



# skills for sustainable growth

TUC submission to the consultation on the future direction of  
skills policy



## Introduction and summary

The TUC welcomes the opportunity to comment on the government's consultation on the future direction of skills policy. As the Minister quite rightly emphasises in his foreword to the document, lifelong learning and skills are vital to our economy but as importantly they also deliver wider social and cultural benefits including promoting greater social cohesion. The long-term strategy of government should be to embed a learning and skills culture in all our workplaces and make access to lifelong learning readily available in all our communities.

Ministers have rightly emphasised the social, as well as economic, role that learning plays. Nowhere is this more evident than in promoting equality. Investing in skills can play a very large part in reducing inequalities in relation to gender, disability, race, age and other areas. Low pay and unemployment is often a result of lack of skill and is disproportionately concentrated within already disadvantaged groups in society. The government has in particular expressed concern about the position of women and BME workers. We look forward to a skills strategy which prioritises reducing inequality, as well as raising national competitiveness.

Below we set out the main areas where the TUC supports the proposals in the consultation followed by a number of areas where we have significant concerns.

The TUC welcomes the following aspects of the consultation:

- It is welcome that there is a clear recognition by government that lifelong learning and skills are vital to supporting the economic recovery and that they also deliver wider social and cultural benefits, including promoting greater social cohesion
- Putting apprenticeships at the heart of the government's skills policy is the right approach as is supporting many more apprentices to achieve intermediate level skills and to progress to higher level skills
- The consultation and previous statements by Ministers send a clear message that trade unions are playing a crucial role in supporting investment in skills, particularly through the activities of the network of 25,000 union learning representatives, and also that unionlearn is demonstrating value for money by building union capacity to deliver much greater levels of investment in the future
- The commitment to build a skills system that is driven by the informed choices of learners as well as employers is welcome. There is a real opportunity to use Lifelong Learning Accounts to empower many more people, with the support of unions where appropriate, to access learning and skills both on an individual and collective basis.

The TUC has significant concerns in the following areas:

- A sharp reduction in investment in skills by the government as a result of the forthcoming spending review will further damage prospects of a viable economic recovery in the near future and will also deprive the most vulnerable in society of the opportunity to develop their skills in a very tough labour market
- Individuals will struggle to pay towards their skills development while the economy remains weak and it is essential that the right to request time to train is open to all employees and that existing 'skills entitlements' enshrined in legislation are preserved to ensure that the most vulnerable in our society can access skills development
- Any shortfall in government spending on skills must be compensated for by an active strategy to increase business investment and this must involve consideration of all policy levers, including a proactive procurement policy and a commitment to test out other levers such as occupational licences to practice as recommended by the UK Commission for Employment and Skills
- There is a need for government to align a strategic approach on skills with an active industrial policy so that we can build the skilled workforce that we need for growth areas, especially in key areas such as the low carbon sector.

## The scale of the skills challenge

### **Positive progress in recent years**

Before addressing the scale of the skills challenge that lies ahead, it is important to acknowledge the progress that has been achieved over the past decade and the vital role that the government's investment in skills has played during that period. For example, according to the latest annual assessment<sup>1</sup> by the UK Commission of Employment and Skills (UKCES), over the past decade the numbers achieving high level qualifications have increased by more than 3 million (or by 44%) and the numbers without any qualifications have declined by more than 1.5 million (or by 26%). There has also been significant progress regarding some of the skills targets established by Lord Leitch with an expectation that by 2020 the Level 4 target will be slightly exceeded and the Level 2 target slightly under-attained.

### **Ambition 2020 out of reach?**

However, in spite of this progress to date the UKCES's latest analysis of the likelihood of achieving the ambitions set for 2020 by Lord Leitch's skills review makes for uncomfortable reading. It concludes that based on current trends 'the UK is unlikely to improve its relative international position' and that 'the UK will remain in the bottom half of OECD countries on low and intermediate skills.' The main reason for this is that in spite of our progress in recent years, other countries are 'progressing further and faster' and therefore outpacing the UK. The report also highlights that on current trends there will be significant under-achievement against the 2020 targets in two particular areas.

The forecast for the proportion of the workforce with intermediate (Level 3) qualifications by 2020 is 19 per cent while the target is to increase this to 28 per cent. And the forecast for the proportion of the workforce with low skills

(qualifications below Level 2) by 2020 is 19 per cent while the target is to reduce this to 10 per cent. The Commission concludes that 10 million people need to improve their skills if the UK is to achieve its ambition of being in the top eight countries in the world for skills, jobs and productivity by 2020 but it predicts that we are likely to achieve just half that number.

### **A limited 'training offer'**

It is welcome that the government's consultation paper emphasises that the scale of the skills challenge facing the UK is immense and that a key barrier to progress is the inadequate nature of employer investment in skills. The paper highlights the finding from the latest National Employer Skills Survey (NESS)<sup>2</sup> that one third of employers do not train their employees. It also highlights that 'training that is done is often minimal, on-the-job and informal' and that 'small businesses in particular are less likely to invest in training their workforce.' These trends are even more worrying in light of the latest demographic projections showing that over 80 per cent of the 2020 workforce are already in work.

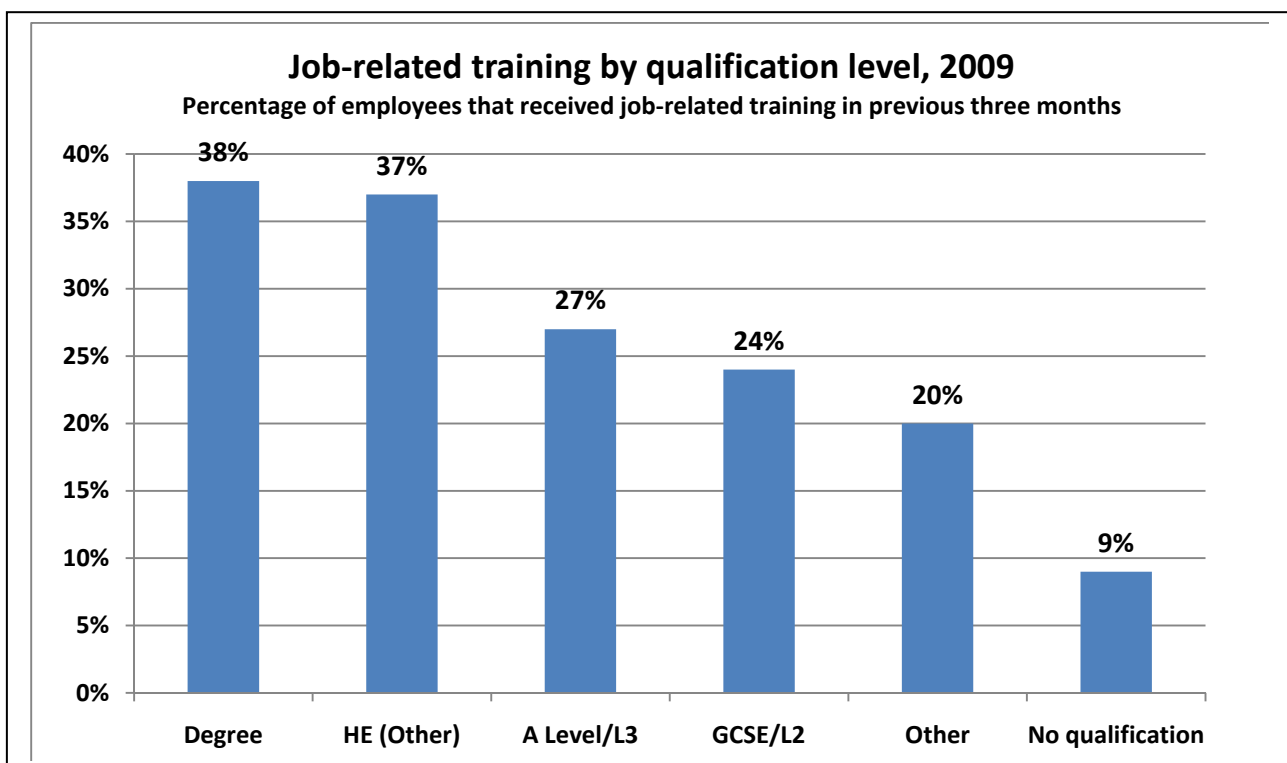
A closer analysis of NESS 2009 reveals the shocking finding that 44 per cent of the workforce – 10 million employees in total – were not offered any training by their employer over the previous 12 months. This compares with 37 per cent of employees finding themselves in this situation two years earlier when the previous NESS was undertaken. This indicates that the recession took its toll on employer investment in training between 2007 and 2009 with the proportion of employees not receiving any training increasing by seven percentage points and rising from 8.2 million to 10.1 million. This trend is largely explained by employers training fewer of their staff than in previous years. During the recession the proportion of employers not training any of their staff remained relatively static. In contrast, the survey reveals a decrease in the number of employers that train most (i.e. over 90 per cent) of their staff, declining from 44 to 38 per cent (i.e. of those that provide any training) during the recession.

The NESS also highlights a direct relationship between organisational size and the likelihood of employers not training their staff with 45 per cent of the smallest (i.e. 2-4 employees) and 21 per cent of the second smallest (5-24 employees) not providing any training. However, even among the largest employers there still remains an element that do not provide any training (e.g. 2 per cent of organisations with 500+ employees) and this impacts on a significant number of employees.

### **The training divide**

A particular, and highly damaging feature of the UK labour market, is the very limited access to job-related training among employees with either low-level qualifications or no qualifications. The OECD has highlighted this weakness in the past in its annual publication – *Education at a Glance* – for example by pointing out that 'in the UK the intensity of participation [in job-related training] is particularly low among persons without upper secondary qualifications [i.e. without the minimum of a level 2 qualification]'.<sup>3</sup>

The UK's Labour Force Survey (LFS) also provides extensive data demonstrating the extent of the training divide based on previous educational achievement. Employees surveyed for the LFS are asked if they have received any job-related training during the past three months and this data can be broken down by a number of criteria, including their qualification level. As shown in the chart below, there is a clear correlation between the highest qualification held by employees and the likelihood of them being offered training by their employer.



The gap between those employees benefitting from higher education and those who do not have any qualifications is stark. Lower qualified workers face the greatest barriers in accessing training at work. According to the latest LFS data less than 1 in 10 employees without a qualification are offered regular training and this trend has actually deteriorated slightly over the past decade. In 2009 nine per cent of unqualified employees said they received regular training compared to 10 per cent in 2000. The equivalent data for 2009 show that 38 per cent of graduate employees were undertaking regular training at work.

There are a range of other barriers to training that government policy needs to urgently address. For example, the latest LFS data show that older workers receive less training with 24 per cent of those aged over 50 saying they had recently received training compared to 31 per cent of employees aged under 25. The LFS data also highlight other groups in the labour market that are disproportionately less likely to access to job-related training, including: disabled workers, Bangladeshi and Pakistani workers, those in lower level occupations; part-time employees; and agency workers. The LFS also shows wide variations in training between sectors with less than a fifth (18 per cent) of manufacturing

employees reporting recent participation in training compared to over two fifths (42 per cent) of those working in public services. There are also variations in participation at the regional level, e.g. 21 per cent of employees in Northern Ireland said they had participated in job-related training in the previous three months compared to 32 per cent in Wales.

### **The union effect and co-investment in time and money**

Recent analysis undertaken by the UKCES around employee demand for skills<sup>4</sup> has also highlighted the impact of the above barriers but it has also highlighted that in many circumstances time and cost are major barriers to accessing training (in line with most other research in this field). However, the UKCES study has also emphasised the positive impact of unions and the importance of workplace size, concluding that the quantitative evidence shows that people ‘who work in smaller or non-unionised workplaces tend to be less likely than others to engage in, or demand, skills development.’ The study also acknowledges that the ‘unionlearn programme has engaged trade unions, their members and employers in promoting learning activity linked to the workplace’ and that the development of union learning reps has been a hugely significant development in supporting the articulation and fulfilment of employee demand for training.

Significantly, the report stresses that ‘a combination of workplace advocacy (in the form of Union Learning Representatives or similar) and employer willingness to provide at least part of the time or resources required should lead to a significant increase in individual demand for skills development.’ In the current edition of *Ambition 2020* the UKCES also refers to research undertaken by CEDEFOP which ‘shows that amongst the individuals surveyed the best way of increasing levels of demand would be to better tailor the current offer of training available and to allow more flexibility in their current working hours to allow this to take place’. More detail on the increasingly important role of unions in advocating on behalf of individual employees in the workplace allied with negotiating with employers on co-investment strategies is covered in more detail in a later section of this response.

### **Quality and duration of training**

As acknowledged in the consultation paper, there continue to be concerns about the quality and duration of much of the job-related training that occurs in UK workplaces. The analysis of job-related training undertaken by the OECD for its annual *Education at a Glance* report was transformed in respect of the UK when in 2006 the OECD switched from the use of a training participation indicator (based on incidence of training regardless of duration) to a new indicator based on an estimate of the duration of job-related training over an individual’s lifetime. As highlighted earlier in this response, this revised methodology highlighted in particular the limited training offer at work for employees without the minimum of a Level 2 qualification.

However, the new OECD analysis also highlighted weaknesses at other skill levels, e.g., *Education at a Glance 2006* showed that the lifetime training duration indicator for graduate employees put the UK in 15<sup>th</sup> position out of 21 OECD countries for which these particular data were available (compared to fifth

position in the OECD league table when using the traditional training participation rates).<sup>5</sup> Similarly, the government's consultation paper highlights data from the European *Continuing Vocational Training Survey* showing that the average duration of training in the UK is 20 hours compared with an EU average of 27 hours.

The quality and depth of job-related training is also of concern with evidence that a disproportionate amount is minimal and informal and that training required under statutory requirements (e.g. health and safety) and/or for induction purposes often comprises the only training offered to many staff. The National Employer Skills Survey includes data about the type of training and this indicates that around one in twelve employers that do train only provide health and safety training. For a quarter of those providing training, at least half of this training was for health and safety or induction. The NESS also shows that less than a quarter (24 per cent) of workers receiving training are being trained toward a nationally recognised qualification.

## Principles for a skills strategy

### **The general approach**

There is much to welcome in the principles for a skills strategy that are set out in the consultation document and most stakeholders will 'sign up' to the majority of these. In addition, our detailed comments on many of these principles are set out subsequently in this document in response to the consultation questions relating to the implementation and operational delivery of key features of the skills system (e.g. our views on the specific questions in the consultation paper relating to advice/guidance, accreditation etc.)

However, we believe that there are some omissions in the existing framework of principles that need to be addressed. One is the lack of any reference to the role of government in supporting a strategic approach on skills that will promote greater investment in training in priority areas and especially rapidly growing or wholly new sectors. The TUC welcomed the recent comments by the Secretary of State on the importance of strategic skills when he stated that 'we have to make choices about allocating the training budget on the basis that 'we have to make some strategic choices'.<sup>6</sup> While the TUC has some concerns that this approach is not integrated with an active industrial policy, we do believe that the government's commitment to its model of a strategic approach on skills should be a key aspect of the framework of principles.

Another area where we believe the framework is lacking is relating to the crucial role of skills in promoting greater equality and diversity, social cohesion and social mobility. It is welcome that one of the principles refers to the need to prioritise the needs of those requiring additional support to either achieve employment or to progress at work and for proper consideration to be given to the needs of vulnerable groups. Nevertheless, it would be useful for the framework of principles to go beyond this and to be more explicit about the crucial role that skills and lifelong learning play in promoting greater equality and



diversity, social cohesion and social mobility both at the workplace and in our local communities.

### **Public investment in skills**

The TUC is actively campaigning against the government's intention to use the forthcoming Spending Review to implement cuts in departmental budgets in the region of 25 per cent (and probably in excess of that in some cases). Recent economic trends have shown that the recession was even deeper than originally estimated and also that the risk of a double-dip recession is increasingly likely. In this economic context policies aiming at cutting public spending to the extent under consideration are likely to exacerbate the prospects of what at present is a fragile recovery and also to lead to a significant increase in unemployment. Forthcoming spending and benefit cuts together with the VAT increase will also take much needed spending power out of the economy as well as hitting the poorest hardest. The subsequent comments in this response relating to public spending on skills need to be read in the context of the TUC's overall view as set out above.

The latest *Ambition 2020* report produced by the UK Commission for Employment and Skills sets out a cogent case for increasing the rate of improvement in our skills base over the coming years. While there has been a significant improvement over the past decade this was achieved during a period when investment in skills by government substantially increased in real terms. It is also generally agreed by the UKCES and many other analysts, including the OECD,<sup>7</sup> that further advances on skills are a necessary prerequisite to boosting the nascent economy recovery. There is a real danger that a sharp reduction in investment in skills by the government as a result of the spending review will sharply reduce the rate of improvement in skills, thus blunting economic growth and the benefits of this (e.g. increased tax revenues from the business sector) for helping to address the fiscal deficit over the longer-term.

Even if it is accepted that there must be some degree of reduction in the government's skills budget, there is a strong case for arguing that any shortfall in government spending on skills must be compensated for by an active strategy to increase business investment. Limited wages growth means that those most in need of new skills and learning opportunities, the low-paid, simply won't be able to afford to pay more - and even middle income workers will struggle to make financial contributions to support their skills development in this economic environment. Government must recognise the real limitations on the ability of individuals to make a major contribution to boosting private investment in skills, and if the skills budget is reduced, employers must be expected to do more.

Continuing the framework of active government encouragement and support will however go with the grain of good practice among good employers. Moreover with the anticipated pressures limiting wage growth over the coming period, trade unions and many employers are likely to give a greater focus to quality of working life and longer term features of the 'remuneration package', including training and development. It will be in the interests of government to recognise the importance of this and to encourage employers and unions to develop

partnership working and collective bargaining arrangements on training that will support increased employer investment in training and a much greater focus on co-investment strategies.

Any reduction in public spending on skills will also require a much clearer focus on what and whom government invests in. The TUC is concerned that the most vulnerable people in society are likely to suffer from any cuts in spending. Individuals will struggle to pay towards their skills development while the economy remains weak and it is essential that existing 'skills entitlements' that are enshrined in legislation are preserved and incorporated into Lifelong Learning Accounts in order to ensure that most vulnerable in our society can access state funding to achieve the minimum skill level required in the modern workplace. However, there is also a need for a national strategic framework to ensure that state funding for intermediate and higher level skills is prioritised on those areas where employer contributions cannot be expected to wholly meet the levels of investment required to support 'high-growth' areas of the economy.

It is also important that the government builds on the positive approach over recent years in developing and expanding best practice on skills investment by public sector employers themselves. Commitments to investing in the skills of staff with few or no qualifications (e.g. by a highly proactive use of the Skills Pledge) and to expanding the number of high quality apprenticeship places in all parts of public services are just two examples of where there has been positive progress. The TUC has also welcomed the progress achieved in making greater use of public procurement to ensure that more employers winning government contracts are obliged to demonstrate adequate investment in the skills of the workforce (e.g. by having to recruit a specific number of apprentices). There is an opportunity for the coalition government to use the Public Services Forum (PSF) to develop this agenda further by following up on the recommendations of the PSF Learning and Skills Task Group.<sup>8</sup>

## Apprenticeships

### **Quality and employer investment**

The TUC welcomes the vast expansion in apprenticeships over recent years and the commitment shown by recent and current governments to invest in them. While supporting the drive to increase the number of apprentices, the TUC would like to see a greater emphasis on the quality of the apprenticeship programmes on offer. Completion rates are often used as a proxy for quality but completion cannot be the sole indicator of quality. The TUC would like to see data on the duration of apprenticeships published as well as data on average time 'away from workstation' for learning by sector and by framework as both of these are commonly seen as measures of quality by apprentices themselves.

In fact, the minimum requirements set out in the Specification for Apprenticeship Standards in England provide for a minimum of 280 guided learning hours (GLH) per year of which 100 GLH per year or 30% of the total GLH per year should be "off the job". This equates to less than two hours per week, which does not compare favourably with the one day per week model traditionally associated

with craft apprenticeships in this country. It is also far less than the training given to apprentices in other countries today.

Another factor influencing quality and completion rates is pay, and the less quantifiable factors which determine an apprentice's decision to continue with an apprenticeship or to drop out, such as the interplay between pay and the quality of training provision. An IPPR study commissioned by the Low Pay Commission, which was published in January 2010, highlighted the relationship between poor pay and poor quality provision with regard to young people's decisions to leave an apprenticeship course early. They found that, *'Some participants said the primary reason for leaving early was low pay but this was always in the context of not enjoying the work and receiving poor quality training. Other participants were more explicit about poor quality training as the main reason for leaving early. Amongst all the participants in this group, there was a strong feeling that they had received very little training and few opportunities to develop skills in the workplace and instead were left to do the most menial tasks.'*

*A frequent complaint amongst the early leavers was the long hours which were not matched by additional pay...Even those participants who did not leave because of poor quality training still referred to their low wages as a factor in deciding to leave.'*

It is important that the government's employer engagement strategy does not rely on portraying apprentices as "a cheap option" which would not only be detrimental to individual apprentices but also damage the brand or image of apprenticeships and thus reduce the value of apprenticeships more widely.

It is therefore essential to develop a strategy which improves quality as well as raising numbers. Good employers already do this. The flagship apprenticeship employers highlighted by the annual Apprenticeship Awards are all examples of how employer investment in an apprenticeship scheme is vital to its success but depends on good quality apprenticeship programmes. Many of these exemplary employers offer relatively decent rates of pay, clear progression routes (often up to Level 5 and beyond), well thought out equality and diversity policies, longer than average course duration, excellent training facilities and a long term view to training apprentices to provide the skills that their business will need in the future. These are employers who have chosen to invest heavily in their apprenticeship scheme, even choosing to safeguard it in times of economic uncertainty. Government strategy to develop apprenticeships should be based on following these principles of good apprenticeship employment.

The use of cash incentives to encourage employers to take on apprentices has been piloted by the National Apprenticeship Service in 2010. Although the pilot was successful at driving up apprentice numbers, it did not encourage high quality nor overcome the "deadweight" problem, i.e. subsidising what employers would (and should) have spent themselves. This is why the TUC does not support the use of cash incentives. In some cases it may have the effect of encouraging employers to take on apprentices without real commitment. For example, where the cost of training an apprentice under 19 is nil to the employer, the duration of many courses is less than one year. The minimum rate for apprenticeship pay is

currently £95 per week and the cash incentives were for £2,500 (with no restrictions on how the cash could be spent by the employer).

On this basis an employer running a 6 month apprenticeship scheme would effectively be getting an employee entirely free – that cannot give the right message to employers about the need for them to make a serious commitment. The cash incentive offers no longer term reason for the employer to offer the young person a job or to invest in the apprenticeships programme or to use apprenticeships to bring new skills and talent into the business and offer a real training and employment opportunity to a young person. There is also a question mark over whether employers really do see cost as a major disincentive to taking on apprentices. According to the National Employer Skills Survey 2007, only 3% of employers reported that they did not take on apprentices because ‘financial constraints/training is too expensive/can’t afford it’.<sup>10</sup>

Furthermore, research from Warwick University on the net benefits to employers investing in apprenticeship training shows that many employers recoup the cost of an apprenticeship within just one year. Retail apprenticeships were found to cost the employer around £2,305 and some employers ‘virtually recouped their whole investment by the end of the apprenticeship’<sup>11</sup>, thus casting doubt on the assertion that employers are dissuaded from taking on apprentices on the grounds of high costs.

Rather than subsidising employers to take on apprentices, the TUC would urge the government to seek greater financial contributions from employers of apprentices, particularly larger employers and those who fall within scope of the National Employer Service. The case for greater employer contributions towards the training costs of apprenticeships becomes all the more clear when considering Level 4 and Level 5 apprenticeships. Whilst there should be government funding to support the creation of new Level 4 and Level 5 apprenticeship opportunities and to create smoother pathways from vocational training into HE for those that want it, there is also a role for employers to play in contributing to the financial cost of higher level skills for their workforce, including via Foundation Degrees.

The TUC and affiliate unions are firmly committed to the principle that apprentices must be directly employed by the employer. If employment agencies/Apprenticeship Training Agencies (where apprentices are employed by the ATA) are allowed to expand further, without essential safeguards on quality, mentoring, health and safety, and future employment, then the quality and the ‘brand’ of apprenticeships will inevitably suffer. It is essential that the government do not give the impression of promoting ATAs as an appropriate employment model. The TUC has been working closely with the National Apprenticeship Service to address some of the concerns about ATAs including the impact on apprentice pay and collective bargaining, the impact on the quality of training, implications for the employment status and employment rights of the apprentice and implications for the overall apprenticeship experience for both apprentice and employer. Many other stakeholders, including Ofsted, have shared these concerns. It is welcome that NAS have indicated they see ATAs as appropriate, even with the much needed additional safeguards, for only a very small proportion, under 5%, of all apprenticeships. The TUC remains to be convinced that they are

appropriate even for such a small number. If the argument is that small employers are not able to offer the range of training experience needed, then the Group Training Association model (where the apprentice remains employed by the employer, not the GTA) is a much better model.

### **Pre-apprenticeship training**

The TUC recognises that there are many young people and adults who would like to benefit from the training and employment opportunities offered by an apprenticeship but who do not have the requisite skill levels to access a Level 2 apprenticeship. Many unions have actively sought to address this problem by working with local providers and the TUC to provide ‘pre-apprenticeship’ training. These endeavours have been well received and have been crucial in providing the Level 1 and Level 2 skills needed in order to get on the first rung of the apprenticeships ladder.

However, the TUC also recognises that calling such – undeniably valuable – courses ‘pre-apprenticeships’ may be confusing in terms of the Apprenticeship ‘brand’ and in terms of denoting funding streams. There is currently no apprenticeship funding for ‘Pre-apprenticeships’. While the TUC would like to see more funding for courses directed at learners who are not yet ready to access a Level 2 qualification, it is essential that the Alternative Completion Conditions of the Apprenticeships Act are not abused to allow providers to offer ‘pre-apprenticeships’ which are essentially Programme Led Apprenticeships (PLAs) in all but name.

Under the ASCL Act, an apprentice must complete all elements of their apprenticeship while employed in order for the apprentice to fulfil the Standard Completion Conditions and be awarded an apprenticeship certificate. If the apprentice were to undertake some elements of their apprenticeship while doing a “pre-apprenticeship” (e.g., if they were to undertake some elements of the NVQ or the functional skills) and they then went on to do an apprenticeship and complete all the other elements of the framework, they could only be awarded an apprenticeship certificate under *Alternative Completion Conditions*.

The TUC understands the BIS position with regard to alternative completion conditions to be as follows:

- A ‘pre-apprenticeship’ can last a maximum of 6 months
- A ‘pre-apprenticeship’ contract period of work based training is not in itself an apprenticeship.
- The ‘Apprenticeship Offer’ under the Act will not be met until the apprentice is employed and an apprenticeship agreement is in place.
- ‘Pre-apprenticeship’ training would be funded from the NAS budget.
- Young people on a ‘pre-apprenticeship’ would be eligible to claim an EMA (means tested).

The TUC understands that the BIS view is that these *Alternative Completion Conditions* would apply in exceptional circumstances only and, to this end, civil servants are seeking to put tightly defined regulations in place which would

effectively restrict this option to those young people who would be affected by charitable organisations such as Barnardos and Rathbone no longer being able to offer Programme Led Apprenticeships. The TUC's concern is that these young people are often hard to define and, if the definition is too broad, this loophole could essentially create PLAs under a different 'brand'.

Private training providers have been vocal in their desire to see as broad a definition as possible of who can undertake a 'pre-apprenticeship'. The main arguments offered are that many young people who fall into the NEET category do not have the necessary skills to start an apprenticeship programme and they require some preliminary training to get their skills up to the requisite level to do a Level 2 apprenticeship. BIS officials are however clear that this is not the intention of proposed 'pre-apprenticeships' and that they would not be aimed at NEETs.

The TUC welcomed the protection afforded to apprentices by the Act because of the requirement for all apprentices to have a contract of employment. These regulations could dilute that commitment and allow training providers to continue offering unpaid 'pre-apprenticeships', with only a brief period of employment to top that up into a full apprenticeship. This could lead to a situation where 'pre-apprentices' are working unpaid for more than 30 hours per week alongside an apprentice who is earning a decent wage and is also protected by a proper contract of employment. Any Pre-Apprenticeship proposals need to be very carefully defined to prevent that happening and there should be a route into employment or an apprenticeship place at the end of any pre-apprenticeship. As the debate currently stands there is a real risk that the current proposals mean that training providers will still be able to offer PLAs in all but name, in spite of the ambition of the ASCL Act to abolish PLAs.

### **Progression routes**

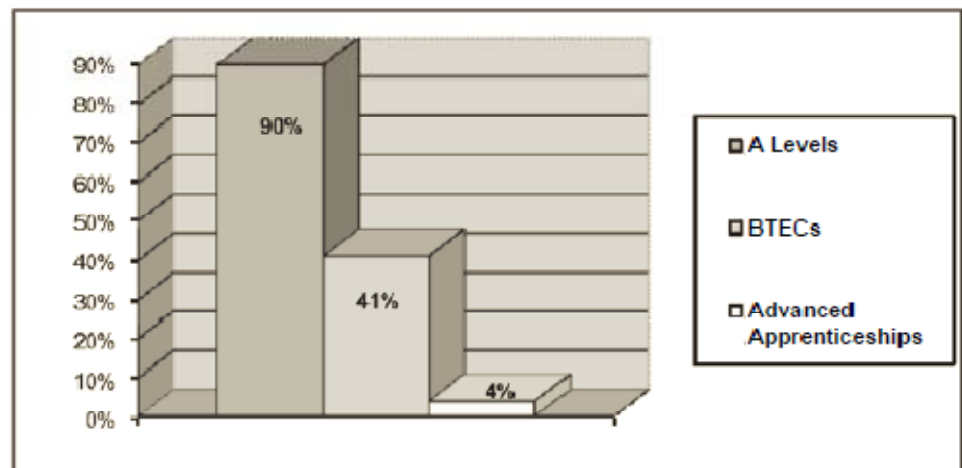
The TUC supports the development of more flexible progression routes through all levels of apprenticeships and/or into HE in some cases. Apprenticeships have always offered a recognised and respected vocational route into many trades, professions and industries. The TUC has been working closely with Lifelong Learning Networks (LLN) to look at creating flexible pathways from entry level vocational learning right through to Level 4 and 5 and into HE.

Currently there is little integration between vocational learning pathways and the HE admission system. Anecdotal evidence would suggest that many university admissions departments are ill equipped to deal with enquiries from apprentices who wish to make the leap into HE. Research<sup>12</sup> carried out by Professor Joy Carter for the University Vocational Awards Council (UVAC) proposed that Government should 'invite universities to make an apprenticeships admissions pledge – where an appropriate course is available they will guarantee interviews to Advanced Apprenticeship framework completers.' The same piece of research points to the low rates of advanced apprentices progressing into HE (see chart below), posing the question 'Why would a young adult give up a job and particular lifestyle to study an academic course, full time, for three years, and

incur a debt? Equally, why would the employer of an apprentice want to support such a course of action?’

The TUC believes that both employers and apprentices are often unaware of the progression routes that exist through the apprenticeships ‘ladder’ and into HE. A greater government focus on raising awareness amongst employers, apprentices, and prospective apprentices of the range of progression routes on offer is vital if the government wishes to expand the delivery of higher level vocational training routes.

**Figure 6: Percentage of learners with A Levels, BTECs and Advanced Apprenticeships in England progressing to HE**



Sources: Connor et al. (2006), Hefce (2007), Seddon (2005)

The TUC supports the view of UVAC and of the LLN National Forum that ‘the issue of developing work based progression routes for apprentices is one of social mobility and equity’.<sup>13</sup> Progression for apprentices into HE should be seen in the wider context of vocational entry to the professions. For example, journalism is a profession which lends itself to a vocational entry route and, until fairly recently, most journalists did access the profession through a vocational route. However, no apprenticeship currently exists in journalism. While employers can recruit graduates to work for free as interns, there is little incentive for employers to invest in high quality training programmes or apprenticeship schemes. The TUC supports the recommendations of the LLN National Forum on developing Higher Apprenticeships to increase social mobility:

- That higher apprenticeships policy should be guided by the principles of fair access to the professions.
- That the demographic background of apprentices be researched to provide baseline data.
- That progression routes for advanced apprenticeships should be seamless, building in the expectation of progression to higher level technician, para-professional, and professional roles and occupations.
- That apprenticeships overall be marketed with the clear message of parity of esteem with academic full time programmes so they are “sold” as a valid

alternative route for bright school and college leavers.

- That access to higher apprenticeships be open to the large pool of technician level staff already in the workforce, many of whom might be ex-apprentices.
- That high quality Information Advice and Guidance is available for both school and college leavers and people in the workforce to promote apprenticeship progression backed with good case studies.

Unions are well placed to support the promotion of progression routes for apprentices, with a network of Union Learning Representatives, 25,000 of whom have now been trained, who can offer signposting and mentoring to apprentices in the workplace. Any discussion of progression routes should also take into account the equality and diversity aspect of apprentice progression.

### **Equality**

Finally, action is urgently needed to end the acute occupational segregation within apprenticeships. Far too many sectors are almost entirely male or female. In this respect it is concerning that the government appear to be revoking the sections (250) of the ASCL Act which were due to come into force on 1<sup>st</sup> September 2010. Those sections were intended to create a statutory duty on schools to provide high quality advice on apprenticeship options to children and young people considering their future career options. It is absolutely key, not only that all young people consider apprenticeships, but in particular that, for example, young men consider social care and young women consider engineering or construction. Schools and colleges have a major role in providing advice and encouragement. Equally, NAS and BIS should prioritise efforts to work with employers to open up routes to apprentices designed to tackle occupational segregation. None of this is easy, it requires care and sensitivity, working with young people to address their fears, concerns and views – whether about the curriculum or peer perceptions or bathroom arrangements. Some limited work is underway but far more is needed.

### **Other work-based training and accreditation**

#### **Other work-based training**

It is welcome that the consultation paper acknowledges that an apprenticeship is not the right option for everyone and that it refers to the independent evaluation of Train to Gain showing that other vocational qualifications gained in the workplace also lead to positive outcomes (e.g. higher earnings) for employees. The government has already initiated its policy of redirecting funding from the

Train to Gain budget to support more apprenticeships. While the TUC has welcomed the government's commitment to increase the number of apprentices it has also raised strong concerns about the negative aspects of the funding switch, the £200m cut in non-apprenticeship training places for adult employees. It is still difficult to tell at this stage what the overall reduction in the number of training places will be but it is bound to be significant and there will be a disproportionate impact on some of the most vulnerable members of the workforce (e.g. those employees with few or no qualifications who were a priority under Train to Gain and who will not be ready to progress to an apprenticeship).



It is welcome that the Minister for Skills has given a commitment that over the coming months his department will be looking at ‘what are the right things for the government to do to support employers and people for whom apprenticeships aren’t the right answer, as we create a comprehensive, efficient and effective workplace training offer’.<sup>14</sup> However, there remain concerns that any further moves to redirect an increasing proportion of the Train to Gain budget to apprenticeships allied with significant cuts to the FE and skills budget in the spending review could lead to a huge reduction in government spending on some of the most vulnerable groups. The TUC believes that one of way of protecting access to funding among the most vulnerable is to retain the existing legal entitlements to free tuition in three particular areas (Skills for Life, first Level 2 and first Level 3 for the under-25s) with the funding in place to meet this need. At the same time a national strategic framework is needed to ensure that state funding for intermediate and higher level skills is prioritised on those areas where employer contributions cannot be expected to wholly meet the levels of investment required to support ‘high-growth’ areas of the economy.

### **Accreditation**

The consultation paper also raises questions about the need to ensure that training leads to real gains in skills, knowledge and competence and not just the accreditation of existing skills. The latter point has been a key criticism of the Train to Gain programme in some quarters but it can be argued that this criticism is so some extent misdirected. The UK vocational system is underpinned by NVQs, competency based qualifications introduced by a previous Conservative Government to address shortcomings in the vocational qualification system. It is therefore not surprising that Train to Gain has involved a high degree of assessment as this is a central feature of a competency-based vocational system such as NVQs.

While the TUC is supportive of reforms that would enable employees to widen their skills training in order to extend their acquisition of knowledge and competency, we do not wish to see the competency-based vocational qualification system that has been built up over the last two decades being undermined. The various evaluations of Train to Gain have demonstrated that the acquisition of competency-based qualifications produced very high satisfaction ratings among both employers and employees with clear evidence that this approach led to improved job performance and wider organisational benefits. While the TUC would welcome proposals focused on widening the ‘skills offer’ of such qualifications we would not wish to dismantle the competency-based approach and the accreditation of existing skills that working people have acquired outside the formal qualification system.

The NVQ system has also supported many employees with few or no qualifications to re-engage in learning at work often with the support of trade unions. For example, a key role of union learning representatives has been to support individuals lacking confidence to progress up a ‘skills ladder’ at work, often by initially acquiring Skills for Life qualifications and then progressing to NVQ Level 2 and beyond. It should also be recognised that in many cases these employees possess a wide range of skills and experience - acquired through their

work, previous jobs, and other areas of their lives – yet have never had the opportunity to gain formal qualifications.

## Training for the unemployed or those at risk of unemployment

One of the difficulties facing unemployed people engaged in training programmes is that there can be a degree of discontinuity in this training if they find a job opening and move into the labour market. As a result they are not enabled to build on their previous training to acquire the necessary higher level skills to achieve sustainable employment. As a result they are often caught in a ‘low pay, no pay’ cycle involving being recycled between short-term low paid jobs and periods of unemployment. Part of the problem is structural in that training for the unemployed and the employed falls within two government departments and their respective agencies. While there are a number of pilots in operation bringing together a ‘training offer’ delivered in partnership by Jobcentre Plus and the Skills Funding Agency, this is still not a reality for many claimants moving into a new job.

The UKCES are currently undertaking a major review in this area involving looking at the possible further integration of skills and employment services with one key aspect being the need to tackle the major barriers facing low-skilled claimants achieving sustainable employment. The TUC would recommend that the government gives its support to the continuation of this review and carefully considers any UKCES recommendations.

Government should also look closely at how to support individual unemployed people entering the labour market to access the necessary skills required to achieve sustainable employment. In the past it has often proved difficult to open up work-based training subsidised by the government to such employees because the main vehicle for delivery of this kind of training (i.e. Train to Gain) could only be triggered by the employer. Many trade unions have worked in partnership with employers to direct Train to Gain provision to vulnerable workers (including those that were recently unemployed) in the workplace but individual employees have never had the right to trigger this training themselves if the employer refused to engage with government training programmes.

Lifelong Learning Accounts (LLAs) are one means of empowering the unemployed (and other vulnerable groups) to access subsidised training to support sustainable employment without employers being able to veto this. To work effectively these accounts must be available to both the unemployed and employed and have entitlements built into them to so that unemployed people could trigger the necessary training they require when they enter a new job. Allied to this colleges and training providers should be incentivised to deliver training for unemployed people that delivers sustainable job outcomes based on duration of employment (rather than job entry rates). Part of this arrangement would be to provide follow-up support to ensure that individuals are taking up the training entitlements in their accounts. Union learning representatives could also play a vital role in this area by supporting individuals to access the entitlements in their accounts to support their successful transition into sustainable employment.

A similar model could be used in the case of employees at risk of unemployment by providing them with ‘reskilling’ entitlements within their LLAs. These could be used to access suitable training to support them to achieve alternative employment in the labour market. Colleges and training providers would need to develop new strategies to reach these individual employees. Trade unions could play a vital role in supporting this. In addition, union learning representatives - in partnership with employers and providers - could play a major role in supporting the take-up of ‘reskilling’ training opportunities by individual employees along these lines.

However, the TUC also believes that incentives for providers to deliver coordinated reskilling training programmes would also require a strategic approach at the local level which tied in with a national strategic approach on skills. Our views on strategic skills are developed in more detail later in this response but in essence the national approach should percolate down to the regional and local levels so that colleges and providers have the necessary information to enable them to approach employers and unions in local sectors where there is an evident need for major reskilling programmes. This would help localised approaches on reskilling that complemented employer engagement arrangements and a new approach to drive up individual demand for reskilling through Lifelong Learning Accounts.

The TUC has expressed major concerns about the decision to abolish the Future Jobs Fund and has called on the government to reconsider this. Recent trends indicating a serious risk of a double dip recession and further increases in youth unemployment require a major review of the support that is being provided to young unemployed people and other groups facing the greatest disadvantage in the labour market, including the long-term unemployed. It is important that the government does not respond by establishing a raft of low-level jobsearch programmes with little training content that do little to enhance the skills of the unemployed or support them in sustainable employment. The TUC concurs with the findings of a major ILO study of active labour market programmes which concluded that training schemes ‘ which provide experience close to working life... typically have the best employment effects’ and that this is ‘contrary to a widespread belief that the least costly schemes such as special placement efforts are also the most effective’.<sup>15</sup>

## Funding and entitlements

As previously highlighted in this submission, the TUC is hugely concerned that the most vulnerable in society will be adversely affected by any reductions in government spending on skills. The policy of redirecting funding to apprenticeships will undoubtedly reduce the portion of state funding that in recent years has been focused on supporting those with low-level or no qualifications. The UKCES is also forecasting that the UK will be a long way behind the Level 2 target by 2020 and any move to abandon an entitlements based approach will certainly mean that we will fall further behind our international competitors due to the large proportion of our workforce that are below a Level 2 ‘skills standard.’ The TUC is therefore strongly recommending

that the entitlements should be retained both on the grounds of the economic imperative and basic social justice.

There is a general consensus that the three existing entitlements that are enshrined in legislation are focused on those groups in society that should be prioritised for receipt of full funding to achieve a certain skill level. However, as the consultation highlights, there is a perception that this approach (especially the Level 2 entitlement) ‘acts against colleges’ freedom to respond to what employers and learners really want and discourages private investment.’ The TUC believes that these aspects of the system are wrongly attributed to the influence of the entitlements and that the main drivers in the past have been the combined impact of the Train to Gain programme and PSA targets on how the funding regime operated. Retaining the entitlements in a reformed system will, we believe, play a crucial role in safeguarding access to skills funding among these priority groups but will not influence college provision to the degree seen in recent years.

As highlighted earlier in this submission, we also believe that there is a need to give individuals greater ownership of these entitlements by making them an integral feature of Lifelong Learning Accounts. To some extent the Train to Gain model gave employers undue control over individuals’ access to their entitlements, in particular as regards older employees using their Level 2 entitlement to engage in job-related training. There is an opportunity to renew these entitlements through the launch of the Lifelong Learning Accounts and to empower individuals to use them as they think fit for their future skills development. In many instances this will be done in partnership with employers and unions in the workplace. However, there should be a greater focus on using the entitlements for training and development that generate more ‘additionality’ and also tackling some of the deadweight costs associated with Train to Gain provision in the past.

### Helping individuals and employers choose the learning they want

The TUC fully supports the stated aim in the consultation document to ‘build a system driven by the informed choices of learners and employers’. Achieving this will, however, depend on a number of factors including whether appropriate institutional arrangements are in place to support collaborative approaches between employers, trade unions and other stakeholders. Empowering individual choice will also be highly dependent on universal access to high quality information, advice and guidance and ongoing developments in this area, including Lifelong Learning Accounts.

However, it needs to be recognised that for many individuals, employer behaviour is the major factor governing whether they can access learning and skills development. The role of trade unions, especially through the work of union learning representatives, in addressing these barriers to learning at work is crucial as are measures to tackle those employers who deliberately and unfairly limit access to learning (see *Encouraging a More Productive Workforce* section below).

### **Sectoral and spatial approaches**

It is welcome that the government expresses support for its role in facilitating and promoting collaboration at the sector level. In recent years there has been a

resurgence in partnership working on skills at the sectoral and sub-sectoral levels and Sector Skills Councils (SSCs) are playing a crucial role. The TUC has supported the work of SSCs since their inception and trade union representatives on SSCs make an active contribution at senior Board level and through a range of other channels. The TUC believes that it is important that SSCs continue to give priority to integrating the voice of the workforce within their strategies to build greater employer engagement and collaboration at the sector level. Government support for a collaborative approach along these lines would be reinforced if Ministers supported the continuation of the principle that all SSCs should have a union representative at Board level. It is also important that the government commits to continued state funding for the SSCs and their parent body - the UK Commission for Employment and Skills. While it is important to build up employer support for SSCs, this will take time and there will always be a need for government funding.

Unionlearn continues to play a significant role in supporting union involvement in the work of SSCs by facilitating meetings of SSC union networks. These networks include union representatives on each SSC and also officials from other unions in the sector without direct representation who wish to be involved in collective union engagement with the SSC. Unionlearn also undertakes other activities to support union engagement with SSCs, including running various seminars and regular national meetings which bring together all SSC union representatives. At the heart of this work is the aim of building the capacity of unions to make a positive contribution to skills investment at the sector level, especially by expanding the role of union learning representatives.

Regional or sub-regional skills strategies are clearly not a feature of the government's policy intent. It is notable that workforce development is one area which is missing from the functions and responsibilities being proposed to be covered by Local Enterprise Enterprises (LEPs). The TUC believes that LEPs will find it difficult to fulfil their remit in support of employment and enterprise at the local level without some reference to workforce skills. Investment in skills should be closely aligned with the needs of local economies and LEPs should bring some influence to bear on how the skills supply side meets the needs of local business and the local workforce. In addition, the TUC remains concerned about the government's decision to abolish the RDAs and by and large to abandon any regional strategy for economic development and workforce skills. It is difficult to see how employer and union collaboration on skills at the sector level can be translated into suitable provision at the localised level with a spatial approach lacking a regional element.

### **Information, Advice and Guidance (IAG)**

Universal access to high quality information, advice and guidance services is crucial if the government is going to succeed in driving up individual choice and participation in learning and skills. It is therefore welcome that the ongoing development and launch of the adult careers service under the new Next Step brand is proceeding as planned. It is important that this service reaches out to all employees, especially those who face barriers to learning, and as such it is important that there are strong links between Next Step and unionlearn to ensure

that union learning representatives can support individuals to access the service. Unionlearn has been engaging with the lead contractors of Next Step over recent months to develop connections between the service and the unionlearn careers advisory service in order to promote partnership working with trade unions and to develop the role of union learning representatives in promoting the service. Unionlearn has also been represented on the stakeholder group supporting ongoing development of policy and operational implementation in this area.

However, while development of the adult advice service appears to be progressing well there continue to be major concerns about Connexions, the careers services for young people. According to Steve Higginbotham, vice-president of the Institute of Career Guidance, the substantial cuts enacted this financial year to the local authority 'area based' grant which funds Connexions 'means in practice up to 50% losses to budgets for the remainder of the year'.<sup>16</sup> UNISON is reporting major job losses in Connexions services across the country as a result of these cuts. While the TUC has in the past shared concerns with other stakeholders that too many young people outside the NEET group were deprived of access to careers advice, these latest developments are simply exacerbating matters by further reducing the number of young people receiving advice.

As highlighted earlier in this submission, the TUC is also concerned that there are indications that the government appear to be considering revoking provisions in the ASCL Act intended to create a statutory duty on schools to provide high quality advice on apprenticeship options to children and young people considering their future career options. This would be a highly retrograde step and instead the government should be considering further means of ensuring that the IAG service for all school pupils provides them with the necessary information and guidance on both academic and vocational pathways to enable them to make an informed choice about the best post-16 route for them.

### **Lifelong Learning Accounts**

As discussed above, the TUC welcomes the concept of a lifelong learning account to encourage all adults to engage in learning, and to build learning into life. In the longer term we see such accounts as developing from an IAG tool into personal accounts to help individuals save and borrow to learn as suggested by the UKCES. Employer contributions would need to be encouraged to maximise co-investment in the accounts. Individuals and employers need to be given financial incentives to contribute. Such incentives as well as the state contribution should be targeted on the accounts of those with few or no qualifications in order to minimise deadweight. Impartial IAG will be essential in order for individuals to make informed choices when opening their accounts as well as the support of union learning reps and community learning champions. Consideration needs to be given to how such lifelong learning accounts could relate to the collective learning funds that are currently being trialled by unionlearn (see below for more details).

However, the TUC has serious concerns that the description of Lifelong Learning Accounts in the consultation document does not refer to the learning entitlements that enable eligible adults to access courses leading to Skills for Life and Level 2 qualifications and young adults (under 25) to access courses leading to Level 3

qualifications. These entitlements were to be an integral feature of the Skills Accounts devised by the previous government and their omission from Lifelong Learning Accounts would, we believe, seriously weaken the objective of using them to empower priority groups to engage in learning to achieve the minimum skill level increasingly required of all employees.

## Giving colleges and training organisations the freedom to respond

The TUC supports the recent measures to reduce unnecessary bureaucracy affecting colleges and training providers and also the proposals to give them greater flexibilities to use funding in a way that will maximise the economic and social benefits for the local community. However, we would be concerned if these new freedoms led to a trend where some colleges abrogated their responsibilities to meet the needs of the wider community and especially those individuals facing the greatest barriers to learning. For this reason we believe that it is essential that the government retains the existing 'learning entitlements' and ensures that lifelong learning accounts are constructed in such a way as to empower more disadvantaged learners to use these entitlements to access college provision.

As the consultation document highlights, colleges will be expected to work in partnership with the new Local Economic Partnerships (LEPs) to agree joint approaches that are of 'mutual benefit'. The TUC agrees that the relationship between LEPs, local authorities and colleges will be important in meeting the needs of the local business and workforce. As such, we would reiterate the point made earlier in this submission that skills development must be specified as one of the key functions and responsibilities that are covered by LEPs.

## Incentives to train in priority areas

### **Strategic Skills**

The TUC welcomes the commitment in the consultation document that there is a place for a strategic approach by government to support the development of skills needed for new and expanding parts of the economy which cannot be met simply by depending on employer demand. It is right to assert, as the document does, that 'market failure can occur; leaving important gaps in the labour market that may inhibit growth.' This market failure can occur in many ways – for example, a key role of the work of unionlearn has been to build the capacity of unions to address the entrenched training gap in our workplaces evidenced by the limited volumes of employer-led training provided to those with the lowest skill levels. There are also significant challenges facing the UK in providing the necessary intermediate and higher level skills to promote economic recovery, in particular in the area of STEM skills.

Through the national strategic skills audit, the UK Commission for Employment and Skills, with the assistance of the network of SSCs, is playing an increasingly important role in articulating and quantifying the skills that the nation requires for new and expanding parts of the economy. The TUC recommends that this annual forecasting analysis of skills and employment continues and that the

Commission is retained as an independent body that can challenge government to implement a strategic skills policy in the context of these forecasts.

The Secretary of State has articulated the government's view in this area in a recent speech, when he stated that 'we have to make choices about allocating the training budget' on the basis that 'we have to make some strategic choices' and 'in some senses we have to be picking winners.' Admittedly, he also highlighted that 'the winners in this sense are skills we judge we will need for the future and the sectors they support' rather than direct funding aimed at supporting 'so-called national champions.'<sup>17</sup> Whilst this marks a clear break with the active industrial policy of the previous government it does at least demonstrate a welcome recognition of the need for a national strategic approach on skills particularly in some key areas, such as low carbon and resource efficiency skills.

Ultimately such a policy will require decisions to be made about government funding for the supply of skills and how this relates to areas of economic and industrial development that the government feels that it needs to support to address market failure. The TUC believes that Sector Skills Councils (SSCs) and the new Local Employment Partnerships (LEPs) are a key level where influence needs to be brought to bear on skills supply to ensure that it is supporting new and growing areas of the economy. This would ensure that employers, trade union, local authorities and other stakeholders were engaged in sectoral and local partnerships to build the skills capacity required in these parts of the economy. However, as highlighted previously in this submission, the TUC is concerned about the government's decision to abolish the RDAs and by and large to abandon any regional strategy for economic development and workforce skills

### **Low Carbon and Resource Efficiency Skills**

The TUC believes that low carbon skills strategy should be an integral part of a low carbon industrial development across the economy with a leading and active role being played by government. The work of the Sector Skills Council "low carbon cluster" and UKCES Skills Audit demonstrated the large sectoral challenges ahead and the importance of state facilitation and engagement of stakeholders.

The inclusive approach to stakeholders is important so that all concerns during large scale industrial change can be actively considered. This will be important, for example, in managing community cohesion and creating the green jobs of the future. The TUC would therefore like to see a renewed commitment from government to the Forum for Just Transition. Trade unions stand ready to engage with the coalition government's plans for energy security and green economy and the employment opportunities that this may create, but are looking for much broader action from government.

The TUC believes that there is a need for a concerted effort by employers, schools and government to encourage women and ethnic minorities into careers in STEM skills that will sustain the move to a low carbon economy. More broadly, there is a need for stable funding streams and partnerships with employers to ensure the growth of green skills provision in further and higher education and a partnership



approach between employers and state agencies to assist the redeployment of skilled workers from high carbon jobs to low carbon jobs.

Trade unions are seeking a constructive role in influencing the development of green jobs and skills. For example,

- the TUC has raised the possibility with the National Apprenticeships Service of apprenticeships having a low carbon skills component
- the University and College lecturers Union is campaigning for its membership to influence the course provision of further education establishments to be inclusive of low carbon skills,
- the RMT union was instrumental in brokering government and foreign investor support to help workers made redundant by Vestas on the Isle of Wight to set up their own company, Sure Blades; and
- GMB union learning representatives have persuaded A&P Marine in Falmouth to release all of their employees for a programme of green skills training for half a day per employee.

One of the TUC's principle concerns is that low carbon skill development should take place in all workplaces. One key way in which this might be achieved is a regulatory intervention that requires employers to inform and raise awareness as part of company policies and practices just as in health and safety legislation. For example, employers could be introducing new employees to their low carbon policies and practices as part of their employee induction process, just as many employers do on health and safety. The TUC would also like to see health and safety laws updated, where appropriate, to be inclusive of climate change adaptation concerns, and therefore part of health and safety training. Also, workplace first aid training needs updating so that workers can identify symptoms and administer aid to colleagues suffering heatstroke and hyperthermia as the climate changes.

The TUC has had great success with its "Green Workplaces" programme that has seen over a thousand green reps leading behavioural change with imaginative initiatives on energy saving at work, waste reduction, recycling, green travel plans and many others in employers as diverse as Great Ormond Street Hospital for Children, The National Library of Scotland and Corus. The TUC has been calling for some time for green representatives to have the same statutory training and facility rights as other trade union roles such as union learning representatives. Furthermore, unionlearn is currently developing a strategy to promote green skills amongst trade union members.

## Encouraging a more productive workforce

### **Skills utilisation**

Over recent years there has been an increasing awareness among policy makers that greater consideration needs to be given to ensuring that skills are effectively utilised in the workplace in order to maximise the benefits for employers and employees of increasing skill levels of the workforce. The UK Commission for Employment and Skills has been taking forward an inquiry into skills utilisation

and the TUC has been represented on the external advisory group. A central thrust of the Commission's project has been the promotion of the 'high performance working' (HPW) model on the basis that this provides a crucial means to achieve more effective skills utilisation and improved organisational performance.

Whilst supporting many aspects of the high performance model, the TUC has also consistently highlighted two concerns. First, the HPW model advocated by many academics and policy makers gives insufficient weight to the importance of collective employee voice and trade unions. Secondly, in certain circumstances the introduction of HPW practices can lead to negative outcomes for the workforce, especially high levels of work intensification. With this in mind, unionlearn has commissioned some new work that sets out a union perspective on skills utilisation and the high performance working model, with the aim being to publish this in the autumn. This will draw on some of the experience from Scotland in recent years where the union movement has been involved with government on the skills utilisation agenda.

Notwithstanding some union concerns about the HPW model, the TUC does concur with the general analysis of the 'low skills equilibrium' and the central conclusion in the consultation document that 'the overall demand for skills in the UK economy reflects a general tendency by many employers to compete in lower value and less intense markets requiring lower level skills.' This must be reversed. The TUC has supported a range of initiatives designed to promote high performance working practices including the Investors in People standard. The relatively recent transfer of the IIP standard to the auspices of the UKCES offers an opportunity to reassess and revitalise its role in the context of the skills utilisation discourse and the TUC would be interested in making a contribution to this debate.

### **Leadership and management**

The TUC strongly supports the need for high quality leadership and management which are essential in building up a more productive economy with higher levels of investment in skills. Unionlearn itself is involved in delivering training for leadership and is working with the Chartered Management Institute (CMI) and the Institute for Leadership and Management in developing work which helps managers recognise the importance of working with unions across a range of contemporary priorities including training, green issues and equalities.

### **Procurement and regulation**

In the current economic context there is an urgent need to increase employer investment in skills and therefore to look beyond the wholly voluntarist approach. Voluntarism alone will not tackle the third of UK employers who do not train their staff at all, nor the third who provide only limited training. It is very welcome that the consultation document supports the continued use of public procurement for promoting investment in skills and also that it commits to going beyond this by looking at how regulatory frameworks and the role of industry regulators can be used to this end. The TUC is however disappointed that the consultation document appears to rule out 'specific occupational licenses to

practise' as a means of driving up investment in skills and improving the quality of products and services in certain occupational sectors. This is a measure which has a broad level of support among a wide range of stakeholders as evidenced by the UKCES inquiry on 'collective measures'.

After a lengthy consultation to consider the efficacy of a number of 'collective measures' the UK Commission reported in the autumn of 2009 and put forward a number of recommendations for further consideration that had the support of employers, unions and other stakeholders, including: occupational licensing; human capital reporting; employer networks; and changes to Investors in People. According to the latest edition of *Ambition 2020* the government has asked the Commission to 'revisit the breadth and depth of evidence reviewed' in the original consultation' including looking at 'how to add greater value to leveraging optimal values of investment from employers.' The TUC welcomes this as it shows that the government is clearly committed to giving proper consideration to necessary measures to drive up employer investment over the coming years.

One further issue could be added – tax relief. Currently some £3.5B is given to employers in the form of tax relief on their training. Yet there appears to be almost no regulation on what can be claimed. For example employers can claim for courses which do not lead to any accreditation. They can also claim for induction training for new employees, including wage costs. Attempts to collect data have been met with the response that data on this relief is simply not collected. This is extraordinary, given the immense scrutiny and data requirements of, say, a programme such as Train to Gain. Moreover there is very little relief available to individuals (including the self employed) which seems strange if the rationale for any relief is that the state should encourage more training among working people. The TUC would therefore suggest that a review be undertaken, looking at tax relief for both employer and employee, with a view to exploring whether the current £3.5B might be more effectively allocated. This should include both employer and employee national insurance.

## The Union Role

### **Co-investment in learning**

At a time when there will be less public subsidy for learning and skills at the workplace there needs to be frameworks in place which encourages co-investment in learning by employers, employees and providers, as well as the state. This could be in the form of both cash and in-kind contributions. Unionlearn with the support of BIS established collective learning funds in the North West and East Midlands to test different models of making learning both affordable and accessible. The external evaluation of 23 of the pilots found that they had delivered 2,719 learning episodes including 587 relating to wider/ personal development. In terms of impact, the pilots evidenced improvements in the quality of work, reduced absence and better industrial relations. Unionlearn is now extending collective learning funds to other regions and aims to link them with future government initiatives such as lifelong learning accounts.

Furthermore a recent survey within unionlearn of learning agreements revealed that co-investment is widespread. A typical model is for employees to give an hour of their time for an hour of paid time but there are a variety of models including loans and grants and help with childcare, computers, books etc. It should be stressed that this model is not appropriate, and is not used, for training which is wholly job related which the employer would normally expect to provide. However it is more appropriate where the learning is wider and includes personal development. Any Lifelong Learning Account model should include and recognise such co-investment.

### **Impact of unionlearn and the Union Learning Fund**

This submission is not the place for a full analysis of the value of unionlearn but it is worth summarising the headlines, as unionlearn is now such an important part of the skills landscape. Last year unionlearn helped more than 230,000 people to access learning and, of those, 32,000 were people who had literacy and numeracy needs. An evaluation by Leeds University Business School has evidenced the significant impact of union learning. Nine out of ten employers voiced strong support for union learning. Unions are equally supportive. In terms of added value, over three quarters of the union project officers running Union Learning Fund projects reported that a learning needs assessment would not have taken place and almost six in ten reported that there would have been fewer learners in the absence of the project. Over half the employers surveyed stated that equality of access to learning had increased and that skills gaps had been addressed, with 42 per cent reporting increased levels of trust between management and unions. This impact increased significantly in workplaces covered by a learning agreement.

At this year's unionlearn annual conference the BIS Secretary of State gave very welcome recognition of unionlearn's role. He said: 'You have developed a powerful model in unionlearn, reaching out to businesses and giving individuals a chance they never would have had. I want you to build on what you have already achieved.'

The unique feature of union learning is the union learning rep. Over 25,000 ULRs have been trained since 1999. A recent survey by the University of Central Lancashire Business School found that on average each ULR helped 44 colleagues each year. Almost all (94 per cent) provided information and advice on learning opportunities; three quarters arranged courses for them and over a half conducted a learning needs assessment. Almost 60 per cent of managers surveyed reported improved basic skills as a result of ULR activity, and a majority agreed that ULRs had helped to close skills gaps and improve union-management relationships. All of this activity means that unionlearn, and the TUC, are very well placed to understand the issues involved in skills policy and that understanding informs the views expressed in this submission.

### **Right to Request Time to Train**

It is of concern that the Government has taken the decision to review the future of the right to request time to train, so early in its term of office and so early in the

life of this new employment right. A separate and much more detailed TUC response to the consultation on new right will be submitted to BIS but it is worth briefly summarising the main points here.

The introduction of the employment right is one of the key ways in which employee demand can be encouraged. The TUC believes that this right will have the positive and transformative impact of the right to request flexible working, incentivising employers to come to mutually agreeable arrangements with employees and helping to improve skills levels in the UK, but without any significant additional bureaucracy.

The problem with reviewing the right a matter of months after its introduction is that the evidence of its impact is quite naturally limited. The right is yet to be implemented for employers with under 250 employees whilst many larger employers generally have some form of training review system in place and so are less likely to receive requests through the statutory route. It is also worth noting that the introduction of the right had no government advertising budget and attracted limited media coverage in the pre- election period so awareness of it is likely to be still quite low. The true impact could only be assessed after a period of time in which the workforce would have had the opportunity to become aware of, and able to utilise, the right.

Nonetheless the TUC has surveyed union learning reps and to date<sup>1</sup> over 500 responded, giving details of their experience using the right. Of the 500, almost 200 had already used it in some way, the vast majority of whom said it had helped prompt a conversation with the employer but without needing to use the full formal procedures. The fact that they were there in the background is what encouraged dialogue. The great majority of ULRs said the dialogue prompted by the right had been positive and helpful. Very few said there had been any difficulty or that employers had found it burdensome. On the contrary, ULRs reported that employers had found the dialogue very helpful. The range of courses discussed had included Skills for Life, NVQ's, Diplomas and HE. Around one third was primarily personal development and around two thirds primarily work-related. In only 8% of cases did the ULRs report that they had needed to use the full formal procedures.

Four fifths of requests resulted in an agreement with the employer and only one tenth of decisions have been appealed with strong indications that these have almost all resulted in an amicable agreement. If this kind of return was to be representative of the national picture for usage of the right to request time to train in years to come, this would mark a great step forward for workforce training. In addition, there is growing evidence that employers are coming to new collective agreements with unions on training as a result of dialogue relating to the introduction of the employment right.

Some of the apparent problems cited by groups critical of the right require further scrutiny. The British Chamber of Commerce have presented the right to request

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<sup>1</sup> The TUC submission to the government's consultation on the right to request time to train includes the findings of the full survey.

time to train as a cost to business. However the government's own impact assessment projections showed the cost was likely to be minimal, which is borne out by the early survey results cited above. Moreover even these minimal costs are greatly outweighed by the advantages of increased training and employee confidence. Again, there is little evidence of added bureaucracy.

The government also needs to consider carefully the signal it would be sending to employees if it were to remove or water down this employment right. Polling conducted by the TUC before the introduction of the right showed that confidence in making requests to employers is a more crucial factor among precisely the vulnerable and disadvantaged employees who most need skills training. The potential confidence in exercising the right was highest amongst younger and higher skilled workers whilst there were much lower levels of confidence amongst older and lower skilled workers: only 6 per cent of unqualified workers said they were likely or somewhat likely to use the new right and 23 per cent of older employees said they would do so compared with 60 per cent of younger employees and 50% of employees with a degree. Unions can help ensure that the right will give most help to those who need it most.

### Reinvigorating adult and community learning

The TUC welcomes the government's ambition to promote adult and community learning, although this should not detract from promoting and investing in workplace learning. In practice the two are often linked. For example an evaluation by the Campaign For Learning of the "Festival of Learning" which was organised through unionlearn in the autumn of 2009, found that over a third of the 40,000 participants in the informal "taster" sessions went on to enrol in more formal programmes of learning. Many of the two thirds who did not, did so later.

This informal learning is often linked to the wider community. For example around half of the 450 workplace learning centres which are supported through unionlearn have strong links to the community. The Olympic learning centre, located just outside the Olympic site in east London, is open both to workers from the site and members of the local Stratford community. It is thriving and offers courses, such as Skills for Life, which are valuable to both workers and the community. Much adult and community learning is aimed at encouraging people (whether via work or via the community) to re-engage in more formal learning. Union learning provides a vital bridge between the workplace and the community. For example an employee's learning at work often influences their family and friends, encouraging them to follow suit and re-engage in learning.

### Measuring success

The TUC understands that burdensome data requirements can be difficult. They may deter learners or employers and can make life difficult for providers. Equally however, there need to be adequate measures and controls on public spending. Employers or providers who draw down public money must expect to be held accountable for how the funding is invested. That should include a reasonable level of detail on number and type of learners including age, gender, ethnicity,

pay, grade, occupation etc; type of learning including accreditation and if so to what level; nature of spending for example the balance between on and off the job training, accreditation and actual learning, type of learning for example whether e-learning, CPD or classroom based, statutory or not, and so forth.

A common sub-set of this data should form the basis of human capital (i.e. investment in training) reporting in annual accounts. In addition it would be useful to collect some data on how training is used. For example whether jobs or work have been adapted or redesigned to accommodate and use increased skills following training. These are the basic indicators of success which government and employers will need to evaluate and develop policy and provision. There will be further indicators needed for particular areas (such as the right to request) which might be best collected via survey rather than a common requirement across the board.

For unionlearn, the indicators of success are those which learners and unions find most helpful in evaluating the extent of learning at work (and related to that, in the wider community) and supporting employers to develop their investment in learning. In many cases this involves the same measures as above but with the addition that it can also be very useful to measure opportunities for learning and the way in which learners or potential learners can be encouraged, learning brokered, and agreements developed. Those are important indicators of success, above and beyond numbers of learners. For example not every opportunity will immediately translate into a learner but more opportunities will, over time, mean more learners – so it is important to measure the number and quality of opportunities. Similarly, it may take time for a learning agreement to bear fruit but all the evidence from the Leeds Survey cited earlier is that the presence of an agreement significantly increases the quantity and quality of learning – so measuring agreements is also a major success indicator.

## References

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<sup>3</sup> *Education at a Glance 2006*, OECD, 2006

<sup>4</sup> *Employee Demand for Skills: a review of evidence and policy*, UKCES, 2009; and, McQuaid, R. et al, *An Appetite for Learning: increasing employee demand for skills development (Praxis series, no.3)*, UKCES, 2010

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<sup>7</sup> *United Kingdom: Policies for a Sustainable Recovery*, OECD, July 2010

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<sup>17</sup> Speech by the Secretary of State for Business, Innovation and Skills to Cass Business School, 3/6/10