



The Future of the Union Learning Fund

An Independent Review with Specific Recommendations for Government

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Executive Summary

The Union Learning Fund (ULF) has an established (and repeatedly positively-evaluated) track-record of training large numbers of learners and in particular, supporting those adult learners who are 'hardest to reach'. It has also moved swiftly to help the Government respond to the needs of a workforce subject to the constraints and pressures of COVID-19. Although union learning is only delivered in unionised workplaces, it is open to all workers and not just union members. The current threat to remove union learning will undoubtedly reduce workplace learning opportunities for all.

New Research and Analysis

In this document we report on the results of new work to help identify the value and impact of the ULF and just how important it is in delivering Government policy and targets. We have produced new research into:

- The economic impact, return on investment to employers and learners and returns to the Exchequer of the ULF
- The skills needs of the 'left behind' geographies in England and have identified the important role that skills must play in any regional levelling-up
- The results of a new survey examining the response to COVID-19 from the current Round of ULF Projects with a look at their impacts and returns
- A qualitative meta-evaluation of previous research identifying where the ULF is delivering DfE priorities such as learner progression, supported apprenticeships, digital literacy and health and wellbeing
- An exploration of current literature around the importance of the ULF and of social partners in the delivery of the Industrial Strategy
- An analysis of recent trends in Adult Education and an analysis of the challenges the UK faces in building a skilled workforce

New analysis for this report exploring the return on investment and economic impact of the ULF (using a methodology previously agreed with the Treasury) has found that in the most recent Round of ULF (2019-2020) the return on investment was very considerable. We estimate that the £12m union learning supported ULF Round 20 projects would have an overall impact (benefits to employers and individuals) of £1,477m.

As the ULF is principally concerned with brokering learning, it is important to add the central cost of administering the programme and the cost of delivering the learning associated with the ULF investment to estimate the return on investment. Applying the unit cost of delivery to the cohort of ULF results in an overall cost of £115m, made up of £103m in training costs and £12m in brokerage and ULF central costs. On this basis, we estimate that £1 investment in the Union Learning Fund in Round 20 generated a total economic return of £12.87 of which £7.56 accrues to individuals and £5.31 to employers. These high levels have been consistent over the many year of ULF and have even increased over time.

Taking into account both the cost of ULF Round 20 and the cost to partners of delivering ULF generated learning, the estimated return to the Exchequer is £3.60 for each £1 spent. Clearly this comfortably exceeds the scale of the initial Exchequer investment and has increased over the lifetime of the ULF.

Within this report we look for the first time at the crucial role that the ULF is playing in supporting the Government's Industrial Strategy, the new work on regional levelling-up and the pressing need to help rebuild our economy after COVID-19. It is evident that the ULF is already underpinning critical policy areas such as technical education, apprenticeships and traineeships, the National Skills Fund, and has a track record of delivery in the 'left behind' geographies. We establish that in the towns which are most left behind there is already a growing productivity gap with the rest of England. This is linked to skills and in our study of recipients of the Town's Fund - the 20% of left behind towns with the lowest levels of NVQ3 or higher qualifications in the workforce had productivity at just 72% of the national average. In examining these geographies we have identified that the ULF is already active in left behind workplaces and that there is the capacity to deliver more - re-training and up-skilling displaced workers as part of a coordinated response to COVID-19.

Our analyses of the most recent performance of ULF indicates that in first two quarters of this year reveal it has been functioning well above target in many of its DfE Priority groups. For example, in the first two quarters of 2020/21, projects were almost 90% above the target level for English courses and 47% above target for the equivalent maths courses. Projects are also 72% above target for Level 1 ICT learners and have supported over 5,000 Apprenticeships against a target of 3,147 in the most recent quarter. Under COVID-19 with a pressing need for digital and other worker support the ULF network achieved 147,662 learner support referrals in just six months.

ULF projects have also switched very quickly to delivering almost exclusively online and this has necessitated rapidly developing or expanding new platforms for delivery and creating new materials. This includes materials specifically designed to keep workers safe and to support their mental and physical health and wellbeing. 79% of projects cite specifically acting to help ensure workers were able to physically stay safe from the potential impact of COVID-19 whilst still working.

Our meta-analysis has emphasised the importance of the ULF in achieving life-changing benefits to many thousands of learners. Regular evaluations and impact studies have cited the benefits that accrue to learners in terms of career, promotion and progression to new skills. They also stress the value of the Union Learning Representative (ULR) network and how important they are in reaching individuals often with poor experiences of education and whose return to learning can have major positive implications for them, their employers and their families.

The unique strengths of the ULF

A major challenge for most training providers is reaching those learners with low literacy, numeracy and digital skills who may be reluctant to engage in learning. Reaching out and engaging with these learners is the ULF's 'USP' and the personal nature of support and help from a trusted peer is impossible to replicate without very significant financial implications for Government.

The ULF is something quite unique and by education standards it receives a relatively small sum given its considerable impact. Its ability to act as an evangelical voice for 'skills' at a very difficult time, mid and post-COVID, where new policy initiatives will need time to reach their market, means it has the potential to boost the adoption of the Government's welcome new adult skills plans.

The valuable role of the ULF and the unions who deliver it has been acknowledged by a number of government sponsored and independent experts such as the OECD. Independent evaluations point to over-achievement of targets, value for money and the fact that unionlearn enables learners to access support through their workplaces, relevant to their work, and at a time and place convenient to them – all essential pre-requisites for the future success of the Government's skills agenda, which will require no less than a culture change if it is to succeed.

Countering a decline in Adult Education

Against a backdrop of rapid change in the world of work and the need to boost productivity, action to address adult skills is crucial. However, adult education is in decline; it often fails to benefit those who need it most; and employer investment in learning has fallen. Since 2010 there has been a 45 per cent decline in Level 2 English and maths courses and a 60 per cent decline in adults achieving this qualification. As more onus is put on individuals to take responsibility to develop their skills and to finance themselves, there is an acknowledged need for individuals and their employers to be supported in social partnerships to navigate the system and embrace the culture change needed for lifelong learning.

Targeting the most in need

The ULF has been used successfully to target those most in need, a 2015 evaluation¹ identified that the proportion of union learners with no formal prior qualification was 12 per cent. This is four times higher than the average across unionised workplaces (3%). Further, union learning stimulates demand for further learning. A second evaluation in 2018² found that respondents agreed that union learning resulted in them: becoming more confident in their abilities (68%); more enthusiastic about learning (74%); and better able to organise, mentor and support other people (58%). Around half of all learners agreed that union learning had improved their quality of life and well-being (46%)³.

It is the task of the ULF not only to support success but to tackle the barriers to learning and engage adults in first steps learning which can set them on a longer term journey, leading to more measurable 'hard' outcomes, which may be less apparent in the short term⁴. The 2018 Union Learner Survey findings revealed that the more learning episodes a learner undertakes, the more likely they are to gain a qualification and a greater range of softer outcomes. This underlines the continual need for support to bring about a 'learner journey' in individual lives.

Regular ULF evaluations have helped highlight the significant benefits to learners, employers and the wider economy. Given this and our new research and analysis reported here, our central conclusion is that there is considerable value in continuing funding for the ULF.

The current payment by results format does deliver consistently good returns from projects and the last 3-year funding allocation allowed projects a longer-term focus for some of their work, which was welcomed.

We believe that given the Prime Ministers very welcome announcements regarding FE Funding, the Lifetime Skills Guarantee and National Skills Fund, the ULF offers very considerable potential to help these new initiatives and programmes reach their target audience.

We are convinced that the ULF meets the Government need to build back better from the pandemic. With skills playing a crucial role in enabling increased productivity, it can form a part of the move to level-up our regions. As a resource to government it consistently delivers well over

¹ Leeds University and the University of Exeter. Evaluation of the Union Learning Fund Rounds 15-16 FINAL REPORT 2016, <https://www.unionlearn.org.uk/sites/default/files/publication/ULF%20Eval%201516%20FINAL%20REPORT.pdf>

² As for 1

³ As for 1

⁴ University of Exeter. Union Learning Fund Learner Survey 2018. <https://www.unionlearn.org.uk/sites/default/files/publication/Union%20Learning%20Fund%202018%20Learning%20Survey.pdf>

200,000 learners targeting the hardest-to-reach through a unique network of trusted and impartial learning intermediaries (ULRs).

Recommendations

As a result of our work we are able to make a number of recommendations for an enhanced programme targeting those most in need and supporting the Industrial Strategy, National Skills Fund and regional levelling-up. The future of the Union Learning Fund is tied to its ability to support and enable Government priorities both in terms of adult skills and more broadly in areas that can benefit from enhanced adult skills, most notably:

- Economic productivity
- Regional levelling-up
- Social inclusion
- Digital literacy and embracing the Future of Work

Our recommendations therefore seek to establish a new ULF Programme that aligns, in particular, with the welcome re-prioritisation by the Prime Minister of Adult Skills.

Recommendation 1. ULF funding should have a 3-year rolling commitment from Government

The Return on Investment (RoI) for the ULF is demonstrably high and given the Prime Minister's stated aims to boost adult skills, ULF is a core route for reaching priority learners. Research into the ULF has identified that repeated learning episodes generate the greatest benefits. Logically therefore maintaining staff and learning centres with a consistent offer should be a priority. ULF remains unique and achieving a replacement from scratch, would be considerably more expensive.

Recommendation 2. ULF should be increased with new targets

This report echoes the findings of the very recent Learning and Work Institute Report (2020) that Government should continue to invest in the ULF to support workers to access workplace learning. Further we suggest that the ULF and its ULR network offers considerable potential to boost learner numbers and learner outcomes amongst the hardest to reach. The infrastructure is already in place and ULF projects consistently deliver. Additional funding would increase the Government's own ability to reach learners needing English, maths and ICT. Government should attach additional targets to the enhanced funding. New targets could include:

- *FE and training provider access to ULRs and workplace provision* - The delivery of courses from basic or functional skills through to higher level courses typically involves external providers, but there is no regular reporting of just who is providing courses where. This information would help DfE in understanding the market penetration of different providers to target regions, qualifications and sectors.
- *Delivery of potential Career Development Accounts* - Many of the recent CBI suggestions, such as new National Skills Portal and Career Development Accounts (CDAs), will cost very considerably more to establish than the ULF costs each year. A refocused ULF could help ensure their delivery reaches those who really need it – with independent ULRs helping link learners to approved and trusted deliverers. This will also help avoid some of the negative publicity that accompanied the introduction of ILAs, which would be a comparable model to CDAs.

- *Ensure ULF targets learner progression, particularly in line with the new Level 3 entitlement -* Details are still emerging concerning the new level 3 entitlement but it makes sense for this to form a new ULF target.
- *Prioritise more targets for digital skills, including those provided to the wider community -* ULF has been particularly successful at supporting workers digital skills needs and recognising that entitlements and free courses in themselves won't solve the digital skills gap is important. The role of ULRs in sign posting and encouraging people back into learning is absolutely critical here.
- *Recognise the importance of signposting staff to Health and Wellbeing courses in ULF -* It would be valuable to record the number of Health and Wellbeing referrals that are taking place to help inform how unions and employers are enacting government campaigns and responding to COVID.
- *Consider further new targets around COVID response -* There are various areas where learning activity can support both the immediate and longer term response to Covid-19. DfE should re-consider the priority outcomes to ensure people can work safely and healthily online using the new tools and techniques that are becoming part of the new normal.

Recommendation 3. Rationalise the Centralised cost elements to link to Learner Outcomes

Centralised costs should cover such areas as:

- Evaluation and learner tracking
- Maintenance and expansion of the ULR Network
- New and existing course provision
- Overall ULF Management and Administration

Recommendation 4. DfE to consider a future round of ULF to include capital equipment

DfE should consider that where employers and unions are also willing to contribute up to 50% of costs - a small capital budget could be provided. This could also be linked to the provision of a learning agreement and commitments around any new learning entitlement with targets to support priority learners potentially attached.

Recommendation 5. Maintain the current support for training and maintaining ULRs and audit current coverage

The role that ULRs already play as advocates for skills and lifelong learning should not be underestimated. Attempting to replicate a system with 40,000 volunteer advocates already IN the workplace, AND with particular concentrations in geographies key to the Government's levelling-up Agenda would be immensely time-consuming and costly. The next round of ULF should incorporate a mapping of active ULRs – defining active in an appropriate way – such as 'successfully linked at least one colleague into IAG or learning within the past 12 months'. Figures exist for those numbers trained but more information on their day to day activity would be helpful.

Recommendation 6. Explore with Government a new model of Learning Agreement

This should incorporate guaranteeing staff time-off associated with new adult learner entitlements and the Lifetime Skills Guarantee - linked to ULR IAG and learner support in the workplace. Based on a template agreed with DfE and potentially through the National Training Partnership. This could speed up adoption in workplaces.

Methodology

This report has been produced by the University of Exeter and draws upon:

- Previous evaluations of the Union Learning Fund (notably the 2015⁵ and 2018⁶ Reports)
- Analysis of a new survey of the current (Round 21, 2020-2021) Union Learning Fund projects
- New Analysis of the Economic Impact of the Union Learning Fund
- New Analysis of the latest England skills data
- Analysis of the latest inclusion, social mobility and levelling-up data
- Analysis of the geographies and skills inter-relations needed to deliver levelling-up, including a look at the Town's Fund with examples of where ULF is delivering skills
- Interviews with TUC and Union Learning Fund projects – particularly around the COVID response
- Previous research carried out by the University of Exeter directly with employers, training providers, learners and ULF projects as part of Impact Studies in 2019 and 2020
- Literature review of existing and new Government policies

The aim is to help inform discussions concerning the future of the Union Learning Fund.

Our analysis of Levelling-Up and the Towns Fund

Using information supplied by MHCLG, the 101 towns selected for support via the Towns Fund were allocated to the local authority district they are located in, for the purposes of data analysis, as districts tend to be the smallest geographic unit for which robust statistics are available. The 101 towns are located across 85 local authority areas. The primary data sets used in this section are:

- Annual Population Survey – 2019 data on qualification levels in the adult population are the most useful proxy measure of skills
- Sub-regional Productivity in the UK – ONS statistics on labour productivity measured as gross value added (GVA) per hour worked, with latest data for 2018 being produced down to local authority district level for the first time.

Data are presented for all the areas containing towns that are beneficiaries of the Towns Fund, referred to here as 'left behind' towns, compared to the rest of the country and to national averages on each measure analysed.

Not all the towns being supported by the Towns Fund necessarily have extensive skills and productivity issues, as that fund exists to address other issues such as infrastructure and connectivity. To highlight the severity of skills and productivity issues in the worst affected towns, the areas benefitting from the Towns Fund have been divided into quintiles, and additional analysis is presented for the worst performing 20% of 'left behind' towns on each skills or productivity measure.

⁵ Leeds University and the University of Exeter. Evaluation of the Union Learning Fund Rounds 15-16 Final Report 2016 <https://www.unionlearn.org.uk/sites/default/files/publication/ULF%20Eval%201516%20FINAL%20REPORT.pdf>

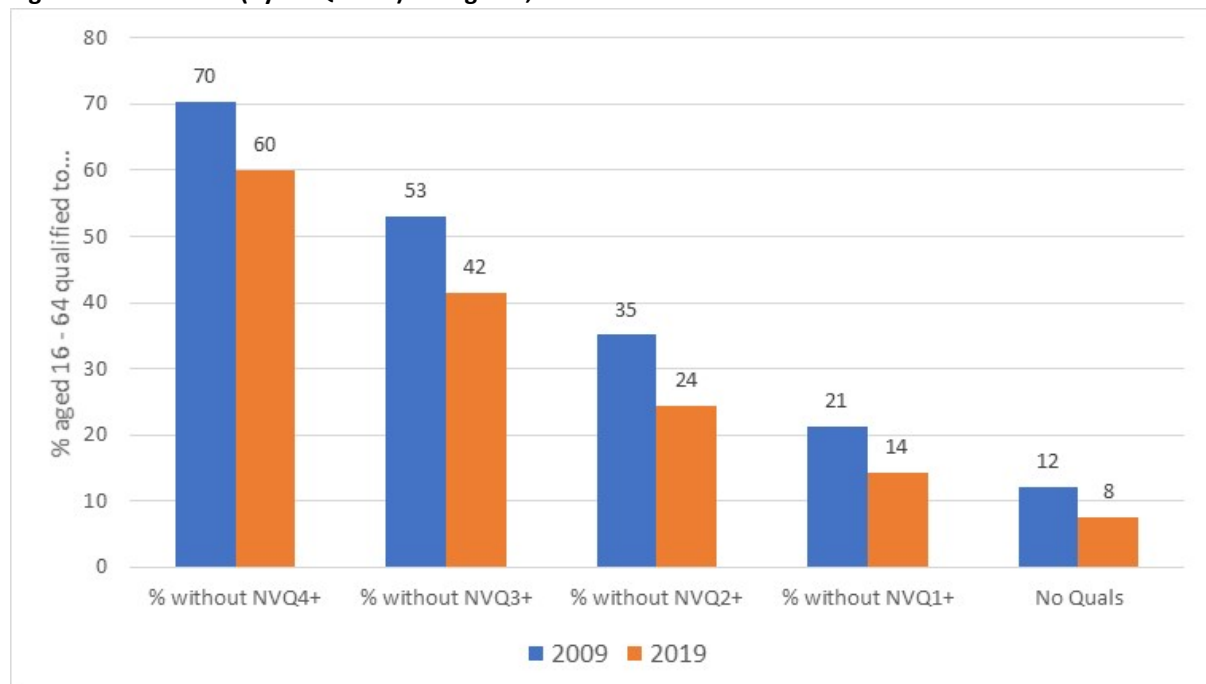
⁶ University of Exeter. Union Learning Fund Learner Survey 2018. <https://www.unionlearn.org.uk/sites/default/files/publication/Union%20Learning%20Fund%202018%20Learning%20Survey.pdf>

Recent trends in adult training - the context for Government intervention

Adult Skills in England

As a whole, the adult workforce in England has consistently shown gradual increases in the stock of qualifications it holds. The proportion of adults who are not qualified to at least NVQ Level 3 has fallen from 53% in 2009 to 42% in 2019 (see Figure below), while the proportion without at least NVQ Level 2 has dropped from 35% to 24% over the same period. However, the proportion not qualified to Level 1 or above has decreased at a much slower rate, from 21% in 2009 to 14% in 2019.

Figure 2. Adult Skills (by NVQ Level) in England, 2009 and 2019



Source: Annual Population Survey (via Nomis)

While the broad picture has been one of consistently improving workforce skills (as measured by qualifications held), there remains a huge number of adults who lack the level of skills generally regarded by employers as necessary for employability i.e. NVQ Level 2 and above.

Figures 3 and 4 show that that **in 2019, there were still more than 8.4 million adults in England in 2019 who lacked a Level 2 qualification, more than 7 million of which were aged 25 and over.**

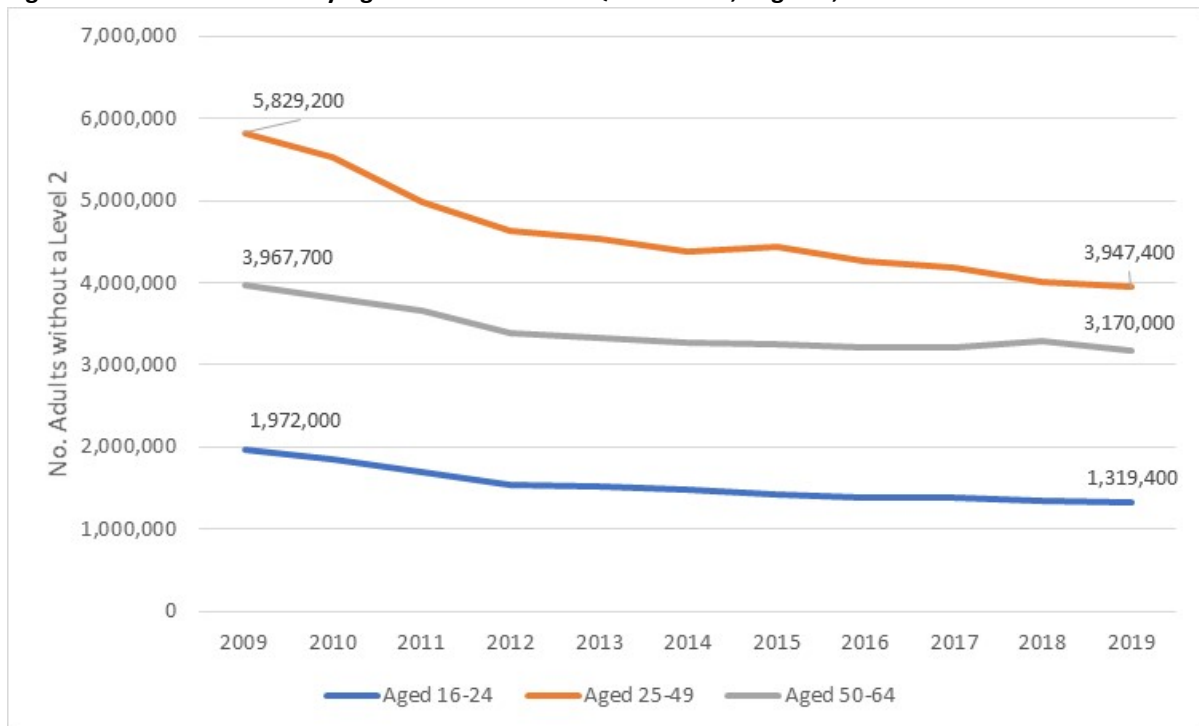
Of that 7+ million, more than 2 million adults aged 25 or over had no qualifications at all. The rate of increase in adults gaining qualifications at Level 2 or above has been slowing in recent years, reflecting the falling investment in the adult education system in England.

The current system is failing to keep pace and adult education is in decline. The decline is evident in terms of funding and participation, with only adult apprenticeships being the exception since 2015/16.

The Social Mobility Commission⁷ found that:

- Since 2005, there has been a 45 per cent decline in adults (age 19+) participating in FE and skills.
- Since 2010, community learning participation has fallen by 28 per cent and part-time adult learning has fallen by 43 per cent in the same period.
- 49 per cent of the poorest adults have received no training since leaving school, compared to 20 per cent of the wealthiest.
- Of all those low paid in 2006, only 1 in 6 made a sustained progression onto higher wages ten years later. Over half were ‘stuck’ on low pay for this period with no imminent prospects to progress.
- Basic skills are critical for entry level jobs, but between 2010/11 and 2017/18, there was a 31 per cent decline in adults participating in up to a Level 2 English and maths and a 30 per cent decline in the number of those achieving up to Level 2 qualifications over the same period.

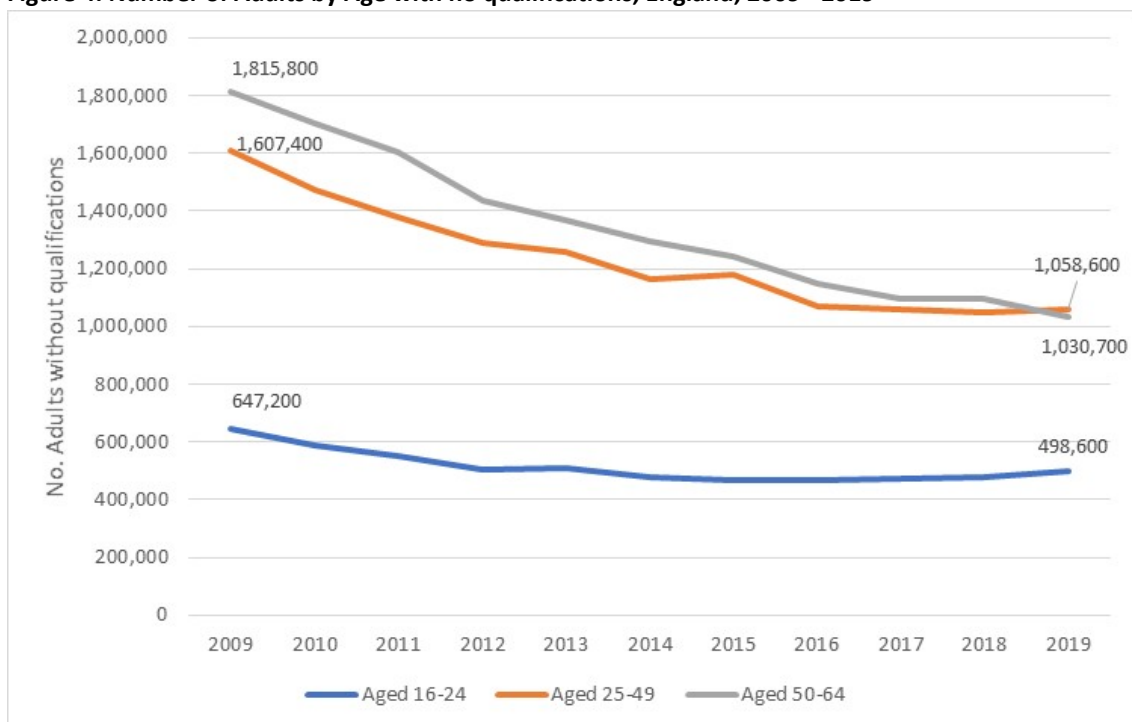
Figure 3. Number of Adults by Age without a Level 2 Qualification, England, 2009 - 2019



Source: Annual Population Survey (via Nomis)

⁷ Social Mobility Commission: State of the Nation 2018-19: Social Mobility in Great Britain, April 2019. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/798404/SMC_State_of_the_Nation_Report_2018-19.pdf

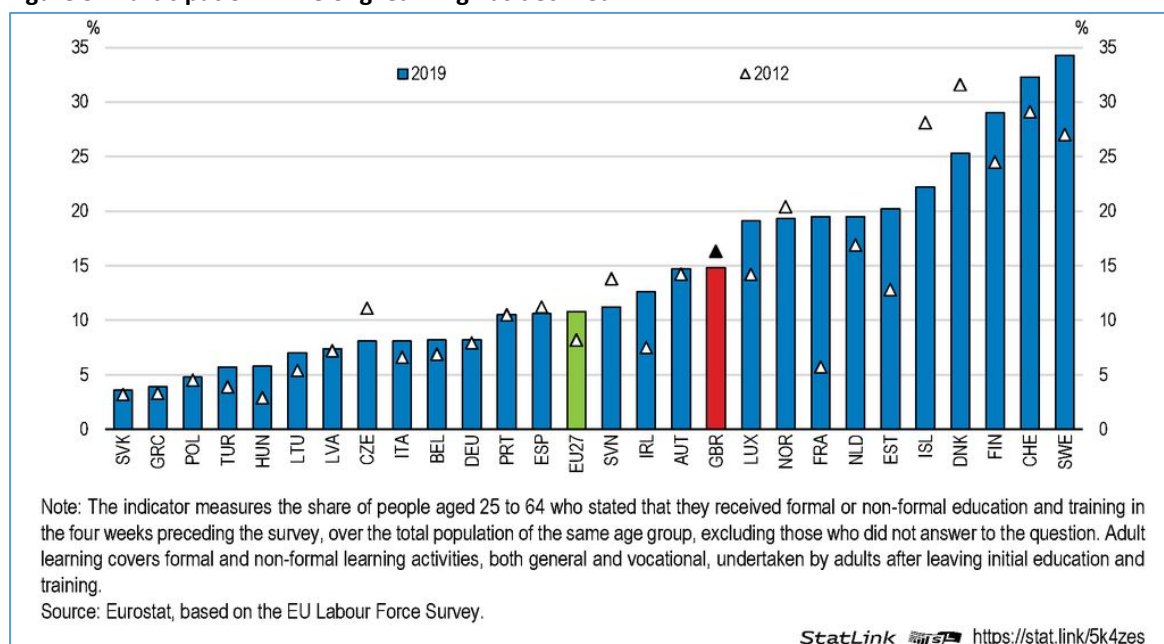
Figure 4. Number of Adults by Age with no qualifications, England, 2009 - 2019



Source: Annual Population Survey (via Nomis)

Without significant investment in high quality adult learning, the low skilled will be at great risk of unemployment or insecure work. OECD data shows that the proportion of people aged 25-64 in Great Britain engaged in lifelong learning, whilst above the EU average is well below many of our international competitors (Figure 5).

Figure 5. Participation in lifelong learning has declined



Source: OECD Economic Surveys UK 2020

As well as these absolute falls in training participation, a recent study by Green and Henseke⁸ explored the evidence on the volume of training in the UK over the last decade, using three large national surveys. All three showed a **significant decline in recent years in terms of the time spent training; the amount of employer-funded training and amount of formal training:**

- The Quarterly Labour Force Survey shows that the average time spent on job-related training over a four week period fell from 2.1 hours in 2011 to 1.9 hours in 2018, a decline of 10%;
- The Employer Skills Survey shows a decline in the volume of employer-funded training of 5% between 2011 and 2017;
- The Skills and Employment Survey showed a decline of 18% in the number of days in which on-the-job instruction took place between 2012 and 2017;
- The UK Household Longitudinal Study shows a decline of 19% in the annual volume of formal training;
- Despite the importance of employer funded learning, the research also found that employer investment in training per worker fell by about a fifth between 2006 and 2017.

In relation to FE, the data suggests that overall, adult (19+) participation has been decreasing since 2010-11.

In particular, the number of people enrolled on Full Level 2 courses has fallen considerably since 2010-11, Full Level 3 participation was slightly lower than in 2010-11, while the number of apprenticeships (at all ages) has been increasing. However, apprenticeship starts have fallen by about 28 per cent since the introduction of the apprenticeship levy in 2017.

The government's own research, the Employer Skills Survey⁹ examined training trends during the latter half of 2019. It showed that since the last survey in 2017, non-training employers increased from 34% to 39% of all employers. **Boosting employer involvement in learning and working in partnership with employers to secure the training their employees need, will be critical in the next few years.**

Who receives training?

A whole range of studies show that adults with low or no qualifications, in low social groups and occupations are much less likely to have been, or to become involved in, training. In contrast, those with high levels of qualifications, in higher level occupations and higher socio-economic groups receive the highest levels of training and, as a result, are also more likely to take up training in the future.

The Learning and Work Institute's adult participation in learning survey¹⁰ shows that:

- Adults in higher social grades (AB) are twice as likely to have taken part in some form of learning in the last three years as those in lower social grades (DE).

⁸ Green, F., Henseke, G. (2019). Training trends in Britain. LLAKES and Unionlearn. <https://www.unionlearn.org.uk/sites/default/files/publication/Training%20trends%20in%20Britain.pdf>

⁹ Employers Skill Survey 2019 <https://www.gov.uk/government/publications/employer-skills-survey-2019-england-results>

¹⁰ <https://learningandwork.org.uk/what-we-do/lifelong-learning/adult-participation-in-learning-survey/> (Website accessed October 2020)

- Similarly, adults who stayed on in education until age 21 or above are twice as likely to participate in learning as those who left school at or before age 16.

Research by the Social Mobility Commission¹¹ echoed these findings and showed that those in more need of educational support are the least likely to take it up. For example, 92 per cent of those with a degree undertook learning compared to 13 per cent with no qualifications.

Furthermore, inequality in access to workplace training appears to have been growing in recent years. Green and Henseke found that in two large scale surveys, workers with low or no qualifications have seen the largest proportionate declines in the volume of training (Green and Henseke 2019):¹²

- Between 2011 and 2018, there was a 20% decline in the volume of training for workers with a low level of qualifications in the Quarterly Labour Force Survey, double the decline seen by the workforce overall;
- Between 2010 and 2017, there was a 40% decline in the volume of training among workers with a low level of qualification in the UK Household Longitudinal Study, compared to a decline of 35% among the workforce as a whole.
- Workers aged 16-34 also saw a disproportionately larger cut in training, a reduction of 16%.

Further analysis of the data drawn from the Labour Force Survey in this study showed that two groups were hit hardest – those with lower-level qualifications and younger workers. These are two groups who are now facing the greatest prospect of losing their jobs and being trapped in unemployment.

The TUC have identified that training volumes were on average a fifth (19%) higher at workplaces with union representation or a staff association than at employers with neither.¹³

In addition to the domestic evidence, there is evidence to suggest a link between trade unions and employer investment internationally. As the OECD has found, the presence of any type of voice arrangements is positively associated with workers' access to training.¹⁴

Independent evaluations of the Union Learning Fund have consistently demonstrated that it is particularly effective at supporting workers who are less likely to gain their fair share of training.

Who invests in skills?

Skills investment is undertaken by employers, individuals themselves and the government (in that order). By a significant margin, employers provide the highest levels of funding for adult training. This is followed by individuals themselves, mainly through higher education loans and to a lesser

¹¹ Social Mobility Commission: State of the Nation 2018-19: Social Mobility in Great Britain, April 2019. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/798404/SMC_State_of_the_Nation_Report_2018-19.pdf

¹² In the UKHLS, the 'low qualification' group includes adults who do not have a qualification at A Level or equivalent level. This includes adults whose highest qualification is at GCSE level, those with 'other' qualifications, and those with no qualifications. In the QLFS, 'low qualifications' refers to adults whose highest qualification is less than a GCSE at level A*- C, those with other qualifications, and those with no qualifications.

¹³ Green F and Henseke G. TUC. Training trends in Britain, June 2019. <https://www.unionlearn.org.uk/sites/default/files/publication/Training%20trends%20in%20Britain.pdf>

¹⁴ OECD. (2019b). *Negotiating our way up: Collective bargaining in a changing world of work.*

extent Advanced Learner Loans. Only around 7% of adult skills training is funded by the government¹⁵.

As far as employers and the government are concerned, the levels of investment in skills is low by international standards. Not only is it low - it is in decline. Government investment in adult skills has been declining¹⁶ while employer investment in training has remained broadly flat, and may have declined slightly between 2011 and 2015.

Employer investment

Employers fund 82% of training in the UK (£36 billion in 2013/14¹⁷) and, as has been shown, target it at the most skilled in their workforce.

Levels of employer investment vary between types of firms. Large employers, the public sector, and businesses with better product market strategies invest more in training, however, their training tends to be targeted at those who are already well qualified and in senior roles.

The accepted view is that training levels will have substantially worsened since the onset of the COVID pandemic. The 2019 Employer Skills Survey showed:

- The number of training days per employee per annum – fell from 4.0 days in 2017 to 3.6 days in 2019.
- Over the same time period, the total days of training per annum declined by 6 million, down from 105m to 99m.
- The percent of employers offering off-the-job training (which tends to lead to formal qualifications) was down 5 percentage points, from 48% in 2017 to 43% in 2019.

The 2017 ESS¹⁸ also showed that in around a 1/3 of all businesses, 50–100% of training is health and safety/induction-related, two types of training that have very little impact on skill levels or tackling skills gaps and shortages.

Research on training trends in Britain published in June 2019¹⁹ confirms these trends and shows that the total volume of workforce training declined by 10% between 2011 to 2018. The decline hit two groups particularly hard - those with lower level qualifications below Level 2 and younger workers aged between 16- 34. **The Social Mobility Commission has found that supporting people to gain lower levels of qualifications increases their propensity to engage in training twofold.**²⁰

The introduction of the Apprenticeship Levy was intended to boost employer investment in workforce training but the number of apprenticeship starts declined from a peak of over half a

¹⁵ Social mobility Commission: The adult skills gap: is falling investment in UK adults stalling social mobility?

¹⁶ Although government support for student loans for higher education (that have not been paid off) complicates the picture

¹⁷ Ibid

¹⁸ Cited in CIPD (2019) Addressing Employer Underinvestment in Training - the case for a broader training levy, Report, July 2019

¹⁹ TUC. Training trends in Britain, June 2019. F Green and G Henseke.
<https://www.unionlearn.org.uk/sites/default/files/publication/Training%20trends%20in%20Britain.pdf>

²⁰ Social Mobility Commission: The adult skills gap: is falling investment in UK adults stalling social mobility?

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774085/Adult_skills_report_2019.pdf

million in 2015/16 to 376,000 in 2017/18. The number of starts increased slightly in 2018/19, but the figure remains a fifth below the level seen before the introduction of the apprenticeship reforms.²¹

Government investment

The UK spends just two-thirds of the EU statistical average on adult training, far below that of France, Germany, and Italy.²²

The adult further education budget comprises the Adult Skills Budget (the majority of the adult further education allocations) and also smaller funding areas, such as the offender learning and skills service and community learning. Between 2010-11 and 2015-16 the Adult Skills Budget fell by 34 per cent in real terms (29 per cent in cash terms).

From 2015-16, the Adult Skills Budget excluding apprenticeships was combined with community learning and discretionary learner support to create the **Adult Education Budget**. The Adult Education Budget is set to continue falling in real terms (remaining at the same level in cash terms), between 2015-16 to 2019-20.

In 2019-20, loans and apprenticeships comprise around half of the total adult further education and skills budget, up from a third in 2010-11. In 2019-20, advanced learner loans constitute around 13 per cent of the budget compared to just 7 per cent in 2015-16. Apprenticeships for people aged 19+ are expected to have increased from 25 per cent of the budget in 2015-16 to around 38 per cent of the budget in 2019-20.

Individuals

The new lifetime skills guarantee puts an increased onus on individuals to develop their qualifications and skillsets. In commenting on the need for individuals to assume ongoing responsibility for their skills development, **the Augar review²³ highlighted the need for individuals to be supported in this mission and acknowledged the role that union learning reps can play in this regard:**

“A key element of an overarching vision should be enabling individuals to assume ongoing responsibility for developing their skills. Information campaigns, employer and union learning representatives, and managers can all play a role in communicating the benefits and necessity of lifelong learning to employees.”

Digital Skills Poverty

Since 2016, Lloyds Bank has annually benchmarked the UK population’s digital engagement using a behavioural dataset of more than one million people. This established a Digital Index Score. In terms of the distribution of the UK’s Digital Index Score in 2020:

²¹ <https://learningandwork.org.uk/wp-content/uploads/2020/04/Bridging-the-Gap-Next-Steps-for-the-Apprenticeship-Levy.pdf>

²² Social Mobility Commission: The adult skills gap: is falling investment in UK adults stalling social mobility?

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774085/Adult_skills_report_2019.pdf

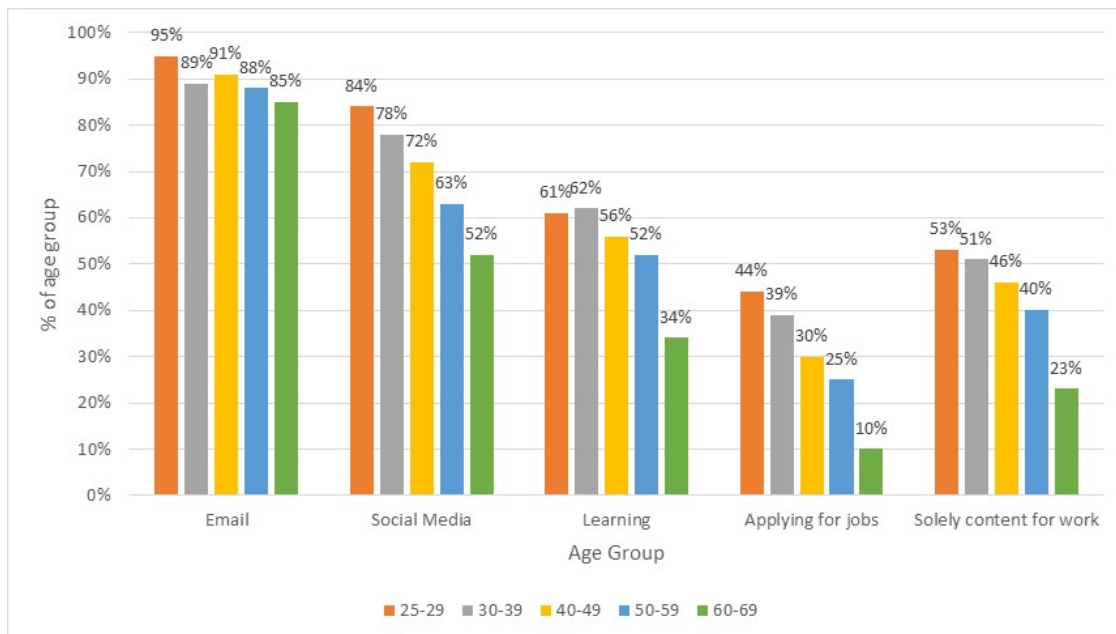
²³ The Independent Panel Report Review of Post 18 Education and Funding, May 2019.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/805127/Review_of_post_18_education_and_funding.pdf

- 33% of the UK population (equivalent to 16.9 million people) recorded a score of less than 26 (classed as ‘Very Low’ digital engagement), of which 3.6 million - 7% of the total population) showed almost no digital behaviours.
- 13% had ‘low’ digital engagement (6.6 million).
- The ‘High’ digital engagement group with a score between accounted for 43% of the population (22 million), while just 11% (5.6 million) were in the ‘very high’ group.

Age is the leading characteristic of low digital engagement, with Lloyds’ data consistently showing that as age increases, digital engagement typically decreases, across all aspects of online activity surveyed. Figure 6 shows how online activity falls among older age groups for selected activities from the 2020 Index, with a drop in engagement among those 50-59, and an even larger gap in engagement among the over 60s when compared to younger age groups.

Figure 6. Digital Engagement by Age Group (% of age group undertaking online activity) – selected online activities, 2020



Source: Lloyds Bank Consumer Digital Index, 2020 <https://www.lloydsbank.com/banking-with-us/whats-happening/consumer-digital-index.html>

The 2020 Index also highlighted the the role of the employer in improving digital skills, with the data suggesting that only 23% of the UK workforce have received such support from their employer, down from 34% in 2019 and from 45% in 2016.

The job category with the highest proportion of those who received digital skills support at work are people in higher management roles.

Essential Digital Skills

In 2018, Lloyds Bank and partners established a new baseline for the digital skills that UK citizens need for work and everyday life, as set out in the DfE’s Essential Digital Skills Framework. The

resulting Essential Digital Skills Measure is assessed annually through survey data on the population’s ability to undertake tasks digitally. In essence the measure is based on three levels, as follows:

1. Firstly, people must be able to complete all seven **Foundation** tasks in order to progress through the measure;
2. People who have the Foundation skill are then counted as having **Essential Digital Skills (EDS) for Life** if they can do at least one digital task in each of the five skills categories (out of a total of 29 tasks covering problem, solving, transacting etc);
3. People who have EDS for Life, are in employment and can do at least one digital task in each of the five skills categories (out of 17 total tasks) are counted as having **EDS for Work**.

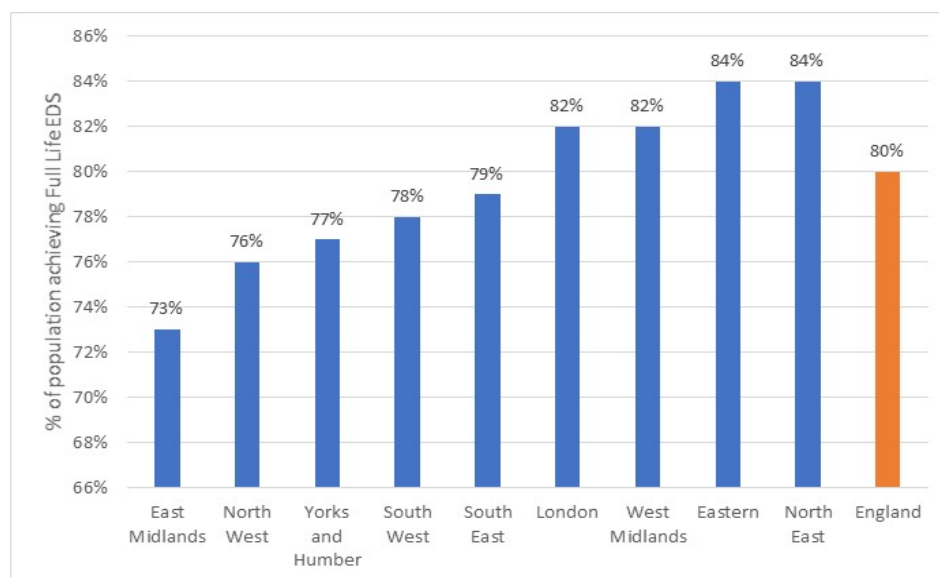
In 2020, an estimated 45.5 million people (84% of the UK population) can do all seven Foundation tasks, indicating that at a basic level, they are able to participate in a digital society, a figure that increased from 81% in 2019. Despite this increase, **the survey estimated that around 9 million people (16% of the population) of the UK cannot do all Foundation level tasks and 4.7 million people (9%), could not do any at all.** Within England, and by region, London had the highest proportion of the population who could do all the Foundation tasks (89%) while the lowest performing regions were:

- East Midlands 77%
- North West 83%
- South West 83%

Essential Digital Skills for Life

Across the UK in 2020, 78% of the population (around 42.8 million people) have EDS for Life, meaning they can do at least one task within each of the five digital skills measured. This proportion remains unchanged since last year, and in 2020, 22% (c. 11.7 million) still do not have EDS for Life. As shown in Figure 7 the proportion of adults who have EDS for Life is slightly higher in England, at 80%, although there is significant variation at a regional level. The chart shows that the East Midlands, North West and Yorkshire and the Humber have the lowest levels of digital skills for life.

Figure 7. Proportion of Population (%) achieving EDS for Life, by English region, 2020



Source: Lloyds Bank Consumer Digital Index, 2020 <https://www.lloydsbank.com/banking-with-us/whats-happening/consumer-digital-index.html>

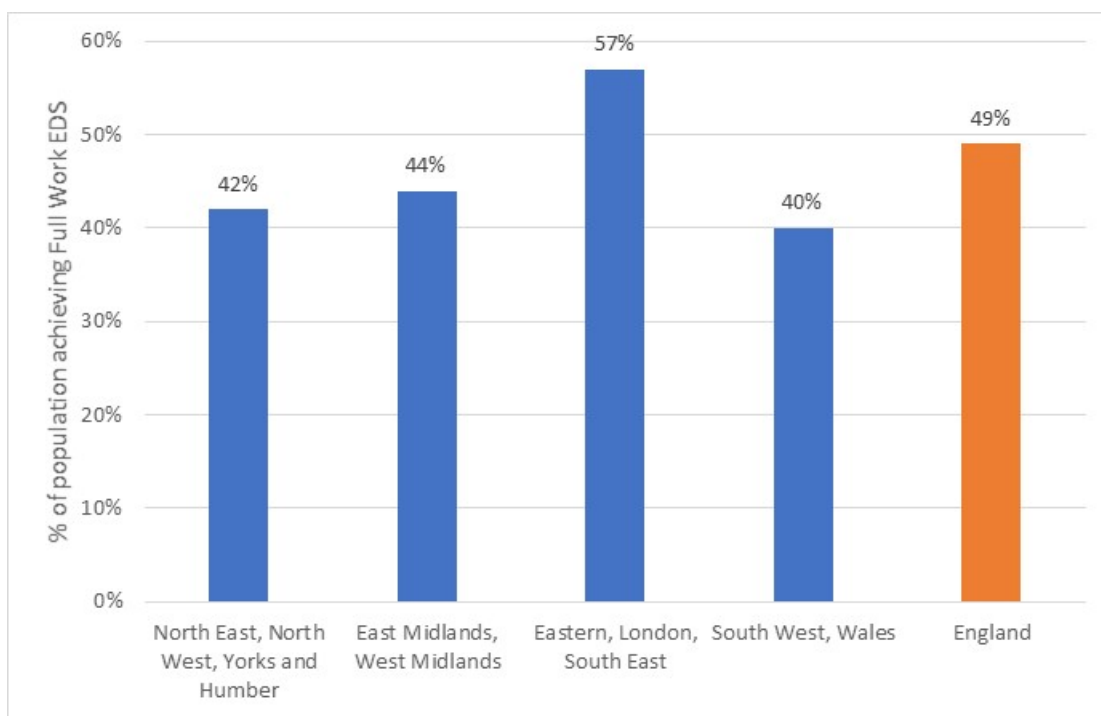
Essential Digital Skills for Work

The 2020 Index estimated that around a total of approximately 17.2 million working adults in the UK (52%) of the workforce lack EDS for Work. Of these, 13.6 million workers have Foundation and Life skills but not Work skills, equating to 25% of total population aged 15+ or 42% of the workforce, representing 'the largest opportunity for interventions'.

Because the survey only includes people in employment in the EDS for Work tasks, it has been necessary to group some regions together in order to obtain robust data on the achievement of EDS for Work.

Figure 8 below shows the regional disparities in the distribution of EDS for work in England, and again highlights that those areas with higher concentrations of 'left behind' towns are much more likely to be lacking in digital skills for the workplace, with 58% of the employed workforce lacking EDS for work in the North East, North West, Yorks and Humber and 56% in the East / West Midlands, compared to just 43% in the Eastern, London, South East regions.

Figure 8. Proportion of Population (%) achieving EDS for Work, by English region, 2020



Source: Lloyds Bank Consumer Digital Index, 2020 <https://www.lloydsbank.com/banking-with-us/whats-happening/consumer-digital-index.html>

Impact of COVID-19

Data for the 2020 Index was collected prior to the COVID-19 pandemic and the lockdown measures that followed. However, Lloyds undertook specific research to investigate the impact of the virus on consumers' digital behaviours and attitudes. The research found that:

- **78% of people agree that the COVID-19 pandemic increased their need for digital skills,** and 80% agree that using technology has been a vital support to them
- Just over half of people surveyed (51%) believe the need for digital skills in their home/work life due to the lockdown has been more necessary)
- 31% have improved their digital skills solely for work-related reasons

- Well over half of people (57%) agreed they will continue to boost their digital skills after the COVID-19 pandemic, but with **only 32% saying they feel more confident about their digital skills, the survey indicated that ‘support must be ongoing throughout and beyond this crisis.’**

Barriers to learning

To support the development of the National Retraining Programme, the DfE commissioned research into the barriers to learning which prevent people taking advantage of learning opportunities²⁴. It found that the barriers are multi-layered and interconnected and action is needed to address each of the following:

- **Dispositional barriers**, such as a fear of learning or low levels of confidence, can prevent adults from taking the first steps towards learning. To tackle this the DfE suggests that learning provision should be designed to build confidence, for example through bite-sized courses or discrete units, which can be extended as learners’ progress.
- **Low motivation**. The level of learning recorded by the Adult Participation in Learning Survey was the lowest in the survey’s 23-year history. In 2019 just one third of adults said they had participated in learning during the previous three years, while 38 per cent responded that they have not undertaken any learning since leaving full time education. In the 2019 survey, 28 per cent of people said there was no barrier to them participating in learning – but they do not see the need or how it will help them. **Ways need to be found to persuade this 28 per cent that there is a point, that they can participate, that they can succeed, and that it will help them in their lives and in work.**

To change this cycle the DfE recommends improving the visibility of adult learning opportunities and enhancing the provision of diverse learning opportunities to all adults. The benefits and outcomes from learning need to widely promoted. Learning can be supported by personal action plans and support and guidance. Flexible learning, for example, outside working hours, online and blended learning can help people combine learning with other responsibilities.

There is consistent evidence to suggest that trade unions, and union learning, can help to engage lower skilled workers in training.

An evaluation of the Union Learning Fund has shown that union learning is highly effective both at engaging with workers who have low or no qualifications, and in supporting them to progress²⁵. It found that half (47%) of learners who had only an entry level, or level 1 qualification were supported to gain a higher level of qualification, and over two in three (68%) learners with no qualifications were supported to achieve their first qualification. Four in five (79%) learners with no qualifications said that **they would not have taken part in learning had it not been for the support of the union.**

The success of trade unions in engaging workers with lower levels of qualifications in training may be due in part to being seen to be a trusted and supportive actor, who is on their side. Workers may

²⁴ DfE: Barriers to learning for disadvantaged groups Report of qualitative findings August 2018. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/735453/Barriers_to_learning_-_Qualitative_report.pdf

²⁵ Evaluation of the Union Learning Fund Rounds 15-16 and Support Role of Unionlearn <https://www.unionlearn.org.uk/sites/default/files/publication/ULF%20Eval%201516%20FINAL%20REPORT.pdf>

be more willing to disclose skills gaps or basic skills needs to union learning reps than to employers. This impact is particularly important given the UK's persistent challenge with a lack of basic skills, and the significant inequalities in access to training.

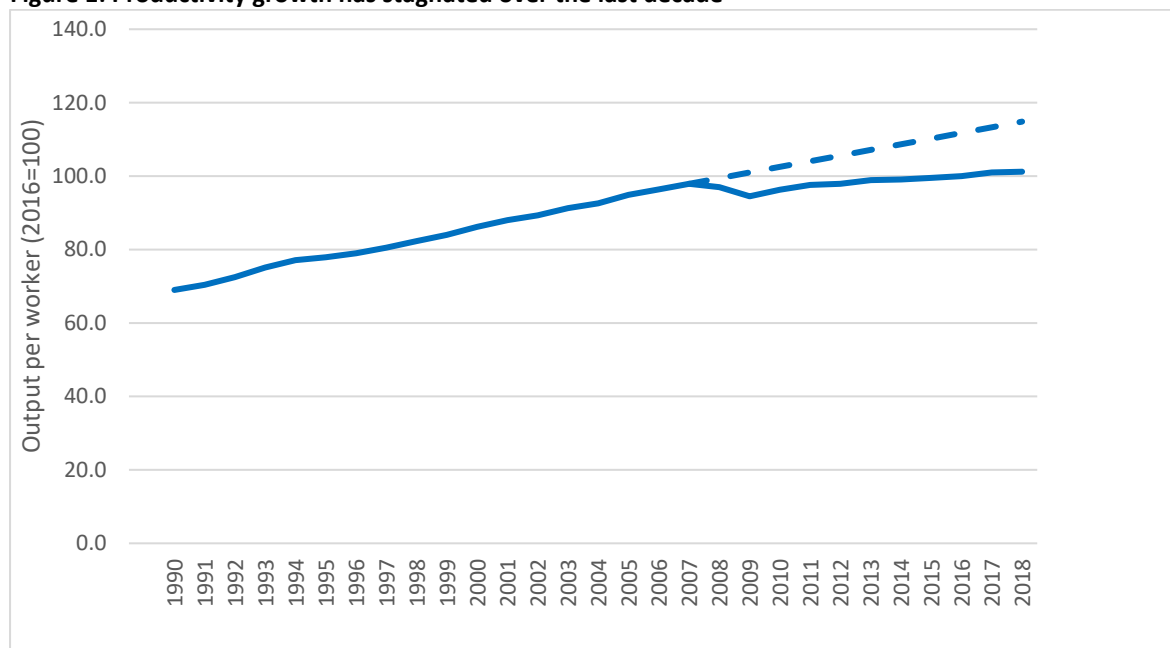
In relation to motivating learners, union learning reps also play a key role. There are more than 40,000 of them now, across diverse workplaces, encouraging more than 200,000 adults to participate in training and learning. The evaluation of their work and the impact they have is positive and there are lots of successful case studies of how it works.

2019 and 2020 impact Studies identified that ULF projects increasingly target reluctant learners to bite-sized courses and short units to overcome learner's fears and concerns.

Why adult skills really matter

Skills and productivity and hence economic wealth, go hand in hand. Until recent years, as more people have become better qualified and skilled, productivity has grown too. However, productivity growth has stalled since the financial crash and as Gavin Williamson noted in his speech with the Social Market Foundation in July 2020²⁶ productivity is now only 4% higher than the level it was more than a decade ago in 2008. Prior to the pandemic improving productivity was seen as one of the main issues facing the country;²⁷ current economic conditions clearly give the challenge added urgency.

Figure 1: Productivity growth has stagnated over the last decade



Output per worker, whole economy UK, index: 2016 = 100

Source: Office for National Statistics [ONS]²⁸. (2019). *Output per worker: whole economy SA: Index 2016=11: UK*.

Whilst the UK has many strengths - its economy is ranked 6th in the world, employment levels are high, and it has global strengths in key sectors such as aerospace, digital and financial services – skills remain a key issue and UK companies report that lack of access to the right skills is a major threat to their competitiveness and productivity.²⁹

According to the Treasury, the UK's weaknesses in its skills base has contributed to the UK's long-standing productivity gap (of over 20%) with France, Germany and the US³⁰.

²⁶ <https://www.gov.uk/government/speeches/education-secretary-fe-speech-with-social-market-foundation>

²⁷ Haldane, G. (2018) The UK's Productivity Problem: Hub No Spokes. Speech at the Academy of Social Sciences Annual Lecture. <https://www.bankofengland.co.uk/-/media/boe/files/speech/2018/the-uks-productivity-problem-hub-no-spokes-speech-by-andy-haldane.pdf?la=en&hash=EBFB24E61501EC24D0F0D2545A49821623491D4B>

²⁸ Office for National Statistics [ONS]. (2019a). *Output per worker: whole economy SA: Index 2016=11:UK*

²⁹ Industrial Strategy Council Annual Report 2020. <https://industrialstrategycouncil.org/industrial-strategy-council-annual-report-2020>

³⁰ HM Treasury. 2015. Fixing the foundations, 2015. <https://www.gov.uk/government/publications/fixing-the-foundations-creating-a-more-prosperous-nation>

The recent Augar Review of post 18 education and funding³¹ showed that, of those who do not reach Level 3 at the age of 18 or 19, extremely few progress to a Level 4 or 5 qualification:

“There is a near-total barrier to progress for people who have achieved a basic level of education at age 18, but do not progress to university or an apprenticeship.”

With 80% of the 2030 workforce already in the workforce today, it cannot be left to labour market entrants to upskill the workforce. Population projections suggest that the population aged 16 to 64 will increase by 1.8% across the UK between 2018 to 2038. Between 1998 and 2018 it increased 12%. This suggests a real squeeze on labour availability. **Reskilling the existing workforce is the major challenge which will be made more challenging by the immediate consequences of the Covid-19 pandemic.**

The Union Learning Fund (ULF) was set up in 1998 to support trade unions to widen access to learning and training in workplaces. The fund supports workplace projects across England, and is coordinated by the TUC. It has played an important role in the adult skills agenda for over two decades and each year around 200,000 workers are supported into learning or training with union support through the ULF and the TUC.

These learners undertake all sorts of job-relevant learning and training, including basic literacy and numeracy, ICT skills, apprenticeships and traineeships, vocational training, continuing professional development and many other informal and formal courses.

³¹ The Independent Panel Report Review of Post 18 Education and Funding , May 2019.
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/805127/Review_of_post_18_education_and_funding.pdf

A skilled workforce: The challenges the UK faces

There are three particular skills issues which have underpinned action to tackle skills and will continue to require policy interventions.

1. Upskilling of those who have missed out on basic skills education

Issues with adult literacy and numeracy have long been a feature of the skills challenges the UK faces and a key feature of inequality. Disadvantaged people across the country are more likely than their affluent peers to lack the qualifications that most employers require, even for entry-level positions.

According to the OECD³²:

- **Just over 1 in 6 (16.4%) of working age adults in England are at or below Level 1 literacy, equivalent to 5.7m people.**
- **1 in 4 (24.2%) working age adults (8.4m people) are at or below level 1 numeracy.**

Using Free School Meals (FSM) as a proxy for disadvantage - amongst young people, half of those who received FSM (52.2%) left school without a Level 2 in English and maths, compared to just a quarter of those who were not eligible for FSM (24.8%). Further, while rates of attainment for both groups have increased, the gap between the two has been largely static since 2005.³³ As a result, **England has the highest rates of school leavers without basic skills qualifications in the OECD, with consequences for social mobility and the levelling-up agenda.**³⁴

Although recent headlines have been dominated by the new funding for Level 3 qualifications many learners need to get on the first rungs of the learning ladder first.

Unionlearn has been particularly successful at getting disadvantaged people into learning. It has also been used to make sure workers have suitable ESOL qualifications.

In the most recently completed ULF Round (2019-2020) the ULF achieved:

Qualifications	Learners
Level 1 qualifications in English	20,964
Level 1 qualifications in Maths	16,772
Level 1 qualifications in ICT	24,992
Level 2 learner	17,825
ESOL	985

2. Embedding digital skills for life and work

According to the ONS³⁵ the number of adults who have either never used the internet or have not used it in the last three months has been declining over recent years. Since 2011, this number has

³²OECD. (2019). *Survey of Adult Skills (PIAAC): Full selection of indicators*.

³³ Social Mobility Commission: State of the Nation 2018-19: Social Mobility in Great Britain, April 2019. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/798404/SMC_State_of_the_Nation_Report_2018-19.pdf

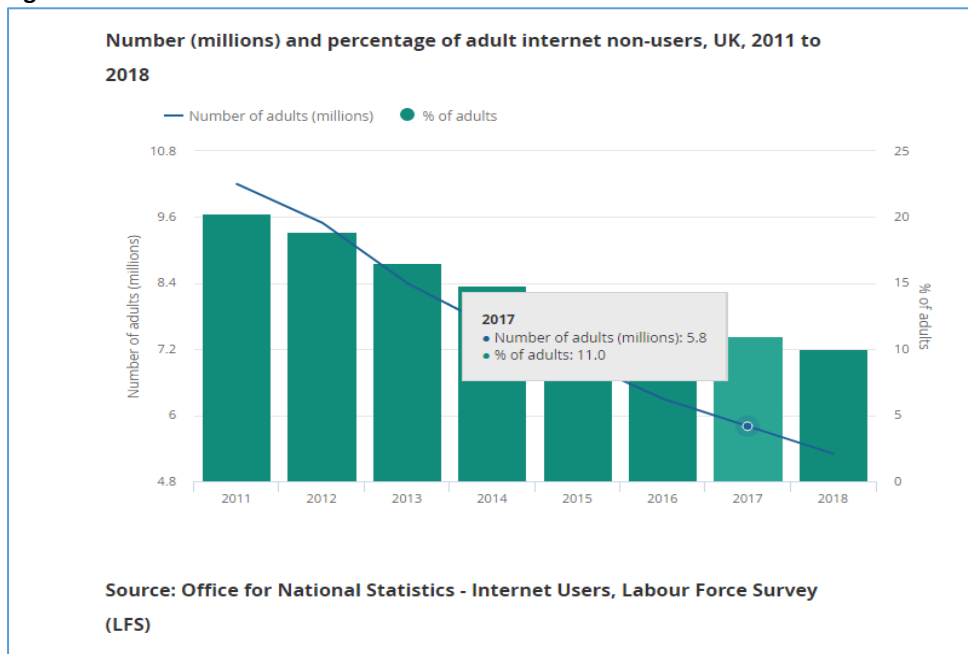
³⁴ OECD. (2019). *Survey of Adult Skills (PIAAC): Full selection of indicators*.

³⁵ ONS March 2019: Exploring the UK's digital divide

<https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/articles/exploringtheuksdigitaldivide/2019-03-04>

almost halved, but in 2018 there were still 5.3 million adults in the UK, or 10.0% of the adult UK population, in this situation (Figure 9).

Figure 9. Trends in number and % of adults who are internet non-users, UK, 2011 to 2018



Source: ONS March 2019: Exploring the UK's digital divide

In 2016, the ONS estimated that within the next 10 to 20 years, 90% of jobs will require some sort of digital skills.

Research by Lloyds Bank, 'The UK Consumer Digital Index 2020'³⁶ shows that the levels of digital exclusion are high.

- 52% of the UK workforce are not yet fully digitally enabled (c.17.1 million people)
- c.2.7 million (5%) people can access the Internet but lack the ability to use it to its full advantage; in total, an estimated 11.7 million (22%) people in the UK are without the digital skills needed for 'everyday life'.
- **If these rates continue and trends remain the same, by 2030 1 in 4 of the UK will still have a very low level of digital engagement.**

With the pension age rising to 66 in October 2020 and set to rise again between 2026 and 2028 longer working lives mean that workers of all ages will need to be encouraged to improve their digital skills for the modern workplace. Digital skills for day to day life as well as for work are also vital and this has been brought home by Covid-19. The above data underscores the fact that for a large proportion of the population this digital transition has not been feasible. ULF projects do encourage and deliver adult and community learning and many ULR supported learning centres are used to support family, friends and the local community.

³⁶ Lloyds Bank, 'The UK Consumer Digital Index 2020'. <https://www.lloydsbank.com/banking-with-us/whats-happening/consumer-digital-index.html>

3. Enhancing the skills of those in the workforce to keep pace with emerging skills needs

Many factors point to the need for reskilling including automation, the gig economy, implications of the Future of Work and not least the impact of the Covid pandemic. Research for the Industrial Strategy Council³⁷ suggested that technology and automation will be the biggest driver of change. According to estimates by the McKinsey Global Institute, **39% of the activities that people are paid to do in the UK today could be automated by 2030**. This will transform the volume and types of skills needed in the future workplace and the Report contends that:

“This means that an enormous effort is needed to train and prepare millions of currently low skilled adults for the new future of work, at a scale which has not been seen since Britain introduced The Open University post-World War I to upskill its workforce for a modern era.” Industrial Strategy Council, October 2019

Moreover the impact of change will not be felt equally across the country and will impact on progress towards the levelling-up agenda – some geographies will have to run to stand still. London with its relatively high levels of higher skilled service sector jobs is projected to receive little impact, whereas other **areas of the country with more low skilled jobs such as the north-east could be increasingly left behind unless the skills system actively supports people to retrain. The House of Lords Select Committee on Artificial Intelligence³⁸ highlighted that those who will disproportionately ‘lose out’ to automation will include minorities, women, working mothers and disabled persons.** So there is a considerable equalities component of skills. **ONS found that workers with lower levels of qualification are more likely to be in a role at high risk of automation** (Figure 10)³⁹.

The impact of Covid-19 will accelerate the urgency of the skills challenge. As a result of the Covid-19 crisis many workers face uncertain job prospects, particularly those where skill levels are low in sectors such as hospitality and retail⁴⁰. Upskilling and reskilling will be essential to enable them to move into other sectors, but a lack of basic skills can make it more difficult for them to access learning programmes and apprenticeships.

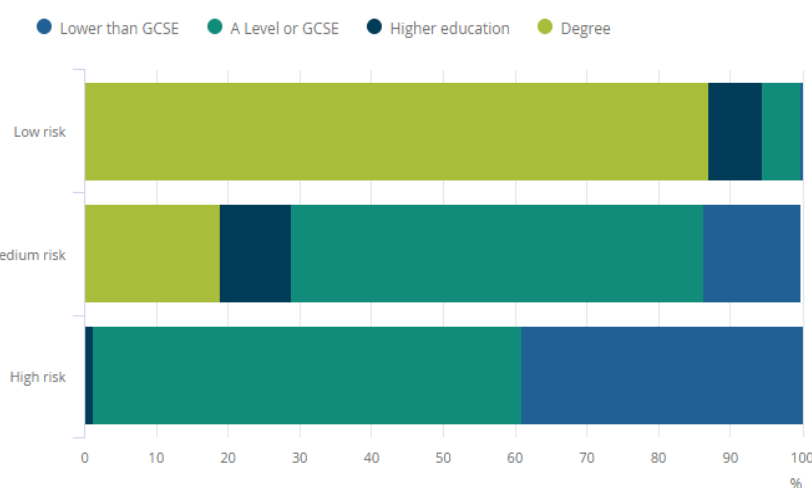


Figure 10. Proportion of Jobs at Risk of Automation, England

³⁷ Industrial Strategy Council. UK Skills Mismatch, October 2019. <https://industrialstrategyCouncil.org/uk-skills-mismatch-2030-research-paper>

³⁸ <https://publications.parliament.uk/pa/ld201719/ldselect/ldai/100/10001.htm>

³⁹ ONS. The probability of automation in England: 2011 and 2017 <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/theprobabilityofautomationinengland/2011and2017>

⁴⁰ OECD Economic Surveys UK 2020. https://www.oecd-ilibrary.org/economics/oecd-economic-surveys-united-kingdom_19990502

The Government's Vision for Adult Skills

In response to highlighted needs around adult skills, lifelong learning is very positively back on the agenda - with a particular emphasis on those who have not yet attained qualifications at Level 3. In the Conservative Manifesto 2019 the government pledged to: *“ensure that Britain’s workers have the skills they need to flourish – and that every citizen of this country has the opportunity to express their talents to the fullest.”*

To this end, and in line with the levelling-up agenda, a new National Skills Fund has been launched designed to transform the lives of people looking to enter the labour market but who lack the necessary skills and qualifications, as well as those looking to return to work and those who wish to switch careers. Together with the UK Prosperity Fund and Lifetime Skills Guarantee the aim is help people of whatever background or age to equip themselves with the skills they need to navigate the labour market, increase their earnings and make Britain more productive. With the promise of a FE White Paper later this year, the Education Secretary has spoken of the need for:

“The development of technical and vocational skills, the greater embedding of digital skills - will be vital to charting our course to recovery. There will be a tremendous need for upskilling, reskilling and retraining. Getting people back into work as quickly as possible.”⁴¹

A place-based approach runs through the government’s ambitions and in his **first speech as Prime Minister, Boris Johnson was clear on the need to drive up economic performance outside London and the South East, to ‘level up’ the country and to boost the growth of the UK’s ‘left-behind’ towns and cities.**

In July 2020 the Government published a Plan for Jobs 2020 in response to the Covid-19 pandemic. The main aim of the plan is to retain and create skills and jobs to prevent mass unemployment. In the main, the Plan is aimed at young people who are at risk of unemployment and includes a tripling of funding for Traineeships; a Kickstart scheme; further support for apprenticeships and additional funding for sector based work academies. The government is also raising investment in a range of career advice and job search support services aimed at unemployed young people.

The National Retraining Scheme was announced in 2017 to help adults to retrain as the economy changes. On 13 October 2020, it was announced that it would be integrated with the Government’s new £2.5bn National Skills Fund (£3 billion when including Barnett funding for devolved administrations). It is designed to transform the adult training landscape; create a simpler system and boost productivity. The Fund will continue to build on the work of the National Retraining Partnership and engage with a broad range of stakeholders to reform the system. To date, the National Training Partnership has involved effective collaborative working with the TUC and CBI.

Historically Level 2 has been seen as the benchmark for employability, but skill shortages and gaps are evident at Level 3 and new funding for the Lifetime Skills Guarantee will support adults to reskill and upskill to this higher level, with adults’ first full Level 3 fully funded from April 2021 on a selected range of qualifications, yet to be confirmed. Further, £500 million of the UK Shared Prosperity Fund (replacing ESF) will be used to give disadvantaged people the skills they need to make a success of life.

⁴¹ Gavin Williamson. 9th July 2020. Speech of FE Reform <https://feweek.co.uk/2020/07/09/gavin-williamsons-speech-on-fe-reform-the-full-text/>

No financial plans have yet been announced for the Adult Education Budget going forward from 2020-21 onwards.

The £400 million investment in Further Education in 2020-2021, announced as part of the 2019 Spending Review Settlement represents a significant increase as a proportion of the current Further Education budget for 16-19 year olds, of around £6 billion. A White Paper is imminent and indications are that further education will be at the heart of the mission to build back better. In his speech on FE reform⁴², Gavin Williamson highlighted the low proportion - 10% - of adults holding a Higher Technical Qualification as their highest qualification. This compares to around 20% of adults in Germany and as much as 34% in Canada. New Higher technical qualifications will be introduced from September 2022.

Further reform of qualifications is underway and T-Levels will provide a new set of standards for technical education in England and went live in September 2020, with the support of £500 million of funding per annum once fully rolled out. It is intended that they will be rolled out over the next four years. HM Treasury has also announced £60 million for a Capacity & Delivery Fund to build provider capacity of industry placements. It is evident that providers will face a very significant increase in the demand for high-quality placements in a short period of time. There are concerns that competing demand for placements (e.g. Kickstart, expanded traineeships etc.) will impact on the availability of T level placements in the coming months.

There also continues to be a strong policy focus on English and maths skills. Whilst there remains a preference for all young people to pursue a GCSE grade in English and maths where at all possible, the government also remains committed to the important role of Functional Skills qualifications in the workplace and for those individuals – especially adults for whom the GCSE route is not appropriate.

With so many initiatives it is important to recognise that it is skills delivery to particular groups, already in the workplace, which has often been the toughest to achieve through policy initiatives. Colleges and training providers will sensibly target delivery at learners who are easiest to reach and those that provide the largest and most consistent returns. This is unlikely to include reluctant learners already in work who can be hard to contact and require the creation of complex employer-provider relationships. But this is the audience for the ULF, and the ULF model has generated countless examples of how they support learners and link them into colleges and training providers.

The infrastructure is in place for successful delivery of ULF whereas the Augar Review reported that Further Education faces a significant teacher recruitment challenge. Over half of the College Principals responding to the 2018 College Staff Survey indicated that teacher recruitment is “difficult”, with 20% describing it as “very difficult”. Staff retention in FE is similarly challenging: 42% of FE tutors and 33% of FE leaders say they are likely to leave the sector in the next 12 months.

How union learning supports national skills and economic priorities

For more than 20 years the Union Learning Fund (ULF) has contributed to the skills agenda. Through union learning, people are engaged to develop their skills and the programme reaches people that other DfE programmes do not reach. For example, take up of English and maths qualifications (up to Level 2) by adults declined by around 30 per cent from 2010–11 to 2017–18 despite a fully funded

⁴² <https://www.gov.uk/government/speeches/education-secretary-fe-speech-with-social-market-foundation>

government entitlement. In contrast, ULF-supported projects continually exceed their annual targets for these learners.

This government has put reskilling workers at the heart of its economic recovery plans after the pandemic. Union learning is ideally placed to support its vision, in three ways:

- directly, through delivering relevant level 3 courses to workplace learners, which is already a core function of the Union Learning Fund and was assessed as highly effective by the 2018 independent evaluation⁴³;
- directly, through enabling those with basic skills to learn and develop, putting them in a position to progress to level 3 skills; and
- indirectly, through union learning rep advocacy at an employer level for more learning opportunities and apprenticeships, and union support to individuals to overcome difficulties and complete their apprenticeships.

⁴³ University of Exeter. Union Learning Fund Learner Survey 2018.
<https://www.unionlearn.org.uk/sites/default/files/publication/Union%20Learning%20Fund%202018%20Learning%20Survey.pdf>

The Crucial role of Social partnerships and the ULF in the delivery of the UK Industrial Strategy

In this section we identify how important the ULF is to the delivery of the UK Industrial Strategy. The aim of the Industrial Strategy is to boost productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK with investment in skills, industries and infrastructure.⁴⁴

The Industrial Strategy recognises that for all the excellence of our world-beating companies, the high calibre of our workforce and the prosperity of many areas, we have businesses, people and places whose level of productivity is well below what can be achieved⁴⁵. **Therefore the Industrial Strategy deliberately strengthens the five foundations of productivity: ideas, people, infrastructure, business environment and places. The ULF directly supports a number of these foundations and their associated Grand Challenges.**

People

The Industrial strategy set out to:

- Establish a technical education system that rivals the best in the world to stand alongside our world-class higher education system
- Invest an additional £406m in maths, digital and technical education, helping to address the shortage of science, technology, engineering and maths (STEM) skills
- Create a new National Retraining Scheme (now the National Skills Fund) that supports people to re-skill

As described elsewhere in this report, **the ULF is already actively supporting the training and recruitment of many thousands of apprenticeships and traineeships including into technical roles** across many sectors such as research, manufacturing, engineering and pharmaceuticals.

The ULF has delivered STEM skills at many levels from digital literacy and basic numeracy all the way to signposting individuals into further and higher education.

Earlier in this report we have looked at the Government's Vision for Adult Education and identified the importance of the National Skills Fund. The ULF has great potential to help both signpost learners into opportunities and to act as an evangelical voice for training within the adult workforce. The network of ULRs are uniquely placed to do this and without their support, reaching those most reluctant or those for whom traditional learning is not attractive and/or not viable.

Business Environment

The Industrial strategy set out to examine 'the actions that could be most effective in improving the productivity and growth of small and medium-sized businesses, including how to address what has been called the 'long tail' of lower productivity firms.'

An inevitable part of this will be down to the need for greater skills and greater skills utilisation. Later in this report we describe examples of just how the ULF is working successfully to boost

⁴⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

⁴⁵ UK Govt 2017. Industrial Strategy: Building a Britain fit for the future https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/730043/industrial-strategy-white-paper-print-ready-a4-version.pdf

workplace skills and helping learners to progress in their existing roles and into new roles and careers.

Places

The Industrial strategy takes a place-based approach and has sought to establish Local Industrial Strategies; fund projects that drive productivity by improving connections within city regions; and invest in education in areas it defines as ‘fallen behind.’ Much of this anticipates the new regional levelling-up policy agenda and later in this report we look in depth at some ‘fallen behind’ geographies – identified through the Town’s Fund – and explore how these geographies can be seen to lack skills compared to other regions. We then identify in our Case Study Annex just a few of the examples of where the ULF has impacted positively on individual’s lives and is therefore helping to close the skills gap with our more productive regions.

Grand Challenges

The Industrial Strategy has four Grand Challenges –artificial intelligence and big data; clean growth; the future of mobility; and meeting the needs of an ageing society. Whilst skills are clearly embedded into all of these strands it is worth recognising the valuable role that the ULF plays in particular in supporting workers with basic digital skills and digital literacy. Similar work is carried out in the community by ULF projects. Meeting the needs of an ageing society will be far easier with a digitally-literate population and the importance of enabling many thousands of people each year to confidently go online, should not be underestimated.

The Supporting Role of Social Partners

The UK is unusual in having no formal role for social partners – employers and trade unions – in the skills system. It is one of just four out of 36 OECD countries with no formal role for social partners in the governance of the education and training system.

The Industrial Strategy Council, the independent advisory group led by Andy Haldane (Chief Economist at the Bank of England) is responsible for monitoring progress of the Government’s Industrial Strategy. It published its first Insight Report on Skills in October last year⁴⁶. The projections it produced, working in collaboration with McKinsey, showed that by 2030:

- **7.0 million additional workers could be under-skilled** for their job requirements; this would currently constitute about 20% of the labour market.
- More severe skills shortages are predicted in ‘workplace skills’ than in ‘qualifications’ and ‘knowledge’. The workplace skills expected to experience the most acute under-skilling in 2030 are **basic digital, STEM and social and emotional skills** (leadership and management and teaching and training).
- **The most widespread under-skilling is likely to be in basic digital skills, with up to two-thirds of the workforce facing some level of under-skilling.** Around 5 million of that cohort could be acutely under-skilled in basic digital skills by 2030.

The government’s aspirations and the context for delivery necessitates a skills system which works for adults, employers and providers. A number of recent reviews have indicated that a partnership approach will be the most effective way of tackling the challenges the country faces. For example, the Augar Review concludes that:

⁴⁶ Industrial Strategy Council. UK Skills Mismatch, October 2019. <https://industrialstrategyCouncil.org/uk-skills-mismatch-2030-research-paper>

- “As the barriers to participation from a learner motivation perspective can be multi-layered and interrelated, it is important that outreach and engagement taps into these different motivations. **Social partnerships can play a key role in widely communicating information about learning opportunities and their potential outcomes, which can be a factor in motivating adults to learn.**”
- “Policy stability and continuity emerges as important for employers to navigate the skills system and to establish effective partnerships with other actors. **If actors in the skills system work together and have access to consistent local labour market and skills data, skills challenges could be tackled in a co-ordinated, analytical, and collaborative way.** This could better align programmes and policies to local economic development needs and national objectives. **In most OECD countries social partners are involved to a greater extent in the governance of adult training systems than in the UK.**”

In June this year, the All-Party Parliamentary Group (APPG) on Apprenticeships⁴⁷ recommended that the government “*set up an apprenticeship working group with employers, training providers, professional bodies and associations as well as unions to develop innovative ways to retain apprentices and ensure the continuing talent pipeline.*” If taken forward this would reflect the **stronger social partnership arrangements underpinning the apprenticeship system in many other countries with a reputation for high-quality training.**

The new report by the Industrial Strategy Council, “Rising to the UK’s Skills Challenges”⁴⁸ recently called for a clear overarching vision for UK skills and a long-term commitment to delivering this in partnership. A previous paper had highlighted a pressing need to shift to a new norm of lifelong learning in response to longer working lives and rapidly changing skills demands. The report refers directly to the role played by unionlearn, as follows:

“In the UK, unionlearn supports trade unions to help workers acquire skills and qualifications to improve their employability. One of the ways it does this is through the training of Union Learning Representatives (ULRs). Unionlearn has been particularly successful in recruiting low-skilled workers into training.”

The report calls on government to consider strengthening social partnership arrangements on skills and to follow the example of other countries where there is “*a greater role for employer representative and employee representative organisations (i.e. social partners) than exists in the UK.*” The authors refer to a proposal by the TUC that the government should widen the remit of the National Retraining Partnership as a way of developing the UK’s social partnership approach.

The report also emphasised the contribution of the trade unions:

“Employer organisations and trade unions hold vital information on training needs, what priorities should be set, and how best to deliver the relevant training. Employers should understand the skills that are needed in the labour market for them to stay productive and competitive, while trade unions understand employees’ longer-term needs and are well-positioned to develop and deliver training that also includes

⁴⁷ 2019 2020 Report. All-Party Parliamentary Group (APPG) on Apprenticeships. <https://connectpa.co.uk/wp-content/uploads/2020/07/APPG-on-Apprenticeships-2019-2020-report.pdf>

⁴⁸ Industrial Strategy Council, Rising to the UK’s Skills Challenges. 2020 <https://industrialstrategycouncil.org/rising-uks-skills-challenges>

transferable skills. In turn, their involvement may facilitate the buy-in of individual employees and employers.”

In 2019 the OECD examined how future-ready the UK adult skills system is and what practically policy makers could do to help. Their first two recommendations speak directly to this need:

- Improve the coverage of adult learning by raising awareness among adults and employers about the benefits of training, and helping them make informed training choices.
- Reduce barriers to training participation, by making opportunities flexible and adapted to the needs of adult learners.⁴⁹

In their new report⁵⁰ (October 2020) Learning and Work Institute found **evidence linking trade unions and collective bargaining to higher employer investment in skills – both in the UK and in other advanced economies**. The report identifies that employer investment in continuing vocational training in the UK is half the EU average, and a recent national survey found that the proportion of employers providing training had plummeted.

Looking ahead, the L&WI report highlights evidence that trade unions could help level-up investment in skills:

“The UK suffers from stark inequalities in the distribution of training; workers with degree level qualifications are four times as likely to take part in training at work, than those with no qualifications. Studies in the UK have shown that there is a more equal distribution of training among the workforce at employers with union learning reps, and evaluations of the Union Learning Fund has shown that it is particularly effective at engaging workers with lower levels of qualifications”. L&WI (2020)

The report calls on the government to:

- **Continue to invest in the Union Learning Fund to support workers to access workplace learning;**
- Introduce a ‘duty to consult on workforce training’, which would require large employers to consult their workforce – either through their union or through a workplace forum – on their workforce training strategy;
- Reform the system for designing, approving and quality assuring training to give workers a voice;
- Establish a ‘National Skills Partnership’, bringing together government, employers, unions and skills experts, to set a long-term vision for the skills system.

CBI Announcements 2020

The October 2020 CBI report *Learning for life: Funding a world-class adult education system*⁵¹ makes a number of suggestions that would benefit considerably from the involvement of ULF projects and ULRs. Specifically:

⁴⁹ OECD. (2019b) How future-ready is the United Kingdom’s adult learning system? <https://www.oecd.org/unitedkingdom/Future-ready-adult-learning-2019-United-Kingdom.pdf>

⁵⁰ Learning and Work Institute (2020). Levelling up skills after coronavirus: The role of trade unions and social partnership in workforce training <https://learningandwork.org.uk/news-and-policy/rethink-cut-to-union-learning-fund-and-work-with-unions-to-level-up-skills-after-coronavirus/>

⁵¹ CBI 2020 Learning for Life Report <https://www.cbi.org.uk/media/5723/learning-for-life-report.pdf>

1. Ensuring the Apprenticeship Levy with its focus on high quality Traineeships and Apprenticeships is not used to subsidise those better qualified - who already receive the great majority of employer funded training – as could be the result of modifications to the Apprenticeship Levy.
2. Helping Local and Regional bodies to deliver a devolved Adult Education Budget. Linking providers into workplaces.
3. Helping advice learners in relation to funded learning and learning accounts. Helping to ensure learners receive good value from any national entitlement could be a target for ULF.
4. Supporting culture change around lifelong learning. CBI recognise this is needed as part of their proposal for a National Reskilling Action Plan to foster a cultural change towards lifelong learning. This is very much bread-and-butter ULF activity and ULRs offer a route directly into workplaces, within which they may well have already established Learning Agreements. Such agreements could be modified to include new rights to time off for training or other freedoms and extended to many more employers.
5. Work with providers to deliver more bite-sized, flexible and online learning to individuals. The need for such flexible approaches is recognised in the CBI report and is actually already being delivered through many ULF projects.
6. Link learners into any new national online learning platform. A number of providers already offer online platforms that re used by ULF projects to support learners.

Many of the CBI's suggestions such as new National Skills Portal and Career Development Accounts will cost very considerably more to establish than the ULF costs each year. **The ULF could help ensure their delivery reaches those who really need it.**

NEW Analysis of the Economic and Fiscal Impact of the Union Learning Fund

The qualitative elements of this report have generated a rich narrative about the often transformative effect of union learning on participants' lives. Our findings resonate with those uncovered through our large-scale surveys of union learners carried out for the TUC as part of programme wide assessments of the Union Learning Fund. While useful in describing how the fund has benefited *individuals* however we have so far not address how and to what extent the union learning fund has benefited the *economy*. Collectively, what can we say about the impact of union learning on the economy, and in monetary terms?

The University of Exeter developed a bespoke model to address precisely this question in 2015⁵². Drawing on management information collected by unions, responses to the Union Learner Survey of the same year, and Government-funded research estimating of the wage and employment returns to different levels of qualification, the model was originally used to report on the economic impact of Round 15 of the Union Learning Fund but was later refreshed to generate estimates for subsequent rounds. Details can be found in the Economic and Fiscal Methodology Annex.

In this section, we use management information on the number of learning outcomes for different categories of learning and the overall budget committed to estimate the economic impact of union learning. The assumptions underpinning the model remain unchanged from the previous iteration (reported in September 2018 for Round 17 and 18) although our wage and delivery cost estimates have been adjusted to reflect inflation.

Estimated total impact

Based on the approach described above (and in more detail in Annex A), we estimate that the Union Learning supported ULF Round 20 projects would have an overall impact of £1,477 m. This benefit comprises:

- **£868m total benefit to individuals through £774m in higher wages and £93m of improved earnings as a result of being more likely to be in employment.**
- **£609m total benefit to employers. This is the gross benefit of increased productivity of £774m less output lost as a result of working time lost to engage in learning (£165m).**

Return on investment

As the ULF is principally concerned with brokering learning, it is important to add the central cost of administering the programme and the cost of delivering the learning associated with the ULF investment to estimate the return on investment.

Applying the unit cost of delivery to the cohort of ULF results in an overall cost of £115m, made up of £103m in training costs and £12m in brokerage and Union Learning Fund central costs. **On this basis, we estimate that £1 investment in the Union Learning Fund in Round 20 generated a total economic return of £12.87 of which £7.56 accrues to individuals and £5.31 to employers.**

⁵² The model was reviewed by staff in BIS responsible for statistical modelling and is consistent with the Treasury Green Book protocols.

Returns to the Exchequer

The Exchequer benefits from learning in many ways, including through the positive impacts on health, reduced crime and increased civic participation. It also benefits from reduced welfare payments, due to individuals being more likely to be in employment, and from reduced dependency on in-work benefits, as a result of increased wages. While these benefits are clearly important, they are impossible to model with any reliability and are therefore discounted from our calculations.

These focus on the following estimable benefits:

- Income Tax on increased individual earnings (15% to Exchequer);
- National Insurance contributions on increased individual earnings (12% to Exchequer);
- Increased VAT receipts on consumption resulting from raised incomes (9.7% to Exchequer);
- Higher employer National Insurance contributions on employee wages (13.8% to Exchequer).

A limited model, focused solely on increases in these tax receipts suggests that **the fiscal return to the Exchequer from learning generated through ULF Round 20 activity is £408m.**

Taking into account both the cost of ULF Round 20 and the cost to partners of delivering ULF generated learning, the **estimated return to the Exchequer is £3.60 for each £1 spent.** Clearly this comfortably exceeds the scale of the initial Exchequer investment.

Meta-Analysis of the Union Learning Fund

In this section we look at the way that the ULF works in practice and draw upon recent evaluations and Impact Studies.

The rationale for union involvement in skills is in addressing market failures and this recognises the unique role of unions at the workplace that enables them to engage with workers and employers to advocate for learning and build structures at the workplace (ULRs, learning agreements, learning centres) and partnerships with providers that helps turn engagement into participation.

Twenty two years ago, the Union Learning Fund (ULF) was set up by the Department for Employment and Skills to promote activity by trade unions in support of the objective of creating a learning society. Originally, its primary aim was to develop the capacity of trade unions and union learning representatives (ULRs) to work with employers, employees and learning providers to encourage greater take up of learning in the workplace. In the past 2 decades, the scope of the ULF has gradually developed, reflecting changes in union capacity and changes in government and strategy around learning and workforce development. In recent years unions have been encouraged to work on new priorities especially improving access to work, work in the community, supporting high quality apprenticeships and supporting unions to maximise the impact of the Apprenticeship Levy.

Although the priorities of the ULF have changed over time, with new governments introducing different priorities, nevertheless the role of the ULF continues to be vitally important to the learning agenda. In 2014, a BIS parliamentary committee inquiry into Adult Literacy and Numeracy⁵³ reported that unionlearn has **“achieved outstanding results at a fraction of the cost of full-time formal education”**. Although there have been reductions to its budget since then, the key role of unionlearn had continued to be recognised by government, such as in the publication of the Industrial Strategy in November 2017, which states: **“We will also continue to support unionlearn, an organisation of the Trades Union Congress, to help embed a culture of learning throughout working lives. The government must also do more to help people of all ages navigate our labour market.”**

The ULF provides learning opportunities to more than 200,000 workers per year, including a disproportionately high numbers of workers with no or low qualifications and is managed by Unionlearn.⁵⁴ Unionlearn is the TUC’s learning and skills organisation and it manages Ulf under an agreement with the Department for Education (DfE) which directs the level and type of learning activity that should be supported.

ULF Priorities and Payment by Results

In practical terms the ULF is a payment by results system with targets set by the DfE, who prior to COVID-19, particularly prioritised English, Maths, ICT, Apprenticeship, Traineeship and qualifications at levels 1-5. Other outputs are assessed using a weighted scoring system which limits the non-priority learner outputs at 100% of the project’s annual target. This helps ensure that underperformance in DfE priority outcome areas is not substituted for by over achievement in other outcomes.

⁵³ <https://www.parliament.uk/business/committees/committees-a-z/commons-select/business-innovation-and-skills/news/adult-literacy-numeracy-bis-report/>

⁵⁴ Getting Skills Right: Making adult learning work in social partnership. OECD 2019 <http://www.oecd.org/els/emp/adult-learning-work-in-social-partnership-2019.pdf>

The purpose of this approach is to provide a simple, transparent and agreed basis for intervention with projects that are not performing to annual outcome profile and a clear basis for ensuring that payment is related to performance that supports the agreed priorities.

There are additional measures for elements such as perceived under-performance, very much in line with other such government commitments.

Individual unions bid to deliver projects over a three-year funding programme and are scored against agreed criteria.

Union Learning Representatives - signposting and facilitating access to adult learning

In the most recently completed ULF Round (2019-2020) ULRs made 77,176 referrals of individuals to learning opportunities and providers. They helped instigated 36 new learning centres, took part in over 3,000 dissemination events and helped deliver over 10,000 assessments in each of ICT, Maths and English.

Under COVID with a pressing need for digital and other worker support the ULR network achieved an astonishing 147,662 learner support referrals in just six months.

The network of active ULRs forms the backbone of the delivery of the ULF. Over 40,000 have been trained. ULRs have been instrumental in championing the importance of training and development, working hard to boost the image and strengthen the organisation of their union within the workplace. They are all existing employees who have been trained to carry out skills assessments in the workplace and to signpost learners to appropriate provision or further IAG.

“If union learning reps are not supported, we will lose a valuable way of engaging people and encouraging them into learning. I hope that doesn’t happen because we need more adults to engage, to see themselves as learners, to have the confidence and to become lifelong learners – for their own careers, for their wellbeing and for their health and happiness”⁵⁵. David Hughes, Chief Exec of the AoC

Since the 2002 Employment Act, ULRs have had the right to take reasonable paid time off work to perform their duties. Originally conceived as learning mentors providing information, advice and guidance to colleagues, today these duties cover:

- Promoting the value of learning
- Supporting learners
- Arranging learning/training
- Supporting workplace learning centres to embed learning in the workplace

“It is the ULRs who have a role in promoting learning among the workforce – that’s an important part of what the union does... they also talk to managers about issues around learning that managers may not have cottoned on to.” Senior Manager, DWP cited in the PCS ULF Impact Study, 2019

Learning is provided almost exclusively by external trainers and tutors in FE and private training providers with some limited delivery of other, typically soft skills, courses by some ULRs. The

⁵⁵ Hughes, D. TES Article October 2020 <https://www.tes.com/news/union-learning-fund-valuable-way-engage-adults>

learning can be delivered off-site but a strong preference has been found for on-site delivery, so learning centres and dedicated learning spaces form a part of many projects. For example, the learning centre at Blackpool Transport delivers a variety of formal learning around topics such as equality and diversity and has access to 26 Level 2 courses, all free on the Unite website via The Skills Network. But they also deliver more informal learning such as sign language courses, a running club and foreign language lessons (Spanish). Unite and Blackpool Transport also open up the facility to friends and family. The role of the ULRs is absolutely pivotal to linking workers into learning opportunities and the presence of ULF supported learning centres is also vital:

“I would not have done this without this facility (learning centre). I come in sometimes on my own and will catch up with my maths and English here – but I would not have gone off to college.” Unite learner at Blackpool Transport cited in the UNITE ULF Impact Study 2020

ULRs have a unique talent in reaching out to and engaging people who have not achieved success in mainstream education. The ULF provides funding both to train ULRs and to enable them to deliver these functions. As the quotes below show the experience has been transformative:

“Without the union I would not be where I am today... I struggled a lot, and sometimes still do, but I left school with nothing - now I'm a Lead ULR, I support other members, represent them and the list could go on. At home I am able to assist my 12 year old daughter with her school work ...I enjoy working on behalf of my colleagues and on behalf of my Union and it's a way of paying them back for all they have done for me.”

Much of the learning simply will not take place without ULF support and on-site delivery. Pressures on individual's time meant that many would forego learning at local Colleges and other providers:

“If they wanted to – they could go to the college and they aren't going. Without ULF I couldn't get anything here. We rely on the online courses when we have no funding... they sit here and use the laptop for the online courses. At home people have no time and do not want to go to a separate course and place.” Lead Local ULR cited in the CWU ULF Impact report (2019)

For a learner in Royal Mail studying outside of work hours is tough and made the location within the Learning Centre ideal: *“Outside is hard – I'm a mother and work full-time. Travelling to college and finding the time and money to do that would be tough - so studying inside the Learning Centre was ideal for me.”* ... *“(Our ULR) informs staff about training... She puts notices everywhere whenever there is a course... after reading one I spoke to her and she did the formalities. Then a lady came to do a skills assessment – from Thames College - and she was also the Tutor⁵⁶.”*

In the 2015 learner survey⁵⁷, three-quarters of respondents (73%) agreed that they would not have done the learning without the union, while nearly two-thirds (63%) reported that the union offered learning that was not supported by their employer.

⁵⁶ CWU ULF Impact report (2018)

⁵⁷ Leeds University and the University of Exeter. Evaluation of the Union Learning Fund Rounds 15-16 Final Report 2016 <https://www.unionlearn.org.uk/sites/default/files/publication/ULF%20Eval%201516%20FINAL%20REPORT.pdf>

Supporting Learner Progression

Participation in union learning is wide-ranging across all age groups and ethnicities. It is balanced between the genders and encompasses those with degrees to those with no prior qualifications. The major 2015 ULF learner survey⁵⁸ found that of learners:

- 26% improved their English/literacy/writing skills
- 13% gained numeracy or maths skills
- 13% acquired ESOL or English language skills
- 30% gained ICT/computing skills

As a result of gaining these skills, learners were more confident about progressing in their careers and finding a job in the future, but more than that, these skills also help adults function better in the family and in their community, benefitting society as a whole.

These skills of literacy and numeracy, and increasingly digital skills, form the foundations of the capability that is needed to thrive in today's workplace and Unionlearn's activity clearly supports the government's ambition to ensure that *"everyone has the opportunity to increase their digital capability."* (Industrial Strategy, 2017).

In the 2015 Union Learner Study, four-fifths (80%) of learners felt that union learning had given them skills that were useful in their current job; and the same proportion agreed they had developed skills that could be transferred into a new job. Nearly two thirds (62%) of learners said their learning helped them do their job better. One in five union learners report gaining a promotion or increased responsibility at work, 13 per cent report that they had stayed in a job that they might otherwise have lost, 7 per cent got a new job and 11 per cent received a pay rise as a result of union learning.

Persistency in union learning was rewarded by higher probabilities of getting a new job, securing a pay rise, gaining promotion at the workplace or being able to do the current job better.

All my learners in one depot have been (subsequently) promoted." – External Tutor quoted in RMT Impact Study 2019

The impact on learners' lives is transformational, with 9 out of 10 saying in the 2015 Study that they have gained at least one new skill as a result of their learning activity. 63% have gained a qualification, 13% at a higher level. Learners who participate in multiple episodes of learning acquire a much greater range of skills than single episode learners. As a result of union learning:

- 37% thought they could do their job better
- 35% felt more confident about progressing in their career
- 77% had become more likely to undertake further learning or training

Government rightly targets learner progression as this is a good predictor both of economic benefits to the employers and of benefits to the learner. With the more significant economic benefits occurring typically with Level 3 and higher. Earlier evaluations (such as the 2015 study) recognised that benefits were linked to repeated episodes of learning. In the most recent learner evaluation (2018⁵⁹) those with higher qualifications were much more likely to have engaged in multiple

⁵⁸ Leeds University and the University of Exeter. Evaluation of the Union Learning Fund Rounds 15-16 Final Report 2016 <https://www.unionlearn.org.uk/sites/default/files/publication/ULF%20Eval%201516%20FINAL%20REPORT.pdf>

⁵⁹ University of Exeter. Union Learning Fund Learner Survey 2018. <https://www.unionlearn.org.uk/sites/default/files/publication/Union%20Learning%20Fund%202018%20Learning%20Survey.pdf>

episodes of learning, a finding which suggests that union learning is taken up by enthusiastic learners and, over time, results in the attainment of higher level qualifications.

The 2019 CWU Impact Study identified examples of learner progression both through qualifications and within the workplace:

“(I have seen) lots of benefits for the staff – some have progressed into Deputy Manager jobs, others have moved into other sections such as Resources after IT training and some have gone onto Team Leading and Production – which needs IT.” ... “Quite a few managers have (progressed) through the ULF training courses, including two at senior levels.” Chief ULR quoted in CWU ULF Impact Study, 2019

Over recent years, progress has been made with monitoring arrangements that allow the tracking of learners as they embark on their ‘learning journey’. This will be useful over time as figures emerge around how many progress to subsequent learning and higher levels.

Level 2 and level 3

In the most recent completed round of ULF (2019/20) 17,825 learners progressed to level 2 and 3,542 to level 3. Even in the midst of COVID where DfE were looking for new kinds of support the ULF projects still managed to progress 9,488 learners to level 2 and 2,344 to level 3.

Though some learners are looking for support with areas such as mental health awareness, qualifications have always been a part of the ULF provision. In the 2019 RMT ULF Impact Study one ULF project worker summed up their targets as:

“It’s the forgotten. Those with no career progression who have had no chance to progress. One person jumped three pay bands recently by completing an Adult Apprenticeship that had been denied him pre Levy through cuts”. RMT ULF Project Worker

Apprenticeships and Traineeships

Apprenticeships have been at the heart of government skills policy for a number of years and in the most recent completed ULF Round, projects supported the recruitment of 4,209 Apprenticeships and the training of a further 8,217 Apprenticeships. In addition, they supported the recruitment of 153 Traineeships and the training of a further 468 Traineeships.

In the first half of the current round, despite the major impacts on recruitment and training budgets under COVID-19, ULF projects have still managed to support the recruitment of 646 Apprenticeships and the training of 5,062 plus the recruitment of 34 Traineeships and support the training of a further 82.

The rollout of the Apprenticeship Levy and the fact that employers can recoup their levy payments (and an additional 10% top-up) if they recruit enough apprenticeships has formed part of the implementation strategy in ULF projects. For example, the RMT project noted in their industry that there has been a move to take on all new starters automatically as apprentices. All new signallers will also be apprentice by default.

“The ULF is used in promoting the apprenticeships and training courses - signposting people to the opportunities.” RMT ULF Project Worker cited in 2019 Impact Study.

Not all workers are ready to start Apprenticeships and ULF projects have therefore sought to support both employers and staff by the provision of training to staff needing help with maths,

English and digital skills. Project workers offer support and advice on the progression on and into apprentices by engaging both directly and more often through their network of ULRs. ULRs also signpost learners to higher level apprenticeships.

Links to Higher Levels

In the most recent completed ULF Round (2019/2020) projects supported 1,349 people into Higher Education. One learner interviewed in the 2020 FBU ULF Impact Study who returned to learning thanks to ULF courses and went on to do a degree and masters doesn't feel they would have progressed without this opportunity: *"It opened up a love of learning and catapulted me into thinking about, where else can I go and what else can I do – can I get a degree? It gave me an ambition to take learning to another level."*

Another former ULF learner, also cited in the above study, who progressed onto taking a degree had spent years as a Firefighter and in 2015 after 20 years operational work before doing a degree with the Open University. They credit the early ULF taster courses as being pivotal in getting them back into learning: *"(I) probably wouldn't have gone back - it was the availability of the taster course for free that did it – that was the catalyst for this."* The role of the ULF has been important in his career development and it was an FBU PSO arranged for him to do environmental taster course and he *"got the bug for learning and got Brigade sponsorship... This gave me the chance to do degree – I was 39 when I started the course and it was 6 years with the Open University and I graduated in 2017"*. The knowledge and skills he gained on the course were put to use by both promoting learning opportunities and encouraging greater environmental awareness with his colleagues.

Access to workplaces and employers

The Holy Grail of UK skills policy has, for many years, been achieving greater and sustained involvement from, and alignment with, employers and their skills needs. ULF projects need this access and have traditionally sought to either prioritise learning agreements prior to delivery or to work in a more flexible way with management – recognising it can sometimes be many years before learning agreements and changes to collective bargaining can be agreed.

Nonetheless it is undoubtedly the case that the closer the relationship the better and the fact that the ULF provides non-confrontational worker support has helped. The work NARS has done in the Racing industry and Unite in large employers such as Blackpool transport and Local Government exemplify this:

"I pretty much leave the delivery (in the learning centre) to Unite as they have been active here a long time. We talk about delivery and course content and the links to the wider role of the company as such. For example we are working together on our Apprenticeship delivery." HR Manager at Blackpool Transport, cited in UNITE Impact Study 2020

"The NTF (National Trainers Federation) support the work that NARS does in providing learning opportunities through Union Learn to the employees within the racing industry. Most of the employees who have entered the racing industry will have done so at an early age and continued learning support is important to the employees and benefits the industry as a whole. Without Union Learn it is very unlikely the employees within racing would take up the opportunity to gain the life and digital skills society requires today." Chief Executive, National Trainers Federation, cited in the NARS application (2017)

For a senior manager at racehorse trainers Godolphin the most significant impacts of the ULF support were *“that they understand they can take something from learning and improve their own performance. Many left school at 16. If you can re-engage them then it opens the gates to other developmental feedback and other opportunities.”*

There are very obvious benefits for employers, as a senior manager in Network Rail noted:

“They know we care and they are responding, for example where there are issue they are more likely to be resolved without people seeking to take time off or through absenteeism. Confidence shows in the way they behave – asking for more challenging work – much more independent - sometimes they just tell me what they have done. Exactly how it should be.” Network Rail Senior Manager cited in RMT ULF Impact Study 2019

In the 2019/20 round, ULF projects signed 53 new learning agreements with employers and 8 new collective bargaining agreements with learning embedded within them. Where learning agreements are in place there tends therefore to be senior level buy-in and this helps overcome obstacles to delivery. Most notably where less senior managers may be reluctant to release staff. There is evidence though that it has become harder to get new learning agreements as the more ‘learning-positive’ employers largely have these already now in place. It may well be time for a modified approach to be trialled perhaps linked to government policy initiatives such as Level 3 entitlement and Lifetime Skills Guarantee.

In the 2015 survey⁶⁰, over three-quarters of employers (77%) report a positive return on the investment they make when supporting ULRs and union learning. A third of employers (32%) report that organisational performance has increased as a result of union learning and nearly half (47%) that employee commitment has improved. More than four in ten employers (44%) said that union learning led to an improvement in union-management relationships. The evaluation suggested that the combination of trade union, employer and learner gains is important: the gains for one, help reinforce gains for another. Central to these outcomes is the interplay between multiple episodes of learning and qualification progression.

Digital inclusion and the Future of Work

The new Digital Skills Entitlement is aimed at enabling adults aged 19+ with no or low digital skills to undertake ‘essential digital skills’ qualifications free of charge from 2020. The aim is to give everyone the opportunity to benefit from digital technology and stay safe online. The new qualifications should be available for teaching from 2020.

COVID-19 has emphasised the very digital nature of many roles with millions of staff able to work successfully from home whilst others continue to need to work from a factory, hospital or school. As more and more roles to embrace digital competences a great deal of policy attention is being given to the Future of Work and how as a society we can prepare people for a world where digital and online becomes the new normal.

A recent article from the University of Cambridge noted⁶¹:

⁶⁰ Leeds University and the University of Exeter. Evaluation of the Union Learning Fund Rounds 15-16 Final Report 2016 <https://www.unionlearn.org.uk/sites/default/files/publication/ULF%20Eval%201516%20FINAL%20REPORT.pdf>

⁶¹ <https://www.cam.ac.uk/stories/digitaldivide> (website ccessed October 2020)

For the people on the wrong side of the digital divide, the disadvantages associated with being unable to access or use IT have never been more pronounced. The pandemic has already changed the way we interact: it looks set to have a lasting effect on the way we communicate. Unless digital exclusion is taken seriously and addressed, millions of the poorest people in the UK will yet again suffer the consequences.

The 2019/2020 ULF Round incorporated nearly 25,000 ICT learners and over 11,000 individual ICT assessments. The need for such skills is widespread even in sectors thought by most to be quite digitally advanced. In the AEGIS ULF Impact Study (2019) ULRs facilitated access to digital skills support for hundreds of financial services staff threatened by redundancy. Some staff had qualifications that were considerably out-of-date and they may use industry specific and company specific software that uses only fixed elements of common programmes such as Word and Excel.

The need for digital skills training came as a surprise to some:

“People assume that digital skills are high in financial services but it is not the case. Some people can only really use the computer from that particular company or building. It is not transferable.” AEGIS Project Worker

This picture is repeated across many sectors in the ULF Impact Studies:

“(For) even basic things I would call my daughter – to help download things - but now I do my own IT and am less of a less burden on my kids. I became more independent and I can work the IT systems at home.” Learner in the 2019 PCS Impact Study

“Some do not have the skills and access to look at their online payslips, and managers were having to do it for them and print them off.” Unite ULR

“You realise a difference working from home for 2 days per week. There are things you just need to know – you cannot be calling people every 2 minutes... You do need to be able to rely on own IT skills.” Learner in the PCS Impact Study 2019

“A few years ago I had the best day I’ve had in this role. I sat with a driver, he was dyslexic and not very academic. He could get very frustrated sometimes during the learning but he persisted. He won an award for his achievement. I was so happy for him, he was there with wife and it was a really big thing for him.” Unite ULR in Blackpool Transport

A senior manager within the Department for Work and Pensions (DWP) helped oversee a proposed closure of a large office with approximately 80 staff, in the late 2010s. As is customary, the DWP sought to redeploy staff but this was a relatively isolated area with few jobs opportunities. Quite a few staff had worked there since leaving school: *“A number of staff didn’t have the digital skills needed for a modern workplace. They could use the systems for Child Maintenance but needed to be more digitally literate. The ULRs set up a Digital Skills for Beginners course that was highly successful and most got through. Some staff gained GCSE qualifications.”*

Motivation is one of the key barriers to doing more online – over one-third of those offline say the Internet ‘doesn’t interest me’ and 48% of the digitally excluded say ‘nothing’ could motivate them to get online⁶². The importance of the ULF in this regard is both that those without these essential skills have an independent person to speak with and that having ULF learner centres provides a

⁶² <https://www.lloydsbank.com/banking-with-us/whats-happening/consumer-digital-index.html> (website accessed October 2020)

constant opportunity for learning- critical as opportunities where some are willing to get back to learning can be fleeting.

Many ULF projects have also linked members of the community into learning and digital skills is a big focus for that. The most recently completed ULF Round delivered over 24,000 examples of Informal Adult and Community Learning.

Health and Wellbeing

“We had a jockey recently who was quite badly injured and unable to return to racing. They came here as soon as they were able and did our English and Maths courses. They actually arranged this from their hospital bed. It helps that we have a physio centre here so they could get their physio work in the same building. We’ve a good industry benefits scheme in racing that covers salary for up to 2 years. They wanted to work outdoors and loved the mornings – I’m pleased to say they managed to get a new job as a postman”. NARS Project Worker cited in 2019 ULF Impact Study

As well as delivering support of the kind illustrated above to workers injured or unable to continue in their existing career, there are very many more aspects to the ULF projects activities to support Health and Wellbeing.

Supporting Government campaigns in areas such as Mental Health Awareness forms a key role for many ULFs who deliver or facilitate access to delivery of these courses.

In the fire service the FBU’s Mental Health Awareness courses have been well used and popular and more importantly they have helped firefighters to overcome their own problems and to spot when others may be struggling too. The independent position of the union helps when workers may be unwilling or not trustful of management⁶³.

“You get a drip, drip, of fires, deaths and injuries and it impacts and wears people down. I’ve seen people freeze when the stress becomes too much – it creeps up. Now we try and recognise the signs and symptoms... Also firefighter suicide rates are high... lots of campaigns are management led and sometimes these generate worker suspicion of why they are running such and such a campaign... there can be mistrust sometimes but the union is independent.” FBU Project Worker

“I had a really bad time with PTSD so the first few courses were also a diversion from anxiety and got me focussed and built my confidence and I made friends with the people here on the course. You meet lots who have been empowered.” FBU learner

A UNITE learner cited in the 2020 ULF Impact Study has done a variety of courses with Unite at Hull City Council including Team leadership, IAG, PTLIS, event planning, stewarding and mental health awareness: *“I loved them – they gave me so much more confidence even if I couldn’t always use them immediately in my job. They keep me focussed and improve my morale. I’ve not always had the best mental health at times and I can also see how this training would help some of my colleagues – so I have recommended it to them... It’s been a godsend for me.”* Unite ULF learner

⁶³ FBU ULF Impact Study 2020

The role of ULF in Delivering the Levelling-up Agenda

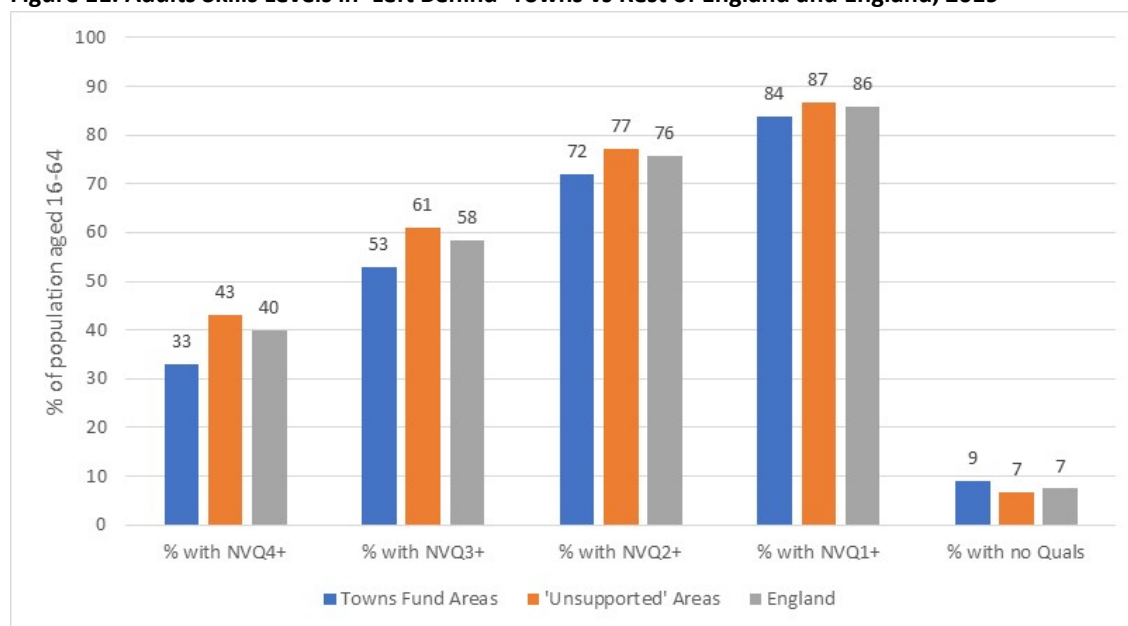
This bespoke piece of analysis has been carried out in support of this report. It examines the relationship between skills and the focus given by government to regional levelling-up. It specifically examines the Town's Fund.

The Towns Fund announced in November 2019 will invest £3.6 billion into over 100 towns, as part of the government's plan to level up the regions. This funding is designed help to increase economic growth with a focus on regeneration, improved transport, better broadband connectivity and skills and enterprise infrastructure. In respect of the latter, the aim is to ensure everyone has access to high quality education and skills provision in order to reach their potential.

Skills levels in 'left behind' towns

There are clear geographical inequalities in the distribution of workforce skills and qualifications in England. Figure 11 shows that, **across all the areas currently being supported through the Towns Fund, the stock of workforce qualifications is well below the rest of England** and the national average, at all qualification levels, with the gaps being larger at higher qualifications, demonstrating a higher concentration of low skilled workers in these areas.

Figure 11. Adults Skills Levels in 'Left Behind' Towns vs Rest of England and England, 2019



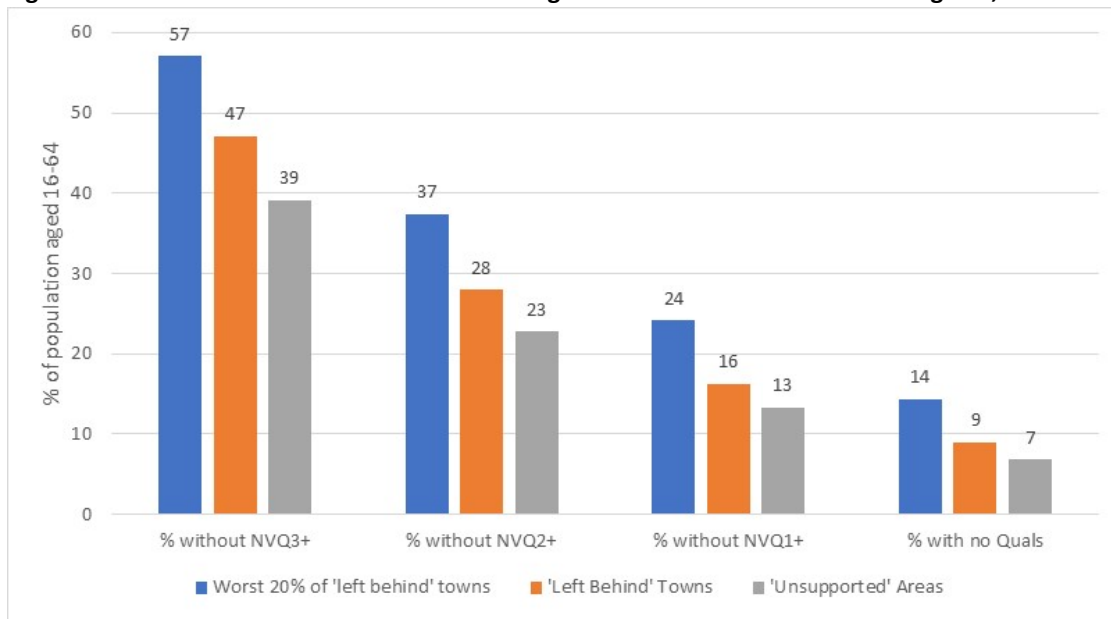
Source: Annual Population Survey (via Nomis)

Not all towns being supported through the Towns Funds necessarily have extensive skills gaps and shortages, due to the fund addressing a much wider range of physical, social and economic issues.

Figure 12 shows in the worst performing Towns Fund beneficiary areas - which we are designating 'left behind' towns - the shortfall of workforce qualifications is even more pronounced, with just:

- 57% of adults not qualified to at least Level 3, compared to 39% for the rest of England;
- 37% of adults not qualified to at least Level 2, compared to 23%;
- 24% of adults not qualified to at least Level 1, compared to 13%; and
- 14% of adults had no qualifications, compared to 7%.

Figure 12. Adults Skills Levels in Worst Performing 'Left Behind' Towns vs Rest of England, 2019

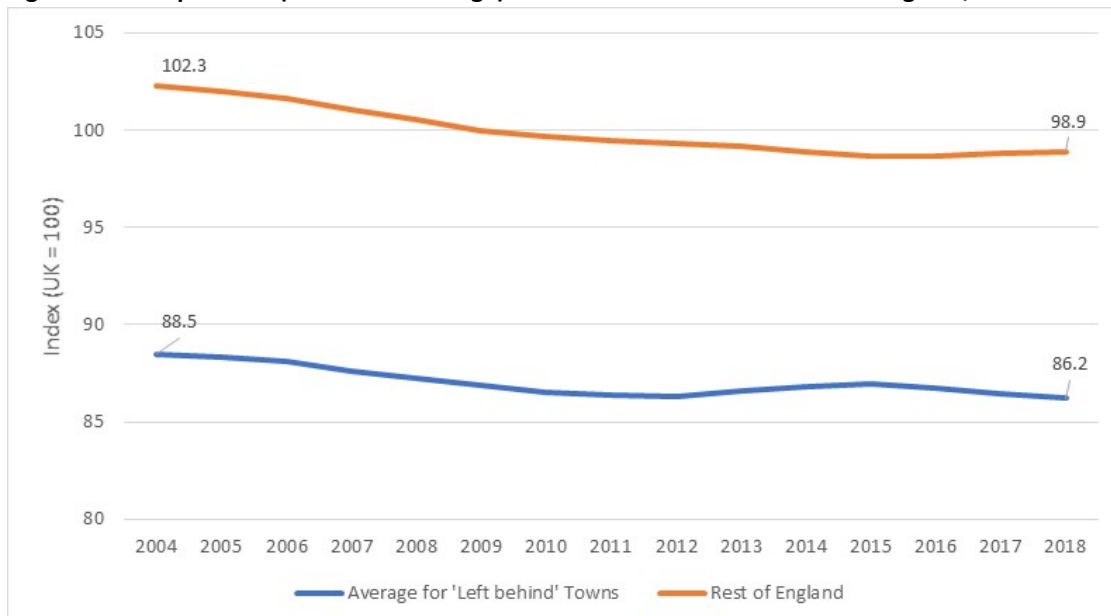


Source: Annual Population Survey (via Nomis)

Productivity in 'left behind' towns

Using Gross Value Added (GVA) per hour worked as a measure of productivity, Figure 13 shows a long-term trend of gradually declining productivity in 'left behind' towns relative to the national average, falling from 88.5% in 2004 to 86.5% in 2018.

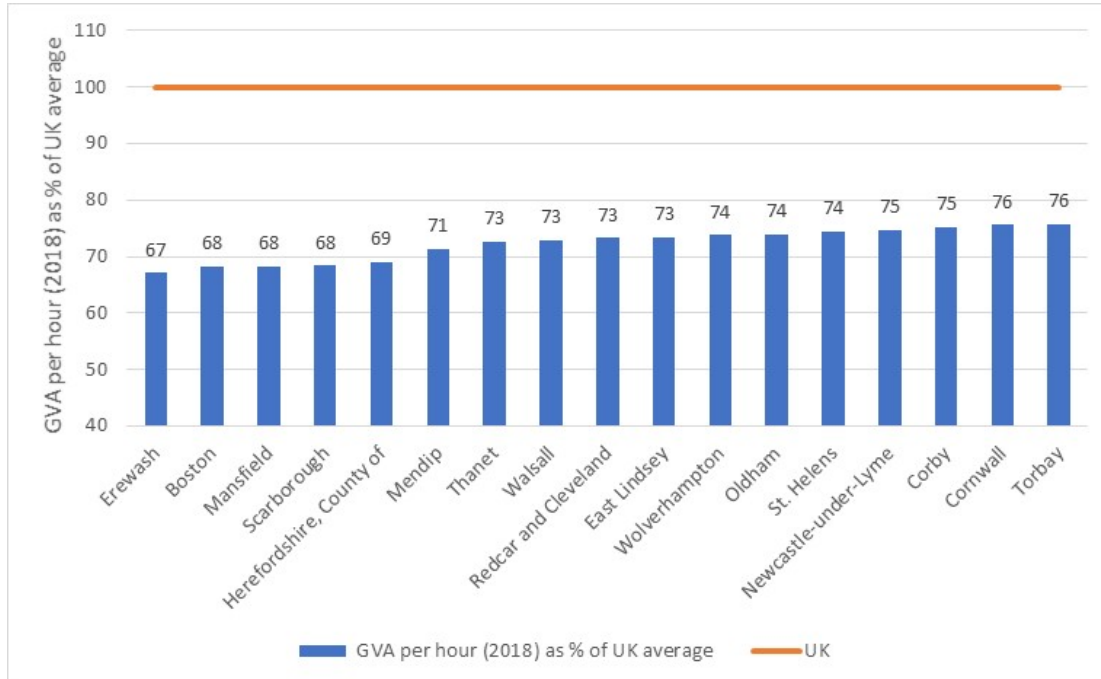
Figure 13. GVA per hour (as % of UK average) in 'Left Behind' Towns vs Rest of England, 2004-2018



Source: ONS, Sub-regional productivity in the UK: February 2020

Looking at the worst performing left behind areas on this measure of productivity, the worst 20% of towns all have a level of productivity more than 25% below the national average, with the least productive area (Erewash) having a level of GVA per hour worked just two thirds of the national average (Figure 14).

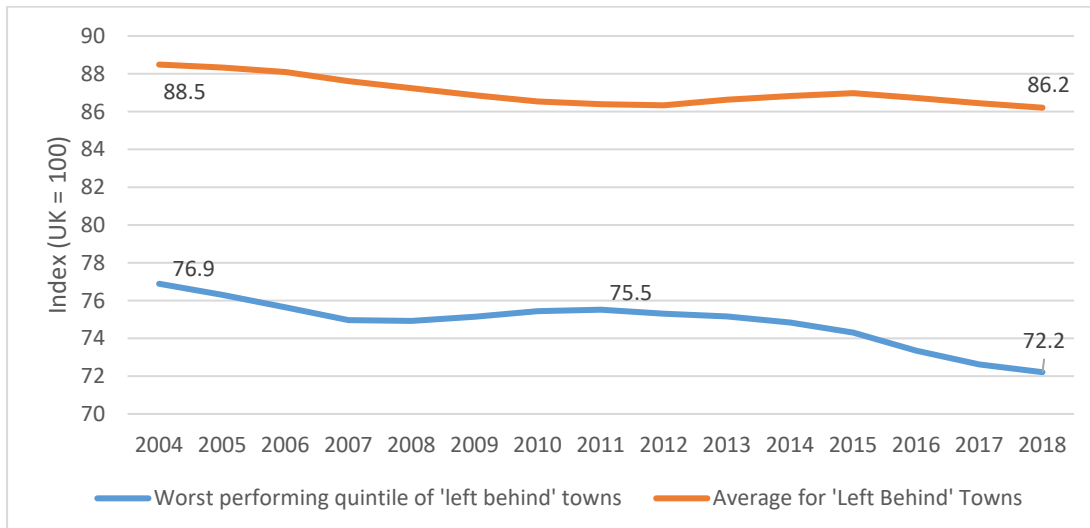
Figure 14. GVA per hour (as % of UK average) in Worst Performing 'Left Behind' Towns, 2018



Source: ONS, Sub-regional productivity in the UK: February 2020

The long-term trend in the towns which are most left behind in terms of GVA per hour growth is one of a growing productivity gap in recent years, as shown in Figure 15. From around 77% of the national average in 2004 for this group of towns, this had declined slightly to 75.5% in 2011, but this had fallen at a quicker pace between 2011 and 2018, to just 72% of the national average.

Figure 15. GVA per hour (as % of UK average) in Worst Performing 'Left Behind' Towns vs Rest of England, 2004-2018



Source: ONS, Sub-regional productivity in the UK: February 2020

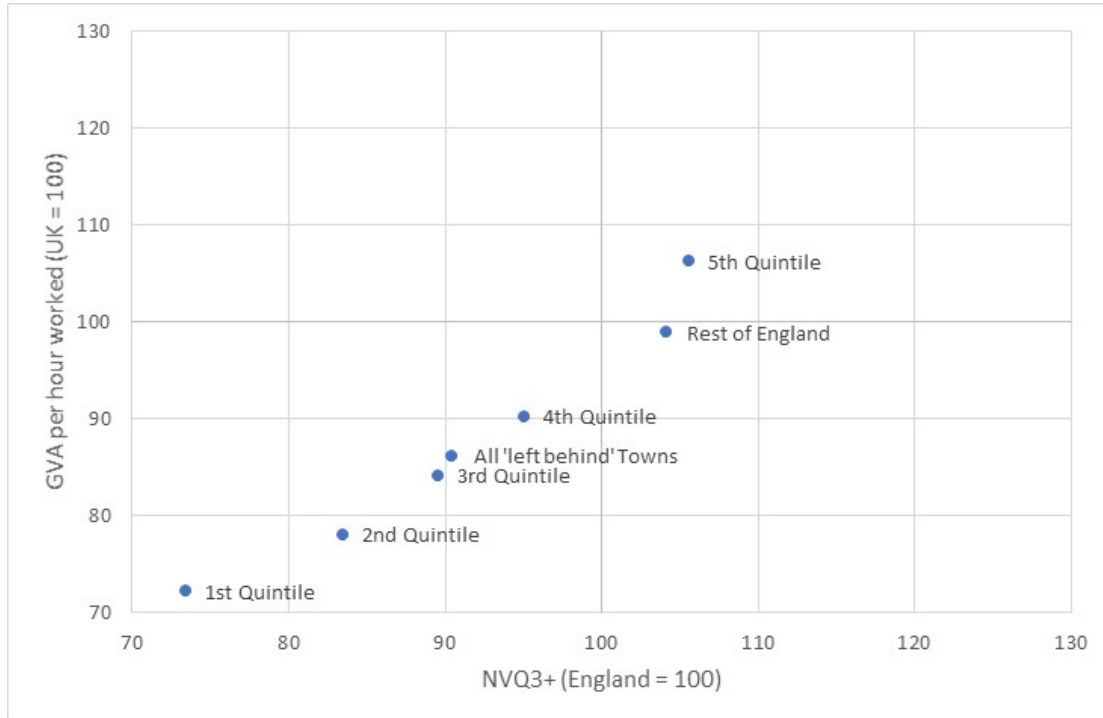
The Relationship between Skills and Productivity

The link between workforce skills and productivity has long been established, and the available data supports a strong link between towns that have been 'left behind' and low productivity in terms of GVA per hour worked. Figure 16 below shows that, across all 'left behind' towns, the percentage of

the working age population qualified to at least level 3 was 90% of the average for England as a whole, and just 86% of the national average in terms of productivity.

The difference with the national average is even starker for the worst performing towns. The 20% of left behind towns with the lowest levels of NVQ3+ qualifications in the workforce had a 2018 productivity of just 72% of the national average, and 73% of the average stock of qualifications at Level 3 or above.

Figure 16. Skills (NVQ3+) vs Productivity (Indexed, England = 100), Left Behind Towns vs Rest of England

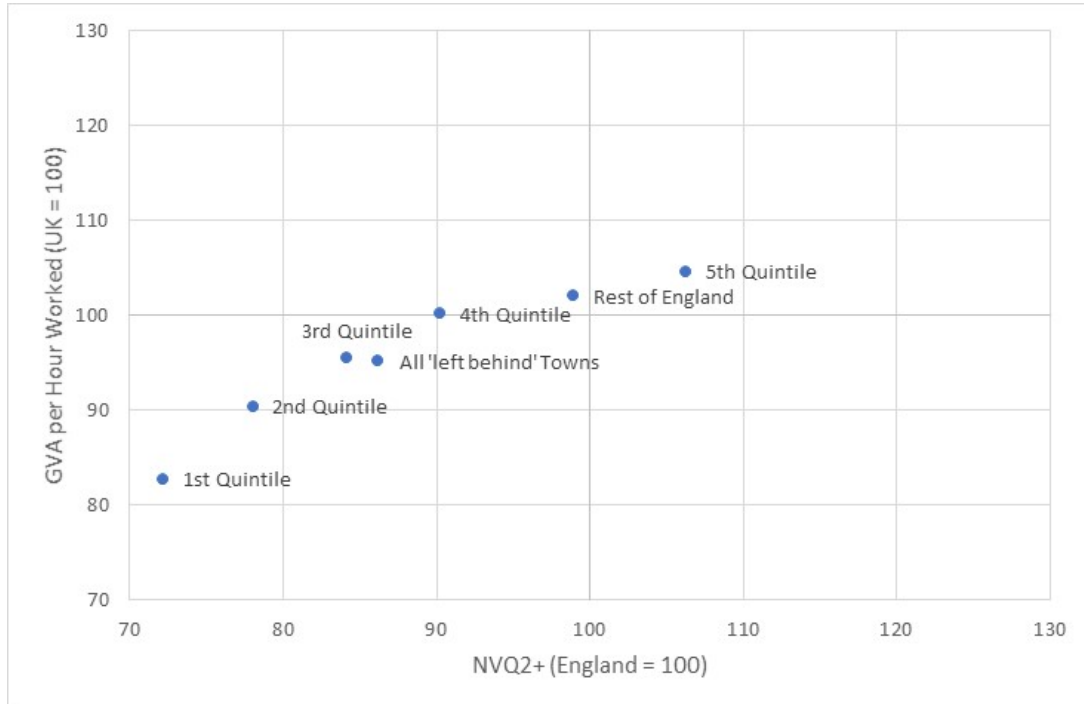


Source: ONS, *Sub-regional productivity in the UK: February 2020 and Annual Population Survey* (via Nomis)

A similar picture emerges with regard to Level 2 qualifications (Figure 17) although the gaps between left behind towns and the rest of the country are not as wide as at Level 3 and above.

Left behind towns had an average stock of Level 2+ qualifications that was 95% of the national average, while the worst performing 20% of towns fund beneficiaries were at 83% of the national average.

Figure 17. Skills (NVQ2+) vs Productivity (Indexed, England = 100), Left Behind Towns vs Rest of England



Source: ONS, Sub-regional productivity in the UK: February 2020 and Annual Population Survey (via Nomis)

The need for ULF support in Left behind areas

This section aims to highlight ULF provision at a national and regional level that contributes to the levelling-up agenda by tackling the problems associated with issues of low skilled workers lacking qualifications in low productivity economies.

Our evaluations of the impact of the ULF have revealed that many learners improve their qualification levels and those with no prior qualifications or lower levels of prior qualifications are those most likely to gain⁶⁴. One in five learners (19%) achieved a higher level of qualification and this figure is much higher for those with less formal education. **Over two-thirds (68%) of learners with no previous qualification and just under half (47%) of those starting with Entry level or Level 1 qualifications got a qualification at a higher level as a result of ULF support.**

The role of union supported learning is underlined by the finding that 70% of respondents felt that they would not have done their learning without the support of their union; a further 17% were neutral and just 14% disagreed. Importantly, respondents in many minority or disadvantaged groups attributed a higher level of importance to the support received from their union than other respondents. For example, **79% of those with no qualifications would not have done their learning without the support of their union compared with 62% of those with Level 4 qualifications.**

Analysis of the distribution of digital skills across the UK population has shown that 'digital poverty' follows a very similar pattern to that of overall workforce skills and productivity levels.

⁶⁴ Leeds University and the University of Exeter. Evaluation of the Union Learning Fund Rounds 15-16 Final Report 2016 <https://www.unionlearn.org.uk/sites/default/files/publication/ULF%20Eval%201516%20FINAL%20REPORT.pdf>

Regional Project Analysis

ULF projects are only required to report at the national level, so additional data at a regional level is much more limited, and only available depending on whether individual projects collate data at a sub-national level.

One such example is BWAFU, which has provided data for its ULF provision broken down into the following geographies:

- North West
- South Yorkshire
- West Yorkshire
- Midlands
- South

Other than the 'South' region, it could be argued that the other areas all fall within the definition of 'left-behind' areas, based on the concentration of towns benefitting from the Towns Fund, discussed earlier in this analysis. 98% of learners on this project had no prior qualifications. In the first half of 2020/21, the BWAFU project has delivered:

- 207 English assessments, 71% of which were in 'left-behind' areas
- 185 Maths assessments, 72% of which were in 'left-behind' areas
- 135 ICT assessments, 62% of which were in 'left-behind' areas
- 1,741 people given structured information and advice by ULRs / other reps, 77% of which were in 'left-behind' areas
- 1,722 learner support referrals, 77% of which were in 'left-behind' areas

The BWAFU project has also delivered the following outcomes, solely in 'left-behind' areas:

- 528 learners registered on Level 2 courses, all of which are in 'left-behind' areas
- 188 learners have engaged in some informal learning on English or literacy
- 135 learners have engaged in some informal learning on Maths
- 117 learners have engaged in some informal learning on ICT
- 719 learners engaged in Informal adult and Community Learning (IACL).

There are many examples of ULF activity in the Left Behind geographies and we have included a selection of these in the case Study Annex including a more detailed example from St. Helens to help explain the practicalities of how the ULF benefits a workplace.

COVID-Response Summary of ULF activity in 2020

In support of this study we have analysed how the ULF projects have responded to the COVID-19 emergency: how this has impacted on their delivery and how they have been able to respond to the new requests from government.

We received responses from:

- Fire Brigades Union
- BFAWU Love Learning
- UNISON Bridges to Learning (UNISON North)
- Usdaw
- NARS
- RMT
- ASLEF
- Bectu Sector of Prospect
- Learn with Aegis
- Equity FEU
- Community TU
- PFA - Achievement Through Sport
- UNISON's ULF National Project
- GMB National Lifelong Learning Project
- PFA
- PCS
- Unite the Union
- United Road Transport Union
- Cultures Of Learning Together (CWU)

New approaches adopted by the ULF projects

ULF Projects have found themselves working away from sites and offices and therefore have made a series of essential adjustments to how they deliver both learning and IAG. One or two which have been able to continue largely as before have done more online but almost all have had to make extensive use of: Online learning; Social Media (such as WhatsApp groups); Telephone IAG; Email; Virtual communications and small classroom based 'bubbles' (for apprentices).

*"When lockdown happened and many people were working from home, we realised that we were going to have to embrace online learning in a big way or lose access. Lots of organisations started promoting all their online courses and we would send these promotional emails out, but we didn't feel we had a handle on what was going on or had the opportunity to properly support learners who took up these courses. It was a bit of a scattergun approach. So **we decided to try to bring all the various offers together, everything our partners were doing, into a hub on our website.** We found an online provider of qualification bearing English and Maths and we had established links with our partners, WEA, OU and UNISON as well as local distance learning provider Learning Curve, and Skills Network through unionlearn. Learners can now access learning from all of those providers in the one place and through registering with the hub, get links to or access to courses in this way. We can stay in touch with learners and help them along their journeys, finding out how they are getting on."* ULF Project Manager

There have been major challenges to overcome. Particularly where ULRs were typically doing face-to-face support and where staff are not on email. Some have piloted remote ULRs. Many have linked into many more online courses.

"Usdaw's learning Gateway has increased exponentially now offering over 1000 courses. We have sought new agreements with on-line providers to expand the offer including Litmos and SST to keep the offer current and varied." Usdaw ULF Project Manager

*“Working with the British Horseracing Authority we launched an industry online learning platform (Racing2learn), one that was already in development was pushed through quicker and Launched in April... The platform has been a huge success, when racing resumed at racecourses in June a Covid19 module was created and anybody wishing to attend had to have completed this module before being allowed access. **The platform has seen over 22,000 industry personnel use the site.**”* NARS Project Manager

*“**We have converted our mainly face-to-face training programme for freelance professionals to an online offering to deal with the Covid Crisis.** We are also providing Covid-related training directly related to learners needs through the crisis.”* FEU ULF Project Manager

*“We ran an online survey during May/June to identify the impact of Covid on their apprenticeship, with which almost 800 apprentices engaged. **We continue to train / brief ULRs, support apprentices via a range of e-communications, meet regularly (virtually) with the Cabinet Office and DWP management.**”* PCS ULF Project Manager

Unions are eager to stress that in many ways, online is no substitute for workplace/learner face to face engagement but has been necessary because of the amount of workers being made redundant and furloughed. Interestingly, during the pandemic some providers have particularly turned to ULRs to recruit enough learners to make courses viable.

Many unions report having to work swiftly with providers and industry partners to generate new courses and move existing provision online.

Some new courses have been targeted specifically at coping with the pandemic, such as: Stress Management in the Pandemic; Self-empowerment; Employability/Job Ready Skills; Counselling Support; Redundancy Support; and Coping with change.

*“**We have ... stepped up mental health and wellbeing courses and have been very aware of the potential of lifelong learning to improve peoples' mental health during the lockdown**”.* CWU ULF Project Manager

Impact on the demand for learning

A number of projects report very considerable demand for their learning offer:

“We launched it (new online learning site) at the end of May and have been staggered by the response, we must have had nearly 2,000 people contact us to enquire about learning or to find out more and over 1,000 active learners.” Unison Bridges to Learning project Manager

*“**It has increased exponentially. We have been inundated with the sheer volume of demand.**”* Unison ULF Project Manager

Unite has delivered centrally 11,888 courses to 3,742 learners. Unsurprisingly online and distance learning has increased, in many cases very considerably. Learners have targeted courses that are both essential to new ways of working (such as ICT) but have also looked for other types of support and mental health has been a major focus. Redundancy support is also growing.

“(learners) have had more time to learn through the crisis, the majority of our staff have had their work cancelled indefinitely and are keen to learn new skills and find new ways of working; online provision has improved accessibility (e.g., preCovid, we could only hold courses in the major hubs such as London, Bristol and Manchester so people from outside these regions are now attending).” Community TU ULF Project Manager

The exceptions to this are in those sectors that have continued to operate largely as before – such as key workers – where staff have continued to work but learning centres have been closed. This was further complicated where apprenticeships programmes were suspended. In a number of sectors ULRs are part of the “boots on the ground” support for apprentices and trainees.

Some report that the reduction in travel has freed up time for additional support – which has helped them respond to the growing online requests.

“Demand has been astonishing - especially during lockdown. May-Sept we engaged 1,750 learners”. FEU ULF Project Manager

The wider benefits of learning during such disconcerting times cannot be underestimated:

“Some just want to join in on a webinar to feel part of something and so that they are not lonely”. AEGIS ULF Project Manager

Unions that noted a surge in the demand for digital skills also recognised barriers and obstacles for those most excluded: *“Providers that offered courses with digital devices for digitally isolated individuals were not able to deliver due to a shortage of equipment and high demand - this remains unchanged”.* There is evidence that this group needing basic ICTR support are increasingly looking for opportunities: *“People continue to ask for classroom-based training, and the demand has certainly increased”.*

Providing redundancy support has been a challenge during COVID as access to education and can be regional and consequently support via providers is not a single standardised package. In the London Eastern area Unite report that support is being put in place for a potential 12,000 redundancies.

New learner profiles

Learner profiles have not changed considerably during COVID-19 with some exceptions highlighted by ULF projects:

- *Fewer clinical staff as Covid cases rise e.g. HCA's nurses, physios, assistant physios OTs etc.*
- *We have seen a higher proportion of first time learners through the project.*
- *More female learners*
- *We have had an increase in professionals requesting training i.e. further and higher education*
- *Mental health issues have increased*

Overall the core ULF focus on maths, English and It has been maintained. Unions also report that the profile / demographic of learners has remained relatively consistent. Some employers have accelerated moves to IT heavier systems such as ‘online work and pay’ systems – which has accelerated the need for IT skills.

“We have had more examples of non-digitally skilled people engaging with the likes of how to use your smartphone and how to download apps to help them become digital citizens. This is due to their response to Covid restrictions, and our response to that new need. There is still a mountain to climb but we feel we have a base camp now.” URTU ULF Project Manager

Impact on union resourcing and activity

We asked if delivering during the pandemic has impacted on resourcing needs within the ULF projects. The results suggested that overall the requirements placed on them have increased or stayed the same (Figure 18):

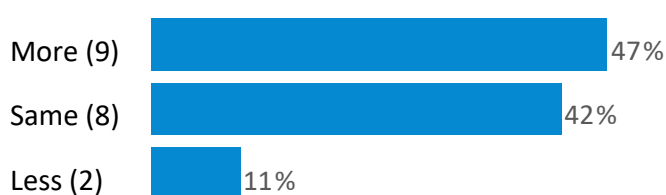


Figure 18. “When delivering ULF under COVID has there been more or less resource needed?”

Those reporting less resource need cited the lack of face to face courses was keeping costs down but also lowering outcomes. Finance had been moved to support online rather than events and learning centre costs.

The reasons for a need for greater resourcing were related largely to the heightened demand and the need to rapidly adjust to a more online offer. As a consequence the ULF projects have had to work differently. The online focus has resulted in a more centralised approach as face to face and site visits were limited.

“We have had to learn how to deliver training and events online as well as having to teach our freelance tutors how to do this.” FEU ULF Project Manager

“As project manager, I've had to reconfigure the entire team. We've gone from seven regional organisers to seven basically national organisers, as everything is delivered online via webinars. There's still a regional aspect to their role but much reduced, and involves keeping in regular contact with ULRs, updating them, running some network meetings, supporting them to undertake some workplace-focused learning online. So our Work Plan is now a national plan rather than regional.” PCS ULF Project Manager

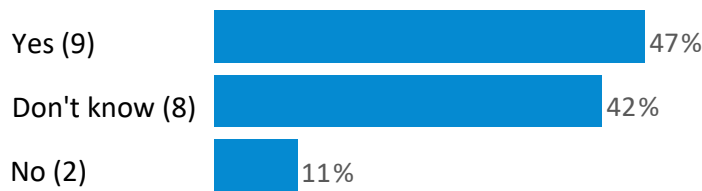
Support for furloughed workers

The recent The L&WI survey⁶⁵ found that furloughed workers accessed less learning than those at work suggesting this is an area where more union engagement is needed. This category was not something that ULF projects were asked to capture and half are unsure about current support –

⁶⁵ <https://learningandwork.org.uk/news-and-policy/millions-of-adults-took-part-in-lockdown-learning-but-stark-inequalities-raise-concerns-about-workers-being-left-behind-in-post-covid-economy/>

indicating the picture is far from clear but that there is scope for more identifiable activity to support these workers (Figure 19):

Figure 19. Project managers citing whether furloughed workers have benefitted



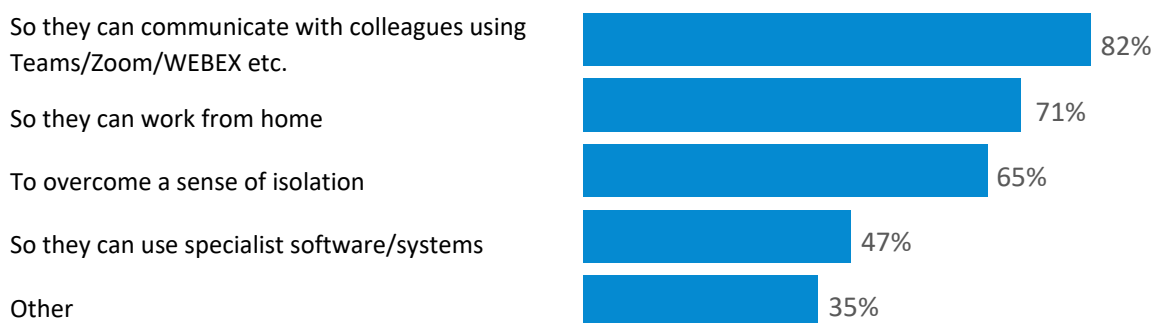
We asked a question concerning the numbers of likely furloughed workers benefitting and the responses indicate at least a few thousand and probably many more:

- 100+
- *The industry had 700 furloughed workers at its peak, most were using the online platform*
- *Significant*
- *Difficult to quantify as this is not a direct joining question posed - 30-40%?*
- 100s
- *School support staff especially, during the lockdown, as it offered an opportunity to explore CPD*
- *75% of the learners have benefited as approximately 75% of the workplaces have been furloughed.*
- *Don't have specific stats - many learners from Culture sector though were furloughed*
- 100's

Digital learning

Digital literacy has been a major need under COVID-19. Projects report supporting many thousands of learners with these skills – primarily for the reasons below (Figure 20):

Figure 20. Projects citing reasons for online support during COVID



'Other' reasons were:

- To engage in educational workshops
- Understand union services
- Attend interactive sessions

- ICT Excel for apprentices

Safe working environment

79% of projects cite specifically acting to help ensure workers were able to physically stay safe from the potential impact of COVID whilst still working. Projects varied in how they had done this and in the numbers supported from small numbers through to many thousands. One ULF project cited 14,000+ and another 5,000 at a single employer.

Mental health and wellbeing

Projects were asked if they had supported people around mental health and wellbeing as a result of the pressures of COVID and only one had not – citing they were supporting this but as part of their normal provision. As with the response to the safe working environment question, numbers varied by project, size and sectors. Most project cited between 100 and 1,100.

Proportion of existing delivery maintained

Projects were asked about how they had been able to maintain their existing planned ULF delivery. Responses indicated 61% were continuing with 90-100% of their planned delivery with only one project below 50% of planned delivery.

New hard-to-reach groups

We asked whether COVID had resulted in new potential target groups that were now missing out on training – but really need learning opportunities given the pandemic and its implications. 84% of projects reported that there were.

Level 1 and learners needing extra support

Particular concerns were expressed for learners who are at entry level and really need classroom support. The switch to online learning was felt by some unions to have had a detrimental impact on those who have neither the means nor the skills to get on line. Those most are being excluded because of nature of learning delivery under Covid.

Further concerns were expressed for those learners and potential learners who were shielding or isolating and who were not already on line. More than one ULF project was hoping AEB funding could be released to allow people to carry out Level 2 courses around mental health and wellbeing.

“Those from deprived backgrounds and do not have digital devices nor internet access are no longer able to go to the library or community learning centres; they are more isolated.” Community TU ULF Project Manager

“Non-digitally skilled people are being left out of new ways of working and learning. We are keen to ensure we have ways to break down these barriers to the rapid digital development we have seen, and were already aware of before Covid”. URTU ULF Project Manager

Key workers

Many key workers were working additional shifts and in very difficult circumstances. Occupations such as street cleaners, refuse collectors, social care workers, cleaner, porters and grounds men were all cited as were:

“Clinical staff are very busy in periods when Covid cases rise. With the relentless pursuit of getting children into schools and no additional resources, school support staff are exhausted and really struggle to find time to learn. Some people only have phone access to IT and that is limiting.” Unison North ULF Project Manager

“Retail distribution and food manufacturing ...have found themselves under increasing pressure at work which has prohibited training and learning this includes demands for additional shifts / overtime.” Usdaw ULF Project Manager

Redundancy support

Redundancy support was also an area where learners were felt to be missing out: *“we haven’t been able to sit with the learner to provide this service”*. Those facing redundancy have always faced difficulties finding the right training and education. Projects report that Government websites can be daunting and support was needed to navigate them:

“Then they have to find the right course near them. That is not so easy without support. Through the ULF we have run career support courses and events to enable people find the skills to get a new job. Without the ULF we will not have the staff to deliver this.”

CWU ULF Project Manager

Migrant workers

The Unite ULF project reports that it hasn't been able to support workers and ULRs at the same levels - in particular migrant workers. Unite has the migrant workers education programme where learners attend classes in central office on a regular basis - this has had to be suspended and moved on line for those who have internet access.

Badly hit sectors

Respondents cited: Culture sector workers (high level of furloughs and job losses); Private sector workers (precarious work); Retired members (older people, not digitally literate and therefore unable to use zoom, etc., to maintain social contact); those shielding who were particularly isolated.

Covid-19 Response Conclusions

It is clear that Covid-19 will be a factor in all aspects of society for at least the length of the current year of ULF and probably for the next year as well. The impact on face to face learning and support has been huge and the TUC have been advising and supporting projects to move their interventions, support and learning on-line.

In the most recent round, for the first time, ICT learning became a priority outcome - as the ability to work and function online will be an essential feature of many jobs. A number of potential new priorities which have emerged under Covid:

- *Skills to work/engage remotely including sessions on Covid awareness and safety both at work and in the community.* This could link directly to IAG and the potential need for re-training. Many people will be doing online learning for the first time (mostly informal) and now is an opportune moment to also offer courses that they may need but have been reluctant to do.
- *Mental health awareness and the ability to support others related to lockdown and anxiety/depression.* Research has suggested that a high percentage of those locked down experienced increased anxiety and depression⁶⁶. This might include training in areas such as resilience; health and well-being; Domestic Violence and Harmful Gambling.

⁶⁶ Holmes, E. A et al. 2020 Multidisciplinary research priorities for the COVID-19 pandemic: a call for action for mental health science [https://www.thelancet.com/journals/lanpsy/article/PIIS2215-0366\(20\)30168-1/fulltext](https://www.thelancet.com/journals/lanpsy/article/PIIS2215-0366(20)30168-1/fulltext)

- *Learning while at home/furloughed.* This may include short non-work related courses that serve a purpose in linking low qualified staff into learning online as a route for engagement and possible future qualifications. Obvious courses would be: study skills; how to learn online; IAG; and taster courses.
- *Sector relevant CPD that keeps people's work skills and progression on track for return to work.* It could include new higher level certification that helps boost a workers competences and qualifications – and potentially productivity.
- *Redundancy support.* Given the likely impact of lockdown on jobs, unions will need to support large numbers of people moving between roles and into new jobs or unemployment. This would encompass; CV writing; job search; midlife career review; IAG and interface with JCP; preparing for online interviews and development of digital CV's and digital badges; improving 'employability'; and using the internet to search for jobs.
- *Green skills.* Assisting those in work to understand and respond to climate change and those being made redundant to shift into new "green" employment could be a key way ULF could help.

DfE should prioritise from the above and agree targets with the TUC to help the next Round of ULF projects further support the Government's skills agenda, recognising that upskilling those in-work will have continued urgency.

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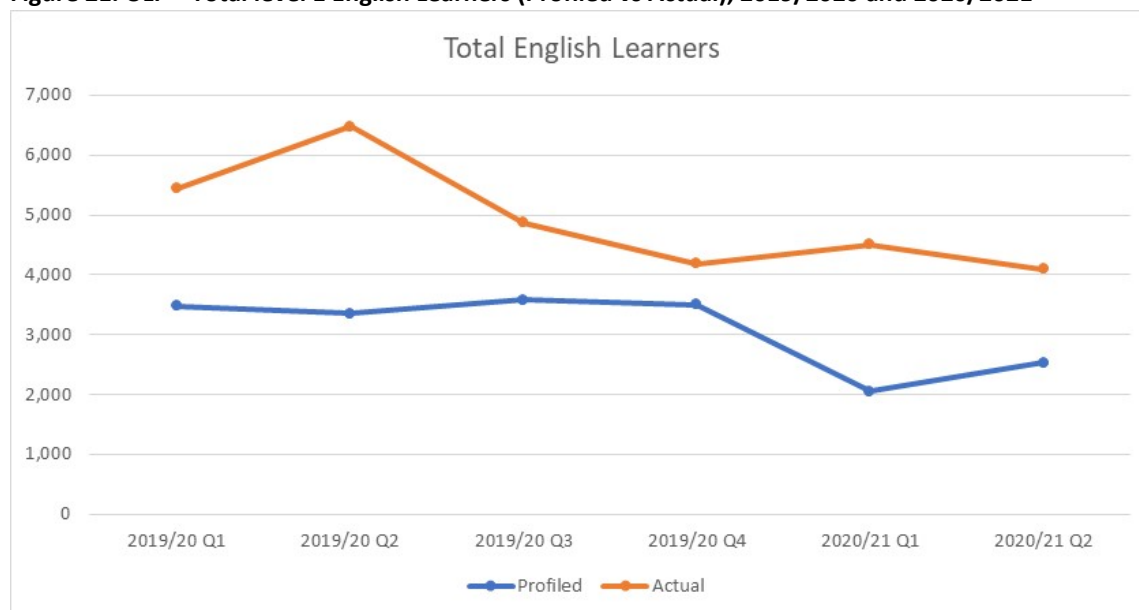
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Statistical Annex: Analysis of 2019/2020 and 2020/2021 ULF Delivery

At the national level, the charts below show that ULF provision has consistently outperformed its targets in both the number of Level 1 English and Maths learners it has engaged during 2019/20 and the first half 2020/21. In English, a total of 20,964 English learners were engaged in 2019/20, against a target of 13,924, with delivery exceeding the target by over 50%. In the first two quarters of 2020/21, a further 8,596 learners have been engaged, almost 90% above the target level.

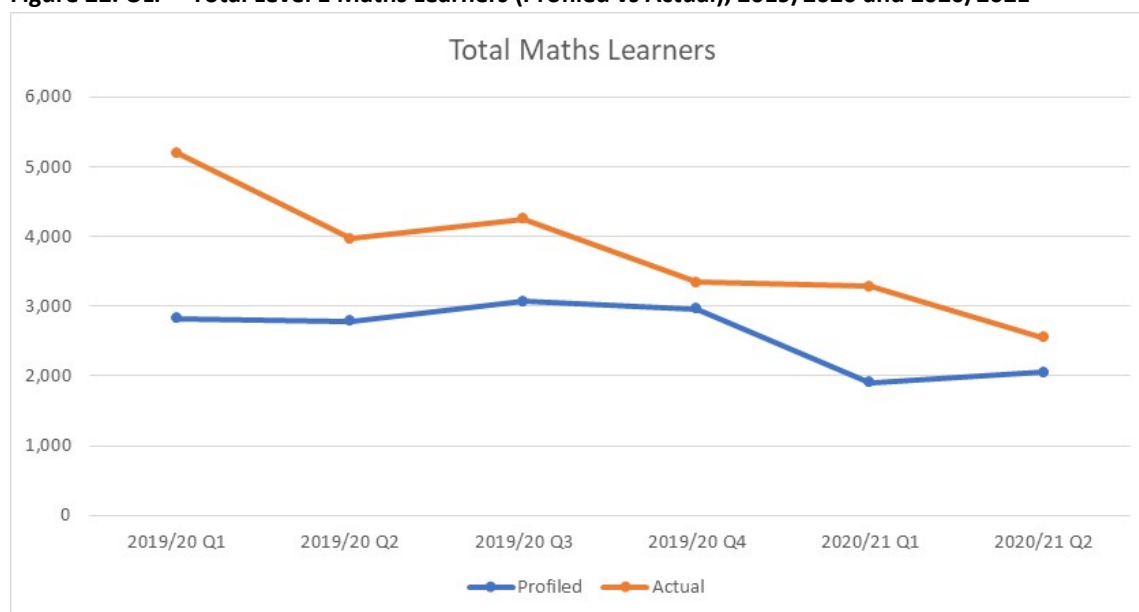
In Maths, a similar picture emerges, with 16,772 learners engaged in 2019/20, 44% higher than the target of 11,655. In 2020/21 to date, 5,835 learners have been engaged, 47% above target.

Figure 21. ULF – Total level 1 English Learners (Profiled vs Actual), 2019/2020 and 2020/2021



Source: TUC, ULF Project data

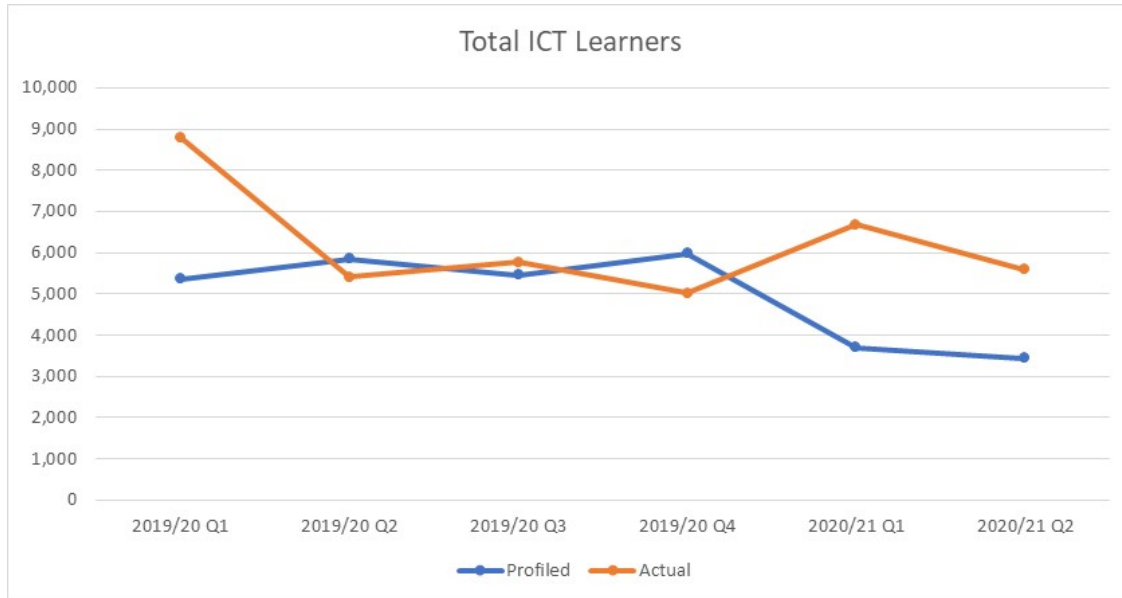
Figure 22. ULF – Total Level 1 Maths Learners (Profiled vs Actual), 2019/2020 and 2020/2021



Source: TUC, ULF Project data

In terms of Level 1 ICT learners, while not every quarter has seen delivery exceed targets, for 2019/20 as a whole, just under 25,000 ICT learners were engaged, 10% higher than profiled. For the first half of 2020/21, 12,267 learners have already been engaged, 72% higher than the 7,125 profiled.

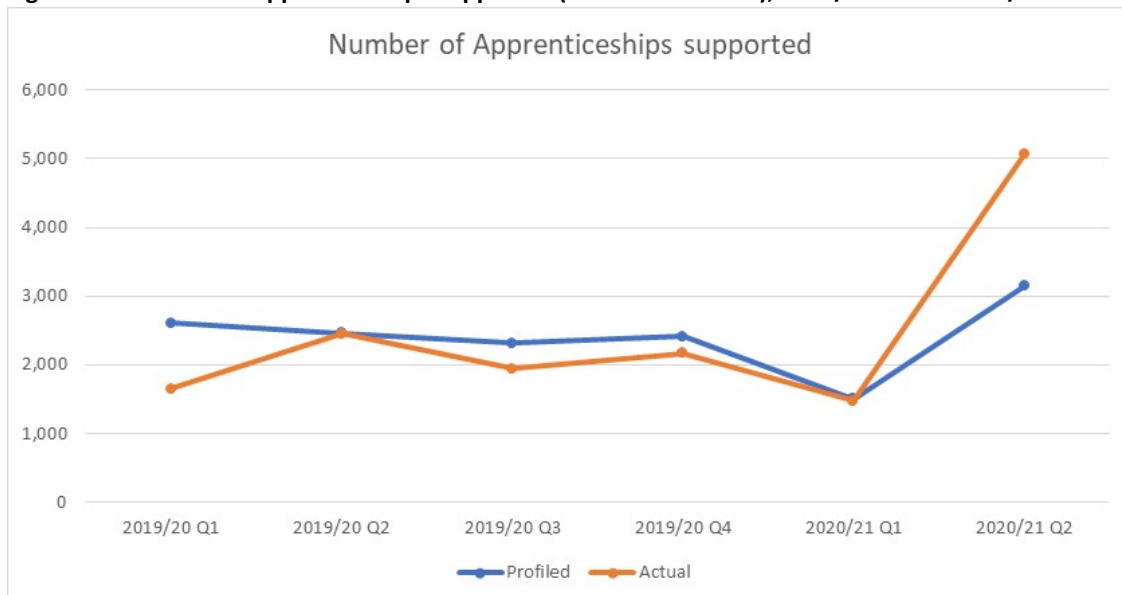
Figure 23. ULF – Total level 1 ICT Learners (Profiled vs Actual), 2019/2020 and 2020/2021



Source: TUC, ULF Project data

Supporting Apprenticeships is also a priority for ULF delivery. Figure 24 shows that just over 8,000 Apprenticeships were supported by the ULF in 2019/20, around 8% below the 8,700 profiled. However, that number has increased rapidly in the second quarter of 2020/21, with over 5,000 Apprenticeships supported in that quarter alone, against a target of 3,147.

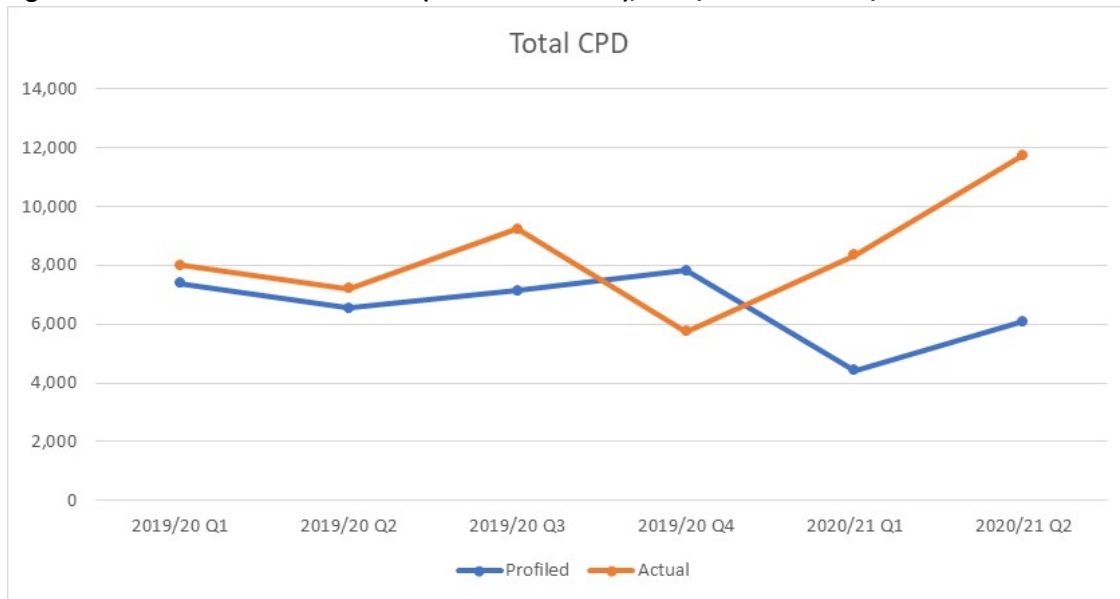
Figure 24. ULF – Total Apprenticeships Supported (Profiled vs Actual), 2019/2020 and 2020/2021



Source: TUC, ULF Project data

The support of CPD outcomes was made a priority for 2020/21, although the target number of outcomes was lowered from 2019/20 levels. The number of CPD outcomes achieved to date in 2020/21 (11,739) has exceeded targets by more than 90%, Figure 25.

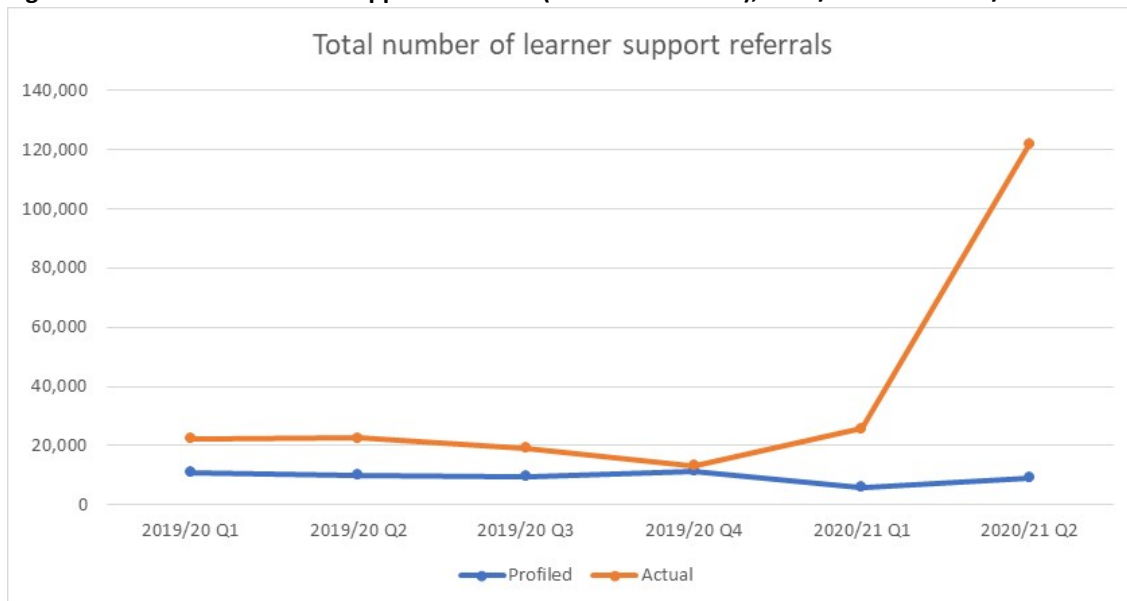
Figure 25. ULF – Total CPD Outcomes (Profiled vs Actual), 2019/2020 and 2020/2021



Source: TUC, ULF Project data

For the first three quarters of 2019/20, the number of learner support referrals achieved was around double the target level, at around 22,000 a quarter. This has increased massively in the second quarter of 2020/21 to almost 122,000, in direct response to the COVID-19 outbreak.

Figure 26. ULF – Total Learner Support Referrals (Profiled vs Actual), 2019/2020 and 2020/2021



Source: TUC, ULF Project data

Case Study Annex: A few examples of ULF activity in ‘Left Behind’ geographies

Erewash – (Long Eaton)

Usdaw Embed learning in DHL Long Eaton

Usdaw reps in the DHL Long Eaton site have made real strides to embed learning into the site’s activities over the past year. Now they have a fully functioning infrastructure to support learning and have demonstrated just what learning can add to the site.

<https://www.unionlearn.org.uk/case-studies/usdaw-embed-learning-dhl-long-eaton>

Mansfield

ULR Highly Commended in Festival of Learning awards

A ULR from Mansfield has been announced as Festival of Learning’s ‘Learning for Work’ Highly Commended Individual in their 2018 awards for his exceptional achievements in adult learning. This award celebrates adults who have transformed their own lives and the lives of their families, friends, their communities, and the places they work through learning.

<https://www.unionlearn.org.uk/news/mansfield-ulr-highly-commended-festival-learning-awards>

ULR Pete is supporting colleagues through difficult times

Since becoming a ULR about a year ago and since starting has been supporting colleagues gain digital skills – something which uncovered other issues that Pete’s training in learning has helped with.

<https://www.unionlearn.org.uk/case-studies/ulr-pete-supporting-colleagues-through-difficult-times>

Unite English courses help Sports Direct workers

Migrant workers at Sports Direct (SD) in Shirebrook have praised Unite for assisting them with learning English. The union has established eight English for Speakers of a Second Language (ESOL) classes, two in Shirebrook and two each in Mansfield and Nottingham. The classes are fitted around people’s shift patterns at the SD giant warehouse and logistics centre at Shirebrook, where over 3,000 people are employed but of which only around 300 have permanent contracts.

<https://www.unionlearn.org.uk/case-studies/unite-english-courses-help-sports-direct-workers>

Oldham

From Apprentice to Tesco Manager

Owen worked as a Team Leader on the Checkouts at Tesco Middleton, in 2019 he signed on to the Tesco apprenticeship scheme and met the USDAW’s Mobile Union Learn Rep Christine. Owen worked with Christine and his tutor from lifetime to achieve his apprenticeship. Owen and Christine have stayed in touch after he completed his apprenticeship with Owen signing on to Tesco options management program. Using the Learning pathways he started in the company’s apprenticeship program, Owen was able to complete the options program and has now achieved the position of Front End manager at Tesco Oldham Extra.

Tesco learner improves their English to join the Police

A customer assistant, working at Tesco Greenfield had high hopes of joining the police in 2019 however, when he first applied, he was rejected due to scoring low on an English assessment. Luckily a ULR has been active in the store and Marek knew that he could talk to her about how to improve his English. Due to shifts at work, he was unable to participate in a full English course.

However, Christine, as his Union Learning Rep signed him up to the Wranx app to help him improve his English skills. Marek threw himself into the various English subjects and was able to improve his English skills and pass his English assessment in 2020 and was accepted into the police.

Wolverhampton

CWU's Wolverhampton Learning Centre newly upgraded

The Communication Workers Union (CWU) Wolverhampton & District Amal branch were delighted to launch their newly upgraded learning centre this summer. Based at the Wolverhampton Mail Centre, it has long been a site of learning and innovation. Through the CWU Sustainability Fund the branch was able to source new equipment and most importantly lever in support from Royal Mail.

<https://www.unionlearn.org.uk/case-studies/cwus-wolverhampton-learning-centre-newly-upgraded>

Unions to work with University of Wolverhampton to up-skill workforce

The University of Wolverhampton has signed an official Memorandum of Understanding (MoU) with unionlearn to create new opportunities for staff to develop their careers. High-level apprenticeships, university-level continuing professional development courses and other aspiration-raising initiatives will all form part of the agreement.

<https://www.unionlearn.org.uk/news/unions-work-university-wolverhampton-skill-workforce>

Jon Crawford: Swapping the pitch for pens...

Not many teenagers leave school and a year later decide to return to carry on studying. But then Jon Crawford was never likely to be an ordinary teenager. At 16, having left Wolverhampton Grammar School after GCSE's, Jon failed secured a professional contract at Bristol City but an unexpected leg injury saw him side-lined. Jon returned to learning supported by the PFA.

<https://www.unionlearn.org.uk/case-studies/jon-crawford-swapping-pitch-pens>

Corby

Community's Michael helps TATA workers forge IT skills

Michael Cosby is a Community union Branch Secretary at TATA Steel in Corby, Northamptonshire and has been supporting his membership having identified skills issues across his departments, particularly with IT skills.

<https://www.unionlearn.org.uk/case-studies/communitys-michael-helps-tata-workers-forge-it-skills>

URTU provides learning to membership on the move

The main focus of our URTU Union Learning Fund project is around supporting those most disadvantaged and under-represented. The project has been running in its current form for three years. The project's overall aim has been to reach out to a largely mobile or at least moving workforce – mainly those working as HGV drivers or in warehousing. By sourcing and developing a range of routes and methods of learning, they have so far exceeded all expectations – in total engaging more than three times the number of people the project set out to reach.

<https://www.unionlearn.org.uk/blog/urtu-provides-learning-membership-move>

Unionlearn helping to promote community cohesion in Corby

A report by the independent charity Corby Community Partnership (CCP), Living and Working in Corby: The Silent Migrant, sets out that Corby is one of the fastest growing towns in England. Corby

was essentially a steel town from the 1930s until 1980 when British Steel closed down its plant with the loss of more than 10,000 jobs. The unionlearn Midlands team has been supporting its community engagement activities and has taken part in a number of community celebration events.

<https://www.unionlearn.org.uk/case-studies/unionlearn-helping-promote-community-cohesion-corby>

Dyslexia Champions

A learning agreement was drawn up between Northants FRS and The FBU Learning Centre. During 2018 the Service introduced a policy which seen the appointment of 10 Dyslexia Champions who then went on to complete a Level 2 qualification in Dyslexia and other specific learning difficulties qualification. This gave the champions the knowledge to fully understand and offer informed support to their colleagues. *“It was a perfect example on how lifelong learning can have such a huge beneficial impact to Fire Services and their employees. I completed the course of learning myself and found it helped me enormously in my role.”*

St Helens Case Study – an example of the ongoing work that ULF supports in ‘left behind’ geographies

Co-Op Lea Green (St. Helens) 2 year celebration & Mental Health Awareness Campaign

The Lea Green Distribution centre is just outside St Helens. It is the logistics hub for all Co-op outlets in the North West and employs just over 1,300 people. The site provides the full range of distribution services including frozen and chilled products. Usdaw is well organised on the site with a team of reps, health and safety reps and ULRs. The site recently celebrated the second anniversary of its Learning Centre. This is a joint centre which offers vocational training through the company and lifelong learning courses organised through the team of ULRs. These include English, Maths, Digital Skills and a range of Distance Learning courses.

The Learning Centre at Co-Op Lea Green has had a very busy 3 months, campaigning for Mental Health Awareness.

The Union Learning Reps celebrated the 2 year anniversary by sharing a Learning centre update with all colleagues, highlighting the learning that has taken place:

- NVQ Warehousing - 51 staff have started 11 have completed
- English - 77 staff are improving their English and 15 have completed English to level 2
- Maths - 77 staff are improving their maths to level 2 and 15 have completed
- Team leading home study - 26 staff started and 14 have completed 6 dropped out and 6 ongoing
- I.T specialist course - 14 started and 14 ongoing
- Management level 3 - 7 started and 7 ongoing
- ICT Basic level - 8 started 8 completed
- ICT level 1 - 7 started and 7 completed
- Business and admin level 2 - 3 started and 3 completed
- Business and admin level 3 - 2 started and 2 ongoing

In total they have had 272 courses signed up to including English and maths with 73 completed, 10 withdrawals and 189 courses ongoing. Following on from a successful event celebrating the Learning Centres achievements, was the closely timed Mental Health Awareness Campaign.

The site has recently appointed an Engagement officer who works very closely with the ULR team to help promote new and innovative engagement campaigns to staff, ranging across varied topics. Mental Health has always been a subject that the management team and reps support and wanted to engage staff with.

Working with the local council, employer and union, a 3 week Mental Health Awareness campaign was delivered in the staff canteen with the aim to raise awareness and to encourage colleagues to pledge their support. Pledge cards were used for staff to comment on how they would like to help and the importance of Mental Health.

Over 100 cards were completed throughout the campaign and Usdaw’s Mental Health Awareness course was promoted for staff to sign up to and gain a level 2 qualification.

Economic and Fiscal Methodology Annex

Earnings and employment premia

The impact estimates presented in this report are based on model published in 2015 for BIS by Cambridge Econometrics (CE) and the Institute for Employment Research (IER) (BIS Research Paper No. 288, 2015) as a basis for estimating the impact of the Further Education. In using these estimates, our model, assumes that the returns from learning accessed through unionlearn is the same as those accessed through maintain further education. This is not an unreasonable assumption since many of the learners access further education courses following unionlearn brokerage.

The updated BIS model incorporates the findings of innovative new research (Bibby et. al., 2014) linking administrative FE learner information, with benefit information (from DWP data) and PAYE employment histories (from HMRC data). The wage premia in Bibby et.al. (2014) are compared with those previously used in the BIS and model in Table 1 below. The previous wage premia consider “those who achieve a qualification compared to everyone whose highest qualification is at the level below, controlling for observable characteristics e.g. returns to a L3 Apprenticeship compared to similar people at Level 2. The new premia compare those who achieve a qualification with those who start but do not achieve and as such provide a better control for unobservable characteristics (BIS, 2015). Furthermore, the new premia “compare all achievers with all non-achievers after accounting for prior qualification and a comprehensive set of covariates in the economic specification”. This means that the new premia are applied to all learners irrespective of their previous qualification level.

Table 1 Wage premia, comparing the latest and previous estimates

Provision Type	Wage Premia	
	Original	New
Full level 2	2% ¹	11%
Full level 3 (loan and grant funded)	11% ¹	9%
English and maths ³	5% ²	3.5%
Below level 2 ⁴	5% ²	2%
Level 2 Apprenticeship	16% ¹	11%
Level 3 Apprenticeship	18% ¹	16%

1 Compared to similar people whose highest qualification is one level below.

2 Compared to people with a full level 2 qualification, but without Maths or English at L2

3 'Skills for life' in the original model report

4 'Foundation learning tier' in the original model report

The new estimates are similar to the original ones with the main differences being:

- A significant increase in the estimates of the returns to a full Level 2 qualification. This is thought to be because the new method provides a better control for unobservable characteristics (BIS, 2015).
- There have been reductions in the estimate of returns to Maths and English qualifications and qualifications below Level 2. The latter is likely to be an underestimate of the ‘true’ return since it does not capture any benefits in terms of progression to L2 and beyond.
- A reduction in the estimate of wage returns to L2 apprenticeships.

The employment premia presented in the updated BIS model have also been revised using the research published by Bibby et. al. (2014). In general, the new estimates (Table 2) are much lower than those used previously mainly the new estimates have been better controlled for previous employment history than has hitherto been possible.

Table 2: Employment premia adopted in the model (%)

Provision Type	Employment Premia ¹	
	Original	New
Full level 2	5.4% ¹	2%
Full level 3 (loan and grant funded)	2.1% ¹	4%
English and maths ³	1.4% ²	0.6%
Below level 2 ⁴	1.4% ²	0%
Level 2 Apprenticeship	2.7% ¹	0%
Level 3 Apprenticeship	1.1% ¹	0%

1 Compared to similar people whose highest qualification is one level below.

2 Compared to people with a full level 2 qualification but without Maths or English at L2

3 ‘Skills for life’ in the original model report

4 ‘Foundation learning tier’ in the original model report

Application of earning and employment premia

In our model, we only applied these premia to:

- ULF learners who completed their programme of learning.
- ULF learners who gained qualifications as a result of participating in learning. The proportion of learners gaining qualifications was calculated by isolating learners who took part in a single episode of each type of union learning

Although they clearly derive some benefit, those who did not complete their course or who did not gain a qualification as a result of their learning were discounted from the impact model.

To create the model, it was necessary to match data on the actual number of ULF learners who undertook each type of learning, taken from projects final submissions, to the categories used in the

model developed by Beaven et al. For some forms of union learning⁶⁷ this was unproblematic. For others, assumptions needed to be made. For example, in the absence of information about the qualifications being pursued by union learners participating in “FE Programmes”⁶⁸, we attributed these to Level 1, Level 2 or Level 3 learning in line with the national distribution of all FE learning across these levels. Similarly, ULF brokered Apprenticeships were attributed to Level 2 (Intermediate) and Level 3 (Advanced) Apprenticeships in line with the proportion of all Apprenticeships delivered at these levels nationally.

Although we already exclude those who do not gain qualifications, we were conscious that union learners participating in CPD and informal learning may only acquire a small number of units or credits towards qualifications. Although other models do not differentiate between the sizes of qualifications gained by learners (i.e. whether these were Awards, Certificates and Diplomas), to err on the side of caution we have assumed that qualifications acquired through these two forms of learning confers only 20% of the benefit and premia set out in Beaven et al.

In line with Green Book methodology, we have allowed for the fact that benefits of learning diminish over time by discounting all premia at a rate of 3.5% per annum⁶⁹ for the duration that learners remain in the labour market. The average age of learners was calculated from data generated by our survey. We have calculated years until retirement based on their expected retirement age. For learners aged under 35 this is age 64, for those aged 35 to 49 it is 67, for learners aged 50 to 64, it is 66 and learners aged over 65 are already classified as retired.

Average annual salaries for each learning type were calculated using information collected about hourly pay rates and employment status from the 2017/18 learner survey. The hourly pay rates were converted into annual salaries on the basis that full time and self-employed learners worked a 38 hour week and part time learners worked 16 hours a week⁷⁰. A mid-point hourly pay was used in each pay band and an hourly rate of £7.50 selected for the lowest pay band (£7.50 or less) and £17.26 selected for the highest band (£17.26 and above). The average salaries generated by the 2017/18 survey were increased by 4.1% to reflect the increase in wages between March 2018 (when the survey closed) and March 2020 (the latest estimate from the Average Weekly Earnings time series published by the Office for National Statistics)⁷¹.

Estimating added value

As ULF is primarily a brokerage activity, focused on encouraging people to take up learning opportunities, it was important to recognise that some of this learning would have taken place

⁶⁷ Matching Maths, English, Functional Skills, ICT courses at Levels 1, 2 and 3; Vocational Qualifications at Level 2 & Level 3 was straightforward.

⁶⁸ These were also assumed to be provider based, while ‘Vocational Qualifications’ at Level 2 and 3 were assumed to be workplace based.

⁶⁹ This approach is in line with Green Book methodology, which applies a discount rate of 3.5% p.a. for the first thirty years.

⁷⁰

<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/actualweeklyhoursworkednotseasonallyadjustedhour01nsa>

⁷¹ See

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/averageweeklyearningsearn01>

without ULF/ULR support. To derive an estimate of the value added through the ULF and the counter-factual (i.e. the proportion of learners who would have participated in learning without the support of their union) a composite measure was produced using responses to the following three questions in the learner survey:

- It is likely that I would have done this learning anyway
- I would not have done this learning without the Union
- The Union offered learning that is not supported by employer

Deadweight was calculated by summing the percentage of respondents who said they strongly agreed, agreed or neither agreed nor disagreed to the first question and summing the percentages who said they strongly disagreed, disagreed or neither agreed nor disagreed to the second and third questions. This percentage was then divided by three to obtain a composite measure of deadweight with the remaining percentage representing the percentage of learners who progress into learning due to the ULF.

Table 3 shows that between 46% and 66% of the learning accessed by union learners is additional – that is would not have happened without unionlearn.

Table 3: Percentage progressing into learning due to ULF, 2017/18

Union Learning Representatives	66%
English, Maths and Functional Skills	52%
ICT	46%
Vocational qualifications	57%
Adult and community learning	56%
Continuing and Professional Development	55%
FE Programmes	57%
HE Programmes	50%
Apprenticeships	57%

Return on investment

In order to estimate the Return on ULF investment, we calculated the cost of delivering the learning that results from ULF funded brokerage activities to the £12m investment in the ULF.

The following methods / sources were used to estimate the cost to government of delivering each type of learning.

- **Functional Skills, Level 2, Level 3 vocational qualifications & FE Programmes**

In the absence of data on the proportion of union learners studying for Awards (1 to 12 credits), Certificates (13 to 36 credits) or Diplomas (37 to 370), we assumed that this would be in line with the overall proportion of adults studying for each of these sized qualifications. Data on this was drawn from the Skills Funding Agency (SFA) data cube. An average cost for an Award, Certificate and Diploma was then calculated using data drawn from SFA Simplified Funding Rates database for 2014/15. As funding rates vary from sector to sector, we derived

an average cost per qualification at each level and size and used this as a basis for producing a weighted average cost (adjusted for the proportion of learners likely to be studying for Awards, Diplomas and Certificates) for each level of qualification.

- **ICT Learning**

We used a similar approach to that described, although this was simplified by the fact that there is no variation in funding rate by sector. As the focus is on ICT User qualifications (as opposed to ICT for professionals) an assumption was made that those studying at Level 1 were divided equally between those studying for an Award and a Certificate, while all those studying at Level 2 or Level 3 are studying for Certificates. The specific SFA funding rate for Online Basics was used for that course.

- **Training to be a ULR**

SFA funding rates are available for ULR training. The cost of Stage 1 ULR Training is based on the SFA Funding values for the Certificate for Trade Union Representatives.

- **Apprenticeships and Traineeships**

BIS Research Paper No. 77 *Evaluation of Apprenticeships* (BIS, 2012ii) provides a schedule of costs per Apprenticeship delivered at Intermediate and Advanced level by Sector Subject area. As we do not have data on the sectors in which ULF supported Apprentices are working, we have used 2013/14 data from the Statistical First Release⁷² on the number of learners nationally starting Intermediate and Advanced Apprenticeship in each sector. This allows us to produce a weighted average cost per Apprenticeship. Discussions with the SFA confirm that the Apprenticeship funding methodology has not changed substantially since 2012, when BIS RP No. 77 was published. An assumed rate of inflation of 5% has however been added to the cost per Apprenticeship.

- **Developmental / informal Learning**

The average cost is derived from the SFA Funding Statement for 2013 – 2016. This provides an annual budget for Community Learning and a target for the number of learners to be supported annually. As courses tend to be completed within the year and following discussions with the SFA, a unit cost per course has been derived from this data.

- **Higher Education**

The cost to the exchequer is based on data for the annual average tuition fee charged by Higher Education Institutions (£8,170), reduced to take account of the proportion that is likely to be funded by Government. Latest estimates suggest that 50% of student loans for higher education will not be repaid⁷³.

- **Short Courses and continuing professional development**

The cost of delivering short courses and CPD has been based on values for vocational qualifications factored down to 20% of the overall cost, to account for the small qualification size and lower inferred benefit.

The total cost of delivering training facilitated ULF training (of all the forms listed above) is estimated to be £115m.

⁷² This is the last year for which full data is available.

⁷³ In 2014, The Guardian was reporting that the 'Resource and Accounting Budgeting Charge' on HE Loans had risen to 48.6%. A 50% figure is used for simplicity. <http://www.theguardian.com/education/2014/mar/21/student-fees-policy-costing-more>

Productivity Foregone

When estimating the economic impact of learning and return on investment, it is important to include an estimation of productivity foregone due to employees taking time out of work to take part in learning. We have calculated productivity foregone on the basis of the average number of guided learning hours required to acquire qualifications at different levels (mainly taken from the SFA Funding Rates Database) multiplied by the estimated average hourly wage of learners undertaking each form of learning (as derived from the 2017/18 learner survey).

In the absence of precise data, the number of learning hours per qualification type is based on the average number of credits for all Awards, Certificates and Diplomas at each (NVQ) level, weighted by the proportion of all learners nationally working towards each size of qualification. It is important, however, to note a considerable proportion of union learning takes place outside working hours, in the evenings, lunch-breaks and community learning centres. Therefore, in the absence of precise information, we have estimated that 50% of union learning requires staff to take time out of their normal working duties, and factored down the outcome for productivity foregone by this amount.

Returns to employers

Research suggests that raising the proportion of workers who are trained by 1 percentage point (from 10% to 11% for example) is associated with an increase in value added per worker of 0.6 %, and an increase in wages of about 0.3% (Dearden et al, 2005). The inference is that the benefits of training accrue relatively equally to employers and their employees. This finding, that the total productivity gain from training is roughly double the growth in earnings experienced by individuals is factored into the impact model, by including a net productivity benefit to employers equal to the wage premia experienced by individuals. However, as productivity foregone is a cost that falls upon employers, employee wages lost while in training are subtracted before arriving a final estimate of the return to employers.

Returns to the Exchequer

The exchequer benefits from learning in many ways, including through the positive impacts on health, reduced crime and increased civic participation explored in the previous chapter. While these benefits are important, they are impossible to model with any reliability and are therefore discounted from the impact model.

There are, however, estimable benefits to the Exchequer, in the form of higher:

1. Income Tax receipts on increased individual earnings above £11,000 threshold, at a rate of 20%. This is delated to 15%, on the basis that an estimated 25% of union learners will continue to earn below £11,000 per annum⁷⁴.
2. National Insurance contributions on increased individual earnings at 12% on earnings of £8,060 to £43,000 per year
3. VAT receipts, estimated at a rate of 9.7%, due to the exclusion of non-VAT'able items such as food, on the marginal propensity to consume due to increased income, which is calculated at 64% in line with the methodology outlined in BIS 2011ii.

⁷⁴ Data from the Annual Survey on Hours and Earnings suggests that around 18% of people earn less than £11,000 per annum. We have increased this to 25% to take account of the fact that Union Learning supports people who tend to be less well paid than average. The proportion of union learners working part-time, who are more likely not to pay income tax, is broadly in line with the average for all UK workers.

4. Employer National Insurance contributions on increased individual wages at 13.8% on earnings above £156 (£8,112).

The Exchequer also profits from reduced benefit and welfare payments, resulting from people with higher skills being more likely to be in employment and from reduced dependency on in-work benefits as a result of increased wages. Unfortunately these factors are too complex for straight-forward modelling and are therefore discounted from our estimate.

Normally, estimations of the returns to the Exchequer from learning would include an estimation of tax forgone due to learners being out of the labour market during learning. However, as very few union learners leave employment when taking up learning opportunities we have discounted this cost to the Exchequer. On this this of this simple model, the return on to the exchequer generated by ULF Round 20 is £2.20 per £1.00 invested, as shown in 4 below.

Table 4: Estimate of return to the exchequer

	Increase in individual earnings	% to Exchequer	Benefit to Exchequer
Income Tax on raised individual earnings	£868,000,000	15%	£130,200,000
National Insurance on raised individual earnings	£868,000,000	12%	£104,200,000
VAT receipts on raised individual earnings (post tax)	£555,520,000	9.7%	£53,900,000
Employer N.I. contributions on raised individual earnings	£868,000,000	13.8%	£119,800,000
Return to Exchequer			£408,100,000
Rate of Return			£3.6
Gross Return / Investment			3.6