay that supports workers to take time to engage in training, but also obligates employers to support skills reviews and promote access to routes into training.

Q25. How else can providers best support adults without a level 3 to access the level 3 qualifications available through the Lifetime Skills Guarantee, given that they may lack some prior learning or experience?

The new guarantee only applies to a prescribed list of Level 3 qualifications, but many adults are excluded from this because they have already achieved this level of attainment. Some adults may desire to retrain at Level 2 in order to progress onto an appropriate Level 3 course. But without their Level 2 qualification, they will be unable to access Level 3.

Upskilling at higher levels should not come at the expense of basic skills and Level 2 as this risks limiting opportunity. So we encourage Government to look seriously at a similar free entitlement for a first full Level 2.

Q28. If you have any further comments or reflections on ‘Section 1: Free level 3 qualifications for adults’ you can add them here.

There is a danger that unfairnesses may persist in the post-18 system. Indeed, it is interesting that graduates do not start repaying income contingent loans until they earn above £27,295 per year, whereas low paid adults make a contribution to the cost of Level 2 provision when they earn about £17,374.50.

Alongside the Level 3 offer, all adults, irrespective of whether they are employed, unemployed or inactive, seeking a first full Level 2 – either through full Level 2 qualifications or part Level 2 qualifications – should also be entitled to a Level 2 offer.

**Section 3: Meeting critical skills needs**

Q47. Are there any current critical skills gaps below degree level and in particular sectors, occupations, or locations that you think the skills system will not meet, either now or in the next five years?

Evidence suggests that COVID-19 has resulted in a shift in the types of skills that employers are looking for. Navigating this difficult economy is about helping people to develop the resilient skills sought by today’s employers. **The Skills Network** (2020) found that the skills most in demand by employers are auditing skills, followed by nursing and accounting.

Their research also found that technical skills in programming, coding and software development are in very high demand, with technological roles growing by 7.3% each year, specifically, technical skills in agile software development and JavaScript, SQL, and Python programming languages.

60% of Chief Finance Officers say there is a shortage of financial skills in the UK, with auditing and accounting skills being the first and third most in-demand technical skills in the country, respectively. There has been a clear increase in sales roles with 18% of all roles in the UK requiring strong skills in sales.

Selling and business development skills were listed in over 277,000 job postings since March 2020. The report also analysed those “soft skills” most required by employers, finding that being able to display soft skills like management, leadership and planning is crucial for candidates.

Top 10 Skills Sought by Employers in the UK including how many times they appeared in job adverts: 1. Auditing: 228,000

2. Nursing: 188,000

3. Accounting: 183,000

4. Business development: 161,000

5. Key performance indicators (the ability to work towards and understand KPIs): 160,000

6. Agile software development: 160,000

7. Mental health: 148,000

8. Welfare: 145,000

9. Warehousing: 122,000

10. Selling techniques: 115,000

(Source: p23 <https://www.edge.co.uk/documents/82/Edge__SSB-8_web-1c.pdf>)

Green skills

The need to transition our economy to net zero has become urgent.

Specifically, International Renewable Energy Agency’s (IRENA, 2020) report on a post-Covid recovery highlights key skills needed in the power sector are heating and cooling, transport, supporting workforce and co-ordinating with industries to minimise the skills gap.

With regard to the energy sector, the Institute for Public Policy Research suggests that more than 200,000 jobs could be created in energy efficiency by 2030, and 70,000 jobs in offshore wind alone as soon as 2023. In terms of onshore renewable energy infrastructure – mostly wind, solar and hydro – Thrive Renewables estimates that these could deliver 45,000 new jobs by 2035. Opportunities will vary across the UK, e.g in London, green jobs will mostly be in the financial, IT or legal industries

Digital

We need to target workers in jobs at risk of automation. Across the UK, 13.7% of workers are in occupations at high risk of automation (compared to 10.9% OECD average) and would need moderate training efforts (up to 1 year) to transit to safer occupations with low or medium risk of automation ([OECD, 2019](https://www.oecd-ilibrary.org/education/getting-skills-right-future-ready-adult-learning-systems_9789264311756-en))

The skills employers are demanding within the Software Developer role include: Engineering, net, Javascript, Java, C++, Data, SQL, Python, Amazon Web, Service and Client. Working with data, cloud and understanding clients’ requests are key skills required by employers. [Tech Nation’s Report 2020 and Job & Skills Report 2020].

For example between 2017 and 2018, employer demand for cloud skills only grew by 3.4%, compared to a staggering 22% between 2018 and 2019. Over the past 3 years, we see that the demand for roles containing AI, cyber and cloud skills have all increased. AI and cyber grew by 44% and 22% respectively year on year. [Tech Nation’s Report 2020 and Job & Skills Report 2020].

As the demand for digital tech roles increases, demand for non-technical roles within these companies is growing as well. For example, client management and onboarding are some of the key skills for a Customer Success Manager, whilst assurance, testing and creating automations are key skills for a Product Quality Inspector. Project management, kanban, jira and scrumming skills are also important for Delivery Managers and Scrum Masters.

Q50. Could more options for shorter courses or more modular learning opportunities help adults to overcome barriers to learning? Please explain your answer and, where possible, provide evidence for your response.

The COVID-19 pandemic has accelerated change in the working world, bringing with it more flexible, hybrid and digital working. So we agree that modular courses would be very welcome particularly for adults who may also have a part-time job, family, or caring commitments. The Fund should support a more blended approach which also offers hybrid forms of learning.

A key issue for older workers is that they are not necessarily offered training and development as a matter of routine. When it is offered, the training is highly likely to be in a format most suited to a younger (often single) learner, with the result that the older worker is deemed somehow less able because they struggle with an unfamiliar format or something that does not fit with their lifestyle commitments. Adults will not “hop on a training course” designed for school leavers and fill gaps in workforce where there is no alternative candidate. [[1]](#footnote-1)

But a critical issue over modular learning is whether adults without a first full Level 3 are entitled to free education for each ‘Part Level 3’- which together over time - are equivalent to a first full Level 3 qualification. If, for instance, an adult studies over time three ‘Part Level 3’ qualifications which are equivalent to a full Level 3 qualification, each part must be fully funded. Although the DfE has stated that it wants modules to be one of the core features of ‘Level 3 and below’ it must make clear that the entitlement to a first full Level 3 does not cease if just one part or module of a Level 3 is studied.

Q54. Considering the provision we have already made available through National Skills Fund investment, do you think there are any further gaps below degree level in adult skills provision which would benefit from targeted support? If you answered yes, please:

There is a danger that the Treasury will use the line that the AEB can be trimmed because of the National Skills Fund (£0.5bn is guaranteed). Bearing in mind the demand for upskilling and reskilling at Level 2 and Level 3, the challenge is to protect AEB spending (£1.34bn) - at least in real terms – but also be deployed to help those adults who most need it.

The elements (like the adult education budget) that are more focused on basic skills and lower level learning have been cut and new funds (like the National Skills Fund) are more focused on level 3. Similarly, apprenticeships at level 2 have fallen, and higher-level apprenticeships have grown (see below). The NSF currently excludes lower productivity sectors like retail and hospitality which could potentially benefit significantly from skills improvements. Growing Level 3 and above is a good aim, but if it comes at the expense of basic skills and level 2 then it risks limiting opportunity.

We already know from the [Institute for Fiscal Studies](https://ifs.org.uk/uploads/BN325-Big-changes-ahead-for-adult-education-definitely-maybe.pdf) that spending on the National Skills Fund will only reverse one third of the reduction to the adult skills budget over the last decade. Employer investment in training has not compensated for the decline in state funding. We have witnessed falling spend over the past two decades and a sharp rise in the proportion of employers not providing any training at all in recent years.

We need to see a significant increase to the government’s adult skills budget. We should also follow the examples of other countries that have introduced rights for workers to guarantee them paid time off for education and training and access to regular skills reviews in the workplace.

Q56. If you have any further comments or reflections on ‘Section 3: Meeting critical skills needs’ you can add them here.

How will we be including local players in this? As much as this is a national skills fund, local areas know their learners and their skills needs best, so how will we ensure that local players are brought in?

There is an opportunity for government and the private sector coming together to tackle skills gaps and shortages on a more geographical and sectoral basis. We must ensure we are linking into existing forums such as Chambers, LEPs, MCAs, Local Skills Improvement plans.

We need to empower local areas such as Mayoral Combined Authorities, to lead and use their convening power to join up support. Beyond this, their role could be anything from the ability to set financial incentives to target provision on Local Industrial Strategy priorities through to full responsibility for commissioning the fund.

1. P25 [Download.ashx (campaign-for-learning.org.uk)](https://www.campaign-for-learning.org.uk/Handlers/Download.ashx?IDMF=11950bf1-6f2e-4ff2-acfe-d8514f13da29%20) [↑](#footnote-ref-1)