

Lifelong Learning and the Spending Review

INTRODUCTION

1. This paper makes a case for the maintenance of public investment in lifelong learning in the medium term. While acknowledging the pressures facing Government in the run-up to a tight spending review for the period 2006-07 to 2007-08, it suggests that sustained investment is necessary in order to realise the Government's vision and policy aspirations. It also suggests that there is a strong case for a modest additional investment in lifelong learning if tied to visible and measurable outcomes contributing to improved productivity and to the reduction of poverty.
2. The paper is produced by the National Institute of Adult Continuing Education (NIACE) as a submission to the Spending Review. NIACE is a non-governmental voluntary organisation and a charity with members drawn from the whole spectrum of post-school education. In recent years, NIACE has strongly endorsed the vision of lifelong learning proposed by Government. In 2003 the organisation was recognised as a delivery partner within the new Skills Alliance and is committed to working towards the successful implementation of the Skills Strategy. NIACE believes that support for the continuing education of the whole population will help Government deliver a wide range of policy objectives for economic prosperity and competitiveness and for greater social justice and cohesion across a range of policy silos and departmental boundaries. In this submission we focus only on new policy directions and have not addressed the need for continued investment in the educational infrastructure.
3. In considering the public spending required to deliver its policy goals for post-initial education and training, the Government will build upon and follow through a number of existing developments set in train by:
 - **The skills strategy (21st Century Skills – realising our potential'** (TSO, 2003)) and the associated public service agreement prioritising the raising of skills at level 2 for 3 million adults by 2010;
 - **The Skills for Life strategy (DfES, 2001)**, focusing on basic skills and intending to reduce the number of adults lacking literacy, language and numeracy skills by at least 750,000 by 2004 and 1,500,000 by 2007;
 - **The reform of further education and training** as set out in *Success for All* (DfES, 2002).

NIACE has warmly endorsed these initiatives. A fourth major development of policy has also been adopted:

- **The expansion of participation in higher education** among 18-30 year olds, so that by 2010 the participation rate for this age cohort is 50%. NIACE has some concern that this policy, whilst welcome in itself, may unintentionally weaken investment in and provision for mature students.

4. At the same time as welcoming the overall focus of Government Lifelong Learning Policy, NIACE has consistently pointed out that the overall volume of public and private investment in post-compulsory education and training was unlikely to lead to the full achievement of the policy aims contained within the initiatives – despite significant new investment following the last Spending Review.
5. Although some of the numbers of adults taking up education and training required to meet the Government targets will be achieved simply through flow, there remains a need to engage and support millions more adults to undertake education and training and to achieve substantial learning gains. More than eight in ten of the new and replacement jobs to be filled in the next six years will need to be met by adults, by migrants or by people who might previously have been expected to retire. At the same time, the proportion of unskilled jobs is in decline – absolutely and as a proportion of the total.
6. The UK’s ability to avoid this looming skills shortage is far from certain – despite the recent investments. In this respect, the legislative framework for adult skills is not helpful. The Learning and Skills Act 2000 charges the Learning and Skills Council in England and the National Council for Education and Training for Wales to “secure the provision of proper facilities” for the education and training of people under the age of 19 (sections 2 and 31 respectively). For the education and training of those aged 19 or above, however, the duty is lesser (“to secure the provision of reasonable facilities” (sections 3 and 32 of the Act). This means that, whatever the vision and analysis of the Skills Strategy, the reality is that the publicly-funded system has available for adult learning only what is left after the needs of young people have been met.
7. For this reason, whilst NIACE recognises the very real pressures the Government faces in a tight Spending Review, when a wide range of pressures for increased spending will be put forward, it is convinced that to achieve the policy goals in the Government’s flagship strategies, there is a case for limited additional investment to secure visible and measurable returns, to contribute to improved productivity and the reduction of poverty. We know that the proposals we make in this paper work.

ADULT LEARNING PAYS IN DIFFERENT WAYS

8. Government recognises that adult learning for active citizenship, community regeneration and cultural enrichment is of social as well as private benefit and deserves modest support from the public purse (see *21st Century Skills* paragraphs 4.42-48). Yet apart from the work of the DfES-funded Wider Benefits of Learning research centre, the evidence base of quantifiable societal benefit of such investment for social cohesion, respect for difference and diversity and equality of opportunity is still patchy. In part this is because the impact of such provision is felt in reduced calls on health and social welfare budgets, as well as on directly, education outcomes. Even so, educational programmes are recognised as having an important part to play in promoting equality.

9. The work of the Adult and Community Learning Fund and of the Union Learning Fund, confirmed by independent evaluations, show that modest practical interventions, not tied to immediate accreditation, are a cost-effective way to widen participation in learning among the most excluded communities and the least well-skilled workers. The studies leading to the Neighbourhood Renewal Strategy (Skills PAT 2) highlighted the long-term need for investment in building learning confidence in the poorest communities, yet this is an area bedevilled by short-term funding measures.
10. Overall, the funding regime for post-16 education and training has never encouraged the development of a strong voluntary sector. The sector has, however, a strong track record in developing initiatives to combat poverty and extend social inclusion and NIACE believes that both the Department for Education and Skills and the Learning and Skills Council need to consider how they can best draw upon the voluntary sector's innovation and commitment in the delivery of education and training.
11. As we argue below, in family learning there is clear evidence (e.g. in Veronica McGivney's studies for the Pre-School Learning Alliance and Leon Feinstein's work for the Wider Benefits of Learning Research Centre), that where adults participate in learning and gain confidence, there is a beneficial impact on their children's educational performance. The American researcher Tom Sticht highlights family learning as a 'double dealing dollar'. The Government's welcome initiative to promote learning communities alongside extended schools and family learning programmes, offers the prospect of focusing on the cross-sectoral benefits, and needs strengthening.
12. However, the gap between policy aspiration and public investment, coupled with a powerful pressure to achieve the PSA targets leads providers to focus attention on those groups likely to secure early wins in the achievement of targets – e.g. the welcome moves to introduce a licence to practice in construction will lead to a significant volume of qualifications gained – including large numbers having their existing skills levels validated – and at significantly lower costs to the LSC. However, the engagement of the hardest to reach, motivate, support and skill is a much more expensive business, and will not be afforded with the marginal funds released from rationalisation of existing funding streams.
13. The Government is right to prioritise level 2, since it provides a platform for progression to level 3, where productivity gains are apparent to employers and individuals alike. This approach also does something to invest in people previously failed by the education and training system. For those people with no qualifications the risk is that 'first steps' provision will be eroded to pay for level 2 courses. There is already evidence that the Learning and Skills Council is capping current volumes of 'other provision' which includes a large volume of first steps work – and that the funding regime means that colleges running such learning programmes may end up doing so at a loss.

Recommendation 1.

NIACE welcomed the identification of a budget of £240 million for citizenship, culture and the health and welfare of communities resulting from the Skills Strategy. NIACE recommends that this figure, adjusted for inflation, should be supplemented by a clear LSC budget element for first steps learning, leading to level 2 studies, and that £20 million of new money should be committed to the building of learning communities in the poorest communities.

LEARNING TO COMBAT POVERTY: THE ROLE OF BASIC SKILLS

- 14.** In his Presidential address to the Royal Economic Society in 2003, Stephen Nickell of The Centre for Labour Market Performance at the LSE argued that ‘without reducing the long tail in the skill distribution, there is no practical possibility of policy reducing relative poverty to 1979 levels.’ NIACE’s research over twenty years demonstrates the persistence of a learning divide between the educationally privileged and the learning poor – a divide exacerbated by a more recent digital divide. But our work in community education and e-learning show there is nothing inevitable about this. But overcoming exclusion does not come cheap. The inter-departmental Policy Action Team report on Skills, which preceded the establishment of a neighbourhood renewal strategy, highlighted the length of time, the patience and the sustained investment needed to make a difference to opportunities affecting the very poorest communities – yet there is little evidence as yet of sustained investment in educational outreach work, of the kind that report recommended.
- 15.** The latest survey evidence of literacy, numeracy and ICT levels in the population highlights the impact of poor numeracy on productivity – most strikingly, the 9% gap between entry level 3 and level 1 numeracy. It also demonstrated that 15 million adults have useable numeracy skills below level 2. Taken together with the literacy results, some 26 million people have weaknesses in the application of basic skills in literacy and numeracy – yet the PSA target, which is challenging in itself provides for only 1,500,000 to achieve a basic skills qualification by 2007. One very positive feature of the Skills for Life programme has been the recognition that the existing national test would only engage a minority of participants in provision, and that to secure the 1,500,000 target, 4,500,000 people would need to be engaged. Measured against the scale of need, the current investment levels are at best modest – but since most people are likely to engage with literacy and numeracy where those skills are embedded in other areas of study, where a great deal of development remains to be done, sustained and increased investment will be needed. One specific application of number that merits particular attention is adult financial literacy.
- 16.** In the basic skills territory of English language acquisition, demand exceeds supply dramatically, and across each of the disciplines there is a need to build the volume, capacity and skills of the teaching force. In NIACE’s view, there needs to be a sustained focus on numeracy, backed by measures to stimulate demand, and on provision of ESOL.

Recommendation 2.

NIACE believes that the 2007 basic skills targets cannot be achieved without sustained investment in discrete provision, tutor training and the development of substantial programmes where basic skills work is embedded in other studies.

Reaching the next cohort of 750,000 adults needing to improve their literacy, language and numeracy skills will require a higher per capita expenditure than engaging the first 750,000. The new phase is not “mopping up”, it is about reaching the hardest to help. Reaching the first three-quarters of a million people cost approximately £110 million per annum. NIACE believes that it will cost up to half as much again to reach the next cohort – approximately £150 million a year – of which some £50 million will be “new” money.

E-LEARNING AND THE DIGITAL DIVIDE

17. Information and communication technology (ICT) has now been accepted as a skill for life, since the majority of jobs now require employees to be competent users of ICT. However, many millions of adults have poor practical ICT skills. National Statistics surveys show that ownership of computers and access to the internet are skewed by income, age, geography and gender. Many adults are not able to see the relevance of technology to their lives and are therefore unwilling to participate in learning programmes. However, the use of outreach techniques in adult and community learning across all educational sectors has successfully demonstrated ways to reach such adults. The DfES laptops initiative and the Wireless Outreach Networks programme have shown cost-effective ways of closing the digital divide. Currently, community-based learning for adults have limited ICT facilities with ratios of 30 learners to one computer – in comparison to 4 computers per learner in further education colleges. It is essential that capital funding is made available to bridge the digital divide through outreach-based approaches.

18. E-learning has already shown its ability to deliver learning in a flexible and engaging way. Learndirect, Phoenix Online University; the Open University, the National Learning Network and other developments are evidence of this – although the e-learning revolution has only just started. It is, however, essential that changes are co-ordinated, lessons learned are shared and developments supported. NIACE believes that the DfES *Towards a Unified E-learning Strategy* provides a medium and long-term view of the future objectives for e-learning – and sustained funding needs to be provided to realise the vision it proposes.

Recommendation 3.

NIACE recommends an investment of £10 million in ICT facilities for community-based adult learning, which would result in the participation of approximately 300,000 new learners.

A DEMOGRAPHIC IMPERATIVE FOR LIFELONG LEARNING

19. The changing demographic profile of the UK has major implications not only for skills but also for social cohesion. These changes are evident in the overall age profile of the UK population (and its countries and regions) and also in terms of patterns of migration and of engagement with the labour market by particular groups within the population.
20. The changing age profile of the British population in the coming decade is largely predictable, yet its implications are substantially unacknowledged in *21st Century Skills*. Projections of where and for whom new jobs will be created suggest a substantial increase (>10%) in the participation of women in the labour market, building on an already high level, and a net inflow of migrants from an enlarged European Union and from further afield. In addition, quite apart from any changes Government may make to eligibility for incapacity benefit and retirement pensions, it is likely that pressures on pensions and the need to meet the EU age discrimination directive will impact on the age at which more people leave the labour market, their patterns of engagement with it in later years, their levels of motivation and their need for re-skilling. At present almost a million people need or choose to work beyond pensionable age.
21. All of this suggests a series of new and different challenges for education and training provision as seen by employers and by individuals. The Skills Strategy White Paper, however, was patchy in its response. For example it considered older people only as pensioners, gave little consideration of how the language needs of migrants to the UK will be met and did not fully link up how changing patterns of participation in the labour market by gender impact upon children's early years education and family policy.
22. The Spending Review provides an opportunity for Government to steer lifelong learning policy so that it better supports:
 - the dissemination of age-related Labour Market Information (regionally and sectorally) and identification of potential age-related skills shortages;
 - the encouragement and promotion of training initiatives to support flexible alternatives to traditional expectations of "retirement"/"early retirement" from the labour market;
 - programmes for retraining/re-motivating employees who may have to retire later than they might have had anticipated;
 - self-employment and enterprise education and training for mature people preparing to exit the labour market gradually (mirroring young enterprise initiatives);
 - initiatives to support re-entry to paid employment for adults (whether returning from periods of domestic responsibility, ill-health, release from prison or for migrants joining the UK workforce);
 - A co-ordinated review of how the removal of the age cap on Modern Apprenticeships is rolled out; age-sensitive Training Needs Analyses and financial modelling to explore lifting the cap above 25.

23. There also needs to be a clear strategy for promoting older adults' participation in learning other than for work. The clear link between learning and positive health effects suggest that this can save the Exchequer money, delay morbidity and prolong active citizenship. LLSCs should be asked to include attention to older people's needs in Strategic Area Reviews.
24. The impact of an ageing labour force and a society with increasing numbers living in active retirement for decades cannot be under-estimated. Changing demography will affect all adults. Young people can expect much longer working lives, with more of their income committed to saving for their own retirement, and higher taxation as they meet the health and social security costs of a larger ageing population; those older adults with assets and income and able to retire from full-time work will be able to look forward to two or three decades of active retirement which may include different forms of engagement with the labour market through a combination of voluntary and part-time work. Others less fortunate can expect to have to work for years longer than they expected or planned, as some pensions fail to provide expected levels of security. Each of these groups will have learning needs, to help them to adapt successfully to changed circumstances.
25. The DfES-funded Wider Benefits of Learning Research Centre has mapped the health benefits deriving from participation in learning. In a society with large numbers of older adults, measures that delay or offset the onset of Parkinson's disease, or Alzheimer's, or morbidity more generally, must be welcome. In other studies the same Research Centre has shown that engaging in learning improves the likelihood of adults giving up smoking (by 13%); and leads to improvement in how they feel about life. Since the early 1970s there have been pressures to reduce public investment in learning for non-certificated purposes, and whilst it is welcome that a minimum budget has been secured again in last year's Skills Strategy for learning for cultural enrichment, community capacity building and active citizenship, NIACE believes the Wider Benefits of Learning research makes clear that such investment can lead to net savings elsewhere in the social welfare budgets, and that it makes economic sense to increase investment over the next spending round.
26. For many people who left school forty or fifty years ago, the prospect of learning new skills to adapt to a changing labour market presents overwhelming challenges. Educated for a Fordist economy, where little was expected at school, and where, after initial training many people did their job with no expectation of further opportunities for development. Unsurprisingly, these people often believed that 'education (and training) was for other people', and showed in survey after survey that they have no interest in learning. Yet there is nothing inevitable about this. Older workers at Ford, including older blue collar workers, have participated in learning through the Ford Employee Development and Assistance Programme, and have sought to continue to access the scheme after retirement. However, one of the challenges changing demography will pose is how best to motivate and re-skill people with little or no recent experience of structured learning, and little confidence that they can make a success of it.
27. A further educational need relating to demographic change arises from increased migration. As the UK increases immigration of skilled and unskilled workers to meet labour market shortages, and as asylum continues to be sought by people displaced

by war, political instability and environmental crises, there will be an increased need for investment in English for Speakers of Other Languages, in studies to help migrants settle and contribute effectively, and to ensure that their qualifications and experience can be used effectively. The absence of a robust mechanism for the recognition, accreditation and assessment of vocational and professional qualifications and experience gained overseas seriously inhibits the contribution refugees can make to the economy. For some groups of highly qualified refugees, unemployment continues at extremely high levels. It should be a Treasury priority to fund the establishment of a national centre for overseas qualifications recognition and achievement, in the next spending round.

Recommendation 4.

While many of the measures discussed could be achieved through a re-orientation of existing spending, a post-55 educational entitlement would give a clear and symbolic statement of the importance of learning in later life – this might build on the thinking in the 1992 Labour manifesto for a third age entitlement, and parallel the Entry to Employment initiative with a Return to Employment (R2E) initiative. NIACE proposes that the details of an entitlement, and the support structures necessary for its take-up should be piloted (sectorally and regionally) in 2006-7, to include differential entitlements for adults 55+ wanting to retrain for the workplace, and those seeking to prepare for or to enrich their retirement. Additional expenditure: £20 million for sectoral pilots and piloting and age-related learning entitlement.

Recommendation 5.

In addition we recommend the Government to consider the establishment of an Overseas Qualification Recognition Centre with an annual budget in the region of £3 million.

FAMILY LEARNING

28. The Government needs to increase sharply its investment in family learning to complement its pre-school education policy. Improving school effectiveness has been, and continues to be a major priority for the Government. The Green Paper ‘Every Child Matters’ recognised the key role parents have as a child’s first educator, and recent evidence suggests that where mothers, in particular, stay at home, children demonstrate markedly better school results in their teens. There is, however, also evidence of the benefits of pre-school learning, which often combines with women returning to education or part-time work. There may be a case here for spending to give parents more options in the continuum between full-time paid employment and full-time child rearing. One of the weaknesses of public policy is the tendency to address policies in silos. Family learning offers a practical measure to counteract that weakness, and to contribute to school effectiveness. The common sense of the African proverb, that if you teach a woman to read and write, a village will learn, is recognised in current family literacy programmes, but family learning has a wider

reach than literacy, or role education for parents – important though both are. Where children and adults learn alongside one another both benefit, and an adult gaining confidence has a direct impact on their child’s performance.

29. Family learning can also contribute to a major challenge facing Government over the next decade, where demographic change will have a major impact on the shape and skills of the labour force. Chris Humphries, Director General of City and Guilds calculates that we will need a ten percent increase in women’s labour market participation to make up for the shortfall in people to replace people retiring – once young new entrants, migrants and older returners are taken into account. If school performance relies on sympathetic attention outside the school, the role of inter-generational learning involving grandparents, other kin and friendship networks can help to overcome the risk that in solving one national challenge, arising from demographic change we will exacerbate another in the performance of children at school.

Recommendation 6.

NIACE believes that consideration should be given to the development of a comprehensive, cross-departmental, Family Learning Strategy, following the model of ‘Skills for Life’ – the national strategy for improving adult literacy and numeracy skills. This would prepare recommendations for the next spending review.

In addition to work at strategic level, which could be met without additional resources, Government should pilot a raft of test-bed projects linked (for comparison) both to successful Sure Start initiatives (‘Sure Start Plus’) and to other adult and community learning activities. These pilots would seek to develop intergenerational learning opportunities extending to older children and grandparents as well as to parents and young children. Additional spending proposed: £5 million.

GETTING ADULTS INTO WORK

30. The Skills Strategy drew attention to the need for Government to harmonise policy priorities between Government departments for the Strategy to succeed. The DWP inherited a policy commitment to get claimants into work at the earliest opportunity, on the principle that work is the best route out of poverty – and makes a distinction, reflected in its system of performance appraisal between getting people a job and a good job (defined as one lasting three months). Whilst some exposure to the labour market may have its place when large numbers are long-term unemployed, it has little to offer when people lack the skills necessary to secure permanent full-time work paying proper wages. For unwaged people with few formal skills, education and training represent a work-related strategy. In that context the 16 hour rule is counter-productive and needs to be rescinded, so that unwaged adults can agree the pattern of study and work most likely to secure a real end to welfare dependence. Without such a move the Skills Strategy will exclude many of those for whom it has been designed.

31. The Government has once again decided not to regulate for employers to engage in training and development for staff, preferring the incentives in the Employer Training Pilots. Whilst these appear to be effective, the lessons will need to be rolled-out nationally in so far as they are scaleable. NIACE remains concerned that people employed by firms where the employer is unconvinced of the value of training, or where the employer cannot see a way to release people to build their skills will continue to be failed. We are convinced that the Government's welcome measures to stimulate investment in learning, and its level 2 entitlement will help in making a voluntary approach attractive to many enterprises. However, we believe that the approach used to secure good Health and Safety programmes – starting slowly with guidance, and workplace agreements, ratcheting up modestly year by year, is a necessary complement for those firms wedded to a low skills equilibrium.

Recommendation 7.

In addition to rolling out the lessons of the Employer Training Pilots nationally, NIACE believes that Government should consult with the social partners to develop guidance and model workplace agreements with a view towards the introduction of modest regulation from 2007.

Preparatory work for this could be undertaken by re-orientation of existing budgets.

HIGHER EDUCATION

32. In higher education, almost all public and political attention in recent years has focused on the needs of young, full-time students. Part-time students suffer neglect in planning and funding – yet part-time study is the route through which most adults access higher education. As a result of this neglect part-time study is an area where access is limited to those affluent enough to pay unregulated fees, or lucky enough to enjoy employer support. There are, too, regulations that have no place in an ageing society – like the age limit of 54 imposed on access to student loans. A thoroughgoing review of student finance and institutional policy affecting part-time students will be needed to secure the kind of educated workforce able to remain economically competitive in the next decade.

Recommendation 8.

The Government has announced (January 2004) a comprehensive review of how funding for university teaching is allocated – and will base future funding decisions on an analysis of full economic costs rather than the current expenditure-based approach.

NIACE recommends that, by the end of the next Parliament, Government should ensure equitable treatment in respect of student support and institutional funding for part-time learners in higher education

Government has already indicated that it wishes to see how the funding system might further support the development of part-time study. Since the intention is clearly that the Review's recommendations should not reduce the accessibility of part-time HE study, it is likely that additional resources will be required if spending on full-time study is not to be reduced.

ADULT LEARNING AND EQUALITY OF OPPORTUNITY

- 33.** A proud feature of the Government's aspirations has been the vigorous pursuit of equality policies and legislation. NIACE welcomes the move to create a single equalities commission but the role that adult learning plays in improving equal opportunity and outcomes for people with disabilities; for black and minority ethnic communities; for people disadvantaged by gender, faith, sexual orientation are often distinct. To give teeth to the Disability Discrimination Act, for example, there will need to be sustained attention given to the skills of education managers and practitioners and to curriculum as well as to physical access through out the system. For a labour force in which male participation (especially among the lower skilled) is diminishing and female participation often means a doubling of workload alongside other responsibilities, the work-life balance issues are critical and learning has an important role to play.
- 34.** The provision of a broad range of information, advice and guidance services accessible to all will be critical to the delivery of equal opportunities
- 35.** Finally, the Wider Benefits of Learning Research Centre evidence shows that participation in learning improves racial tolerance for 34% of participants; and reduces the rate at which people become more cynical about politics. These findings apply across social classes, and for groups with no previous continuing education as well as for more highly qualified groups. In an educated democracy, with increasing alienation from the political process these are serious benefits from investment in adult learning – yet the volume and range of studies available to adults vary massively across the country. Access to these benefits that should not be left to the chance of where you happen to live. That was a policy priority recognised in The Learning Age. It needs re-asserting in the next spending review.

Recommendation 9.

The possible policy changes in the field of equal opportunities are known: Proposals for a single equalities commission and the commitment to introduce the European Employment Directive intended to end age (and other) discrimination in employment.

There will, however, be challenges to ensure that front-line public services –including education – are prepared for change and able to implement the spirit as well as the letter of new regulations.

Continued investment in information, advice and guidance will also be necessary.

CONCLUSION

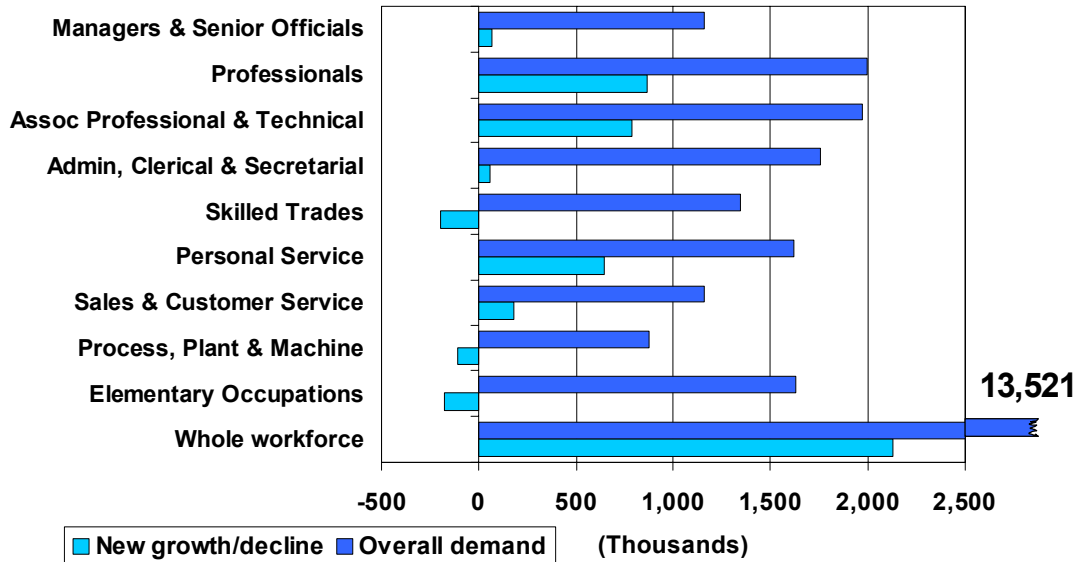
36. NIACE would welcome the opportunity to work with Government to pursue any or all of the matters covered in this paper

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Appendix 1

Occupational Demand to 2010



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Source: Projections of Occupations and Qualifications 2000/2001, IER, published March 2001

