



Technical and Further Education Bill

**TUC Evidence to the House of Commons Public Bill
Committee**



Introduction

The Trades Union Congress (TUC) has 51 affiliated unions representing more than 5.8 million workers. The TUC welcomes the opportunity to submit evidence to the Public Bill Committee that is considering the Technical and Further Education Bill.

Post-16 Skills Plan and Independent Panel on Technical Education

The TUC has given a largely positive welcome to the government's Post-16 Skills Plan and the recommendations of the Independent Panel on Technical Education chaired by Lord Sainsbury. The TUC press release¹ welcoming the proposals highlighted that “decent technical education requires high standards and robust monitoring [and] we are glad that the Institute for Apprenticeships will have a wider remit, and a clear role in assuring quality.”

Developing a new integrated apprenticeships and technical education system on time and to quality standards will be crucial if the UK economy is to meet the skills challenges facing the nation as it withdraws from the European Union. In this context the TUC has emphasised the need to roll out these reforms within a timeframe that will support the skills challenges resulting from Brexit whilst ensuring that implementation delivers a reputable high quality apprenticeships and technical education system that has the widespread support of learners, employers and unions.

Over the past year the TUC has pressed the government to implement the apprenticeship levy in April 2017 as planned on the grounds that the resulting boost in investment is needed as soon as possible to expand the number of high quality apprenticeships. The TUC's learning and skills arm – unionlearn - is currently working closely with unions and employers to support them to develop strategies that will ensure that the levy will lead to an expansion in high quality apprenticeships in all parts of the economy, including public services.

Whilst supporting the thrust of the Post-16 Skills Plan, the TUC has also highlighted three key challenges that need to be addressed in order to ensure that these reforms successfully deliver a new system of high quality technical education. Firstly, there is a need to give trade unions a central role in setting and monitoring quality standards in the evolving apprenticeship/technical education system as is common practice in many other European countries with high quality training systems. Secondly, if these reforms are to succeed, the government must back them up with serious investment in colleges and further education as recommended by the Sainsbury panel, and in this context, it should also review the detrimental aspects of the Local Area Reviews aimed at restructuring the FE sector in preparation for these major reforms. Thirdly, it will be important to put in place safeguards to ensure that the work placements that students follow are of a high quality and that young people are not exploited by employers and effectively used as “cheap labour” through low-quality placements.

Positive features of the proposed reforms

In addition to the central thrust of the reforms to develop a high quality technical education system, the TUC has specifically welcomed the following features of the proposed framework:

- Integration of the apprenticeships and technical education systems
- Flexibility that enables students to switch between academic and technical education pathways
- Tailored support for disabled students and those with special educational needs
- Ensuring adults can access the new technical education system to retrain or upskill.

It is long overdue that the government is putting in place measures to bring about an integrated apprenticeships and technical education system. If implemented successfully, this central reform should do much to raise the quality and status of this route for young people and adults. This is a key reason why the TUC has given its support to extending the remit of the Institute for Apprenticeships to also cover quality and standards for technical education.

Secondly, the TUC has welcomed the following commitment in the Post-16 Skills Plan - “It is important that individuals are able to switch between these two options; it would be wrong to expect a 16 year-old to make choices that drastically close down future options” (para 2.17). This reflects the approach in many other European countries where secondary school education systems have twin pathways where students can transition between the academic and technical routes depending on changing circumstances and preferences. Building this approach into the new technical education system will go some way to addressing concerns from a range of stakeholders that locking students into a technical route would be hugely detrimental for individual choice and also risk technical education being perceived as a “second best” option.

Thirdly, the TUC welcomes the commitments in the Post-16 Skills Plan regarding support for disabled students and those with special educational needs, as follows: “Many [young people with SEND] could achieve a high level of technical skill with appropriate support [and] we will ensure that the routes are accessible, inclusive and sufficiently flexible to be adapted for individual needs” (para 4.8). The option of a transition year for those not ready to immediately embark on the new technical education qualifications will also offer a valuable opportunity to give young people with SEND a range of tailored support.

The Sainsbury panel report clearly states that “the [new] system must work for adults as well as young people [and] many of the principles that make the system work well for young people will apply, and adults with the necessary prerequisite knowledge and skills should be presented with the same choices as young people”. In the Post-16 Skills Plan the government says that “we will say more about how routes will work for adults and our approach to lifetime learning for adults later in the year” (para 4.13). However, these proposals are yet to be published and it is imperative that this is done as soon as possible so that stakeholders can provide feedback on the suitability of the technical education options proposed for employees and adult learners.

Some key challenges

The TUC has highlighted three key issues that need to be addressed in order to ensure that the reforms successfully deliver a new system of high quality technical education:

- It is crucial that trade unions are given a central role in setting and monitoring quality standards for technical education and apprenticeships as is common practice in leading European economies with high quality skills systems in place. These systems are largely based on a “social partnership model” involving employers and unions agreeing standards and best practice at both national and sectoral levels
- If the reforms set out in the Post-16 Skills Plan are going to succeed, the government must back them up with serious investment in colleges and further education by reversing the deep cuts since 2010 and providing the necessary investment to properly implement the required reform of technical education
- Whilst we welcome the recommendation that the new technical education qualifications should involve high quality structured work placements, care needs to be taken that young people are not exploited through unwaged low quality work experience placements of little benefit to them, where they are effectively used as “cheap labour”. This would also risk undermining the apprenticeship system in these occupations where employers engaged in such exploitative practices (e.g. by substituting the recruitment of apprentices with regular recycling of unpaid work placements generated by the new technical education system).

There are some other key challenges that need to be addressed, including the need for the establishment of a comprehensive and high quality career guidance service that would operate alongside the new apprenticeships/technical education system. Despite a number of damning reports in recent years, there remain widespread concerns about the limited career guidance offer in place for many young people, especially those who are considering pursuing further education and training rather than higher education.

Learning and skills - unions make a difference

As highlighted above, the TUC has welcomed extending the remit of the Institute for Apprenticeships so that it covers standards in technical education as well as its original remit for apprenticeship standards and funding caps. Many other European nations with high quality apprenticeship/technical education systems have a national body in place that fulfils a similar function in regulating standards and quality, but these bodies tend to differ in one key respect when compared to the current configuration of the Institute.

Those countries with high quality apprenticeship/technical education systems tend to regulate their training systems through a “social partnership” approach involving a close collaboration between government, employers and trade unions. This social partnership operates at different levels, including playing a key role in agreeing national skills strategies and the overall regulation of their apprenticeship/technical education systems. At the heart of the social partnership approach is the rationale that the skills needs of employers and individuals have to be balanced out and that trade unions have a clear responsibility for articulating employee voice in this respect. The social partnership approach also draws on the views of key sectors and industries. This ensures that

standards genuinely reflect the needs of employers and the workforce in all parts of the economy and the skills needs of specific sectors going forward, including how this fits into wider industrial strategies.

The OECD has recommended that the UK should adopt an approach along these lines so that unions in the UK could operate in a way that replicates the role played by their counterparts in countries adopting a social partnership approach. For example, the OECD's 2008 Jobs for Youth study noted that: "In countries with a long tradition of apprenticeship training, unions are a key player alongside employers and the institutional actors. In Germany, unions have been instrumental in securing action from employers when apprenticeship places have proved to be insufficient to meet demand. In England, unions should be involved in the design of apprenticeships and other work-based learning initiatives alongside Sector Skills Councils."

The positive influence of unions on training and skills in the workplace is another key reason why unions should play a leading role in the work of the Institute. Research commissioned by unionlearn has demonstrated that the "union effect" on skills across the whole economy is significant and that this has strengthened in recent years.² The research shows that, once you strip out other factors, union members are a third more likely to receive regular training at work compared with non-unionised employees. In those workplaces employees are also more likely to earn higher wages and have better job security and employers report a boost to organisational performance.

Following the last recession this positive union effect on training strengthened with this particular "union mark-up" increasing from 13.4% in 2008 to reach a peak of 16.0% in 2013. The proportion of union members reporting regular access to training increased from 36.8% to 38.9% and non-members reporting a decline in access during this period (down from 23.4% to 22.9%).

Over the past year an independent evaluation of the Union Learning Fund (ULF) and the support role of unionlearn has demonstrated a range of new findings about the positive impact of union learning for both employees and employers.³ The evaluation – undertaken by academics at Leeds University Business School and the University of Exeter – was based on surveys of employees engaged in training through the ULF and also their employers, and some of the key findings are as follows:

- Over two-thirds (68%) of employers said unions were particularly effective at inspiring reluctant learners to engage in training and development
- Over two-thirds (68%) of learners with no previous qualification attained their first qualification as a result of engaging in union-led training
- Four in five (80%) employees said they had developed skills that they could transfer to a new job, while two in three (62%) said the new skills they acquired made them more effective in their current job
- One in five employees (19%) said they had gained a promotion or increased responsibility and one in 10 (11%) gained a pay rise as a result of engaging in union-led training

- Half of employers (47%) said their staff were more committed as a result of unions facilitating training and development opportunities
- Union-led training delivers an estimated net contribution to the economy of more than £1.4 billion as a result of a boost to jobs, wages and productivity.

Institute for Apprenticeships and Technical Education

The TUC therefore recommends that the Institute should involve key stakeholders in its governance, including trade unions, in order to draw on the best practice seen in other European countries. In essence this would require amendments to the Technical and Further Education Bill stipulating that employee representation must be reflected in the make-up of the Institute's Board members and also the governance arrangements for the 15 Professional Panels that are being established. It is not only the TUC that has been making this case. For example, the CBI has previously called⁴ for the Institute's Board to be established along the lines of the Low Pay Commission which has representatives from both business and unions.

The TUC's learning and skills arm - unionlearn - could play a vital role in supporting union input to the work of the Institute, including translating this into the workplace, sectors and regions through the activities of union learning representatives and the regular negotiations on training and skills that unions engage in with employers.

The TUC also believes that the Institute needs to reflect the focus on the skill needs of sectors and industries that underpins the approach in other European countries and this could be facilitated if the 15 Professional Panels included employer and union representatives. It is also crucial that the 15 Professional Panels collaborate closely with the existing sector skills councils and industrial partnerships so that the expertise of these sector bodies feeds into the development of any new standards.

Some thinking also needs to be given to how the work of the existing Apprenticeship Trailblazers is linked to the overall operation of the Institute and the 15 Professional Panels to ensure that standards that are being established reflect the wider needs of occupations and sectors and the industrial strategies being taken forward in key parts of the economy. This would also offer an opportunity to examine ongoing concerns that some Trailblazers are not adequately reflecting the wider skills needs of industries/sectors and the long-term career prospects of individuals because a relatively small number of employers are agreeing the standards without any input from unions and other key stakeholders.

The TUC is also calling for the Institute to have a wider quality assurance role than simply approving apprenticeship standards and funding caps. For example, a recent Parliamentary Answer⁵ says that "responsibility for monitoring the quality of apprenticeship training will not transfer to the Institute" and this begs some questions about the autonomy and the range of the Institute's role with regard to quality assurance. If the Institute genuinely reflects the voice of employers and unions, the TUC believes that it should have a wide-ranging role on quality assurance for apprenticeships and technical education along the lines of equivalent bodies in other countries.

Funding issues

The Sainsbury panel report emphasised the issue of funding, saying that “a reason why our system of technical education has not been of high quality or respected in the past is that it has not been properly funded” (Foreword by Lord Sainsbury). The government’s response on this point in the Post-16 Skills Plan raises a number of concerns as it simply states: “We accept and will implement all of the Sainsbury panel’s proposals, unequivocally where that is possible within current budget constraints”. The TUC does not believe that this is an adequate response to the challenge set out by Lord Sainsbury and that there urgently needs to be a new funding strategy for the FE sector that addresses the need for additional funding for the new technical education system.

There is also a need to address the large cuts to the sector since 2010 - according to a recent analysis by the House of Commons Library “over the last five years the FE sector has experienced a prolonged period of funding cuts”.⁶ Whilst there has been some degree of respite by the commitment to hold the FE and Adult Skills Budget constant in cash terms for the rest of this Parliament, this is much too little too late. The reality is that the sector remains under great pressure due to a combination of factors, including: the legacy of previous heavy cuts since 2010; further college closures and mergers to be triggered by Local Area Reviews; continued confusion around government plans for full devolution of FE funding in England; the continuing expansion of the FE student loan system; and, wide-ranging attacks on pay and conditions of college staff.

Concerns about the Local Area Reviews have also been raised by the Public Accounts Select Committee, which said: “The Department for Business, Innovation & Skills and the Department for Education appear to see area-based reviews of post-16 education as a fix-all solution to the current problems, but the reviews do not cover all types of provider and it is not clear how they will deliver a robust and financially sustainable sector.”⁷ In addition, the Committee recommended that it was crucial that the reviews “take a sufficiently comprehensive look at local provision taking into account all FE providers and school sixth forms, that they are fair, and that they result in consensus on sustainable solutions to meet local needs”.

Trade unions have consistently highlighted that their input to these reviews have been too limited and that wider workforce development priorities, including planning for the Post-16 Skills Plan, are being sacrificed to a focus on achieving efficiency savings by prioritising college mergers at all costs. Other concerns include a lack of transparency about the whole process and that FE and sixth form college staff and learners are not being properly consulted about the impact of structural change in their locality.

Earlier this year the government consulted on the parameters of a new insolvency regime for colleges and said that the responses to the consultation were broadly supportive. Whilst the TUC continues to express concerns about the financial pressures colleges are facing due to the major cuts to the sector since 2010, we do welcome the new safeguards that will enable students to complete their courses in the event of a college becoming insolvent.

Timescales

The reform of technical education will be implemented in a timeframe when major changes to the apprenticeship is taking place, including the rollout of the apprenticeship levy and related reforms designed to drive up the number of high quality apprenticeships. As the Post-16 Skills Plan highlights, the reform of technical education will need to be phased in over a number of years and this means that a strategy needs to be in place to meet short-term skills pressures. The TUC and unionlearn are engaged in a number of strategies to tackle short-term skills pressures (e.g. by supporting union engagement in addressing the skills needs of major infrastructure projects). However, as this submission has highlighted there is an urgent need to accelerate measures to build our national skills base in the coming years as the economy and labour market faces major challenges as a result of the decision to leave the European Union.

Qualifications

A number of stakeholders have raised concerns about the move to simplify technical qualifications by granting exclusive licences for the development of new technical qualifications following a competitive process. The government must be careful that the benefits of this approach for building a high quality/high status technical qualification system are not undermined by any perverse outcomes from organisations holding a monopoly on the new qualifications. Concerns have been expressed about a potentially detrimental impact of this approach on some of the more specialist awarding bodies and the government needs to take this into consideration when taking forward this particular aspect of the new qualification regime. There is also very little reference in either the Sainsbury panel report or the Post-16 Skills Plan about the role of Ofqual with regard to the new qualifications and the government needs to clarify what this role will entail.

It is welcome that the Sainsbury panel report and Post-16 Skills Plan acknowledge that more needs to be done to ensure the English and maths skills within the new technical qualifications meet future education and employment needs. The TUC believes that any new system must ensure that learners have appropriate support and funding in order to achieve the English and maths “exit standards” and providers will also need to adopt flexible approaches. It would also be advisable to have a wider consultation before instituting any new “exit standards” to ensure that there is a focus on supporting those learners who face significant barriers to achieving English and maths qualifications. Functional skills qualifications should be recognised as a viable alternative to GCSEs for any new “exit standards”, otherwise there is a danger that many individuals will be discouraged from engaging in the technical qualifications.

Unions will be keen to play a supportive role in this area, especially through the expertise of union learning reps, who have a lot of experience of supporting English and maths learners in the workplace. Union input into the 15 professional panels will also be necessary to articulate the needs of employees with regard to the development of any new English and maths “exit standards”.

References

- ¹ TUC press release, 8 July 2016 (<https://www.tuc.org.uk/workplace-issues/learning-and-training/apprenticeships/improving-technical-education-will-be>)
- ² Stuart, M. et al (2015) *Skills and Training: the union advantage on training*, Unionlearn Research Paper, no.21
- ³ Stuart, M. et al (2016) *Evaluation of the Union Learning Fund Rounds 15-16 and Support Role of Unionlearn*
- ⁴ *CBI response to the government's consultation on the introduction of an apprenticeship levy*, 2015
- ⁵ <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2016-10-07/46780> -
- ⁶ House of Commons Library (2016) *Technical and Further Education Bill*, Briefing Paper no.7752
- ⁷ Public Accounts Select Committee, *Overseeing Financial Sustainability in the Further Education Sector*, December 2015