



Who is plugging the skills gap?

In this episode, we're asking who is plugging the skills gap? To discuss this we're joined by Naomi Clayton, Director of Policy and Research at the Learning and Work Institute, an independent policy, research and development organisation dedicated to lifelong learning, full employment and inclusion.

We're also joined by Sam Tuckett, from the Education Policy Institute. Sam has worked as an analyst at the Department for Education.

About Naomi Clayton

Naomi has extensive experience in policy and research with specialisms in employment, skills and labour market disadvantage. Prior to joining the [Learning and Work Institute](#), Naomi was deputy director at the [What Works Centre for Local Economic Growth](#), and policy and research manager at [Centre for Cities](#) where she was responsible for developing and overseeing programmes to support effective policy and practice. She has worked with partners across the UK to support them to use of evidence and demonstrate impact through the implementation of skills strategies, youth employment support and in-work progression pilots, and the development of local industrial strategies.

About Sam Tuckett

Sam joined the [Education Policy Institute](#) in January 2020, having worked for 5 years as an analyst in the Department for Education. His roles included leading analysis of key stage 2 and 4 accountability reforms and supporting the introduction of Progress 8.

More recently he has worked across government to link education data sets with sources held by the Department for Work and Pensions and Her Majesty's Revenue and Customs to expand the existing evidence base.

Sam has also supported projects at the [Education Partnerships Group](#), an organisation supporting education policy reforms in developing countries.



Transcript

Shane Chowen 00:02

Hello and welcome to a special pre-election series of Let's Go Further, the podcast from the Skills and Education Group that challenges the way we think about skills and education. In this series, a collaboration with FE Week, we're shining a spotlight on the FE and skills policy issues that should take centre stage at the upcoming general election. We'll be asking what we need from the next government and looking at how well our sector is positioned to fight for those needs. I'm Shane Chowen, editor of FE Week, and I'm delighted to be your host for this series. In our last episode, we heard from businesses about the sort of skill system they need in order to thrive. But we need a skill system that works for people as well as businesses, for employees as well as employers. So with job vacancies at record highs, in this episode, we're asking who is trying to fill the skills gaps? Who is missing out? And what should the next government do about it? Joining me to discuss this are Naomi Clayton, Director of Policy and Research at Learning and Work Institute, and Sam Tuckett, Associate Director for post 16 in skills at the Education Policy Institute. Welcome to you both. Naomi, let's come to you first. We keep being told that we've got an employer led skill system, and yet we've got these crippling skills gaps in really important jobs. What's gone wrong here? Why do these gaps exist? And why can't employers find the right workers?

Naomi Clayton 01:19

We do have rising numbers of employers reporting skills gaps, and the latest employer skill survey shows that we've got a relatively high proportion of vacancies that are skills shortage vacancies. So these have increased to kind of 36%, which is really quite high compared to previous years, where it's been around 22%. And I think that's in part because the nature of skills needed within jobs is changing. We've had lots of discussion and debate about the impact of technological developments, and particularly kind of recent advances in AI, alongside things like the transition to net zero, and the impact that that's having on the skills needed for jobs in our economy. I think the labour market has been particularly challenging in the last few years, you know, making it difficult for businesses to attract, and retain staff. And then, of course, there's access to training and development opportunities. And that's all affected by government investment in training alongside individual and employer investment in training, as well as the kind of inequalities in access to training opportunities. I think if you talk to a lot of employers, they wouldn't necessarily describe it as an employer led system. You know, can they really get what they need, in terms of training from the skills system, lots of discussion about apprenticeships, and how responsive the apprenticeship system has been to employer



need and the pace of that. And of course, we've seen the local skills improvement panels, being the kind of latest part of the efforts to create and really develop that employer led system. But of course, how different are they from what's come before? And what tangible difference are they going to make? So lots of questions about whether it's really an employer led system. And secondly, whether it's actually a system or more of a collection of initiatives, we constantly hear that employers find it really quite difficult to navigate the system it's quite often described as being quite fragmented and an employers can find it quite difficult to find what they what they need. And then the third point is around employer investment in training. Employer training spend, it has declined by around 26% since 2005, we in the UK tend to invest quite a lot less compared to EU countries. And the sectors that have tended to invest the least have cut the most over the last decade or so. Of course, a lot of that's linked to low productivity and, kind of the economic shocks that we've seen the impacts of Brexit, pandemic, high inflation. But I think a lot of the focus in terms of policy has been trying to make sure that the publicly funded skill system better meets employer needs, were actually we probably need more focus on employer investment in and their use of skills, not just in terms of how they how employers can steer the system.

Shane Chowen 05:12

Naomi thank you loads to unpick there. One of the things Sam, that Naomi mentioned, was inequalities in access to jobs and to good jobs. And earlier this year, your organisation the Education Policy Institute in a report suggested that we don't have very good data on inequalities in post-16 education and training. I'm interested in what specifically don't we know enough about?

Sam Tuckett 05:37

Yes, thank you. So I think the report, I believe you're referring to specifically was one on inequalities in education and skills between the devolved administrations. So I think a lot of the issues we had there was that in the 16 to 19 phase and beyond that data for some of the nations was incomplete or incompatible or published by different government departments. And it was it was difficult to draw conclusions. I mean, that's, that's it, we still have found plenty, you know, we have, we know that a larger proportion of young people are not in employment or training in Wales. And that apprenticeship take up is particularly low in England, compared to Scotland, for example, we just couldn't always get it the socio-economic splits, we needed to fully make those comparisons. However, if we focus just on England, there are still gaps in the official data. So in the 16 to 19 phase, the Department for Education produces attainment gap measures to really hopefully get underlying inequalities. But these are split by qualification type and don't measure



something for all students. So they measure, for example, the relative achievements of lower and higher income A level students say, and there's nothing fundamentally wrong with this, but it does overlook the fact that the majority of disadvantaged students just don't take A levels and those that do are likely to be amongst the most able. So statistics that look at it in that way are always going to understate these gaps and warp them slightly, which is something the EPI (Education Policy Institute) version of these measures that we've developed over the last few years is sought to overcome. And then what's the sort of kind of slightly flipped the question but I would also say there is a lot that we do know about inequality because whichever aspect of the system you look at it, it's always there. So apprenticeship take up has declined substantially in recent years specifically since the introduction of the and there's been a drift to the south in apprenticeship take up and when there have been increases it tends to be the high level apprenticeships and the degree apprenticeships, which are not always but often reskilling older workers that already have jobs and maybe within the same company and that's not in itself a bad thing. Of course, helping people to progress in their careers or rescaling, is good wherever it's happening. But it's not really getting to the heart of that skill shortage and unemployment issues which are well functioning apprenticeship system really has the potential to do. If you look at the higher education system, you see, you know, similar trends in inequality if you, it's, so much of it is related to where you live and upbringing. So you're more than twice as likely to go to university if you live in the most affluent areas of the country compared to the least. And there's just no reason why that should be the case. We also need to remember that the inequalities start early. So yes, the FE and skill system could be improved. And yes, funding has been inadequate. There's lots of things we can do in that phase, which is so important for you know that that final stage before we send students off into the world after compulsory education, but it can never be expected to fix problems that are already deep rooted by the time pupils leave school. So I think you know the long tail of underperformance we have in English and Maths in this country. That's, that's present very early and it's going to have real impact on skills in later life.

Shane Chownen 09:02

Sam thank you. Naomi, two groups that I know that Learning and Work Institute have been pointing out consistently, that miss out in the labour market are people with disabilities and health conditions, and people with caring responsibilities. Now, if we've got this skill system and a further education system, which is supposed to be, you know, the interface with the world of work, do you think that providers like colleges should be doing more to support those groups? And if so, what sort of things should they be doing?



Naomi Clayton 09:32

Yes, absolutely. So I think, you know, some of the inequalities that Sam has described, are definitely evident, particularly in our work around young adult carers, so a group with caring responsibilities, but also a group who face quite stark inequalities when it comes to education, and employment outcomes. So we know that young adult carers are much more likely to not be in employment education, or training compared to other young people three times more likely. And if they do progress to further education, they're four times more likely to drop out compared to other young people. So some quite stark inequalities, when we're looking at young adult carers, and we've had a big programme of work at learning work, called driving change, to try and support colleges. And we've worked with 40 colleges across the UK to support them to improve their support for young adult carers. And we're now working with a range of universities, HE institutions on it. So there's definitely more that colleges, training providers can be doing to support particularly young adult carers. And that's through, you know, the identification of people who are young adult carers. So it's important that colleges are proactive in identifying individuals who are young adult carers, because they will have quite often additional support needs. It's really important to ensure that we've kind of got good, tailored, flexible support in place. And that, you know, colleges are taking quite practical measures, like having flexible timetabling opportunities for people to do catch up sessions, perhaps do kind of online learning and pastoral support alongside that is really important. So, you know, surely having somebody to talk to when things get difficult at home. And we've been doing a lot of work around the 21 hour rule, too. So we know for lots of learners that financial support is really important. It's particularly important for young adult carers. But we've been campaigning as part of this, for changes to the benefit rules to allow young adult carers to claim carers allowance if they're studying for more than 21 hours per week, and we think that needs to be an important change that needs to happen. And then alongside this is kind of really making sure that individual colleges have bursary funds that allow young adult carers to access loner support funds. So there's a lot that colleges can be doing with young adult carers in particular. And similarly, in terms of people with health conditions, you know, at the moment, we've got a record, high number of people who are out of work, not looking for work, due to ill health, so 2.8 million people who are not actively participating in the labour market because of kind of long term health conditions. And there's lots that colleges can be doing in that space to support people with health conditions. So that's about linking up with DWP (Department of Work and Pensions) and local employers, but also tailoring provision to fit with people's health needs. So again, that's about, you know, providing flexible course schedules online learning opportunities, it might also be about providing support with mental health, we've seen quite a significant rise in people reporting having mental health conditions. So that's



a really important factor, making sure that you've got accessible facilities and kind of tailored careers guidance, and again, that kind of peer support, pastoral support in place.

Shane Chowen 14:06

Now, overall, we've seen more than a million fewer adults in the adult education system now than in the early 2010s, for example, and the government would say that initiatives like skills boot camps the legal free entitlements to training, devolution to local mayors, all of those things, should be making access to training and retraining for adults out there in the workforce and not in the workforce even easier. So I mentioned it's, is there any evidence that any of those policies are working?

Sam Tuckett 14:36

Well, that is a tricky question to answer. You know, a lot of the initiatives you're referred to there were announced in the skills for jobs white paper, which we need to remember was only a few years ago. And while this may be a long time, in politics, it's not really long enough to draw some conclusions on the validity of education policy reforms, these things do take time, there's always a bedding in period, I think more broadly and following up on some of these points. Up to the age of 18, so like compulsory education, you have to be that when we're talking about adult education, adults would rarely choose to like return to further education, like for no reason, it will normally be because they want this qualification because it will enable them to access such and such a job where it will allow them to work in a much more skilled industry, there's like there's going to be a tangible plan in place. So it really is in our interest to make it as easy as possible for them. So in terms of like maintenance support, and caring allowances, as mentioned there, and also kind of, I think, trust in the in the courses that they choose to do. So some of these initiatives do have restrictions on what can be what can be done, I think it's important to remember that these people won't be choosing to do them for no reason it will be to achieve something or to get a certain job that they want to do. That said, in terms of specific policies, we can think about what we know so far where some of the issues might be, and what priorities ought to be in this area. So skills boot camps, in principle, are really, really good idea. So they provide short targeted training to young adults, and then make a link to an employer with a guaranteed interview at the end. As to whether it's success, I think, take up is mixed, there is some evidence that a number of participants have already been qualified to Level 4 or above, certainly Level 3, has been quite male dominated. And neither of these things are bad. It's, as I said, with apprenticeships, it's great that people are re-skilling and training anywhere in the distribution. But it does need to be an appealing and accessible offer for everyone, especially those from disadvantaged backgrounds and other vulnerable groups. The interviews at the end of it that I think



there's been some concerns over the availability and suitability of the interviews at the end of it. And the way it's funded as well, I don't think lends itself necessarily to FE colleges. It's short bursts of training, I think the funding is staggered on quite a lot. So it does present a risk to colleges, I think it's largely independent training providers that are picking this up at the moment. Broadly, and these employer led initiatives are a really good thing and kind of moving towards a more employed lead and localised strategy is really very positive and the local skills improvement plans are a really good step towards that. I think it's very crucial that where actionable improvements are identified and these different bodies are working together to deliver upon these that the sufficient funding is there for them to be implemented and that will be really important for the coming government.

Shane Chowen 17:39

Naomi, how about you? Do you think that we've got a set of policy solutions now, that are able, if given more time able to close some of those gaps and inequalities and get the right training to the people that really need it the most?

Naomi Clayton 17:53

I guess there is a question an obvious question about the longer term impacts of these types of initiatives. I think at the moment, the evidence isn't there. And I think you've got to look at these initiatives in the broader context. So that context being that, you know, overall investment is around a billion pounds lower than it was in 2010. And we've also seen sharp falls, as **I was saying earlier**, in employer investment in training. And that means that actually, you know, when we look at our participation in learning survey, we do have more adults participating in learning, but those increases have tended to come from adults participating in more informal forms of learning. Because actually, there are kind of reduced opportunities for people to take part in more formal learning, because we've seen overall falling levels of investment, and of course, that formal learning can have added benefits, particularly around providing accreditation, that can help people in their, their careers, and generally kind of progress in education and work. A lot of this is happening in the absence of a longer term strategy for skills. So, you know, we've got a scenario where lots of initiatives are being introduced. And we've got a huge amount of churn in the **adult skills space**, and lots more than other policy areas. And I think that's in part because we lack a kind of overall longer term strategy for skills. I think that's really important. We do also think that there's a case for more outcomes based devolution, like the kind of structure they have in Canada, which is something that the Local Government Association has proposed through their work, local work. And that's where essentially, kind of local authorities have labour market development agreements



that include annual targets, for you know, the numbers of participants served around kind of employment outcomes, benefits, savings. And so we think as we're kind of looking at kind of future devolution, we should look at moving towards a more outcomes based system.

Shane Chowen 20:19

Really interesting idea there for the next government to consider. One of the big policies that's coming down the track is the **Lifelong Learning Entitlement**, which if anyone doesn't know, is this new system being phased in from 2025, which will give every adult up to the age of 60. Essentially, an entitlement for an amount of money to borrow through student loan to access courses at Level 4 and above, some courses at Level 4 and above. I should add, Labour seem to want to keep it in that they haven't said anything about scrapping it if they win the next election. But I'm interested in what you both think about this policy from an inclusion perspective is this idea of empowering individuals more to get the training that they want going to make a difference? Naomi, let's come to you first.

Naomi Clayton 21:11

I think in general, it's a good idea, but we think it needs to be more ambitious. So as you've said, Shane, the focus is on level four and we need to make sure that that people are able to get kind of level three?, and are able to progress, we need to make sure that those ladders of opportunity are in place. So, we'd like to see the lifelong learning entitlements extended to encompass entitlements at lower levels of learning. So free tuition for the first Level 3, we think that's definitely something that's missing, we've also got to think about the fact that it is a kind of a loan system. So the idea of taking on debt, we know, can be a barrier to many people. So we think that, you know, as part of the **Lifelong Learning Entitlement**, there needs to be quite careful consideration for how to effectively engage and target messaging around the entitlement. And that we need to provide extra maintenance costs for extra support for maintenance costs below Level 2, which might include extending the kind of training progress rules to one year of training, for example. So good idea in principle, but it needs to be extended to lower levels of learning. And we need to ensure that those ladders of opportunity are there. And we need to make sure that we're supporting people with those kind of wider costs of learning, too.

Shane Chowen 22:53

I'm really glad they changed the name from Lifelong Loan Entitlement, which is what it was before, because the idea of a Lifelong loan doesn't sound very appealing to most people. I don't think, Sam, what's your view?



Sam Tuckett 23:04

I think there are some really good aspects to it, the fact that, you know, it's a set amount over your lifetime that you can dip in and out of training as and when you need it, I think is a really excellent addition. It should be flexible, if it's going to respond to people's needs. I think in terms of inclusivity, it is also good, like a little bit of a paradigm shift, and that we have a HE (Higher Education) funding system that is so well understood, I think most young people would know exactly how it works, exactly what to expect, it's reported in the media, is almost ingrained in consciousness. And yet, if you ask most people to explain, you know, the adult education budget or what the options were to them to study as an adult, and what those funding options were sorry, I think you would get not very far at all. It's really good and potentially doesn't go far enough. My concern is that people aren't going to know about it. It's so important that people are aware of what they're entitled to. And that kind of needs to be proactive as well, not just when they seek it out.

Shane Chowen 24:04

Yeah, absolutely. And like we said, this new entitlement is for people wanting to do a course at Level 4 and above. So they will already people that will be you know, relatively fairly well qualified. But the evidence consistently suggests that it's adults without qualifications that are the least likely to be engaging in education and training, who are surely the people that we need to be putting in more effort to get into the system? So should that be a priority for the next governments arm? And if so, do you have any ideas on how they can bring people who don't have qualifications into the skills system?

Sam Tuckett 24:41

It should absolutely be a priority for the next government. One of the reason certain learners don't have qualifications or certainly young adults don't have qualifications is not going to be homegeneous. There'll be all sorts of reasons. But in terms of how the system can be improved, and how it can be better accessible to these kinds of people. I kind of don't want to talk about funding too much. You know, the cuts over the last decade have been discussed to death and clearly a better funded system is going to be one that's better equipped to deliver on the priorities of the day. But it's probably not that helpful for me to just say more, more total funding is the answer. Although ultimately for teacher recruitment and retention and offering kind of a good service, that is what a lot of it will come down to. I guess, go focus on one area, the apprenticeship system, there could easily be more incentives towards young apprentices at the moment, young apprentices numbers are dropping particularly fast compared to others. Although there has been a slight post-COVID recovery. Again, at the moment, the people accessing it, some of them



are kind of already qualified. So it's how we make it accessible and enticing to the people, as you say, that don't have qualifications. And so that might be the Level 2 apprenticeships, the lower Level 1s, so they need to want to get to do it, and the employees need to want them as well. And the incentives at the moment for a business to take on a young apprentice, I think maybe an extra £1000 incentive or something like that, which is not nothing. But it could go a lot further, you know, considering the funding that student would attract, if they went to a Sixth Form and did A levels instead, there's no comparison. There could also be more help for SMEs small and medium enterprises in accessing apprenticeships. So we do have a very SME based economy. And there's been all sorts of discussion about how it can be difficult for them to access, not least due to the complications of the funding, but just in terms of mentoring capacity, or maybe intermediaries to help them manage the system. There's always been a bit of a tension about the flexibility argument that the and the regulation alongside that does impose kind of a lot of rules about the length of training, the length of the apprenticeship, the end point assessments, a lot of businesses that want more freedoms. Equally, the government wants to make sure it's high quality and well targeted. But I think there's plenty of opportunities for improvements there. I think it's so important that we have course offers that are suitable for everyone. And you know, some people may not be ready for a big Level 3 programme at age 16, but might be ready for like a smaller Level 3 qualification that's really going to set them on the right track to the employment that they want. And it's really important that those still exists, it's not quite clear to what extent that would be the case under current plans. I mean, it's still a little unclear to what extent this is a big new policy initiative versus a rebranding of the current system. I think we just need a lot more details.

Shane Chowen 27:47

Naomi before I come to you, I just wanted to check in that in episode one of this series, Alison Wolf said that she didn't think we should be spending more money on adults with low or no levels of qualifications, because we're seeing such improvements in the school and post-16 education system. She said, pretty much that we've already spent quite a lot of money on that part of our education. I don't expect you're going to agree with Alison Wolf on that. But do you think there are ways that either national government or devolved governments could be reaching into pockets of adults, that up until this point, the system has really struggled to engage?

Naomi Clayton 28:26

Ultimately, I think we do need to be doing more to address these inequalities. And of course, that does mean focusing on schools and young people, you know, people kind of



coming through the system. But, you know, when you look at the kind of inequalities amongst adults who are accessing learning and education, training opportunities, they're really quite stark, and persistent. We've talked about people with low level qualifications, not accessing training, you know, those inequalities play out across different places too. So, you know, we've seen that kind of in spatial divides, we absolutely need to be doing more to try and address those, those inequalities. And we think it needs to be a specific aim of policy, because at the moment, it's that seems to be a drift away from trying to address those inequalities. So, you know, for instance, two thirds of skills bootcamps participants already have a Level 3 qualification but participation in Maths and English is down by 63% over the last decade. You know, Sam's talked about apprenticeships, I think, within this when we're looking at access to education training opportunities, we need to be looking at the employer role too and clearly that links to apprenticeships and, you know, we think we can be doing more there to kind of reinforce, the for both, you know, young people and people with lower levels of qualifications. Because, you know, since the introduction of the , we have seen a kind of quite fundamental shift in terms of who's actually accessing apprenticeship opportunities. But we do have a broader issue in terms of who's able to access kind of job related training and training provided by employers. So we know that graduates are kind of three or four times more likely to access job related training compared to people with no qualifications. And of course, that has a big impact on those individuals, but also on businesses and the kind of wider economy. So we think, you know, we can be doing more there in terms of not just trying to reverse some of the declines that we've seen in employer investment, but also trying to address some of the inequalities that we see in terms of employer investment. And we think we could do that through a skills tax credit system. But then kind of more widely, I think there's something kind of related to just how we approach the kind of engagement of adults in education training. And, you know, we know that in terms of the barriers that people face to learning quite often it relates to costs, and people being less confident about taking up a new course, it's not that people don't want to take part in learning. We really need to make sure that beyond things like the Lifelong Learning Entitlement, we are making it easy to access learning everywhere, that we have really good information and advice to enable people to make informed choices about learning. So, I think there's just you know, generally something about culture of learning and just making kind of education and training opportunities, much more accessible for people.

Shane Chowen 32:07

Naomi thank you, that is all we've got time for on this episode of Let's Go Further. I want to say a big thank you to my guests, Naomi Clayton and Sam Tuckett, and to you for listening. We hope you enjoyed the conversation and that it's got you thinking about what



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we in the FE sector should be asking of our next government. If you have a question for us or a comment on what you've heard, please join in the conversation on social media and remember to subscribe wherever you receive your podcasts to access earlier and forthcoming episodes of Let's Go Further.