



Shaping the new National Retraining Scheme

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About 'Shaping the new National Retraining Scheme'

Esme Winch, Managing Director, NCFE

As Sue has identified, the National Retraining Scheme is an important innovation from the government which promises to ensure we maximise the skills and opportunities of our increasingly longer working adult skills base. We've started to see progress being made on the scoping around the scheme, and Sue's paper should be essential reading for all parties engaging in this process.

We're keen to maximise the opportunities this scheme presents, both for individuals and the wider economy. To do this we're going to have to learn from the past to embrace proven success and best practice, but also to avoid mistakes that have come before. This paper sets out the level of the challenge ahead, as well as 10 recommendations to build a quality programme that will support all adults to their intended destination, regardless of their starting point.

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Sue started her career in teaching. She was the Principal of Canterbury College for 10 years and, between 2010-2013, the lead senior civil servant working with Ministers on education and skills policies including Skills for Life and Further Education Funding and Performance. Sue is now the Policy Director for HOLEX, which is the sector body for adult education providers, and runs her own advisory service, concentrating on supporting and helping funders and providers improve governance. Sue is a regular contributor to FE Week on governance issues, the Vice Chair of Bedfordshire University and has significant experience in all aspects of policy development and education excellence.

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NCFE and the Campaign for Learning Policy Papers

This purpose of NCFE and Campaign for Learning policy papers is to encourage debate on key issues for post-16 education, skills and labour market policy. They are intended to inform policy makers at Westminster, Whitehall and stakeholders in the education and skills system. This paper is the fifth in a series that examines current and emerging policy from a learning and skills perspective. Our previous papers are:

- Earn or Learn for 18-21 year olds: New Age Group, New Policies (November 2015)
- University or Apprenticeships at 18: Context, Challenges and Concerns (April 2016)
- Reforming Technical and Professional Education: Why should it work this time? (February 2017)
- Mending the Gap: Are the needs of 16-18 year olds being met? (January 2018)

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Shaping the new National Retraining Scheme

Introduction

1. There has been much acknowledgement that the country needs a lifelong learning strategy that meets the needs of the new technological industries and a post-Brexit trading world. This should be a strategy which can bring together existing and often competing policies for adult education, skills and apprenticeships programmes with new innovative approaches to adult learning. Although such an overall strategy has yet to materialise, government has announced that there is to be a **National Retraining Scheme** (NRS). This is an exciting new development which has the potential to prepare people for the future and be a game changer in the way we think about lifelong learning.

2. Throughout 2017, the concept of a national retraining scheme was heavily trailed by Ministers and Officials in numerous speeches and announcements. For example, in the Spring 2017 Budget, the Autumn Statement, the new Industrial strategy and the careers strategy in December; they all reported that the government will set up a scheme, and even the Northern Powerhouse has bought into the concept. And yet we must start by asking some very basic questions:

- why do we need it?
- will we learn from past experience of running retraining schemes?
- what is it and who is it for?
- how will the scheme add value over and above the existing 18+ education and training landscape?
- what type of provision should be supported to increase adult employability?
- how will it meet the retraining needs of a-typical workers – especially the 15% of the workforce who are self-employed?
- what will be its contribution to the Review of 18+ Education and Funding and the creation of a wider lifelong learning strategy?
- most importantly of all, how can we collectively, with government, create something that works, is long lasting and improves people's lives and, in doing so, support a post-Brexit economy?

3. It is unclear whether the National Retraining Scheme is employer led or adult led. The role of an employer led NRS would be to assist employers to retrain their employees in new roles and occupations rather than make them redundant. The problem with such a limited definition is that it will miss millions of adults who are not employees, such as workers on zero hour contracts, agency and temporary staff, the growing ranks of the self-employed and the redundant or unemployed. **Only an adult focussed National Retraining Scheme can meet the needs of all adults, whatever their labour market status.**

Why do we need a National Retraining Scheme?

Longer Working Lives

4. People are living longer. The State Pension Age is set to increase to 67 by the late 2020s. Many older adults will need to continue working to earn income until they reach state pension age as well as save for their retirement. The fact of the matter is the occupation people trained for in their twenties is not going to last until they are 70 years old. Whether it be because the role requires physical strength and worker's health will not keep up with the demands of the job, or the industry will not be there in 20 years' time, the idea of retraining and taking mid-life career breaks to change direction must become commonplace and acceptable practice.

Rising Automation

5. History shows us that sometimes the balance between skills level of the workforce and the skills needed for jobs is not aligned. It seems we are now in one of those times. The recent Institute for Public Policy Research report 'Managing automation: Employment, inequality and ethics in the digital age' explains in detail the types of occupation which will lose out in the future and what will happen if we can't rebalance employment opportunities. Between 10% and 35% of all UK jobs could be replaced or altered over the next 10 to 20 years.

Developing our own after Brexit

6. Brexit and the expected labour shortage are making us rethink our approach to low skilled and often low paid work. So, to ensure our jobs are filled, we will need to retrain many of our existing employees and think about how we can make roles attractive to British residents. We need to retrain our resident workforce to match the job roles and skills needs of the future.

Poor Basic Skills

7. It cannot be a coincidence that basic skills levels of our workforce are lower than for most of our competitors. Some 6m adults aged 19-64, 19% of people of working age in England do not have the equivalent of a Level 2 qualification (see Table 1). And, of course, adults with and without qualifications at Level 2 and above might have outdated numeracy, literacy and all important digital skills.

Progressing from Benefit to Sustainable Jobs

8. There is much rhetoric about the need for lifelong learning and getting workers out of the cycle of periods of unemployment and state support into a job that isn't reliant on the state. But, as yet, this has not turned into sustained training programmes or a commitment to new funds and resources.

Increasing Atypical Working

9. The Taylor Review into Modern Working Practices described the rise of atypical working (July 2017). Temporary workers, agency workers and those on zero hour contracts are less likely to receive employer funded training but to remain employable they need access to retraining. Approximately 15% of the workforce is self-employed (4.85m). The self-employed also tend to be older rather than younger (See Smoothing the Transition, Independent Review of the State Pension Age, March 2017). To remain self-employed, they need to be able to retrain.

A Perfect Storm

10. Whatever the reason, if we don't stimulate the take-up of retraining then we are heading for the perfect storm, so now is the time to act.

TABLE 1
Highest qualification held by working age adults, by gender, age and region, 2014 (Table 3.4)

United Kingdom	Thousands	Percentages	Percentages	Percentages
	All working age adults (19- to -64 years old) (000s)	NQF level 4 or above (%)	NQF level 3 or above (%)	NQF level 2 or above (%)
Personal and economic characteristics				
By gender				
Males	19,035	39	63	81
Females	19,379	42	61	80
By age				
19-24	5,036	29	67	87
25-29	4,381	48	70	86
30-39	8,309	50	69	86
40-49	8,908	43	60	79
50-64	11,780	35	53	73
By region				
United Kingdom				
England	32,291	41	63	81
Wales	1,797	36	56	76
Northern Ireland	1,093	32	51	72
		SCQF level 7 or better	SQF level 6 or better	SQF level 5 or better
Scotland	3,246	46	70	77
Sources: Labour Force Survey, Quarter 4, 2014 (8)(9) and Annual Population Survey (Oct-Dec 2014) Education and Training Statistics for the United Kingdom: 2016, National Statistics, published by DfE				

What do we know about what this government wants?

11. In the Spring 2017 Budget, the government committed to exploring ambitious new approaches to encouraging lifelong learning. £40 million was allocated for pilots aimed at helping adults progress in employment, or to enter new occupations through re-skilling or up-skilling (HM Treasury, March 2017).

12. In the Autumn 2017 Budget, the government announced the establishment of a **National Retraining Partnership (NRP)**, with £65m allocated to the construction and digital sectors of the economy between 2018/19 and 2019/20 (HM Treasury, November 2017). This was later re-iterated in the Industrial Strategy which stated the government wishes to 'create a new National Retraining Scheme that supports people to re-skill, beginning with a focus on digital and construction training'.

13. Also, in December 2017, the DfE stated in its latest careers strategy that:

'We want to create a stronger, fairer society in which people from all backgrounds can realise their potential. A thriving careers system, that is accessible to everyone, is at the heart of our focus on social mobility. We must break down the barriers to progress that too many people in our country face today, and give young people the skills to get on in life. Our careers strategy will support everyone, whatever their age, to go as far as their talents will take them and have a rewarding career.' (Careers strategy, DfE, December 2017)

14. And, the Prime Minister name-checked retraining in her speech launching the much welcomed and long overdue Review of Post-18 Education and Funding (in England) on 19th February 2018 saying:

'Retraining throughout the course of your career, to change jobs or gain promotion, will only become more necessary as new technologies have an impact on our economy. We need to support flexible lifelong learning, including part-time and distance learning, something which the current funding system does not always make easy.' (PM Speech, The right education for everyone, February 2018)

15. Government certainly sees the importance of retraining. However, there is a sense, perhaps, the government is promoting the National Retraining Scheme in public whilst trying to work out what the scheme actually is. It has a commitment that the scheme will be in place by the end of this parliament and will bring together the CBI and TUC with government to create the new National Retraining Partnership with CBI and TUC. This will help set the strategic direction for the scheme and it sounds good and appropriate, but the clock is ticking.

16. In short, the **National Retraining Scheme has yet to be assigned a role or its position in the existing 18+ education and training landscape.**

What has the past shown us?

17. Over the last 40 years, England has designed and developed a myriad of different programmes - most looking for a new method of engaging employers to take training seriously - together with a concern that the provider base is not equipping learners for jobs and not being responsive and relevant.

Institutions

18. In 1973, a Conservative Government passed the 1973 Employment and Training Act which created the tripartite Manpower Services Commission (HMSO, 1973). Some 45 years later, we will see a new tripartite organisation bringing together employers, trade unions and government, the National Retraining Partnership. The NRP will need to fit within a fast evolving post-16 education, skills and employment landscape with the Education and Skills Funding Agency, the Institute for Apprenticeships and Technical Education, the Office for Students (overseeing higher education), the Student Loans Company, Ofqual, Ofsted and QAA, and elected mayors, combined authorities and Local Enterprise Partnerships. It is now time to settle on a landscape that will lead to a sustainable national training offer which empowers learners.

Past Retraining Programmes

19. In the 1970s there were the Training Opportunity Programme and Youth Opportunity Programme and the Technical Vocational Education Initiative. In the 1980s we had Professional Updating (PICKUP) and Open TEC. In the '90s, there was the University for Industry and in the 2000s Centres of Vocational Education, Individual Learning Accounts and Train to Gain. And in the present decade we have Institutes of Technology, National Colleges and the promise of a National Retraining Scheme. **Therefore, we are not without knowledge of what works.**

Fraud

20. What all these NTS predecessors had in common was the requirement to work with employers and a commitment to retraining workers. Many are looked on warmly in hindsight and attract statements like 'fantastic policy intent but poorly implemented'. The main weakness was that, although the policy was the right one for its time, running alongside it was the unsubstantiated requirement by parts of government to open the market. This led to massive growth by untried and sometimes fraudulent providers. This undesirable element brought about the end to Individual Learning Accounts and Training to Gain. Therefore a new system must have robust underpinning assurance systems which are in place from day one.

Thirst to Learn

21. However, positives on which we can build are there, and there is a thirst by employees to learn. Train to Gain supported employees to enhance their skills and gain a vocational level 2 and to improve their basic skills. A million adults did achieve a level 2, but because of what happened in its early years, and gaming by some unscrupulous providers, the brand was tarnished. What it did show, however, is that if we can control the quality of the provider base then there is an appetite to learn in the workplace.

Retraining being filled by Apprenticeships

22. We can also see that the direction in which the apprenticeship reforms are going is because there is no framework for in-work training. The apprenticeship programme is being moulded to fill a gap for the existing employee base. There are questions as to whether this was the policy intent, and whether existing employees will oust new apprentices has yet to be seen. But, what it does do is confirm there is a need for non-apprenticeship learning in the workplace.

Unequal Maintenance Support

23. We can learn from the recent past that lifting number controls and offering loans for fees and maintenance has led to increased participation, for example, in full-time higher education. From August 2018, maintenance loans will be available to part-time higher education students alongside fee loans. (Part-Time Maintenance Loans, Government Consultation Response, DfE, March 2017). However, while free training is available for entitlements and fee loans for other levels of provision there is no national system of maintenance loans nor grants for adult further education students.

What are the barriers for Adults?

Attitude to further learning

24. The first barrier for many individuals is confidence and attitude to further learning. If they are in a low skilled job, it is often because they didn't do well at school and have a whole range of psychological barriers to learning. They may lack confidence and have a distrust that new training will work for them. Others are done with learning and have their first qualification, it has got them a job and that's it. Without financial incentives or other benefits it is hard to persuade them that lifelong learning is a good thing.

Poor Basic Skills

25. Adults who are low skilled will often have several major hurdles to jump over and hoops to go through before they are able to retrain. The most difficult of these will be improving their English and maths skills. Even before they take up a retraining opportunity, they will need to be coached onto and then led through a basic education programme.

Lack of time

26. The barrier most quoted in studies is time available to study. The concept of finding a day a week or even giving up work to become qualified is too much to contemplate when the stress of work, travel and children and/or carer responsibilities fill your life.

Cost of course fees

27. For many adults, the cost of training and retraining will be a key barrier. Paying up-front out of earnings or savings - if they have them - is not an option for many hard working adults and families. Adults are wary of fee-loans - even if they are income contingent - especially if there is no complementary access to maintenance support as the need to work longer hours to earn extra income for them and their family puts at risk completing courses funded by a fee-loan.

Work before Study

28. Lack of time is however intimately linked to pressure to earn income from employment and prioritise working extra hours over study. The lack of access to maintenance support is a barrier. Extending maintenance loans - in the absence of grants if necessary - can help adults balance study and earnings from work to retrain and also assist the self-employed to train and retrain.

Matching

29. It is sometimes easy to fall into the trap of thinking that retraining is just matching those whose jobs are at risk to the jobs of the future. Therefore all we need do is systematically identify where the new industries are and transplant the people we have re-skilled in to those jobs – but it doesn't work like that. People have a mind of their own and unless they are enthusiastic about an industry, or the benefits of the job, that approach just won't work.

Attachment to Place

30. For many there is an attachment to place issue. Many people will not "get on their bike" and move. They have a connection to their area, family and/or caring responsibility that keeps them placed in a locality. And, the cost of housing often turns people against relocation.

What are the barriers for Employers?

Attitude

31. An employer's attitude to training is influenced by their bottom line. There is always a tension between training employees to benefit their business and worrying about making them more attractive to other employers.

Real Time Incentive

32. For employers to allow their staff to train, and to pay for that training, there needs to be further incentives. The right to ask for time off for training does not go far enough. It is no match to the incentive of ensuring the worker works his or her hours. Government needs to step in and address this imbalance.

Which adults need retraining the most?

33. There are many circumstances where the need for retraining is apparent. These can be about the adult, about an industry's shelf life and/or an employer's ability to be profitable.

Employed Adults

34. From the perspective of employed adults, key groups are those who:

- need basic skills retraining so they are ready to move into a more skilled job;
- are skilled, but automation or other technological advances will remove their job roles;
- face redundancy where businesses go bust and the need to retrain is a matter of urgency;
- will lose the ability to continue to work in an industry until their mid-seventies because of physical fitness and/or mental wellbeing, and
- have lost interest in their existing job and can't face doing it into retirement.

Atypical Workers

35. Agency workers, temporary workers and those on zero hour contracts tend to receive less employer training than employed adults on full-time and part-time contracted hours. Therefore, any new scheme must consider the skills needs of these groups.

Self Employed

36. Equally important is the retraining needs of existing and would-be self-employed adults. Access to retraining opportunities for existing and the would-be self-employed enables older workers to continue earning rather than claiming benefits, and to save for their retirement post state pension age (Smoothing the Transition, Independent Review of the State Pension Age, March 2017).

37. The cost of retraining in terms of provision, however, is not necessarily the main financial barrier facing the self-employed. For each day of retraining, the self-employed worker is losing a day's earnings, or a day seeking for another day's pay. It is critical that the National Retraining Scheme can mitigate the loss of earnings faced by the self-employed through an earnings reimbursement mechanism.

Who decides what the priorities really are?

38. Government has announced there will be a new group that brings government, the CBI and TUC together. What is unclear is how this infrastructure will work for the parts of the country where the ownership of existing funding will sit with the new Mayoral Combined Authorities. Also, we already have in place a policy that says there should be local priority setting centred around LEP areas, and there are the Employment and Skills Partnerships. The uncertainty around these structures raises questions about how a National Retraining Scheme can actually be national when there are other governance arrangements which can independently determine their own priorities.

39. As overall grant funding for adult further education - excluding fee loans and apprenticeships - is 40% less than a decade ago, it is crucial that it is spent efficiently, and it is well directed. It is therefore important that a new partnership is drawn up that embraces the delivery sector. We must not succumb to the concept that commissioning by tendering works. Recent events demonstrate that fixating on process and not partnership does not bring about community led solutions. Adult education and skills training are there to support learners achieve more than they thought they could and, in so doing, fulfil employer's skills needs. **Using the language and methods of 1980 privatisations and outsourcing will not work in the new post-Brexit world.**

Who is it really for - employers or adults?

40. Ultimately, however, the National Retraining Partnership will have to address whether the National Retraining Scheme is an employer-focussed retraining scheme or an adult-focussed retraining scheme.

41. An employer-focussed approach seeks to assist employers at an organisational level wishing to retrain all of their employees in new job roles and occupations to remain competitive. The disadvantage of this approach is that millions of adults of working age would miss out, such as those workers on zero-hour contracts, temporary and agency workers who tend to receive less employer training, as well as the self-employed and the unemployed.

42. The alternative is to design an adult-focussed National Retraining Scheme. The aim is to back any adult – whether an employee, a worker or self-employed – who needs to retrain to remain employable. **In other words, a National Retraining Scheme for everyone whatever your status in the labour market.**

What do we have in place now?

43. Diagram 1 describes the target of the current range of adult training and retraining programmes in England divided between employer-focussed and adult-focussed, but taking into account local planning. Table 2 provides broad estimates of the cash cost of 18+ education and training programmes in England.

DIAGRAM 1: Current Adult Training and Retraining Programmes in England

POLICY	ADULT TRAINING AND RETRAINING		
	TARGET	LOCAL PLAN	SINGLE EMPLOYER
INTERVENTION			
			HIGHER EDUCATION: MASTERS/PHD Single Loans for Fee and Maintenance
			FULL-TIME HIGHER EDUCATION: L4-6 Loans - Fees and Maintenance
			PART-TIME HIGHER EDUCATION: L4-6 Loans - Fees and Maintenance
			ADULT FE :L3-6 Loans - Fees
		ADULT EDUCATION BUDGET L1-3 Grant - Provison	
			JOBCENTRE PLUS Employment and Skills Programme
			NATIONAL CAREERS SERVICE
			NATIONAL RETRAINING SCHEME Adult Focussed?
			UK APPRENTICESHIP LEVY
		RIGHT TO TIME OFF FOR TRAINING	

TABLE 2: Cash Spending on 18+ Education and Training in England

Post Graduate High Education Doctoral Degree Fee/ Maintenance Loans Master Degree Fee/ Maintenance Loans	FY2018/19 FY2016/17	£5 million £325 million
Full-Time Undergraduate Higher Education Fee-Loans	FY2017/18	c£9,000 million
Part-Time Undergraduate Higher Education Fee-Loans Maintenance Loans	FY2016/17 FY2019/20	£238 million £205 million
Adult Further Education Fee Loans Adult Learner Loans Of which Level 4-6 Access to HE Level 3 including A Levels Maintenance-Loans General Adult FE Maintenance-Loans Level 4-6 Technical Education Adult Education Budget (Grant)	AY2016/17 FY2019/20 FY2017/18	£236 million £15 million £55 million £166 million None £15 million £1,503 million
Work and Health Programme	FY2017/18	£130 million

Employer-Focussed Retraining Programmes

Apprenticeship Funding - the Levy

44. The apprenticeship levy in England is essentially becoming not only an apprenticeship training scheme but also a retraining scheme. This is happening because there is no other scheme in place to support retraining in the workplace. Levy payers affected by new technology and automation could easily maximise the use of their levy funds by retraining existing employees, especially older employees.

45. The apprenticeship levy does not help non levy employers. The government has found funding to support these employers in the short term and from April 2018 levy employers can use 10% of they levy supporting their delivery partners however this will not solve the retraining issues. The levy system needs to have time to embed. However, once that has been accomplished, a new way forward would be to ensure more medium employers are in scope and the system expanded to cover retraining.

The Right to Request Time Off for Training

46. Another employer-focussed adult training and retraining intervention is the right to request time off for training for adult employees in organisations with 250 or more employees. However, there is little evidence that employees will ask and, even when they do, the employer does not have to agree to time off or offer to cover wages. It's a start and may lead to better working practices.

Adult-Focussed Retraining Programmes

Full-Time Undergraduate Higher Education

47. In terms of cash spending, full-time higher education receives the largest amount of Treasury funding (see Table 2). The cash cost of fee-loans is £9bn, with an additional £5bn for maintenance loans. In recent years the numbers of adults doing degrees full and part time has dropped.

48. In December 2017, the government launched a consultation on accelerated full-time degrees, aimed primarily at mature students aged 25 and over who might be in a position to complete a full degree within two years (Press Release, DfE, 10th December 2017).

Part-Time Undergraduate Higher Education

49. Rightly, part-time higher education has been viewed by the higher education sector as a key pathway to help adults to retrain.

50. To increase participation, retention and achievement in part-time higher education, the government will introduce maintenance loans from August 2018. The government should monitor whether access to maintenance loans will create a step-change in participation in part-time higher education to meet the retraining needs of the economy.

Adult Level 3-6 FE Fee-Loans

51. For adults who are self-motivated, fee-loans are available for Level 3-6 further education qualifications. **Unlike higher education, however, there is no national entitlement to maintenance support.**

52. The cash cost of adult learner loans for Level 4-6 FE qualifications is £15m. Participation, retention and achievement might be increased if maintenance loans in line with part-time HE maintenance loans were made available.

53. Nearly a quarter of the adult learner loan budget (£55m) is used to support Access to Higher Education courses. The government should offer maintenance loans for adults on Access to Higher Education courses to test whether they will boost participation and subsequent progression into higher education.

Adult Education Budget

54. The Adult Education Budget is a grant budget with a cash protected funding of £1.5bn (see Table 2). The AEB can be used to support retraining but it has limitations. It is 40% less than it was 10 years ago and most people over 23 years of age are expected to co-fund their own programme, and there is a complex funding regime which is beginning to be a disincentive for colleges and providers to offer courses. This restricts the availability of courses for the learner. Also, this funding is about to be devolved to Mayoral Combined Authorities, making it even more complex (see Box 1).

BOX 1: Adult Further Education - Government contribution table

The level of government contribution we will fund is as follows:			
Provision	19 - to -23-year olds	24+ unemployed	24+ other
English and maths, up to and including level 2 (Must be delivered as part of the legal entitlement)	Fully funded*	Fully funded*	Fully funded*
Level 2 (First full level 2 must be delivered as part of the legal entitlement)	Fully funded* (first and full)	Fully funded	Co-funded
Learning to progress to level 2	Fully funded^ (up to and including level 1)	Fully funded	Co-funded
Level 3 (First full level 3 must be delivered as part of the legal entitlement)	Fully funded* (first and full)	Loan-funded	Loan-funded
	Loan-funded** (previously achieved full level 3 or above)		
Traineeship [#]	Fully funded (including 16- to 25- year-olds ^{##})	N/A	N/A
English for Speakers of Other Lanaguages (ESOL) learning up to and including level 2	Co-funded	Fully funded	Co-funded
	Fully funded - unemployed		
Learning aims up to and including level 2, where the learner has already achieved a first full level 2 or above	Co-funded	Fully funded	Co-funded
	Fully funded - unemployed		
<p>*Must be delivered as one of the English and maths, and/or first full level 2 or first full level 3 qualifications required as part of the legal entitlements</p> <p>^Must be delivered as entry or level one provision from local flexibility</p> <p>#Excludes flexible element where funding depends on age and level</p> <p>##16- to 18-year-old learners must be eligible under the ESFA</p> <p>**Availability of loans at level 3 does not replace the legal entitlement to full funding for learners aged 19 to 23 undertaking their first full Level 3</p>			
Source: Adult Education Budget: Funding and Performance Management Rules, Version 3, Education and Skills Funding Agency, October 2017			

Adult Education Budget - Adult Basic Skills

55. Although not much publicised these days, those employees with poor basic skills can be supported by their legal entitlements to free English and maths up to and including Level 2 and GCSE, and there is funding in the system to support this. There is a dilemma, however, in that even though the skills need is increasing as still too many youngsters leave school without the English and maths skills they need, the take-up of learning is going down. One reason for this could be that rules surrounding this activity have become too inflexible. More needs to be done to improve initial assessment, and funding rules should take into account the difficulty of the task in unpicking many years of poor schooling and re-motivating adult learners to improve in this area. To meet the retraining needs of the economy, the entitlement to a free first full Level 2 should be extended from 19-23 year olds and 24+ unemployed adults to all adults.

Adult Education Budget - Traineeships

56. We also have traineeships which are often not seen to be, or used, as a retraining scheme, but they could be used as a first step when someone is looking to change their career; currently restricted to 16-18 and 19-23 year olds, there is a case for considering extending them to older adults.

Jobcentre Plus

57. Although the unemployed figures are going down, those now not in a job often have multiple needs and require joint agency support to help them return to learning. Much of the funding for this type of retraining currently comes from ESF. Jobcentre staff have more flexibility to support these people, but there is now concern that continuing jobs will not be available for this type of person in future. The type of support currently available to learners in further education also needs to be available in the workplace so that these people can retrain. A decision needs to be made quickly about the future replacement for ESF funds.

Careers and Information, Advice and Guidance

58. Recently the National Careers Service has been refreshed to provide information, advice and guidance across England to help young people make the right choices. The service offers confidential and impartial advice and is supported by qualified careers advisers. However, this is limited and depends on where you live and labour market status. A National Careers Service limited to assisting unemployed adults and low-paid workers in receipt of universal credit will not be fit for purpose in an era of technological change and automation. Adults in well paid skilled jobs will be affected and require advice and guidance on retraining also.

What are the early steps the National Retraining Partnership should take?

59. To get the best out of the 18+ education, training and employment system, we need local colleges, community learning and independent providers, and universities to be brought into the decision-making process. A national retraining strategy should be a shared endeavour, working together to support learners' and employers' skills needs.

60. The recently established or revamped employment and skills groups in each devolved area and those which ultimately become the conduit for funding hold only some of the cards; they need to learn the lessons of the predecessor bodies and recognise that if they want to influence the whole agenda they need to work in collaboration with colleges and providers..

61. What is key here is that we learn from the past and ensure that there is clarity over roles. It would help if government quickly produced a lifelong learning policy framework in which local decision making could successfully take place. It is also important that any new implementation is not layered on top of, or becomes an addition to, the already cluttered delivery system. We have many organisations tasked to determine skills need and the best ones to do this are often those organisations that deliver on the ground. Colleges and local providers have been excellent at spotting trends, but rarely get recognition for this work even though it is part of their remit and a key responsibility for college governors and local authorities.

What is the gap an Adult-Focussed National Retraining Scheme is seeking to fill?

62. Options are open to government to extend existing employer-focussed retraining programmes. There is also a range of options to increase retraining opportunities through existing adult-focussed programmes. On balance, however, the case remains stronger to develop an adult-focussed National Retraining Scheme so that it can meet the needs of all adults whatever their labour market status. And yet the crucial question is what gap remains in the 18+ education and training system which the National Retraining Scheme should seek to fill.

63. So much of 18+ employer and adult-focussed provision and programmes is linked to the achievement of regulated qualifications, often full, sometimes based on credits or units. The National Retraining Scheme should fund bite-size provision based on a common system of credits or units across the 18+ higher and further education systems.

64. But the advent of the NRS offers an opportunity to deploy public funding for bespoke, commercial, industry specific provision which is highly desirable to employers and adults alike. The government should be radical and extend public support to provision which immediately boosts employability in a rapidly changing labour market.

65. The NRS must also meet the needs of all adults and not just adult employees. Adult workers on zero hour contracts, temporary and agency workers need access to retraining and their ranks might swell if automation leads not to unemployment but higher levels of atypical working.

66. The training and retraining needs of the self-employed also need to be met. Self-employment is either a choice or forced move for older workers to remain in paid work, avoiding claiming benefits and saving for retirement until state pension age. But the key cost of training to the self-employed is loss of earnings on the days they are training. The NRS must meet the financial needs of the self-employed through earnings reimbursement scheme which could be loan based.

67. **The National Retraining Scheme must fit and be a key element of an English lifelong learning strategy for work and retirement.**

RECOMMENDATIONS

BUILD A LIFELONG LEARNING STRATEGY

1. A **National Retraining Scheme** should reside within a lifelong learning strategy that takes account of and supports solutions to many of our social and productivity issues, sets the framework for local strategies and brings clarity to all existing programmes and infrastructure.
2. The Department for Education should prepare an **outline lifelong learning strategy** for ensuring social mobility, integration and productivity whilst **promoting** and **inspiring** the idea to carry on learning throughout life. DfE should set the **lifelong learning framework** for Mayoral Combined Authorities and other local structure to work within.

DELIVER FAIRNESS FOR ADULT LEARNERS

3. The Department for Education and the Department for Work and Pensions should work together to make **traineeships an all age pathway** leading to entry into employment and apprenticeships. A national entitlement to a fully funded **first full Level 2** qualification for **all adults** should be introduced irrespective of age or labour market status.
4. Adult Learner Loans covering the cost of fees at Level 3-6 should be replaced with an entitlement to fully funded provision for **priority qualifications and subject areas**. The Department for Education should make available **maintenance loans** - in the absence of maintenance grants - for all adults taking out fee-loans for Level 3-6 qualifications in line with the new system of maintenance loans for part-time higher education students.
5. The Government must make an urgent decision **regarding replacement resources for European Social Funding** after BREXIT.

EXTEND EMPLOYER-FOCUSSED RETRAINING POLICIES

6. The government needs to provide the space for the apprenticeship funding levy system and new standards to grow and flourish; and while doing so **review how employers are using their levy and digital accounts** and consider adopting the same processes for retraining.
7. The Government should extend the **right to request time off for training to adult employees in organisations with 100-249 employees**.

NATIONAL RETRAINING PARTNERSHIP PRIORITIES

8. The **National Retraining Partnership** should bring together a true partnership with universities, colleges, and community and independent providers to determine priorities, promote and work together on retraining. It should also construct a funding structure which supports the delivery of flexible adult education, skills and retraining built on the needs of the learner.

AN ADULT-FOCUSSED NATIONAL RETRAINING SCHEME

9. The National Retraining Scheme should be **adult-focused** rather than employer-focused. In this way, the NRS can meet the retraining needs of current and future generations of **temporary, agency and self-employed** workers as well as adults employees. A key component of the NRS should be an **earnings reimbursement fund for self-employed workers** - perhaps loan based - to cover some of the costs associated with loss of earnings on training days undertaken by the self-employed.
10. The NRS should fund **bite sized provision** based on **credits** and/or **units** that have clear progression routes.

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