

# **Post-16 Education and Skills**

## **Levelling up Everyone, Everywhere**

**March 2022**

**Julia Wright and Mark Corney (Editors)**

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# Introduction

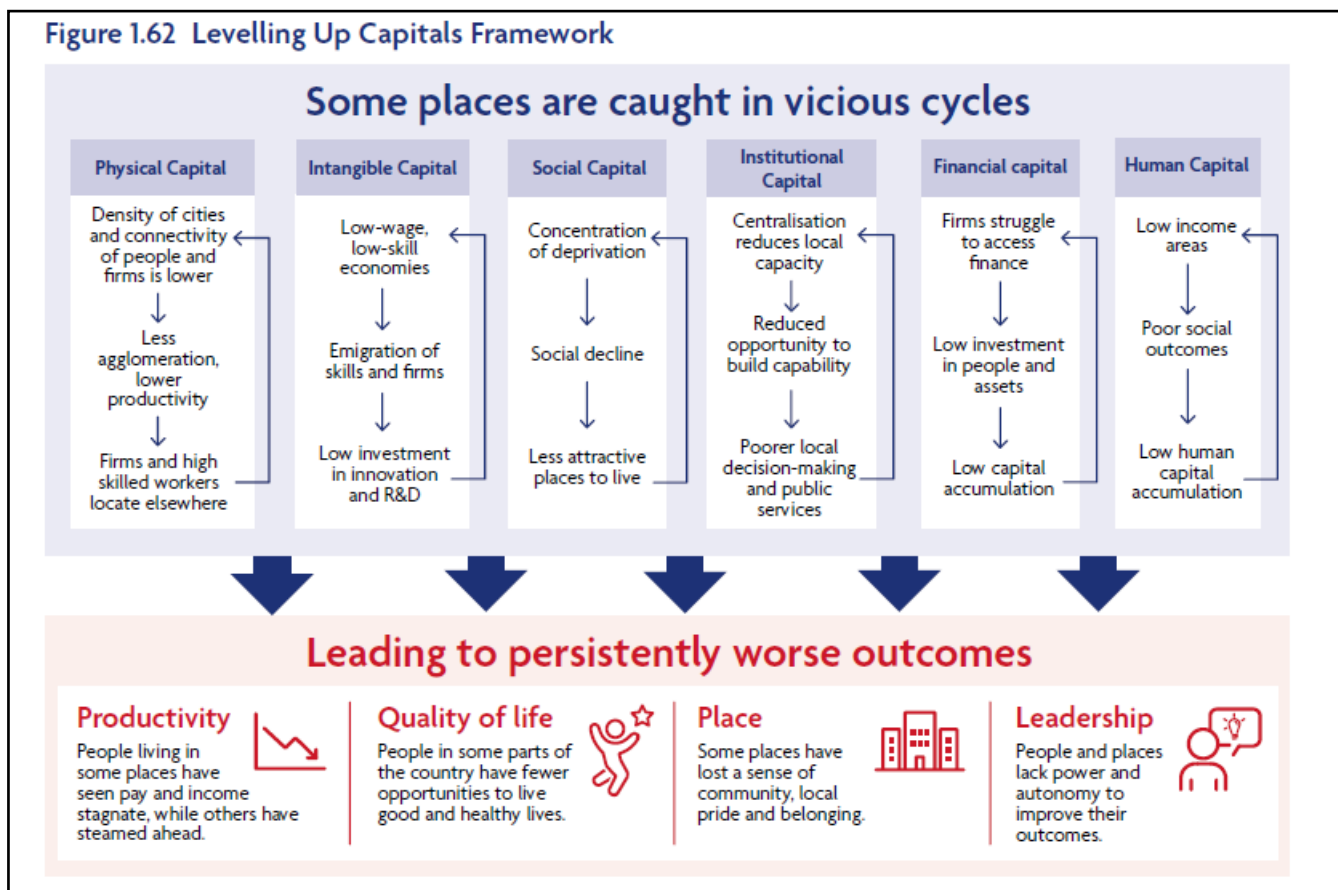
## Levelling Up the UK by 2030

Levelling up *without* levelling down, and levelling up within the nations, regions and localities of the UK as well as between them is the core mission of *Levelling Up the United Kingdom* published in February 2022.

### Six Factors

The white paper identifies six factors critical to driving forward levelling up: *physical capital* (infrastructure, machines and housing); *intangible capital* (innovation, ideas and patents); *financial capital* (resources supporting the financing of companies); *social capital* (the strength of communities, relationships and trust); *institutional capital* (local leadership, capacity and capability), and *human capital* (the skills, health and experience of the workforce). Crucially, as the white paper makes clear, it is the interaction between these factors which both explain why certain places in the UK have persistently low outcomes than others and how they can level up (see Box 1).

### Box 1



Source: Page 88, *Levelling Up – Levelling Up the United Kingdom*, February 2022

## Four Focus Areas and Twelve Missions

Central to the white paper are four focus areas comprising twelve missions by 2030 (see Box 2). The second of the four focus areas is defined as *spreading opportunities and improving public services, especially in those areas where they are weakest*. Within this focus area falls well-being, health, education and skills. The split between education and skills is worth remembering.

## UK Level Oversight

The Levelling Up white paper covers the devolved nations of the United Kingdom – Scotland, Wales and Northern Ireland – as well as England. The Prime Minister is expected to chair the Levelling Up Cabinet Committee. The UK Government will bring forward legislation to put in statute some of the key pillars of levelling up, including an obligation to publish an annual report on delivery against the twelve missions.

## Levelling Up England by 2030

The challenge of levelling up is most acute where a region or locality has a combination of measures reflecting inequalities. As an example, the white paper combines data on local authorities in the bottom 25% for the adult population with a Level 3 or higher qualification, gross value added per hour, median gross weekly pay and healthy life expectancy (see Box 3).

Areas in England in the bottom quartile for all four measures include most of the North East and parts of Greater Manchester. Areas in England with at least three of the four measures include parts of the West Midlands and Greater Manchester, Teesside and South Yorkshire, and many coastal areas of England previously associated with tourism.

## Levelling Up and Post-16 Education and Skills in England

### Level 3 and Above

The white paper uses achievement of Level 3 or higher by 16-64-year-olds as the benchmark for measuring area inequalities in education and skills. The lowest performing region is the North East with between 37.0% and 52.8% with a Level 3 (see Box 4). At the same time, there are 30 upper tier local authorities out of a total of 152 in England where achievement of a Level 3 is less than 50% scattered throughout the nation (see Box 5).

## Box 2

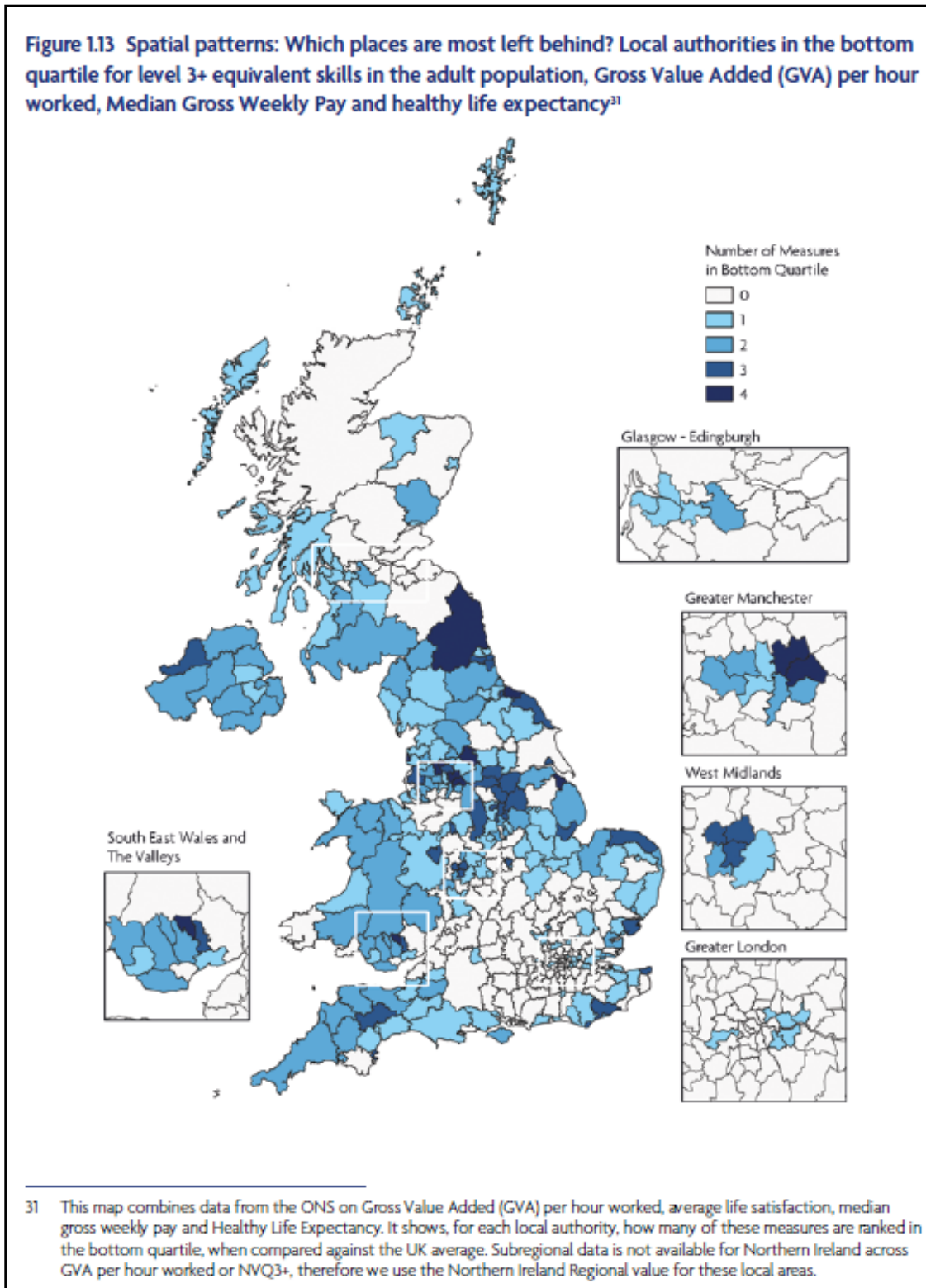
Table 2.1 Levelling Up Missions

Focus Area	Mission
<i>Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging</i>	
Living Standards	By 2030, pay, employment and productivity will have risen in every area of the UK, with each area containing a globally competitive city, and the gap between the top performing and other areas closing.
Research & Development (R&D)	By 2030, domestic public investment in R&D outside the Greater South East will increase by at least 40%, and over the Spending Review period by at least one third. This additional government funding will seek to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
Transport Infrastructure	By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
Digital Connectivity	By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
<i>Spread opportunities and improve public services, especially in those places where they are weakest</i>	
Education	By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.
Skills	By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high quality-skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
Health	By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by five years.
Well-being	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
<i>Restore a sense of community, local pride and belonging, especially in those places where they have been lost</i>	
Pride in Place	By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between top performing and other areas closing.
Housing	By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas. <sup>320</sup>
Crime	By 2030, homicide, serious violence and neighbourhood crime will have fallen, focused on the worst affected areas.
<i>Empower local leaders and communities, especially in those places lacking local agency</i>	
Local Leadership	By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

Source: Pages 120-121, Levelling Up – Levelling Up the United Kingdom, February 2022

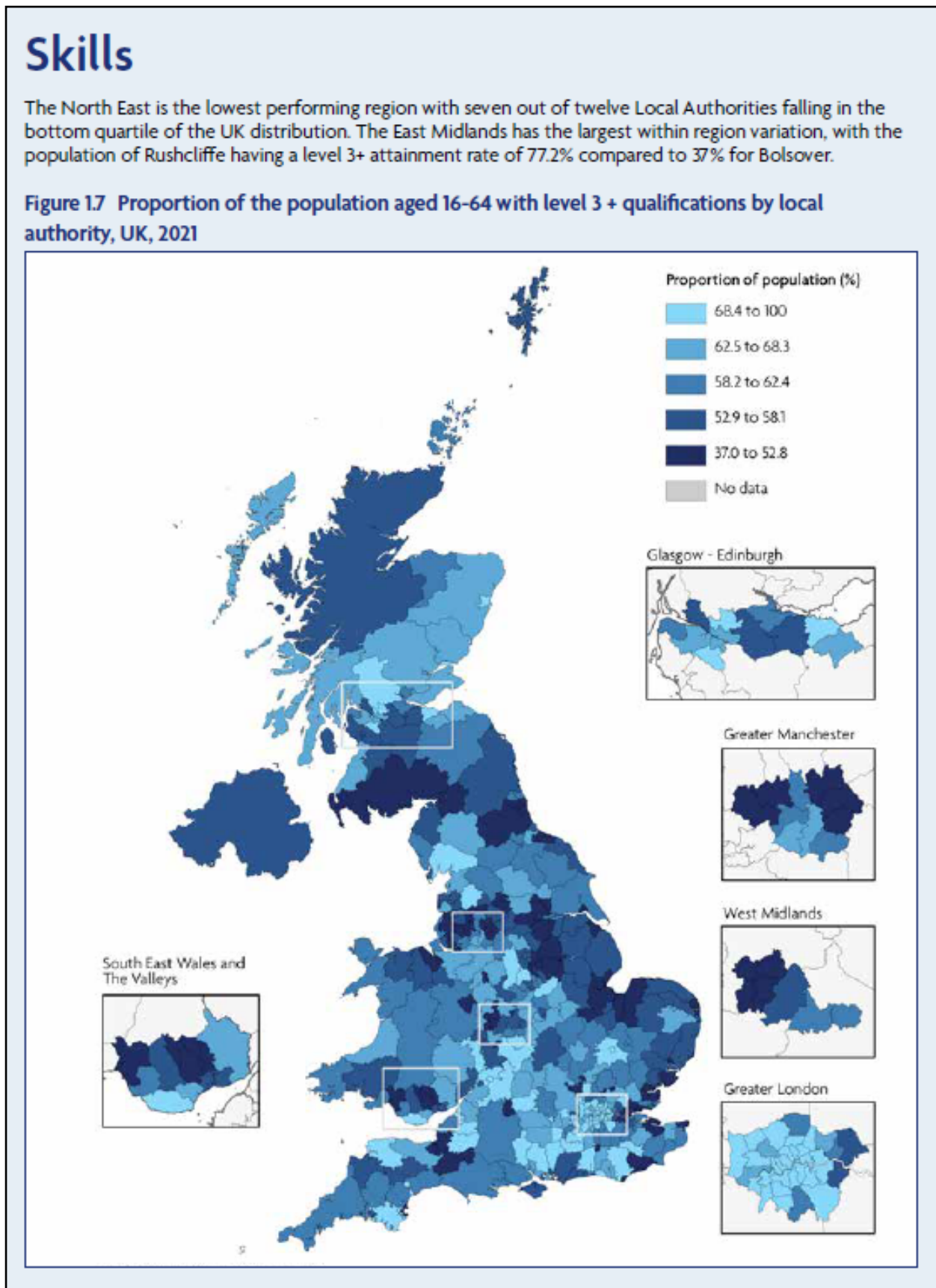
Box 3

**Figure 1.13 Spatial patterns: Which places are most left behind? Local authorities in the bottom quartile for level 3+ equivalent skills in the adult population, Gross Value Added (GVA) per hour worked, Median Gross Weekly Pay and healthy life expectancy<sup>31</sup>**



Source: Page 18, Levelling Up – Levelling Up the United Kingdom, February 2022

Box 4



Source: Page 10, Levelling Up – Levelling Up the United Kingdom, February 2022



**Table 1: Upper tier local authorities in England ranked by proportion of 16-64 year olds with level 3+ qualifications, average of 12 month periods ending December 2017, 2018 and 2019<sup>4</sup>**

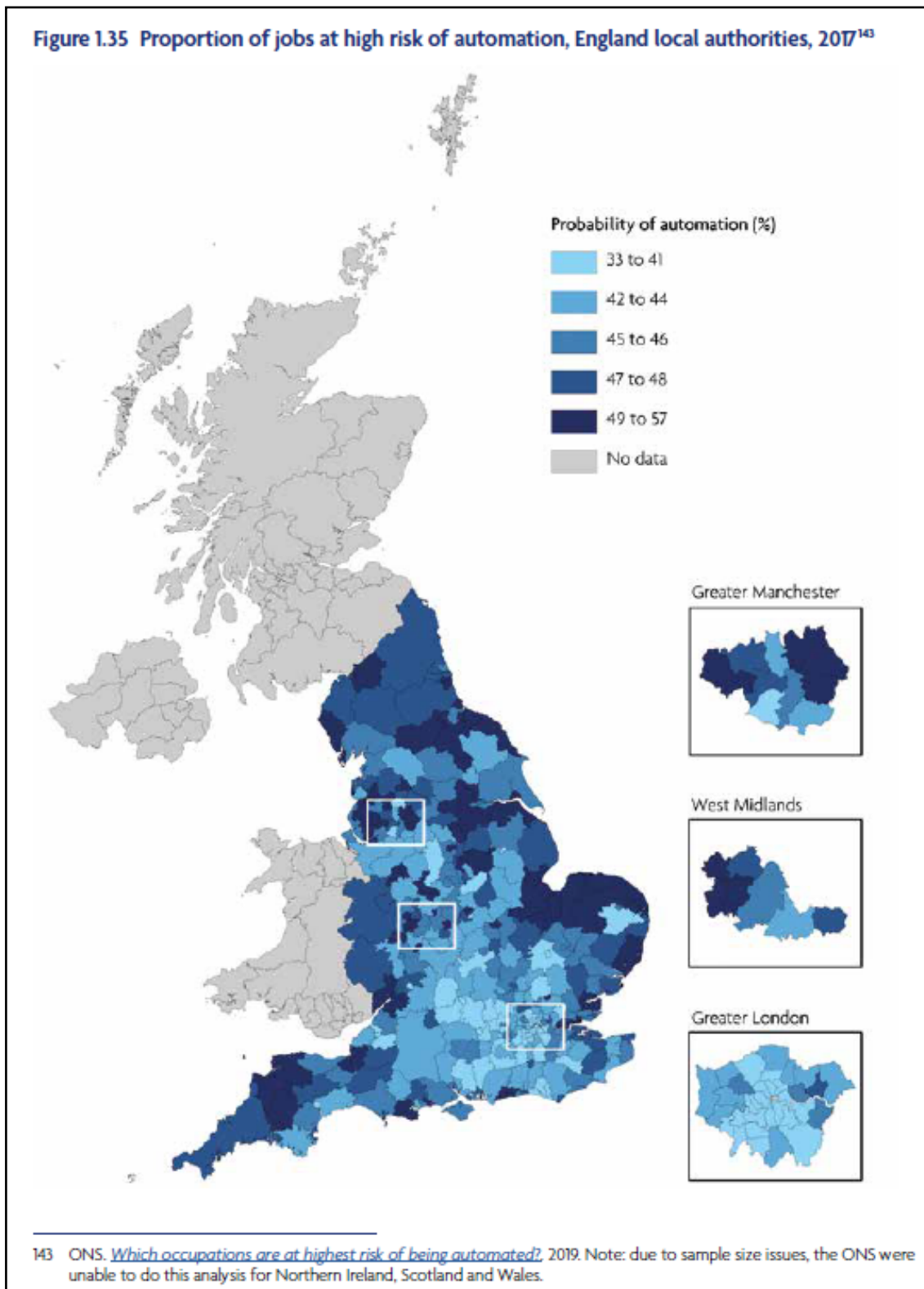
Local authority code	Local authority	Proportion of 16-64s with L3+
E08000028	Sandwell	36.9%
E08000031	Wolverhampton	40.4%
E08000027	Dudley	42.1%
E06000012	North East Lincolnshire	43.6%
E08000017	Doncaster	43.8%
E08000011	Knowsley	43.8%
E06000021	Stoke-on-Trent	44.6%
E08000032	Bradford	44.9%
E06000034	Thurrock	45.0%
E06000002	Middlesbrough	45.2%
E06000031	Peterborough	45.5%
E06000013	North Lincolnshire	45.9%
E08000024	Sunderland	47.5%
E08000005	Rochdale	47.7%
E09000002	Barking and Dagenham	47.9%
E08000008	Tameside	48.0%
E06000001	Hartlepool	48.1%
E08000004	Oldham	48.1%
E06000008	Blackburn with Darwen	48.5%
E09000016	Havering	48.6%
E08000037	Gateshead	48.8%
E06000009	Blackpool	48.8%
E08000030	Walsall	48.9%
E08000018	Rotherham	48.9%
E06000010	Kingston upon Hull, City of	49.0%
E06000016	Leicester	49.1%
E08000036	Wakefield	49.2%
E06000061	North Northamptonshire	49.8%
E06000032	Luton	49.9%
E06000033	Southend-on-Sea	49.9%
E06000006	Halton	50.0%
E08000010	Wigan	50.1%
E10000019	Lincolnshire	50.7%
E08000016	Barnsley	51.0%
E06000003	Redcar and Cleveland	51.0%
E08000013	St. Helens	51.1%
E06000057	Northumberland	51.2%
E10000012	Essex	51.2%
E08000034	Kirklees	51.4%
E10000020	Norfolk	51.6%
E08000023	South Tyneside	51.8%
E06000030	Swindon	51.9%
E08000025	Birmingham	52.2%
E08000014	Sefton	52.4%
E06000020	Telford and Wrekin	52.6%
E10000029	Suffolk	52.9%
E06000047	County Durham	53.0%
E08000001	Bolton	53.2%
E06000015	Derby	53.2%
E06000035	Medway	53.3%

Source: Local Authority Skills Levels, England, DfE, February 2022

## Jobs and Skills Demand

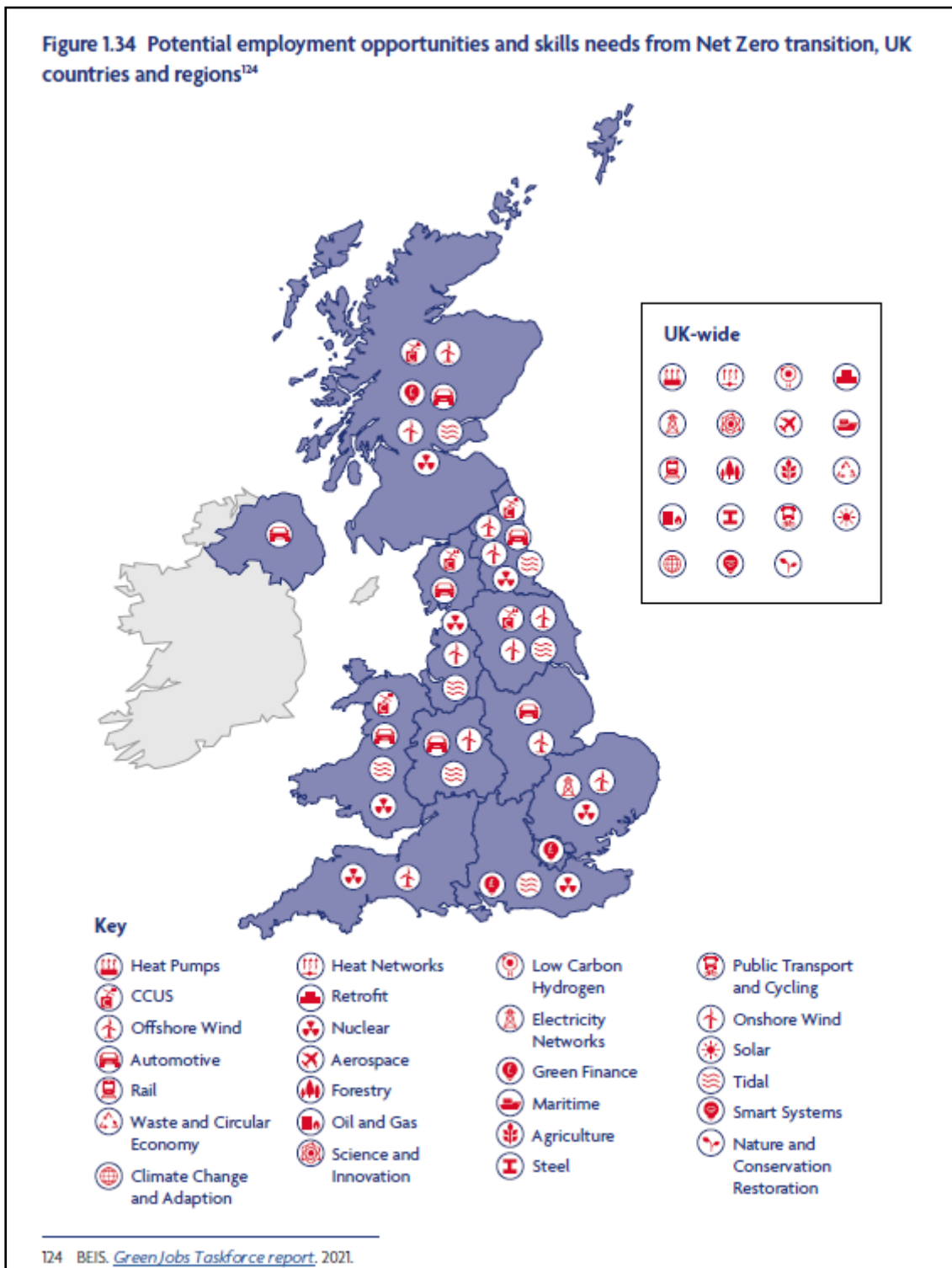
The Levelling Up White Paper highlights two factors that drive job and skill demand in the regions and localities of England. The first is the proportion of jobs at risk from automation (see Box 6). And the second is the employment and skills needs arising from the transition to Net Zero (see Box 7).

Box 6



Source: Page 57, *Levelling Up – Levelling Up the United Kingdom*, February 2022

Box 7



Source: Page 54, Levelling Up – Levelling Up the United Kingdom, February 2022

## Levelling Up, Devolution and Post-16 Education and Skills in England

### Current Position

There are currently ten Directly Elected Mayors (DEMs) in England (see Box 8). They are London, West Midlands, Greater Manchester, West Yorkshire, Sheffield City Region, Liverpool City Region, North of the Tyne, Tees Valley, Cambridgeshire and Peterborough, and West of England.

### Focus Area Four, Mission Twelve

The fourth of the focus areas for levelling up is to *empower local leaders and communities, especially in those places lacking local agency* (see Box 2 above). Focus area four contains one mission – Mission Twelve.

The aim of Mission Twelve is to *extend, deepen and simplify devolution across England so that by 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution with a simplified, long-term funding settlement* (Page xxvii).

### A New Framework

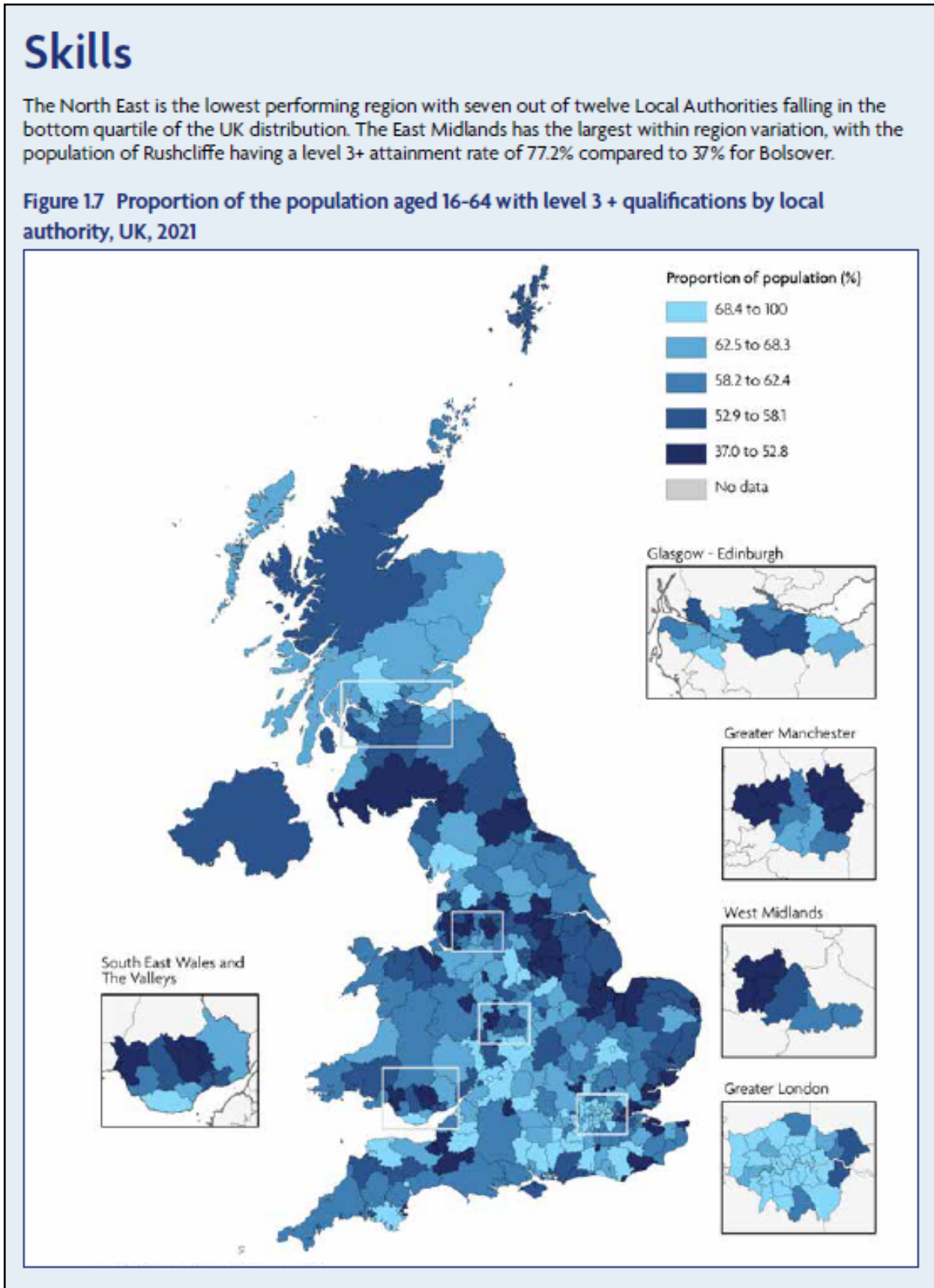
The white paper proposes a new framework for devolution in England (Box 9). Level 3 corresponds to DEMs. Level 2 is defined as a single institution or County Council without a DEM across a whole FEA (functional economic area) or whole county area. And Level 1 is where local authorities work together across a FEA or whole county area through joint committees.

### Extending Devolution

The white paper seeks to extend devolution in England by:

- Inviting Cornwall; Derbyshire and Derby; Plymouth and Torbay; Durham; Hull and East Yorkshire; Leicestershire; Norfolk; Nottinghamshire and Nottingham, and Suffolk to start negotiations to agree County Deals, with the aim of agreeing a number by autumn 2022;
- taking forward negotiations to agree a Mayoral Combined Authority (MCA) deal with York and North Yorkshire, and an expanded MCA for the North East, and
- confirming that other areas, particularly those with broadly similar circumstances to North Yorkshire and York have an opportunity to consider their interest in a MCA devolution deal – for instance a mayoral deal in Cumbria and similar areas.

Box 8



Source: Page 10, Levelling Up – Levelling Up the United Kingdom, February 2022

## Box 9

**Table 2.3 Devolution Framework**

**Level 3** – A single institution or County Council with a directly elected mayor (DEM), across a FEA or whole county area

**Level 2** – A single institution or County Council without a DEM, across a FEA or whole county area

**Level 1** – Local authorities working together across a FEA or whole county area e.g. through a joint committee

Function	Detail	L1	L2	L3
Strategic role in delivering services	Host for Government functions best delivered at a strategic level involving more than one local authority e.g. Local Nature Recovery Strategies	✓	✓	✓
	Opportunity to pool services at a strategic level	✓	✓	✓
	Opportunity to adopt innovative local proposals to deliver action on climate change and the UK's Net Zero targets	✓	✓	✓
Supporting local businesses	LEP functions including hosting strategic business voice		✓	✓
Local control of sustainable transport	Control of appropriate local transport functions e.g. local transport plans*		✓	✓
	Defined key route network*			✓
	Priority for new rail partnerships with Great British Railways – influencing local rail offer, e.g. services and stations			✓
	Ability to introduce bus franchising		✓	✓
	Consolidation of existing core local transport funding for local road maintenance and smaller upgrades into a multi-year integrated settlement			✓
Investment spending	UKSPF planning and delivery at a strategic level		✓	✓
	Long-term investment fund, with an agreed annual allocation			✓
Giving adults the skills for the labour market	Devolution of Adult Education functions and the core Adult Education Budget		✓	✓
	Providing input into Local Skills Improvement Plans		✓	✓
	Role in designing and delivering future contracted employment programmes			✓
Local control of infrastructure decisions	Ability to establish Mayoral Development Corporations (with consent of host local planning authority)			✓
	Devolution of locally-led brownfield funding			✓
	Strategic partnerships with Homes England across the Affordable Housing Programme and brownfield funding			✓
	Homes England compulsory purchase powers (held concurrently)		✓	✓
Keeping the public safe and healthy	Mayoral control of Police and Crime Commissioner (PCC) functions where boundaries align <sup>^</sup>			✓
	Clear defined role in local resilience*		✓	✓
	Where desired offer MCAs a duty for improving the public's health (concurrently with local authorities)			✓
Financing local initiatives for residents and business	Ability to introduce mayoral precepting on council tax*			✓
	Ability to introduce supplement on business rates (increases subject to ballot)			✓

\* refers to functions which are only applicable to combined authorities

<sup>^</sup> refers to functions which are currently only applicable to mayoral combined authorities

Source: Page 140, Levelling Up – Levelling Up the United Kingdom, February 2022

## Deepening Devolution

In addition, the white paper seeks to *deepen* devolution in England by:

- opening negotiations with the West Midlands MCA and Greater Manchester MCA which will act as the blueprint for other MCAs to follow;
- working with MCAs, initially as part of the trailblazer deals, to explore options to streamline the funding landscape for MCAs, and
- inviting other MCAs and the GLA to bid for sweeping further powers, through the new devolution framework.

## LEPs and Devolution

Levelling up, according to the white paper, is a *whole of society endeavour*. The private sector is essential to levelling up and the white paper states that successful local economies are built on a diverse range of businesses, innovators and local partners (*Page 144, Levelling Up – Levelling Up the United Kingdom, February 2022*).

Local Enterprise Partnerships and their business boards will be encouraged to integrate into MCAs, the GLA (Greater London Authority) and County Deals, where they exist. LEPs will continue their work where devolution deals do not exist. Where devolution deals cover part of a LEP area, an assessment will be made on a case by case basis (*Page 146, Levelling Up – Levelling Up the United Kingdom, February 2022*).

## The Levelling Up Policy Programme – Post-16 Education and Skills

### New 16-19 Policies

In the area of English 16-19 education and skills, the white paper proposes two new policies:

- the opening of eleven new specialist 16-19 maths schools to ensure access to high quality academic education, and
- the opening of new 16-19 free schools targeted in areas where they are most needed to ensure talented children from disadvantaged backgrounds have access to a college, school sixth form or 16-19 academy (*Page 190, Levelling Up – Levelling Up the United Kingdom, February 2022*).

## New Post-18 Policies

In the area of English post-18 education and skills, the white paper proposes three new policies:

- the creation by the Department for Education (DfE) of a Unit for Future Skills working with the DBEIS (Department for Business, Energy and Industrial Strategy) and Department for Work and Pensions (DWP);
- the development of Pathfinder areas to bring together greater alignment between employment and skills interventions, and
- a mission to increase the number of people successfully completing high-quality skills training by 200,000 annually (see Box 10) as part of a commitment to *lifelong training* for all adults.

### Box 10

#### **Mission 6**

By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.

Source: Page 193, Levelling Up – Levelling Up the United Kingdom, February 2022

## This Pamphlet

Campaign for Learning is delighted to bring together a collection of eighteen articles on levelling up and post-16 education and skills in England. The policy canvas is vast, the perspectives diverse, and the insights important. We trust the collection will be useful to government officials and stakeholders as the levelling up policy programme is taken forward.

## Campaign for Learning: Assessment and Recommendations

The pamphlet concludes with an assessment by the Campaign for Learning on the Levelling Up white paper and post-16 education and skills policy, and a series of recommendations to take the agenda forward.

Julia Wright, Campaign for Learning

Mark Corney, Policy Adviser, Campaign for Learning



# **Part One**

## **National and Place-Based Strategies**

## **Andy Westwood, Professor of Government Practice, University of Manchester**

### **Levelling Up and the Department for Education**

When Sally Ann Hart, MP for Hastings, asked the Department for Education and Skills about discussions with Department for Levelling Up, Housing and Communities, about skills and technical education in coastal towns, the Skills Minister Alex Burghart's [response](#) was that plans were largely the same as for everywhere else. He replied:

*"We are investing £3.8 billion more in FE and skills over the Parliament as a whole, to ensure people can access high-quality training and education that leads to good jobs, addresses skills gaps, boosts productivity and supports levelling up.*

*We have also launched T Levels, which are world-class programmes developed with over 250 leading employers to the same quality standards as apprenticeships and will ensure more young people gain the skills and knowledge demanded by employers...*

*The government is rolling out Local Skills Improvement Plans, which will set out the key changes needed to make technical education and training more responsive to local labour market skills needs."*

### **Retaining the Broad Policy Approach**

So even before the 'Levelling Up' white paper was published, it was clear that the DfE wished to stick to its broad policy approach. Left behind places with weaker economies and labour markets, lower skills levels, fewer jobs and lower wages were to be offered the same policy options as richer, more productive, higher income places. In short, one size must – more or less – fit all.

### **Inadequate Resources for the Broad Policy Approach**

Of course, there is a lack of funding for the existing broad policy approach to education and skills, let alone for left behind places.

[According to the IFS](#), even with additional funding from the recent spending review, college spending per pupil aged 16-18 in 2024 will still be around 10% below 2010 levels, while school sixth form spending per pupil will be a whopping 23% below 2010 levels.

Additional funding for adult education and apprenticeships announced in Spending Review 2021 - because of the scale of the cuts over the last decade - means that spending in 2024 will still be one-third lower than 2010.

## Post-16 Education and Skills Policies in England

So, what does the '[Levelling Up](#)' [white paper](#) set out to do in education? Mission 5 sets out an ambitious target of getting 90% of children to expected standards in English and Maths and increasing the percentage in the worst performing areas by over a third. And Mission 6, sets out an ambition to increase skills with 200,000 people getting 'high quality training' annually, with 80,000 from the least well qualified areas.

Outside of the two missions for education and skills, there are two noteworthy policy developments. The first is the introduction of Education Investment Areas in 55 local places in England, with increased pay for schoolteachers, new 'highly selective sixth forms', and underperforming schools to join established MATs. A second is the creation of 9 new Institutes of Technology.

### Left Behind Places

#### Lack of Ambition

Nothing demonstrates the lack of ambition of the white paper in terms of post-16 education and skills policy than Mission 6. According to [Stephen Evans](#) of the Learning and Work Institute, over 800,000 adult learners have been lost over the last decade and so it will take several years just to restore numbers. And 80,000 places won't go very far in 'left behind' towns or regions.

Take Blackpool - picked out in the Levelling Up white paper and where Boris Johnson and Michael Gove visited - skills are low and will take time to turnaround. [According to ONS data](#), 24% (19,400) of adults have qualifications at L4+ compared with 43% nationally. To reach this average, Blackpool will need 15,439 people to get a higher education qualification.

Nearby [in Oldham](#), these numbers are higher still. 28.3% (40,700) have L4+ and to get to the national average a further 21,285 would need to be added to this figure. Furthermore, to get Oldham to the national average at other qualification levels would require 14,824 more people at L3 (up from 73,400 to 88,224), and 4,438 fewer adults without any qualifications if the town was to be in line with the national average (i.e from 9.5% to 6.4%).

#### Lack of Funding

So, between such places, neither the 200,000 nor 80,000 targets will go very far. This shows the broader challenge facing skills policy in England – scale and sufficiency. It is hard to see how residents will access high paying jobs nearby if skill levels are low. And it is also hard to see how better quality jobs might develop locally.

As [research from the OECD](#) in areas like Blackpool and Greater Manchester shows, the focus should not just be about increasing skills and qualifications but also on how these skills are utilised in local firms and sectors or in public services and other local institutions. In this way the connections to other missions will be vital – including to R&D, innovation, good jobs and productivity. In other words this isn't just a supply side problem.

These are big issues and they show the need for more ambition and resource from DfE and Treasury, as well as the need for more differentiation in support for places with weakest skills and local economies.

Lack of Devolution

Largely 'one size fits all' approaches to qualifications, funding, accountability and the operation of national programmes won't work. But apart from AEB in large cities, the system is completely centralised. Even AEB is fixed at/by the centre on what it can be spent on.

LSIPs too weak to Break the Cycle

DfE will point to LSIPs as a mechanism that meets local demand, but this will be insufficient to drive local economic change. Why? Firstly, they can't channel extra funding in order to close these big gaps. And second, they will reflect the nature of the economy in *left behind places*. So, if it's a 'low skill equilibrium' and employers are functioning at lower levels of productivity and pay then LSIPs may simply reinforce rather than break the cycle.

Similar issues affect apprenticeships and T Levels in places like Oldham and Blackpool. With fewer high skilled businesses, there are fewer placements or jobs with training. Again, it is hard to see how LSIPs can offer necessarily different strategies in places with these different challenges. This situation is different in other places. Margate isn't the same as Milton Keynes and Rochdale isn't Reading. Interventions need to be different if serious inequalities are to be reduced.

## **A Series of Big Problems**

So, all of this and the succession of the skills and Levelling Up white papers leave us with a series of big problems. The first is insufficient ambition and a lack of resources. It may be that the latter is driving the former. Second is a lack of differentiation in either understanding or policy delivery - some places need more as well as different kinds of help. Third, there is the problem of delivering skills policy in splendid isolation from other areas - such as R&D, health, local government, or the private sector and the demand side of the economy. The six capitals analysis in the Levelling Up white paper shows how these must come together to create thriving places.

## **The Role of Colleges and Universities**

But neither the white paper nor DfE policy, says enough about how colleges and universities can drive them - glossing over their importance to social and institutional capital as well as to physical, intangible and financial capital. Likewise with the twelve missions and the importance of institutions to infrastructure, productivity, local growth as well as to health, wellbeing and civic pride.

Instead, colleges and universities sit in separate sealed off parts of human capital, overseen by centralised policy frameworks that don't care to understand the different and interlocking needs of struggling places. This means that there are deep conceptual problems alongside the particular shortcomings of the policies or targets already described. That's not a good way to oversee FE and skills policy and not to 'level up' either.

### **Recommendation 1**

Education Investment Areas (EIAs) should also include post-16 skills and further education, with similar support for staff pay and a sizeable fund for allocation to places with low skills levels.

### **Recommendation 2**

Within places covered by Education Investment Areas, LSIPs should form part of a broader, longer-term approach, linking colleges and universities to wider strategies on the economic and social needs of a place.

### **Recommendation 3**

In line with the Levelling Up white paper's sixth 'capital', colleges in struggling places should be protected and supported as key local institutions. They will need to play a part in turning such places around and DfE cannot be indifferent.

## **Levelling Up and Post-16 Education and Skills**

Ironically, given the title, the Levelling Up White Paper is oddly unbalanced. The twelve 'missions' set out within it, and to be achieved by 2030, are as close as this Government has to a plan but some are wildly unrealistic and others strangely unambitious. The education "mission" falls into the former camp.

### **The 'Education and Skills' Missions**

There is simply no way 90% of primary school children will be meeting reading, writing and numeracy standards in that timespan unless the tests are changed. This is especially the case given that there is no extra funding on offer to help schools achieve this goal. By contrast the adult skills "mission" is anaemic. Meeting it merely requires an additional 200,000 people a year on formal training courses, which would only replace around a quarter of the places lost due to funding cuts over the last decade.

### **Wider Education and Skills Policies**

The policy proposals linked to each mission also feel out of kilter. A ragbag of gimmicks, restatements of existing policy, and a few genuinely important changes. It's not really surprising given the Department of Levelling Up, Housing and Communities (DLUHC) had limited support from No 10 and hostility from the Treasury. Most of the important stuff relates to things that are in DLUHC's direct control, while the long lists of tangential or minor policies read like other Departments doing the bare minimum while keeping any juicy announcements for themselves.

Most of the other policy content was either already known or builds on existing initiatives. Some of these are interesting, and potentially valuable, but small scale, such as the ongoing development of Institutes of Technology or Supported Internships for young people with additional needs. Others, like the adult numeracy scheme Multiply, announced at the Spending Review, still lack enough detail to be able to evaluate.

### **16-19 Education and Skills**

Probably the most discussed announcement in the post-16 space, the offer of 'elite' sixth forms to lower skilled parts of the country, falls squarely into the tangential category. A small number of new highly selective institutions will only help a few young people, and the ones that are helped would likely have done well anyway. It also undermines the local colleges that the vast majority of students will still attend. Local pride is not helped by being told you're not part of the elite.

## **Coherence through Devolution**

But if you squint hard enough there's the outline of a coherent strategy behind the tombola of seemingly disconnected policies. The key to this is the devolution framework which will give more local areas, over time, control of the adult skills budget. This has to be a sensible reform given these areas are also being tasked with boosting local economies and creating partnerships between business and educational institutions. It would be strengthened by folding in more of the 50 skills and employment related funding streams that are currently on offer from central government.

In addition there is the new Shared Prosperity Fund which offers ongoing allocations of revenue and capital funding to local areas to invest in communities, local businesses and skills. This should act as a genuinely flexible resource that can be used both to build greater demand for specific skills and fund their supply via local colleges and universities (which are critical to such efforts despite being largely absent from the White Paper).

## **Lifetime Skills Guarantee**

The second 'prong' of the strategy is greater flexibility on the demand side via the Lifetime Skills Guarantee, which has been extended to allow everyone earning below the Living Wage to take a further Level 3 qualification, alongside anyone who doesn't already have one. This is a sensible acknowledgement that people may need to re-train but again could be extended more broadly to include anyone on Universal Credit and potentially even all basic rate taxpayers. Additional qualifications can increase earnings from a far higher starting point than below living wage.

## **Lifelong Loan Entitlement**

By 2025 we should see the introduction of further flexibility via the Lifelong Loan Entitlement which, if implemented well, should offer significantly greater access to shorter higher education courses for adults who do not have a degree, by opening up the student loan system. There are some big policy questions that still need to be answered about this policy, such as how shorter courses will connect into the qualifications framework but the principle is an important one.

## **Kernels of Change**

Had the White Paper focused on the combination of the greater devolution and more demand side flexibility for people who live in areas that need levelling up, it would have had a much stronger narrative. We have to hope that it is on these factors that attention focuses in the coming years, rather than the gimmick policies that will just distract. Taken as a whole the White Paper is confused and unrealistic. But within it there are kernels of change that could make a big difference.

### **Recommendation 1**

Build on devolution of adults skills funding by folding in some of the 50 other central government [funding streams](#) for adult skills or employability. Over time look at whether it makes sense to transfer accountability for further education institutions to local areas rather than hold centrally with the Department for Education.

### **Recommendation 2**

Expand the Lifetime Skills Guarantee to all basic rate taxpayers to allow more people to retrain even if they have a Level 3 qualification. Doing so would also make the Lifelong Loan Entitlement more effective as more people would be able to take free qualifications that set them up for the short higher education courses they want to secure a loan for.

### **Recommendation 3**

Establish a more ambitious mission for skills that is based on the number of people with qualifications at each level up to postgraduate by 2030. There is no reason to be so unambitious around adult training given how important it is to the wider Levelling Up agenda and it's important not just to focus on the numbers doing courses but increasing the overall skills profile of the country over time.



## **Fiona Aldridge, Head of Skills Insight, West Midlands Combined Authority**

### **Levelling Up the West Midlands by 2030**

As the White Paper reminds us, *'While talent is spread equally across our country, opportunity is not.'* This is certainly true in the West Midlands.

#### **Inequalities in the West Midlands**

Despite unprecedented pre-pandemic growth, with rising productivity, jobs and employment, parts of the regional economy are also beset with long-standing challenges around high unemployment, low pay, skills shortages and limited social mobility.

In Wolverhampton the youth claimant count is nearly twice the national average; Sandwell has the highest proportion of residents with no qualifications; and in Walsall median pay is just 90% of the national average.

#### **Aligning Adult Skills to Economic Need**

There is much good work already underway to address these challenges. The flexibilities afforded through devolution have allowed us to take a more collaborative approach to commissioning adult skills provision, strategically aligned to regional economic need.

We have been able to respond quickly to labour market challenges and invest in new provision linked to emerging demand. As a result, we have seen a 33 per cent increase in provision aligned to regional priority sectors, a seven-fold increase in higher-level skills provision and a 20 per cent increase in job outcomes through our training.

While we are proud of these achievements, there is much more to do – and the Levelling Up White Paper provides a welcome opportunity to further realise our ambitions for the region.

The recognition of the role of adult skills in levelling up is certainly to be welcomed, as is the commitment to begin reversing the decline in participation seen over the previous decade. We should bear in mind however, that achieving the mission set out in the White Paper would recover only one-quarter of the lost learners over the past decade, while a lack of new investment means that funding for adult skills will remain an estimated £750m lower in 2025 than it was in 2010.

On this basis, it's not difficult to argue that the failure to present a long-term strategy for adult skills backed by long-term investment represents a missed opportunity. After all, the White Paper is clear that *'levelling up requires a focused long-term plan of action'* and that previous attempts to tackle geographical disparities have been unsuccessful because they were *'short-term, lacked scale and co-ordination'*.

## **Deeper Devolution**

For the West Midlands, the commitment to a trailblazer deeper devolution deal is certainly to be welcomed. Skills devolution has already strengthened partnership working in the region, opened up new opportunities and enabled us to test innovative solutions to long-standing problems. Further employment and skills devolution will enable us to deliver even better outcomes for residents, and we have previously proposed that this should focus around three key areas:

Firstly, the creation of a Single Skills Funding Pot would enable us to more quickly and efficiently align resources to meet local employer and community needs, through high quality provision linked to industry. It would deliver more added value through establishing clear progression pathways, from basic skills and entry level learning through to Level 3 and beyond. It would also enable us to integrate skills provision with employment support and wrap around provision – supporting more of our residents into work and improving in-work progression.

Secondly, greater responsibility for technical and vocational training in the region, would allow us to create a clearer and more integrated offer for employers and learners that will drive up higher-level skills. We have a robust understanding of our local labour market, and strong relationships with employers and providers across the region that enables us to create timely and high-quality education and skills pathways between residents and jobs.

And thirdly, devolution or co-commissioning of careers services would ensure that we can target those young people and adults most vulnerable to labour market change, signposting and supporting them to the right opportunities for them.

## **Levelling Up Adult Skills Funding is not a Panacea**

We know that while adult skills are an important contributor to the levelling up agenda, they are not the panacea. The great potential of deeper devolution is the opportunity to integrate further skills devolution with wider levers – R&D investment, innovation, transport infrastructure, digital connectivity, health and housing – enabling us to unleash the potential of a highly skilled workforce, stimulate economic growth and productivity, and open up opportunity for individuals.

## **A First Step**

The White Paper is, and can only be, a first step towards tackling geographical inequality. Our role is to work together with partners and to bring together otherwise siloed policy levers and funding streams to ensure that it doesn't become a missed opportunity.

### **Recommendation 1**

DfE should create a single devolved *adult skills* funding pot to better enable a joined-up skills training offer that can boost productivity, underpin economic growth and support levelling up.

### **Recommendation 2**

DfE should devolve careers support to ensure local areas are able to target and support those young people and adults who are most vulnerable to labour market change.

### **Recommendation 3**

Devolved areas in England should be given greater responsibility for *post-16* technical and vocational training, in order to create a clear and integrated offer for employers and learners that will drive up higher-level skills.

## **Mark Hilton, Policy Director, London First**

### **Levelling Up London by 2030**

It is a truth widely acknowledged that an election-winning slogan must become a White Paper. Since a promise to 'Level Up' helped the Conservatives sweep the Red Wall in 2019, there has been eager anticipation as to how such campaigning poetry will be turned into governing prose. And now, Michael Gove, the Secretary of State at the Ministry for Levelling Up, Housing and Communities, has set out the path the Government intends to follow.

#### **More Firepower for London**

The ambition of levelling-up is right, and while the paper's focus on bringing devolution to more places is good, this needs to be accompanied with real local powers, responsibilities and resources. In particular, local places need to keep more of the taxes raised locally and decide how they spend them to drive jobs and growth, without having to repeatedly make the case for small pots of centralised cash. Devolved authorities including London will need more firepower if we are to build back better from the pandemic.

If levelling up is to work, we need a competitive and more equitable capital to support its aims. The starting point for the slogan is that people are held back because of where they live: too few good jobs, inadequate education opportunities; poor infrastructure. And there is clearly truth in this. The UK has one large city where earnings are above the national average: London. Other comparable countries have several.

But the reality is more complicated. Averages often conceal more than they reveal. If you're drinking in a bar and Bill Gates walks in, you're now in a billionaire postcode. Similarly, while average income is higher in London than in the rest of the UK, average disposable income after housing costs isn't.

#### **Differences within London**

The Prime Minister, when Mayor of London, noted how life expectancy declines, station by station, as the District Line weaves its way from prosperous west London through the East End to Barking. In central London boroughs like Camden, double-fronted mansions sit just minutes away from estates where the indicators of multiple deprivation are amongst the highest in the country.

Analysis by London First shows that on the one hand London has a higher share of its employment in high-skilled occupations compared with the rest of the UK, and its population has higher levels of qualification than any other region with more graduates than any other city in the world. However, on the other, there are high rates of residents with no qualifications, unemployment, including amongst young, Black and minority ethnic, and disabled Londoners, and in-work poverty. And these were only exacerbated during the pandemic.

### **Levelling within Regions**

The first challenge of levelling up, then, must be that we look to real communities not at unwieldy regions. Local people are better placed to work out how to level up their own communities, so real devolution of powers and resources must be at the centre of successful levelling up.

And it will cost. Here government has a choice. Does it stop investing in those parts of the country that are on average prosperous and which produce a tax surplus for the Exchequer – the East, South-East and London – to plough investment across the country? Or does it continue to invest in these areas so that it has the ongoing resources to invest in levelling up countrywide?

### **London Levelling Up England and the UK**

Investment that flows into the UK via London does more for the wider UK than is often assumed. Analysis that we at London First undertook showed that roughly two thirds of the jobs and economic impact of investment into central London office development accrued elsewhere in the UK. Levelling up should go with the grain of the market and leverage our global strengths to support growth across the country.

### **Skills**

Skills investment is a major component of levelling-up, and the White Paper acknowledges this with its mission to increase the number of people successfully completing high-quality skills training. Skills drives per capita income and high clusters of skilled people create high productivity, producing a virtuous circle.

That's why levelling up must unlock an ambitious skills devolution programme in England to ensure that the Government's proposals previously outlined in the *Skills for Jobs* White Paper make a difference across the country, including London. Regional employer-led skills commissioning boards in England should oversee and co-ordinate the new Local Skills and Improvement Plans.

### **Recommendation 1**

Funding for the National Careers Service should be increased so that an effective all age Careers Service is developed and devolved to regional employer-led skills commissioning boards.

### **Recommendation 2**

Funding from the National Skills Fund and the Adult Education Budget should be merged, increased and devolved to regional employer-led skills commissioning boards to support employees from sectors that have suffered the most during Covid-19 through adult retraining opportunities.

### **Recommendation 3**

Cities in England should retain underspends from the apprenticeship levy so that regional employer-led commissioning boards can target apprenticeship funding at small firms and sectors most affected by Covid-19.

# **Part Two**

## **Levelling Up and Young People**

## **Geoff Barton, General Secretary, ASCL**

### **Levelling Up and Education: Lots of Stuff but Little Substance**

The truth is that, in England, we have a good education system, but frankly it isn't yet good enough for every child from every background. It's still too much of a postcode lottery.

And if you compare education in England with those international big boys we're supposed to measure ourselves against – such as Finland and Shanghai – then education in our country is be-devilled by one particular problem. It's the achievement gap between young people from advantaged and disadvantaged backgrounds.

Here's how the renowned think tank the Education Policy Institute described the problem in its 2019 annual report. It said:

*'Over recent years, there has been a dramatic slowing down in the closure of the disadvantage gap, to the extent that the five-year rolling average now suggests that it would take 560 years to close the gap.'*

#### **Levelling Up the Achievement Gap**

Even in normal pre-Covid times, at the current rate of progress, it was going to take more than 500 years to narrow the gap between young people's performance in our most advantaged and disadvantaged communities. The level of challenge is simply eye-watering. All of which suggests that our education system needs a serious overhaul if it's to be something that serves young people from every background. Surely, if levelling up is to be anything other than a bit of government rhetoric, this White Paper is the moment to shape how education will be improved across the country?

#### **A Disappointing White Paper**

But what we got is largely disappointing. There's talk of a national mission to eradicate 'illiteracy' and 'innumeracy' by 2030. That date hardly suggests the degree of urgency that's needed. And simply plucking a target for primary texts out of thin air is hardly telling us how we will raise standards. There's nothing about how we recruit more teachers, what they'll do differently, or what extra resources there might be to help children to learn.

#### **Education Investment Areas for Pre-16 Provision**

The announcement of 55 new 'Education Investment Areas' sounds like a rehash of existing ideas, creating education action zones in areas deemed as 'cold spots'. Within them, it seems, will be new sixth forms which the government's press office describes as 'elite'. There's other stuff too – a suggestion that schools rated as 'requiring improvement' might be forced to join multi-academy trusts. And there are some ideas for better careers education.



## **Education fit for the 21st Century**

But, all in all, ASCL believes all the hype of levelling up will leave lots of us feeling disappointed. Here was a chance to make teaching a high status, 21st century profession. Here was a chance to develop and celebrate the potential of all our young people. Here was a chance to show how technology could be part of the transformation of education as it has been in health.

Instead, there's a long document, some of it apparently cut and pasted from previously abandoned government policies and papers. The words 'missed opportunity' instantly spring to mind.

Our recent [Blueprint for a Fairer Education System](#) makes a series of proposals for how we could take our currently good education system and make it world-class, including suggesting changes to the curriculum so that skills and technical education are given higher priority.

### **Recommendation 1**

We think our over-heavy qualifications system should be simplified, especially at GCSE. We think that the way that schools and colleges are measured – through performance tables and Ofsted inspections – could be made more humane, in order that we can recruit and retain the best teachers and leaders at the schools and colleges in the communities that need them the most.

### **Recommendation 2**

Whilst there will be some parents who will welcome super selective sixth forms, it seems a bit of a distraction from what the country needs. Many of us aren't convinced that we need more young people competing to get top grades to get to universities. We think we need to break free from years of educational snobbery and celebrate a range of other routes – such as apprenticeships and vocational and technical qualifications.

### **Recommendation 3**

We need to refine the language around a more positive and uplifting vision. Aren't those words 'illiteracy' and 'innumeracy' pretty problematic? They refer to children in Year 6 – the final year of primary school – who haven't met national standards. That's very different to being either illiterate or innumerate, or both.

## **Sam Tuckett, Senior Researcher, Education Policy Institute**

### **Levelling Up 16-19 Education**

Between the ages of 16-19, students' time at sixth form, colleges and independent training providers is the crucial, final stage of education. It is the point at which young people refine their skills and prepare for the transition to employment or continued study. As at every education stage, however, you don't have to look far to find widespread inequalities.

#### **16-19 Inequalities**

Research from the Education Policy Institute shows that the overall gap between students from disadvantaged backgrounds and their peers is over three grades across their qualifications by the end of 16-19 study.

This gap widened in 2020, due largely to how teacher assessed grades impacted upon those taking applied and vocational qualifications compared to A Level students. However, the levelling up strategy is decidedly lacking in its proposals to benefit these young people.

#### **Two Announcements**

The Levelling Up White Paper only included two substantial announcements relating to the provision of direct support in the 16-19 phase. The first is to create new Institutes of Technology and to boost their status. The second is a proposal to create new 16-19 free schools and specialist maths schools, to be prioritised within local authorities selected as Education Investment Areas (EIAs).

#### **Place-Based Strategies**

Place-based strategies are certainly a good starting point when targeting support, as our research lays bare the extent of inequality that persists around the country.

In the 16-19 phase of education, disadvantaged students in Knowsley, Barnsley and Hartlepool were all over five grades behind the average non-disadvantaged student nationally, while those in many London boroughs were not trailing their peers at all. This hammers home the point that if we want to improve the opportunities of the most vulnerable, focusing on the areas where these gaps are the most pronounced is a sensible way to proceed.

## **Limits to Targeting**

The targeting of these areas, however, comes up short. Firstly, although the interventions listed above are targeted towards the 16-19 phase, the criteria for selecting areas were based entirely on Key Stage 2 and 4 outcomes. Whilst true that education outcomes at Key Stage 4 and post-16 are highly correlated, there are many exceptions to the rule.

Of the 15 local authorities with the widest 16-19 disadvantage gaps in 2019 or 2020, 7 were not selected among the 55 EIAs earmarked for further investment. In fact, Barnsley and Stockton on Tees were among the local authorities with the widest 16-19 disadvantage gaps nationally, yet still missed the cut.

As on average, disadvantaged students fall further behind their peers by the end of the 16-19 phase, and well over half leave the education system at this point, neglecting these areas will leave many students behind.

## **Institutes of Technology**

The proposals around Institutes of Technology are a continuation of existing policy. Although not a new initiative, boosting the status of STEM education and helping more young people to achieve higher technical qualifications is a step in the right direction, and a renewed place base emphasis is good to see, even though the targeting could be improved. However, although these institutes will deliver T Levels, their focus is on Level 4 and 5 qualifications, so the role they will play in levelling up 16-19 education remains to be seen.

## **Free Schools for 16-19 Year Olds**

With regards to the new free schools for 16-19 year olds, there are potential benefits for high performing students in those areas with a limited variety of institutions. It is important to enable these students to make educational choices based on what is right for them rather than what is available locally.

However, highly selective institutions will do little to benefit those students who are not selected. If those in most need are to level up, a greater focus is needed on improving provision for low attainers, not high attainers.

## **Limited Ambitions**

The Levelling Up white paper presents some good ideas and the area-based focus is the right one. However, as a flagship proposal it falls way short of its ambitions, and some of the positive initiatives risk being executed poorly. To level up truly, the government needs to increase its focus on 16-19 education and skills in general.

## **Recommendation 1**

The government needs to improve the targeting of areas for interventions such that those from disadvantaged backgrounds stand to benefit the most, based on measures that include student outcomes in the 16-19 phase.

## **Recommendation 2**

The government must address the longstanding underfunding within the 16-19 phase, to ensure that all students are able to make good progress during these important years. This should involve creating new institutions where this can be demonstrated to improve access opportunities, but prioritise improving and expanding existing provision.

## **Recommendation 3**

A greater emphasis should be placed on improving provision for those with low attainment, not just those students in disadvantaged areas who left school with sufficiently high GCSEs to access elite institutions.

## **Levelling Up Participation by 16-18 Year Olds**

The long overdue Levelling Up white paper contains ambitions that are hard to dispute. A policy to transform the UK economy through a place-based approach, to more equally share prosperity across the country and within regions has long been needed.

The white paper envisages a new renaissance - a 'contemporary Medici model', boosting productivity, improving public services, restoring a strong community ethos, and empowering local leadership. And it recognises that to catalyse this crucial change addressing the six capitals: physical, human, intangible, financial, social and institutional is central.

### **Geographical Mobility: Higher Education and Apprenticeships**

Digging into the analysis on human capital, however, the vision for the large part is informed by the *transformative role* of higher education for individuals and society. The benefits of higher education are greater social and geographic mobility, the latter being an important factor in accessing good quality work.

Levelling up, however, should mean geographic mobility is less necessary. Nonetheless the analysis misses a trick. It fails to grasp a key element of how skills were developed in the renaissance.

Apprenticeships get their first mention in a footnote on page 127 of the Levelling Up White Paper. It is not until page 226 (of 305 pages) that we see any substantive content. Here we find a brief commitment to encouraging uptake of apprenticeships by small and medium sized enterprises because they are more likely to take on younger apprentices.

However, there is no clear vision connecting apprenticeships to social and economic outcomes. Coming so soon after the [new vision for increasing STEM skills](#) was launched, with its focus on academic qualifications and lack of regard to technical routes, it is hard to see technical and vocational education as other than the poor cousin.

In contrast, apprenticeships played a crucial role in the renaissance. There are strong links to mobility: the model enabled young people to study with a master to acquire skills, to become journeymen who travelled to apply and master those skills before themselves becoming masters and training the new generation. This process helped spread skills beyond the local area and enabled individuals and economies to see returns, sharing prosperity in ways envisaged by levelling up.

## Levelling Up and the Apprenticeship Route for 16-18 Year Olds

In better embedding apprenticeship within the Levelling Up vision, we need to throw a spotlight on optimising the route for the young people, especially 16-18 year-olds.

There was a [25% reduction of the 16-18 age group in apprenticeships](#) between 2015/16 and 2019/20. And yet, whilst tentative, [analysis](#) suggests that young people taking apprenticeships see better economic returns over attaining the same level of vocational qualification in classroom settings.

## Participation in Apprenticeships by 16-18 Year-Olds by Region

The Levelling Up agenda needs a clear vision for furthering apprenticeship in those regions where it remains a strong option of choice and opportunity, while supporting other regions into catch up mode on delivery.

Existing hot spots with high rates of youth participation in apprenticeship are the northern powerhouse regions – the North West and the North East - alongside the South West. Participation in these regions ranges from 5.3% to 4.7% whilst the average in England is 3.8%.

## Participation in Jobs without Apprenticeships by 16-18 Year-Olds by Region

Additionally, more young people in the North West, North East and South West enter the labour market at age 16 or 17, through taking up other forms of work-based learning, or a combination of employment and study. This is in contrast to London where the vast majority enter full-time further education (see Figure 1). In the North West, for example, 9.4% of 16-17s participate in some combination of work and study. This compares to an average of 5.5% across England.

Figure 1

Region/LA name	Total participation rate	Full time education and training	Apprenticeship	Work based learning	Part time education	Employment combined with study	Other	Apprent, WBL & work&study	Arrow to show direction of change in participation	Arrow to show direction of change in NEET rate
England	93.2%	87.4%	3.8%	1.1%	0.1%	0.6%	0.2%	5.5%	▲	▶
North East	92.2%	82.5%	5.3%	3.1%	0.0%	0.9%	0.2%	9.4%	▲	▶
North West	92.7%	85.2%	5.0%	1.5%	0.1%	0.7%	0.3%	7.2%	▲	▶
Yorkshire and The Humber	92.2%	84.5%	5.2%	1.5%	0.1%	0.8%	0.2%	7.5%	▶	▲
East Midlands	94.1%	87.6%	4.0%	0.9%	0.1%	1.0%	0.4%	5.9%	▲	▶
West Midlands	93.4%	87.1%	3.8%	1.7%	0.0%	0.5%	0.2%	6.0%	▶	▶
East	93.0%	87.9%	3.7%	0.8%	0.2%	0.4%	0.1%	4.8%	▶	▶
London	96.0%	93.4%	1.4%	0.7%	0.1%	0.3%	0.2%	2.4%	▲	▶
South East	92.2%	87.6%	3.3%	0.6%	0.1%	0.3%	0.3%	4.2%	▲	▶
South West	91.9%	85.4%	4.7%	0.6%	0.4%	0.6%	0.1%	5.9%	▲	▼

Source: DfE Participation Data: 16-17 year olds recorded in education and training and NEET by local authority, 2021

## **Preventing 16-18 Year-Olds becoming NEET Everywhere in England**

The data show that rates of NEET (Not in Education, Employment or Training) are now pretty intractable, showing far less positive change than those for overall participation. Should apprenticeship and work-based routes be further undermined, we will see rising rates of NEET in those very areas where we need to increase the share of prosperity. New institutions focused on academic skill sets will not be the solution for these young people.

## **An Apprenticeship-Led Renaissance**

We need to achieve a new apprenticeship-led renaissance. This is vital if we are to level up opportunities for every 16-18 year-old wherever they live in England.

### **Recommendation 1**

We should establish regional and place-based brands, and 'one-stop shops' will be key, as SMEs will not engage with a complex system. This one-stop shop can be the go-to resource for schools to overcome the problem of not knowing how to support transitions to apprenticeship, and so defaulting to helping young people to secure post-16 education destinations.

### **Recommendation 2**

We need to develop collaboration between providers and with local economic bodies, Chambers of Commerce and Local Enterprise Partnerships, as well as embedding the apprenticeship vision in policies including Local Skills Improvement Plans alongside Strategic Development Fund plans.

### **Recommendation 3**

For the youngest age groups to succeed, we need to ensure Level 2 is embedded in the apprenticeship standard and that the standard then allows the progression to Level 3, where occupations require this. Functional maths and English skills are what employers want.

## **Kathleen Henehan, Senior Policy and Research Analyst, Resolution Foundation**

### **Levelling Up and 18-24 Year Olds in England**

The long-awaited Levelling Up white paper was finally released a couple of weeks back. And although the white paper included some very welcome proposals on education, skills and employment, we set out here some top-line challenges and recommendations for the policy makers charged with levelling up 18-24 year-olds in England.

#### **Educational Attainment Rates of 18-24 Year-Olds by Region**

As many have pointed out before, educational attainment rates vary widely across the country, and – despite large improvements in attainment among young people over recent decades, differences among young people, across the UK are still considerable.

For example, Figure 1 shows that during 2018-2019, the share of 18-24-year-olds with lower-level qualifications – Level 2 and below – in East Anglia (43%) was nearly twice as large as the share in Strathclyde (23%).

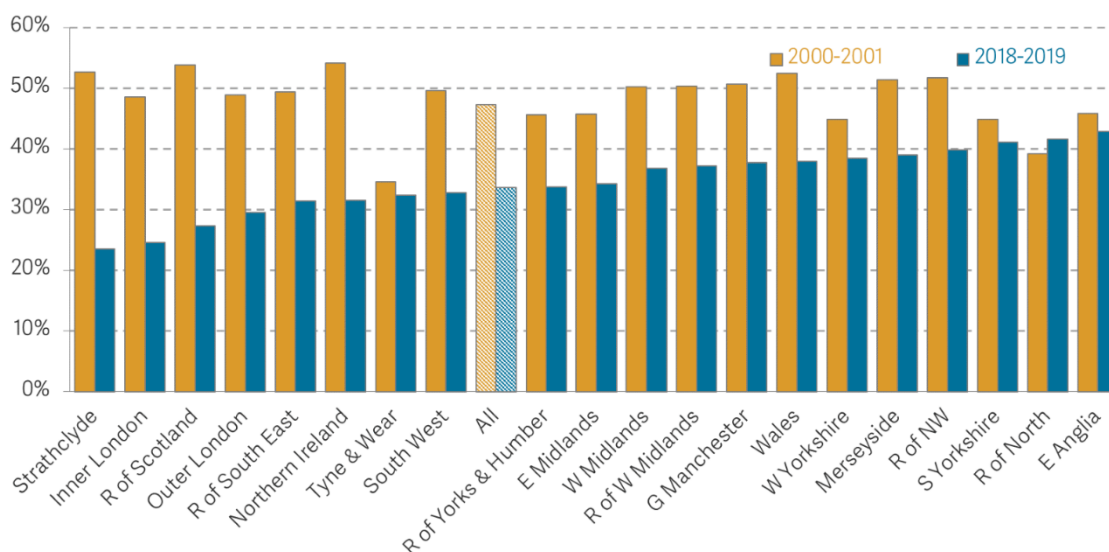
It also shows that attainment rates have not only differed between regions in recent years, but also that improvements in attainment rates have differed by region too.

For example, the share of young people in Inner London with lower-level qualifications nearly halved between 2000-2001 (49%) and 2018-2019 (25%) whereas the share in some northern parts of England rose slightly, from 39 to 42%.

The differences, and different rates of improvement, set out above will be driven by a range of factors: from improvement changes in local schools and colleges, to different patterns of migration across the UK and different job opportunities (and thus people) spread about the country. But to get things right, policy makers should know what works – and what policies have worked better than others – in improving young people's educational attainment across the country.



Figure 1: Proportion of 18-24-year-olds whose highest qualification is GCSE-equivalent or below: UK, 2018-2019



Notes: Includes young people whose qualifications are classed as 'other' and 'don't know.'  
 Source: RF analysis of ONS, Labour Force Survey.

### Unemployed and Inactive 18-24 Year-Olds not in Full-Time Study by Region

But it's not all about study: if the pandemic has taught us anything it's that young people are often at the sharp end of the stick when the labour market turns sour.

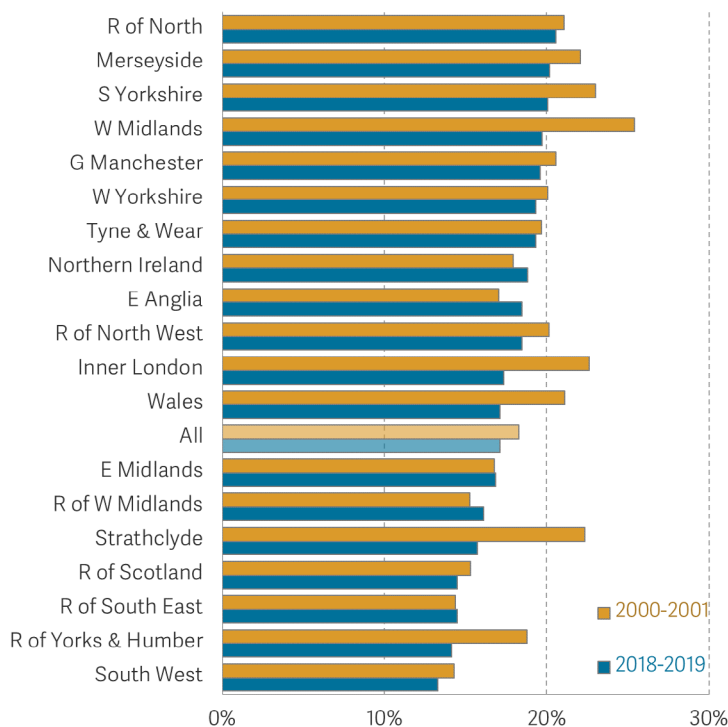
And it is those 18-24 year-olds not in full-time education who have it hardest – both in terms of the mental health risks of being out of work, but also because they have a higher risk of employment scarring over the longer-term.

It's worrying therefore, that Figure 2 shows that in some parts of the country in 2018-2019 more than *one-in-five* 18-24 year-olds outside of full-time education were also out of work.

The worst-hit areas aren't necessarily the ones you'd expect: for example, outer London topped the list in 2018-2019, with 21 per cent of non-full-time student 18-24s being either unemployed or economically inactive.

Moreover, some regions have actually moved backwards over time, with worklessness among non-full-time students rising and being higher in 2018-2019 than it was in 2000-2001 across a number of regions, including: outer London, Northern Ireland, East Anglia, the West Midland and – to a small degree – the South East.

Figure 2: Proportion of 18-24-year-old who are not working and not in full-time education: UK, 2018-2019



Source: RF analysis of ONS, Labour Force Survey.

### Helping 18-24 Year-Olds not in Full-Time Study to Find Jobs

The Levelling Up white paper thankfully included a number of initiatives to help people move into – and progress – in work. For example, in Pathfinder areas, they will bring together a number of public service providers, alongside employers and education providers.

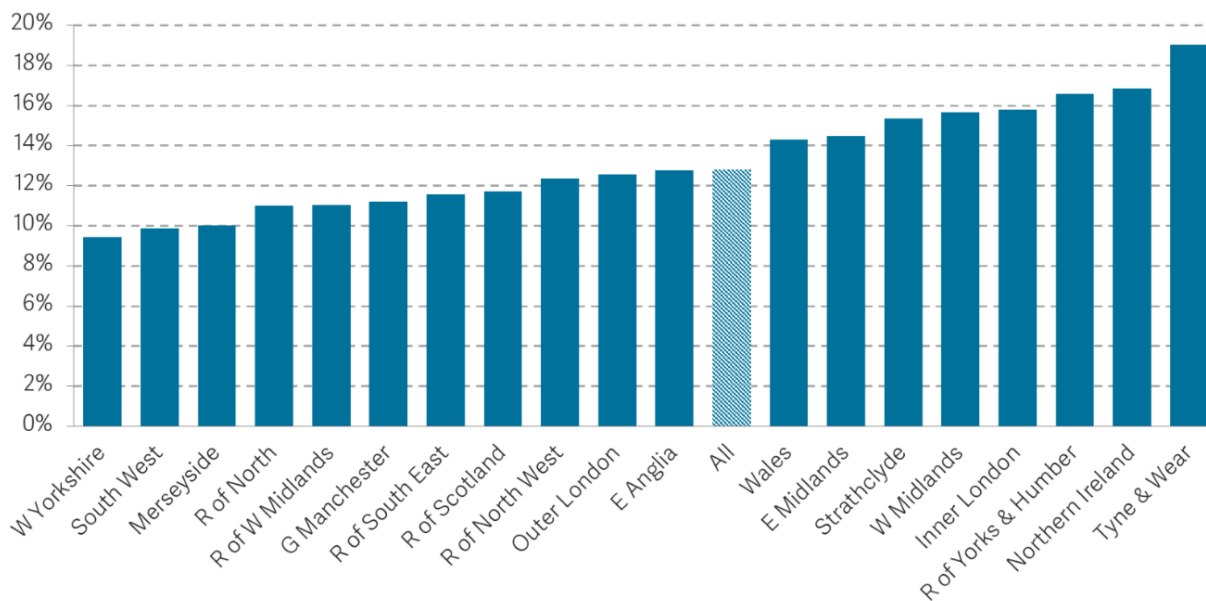
But to get things right for young people, it needs to ensure that service providers working with young people understand the particular challenges they face when embarking into the labour market for the first time – knowing where and how to find a job is often the most difficult part. And they would also do well to remember that young people in relatively well-off areas are left out of the new, welcome initiatives set out in the paper.

### Helping 18-24 Year-Olds not in Full-Time Study to Find ‘High Quality’ Jobs

And finally, it’s not all about moving into work: the quality of work matters too. And here again, outcomes for young people vary across the country.

For example, Figure 3 shows that the proportion of young people who are outside of full-time education and working on an insecure contract, ranges widely: from just under 10% in West Yorkshire, to 12% overall, to as many as 19% in Tyne and Wear.

Figure 3: Proportion of 18-24-year-olds who are outside of full-time education and on an insecure contract: UK, 2018-2019



Notes: Insecure contract refers to agency working, a zero-hours contract, or a temporary contract. Source: RF analysis of ONS, Labour Force Survey.

Again, those in the richest labour markets don't always fare best: for example, the share of young non-students in inner London that weren't on an atypical contract (16%) is considerably above the national average.

In other words, job quality for young people varies – and this matters, given research showing that atypical work (for non-students and non-retirees) is often associated with poor mental health, earnings volatility and lower wages.

Making sure that good, quality employment is available for people – including young people – across the country is vital. And that means working with local authorities and employers across the country to set an agenda for 'good work' that helps people thrive and progress now, and into the future.

### Recommendation 1

Those in charge of Levelling Up should examine what worked – and didn't work – well in the past when it comes to boosting the human capital of 18-24 year-olds.

### Recommendation 2

Employment support programmes should include initiatives that target 18-24 year-olds not in full-time study and recognise that a large share of young people face employment barriers even in London.

### Recommendation 3

Levelling up requires a clear focus on job quality, encouraging employers to offer better pay – and conditions – especially to 18-24 year-olds not in full-time education.

## **Part Three**

# **Levelling Up and Lifelong Training**

## Olly Newton, Executive Director, The Edge Foundation

### Placing Vocational Education at the Heart of Levelling Up

The long-awaited publication of the Government's Levelling Up White Paper should have marked an important step in transforming opportunities for left behind areas. The promise of placing skills, schools and families at the heart of reform is well overdue, but actions speak louder than rhetoric. Now is the time for tangible change.

Already, much has been said about the role of Higher Education (HE) in 'Levelling up'. Universities, for example, have been mooted as key for driving up standards in schools and colleges. The Government has also announced its intention to target investment and support at so-called 'Education Investment Areas', helping those from the most deprived backgrounds and areas access high-quality education. But beyond the promise of new, elite, sixth form free schools, little has been said about existing Further Education (FE) provision.

FE colleges are more than mere education providers – they are anchor institutions within local communities. We, therefore, need to see the same level of ambition for FE as for other areas. There is public support for this. A [recent survey](#) by The Education and Training Foundation and YouGov found that 40% of adults identified FE as one of their top three priorities for levelling up (Centre for Progressive Policy, Skill up to level up: Reducing place-based skills inequality to tackle rising unemployment, April 2021). So what policies can ensure that Levelling Up places FE colleges at the front and centre of the agenda?

#### Responsibility for FE

First and foremost, we need clarity on exactly who is responsible for Levelling Up FE in local regions. This requires a place-based approach rather than top-down decrees from Whitehall. At present, however, the strategy is unclear. Will responsibility fall to Local Enterprise Partnerships, colleges, HE institutions or employers? Or perhaps to the newly mooted Local Skills Improvement Plans (LSIPs) and Chambers of Commerce in the Department for Education's 2021 'Skills for Jobs' White Paper? Strangely, we saw little mention of Local Enterprise Partnerships in the paper, and the devolution proposals remain unclear. This omission must be corrected to give local leaders the tools to fully contribute to skills development in their region.

## Adult Training and Retraining at Level 2 and below

Currently, there is much energy focused on [Level 3 qualifications reform](#). But as [The Edge Foundation has said before](#), while attention at this level is necessary, it should not come at the expense of a focus on Level 2 and basic skills. At present, though, these areas receive comparatively little focus. FE plays a vital role in supporting adults working towards basic skills and those who desire to upskill or reskill. In particular, this includes those from disadvantaged communities and at the lower end of the skills ladder.

The cost of low skills levels (i.e. those without formal qualifications) is more concentrated in deprived local authorities. However, research also shows a positive correlation between increased basic skills and employment uplift. In other words, the lower the share of people without a formal qualification, the higher the employment rate. Levelling up basic skills could boost employment by up to 302,000 in the most deprived areas (e.g. Birmingham, Bradford, Liverpool). Extending opportunities to greater proportions of people would also ensure they can progress in their personal lives and future employment.

## Access to Apprenticeships

Access to high-quality apprenticeships is vital for delivering first-rate vocational and technical education, meeting the needs of employers and the skills needs of the economy.

Degree Apprenticeships particularly have an important role to play in boosting social mobility and supplying the economy with critical skills. Current data, however, suggests the emergence of degree apprenticeship '[cold spots](#)' in areas of severe educational and economic disadvantage. An apprentice in Norfolk, for instance, [may have to travel 12 times as far](#) to access the nearest opportunity as one in Hammersmith and Fulham. Tackling this requires greater collaboration between employers, training providers and apprentices to clarify roles and responsibilities and expand the degree apprenticeship programme.

There are models we can learn from, including Scotland's Graduate Apprenticeship programme, which Edge has [recently investigated](#) for the Scottish Apprenticeship Advisory Board. Their industry-led development model unites employers, apprentices, trade unions and industry representatives to understand current and future work needs. This ensures that Graduate Apprenticeships are aligned to the realities of work and are supported by strong standards and clear objectives.

## **Funding Technical Education and Apprenticeships**

There are some grains of hope for the education sector in the Levelling Up White Paper. However, more work is needed to promote and uplift the benefits of technical education and apprenticeships. Crucially, 'Levelling Up' must become more than simple government rhetoric - we now need urgent funding for FE to match this ambition and deliver tangible, measurable change.

### **Recommendation 1**

Whitehall must clarify exactly who is responsible for Levelling Up further education in the local regions of England.

### **Recommendation 2**

DfE must not discount the importance of adult training and retraining at Level 2 and below in general and levelling up in particular.

### **Recommendation 3**

At the Spring Statement in March 2022 or the Autumn Budget later in the year, the government must release urgent funding for post-16 further education so that both national and local objectives can be achieved.

## **Mandy Crawford-Lee, Chief Executive, UVAC**

### **Higher Technical Education, Higher and Degree Apprenticeships and Levelling Up**

To level up local economies, we must focus on the skills provision that has the biggest impact on raising local productivity. From this perspective, higher technical education (Level 4-5), higher apprenticeships (Level 4-5) and degree apprenticeships (Level 6) will have a key role to play.

Higher technical qualifications, and higher and degree apprenticeships are also crucial as an important route to and through Higher Education that could significantly support the levelling up agenda. The 'traditional' English HE model can result in a brain drain from some localities. Talented young people from relatively poor localities often leave to study and don't return.

#### **Links with Local Jobs and Local Employment**

Higher and Degree Apprenticeships are jobs and higher technical education will frequently be linked to a job. Such programmes can act as creative disrupters. A talented individual will stay locally where they combine study with work and attain a graduate level of occupational skill and a qualification.

Higher Technical Qualifications and higher and degree apprenticeships are also stage, not age-based programmes so can be used at an age that suits individuals. This is a benefit for localities seeking to develop the skills of their existing workforce.

No one denies that disadvantaged individuals leaving schools and colleges need support, but from a levelling up viewpoint this focus is problematic. If we're to raise productivity in left behind localities, a key focus must be on those already in work. Put bluntly, a poorly trained unproductive 25-year-old has another 40–45 years of unproductive working life ahead of them.

#### **Management Training in SMEs**

To deliver on the levelling up agenda we must focus on the skills needed in local economies to raise productivity and not on the programmes providers want to deliver.

It is surprising that many campaigned against the use of the apprenticeship levy to fund management training. From a levelling up perspective, the major skills issue that remains to be tackled is poor leadership and management, particularly in the long line of SMEs with low productivity, low skills, and low pay.



It is also worth noting that using levy funds to improve the skills of NHS managers will undoubtedly improve local healthcare provision. Every LEP plan concerned with levelling-up should have a focus on raising management skills.

## **Regulation**

In the Institute for Apprenticeship and Technical Education (IfATE), we now have a strong national organisation with substantial expertise. In addition to ensuring the country has the apprenticeship standards and the T Levels and Higher Technical Qualifications employers need, the IfATE is undertaking work to ensure programmes support the delivery of the Green Jobs agenda and is developing occupational career maps to help individuals reach their potential.

The IfATE is in an ideal position to advise and report on how occupational standards, apprenticeships, technical and higher technical education are contributing to the levelling-up agenda along, with other core policy objectives: raising productivity, supporting delivery of public sector services, increasing social mobility, enhancing workforce diversity and the Green Jobs agenda

We also need far more engagement from the HE regulator, the Office for Students. For example, there's little focus on apprenticeship and technical education in its requirements for university Access and Participation Plans.

More broadly, social mobility measures in HE need to be reconsidered. In the context of levelling up we need a far greater focus on apprenticeship, technical education, lifelong learning, and adult learners.

Ministers have proposed targets for higher technical qualifications and degree apprenticeships. UVAC believes there are opportunities for all universities to offer some provision and for substantial growth. The problem hasn't been a lack of desire by universities to offer apprenticeships, but instead we have a system that has hindered their growth and expansion.

Indeed, there has been a hostile environment to degree apprenticeship that has undermined the ability of universities to invest in the development of this provision.

Talk of targets is welcomed, but we also need a plan focused on removing barriers to the growth of higher and degree apprenticeships and higher technical education.

### **Recommendation 1**

We need a comprehensive and ambitious national growth plan for higher and degree apprenticeships and higher technical qualifications focused on productivity, delivery of public sector services, levelling-up, workforce diversity and the Green Jobs agenda, linked to a series of local skills plans.

### **Recommendation 2**

If higher and degree apprenticeships and higher technical qualifications are to make an optimum contribution to levelling up, they must be developed, funded, promoted, and delivered as programmes for adults *and* young people.

### **Recommendation 3**

The role of the IfATE should be to advise and report on how occupational standards, apprenticeships, technical and higher technical education are contributing to raising productivity, enhancing the delivery of public sector services, levelling-up, social mobility, improving workforce diversity and the Green Jobs agenda.

## Ewart Keep, Emeritus Professor, University of Oxford

### The Role of Employer Training in Levelling Up

The Levelling Up White Paper in its sections on education and skills makes a number of statements and promises about the role of employers, noting that an over-centralised approach to policy making has *'gone hand-in-hand with the lack of a clear role for business and civil society in helping to shape and deliver policy locally'* (Page 111, Levelling Up White Paper).

The white paper asserts that via 'employer-led' Local Skills Improvement Plans (LSIPs), which will be put on a statutory footing, the *'reforms will embed local employers at the heart of an increasingly devolved, outcomes oriented system way in which skills policy is formulated and delivered'* (Page 193, Levelling Up White Paper).

The white paper also establishes some relatively modest targets for increases in state-funded training activity, perhaps most notably 200,000 extra adults receiving re- or upskilling per annum, of which 80,000 are to live in deprived areas.

What are we to make of these plans?

#### LEPs and LSIPs

The first observation relates to the previous vehicle for securing employer commitment and buy-in to delivering skills and local labour market information and intelligence – the Local Enterprise Partnerships (LEPs). Some employers have invested considerable time in the activities of their LEP.

The Levelling Up White Paper is coy about what their skills role (if any) will be once LSIPs are rolled out nationwide, but those firms and individuals who have expended effort on their work may not feel best pleased that this is to be side-lined as Whitehall rolls out its latest shiny new institutional mechanism and consigns LEPs to the increasingly crowded junkyard of education and training's institutional history.

#### Misunderstanding Employer-Led

A second and more profound observation is that it is now abundantly apparent that the government does not understand what the phrase 'employer-led' means. If employers are to be 'at the heart of' skills devolution and the revitalisation of less productive and prosperous localities, then it seems reasonable to ask what rights, roles and responsibilities government is assigning to them? What does government want or expect them to do to address the policy agenda laid out in the Levelling Up white paper?

The answer is a very partial one. The right of groups of local employers to specify a list of skills required from local FE colleges is to be enshrined in the operating principles of the LSIPs and to be backed up by sanctions on colleges that are believed to be failing to respond vigorously enough to these skills requirements. What remains painfully unclear is what roles and responsibilities employers themselves are going to play in revitalising local skills supply.

Other than asking that they band together under the wing of a chamber of commerce (or other local employer body) and formulate a shopping list of skills they would like to be gifted at taxpayers' expense, it is extremely hard to see what government's 'ask' of employers is. Where are the reciprocal actions that government wishes employers to engage in in recompense for the power granted them via LSIPs? Of this there is no mention. Does the government want employers, for example, to provide more apprenticeship places for young people? Does it desire them to increase the volume and quality of the training and reskilling that it offers its adult employees? Does it expect them to increase their training spend? How and in what ways is DfE expecting employers' own efforts to be married with and contribute to the skills needs identified in the LSIPs? Are LSIPs a 'something for something' deal, or are they a 'something for nothing' deal? The responses to these important questions remain unknown after reading the Levelling Up White Paper because they are not broached, still less answered.

### **Adult Upskilling and Reskilling**

The importance of resolving these issues is underlined by the looming crisis in adult re- and upskilling, where the long-term trend in employer provision is alarming – a decline of perhaps 60 per cent in training days per annum between 1997 and 2017.

With the impacts of moves to Net Zero and digitalisation likely to require significant updating of the skills of the workforce, this backdrop suggests that policy is facing a major challenge. In this regard, when set against the likely scale of the training need, the Levelling Up White Paper's target of 200,000 per annum extra (state funded) adult learners per annum (80,000 of whom will be from disadvantaged areas of the country), appears at best modest and at worst trivial.

### **Recommendation 1**

The government needs to sort out what, if any, residual skills role it will assign to LEPs once LSIPs have been fully rolled out.

### **Recommendation 2**

The government needs to engage in a frank dialogue with employers regarding their future rights, roles and responsibilities within the skills system, and to establish the means to measure progress towards whatever shared goals are established.

### **Recommendation 3**

The government needs a more ambitious adult upskilling and reskilling target to have a meaningful impact on local productivity and meeting the challenges of net zero and digitalisation by 2025 as well as 2030.

# **Part Four**

## **Levelling up and Lifelong Learning**

## Stephen Evans, Chief Executive, Learning and Work Institute

### Levelling Up in England through Lifelong Learning

The Levelling Up White Paper was both long awaited and long, clocking in at 332 pages. It includes a list of the largest cities in the world since 7000BC, the sort of essay padding any student would be proud of.

On the other hand, the White Paper is a statement of intent and puts some flesh on the bones of what levelling up means, defining it as *local pride, local control and greater equality of opportunity*.

In the words of Secretary of State Michael Gove, *you should be able to stay local and go far*.

#### Lifelong Learning

Why does lifelong learning matter in this? There's a direct link. Greater access to learning and skills helps people access more and better jobs and employers to be more productive. Learning should also be a golden thread running through lots of other policy areas.

Research by Learning and Work Institute (L&W) has shown how learning can support health and well-being as well as civic engagement, and therefore the white paper's aims to narrow gaps in life expectancy and to increase local pride and control.

Put simply, *if you want to 'level up' you need lifelong learning*.

#### An Historic Challenge

Levelling up might be a new(ish) phrase, but it's not a new challenge. The 1934 Special Areas Act directed extra investment at high unemployment areas. L&W research shows that many of the same areas still need 'levelling up' now.

#### Beyond Geography

And this mustn't just be about geographic areas. What about different groups of people, such as disabled people and lone parents? We need to make sure that who you are and where you're from doesn't limit what you can achieve.

## **Mission 6: Skills and Training**

L&W is pleased that increasing adult learning is one of the targets – missions – in the paper. The Government wants 200,000 more adults to improve their skills each year in England by 2030, of whom 80,000 should be in the bottom third of local authorities for Level 3 attainment.

But this is a pretty unambitious goal: Learning and Work Institute research shows it would reverse just one quarter of the falls in adult attainment seen since 2010.

## **No New Investment**

This is linked to the lack of new investment in the White Paper. That shouldn't surprise anyone since it's only a few months since the Spending Review. It's welcome that adult skills budgets are increasing after a decade of cuts. But it is impossible to level up on the cheap and we will still be spending £750 million less in real terms on adult skills in 2025 compared with 2010. We need a higher ambition for public investment in lifelong learning.

## **Following in the Footsteps**

The fact we're just after a Spending Review and a Skills White Paper also explains why there's little in the way of new lifelong learning policy in the White Paper. This means we have the same positives and flaws as we did before.

The positives include the Lifelong Loan Entitlement (Level 4-6) and the Lifetime Skills Guarantee, which includes free training for a first full Level 3 for certain qualifications, and from April 2022 free training for unemployed and low paid adults seeking retraining at Level 3. The challenge is to promote these in areas where qualifications are currently lowest.

But there's not enough focus on improving access to essential skills – where take-up has fallen 63% in a decade – or how lifelong learning and other public services can better join up. Both of these are essential to make levelling up a reality and we need greater support for people's living costs while learning too.



## **Chance for change**

One of the most potentially positive aspects of the White Paper is the framework it provides for devolution, setting out the policy areas different geographies could pitch for. That includes the prospect of the Adult Education Budget being devolved in more areas, and various metro mayors pitching for greater devolution too, such as of 16-18 funding.

L&W hopes this is a step away from the piecemeal approach we've often had to date, with local areas having to bid for multiple, short-term, small pots of money. It offers the opportunity for places to demonstrate how they'd do things differently.

However, the Government should go further toward the Canadian model where funds are devolved to local government in a single budget tied to outcome agreements that show what will be achieved and how, with robust evaluation plans.

You shouldn't have to go far to get on. Delivering that will be a long haul so the White Paper must just be the start.

### **Recommendation 1**

We should aim for more ambitious devolution of employment and skills programmes underpinned by an evidence-based approach and commitment to improved outcomes for people, building on the Canadian model of Local Labour Market Agreements.

### **Recommendation 2**

We need to build a pathway of skills progression that includes greater opportunities to improve essential skills and target efforts to increase take-up among groups and areas with the lowest engagement today.

### **Recommendation 3**

We should make lifelong learning the golden thread running through efforts to level up, including strategies for local economic growth and to tackle health inequalities.

## Susan Pember, Policy Director, HOLEX

### Levelling Up as a Nation of Lifelong Learning

The long-awaited Levelling Up White Paper was published on 2 February 2022. There are some admirable and well thought through concepts and creative and robust implementation theories and techniques, but without the promise of new money there is a sense of **so what!**

Whitehall concepts and theories are not enough to change people's lives. We need practical, on the ground joined-up action that has the individual at the centre of lifelong learning and all government policy making.

#### Lifelong Learning or Lifetime training?

HOLEX were keen to see what would be said about lifelong learning and the role of skills and adult education. The narrative, in parts, did not disappoint but in one area the commitment promise seemed changed from lifelong learning to a much more constrained term of *lifelong training*. We are hoping this is not a policy change but just a slip in editing and further guidance will embrace a full lifelong learning strategy of being all age, all stages and all levels.

It was useful that the Levelling Up white paper reconfirmed previously announced programmes such as the Lifelong Loan Entitlement for L4-6 higher education, the new Multiply initiative for numeracy skills and Local Skills Improvement Plans, which also feature in the Skills and Post-16 Education Bill going through Parliament.

The concept of a Future Skills Unit (FSU) is something HOLEX and its members have lobbied for, and we are encouraged that DfE will be joined by DWP and DBEIS in this endeavour. But the FSU needs to be able to produce information, report trends quickly and in a format that is useful for providers and the owners of LSIPs so they can make use of the data to develop their own regionally and locally relevant plans.

It was also helpful that the next stage of devolution to the counties was laid out.

There are other key commitments which, if successful, will have a long term impact on adult skills, like improving children's literacy levels and the creation of 55 Education Investment Areas (EIAs) tasked with improving school performance. So, there is hope that the legacy we have in this country of adult poor basic skills will start to be eroded and, in the medium and long term, the resource we spend on adult literacy and numeracy can be diverted to vocational up-skilling.

## More than Skills for Productivity

The White Paper starts with the statement that *"Levelling up is a moral, social and economic programme for the whole of government. The Levelling Up White Paper sets out how we will spread opportunity more equally across the UK."*

The three words moral, social and economic really interest HOLEX. We, in the adult education world, are used to talking about the twin goals of social justice and economic growth and are forever trying to remind people that lifelong learning is more than just skills to improve productivity - it is also about social justice.

Therefore, we are keen to explore what the introduction of the word 'moral' as part of the objectives of this new programme really means. We hope that in this context it does really relate to [standards](#) of good [behaviour](#), [fairness](#) and [honesty](#). Levelling up will only truly happen when we treat everyone equally in a honest way - which is why the word 'moral' is so important to any levelling up programme.

If so, it will make it easier to explain that lifelong learning has a bigger role in society than just delivering more Level 3 vocational courses.

## Levelling Up and Lifelong Learning

Although the issue of skills runs throughout the document, HOLEX would have liked to have seen more explicit statements about lifelong learning.

Lifelong learning is seen by many countries as part of the solution to several world issues. It can underpin climate change and net zero policies, reduce the impact of Covid, improve the mental health of the nation and improve the quality of life of adults in social care settings. All of this is in addition to supporting the training and retraining needs of adults flowing from the escalation of artificial intelligence and the requirement for people to work longer in a context of rapidly changing economies and labour markets.

Lifelong learning is integral to the wellbeing of the nation and builds a moral and social framework for people to live within; lifelong learning builds and enriches the economy and communities; lifelong learning fosters people's and employers' capacity to deal with change and to build the future they want; lifelong learning leads to individual fulfilment, improved productivity, and enhances the cultural and civic fabric of society and, most importantly, lifelong learning breaks the cycle of low achievement and renews and builds communities.

Much of the language in the White Paper encapsulates those concepts, but it does not explicitly commit the UK to being a nation of lifelong learning.

### **Recommendation 1**

The mission of levelling up must include a commitment to the UK becoming a nation of lifelong learning, to joining up across government and ensuring all our systems have learners at the centre.

### **Recommendation 2**

Access to education and skills to level up adults should be about what they need to improve their skills and not be based on some postcode lottery or funding methodology algorithm related to where they live.

### **Recommendation 3**

Adults on Level 3 and below courses should have the right to maintenance and living cost support in the same way as those on Level 4-6 higher education courses.

## Simon Parkinson, Chief Executive, WEA

# The Future of Adult Learning is in the Hands of Local Leaders

Life chances and education go together. Once someone leaves school with few qualifications, it requires considerable dedication and effort to catch up. Many never do.

The White Paper talks mostly about “geographical disparity” – a focus on places rather than people. In education, levelling up surely starts with the life chances of the *individual* as well as the economic strength of their local community.

### Levelling Up Adults through Level 2 and Below Skills

Levelling up should be about leaving no one behind, regardless of their age, background, current circumstances or postcode. Education – and community learning especially – should be the catalyst for that.

The Levelling Up white paper and the reforms emerging from the *Skills for Jobs* white paper ought to add up to a blueprint for overcoming educational inequality. For that to happen it is essential to strengthen the ramp – the provision below level 3 - which adult learners require to reach better life chances.

Disadvantaged adult learners face many barriers. By far the biggest disappointment with the Levelling Up white paper is that it follows the *Skills for Jobs* white paper in largely ignoring those barriers and assuming that adult learners will somehow find their own way into high skilled jobs.

All of the skills initiatives listed in the Levelling Up white paper assume a level of confidence and readiness which most disadvantaged adults would not have. For every adult who is ready to take a Level 3 qualification or subscribe to an intensive Boot Camp course, there will be many others for whom they are out of reach.

Details are sketchy on the few initiatives which do seem to address barriers for the most in need. In particular we wait patiently to know how the numeracy programme, Multiply, will roll out. The Department for Work and Pensions is recruiting job coaches to support people to progress from low-income jobs but without access to courses which provide new and transferable skills, progression will be limited.

## **The Local Leadership Mission**

Looking at the white paper, it is not the 'skills mission' which will make the most difference to adult learners, it is the 'local leadership' mission. This offers to devolve powers – including skills and adult education budgets - to all top tier authorities. That *could* fundamentally change the adult education and skills landscape in England.

The future devolution deals will almost certainly focus on high skilled economic growth. This is entirely laudable – no region should lack ambition. But it ought not to be at the expense of left behind communities.

Years of underinvestment in community learning means that there are still too many adults who lack qualifications or who struggle with literacy, numeracy and digital skills. The time is right for local leaders to take on the challenge of 'levelling up' skills by using the adult education budget for carefully targeted interventions, in collaboration with providers who work with the most disadvantaged communities.

## **Focus the Devolved Adult Education Budget on Level 2 and Below**

Rather than focusing only on the high skilled parts of the regional economy it is important for devolved education budgets to support a broad curriculum, appealing to learners of all abilities, interests and backgrounds.

Driving up participation and creating a culture of learning should start with what interests us and what we enjoy.

For many of us that isn't pitching straight into a maths or digital skills crash course. Arts, humanities and social sciences have considerable value – building confidence to learn, broadening world views and making connections with other people. They deserve funding in their own right, not just as a stepping stone to more technical courses.

This is particularly important below Level 3 where the broadest curriculum is needed to attract the widest range of learners. Study at this level is about building confidence, acquiring the motivation to learn and finding out which pathways to follow. Setting too narrow a starting point – or worse still, not funding this level of provision adequately – immediately reduces the pool of learners who would be willing to take the first step.

## **Identify Spending on Level 2 and Below in Devolved Adult Skills Fund**

Looking ahead, the AEB and National Skills Fund will be merged to create a single *Adult Skills Fund*. It is crucial that local leaders are transparent and clear about how much funding will be available for provision below Level 3. Funding for this level should be as flexible as possible allowing providers to meet local need by offering a broad curriculum which includes the arts and humanities as well as essential skills and technical subjects.

### **Recommendation 1**

Members of Employer Representative Bodies with responsibility for developing LSIPs should encourage support for essential skills at below Level 3. Provider reports on 'local need' should illustrate how disadvantaged adults will be supported into better work, as well as how other beneficial outcomes will be delivered.

### **Recommendation 2**

Funding should be available for courses below Level 3 (including non-accredited) at national and devolved levels. Allocation of the UK Shared Prosperity Fund should also support this so long as it is additional to the Adult Education Budget.

### **Recommendation 3**

Support for learners who face financial barriers is crucial. Measures such as allowing learners to remain on Universal Credit while studying and increasing the income threshold at which learners can access a fully funded Level 2 would increase participation, overnight.

# **Part Five**

## **Levelling Up and Post-16 Providers**



## David Hughes, Chief Executive, Association of Colleges

### Well-Funded Colleges to Serve Every Community

There is a lot to like in the Levelling Up White Paper and yet ultimately it disappoints by falling short of the strategy and solutions required. Few could disagree that at the heart of levelling up must be an ambition of *'realising the potential of every place and every person across the UK'*.

The White Paper is strong on analysis of how spatial inequalities hamper economic growth, health, wealth and education outcomes. Additionally, it sets out a glut of worthy, important ambitions as part of a long term vision of a better UK, with vibrant places people can live and work in, and in which poverty is reduced and opportunities increased.

#### The Mission of Colleges

For colleges, this all helpfully describes their wider mission as anchor institutions, as leading players in the social and economic progress of the local area on top of their unerring focus the development, achievement and progress of their students.

It's a vision that marries neatly with that from the Commission on the College of the Future:

*'The college of the future will empower people throughout their lives with the skills they need to get on in life, support better productivity and innovation of businesses, and strengthen every community's sense of place.'*

#### Funding Shortfalls

So far so good then, but the white paper disappointingly falls a long way short on strategy, funding, and joining-up across government. On funding, there is no new investment and neither are there lots of new policies and initiatives. Both of those are unsurprising given how recently the spending review was announced.

The funding, though, is problematic, with a drop in adults participating in learning from 2.3m in 2010/11 to 1.5m in 2019/20, placing the 'Skills Mission' of an extra 200,000 places into stark context.

#### No Joining Up at National Level

The funding problem is well-trodden territory. Perhaps less well-rehearsed is the lack of a coherent strategy, as the White Paper itself concedes in its description that *'Skills policy in England has been marked, in the past, by a plethora of short-lived interventions and a centralised approach...'*

This absence of strategy manifests itself in two important and problematic ways – at national level across government departments and for every single college trying to make sense for their students and employers of the ‘plethora’ of interventions and programmes.

Nationally, the Levelling Up White Paper missed opportunities for joining up across government siloes. It was disappointing to see no connection between the laudable physical capital pledges on housing, transport and towns and the ambitions on both net zero and skills. Surely there is a simple win to be made here, with local skills offers aligned with the jobs being created to build the houses, railways and town centre developments?

Sadly, that join-up seems to be lacking. There are other areas where the lack of a skills strategy will result in missed opportunities - enabling people on universal credit to develop their skills alongside work or when unemployed; ensuring R&D investment supports SMEs by engaging colleges in key sectors; and, offering adult learning opportunities to improve mental well-being and health.

### **Challenging to Join Up at College Level**

For colleges, they are presented with a glittering array of ‘products’ to choose from in meeting student and employer needs - traineeships, bootcamps, study programmes, A Levels, GCSEs, T Levels, VTQs, access to HE, adult learning loans, lifetime skills guarantee, multiply, higher technical qualifications, sector-based work academies, apprenticeships – many of which are funded, measured and accounted for separately.

Joining that all up in every individual college in order to meet need and demands is a complex business. It’s unrealistic to expect all of this to be put into a single budget, but it certainly should be tried in order to step up to the pledge made in last year’s *Skills for Jobs* white paper to *‘ensure that they [colleges] have more autonomy to use funding how they see fit in order to meet the needs of learners and the skills needs of local employers.’*

### **Our Offer to Help Levelling Up**

Colleges offer so much to the levelling up agenda, for people of course, but also for places, the economy and society. AoC is confident that in every community, colleges will be engaging across all of the levelling up ‘missions’, my worry is that in Whitehall the thinking pigeon-holes colleges into just the skills mission. That would be a real missed opportunity.

### **Recommendation 1**

At the Spring Statement in March, the Treasury and DfE should increase the ambition of the Skills Mission from 200,000 adult learning places to the full 800,000 to replace those lost in the 2010s, with a financial boost of at least £750m, with a review of the funding rate (which has not changed since 2010).

### **Recommendation 2**

The Office of the Prime Minister should lead the development of a cross-government post-16 education and skills strategy setting out the megatrends affecting people and employers, which all require focused and concerted action nationally, as a framework for local responses, including the local skills improvement plans.

### **Recommendation 3**

DfE should simplify the post-18 environment for colleges by bringing together the separate programmes into one fund with flexibility across *'products to meet local need, giving colleges ".... the autonomy to use funding how they see fit in order to meet the needs of learners and the skills needs of local employers'*.

## Nick Hillman, Director, HEPI

### A 'Higher Education Institution' in Every Community

When his brief was education policy, Michael Gove came across as a sceptic of modern universities. A decade on, after his appointment as the Secretary of State for Levelling Up, he seemed to have undergone a *volte-face*. When questioned at the 2021 Conservative Party Conference, he implied new higher education institutions should be established to boost more deprived places, 'such as Doncaster, Grimsby and Thanet.'

For many of us, this belated epiphany was welcome. After all, the difference between a city and a great city is said to be the presence of a university (or two). But, alas, it looks like it was a false dawn.

#### Positive Language

The Levelling Up White Paper includes some positive language about the capacity of higher education institutions to rejuvenate areas, noting '*Innovative new models of skills-based HE also have an important role to play in levelling up places.*' It claims '*the process of becoming an HE provider [has become] more straightforward*' and promises to reduce the obstacles against new institutions even further:

*'The UK Government will continue to work with the OfS [Office for Students] to reform barriers for entry to the English HE sector, so that new high quality HE providers can open across England, joining the 400+ providers already on the register, to increase access to HE particularly in towns and cities without access to this provision.'*

#### Barriers to Entry

Yet this commitment is worth little because it underestimates the current 'barriers to entry'. It is true that more than 400 institutions are on the OfS's Register. But the target number for 2021/22 was much higher, at 555 institutions. Of the 418 providers that are on the Register, just 71 are in the 'Approved' category, which was designed to help 'alternative providers'.

That is under half of the predicted number for 2021/22 of 159.

If anything, life under the OfS is harder, not easier, for the sort of innovative provision that the Levelling Up white paper heralds.

After the OfS was established, some of England's flagship alternative providers – including Regent's University, the New College of the Humanities and Richmond, The American International University in London – found life so hard they were forced to partner with foreign entities.

In the early months of the OfS, one of the largest alternative providers, GSM London, which successfully educated tens of thousands of disadvantaged students in Greenwich and Greenford, went bust.

The one thing uniting everyone who has tried to get a brand new higher education institution off the ground is that it is much harder than they initially thought it would be. It does not matter if the backers are entrepreneurs, venture capitalists or multinational companies, it remains excessively hard to do.

## **HEIs and Levelling Up**

So progress on the Levelling Up White Paper's vision of new higher education institutions serving as agents of regeneration had stalled even before the document was published. The key problem now is that the OfS has a long and growing list of priorities and the germination of new higher education institutions remains a long way down its priority list. And the white paper's complacency about the current situation means no specific proposals are then put forward to improve the situation.

This disappointing picture is at one with the absence of any serious budget to deliver on the White Paper's other proposals, for serious supply-side activity needs large new capital expenditure. Such funding is unlikely to come from private sources on anything like the scale necessary to build big new institutions because other sectors offer faster and more secure returns to those with money.

So what is the answer if we are to match the white paper's promise that new higher education institutions will help levelling up?

### **Recommendation 1**

We need to encourage new plant campuses of existing successful institutions, as with the Anglia Ruskin University initiative in Peterborough. As part of this, we should respond positively to the fact that some institutions abroad may also want to deliver more higher education in the UK.

### **Recommendation 2**

We should consider providing some public (capital) funding to ensure there are sufficient places for students all over the country to soak up the growing demand caused by high levels of aspiration, better schooling and a growth in the number of 18-year-olds. If we expect existing institutions to provide all the extra places that we need, many will end up facing the problems that over-large institutions inevitably do, while nothing will be done to deliver levelling up in the parts of the country that currently lack institutions of their own.

### **Recommendation 3**

We need to ensure institutions are incentivised to deliver not just fully-fledged three-year residential degrees but also the sort of short courses, credit-bearing qualifications and different pedagogies that Ministers hope to support through the new Lifelong Loan Entitlement.

## Chris Hale, Director of Policy, Universities UK

### Levelling Up and Widening Participation into Higher Education

Universities are uniquely placed to support levelling up. It was good to see this recognised in the White Paper, especially their economic role and contribution to Research and Development.

Even so, it would have been good to see universities have greater prominence. For instance, universities have a [broader civic role](#), making a positive impact on towns and cities and the everyday lives of people that live there. And they contribute in addressing health disparities through local health partnerships.

#### Universities are all about Skills

Significantly, however, is the importance of universities in driving up skills and widening opportunity. Many universities have partnerships with further education (FE) colleges, work with employers on apprenticeships, and deliver Level 4-5 and higher technical qualifications. Universities also support individuals and communities facing the biggest barriers to [accessing education and jobs](#), working with schools and colleges to raise attainment.

#### Levelling Up and the Lifelong Loan Entitlement

Alongside the Levelling up White Paper is the idea of a Lifelong Loan Entitlement (LLE). This has the potential to create more flexible options for people to learn and reskill throughout their lives. The details of the LLE, such as how credit transfer and modular funding will work, are now subject to consultation but there are several wider strategic challenges that will be critical to whether this truly unlocks the potential of universities to enhance provision of education and skills opportunities for all.

#### Levelling Up and Widening Participation

Universities currently invest nearly £1 billion each year in England to unlock opportunities for some of the most disadvantaged. Although 18-year-olds from the most disadvantaged backgrounds have never been more likely to go to university, more can be done.

The Office for Students is currently [refreshing its approach to regulating access](#) and participation. This will include a requirement for closer working with schools to drive up attainment. It will be important that these new approaches allow universities the flexibility to respond to the needs of schools and colleges in their regions and target interventions where they will have the most impact.

Importantly, the Levelling Up White Paper announced measures which could increase demand by young people to access full-time Level 6 degrees. Education Investment Areas and the new 16-19 elite college and schools fall into these categories.

### **Levelling Up and Restricting Entry**

On the other hand, Government have been concerned with rebalancing incentives away from studying full time Level 6 courses and encouraging alternatives such as higher technical or Level 4- 5 qualifications. Its recent response to the [Augar review](#) should be seen in this context, proposing minimum entry requirements (MER) and possible student number caps. These changes raise concerns over potential impact on access and participation in universities, particularly if there are insufficient alternatives and progression routes in place.

Without sufficient alternatives and access to funding in place the negative impact on social mobility and levelling up could be significant. It will therefore be important for government to see these changes together as part of a systems change with implementation 'choreographed' and monitored to avoid closing opportunity and losing learners.

### **The Demand Challenge**

The Government will need to work with universities, colleges, and employers to stimulate demand for alternative routes and flexible provision. Approaches will also need to be embedded at a regional level, informed by the skills needs of employers if these changes are going to truly help with levelling up and improving access to education and skills.

The Office for Students' [short course pilots](#) in England are a great start, but relatively small scale. An adaptive approach based on experimentation, testing, and stimulating demand (at scale), should sit alongside and inform the technical development and implementation of the LLE.

### **Further Transformation**

Although universities are well placed to give people the skills they need to get good jobs, further transformation will be needed. Universities UK has proposed that the most innovative and impactful plans for change by higher education institutions should be supported by the government through a new transformation fund.

This would help catalyse and accelerate changes, such as reshaping teaching portfolios and institutional business models, or supporting local partnerships across the education system to provide greater flexibility in learning opportunities. This would include creating more pathways through the 16-19 education system for learners, allowing people to access and progress to higher qualifications.

### **Recommendation 1**

The Levelling Up White Paper and the post-18 funding reforms, including the introduction of the Lifelong Loan Entitlement, need to be seen together as part of a systems change to avoid losing learners and closing opportunity as incentives and options to access learning change.

### **Recommendation 2**

Government should support universities, colleges, and businesses to work together at a regional level to stimulate demand, and support transformation.

### **Recommendation 3**

Access spending by universities should be aligned with levelling up and support universities to address education attainment and skills needs in their localities.



## **Jane Hickie, Chief Executive, AELP**

### **Levelling Up is as much about People as Places**

The UK Government's Levelling Up White Paper becomes even more vital as we recover from the devastating effects of the Covid-19 pandemic. Many of the key messages found in the White Paper should be welcomed, not least the aspiration to give a renewed focus within government and public services to skills, schools, and families.

Yet government plans remain light on detail, and heavy on rhetoric – with any funding allocated seeming to be a repackaging of previously announced schemes. More fundamentally, levelling up has so far focused too much on place, and not enough on people.

#### **Appreciating the Role of Independent Training Providers**

Given the huge role that Independent Training Providers (ITPs) play in delivering skills training - including the majority of apprenticeships, traineeships and skills bootcamps - we urge the Secretary of State for Levelling Up, Michael Gove, and his ministers to appreciate their work and understand how they can play a big part in the delivery of the levelling up agenda.

There are three main areas of focus which AELP believes the Secretary of State must reflect on: the devolution of the adult education budget; how the UK Shared Prosperity Fund (UKSPF) can focus on people as well as places; and what needs to be done to ensure young people in particular can benefit from levelling up.

#### **A Proper Balance to Post-16 Funding Devolution**

Matching skills to local labour markets is a challenge for the economy, as our relationship with the European Union changes. Different regions have will different skills requirements. That's why we support the devolution of skills programmes where evidence points towards improved take-up and delivery. However, there are still programmes – such as apprenticeships and traineeships – which are best contracted at a national level.

The white paper indicates there may be a more diverse approach to the commissioning of skills funding. This could mean that providers are bidding for multiple different pots of funding in multiple different formats across the country. This would create a danger of a complex funding process and have a significant impact on the ability of ITPs to focus on delivering for adult learners. Finding a balance between producing responsive, localised skills programmes, and not creating an over-bloated bureaucracy is a huge challenge.

## **Rolling Out the UK Shared Prosperity Fund in England**

The UK Shared Prosperity Fund (UKSPF) in England should focus on supporting skills in England. The UKSPF has been introduced to replace the money Britain received through the European Social Fund (ESF). Most of the ESF dedicated to skills was delivered by ITPs, so the UKSPF will have a significant impact on providers.

We support the UKSPF aims of boosting core skills and supporting adults to progress into work. However, we are incredibly concerned that the skills element of UKSPF is not due to be introduced until the 2024/2025 financial year. This will mean a gap between ESF grant funding and the new arrangements. A funding hole like this will have an immediate effect on the range and number of programmes ITPs can provide, putting already disadvantaged adult learners at further risk of disadvantage. It will also add further financial pressure on the sector at a time of rising inflation rates.

## **More Funding for Adult Training and Retraining at Level 2 and below**

Levelling up must be used as a driver to prioritise access to skills by young people aged 16-24 wherever they live in England. Covid-19 has had an immense effect on young people's access to the job market.

We believe that every young person should be able to undertake an apprenticeship, traineeship, or work placement. In order for the most disadvantaged people to be able to access the labour market, we will need to see more funding of Level 2 and below qualifications – as well as appropriate incentives for employers to take on apprentices and trainees.

### **Recommendation 1**

An appropriate balance must be struck between devolving post-16 education and skills budgets in England.

### **Recommendation 2**

We urge ministers to rethink the decision to only start allocating the skills element of UKSPF from 2024/25, and to ensure there is no gap with ESF. We also believe that in the spirit of levelling up, UKSPF should be weighted towards funding skills programmes that support the needs of adult learners with lower levels of qualification – as well as those who are otherwise disadvantaged.

### **Recommendation 3**

In order for the most disadvantaged people to be able to access the labour market, we will need to see more funding of Level 2 and below qualifications, as well as appropriate incentives for employers to take on apprentices and trainees.

# Campaign for Learning

# Assessment

## Levelling up People relative to Places

There is a definitional problem at the heart of levelling up policy and education and skills policy. On the one hand, levelling up could be defined as targeting *places* to boost educational and skills participation and attainment through place-based interventions. On the other hand, levelling up could be defined as assisting everyone everywhere to participate and attain in education and skills development through national strategies.

If, for example, an 18 year-old living in a poor household in Bournemouth seeks a place in full-time higher education, their opportunity to do so surely should not be any less than an 18 year-old living in a poor household in Blyth.

Similarly, if an adult needs to improve their numeracy skills they should be able to do so whether they live in Richmond or Rochdale.

From the perspective of education and skills policies, the balance of emphasis should be towards people rather than places.

## Levelling up through Reskilling as well as Upskilling

Upskilling can be defined as the achievement of a first Level 2, first Level 3, first Level 4, first Level 5, first Level 6 and so on.

Reskilling can be defined as the achievement of an equivalent or lower qualification relative to the highest qualification held. For example, adults with a Level 3 might require to reskill at Level 3 or Level 2 rather than upskill at Level 4, 5 and 6.

A natural tendency is to link levelling up with upskilling. Moving from a first Level 3 to a first Level 6 conjures up a sense of levelling up when in fact moving from a Level 5 to a Level 2 can also represent a levelling up if it secures a new job or career.

The Levelling Up White Paper avoids this mistake. Mission 6, for example, commits to an extra 200,000 people completing skills training annually of which 80,000 are in low skilled areas without distinguishing between upskilling and reskilling (see Box 1).

Box 1

**Mission 6**

By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.

Source: Page 193, Levelling Up – Levelling Up the United Kingdom, February 2022

The downside, however, is that the achievement of Mission 6 will not necessarily reduce the proportion of adults in England without a first Level 2 below the current 17% and those without a first Level 3 below the current 40%.

In other words, the already well-qualified might be the adults who gain high-quality skills training, with the result that adults with low qualifications both nationally and living in low qualification areas miss out.

**Lifelong Training or Lifelong Learning?**

The Levelling Up White Paper refers to a commitment to *lifelong training* and in turn refers to Level 3 and below courses. The Skills and Post-16 Education Bill refers to *lifelong learning* but the definition is limited to Level 4-6 courses. There is a clear difference between lifelong training with its focus on jobs and employment, and lifelong learning with its focus on employment, education and the wider benefits of learning including improved quality of life.

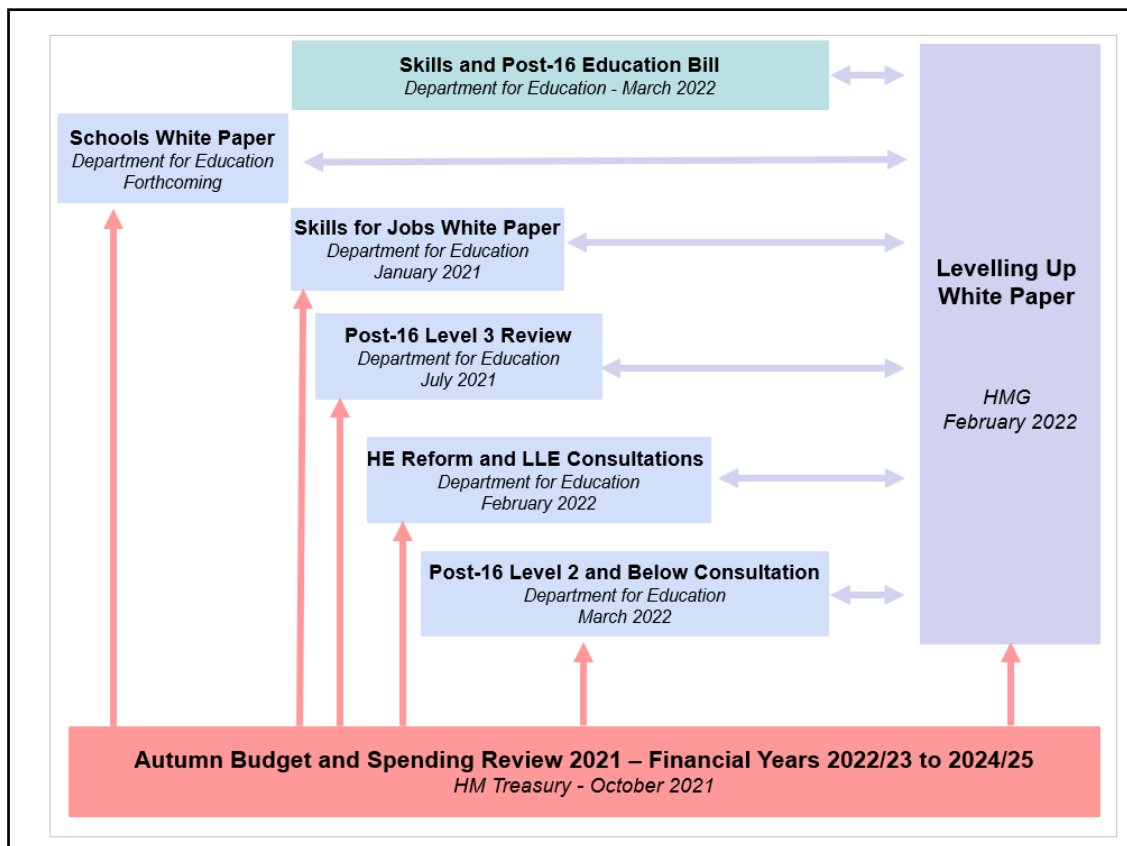
**Levelling up of Post-16 Learners stalled by the Cost-of-Living Crisis**

If the aim is to level up education and skills attainment of everyone irrespective of the place where they live, attention must turn to the impact of the cost-of-living crisis on post-16 learners and the lack of cost-of-living support for some post-16 learners. Free education and access of income-contingent loans - which remove the need for up-front fees - are not enough to ensure participation in post-16 education when rising gas and electricity bills need to be paid. Levelling up post-16 participation and attainment requires *living cost support* to tackle the cost-of-living crisis.

**Viewing the Levelling Up White Paper in Context**

The Levelling Up White Paper and the contribution of post-16 education and skills must be viewed in the context of the full range of white papers, consultations, legislation and public spending affecting education and skills policy (see Box 2).

Box 2



(1) Schools White Paper, DfE, Forthcoming. (2) Skills for Jobs: Lifelong Learning for Opportunity and Growth, DfE, January 2021. (3) Review of Post-16 Qualifications at Level 3 in England, DfE, July 2021. (4) Higher Education Policy Statement and Reform Consultation, DfE, February 2022. (5) Lifelong Loan Entitlement – Government Consultation, DfE, February 2022. (6) Review of Post-16 Qualifications at Level 2 and below in England – Government Consultation, DfE, February 2022. (7) Autumn Budget and Spending Review 2021, HMT, October 2021. (8) Skills and Post-16 Education Bill - <https://bills.parliament.uk/bills/2868/stages> (9) Levelling Up the United Kingdom, HMG, February 2022.

Links between levelling up policy and post-16 education and skills policy in England requires consideration of the Levelling Up White Paper (February 2022); the Schools White Paper (forthcoming); the Skills for Jobs White Paper (January 2021); Post-16 Level 3 Review (July 2021); HE Reform and Lifelong Loan Entitlement consultations (February 2022); Post-16 Level 2 and Below consultation (March 2022) and the Skills and Post-16 Education Bill passing its way through Parliament.

### No New Money beyond Spending Review 2021

Spending Review 2021 set out expenditure by government departments including DfE between 2022/23 to 2024/25. The Treasury provided no extra resources over and above SR2021 for levelling up in general and the contribution of post-16 education and skills in particular.

Going forward, the government should not use place-based education and skills strategies as a cover for inadequate funding for post-16 education and skills nationally.

## **A Plethora of Local Bodies**

Considering the Levelling Up white paper, the Skills for Jobs white paper and the Skills and Post-16 Education Bill *in the round*, there is an overwhelming sense of a plethora of local bodies with overlapping roles and responsibilities. These sub-national bodies range from Combined Mayoral Authorities, County Councils with future devolution deals, local authorities without future devolution deals and Local Enterprise Partnerships (LEPs), Employer Representative Bodies (ERBs) and Local Skills Improvement Plans (LSIPs).

## **Devolution by Place is not the Only Form of Funding Devolution**

Devolution by place is not the only form of funding devolution. Devolution of funding can also be by institution, student or employer as well as by place.

## **Current Devolution of Post-16 DfE Revenue Funding by Place is Limited**

Table 1 sets out the main post-16 education and skills revenue budgets distributed by DfE in England. The only budget subject to devolution by place is the Adult Education Budget (AEB) and only in areas where a devolution arrangement exists. About £900m of the c£1,350m AEB is currently devolved to the GLA and existing MCAs. At present, less than 3% of the main post-16 education and skills revenue budgets administered by DfE (c£32bn) are subject to place-based devolution.

## **From Devolution of the AEB to the Devolution of the 'Adult' Skills Fund**

The Adult Education Budget is subject to devolution. Going forward, the AEB will be merged with the National Skills Fund to form a new *Adult Skills Fund*. The *Skills for Jobs* White Paper makes clear that the combined Adult Skills Fund will be subject to devolution in England and not just the AEB.

## **Future Devolution of Post-16 DfE Revenue Funding by Place is Limited**

In 2022/23, the Adult Skills Fund comprising the AEB and NSF could be worth £1.9bn. If every part of England accepted the offer of a devolution deal and each deal included a combined Adult Skills Fund, about 4% of total post-16 revenue spending by the DfE in today's terms would be devolved according to *place*.

Table 1

<b>Estimated DfE Post-16 Revenue Spending: FY2022/23</b>				
<b>Area</b>	<b>Purpose</b>	<b>Amount</b>	<b>Type</b>	<b>Level of Devolution</b>
16-19 Education	Provision  Of which School Sixth Forms FE	£6,650m  c£3,200m c£3,450m	Grant	16-19 Institutions
Post-16 Apprenticeships	Provision	£2,502m	Grant	Employer
Higher Education Office for Students	Provision	£1,266m	Grant	HE Institutions
Higher Education Full-Time L4-6	Provision  Maintenance	£10,275m  £8,085m	Loan  Loan	Student  Student
Higher Education Part-Time L4-6	Provision  Maintenance L6 Only	£320m  £45m		Student  Student
Higher Education Masters	Provision and Maintenance	£795m		Student
Higher Education Doctorate	Provision and Maintenance	£55m		Student
Adult Learner Loans L4-6 FE	Provision	£160m		Student
National Skills Fund	Provision	£500m		Adult Providers
AEB	Provision	£1,350m  Of which subject to existing Devolution Deals		Place  66%
<b>Total</b>		<b>£32,003m</b>		



## Participation in Education and Training by 16-17 Year-Olds in England Varies Considerably by Region

Participation in all forms of education and training by 16-17 year-olds varies considerably in England by region (see Box 3). Average participation is 93.2%, with London recording the highest participation rate of 96.0% and the South West the lowest at 91.9%.

### Box 3

Region/LA name	Total participation rate	Full time education and training	Apprenticeship	Work based learning	Part time education	Employment combined with study	Other	Apprent. WBL & work&study	Arrow to show direction of change in participation	Arrow to show direction of change in NEET rate
England	93.2%	87.4%	3.8%	1.1%	0.1%	0.6%	0.2%	5.5%	▲	▶
North East	92.2%	82.5%	5.3%	3.1%	0.0%	0.9%	0.2%	9.4%	▲	▶
North West	92.7%	85.2%	5.0%	1.5%	0.1%	0.7%	0.3%	7.2%	▲	▶
Yorkshire and The Humber	92.2%	84.5%	5.2%	1.5%	0.1%	0.8%	0.2%	7.5%	▶	▲
East Midlands	94.1%	87.6%	4.0%	0.9%	0.1%	1.0%	0.4%	5.9%	▲	▶
West Midlands	93.4%	87.1%	3.8%	1.7%	0.0%	0.5%	0.2%	6.0%	▶	▶
East	93.0%	87.9%	3.7%	0.8%	0.2%	0.4%	0.1%	4.8%	▶	▶
London	96.0%	93.4%	1.4%	0.7%	0.1%	0.3%	0.2%	2.4%	▲	▶
South East	92.2%	87.6%	3.3%	0.6%	0.1%	0.3%	0.3%	4.2%	▲	▶
South West	91.9%	85.4%	4.7%	0.6%	0.4%	0.6%	0.1%	5.9%	▲	▼

Source: Institute for Employment Studies analysis of DfE, Participation Data

## Levelling Up Participation by 16-17 Year-Olds through Apprenticeships is a Task for the South rather than the North

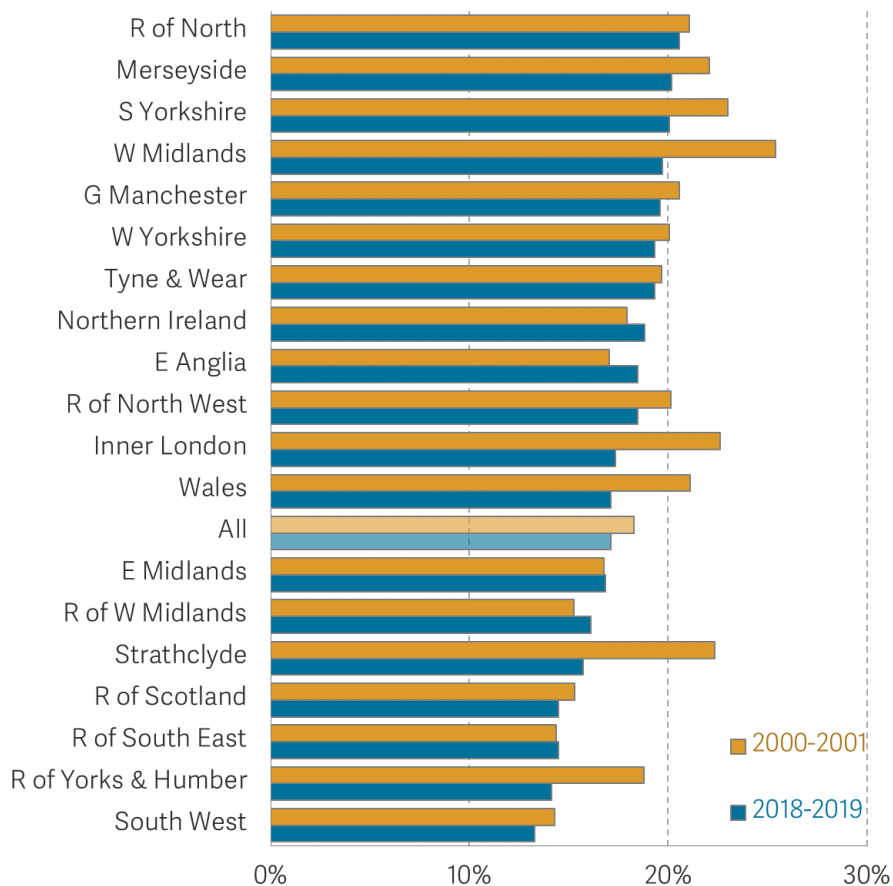
The average share of 16-17 year-olds on apprenticeships is extremely low at 3.8%. Nevertheless, the share is higher for the regions and the north and midlands the south. Whilst the share for the three regions of the north is 5.0% is more, London is only 1.3% and the South East is 3.3%. Levelling-up participation by 16-17 year-olds in England through Level 2 and 3 apprenticeships is a task for the south and not the north.

## The Proportion of 18-24 Year-Olds in the UK who are Unemployed or Inactive but not in Full-Time Education varies by Region and Local Area

In the UK, about 17% of 18-24 year-olds who are not in full-time education are unemployed or economically inactive (see Box 4). In most parts of the North of England one-in-five 18-24 year-olds not in full-time education are unemployed or inactive.

Box 4

Proportion of 18-24-year-old who are not working and not in full-time education: UK, 2018-2019



Source: Resolution Foundation analysis of ONS, Labour Force Survey.

**The Proportion of 18-24 Year-Olds in the UK who are Employed on Insecure Contracts but not in Full-Time Education varies by Region and Local Area**

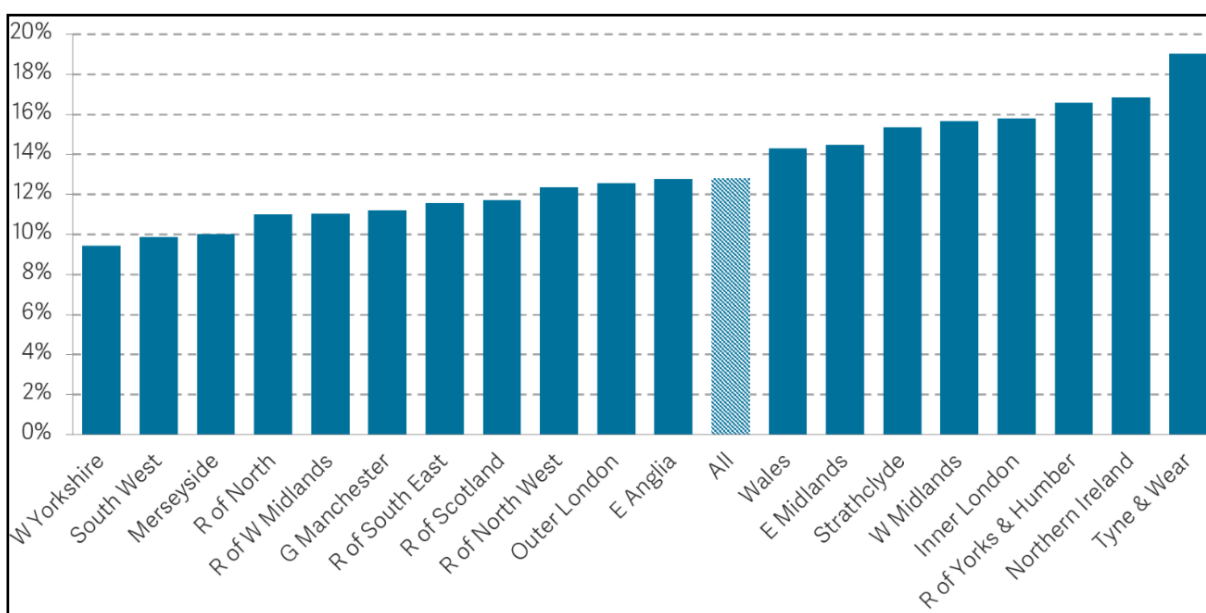
In the UK, the average proportion of 18-24 year-olds in employment but not in full-time education who are working on insecure contracts – self-employment, agency working and zero-hour contracts – is 12%. The share for Tyne and Wear is 18% and parts of Yorkshire and Humber are over 17%.

### Growing Jobs with Apprenticeships and Jobs with part-Time Study for 18-24 Year-Olds is Difficult in Regions where Insecure Contacts are High

Apprenticeships require a paid job. Studying part-time usually requires a job to generate income to live off. Growing jobs with apprenticeships and jobs with part-time further and higher education is challenging when 12% of 18-24 year-olds not in full-time education but in employment are on insecure contracts. The challenge is doubly hard when nearly one-in-five are on insecure contracts in some regions of the North.

#### Box 5

Proportion of 18-24-year-olds who are outside of full-time education and on an insecure contract: UK, 2018-2019



Notes: Insecure contract refers to agency working, a zero-hours contract, or a temporary contract.

Source: Resolution Foundation analysis of ONS, Labour Force Survey.

## **Progression into Full-Time HE by 18-24 Year-Olds: Squaring the Levelling Up White Paper and the HE Reform and Lifelong Loan Entitlement Consultations**

The Levelling Up white paper and the reforms to higher education are pulling in different directions.

A key proposal in the Levelling Up White Paper is the introduction of Education Investment Areas, which are designed to increase educational attainment in low attaining areas. The forthcoming *Schools White Paper* is expected to set out measures to drive-up standards across the board. And the Levelling Up White Paper also announces the introduction of new elite 16-19 college and schools. They are bound to focus on the delivery of A Levels which are main entry qualification into full-time Level 6 first degrees by 18/19 year-olds.

All of these measures will increase demand for full-time higher education by 18/19 year-olds, especially for three-year Level 6 first degrees. And so too will the rising population of 18/19 year-olds throughout the 2020s and beyond. The result is a significant rise in forecast spending on fee and maintenance loans throughout the current decade adding to fiscal pressures on the Treasury.

Hence, the government is seeking to restrict the entry into full-time higher education. Recently, the DfE published *Higher Education Policy Statement and Reform Consultation* (February 2022).

Potential options under consideration to restrict entry into full-time Level 6 degrees by 18/19 year-olds include: minimum entry requirements of Grade 4 in English and Maths, minimum entry grades of 2 Es at A Level; defunding of degrees with low financial rates of return; lower levels of maintenance loans making worse the cost-of-living crisis facing full-time student, and the offer of two-year full-time higher technical qualifications which some 18/19 year-olds might not wish to study.

## **Complex Arrangements for the UK Prosperity Fund and the Multiply Programme**

The UK Prosperity Fund is worth £2.6bn over the course of spending review period (2022/23 to 2024/25). Some £560m has been allocated to the Multiply Programme. The share of funding for Multiply in England is approximately £475m. Funding responsibility for the Multiply Programme lies with the DLUHC. Average spending on Multiply in England could be c£158m per year. A proportion of the funding will be held back to cover national administration costs. The remainder will be split between place-based and institutional devolution. There is, however, considerable uncertainty regarding the deployment of the remainder of the UK Prosperity Fund which may not occur until 2024/25.

Mark Corney, Policy Adviser, Campaign for Learning

Julia Wright, Campaign for Learning

# Recommendations

## **(1) Options Review of Devolving the 16-19 Education Budget**

The Levelling Up White Paper promises to deepen devolution where arrangements already exist and to consult with Directly Elected Mayors and MCAs over additional areas of public policy which can be devolved. In the world of post-16 education and skills, the key issue is whether the £6.7bn 16-19 Education Budget should be devolved to DEMs and MCAs.

The Treasury and DfE should publish a 16-19 Devolution Options Review. The options review should set the desirability and feasibility of devolving: a) the full 16-19 Education Budget including funding to school sixth forms as well as FE colleges; b) funding for 16-19 FE institutions excluding school sixth forms and c) funding for 16-19 vocational education, bearing in mind that school sixth forms deliver vocational qualifications and FE colleges deliver academic qualifications including GCSE results in English and Maths.

## **(2) A New Mission to Increase Participation by 16-17 Year-Olds in Learning**

The proportion of 16-17 year-olds meeting the *duty to participate* in England is 93.3%. This means more than 75,000 young people are not meeting the duty to participate. Participation in London is 96.6%. By contrast, participation in the South West is only 91.7%. DfE and DLUHC should introduce a new mission to level up participation in learning by 16-17 year-olds in each local authority to a minimum of 95%.

## **(3) Assess the Impact of Fewer 'Level 2 and Below' Qualifications on 16-18 Year Olds Not in Employment, Education or Training**

DfE is consulting on the streamlining of Level 2 and below qualifications currently available for public funding for young people and adults. The Department estimates that 150,000 16-19 year-olds are participating on Level 2 and below qualifications today which could be defunded between September 2024 and September 2027 (*Page 18, Impact Assessment – Review of Post-16 Qualifications at Level 2 and Below in England, March 2022*). The fundamental question which DfE must assess is whether the significant reduction in choice in terms of Level 2 and below qualifications will cause 16-18 year-olds to shun participation in full-time education or drop-out shortly after enrolment, thereby risking a rise in young people aged 16-18 who are not in education, employment or training (NEET).

#### **(4) A New Mission to Reduce the Number of 18-24 Year-Olds in England who are Unemployed and Inactive not in Full-Time Education**

20% of 18-24 year-olds in England who are not in full-time education are unemployed or inactive, equivalent to 680,000 young people. The highest proportion of unemployed and inactive 18-24 year-olds not in full-time education is 22% in Outer London, and the lowest is 12% in the South West. DfE, DLUHC and DWP should introduce a new mission to reduce the number of 18-24 year-olds not in full-time education who are unemployed and inactive in each region of England.

#### **(5) A New Mission to Reduce the Number of 18-24 Year-Olds in England not in Full-Time Education but in Work on Insecure Contracts**

About 2.23m 18-24 year-olds in England are in employment but not in full-time study. Of these, around 12% are in insecure employment (defined as self-employment, agency work or jobs with zero-hour contracts), equivalent to 270,000. DfE, DLUHC and DWP should introduce a new mission to reduce the number of 18-24 year-olds not in full-time education who are unemployed and inactive in each region of England to find secure jobs rather than any job.

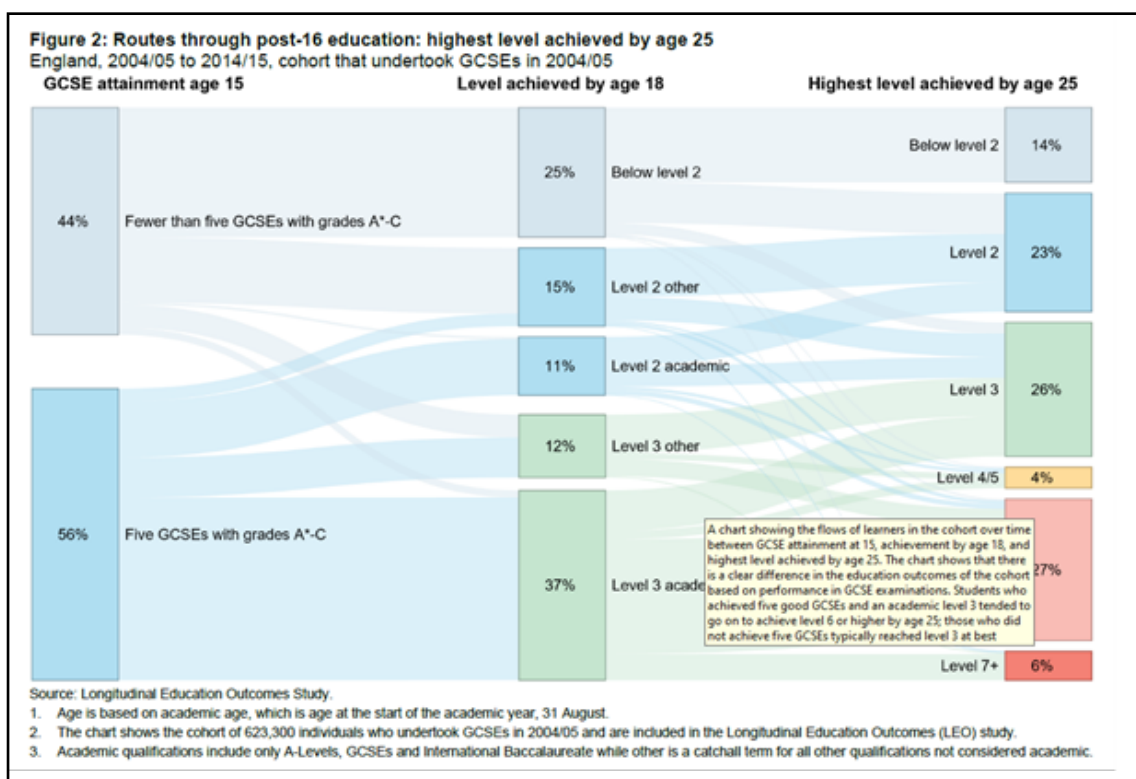
#### **(6) Recognise the Challenge of Growing Jobs with Apprenticeships in the 18-24 Labour Market when 12% of Jobs are Insecure Contracts**

The effective share of employment where jobs with apprenticeships could be grown is only about 90% of total employment of 18-24 year-olds not in full-time education. Apprenticeships and zero-hour contracts are impossible. Apprenticeships and agency work is difficult. Apprenticeships and self-employment is not possible now and although the new *flexible apprenticeships* might lead to self-employed apprentices, numbers will be small in the short-term. DfE should, therefore, make clear that the penetration of apprenticeships in the 18-24 labour market is constrained by high levels of insecure jobs across England.

#### **(7) Assess the Impact of Fewer 'Level 2 and Below' Qualifications on Upskilling by age 25**

DfE should provide data on the number of 19-24 year-olds currently on Level 2 and below qualifications in England, which are in-scope of defunding between September 2024 and September 2027. In addition, the DfE should assess whether a significant reduction in the number of qualifications available for public funding at Level 2 and below will prevent upskilling by the 14% of 25 year-olds who not have a Level 2 (see Box 6).

Box 6



Source: Post-16 Education – Highest Level of Achievement by Age 25: England, DfE, May 2018.

**(8) A New Mission to Reduce the Proportion of Adults without a First Level 2**

About 17% of working age adults in England do not have a first Level 2 qualification. Mission 6 sets annual numerical targets nationally and in local skilled areas. Bearing in mind the training in question could be at Level 3 and above, and reskilling as well as upskilling, many low qualified adults will be missed by Mission 6. DfE and DLUHC should introduce a new mission to reduce the proportion of adults without a first Level 2 to 10% by 2030.

**(9) A Living Cost Support Package for the Skills Mission**

The skills mission – Mission 6 – sets a target of 200,000 more people successfully completing high quality skills training annually driven by 80,000 in the lowest skilled areas. A great number of these training opportunities will cost adults nothing up-front, either because the cost of provision is free or they are entitled to income contingent loans. But at a time of a cost-of-living crisis free provision will not be enough to ensure demand. Many employed adults will have to put *earning before training and retraining* to get extra money to pay gas and electricity bills. Low paid adults claiming Universal Credit will be expected to earn more through working extra hours or shifts than start training or retraining. To work the Skills Mission requires a living support package in the form of maintenance grants and loans if adults are to train and retrain at Level 3 and below.

### **(10) A Living Cost Support Package for the Adult Level 3 Offer**

The government makes a great deal of the entitlement to adults to free education and training to achieve a first full Level 3, claiming 11 million adults in England are potentially eligible. From April 2022, low waged adults and unemployed adults seeking to reskill at Level 3 will pay nothing for the course. Meanwhile, higher paid adults can take out income contingent loans to retrain at Level 3. Despite free education and training, however, demand could be limited, especially with a cost-of-living crisis. Adults **may** need to put earning before training and retraining to pay higher petrol and public transport costs. Without a living cost support package in the form of maintenance loans and grants, the Adult Level 3 Offer will flounder.

### **(11) Clarify the Roles of ERBs and LEPs in determining LSIPs**

The government must clarify the roles of Employer Representative Bodies and Local Enterprise Partnerships in both devolved and non-devolved areas of England in determining Local Skills Improvement Plans. In addition, the government must clarify the role of LSIPs in relation to the economic strategies of both devolved and non-devolved areas of England.

### **(12) End the Confusion over Lifelong Training and Lifelong Learning**

The government must end the confusion between lifelong training and lifelong learning. Whitehall is using the term 'lifelong training' to refer to Level 3 and below courses whilst using lifelong learning to refer to Level 4-6 degrees. Many in the adult education world rightly view Level 3 and below courses as just as much part of lifelong learning as Level 4-6 degrees.

### **(13) Join-Up the Levelling-Up White Paper and the Schools White Paper with the Reforms to Higher Education**

The Levelling Up white paper and forthcoming schools white paper are pulling in a different direction to the reforms of higher education set out in *Higher Education Policy Statement and Reform Consultation and Lifelong Loan Entitlement Consultation*. The education reforms set out in the levelling up white paper and the forthcoming schools white paper will increase demand for full-time higher education. By contrast, the HE reform agenda seems to restrict the supply of opportunities to enter full time higher education at age 18/19.

The government must join-up its levelling up agenda with its higher education reform agenda. It must avoid breaking the hearts of 18 year-olds from poor households – living anywhere in England - who achieve sufficient A Level grades to enter full-time three-year Level 6 degrees, only to find a place is not available.



#### **(14) End the Confusion over the Lifetime Skills Guarantee**

Both the Levelling Up white paper and Lifelong Loan Entitlement (LLE) consultation indicate that the LLE is part of the Lifetime Skills Guarantee (LSG). The additional element of the Lifetime Skills Guarantee is the Adult Level 3 Offer. Elsewhere, the Lifetime Skills Guarantee comprises the Adult Level 3 Offer and Skills Bootcamps. Whitehall must clear up this definitional confusion.

**Lifetime Skills Guarantee = Lifelong Loan Entitlement + Adult Level 3 Offer**

**Lifetime Skills Guarantee = Adult Level 3 Offer + Skills Bootcamps**

#### **(15) Explain the Rationale for Devolving L4-6 to Students but Level 3 and Below to MCAs and County Councils**

Funding for Level 4-6 degrees is devolved to the student to extend individual choice. In the future, Lifelong Learning Accounts will manage the Lifelong Loan Entitlement. By contrast, funding for Level 3 and below courses will primarily be devolved to MCAs and County Councils, and managed by planners. The government should explain why student choice should prevail over the choice of a vocational module at Level 4 but regional and local plans determine vocational Level 3 qualifications.

Mark Corney, Policy Adviser, Campaign for Learning

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# Past Publications

## **Campaign for Learning Policy Pamphlets**

- No.1 Earn or Learn for 18-21 year olds: New Age Group, New Policies, November 2015, Mark Corney
- No.2 University or Apprenticeships at 18: Context, Challenges and Concerns, April 2016, Mark Corney
- No.3 Reforming Technical and Professional Education: Why should it work this time? February 2017, Mick Fletcher
- No.4 Mending the Gap: Are the needs of 16-18 year olds being met? January 2018, John Widdowson
- No.5 Shaping the new National Retraining Scheme, March 2018, Susan Pember
- No.6 T levels for 19-23 Year Olds – The value of maintenance loans, August 2018, Mark Corney
- No.7 The Post-18 Review of Education and Funding – A Review of a Lifetime, December 2018, Editors Michael Lemin, Julia Wright and Mark Corney
- No.8 Post-16 Education and Apprenticeship Levy Funding – Next Steps for English Devolution, April 2019, Editors Michael Lemin, Julia Wright and Mark Corney
- No.9 Future Proofing Apprenticeship Funding in England for the 2020s, October 2019, Editors Michael Lemin and Julia Wright
- No.10 No 16-18 Left Behind – as the cohort grows, February 2020, Editor, Michael Lemin and Julia Wright
- No.11 Making a Success of the National Skills Fund – Adult Training and Retraining for All in the 2020s, March 2020, Editor Julia Wright
- No.12 Revolutionary Forces – Shaping the Post-16 White Paper, July 2020, Editor Julia Wright
- No.13 Revolutionary Forces – Reforms for a 'Revolutionary' Post-16 White Paper, September 2020, Editors Julia Wright and Mark Corney
- No.14 Understanding and Overcoming a Mental Health Crisis in 2021: Issues for post-16 education, employment, the world of work & retirement, February 2021, Editors Julia Wright and Mark Corney
- No.15 Racing to Net Zero: The role of post-16 education and skills, June 2021, Editors Julia Wright and Mark Corney
- No.16 Reforming Adult Social Care: Integrating Funding, Pay, Employment and Skills Policies in England, November 2021, Editors Julia Wright and Mark Corney

## **Campaign for Learning Discussion Papers**

- No.1 COVID-19 and Post-16 Education: Planning for a Different September, April 2020, Contributors - Susan Pember and Mark Corney
- No.2 Growing Level 4 and 5 Technical Education – A Segmented Policy Approach, November 2020, Contributor - Mark Corney

## **Campaign for Learning Working Papers**

- No.1 The Lifetime Skills Guarantee – Exploring the Lifelong Loan Entitlement and Incorporating Lifelong Grant Entitlements, April 2021, Mark Corney

## **Campaign for Learning**

The Campaign for Learning works for social and economic inclusion through learning. In 2020, it became an independently managed organisation in the NCFE charity.

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