

Learning and Work Institute submission to the Education Select Committee Inquiry into Adult Skills and Lifelong Learning (ASALL)

Executive summary

- With 75% of the workforce of 2030 having already left full time education, ASALL will be crucial to boosting stalled productivity and upskilling workers to succeed in the economy of the future. However, with employer and public investment in skills having fallen with participation at a historic low, Learning and Work Institute research shows we are at risk of slipping behind. We need a higher ambition for adult skills, backed up by additional investment, which could support 200,000 people into work, and boost the economy by £20bn.
- ASALL is crucial for social justice. With 9 million adults lacking basic literacy and/or numeracy, ASALL can help people progress in learning and work. ASALL has huge benefits for health, mental health and wellbeing, and it should form a key part of an approach to social prescribing and prevention.
- Local government plays a crucial role in ASALL. Many local authorities are often providers of ASALL through their adult learning services, which provide a variety of opportunities to learn. With the devolution of the AEB across much of England, Mayors will play an important role as commissioners of ASALL, with many looking at innovative approaches including outcome-based commissioning. Local authorities play an important enabling role by helping hard-to-reach adults to re-engage with learning.
- Recent changes reforms and funding changes have shifted the focus toward formal learning, and away from non-formal. Significant real terms cuts to community learning saw participation fall by a third. While there have been some benefits in shifting towards more formal learning, there are risks too. For many learners, non-formal learning is more effective. Formal learning is not synonymous with quality; the vast majority of community learning providers are rated 'good' or 'outstanding', and there are well-established processes for quality-assurance for non-formal learning.
- Given the extensive evidence of the benefits of participation, it should be a cause for concern that participation has declined. L&W's Adult Participation in Learning Survey shows just 19% of adults are currently taking part in learning; a figure unchanged from last year, and the lowest level in the survey's 20 years. Equally concerning is the fact that those who have most to gain from participating – adults who left school early, who have lower levels of qualification, or who are out of work, – are least likely to take part. There is a compelling case for greater public investment to remedy these inequalities.
- There are many lessons that the UK could learn from abroad, including the potential for personal learning accounts to boost participation, as is done in Singapore and France. **L&W recommend that government should introduce a Personal Learning Account** to increase participation, to narrow existing inequalities in participation, and to help people take control of their learning and career future.

Introduction

Learning and Work Institute is an independent policy, research and development organisation dedicated to lifelong learning, full employment and inclusion.

Q1. What are the benefits of adult skills and lifelong learning (ASALL) for productivity and upskilling the workforce?

1.1 ASALL must play a vital role in improvement the UK skills base

1.1.1 The UK's skills base has long lagged other advanced economies. Around 9 million adults lack basic literacy or numeracy¹, and around 11.9 million lack digital skills².

1.1.2 There have been improvements in the skills base in recent decades – driven in part by adults participating in ASALL. This rapid increase in human capital contributed to strong productivity growth in the 1990s and 2000s.

1.1.3 However, as recent L&W research showed, the pace of improvement in skill levels of the workforce has slowed, and we are at risk of falling behind other advanced economies³. This has been driven by a decline in participation in ASALL, caused both by a reduction in public investment and employer investment. On current trends, by 2030 we are set to fall from 4th to 6th in the OECD in terms of the proportion of adults with low level qualifications.

1.2 ASALL is vital to boosting productivity

1.2.1 There has been an unprecedented stall in productivity growth in the last decade, increasing by just 0.5% a year. This has contributed to the worst period for wage growth since the Napoleonic era.

1.2.2 The skills base of the population – or human capital – is a crucial determinant of productivity. And with 75% of the UK's 2030 working age population having already left compulsory education, investing in ASALL will be vital to driving productivity growth in the coming years.

1.3 A higher ambition for ASALL

1.3.1 L&W has called for a higher ambition for adult skills, backed up by additional investment, in order to prevent the UK falling behind, and to boost productivity and social justice. This should aim for the following by 2030:

- an additional 3m people to improve functional literacy and numeracy;
- 1.9 million extra people to achieve Level 2;
- 1.8 million extra people to achieve Level 3.

¹ <https://www.oecd.org/unitedkingdom/building-skills-for-all-review-of-england.pdf>

² <https://www.lloydsbank.com/banking-with-us/whats-happening/consumer-digital-index.asp>

³ Learning and Work Institute (2019) *Time for Action – Skills for economic growth and social justice*
https://www.learningandwork.org.uk/wp-content/uploads/2019/03/LW_timeforaction_skills-for-economic-growth-social-justice_WEB.pdf

1.3.2 This target is ambitious but deliverable. It could be achieved by doubling current rates of adult attainment, returning participation broadly to 2010 levels. It would require £1.9 billion of investment in ASALL by individuals, employers and government.

1.3.4 A higher ambition for adult skills would deliver significant benefits for individuals and the economy. Our calculations suggest it would boost growth by £20 billion per year and an extra 200,000 people in work, with significant benefits to the Exchequer.

Q. 2 What are the benefits of ASALL for social justice, health and well-being?

2.1 Social justice

2.1.1 ASALL is a crucial enabler of social justice. In recent years there has been a decline in social mobility, and the UK suffers from high levels of inequality⁴.

2.1.2 9 million adults lack basic literacy and/or numeracy skills, which can severely limit life chances.

2.1.3 ASALL provides a vital second opportunity for these adults, helping people to re-engage with education, to progress in learning and work, and to reach their potential.

2.2 Health and wellbeing

2.2.1 With an ageing society, and an increasing number of people living with long-term health conditions, focusing on prevention will be increasingly important to improving healthy and wellbeing. Alongside good quality employment, access to ASALL can play a crucial role here.

2.2.2 Recent Learning and Work Institute research highlighted the extensive evidence linking ASALL to health and wellbeing⁵. International surveys show adults with higher levels of education enjoy better health, and qualification levels are linked to how we use health services and manage our health.

2.2.3 UNESCO⁶ has shown that participation in adult learning is linked to improved health behaviours and attitudes; increased life-expectancy and disability-free life expectancy; reduced incidence of lifestyle diseases; and better mental health and well-being

Q. 3 What role can local authorities/combined authority areas play in ASALL provision?

⁴ Social Mobility Commission (2019) *Social Mobility in Great Britain - State of the Nation Report*
<https://www.gov.uk/government/news/class-privilege-remains-entrenched-as-social-mobility-stagnates>

⁵ Learning and Work Institute (2018) *Learning, Work and Health – The next 70 years*
<https://www.learningandwork.org.uk/wp-content/uploads/2018/10/Learning-Health-and-Work-the-next-70-years.pdf>

Learning and Work Institute (2017) *Healthy, Wealthy and Wise – The impact of adult learning across the UK*
<https://www.learningandwork.org.uk/wp-content/uploads/2018/04/LW-EU-Report-April-2018.pdf>

⁶ UIL (UNESCO Institute for Lifelong Learning). 2016. *Third Global Report on Adult Learning and Education*. Hamburg, UIL.

3.1 Local government as providers

3.1.1 Local authorities play an important role in delivering ASALL, with dozens of local authorities retaining an in-house adult learning service.

3.1.2 Whilst local authority adult learning services deliver a wide range of learning, they are particularly crucial in providing opportunities to re-engage hard-to-reach adults with learning, and delivering basic skills.

3.1.3 L&W coordinates the Local Education Authorities' Forum for the Education of Adults (LEAFEA) which brings together local authority adult learning leaders to share best practice and support strategic planning.

3.2 Local government as commissioners

3.2.1 The welcome devolution of the Adult Education Budget (AEB) to Mayors across England offers the opportunity to build a more integrated and locally responsive adult skills system, and it gives local government an important role as a commissioner of ASALL.

3.2.2 Many Mayors are developing innovative approaches to commissioning to maximise impact. L&W is working with London and Greater Manchester to develop and pilot measures to be used in outcome-based commissioning.

3.2.3 L&W has long called for devolution of the employment and skills to enable local areas to develop better tailored and integrated services that meet the needs of local communities and employers⁷.

3.3 Local government as an enabler

3.3.1 Local authorities also play an important role as an enabler of ASALL, through supporting people to access learning.

3.3.2 The services local authorities provide can be important in helping adults, particularly those with higher levels of need, to re-engage with learning.

3.3.3 There has been growing interest in recent years among health professionals and local government in 'social prescribing', which involves referring people to non-clinical services in order to help improve health and wellbeing. L&W has called for an approach to social prescribing, with entitlement to a Personal Learning Account, to give people choice and ownership over their learning⁸.

3.2.4 While local government plays a crucial role in delivering, commissioning and enabling ASALL, this work has come under pressure in recent years as a result of

⁷ Learning and Work Institute (2017) *Work Local* <https://www.learningandwork.org.uk/resource/work-local-report-to-the-lga-on-options-for-devolving-employment-and-skills/>

⁸ Learning and Work Institute (2018) *Learning, Work and Health – The next 70 years* <https://www.learningandwork.org.uk/wp-content/uploads/2018/10/Learning-Health-and-Work-the-next-70-years.pdf>

funding cuts driven by austerity. Between 2010/11 and 2017/18, government funding for local authorities fell by 49%⁹

Q.4 To what extent is the range, balance and quality of formal and informal ASALL education adequate?

4.1 Range and Balance

4.1.1 Reforms and funding changes in recent years have increased the focus on formal learning, and reduced the focus on non-formal. This includes the introduction of standardised, accredited qualifications in areas such as basic skills and ESOL, and changes to funding and quality assurance which have placed greater emphasis on achieving qualifications as a measure of quality.

4.1.2 Whilst this has brought some benefits, it has left the system overly focused on formal learning, with insufficient recognition of the importance of non-formal learning.

4.1.3 The community learning budget, which supported the majority of publicly-funded non-formal learning, was frozen in cash terms for a number of years before being combined into the AEB in 2016. Between 2005/06 and 2017/18, participation in non-formal community learning fell by more than a third, from 796,700 to 504,500.

4.1.4 The incorporation of the community learning budget into the AEB was intended to promote the funding of a broader range of learning, including community learning objectives, with providers given flexibilities to deliver non-accredited learning. Recent L&W research on boosting participation in adult English, maths and ESOL suggested that, where providers were using these flexibilities, it could be beneficial in creating a more engaging, tailored curriculum and encouraging participation. However, other providers reported a lack of awareness or uncertainty about using the flexibilities¹⁰.

4.1.5 L&W's work on a 'Citizens' Curriculum' suggests considerable benefits to learning which has flexibility to respond to learners' needs¹¹. This includes the potential to engage non-traditional learners, and to deliver outcomes ranging from improved basic skills through to improved health management and personal finances, and engaging with public services and community life.

4.1.6 In developing AEB commissioning, some Mayors have recognised the extent to which non-formal learning – with a focus on achieving outcomes rather than just qualifications – can contribute to a wide variety of benefits. Our work on outcome-based commissioning with the GLA is seeking to develop measures that capture the benefit of both formal and non-formal learning.

⁹ National Audit Office (2018) *Financial sustainability of local authorities* <https://www.nao.org.uk/wp-content/uploads/2018/03/Financial-sustainability-of-local-authorities-2018.pdf>

¹⁰ L&W (2018) *Boosting Participation in English, Maths and ESOL*. Private report to DfE.

¹¹ <https://www.learningandwork.org.uk/our-work/life-and-society/citizens-curriculum/>

4.2 Quality

4.2.1 Quality in ASALL should be measured in ways that are appropriate to the type of learning, and that quality is not synonymous with formal learning and the achievement of accredited qualifications.

4.2.2 Non-formal learning can be high quality, and the vast majority (88%) of community education providers, who deliver most publicly funded non-formal learning, are rated 'good' or 'outstanding' by Ofsted.

4.2.2 While some approaches to quality assurance used in formal learning may be absent from informal learning, there are other processes of judging quality. The Recognising and Recording Progress and Achievement (RARPA) process is a well-established and effective approach to quality assurance in non-formal learning, recognised by ESFA and Ofsted. In 2017, L&W reviewed RARPA in the context of increased flexibility for the AEB, with the resulting guidance being referred to in the revised AEB funding rules. It is entirely possible to boost the proportion of non-formal learning in ASALL without compromising quality, provided the RARPA process continues to be recognised and updated to ensure it remains fit for purpose.

4.2.4 Non-formal learning can have significant advantages over formal learning. It can have more flexible curriculum content, and can be less intimidating and therefore more effective at re-engaging adults.

Q. 5 Who currently participates in and benefits from lifelong learning?

5.1 Adult Participation Survey

5.1.1 L&W run the Adult Participation in Learning Survey, a representative survey of 5,000 adults across the UK. This survey provides rich evidence on who participates in learning, their motivations and barriers, and benefits of taking part. Below we highlight key findings from the 2018 survey, due to be published in September.

5.2 Levels of participation

5.2.1 The 2018 survey shows 19% are currently participating in learning. This figure is unchanged from the previous year, and it is the lowest rate of participation observed in the 23 years of the survey.

5.3 Variations in participation

5.3.1 There are marked variations in participation rates across socio-demographic groups.

5.1.2 **Social grade**¹² remains a key predictor of participation in learning, with the participation rate being 48% for adults in higher social grades (AB), compared to one in five (20%) for adults in social grade DE¹³.

5.1.3 **Working status** is a key predictor of participation. Four in ten full-time (40%) and part-time (41%) workers are current or recent learners, compared to three in ten (29%) unemployed respondents, and fewer than two in ten (17%) economically inactive respondents.

5.1.4 Participation falls with **age**. Holding other factors constant, the likelihood of an individual being a current or recent learner decreases by 1.3 per cent with each year of age. This is concerning given both longer working lives, and the extensive evidence of the positive impact learning later in life.

5.1.5 The **age at which someone completed full-time education** is strongly associated with participation. The participation rate for those who left education at 16 or under is just one in five adults (18%), compared to (45%) of those who were in education until 21 or above.

5.1.6 **Participation in learning decreases as deprivation increases**. If you were to divide the UK's local areas into five areas according to the level of deprivation, you would find that 23% of adults in the least deprived areas are currently participating in learning while only 16% of adults in the most deprived areas are participating in learning.

5.1.7 To **understand the relative contribution of different variables** in predicting the likelihood of participating, a regression analysis was undertaken on the 2018 data. When social grade, age, terminal age of education and working status are included as predictors of participation in learning in a regression analysis, all four variables are significant predictors, with social grade the most important predictor. Those in social grade AB are between *2.3 and 3.6 times more likely* to be a current or recent learner, compared to those in social grade DE.

5.1.8 Current participation in learning is a predictor of future participation. Around 4 in 5 current learners say they are likely to engage in learning in the future. In contrast around 4 in 5 of those who have done no learning as an adult say they are unlikely to do so.

5.1.9 The common theme is that despite the wealth of evidence on the benefits of adult learning, it remains true that **adults who could benefit most from participation in lifelong learning are least likely to take part**.

¹² Social Grade A includes the upper and upper-middle classes and is generally grouped with Grade B, the middle classes. Grade C1 includes the lower-middle class, often called white-collar workers. Grade C2 mainly consists of skilled manual workers. Grade D comprises the semi-skilled and unskilled working class, and is usually linked with Grade E, those in the lowest grade occupations or who are unemployed.

¹³ Here, and in the figures below, we use the 'participation rate'. This includes both those who are currently participating in learning, and those who have participated in the last three years.

5.1.9 In addition to being less likely to participate in learning in general, adults with lower levels of qualification are less likely to receive employer-provided training. Three in ten adults with higher level qualifications (level 4+) have taken part in job-related training in the last 13 weeks compared to two in ten adults without a qualification at that level¹⁴. This is what the Social Mobility Commission has called the ‘virtuous’ and ‘vicious’ circles of learning¹⁵, where employers are more likely to see the business case for investing in the skills of the already well qualified.

Q.6 What lessons can the UK learn from abroad?

6.1 There is much the UK could learn from abroad, including in the use of personal learning accounts to boost participation.

6.2 The **SkillsFuture Credit in Singapore** is a personal learning account provided to all adults aged 25 and over, which aims to encourage people to take ownership over their skills development. It initially provided all adults with S\$500 (around £300) to invest in skills, which government will add to over time, and to which individuals can contribute.¹⁶

6.3 The **Compte Personnel de Formation (CPF) in France** aims to encourage more adults to participate in lifelong learning. Available to private sector workers (public sector workers have a right to training), the CPF provides credits in the form of hours of training, which can be redeemed at eligible providers. The number of hours can be topped up by the individual, their employer, the employment support service, local and national government.¹⁷

6.4 We can also learn lessons about the success – and challenges – of the Individual Learning Account in the UK. Whilst their reputation has been tarnished by over-spending and fraud, it successfully re-engaged a large number of adults in learning. The failings of the system can be explained by poor design, delivery and monitoring, rather than intrinsic failings with personal learning accounts¹⁸.

6.5 In order to drive participation in ASALL, and to give people a sense of control over their learning and career future, **L&W recommend that Government should introduce a Personal Learning Account**¹⁹.

¹⁴ L&W analysis of Annual Population Survey, 2018

¹⁵ Social Mobility Commission (2019) *The adult skills gap* <https://www.gov.uk/government/publications/low-skilled-adults-are-missing-out-on-training-the-skills-gap>

¹⁶ IPPR (2017) *Another lost decade? Building a skills system for the economy of the 2030s* <https://www.ippr.org/files/2017-07/another-lost-decade-skills-2030-july2017.pdf>

¹⁷ IPPR (2017) *Another lost decade? Building a skills system for the economy of the 2030s* <https://www.ippr.org/files/2017-07/another-lost-decade-skills-2030-july2017.pdf>

¹⁸ The Committee on Public Accounts (2003) *Report into Individual Learning Accounts* <https://publications.parliament.uk/pa/cm200203/cmselect/cmpubacc/544/54403.htm>

6.6 Alongside boosting employer investment, Personal Learning Accounts would stimulate individual investment, and serve as an online passport to lifelong learning. The Personal Learning Account could include:

- details on **personal entitlements to funded training**;
- **additional credits to invest in other forms of learning**, in the form of either funding or an entitlement to hours;
- a **record of previous learning**;
- information on the **local labour market** and the skills needs of employers;
- information on training required to access chosen career paths;
- information on **local training providers**, including on quality of courses.