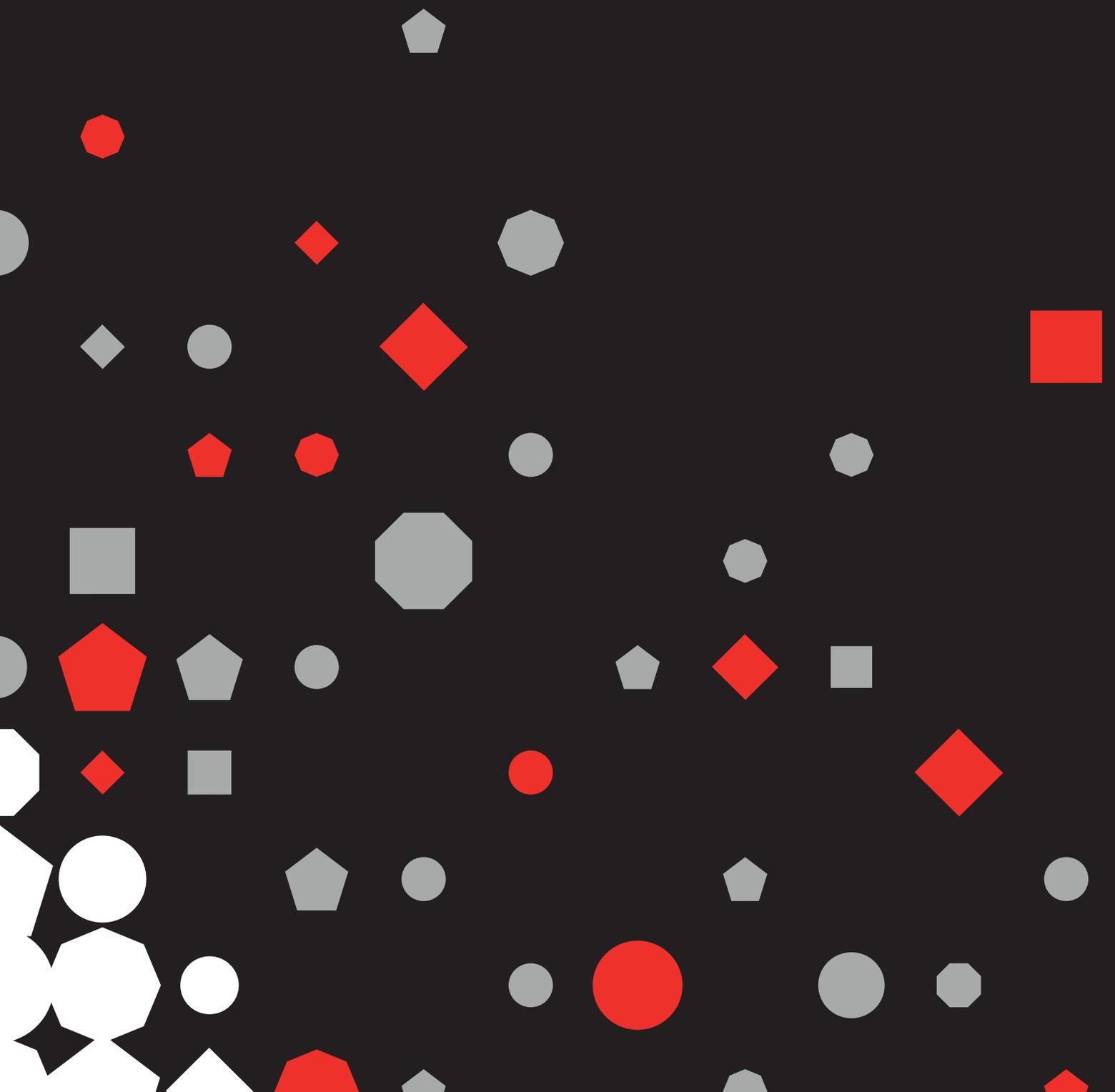


Sense & Instability

2019



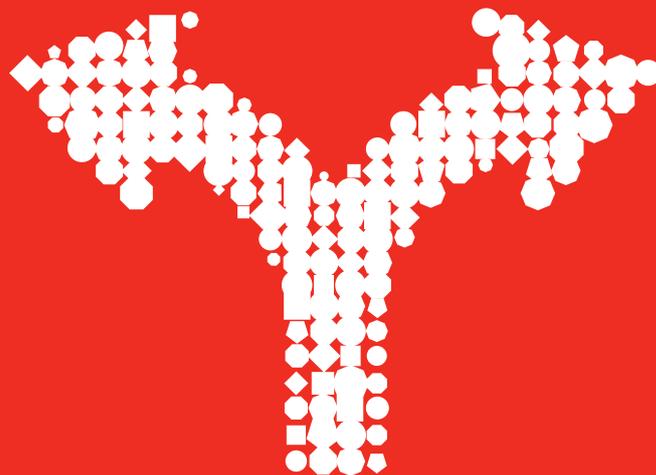


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Foreword

When the City & Guilds Group published the first Sense & Instability in 2014, it drew attention to the constant churn of both government initiatives and skills ministers and highlighted the lack of 'institutional memory' hampering good and informed decision making. Nothing in that report could have prepared us for the political situation we find ourselves in as the 2019 version is published. The mere mention of Brexit now conjures up an image of political chaos and a nation divided, and 'churn' has taken on a whole new meaning.





And what is becoming increasingly clear is how distracting Brexit has been and how much else has been side-lined or lost. The short, medium and long term implications of Brexit are almost impossible to ascertain – but our skills policies are critical and will need to be responsive.

In the 2017 review of modern working practices ‘*Good Work*’ we highlighted that all work should offer realistic scope for development and fulfilment and challenged the government on a number of issues based on the evidence we gathered. We are encouraged that the Government is already taking forward our report recommendation to work with partners in developing a national employability framework. In a similar vein, I am delighted that this third report, *Sense & Instability 2019*, continues to challenge from a strong evidence base and with the authority of an organisation that has 140 years of respected experience and expertise in the skills space. It is fortunate, that across the education, skills and employment world, there is much positive expertise to be drawn on.

It will come as no surprise that since the most recent, second report, *Sense & Instability 2016*, there has been yet another layer of initiatives announced and implemented: the apprenticeship standards and the levy, T levels and the National Retraining Scheme, as well as reforms in Functional Skills Qualifications which appear to turn the clocks back despite claiming to be better aligned to employer needs. In *Sense & Instability 2016* one of the key recommendations was for Further Education and skills policy to be developed through ‘consolidated consultation’, but in reading report after report by employers on the employer-led apprenticeship levy, this recommendation sadly fell on stony ground.

Sense & Instability 2019 makes two very valuable and powerful observations: that policy continues to be developed with little or no supporting

evidence and that rarely, if ever, is there any attempt to weave impact evaluation into new initiatives. And consequently little is learned. Weaknesses and mistakes are repeated because of lack of evidence or structural learning opportunities for policy makers. It is at best surprising that the roll out of the initial T level pilot doesn’t include the structures to deliver ‘consistently high standards’ and the fact that advice from the Department for Education permanent secretary to delay their introduction has been ignored. Even more concerning is that there is no published data on their proposed value for money despite their budget of £500m per year.

There have been some significant moves forward since the first report on this subject by City & Guilds Group, *Sense & Instability 2014*. Employers are now far more engaged and taking ownership, the National Retraining Scheme should provide support for both social mobility and for the essential reskilling of the existing workforce. But I am more than aware that once again, in 2019, this report is calling for something as fundamental as attaching concrete success measures for new skills policy. As it says, there is nothing inherently wrong with the policies, indeed many of them are potentially very good, but they would deliver far more value for money if there was an expectation to evaluate them and learn from their implementation.

Matthew Taylor

Chief Executive, the Royal Society for the encouragement of Arts, Manufactures and Commerce (The RSA)



In 2016 we called for:



The Government to provide greater transparency around the operational detail of the reformed apprenticeship system – including end-point assessment and the levy



Ensure greater ownership and engagement from employers



Focus on increasing the quality of apprenticeships

Creation of the
Skills Policy Institute
– 2014 and 2016

Learning
opportunities
for youth and
disadvantaged
groups to be
secured

Publication timings
for key guidance
documents outlining
how policies will
be implemented in
practice

Consolidated
and consultative
approach to FE
and skills policy



Executive summary

For this, the third in the series of our Sense & Instability research, we are asking three key questions of education policies: **what success measures were in place, were they used effectively and were they met?**

Skills and education policies touch the lives of millions of people in the UK. Get these policies wrong at the outset and they are destined to fail the individuals and groups they are targeting before they are even out of the starting blocks.

Not only is this the third in the series of our Sense & Instability research, but it is also our third time of calling for concrete success measures to be implemented in all new skills policy. In the face of continuing political uncertainty it is more important

than ever that this call to action is implemented, to allow for a robust and reliable skills system. Without these measures it is impossible to judge whether policies have been a success, thereby making them far less meaningful and difficult to prove their value. The policies we highlight in this research are not wrong or misplaced, but if their success measures are unproven, and if their quality is untested then the government cannot call them 'gold standard' or 'world class'.

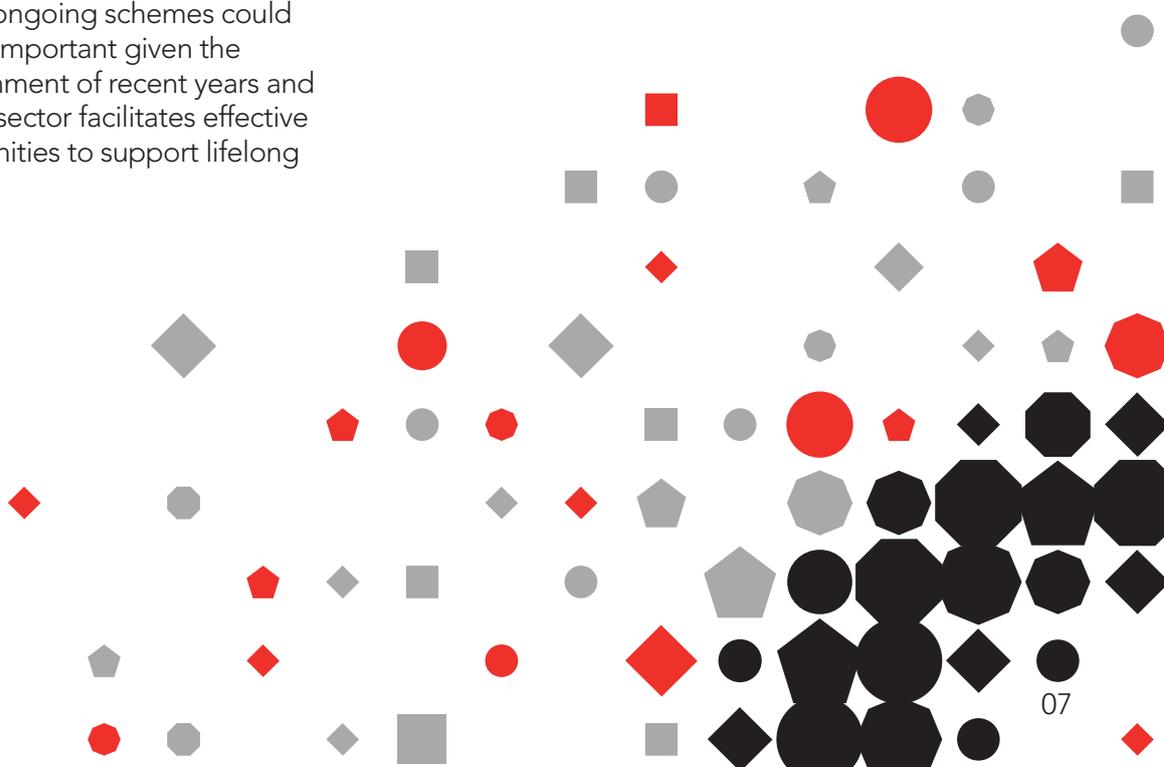
We examine the changes in the skills sector in recent years and using specific examples of several policies, explore the extent to which policies have indeed improved outcomes for the groups and individuals intended. We also make clear recommendations to the Government in order to support policy making and ensure that future proposals result in the desired outcome for the groups and individuals intended. These recommendations are:

- To embed success measures within skills programme design and delivery
- To develop a Value for Money framework for skills policy
- To create an evidence base for the skills sector
- To improve access to programmes for the most disadvantaged and hard-to-reach learner groups

To cast a spotlight on these issues we examine if successive UK governments over the last 15 years have used defined success measures effectively in the design and delivery of policies. We also examine the extent to which they have been met during delivery and how ongoing schemes could do so. This is particularly important given the changing political environment of recent years and in ensuring that the skills sector facilitates effective lifelong learning opportunities to support lifelong employability.

'In a time of unprecedented technical advances, it is even more crucial that our nation's workforce has the appropriate skills and attributes to drive economic growth. I wholly endorse this call for evidence-based policy development, a transparent approach to targets and measuring value for money and ensuring access to programmes for the most disadvantaged. In celebrating our 140th anniversary, it became abundantly clear that we have to take a longer term view and draw on experience and past learnings to ensure greater clarity and focus in the future.'

Chris Jones
CEO, City & Guilds Group





Policy developments

In creating the focus for this research we firstly examine developments in the broader policy landscape since the previous publication. These are:

Apprenticeship Standards

Apprenticeship standards are currently being rolled out across England. The standards have been designed in close collaboration with industry experts in order to ensure that each standard covers the full set of skills, knowledge, behaviours and learning necessary for the specific job role and industry sector. The length and skill level for each standard has also been revised to ensure that it is substantial enough for the relevant occupation.

Apprenticeship Levy

Introduced in 2017, the apprenticeship levy provides a new model for financing apprenticeship training and assessment. The levy is set at 0.5% of the value of an employer's pay bill for organisations with an annual payroll of £3 million or more. Money from the levy is paid into an apprenticeship service account which can be used towards the costs of apprenticeship training and assessment with the Government responsible for directly transferring money to apprenticeship providers.

T levels

T levels form part of a wider restructure of technical education and training for 16-19 years olds by providing two-year technical courses equivalent to three A-levels. T levels will offer a combination of classroom and on-the-job training with a minimum of 45 days on industry placement. There will be a total of 15 T level routes; course content is currently being designed by providers and employers, with input from industry specialists via T level panels.

Functional Skills Qualifications

Key reforms to Functional Skills Qualifications (FSQs) in English and mathematics are currently underway, including a revised approach to speaking, listening and communicating assessments, and streamlining the overarching assessment procedures.

National Retraining Scheme

Announced in 2017, the National Retraining Scheme forms part of the Government's Industrial Strategy. The Industrial Strategy highlights the need to up-skill workers to address the current skills gaps and further improve social mobility. As a core part of meeting this objective, the National Retraining Scheme will provide funding for low-skilled adult workers to re-skill and/or up-skill and support the existing workforce to adapt to widespread technological advancement in the workplace.

Measuring success

The main thrust of the research analyses the use of effective success measures in the design and delivery of several skills-based policies by successive UK governments over the last 15 years. It explores if each policy has:

- Established clear success measures in the design and consultation phase
- Validated these success measures through the use of pilots
- Used comparison groups, baseline-end assessments and longitudinal studies to track policy outcome and impact
- Evaluated the extent to which any success measures were met

The report will focus on a selection of skills-based policy reforms and success measures. The following diagram provides a snapshot of the policies being examined, mapped against the success measures they implement:

Policy	1	2	3	4	5	6
Train to Gain	◆	■	◆	●	◆	■
Skills Pledge	●	●	◆	●	●	■
The Work Programme	●	●	◆	●	■	●
Advanced Learner Loans	●	●	◆	●	■	●
Apprenticeships Standards/Trailblazers	◆	■	■	●	●	●
T Level Programmes	◆	■	●	●	■	●
National Retraining Scheme	■	●	●	●	●	●

Key

● No evidence found

■ Weak evidence or problematic implementation

◆ Strong evidence

Pilots run

Design based on pilot findings

Quantitative targets identified

Clear success measures embedded

Evidence of ongoing continuous improvements to the policy/ programme

Clear evidence of long-term outcomes and/or impact

As is clear from the above, there are significant gaps across all skills policies being looked at. The report explores each of these success measures in further detail by examining each policy individually and whether they have delivered the intended results for the groups specified.

Assessing Value for money

The final section of the report examines measures of value for money in skills policy through the same skills policies previously identified.

Currently the Department for Education does not have a departmental value for money framework, however two other Government departments – the Department for Transport and the Department for International Development, do.

A review of existing evidence demonstrates that value for money assessments are developed ad hoc, with the main focus being on efficiency savings across schools and higher education.

The National Audit Office has conducted a number of value for money studies into the skills based policies discussed in this report. This overarching findings from these studies echo the calls made in this report on the ongoing need for effective use of success measures in terms of productivity, widening participation and overall programme quality in the development and delivery of skills policies.

Conclusion and recommendations

To our disappointment, many of the issues identified in our 2014 and 2016 reports still persist, and we continue to find ourselves calling for adequate success measures for skills policy. Serious concerns remain regarding the consideration which has been given to what good looks like in skills policy-making, and what progression routes are needed to get there, something which hasn't altered since our first Sense & Instability report was published in 2014. Phrases such as 'gold-standard' are meaningless without the robust evidence base to back them up. Until new initiatives come with real outcomes for the groups they are seeking to target the only measurement will be outputs, making government statements on the success of policies unsubstantiated empty claims.

Embedding impact assessment within programme design

In order to create sustainable lifelong learning policies, the Government should be seeking to include a reliable evidence base or rationale when developing new targets. The Government should also make greater use of outcome and impact measures to ensure programmes achieve policy objectives as well as quantitative targets.

At an early phase in the process the Government should consider more widely the use of test pilots for all new policies and should complement this work with baseline/comparative data and longitudinal impact studies.

Whilst the Government is increasing its awareness in targeting the hardest to reach and most disadvantaged groups, challenges still exist in

reaching them. The Government needs to do more to develop a strong evidence base which identifies the most effective ways of engaging these groups.

Recommendations to Government

- Undertake planning at the development stage of policy making
- Planning stage should involve the creation of a theory of change, built through a process where assumptions are properly tested
- Embed outcome and impact focused success measures within policy design

Creating an evidence base for the skills sector

The common thread running through all the skills policies in this research is the need for success measures which include evaluation and impact assessment to measure change. A lack of success measures means that there is no benchmark against which success can be defined, meaning that evaluators are limited to assessment of self-reported change by participants. It also means that there is no benchmark against which success can be defined, hence how self-evaluation phrases from the Government such as 'gold-standard' and 'world-class' are readily deployed with little to back them up.

Recommendations to Government

- Establish a Skills Policy Institute to demonstrate best practice in skills policy, alongside more and better use of pilots, comparison groups, baseline/endline data comparisons and longitudinal impact studies in existing policy development.
- The Skills Policy Institute should assist in gathering evidence to feed into revisions of policy delivery
- The new organisation should distil evidence and provide a research base for both policy and practice

Developing a value for money framework for skills policy

Another common theme running through the skills policies discussed in this report is the Government's limited use of value for money assessments, including specific estimates on the value for money and/or the return on investment provided by its policies. There is a limited use of performance measures, especially those that identify value created by the policy as a whole and/or with respect to the most disadvantaged groups. This has led to a detrimental impact on effective programme delivery and hampered clear assessments of overall value for money.

Recommendations to Government

- Learn from the examples in other government departments as to how to embed value for money measures into all new policy
- Develop a departmental value for money framework that also takes into consideration equitable outcomes
- Use existing Government guidance, as well as wider lessons learned from the needs of the skills policy landscape to embed best practice in design and delivery.

Improve access to programmes for the most disadvantaged and hard-to-reach learner groups

The delivery of training and learning programmes needs to be not only more accessible for disadvantaged and hard-to-reach groups but they should be positively enabled to benefit with targets put in place to encourage and measure this effectively.

Some examples of how these groups can be supported include:

- Single-parents – offering funding for childcare or highly discounted childcare
- People with health or other conditions – a new focus on access to at-home and flexible learning
- Ex-offenders – peer mentoring to encourage people into employability and education programmes
- Care leavers being actively supported in transitioning from education to employment.

There are numerous organisations who have first-class records of engaging with and enabling these groups and their expertise should be utilised.





Introduction

Public policy is developed in order to meet society's needs in areas such as health, education, employment, security and wellbeing. Where possible, policies are designed to improve outcomes for both individuals and groups in these areas. If policy fails to meet people's needs or improve outcomes, it has failed – and if there is no way of measuring whether it has met needs or improved outcomes, then we are operating without sight.





Proper measurement of impact enables us to see which policies are most effective, and where public funds can best be targeted - thereby avoiding waste. The aim of this report is to assess skills policies over the last 15 years in order to identify the extent to which targets, success measures and assessment of impact (combined with the application of the lessons learned during the impact assessment process) have been integrated into the formulation of public policy.

Our previous Sense & Instability reports have highlighted that policy development still has a long way to go in terms of, firstly, learning lessons from the past and, secondly, developing an approach to policy implementation that ensures maximum impact and value is achieved. In the current report, we find success measures to be lacking, which raises significant questions over value for money, the short term nature of political gain and success, and ultimately, whether there is a systemic failure in our approach to skills development, and in particular for those who need the greatest support.

It is our view that currently there is a systemic failure in the approach to skills development, which is leading to underperformance in the way this issue is tackled. However, the situation needn't be that way, and through our research we provide robust, forward thinking proposals which deliver against the needs of the workforce, employers and our economy.

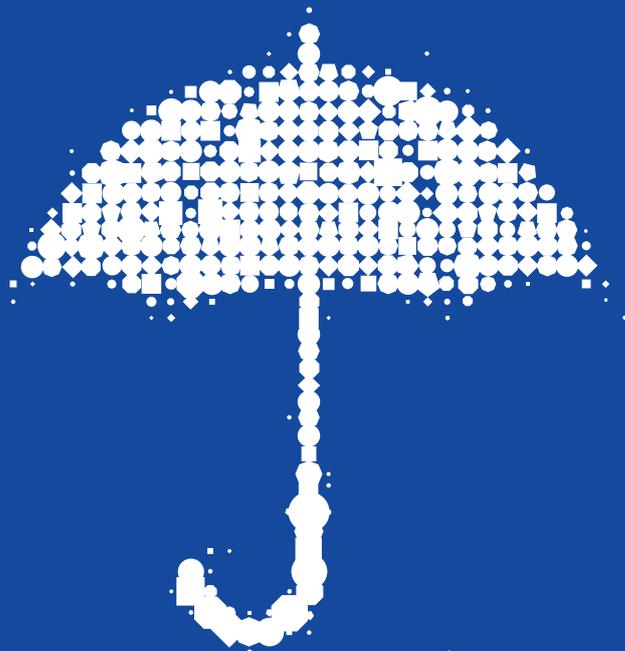


2

Monitoring Recent Trends

2.1 Skills Policy Update

Since the last iteration of the Sense & Instability reports, there have been a number of key developments in the broader policy landscape.¹



⁰¹ Apprenticeships Standards; T levels and the National Retraining Scheme all form part of the core analysis presented in Sections

Apprenticeship Standards

Apprenticeship standards (also known as Trailblazers) are currently being rolled out across England. The new standards are expected to have fully replaced previous apprenticeship frameworks by 2020. The standards have been designed in close collaboration with industry experts ('Trailblazer' groups) in order to ensure that each standard covers the full set of skills, knowledge, behaviours and learning necessary for the specific job role and industry sector.² The length and skill level for each standard has also been revised to ensure that it is substantial enough for the relevant occupation.³

A central aim of the apprenticeship standards is to drive growth and productivity in technical industries in order to improve workforce skills.⁴ Key challenges that have arisen since the new standards have begun to be rolled out include a drop in the number of apprenticeships (partly attributed to the introduction of the apprenticeship levy), with employers also identifying the requirement for 20% of training to be off-the-job as problematic. The Government insists, however, that the overall quality of apprenticeships on offer has improved as a result of the revised standards.⁵



Three and Four below:

⁰² <https://consult.education.gov.uk/apprenticeships/january2018-1/>

⁰³ <https://consult.education.gov.uk/apprenticeships/january2018-1/>

⁰⁴ <https://consult.education.gov.uk/apprenticeships/january2018-1/>

⁰⁵ <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN03052>



Apprenticeship Levy

Introduced in 2017, the apprenticeship levy provides a new model for financing apprenticeship training and assessment. The levy is set at 0.5% of the value of an employer's pay bill for organisations that have an annual payroll of £3 million or more, minus an apprenticeship levy allowance of £15,000 per financial year. Money from the levy is paid into an apprenticeship service account which can be used towards the costs of apprenticeship training and assessment with the Government responsible for directly transferring money held in the service account to apprenticeship providers. Non-levy paying employers are required to pay 10% of the costs associated with training and assessment in the event that they take on an apprentice; this amount reduced to 5% in April 2019.⁶

There have been significant challenges associated with the levy including reports of increased complexity in the recruitment and training of staff and unseen employer costs



There have been significant challenges associated with the introduction of the levy. Key stakeholders including the British Chambers of Commerce (BCC) report increased complexity in the recruitment and training of staff and unseen employer costs,⁷ while the Institute of Fiscal Studies has estimated that the levy is likely to lead to a 0.3% decrease in employees' wages by 2021.⁸ Concerns have also been raised by the Association of Colleges that the levy does not provide incentives to take on apprentices from disadvantaged groups, including NEETs and that the levy has failed to incentivise providers to engage with businesses where delivery costs would be high, such as smaller businesses new to apprenticeships.⁹

⁰⁶ <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN03052>

⁰⁷ researchbriefings.files.parliament.uk/documents/SN06113/SN06113.pdf

⁰⁸ https://www.ifs.org.uk/uploads/publications/comms/R124_Green%20Budget_%208.%20Apprenticeships.pdf

⁰⁹ <https://www.aoc.co.uk/sites/default/files/>

T Levels

T Levels form part of a wider restructure of technical education and training for 16-19 year olds by providing two-year technical courses equivalent to three A-levels. T levels will offer a combination of classroom and on-the-job training with a minimum of 45 days on industry placement (in contrast with apprenticeships where a greater proportion of time is spent on-the-job, typically 80%). There will be a total of 15 T level routes; course content is currently being designed by providers and employers, with input from industry specialists via T level panels.^{10/11} Three pilot courses in construction, digital industry, and education and childcare are due to be rolled out in 50 selected colleges and schools from September 2020.^{12/13}

Voices from within the sector have raised concerns that the number of students taking up T levels may not be viable (based on existing demand for vocational qualifications); there may be a lack of available industry placements for students enrolled on T levels (based on existing supply); there is uncertainty surrounding the question of how T levels will act as a 'bridge' to further study; and the potential overlap with existing qualifications. Recommendations to improve design and delivery include greater clarity around alignment between T levels and other pathways, especially apprenticeships.^{14/15}



There are concerns that the number of students taking up T levels may not be viable

¹⁰ <https://www.gov.uk/government/publications/introduction-of-t-levels/introduction-of-t-levels>

¹¹ <https://www.instituteforapprenticeships.org/about/outline-content-for-first-new-t-levels/>

¹² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779002/T_Level_action_plan_2018.pdf

¹³ <https://www.gov.uk/government/publications/providers-selected-to-deliver-t-levels-in-academic-year-2020-to-2021/providers-selected-to-deliver-t-levels-in-academic-year-2020-to-2021>

¹⁴ <https://policyexchange.org.uk/wp-content/uploads/2019/02/A-Qualified-Success.pdf>

¹⁵ <https://www.oecd-ilibrary.org/docserver/9789264298507-en.pdf?expires=1552303523&id=id&acname=guest&checksum=D512EFAB3905EFD0AA3029B2D81E7DFC>



A shift in focus from 'academic' mathematics (algebra, calculus) towards more applied skills, which are better aligned with employer needs



Functional Skills Qualifications

Key reforms to Functional Skills Qualifications (FSQs) in English and mathematics are currently underway, including a revised approach to speaking, listening and communicating assessments, and streamlining the overarching assessment procedures.¹⁶ These reforms include a non-calculator paper for maths, which has a value of 25% of the assessment, and no longer permitting the use of dictionaries and spell checks for English writing papers.¹⁷ Changes to core mathematics are also underway, with a shift in focus from 'academic' mathematics (algebra, calculus) towards more applied skills, which are better aligned with employer needs; for example, approximation, mental arithmetic, visual data, units of measurement, calculation checking and basic problem solving.¹⁸

The new FSQs are expected to be in place for September 2019;¹⁹ however, it looks likely that the content of the new qualifications will not be released to providers until May 2019, allowing limited time for teaching staff to undertake the necessary CPD training to deliver the new FSQs.²⁰

¹⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/720045/decisions-on-rules-and-guidance-for-new-functional-skills-qualifications.pdf

¹⁷ <https://qualifications.pearson.com/content/dam/pdf/Functional-skills/reform/Reformed-FS-Considerations-Centres-AEB.pdf>

¹⁸ https://www.et-foundation.co.uk/wp-content/uploads/2015/04/Making-maths-and-English-work-for-all-25_03_2015002.pdf

¹⁹ <https://www.ocr.org.uk/qualifications/functional-skills/reform/>

²⁰ <https://www.tes.com/news/concern-over-delay-reformed-functional-skills>

National Retraining Scheme

Announced in 2017, the National Retraining Scheme forms part of the Government's Industrial Strategy. The Industrial Strategy highlights the need to up-skill workers to address the current skills gaps and further improve social mobility. As a core part of meeting this objective, the National Retraining Scheme will provide funding for low-skilled adult workers to re-skill and/or up-skill and support the existing workforce to adapt to widespread technological advancement in the workplace.²¹

A National Retraining Partnership has been set up to deliver the scheme. To date, £30 million has been earmarked to test the use of artificial intelligence and innovative education technology in adult learning with a further £64 million allocated for a pilot programme in digital and construction training (two sectors identified as priority for up-skilling).²² The challenge currently facing the National Retraining Scheme is the uncertainty surrounding it. Despite being announced in 2017, full running costs, how the scheme will work in practice and timetable for delivery all remain unclear.²³



The National Retraining Scheme will provide funding for low-skilled adult workers to re-skill and/or up-skill



²¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

²² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

²³ <https://feweek.co.uk/2019/04/03/minister-admits-a-lot-we-dont-know-yet-about-treasury-backed-national-retraining-scheme/>

2.2 The Skills Gap

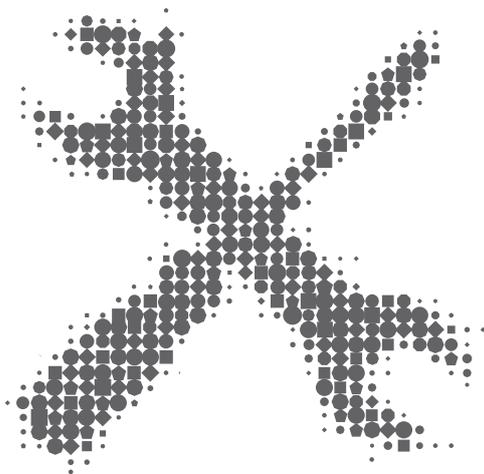
Access to Learning



The Adult Skills Gap

Adult learners from the lowest socio-economic bands and/or with the lowest qualification levels are most likely to benefit from up-skilling and/or re-skilling; at the same time, these adult learners are also the least likely to access further education and training.²⁴ The lack of effective policy measures to address this long-term challenge is contributing to a persistent adult skills gap, as well as a lack of social mobility in the workplace.²⁵ Compared with other OECD countries, the UK has a higher than average proportion of adults with only basic skill levels.²⁶

The Social Mobility Commission emphasises the need for further investment from both Government and employers, alongside effective policy development and delivery, in order to meet the scale of the challenge.²⁷ A recent OECD report highlights that adequate financing must be accompanied by policies that are inclusive, flexible and aligned with labour market needs in order to close the existing adult skills gap. The report also points towards the need to improve the impact of training, including establishing effective measures of outcomes and investing in capacity development for providers, in order to ensure that policies achieve their objectives and create lasting outcomes for both learners and the economy.²⁸



²⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774085/Adult_skills_report_2019.pdf

²⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774085/Adult_skills_report_2019.pdf

²⁶ https://read.oecd-ilibrary.org/education/getting-skills-right-future-ready-adult-learning-systems_9789264311756-en#page24

²⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774085/Adult_skills_report_2019.pdf

²⁸ https://read.oecd-ilibrary.org/education/getting-skills-right-future-ready-adult-learning-systems_9789264311756-en#page16



Barriers to Learning

Recent research points towards a number of barriers that may affect adult learners' actual or perceived access to skills-based learning. While practical barriers such as cost, awareness of opportunities, childcare and employer support are all of critical importance, personal factors such as levels of confidence also have a significant impact on learners' likelihood to pursue further learning opportunities.²⁹

The most disadvantaged learners often experience multiple personal and socioeconomic barriers to further education.³⁰ Long-term trends indicate that the learner groups most likely to experience multiple barriers include individuals currently receiving benefits, individuals with disabilities or other health conditions, single parents and individuals for whom English is not their first language.³¹

There are also clear long-term patterns in terms of individuals least likely to participate in further education. Participation in formal education is lowest amongst older adults (especially those 45 and above); individuals from a lower socio-economic banding; individuals who left full-time education aged 16 or under; individuals not currently in employment; and individuals from certain ethnic groups (with individuals from a BAME background more likely to participate in education than those from white backgrounds).³²



In terms of meeting the cost of further education, a relatively low proportion of learners rely on access to external funding, such as Advanced Learner Loans, in order to pursue further studies. The 2016 Adult Education Survey found that the majority of learners (59%) engaged in formal learning programmes were fully funded by an employer, prospective employer or public institution, while less than a third (29%) were responsible for fully funding their own studies.³³

Existing research highlights the need to develop effective strategies to engage with adult learners and tackle the multiple barriers to access that they may encounter. Recent government-funded research highlights the particular importance of engaging more effectively with individuals from lower socio-economic bands; furthest from the labour market; early education leavers; and older adults. Recommended strategies include raising awareness of educational opportunities, as well as demonstrating the value of investment in learning to those individuals currently experiencing the highest levels of educational disadvantage.^{34/35}



²⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/735453/Barriers_to_learning_-_Qualitative_report.pdf

³⁰ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742108/DfE_Decisions_of_adult_learners.pdf

³¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/735453/Barriers_to_learning_-_Qualitative_report.pdf

³² <https://www.learningandwork.org.uk/wp-content/uploads/2018/08/Adult-Participation-in-Learning-Survey-2017.pdf>

³³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/714752/Adult_Education_Survey_2016_research_report.pdf

³⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/735453/Barriers_to_learning_-_Qualitative_report.pdf

³⁵ <https://www.learningandwork.org.uk/wp-content/uploads/2018/08/Adult-Participation-in-Learning-Survey-2017.pdf>



The loss of ESF funds is likely to have a negative impact on FE colleges in more economically deprived areas of the country.

The Brexit Challenge

There remains considerable uncertainty with respect to how Brexit may affect further education and adult skills training. At present, it appears likely that Brexit will place an even greater burden on the existing national budgets for adult skills, with an anticipated loss of £0.7 billion from EU funding for adult learning programmes via the European Social Fund (ESF) and European Regional Development Fund.³⁶

The loss of ESF funds, in particular, is likely to have a negative impact on FE colleges in more economically deprived areas of the country, which receive a greater proportion of the ESF pot than colleges in other areas.³⁷ In other words, the colleges most likely to experience a loss of funding are the same colleges that serve the most disadvantaged learners. As yet, the Government has not confirmed that replacement funds will be provided to meet the shortfall in EU funding.³⁸

The Social Mobility Commission has also warned that Brexit is likely to intensify the current skills shortage; a potential scenario that further emphasises the need for sustainable investment in skills and training for adults and young learners in order to meet the needs of UK businesses and operate effectively in the global economy. As noted above, the Social Mobility Commission also presents evidence that the most significant economic benefit is accrued by training and/or up-skilling adult learners from the lowest socio-economic bands and/or with the lowest qualification levels.³⁹

Further Brexit forecasts emphasise the detrimental economic impact anticipated in cities and regions that rely on intermediate and higher skilled workers, such as London, where the skills gap has largely been met by migrant workers, many of whom are EU citizens. Analysis presented by London Councils draws a connection between the value that London's high levels of productivity adds to the UK economy and the city's reliance on migrant workers (over two thirds of whom are from the EU) across core sectors including construction, financial services, tech services, healthcare, hospitality, and wholesale and retail.⁴⁰

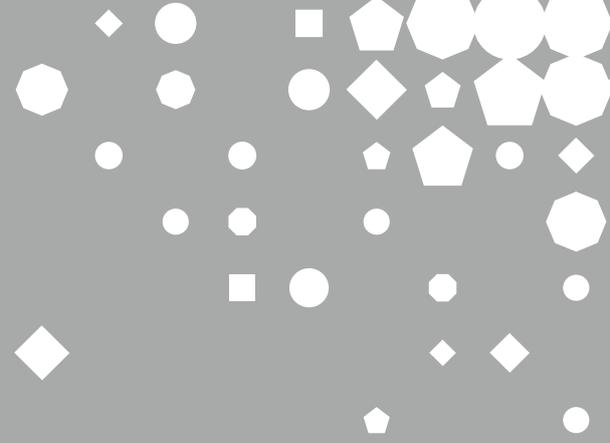
³⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774085/Adult_skills_report_2019.pdf

³⁷ https://www.aoc.co.uk/sites/default/files/AoC%20colleges%20and%20brexit%20position%20paper%205%20nov%202018.docx_1.pdf

³⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774085/Adult_skills_report_2019.pdf

³⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/774085/Adult_skills_report_2019.pdf

⁴⁰ <https://www.londoncouncils.gov.uk/our-key-themes/economic-development/adult-skills-0/bridging-skills-gap/impact-brexit-could-have>



The Government has yet to establish a clear policy on how it intends to support businesses through the Brexit transition with respect to meeting their need for skilled workers, other than to provide information on the rights of EU workers employed within UK businesses in the post-Brexit landscape.⁴¹



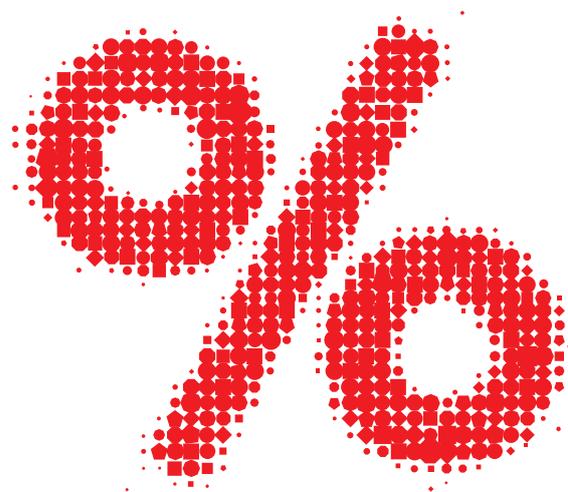
⁴¹ https://euexitbusiness.campaign.gov.uk/?_ga=2.46475168.600978759.1553509804-739301176.1553509804

2.3 Learner and Employment Trends

Learner Trends

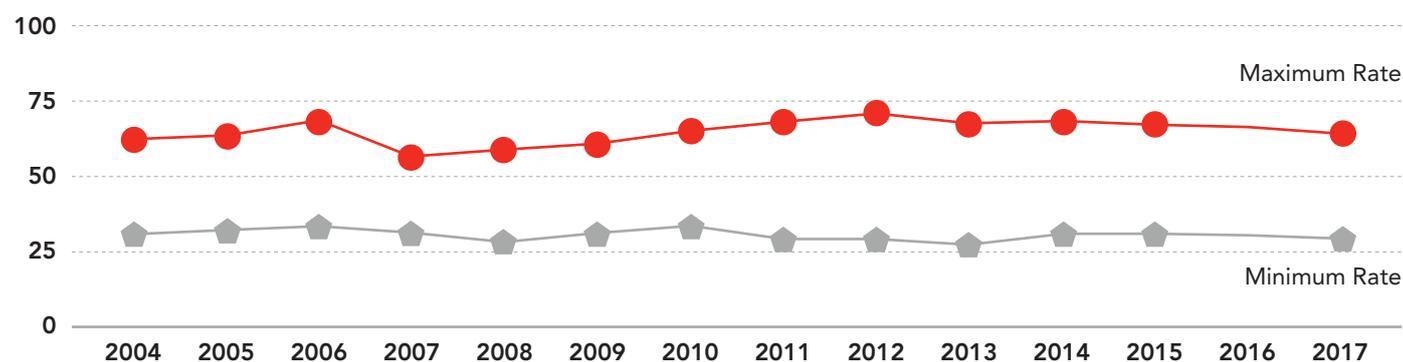
Analysis was conducted of adult learning trends since 2004,⁴² by age and social class. The graphs below show the differential learning rate, where the lowest learning rate (e.g. for those aged 55 to 64) has been subtracted from the highest employment rate (for those aged 20 to 24).

The differential learning rate has increased – in other words, outcomes have got more inequitable - in the case of age between 2004 and 2017; it should be noted, however, that the biggest spike in inequity over the time period was between 2011 and 2013, and the situation has improved in recent years. For social class, outcomes have become more equitable - in other words, the differences in learning rates between the AB social class and the DE social class have got smaller – although there has been huge variance over the timeframe.

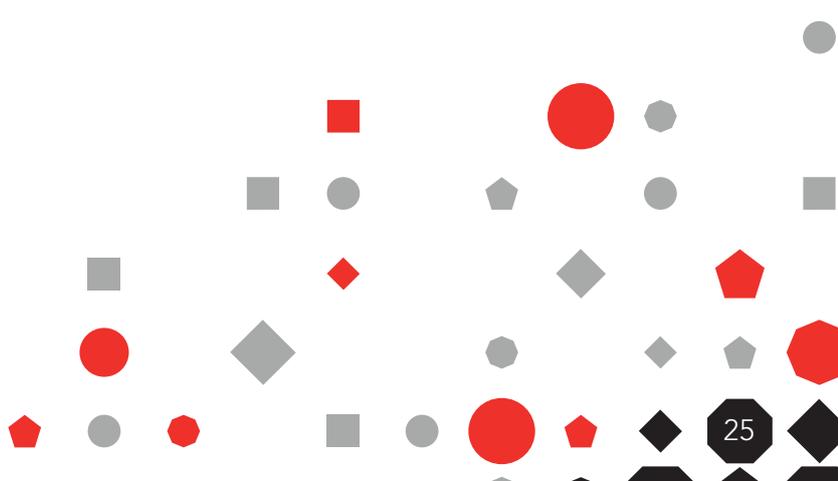
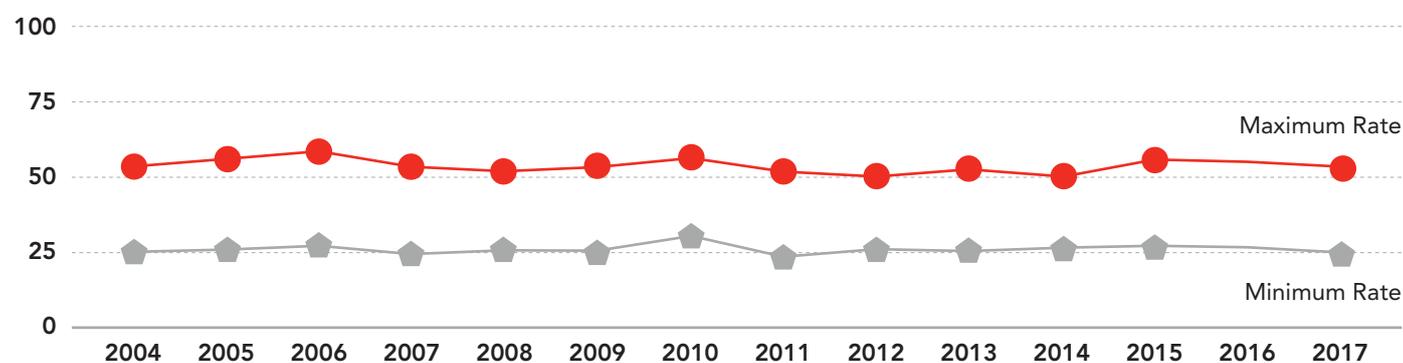


⁴²<https://www.learningandwork.org.uk/our-work/promoting-learning-and-skills/participation-survey/rates-of-adult-participation-in-learning/>

Differential Adult Learning Rate by Age Band (20-64), %



Minimum and Maximum Learning Rate by Social Class, %

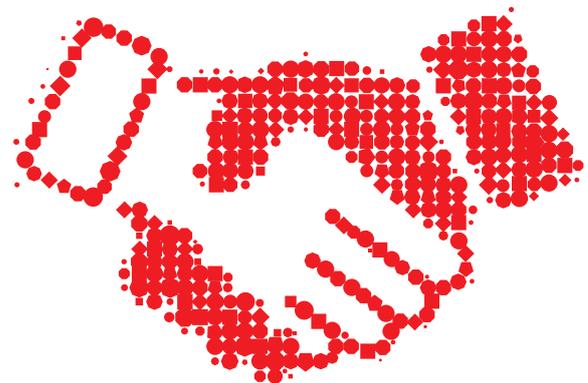




Employment Trends

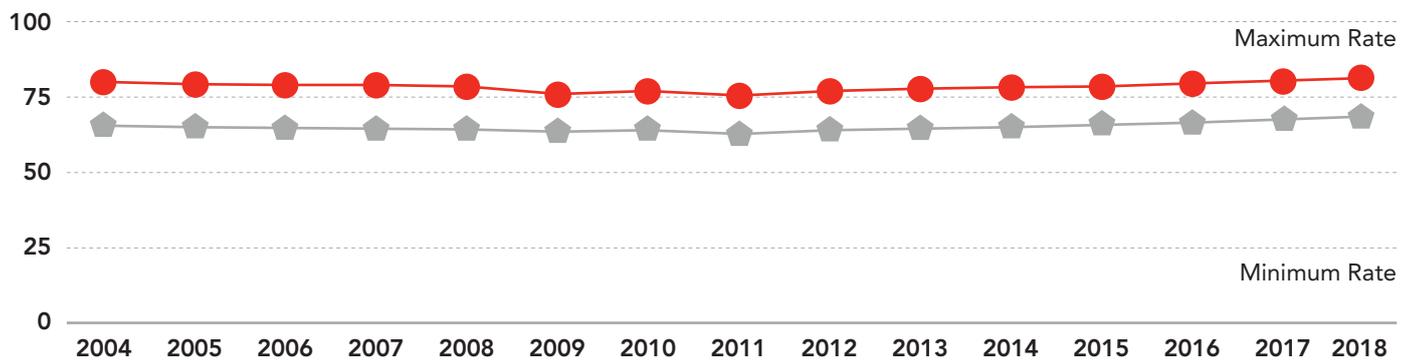
Analysis was conducted of employment trends since 2004, and where data exists, by gender, ethnicity, age and educational attainment. The graphs below show the differential employment rate, where the lowest employment rate (e.g. for women) has been subtracted from the highest employment rate (for men).

The differential employment rate has decreased – in other words, equitable outcomes have improved – in the case of gender and ethnicity. The rate is approximately the same for educational attainment in both 2005 and 2017, although there was a big spike in inequality in the years after the 2008 financial crisis. Equitable outcomes have got worse, however, by age range, with the employment rate for 18-24 year olds having fallen since 2004, and the employment rate for 35-49 year olds – the age group with the highest employment rate overall – having increased.

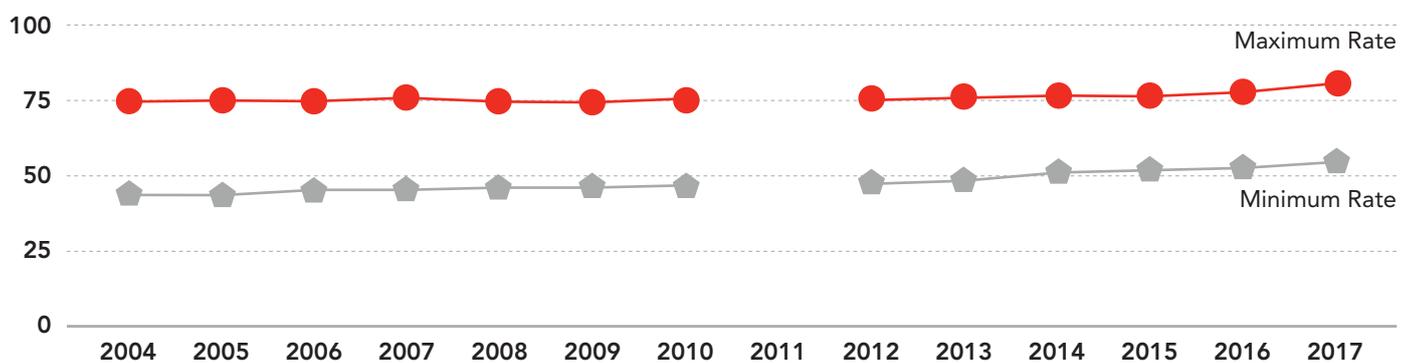




Minimum and Maximum Employment Rate by Gender, % ⁴³



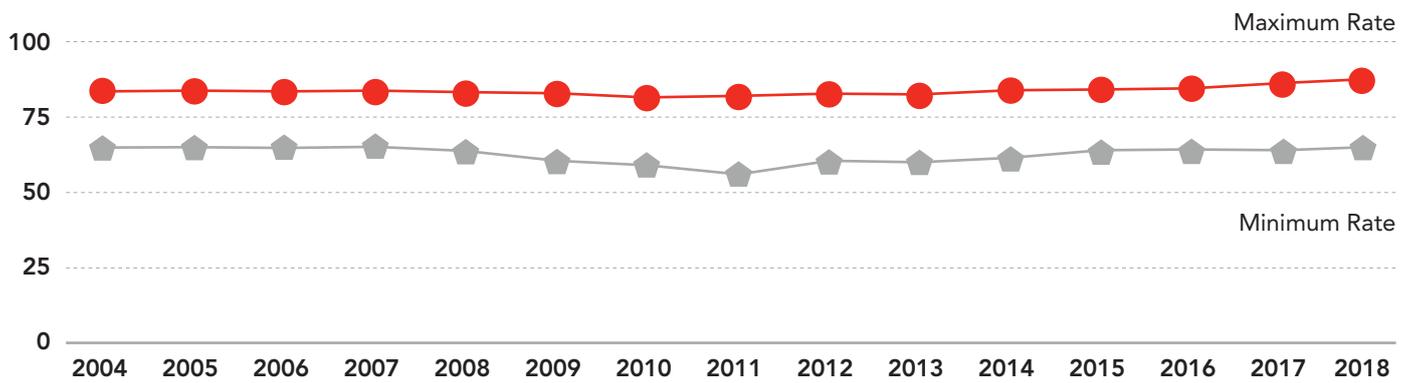
Minimum and Maximum Employment Rate by Ethnicity, % ⁴⁴



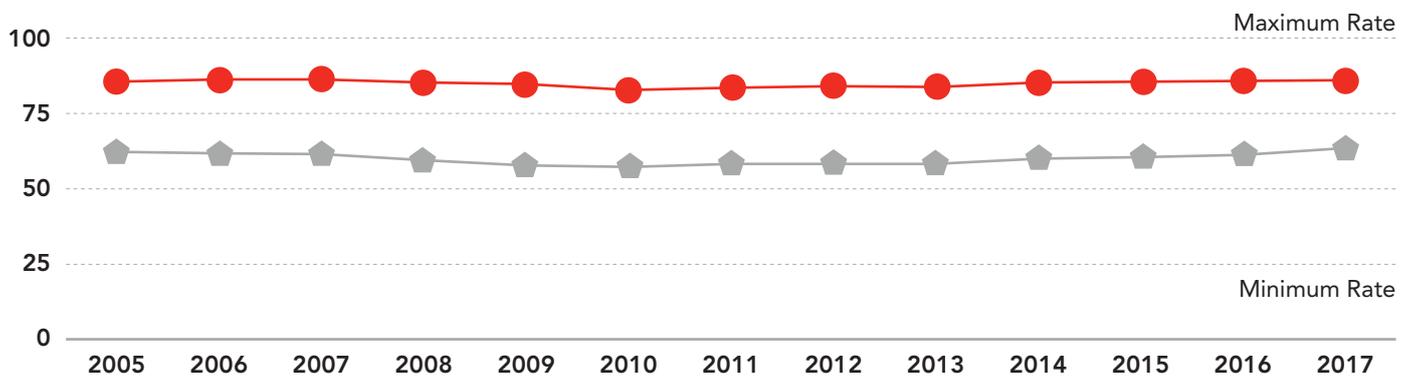
⁴³ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/lf25/lms> | <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/mgsv/lms>

⁴⁴ <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/employment/employment/latest>

Minimum and Maximum Employment Rate by Age Band (18-64), % ⁴⁵

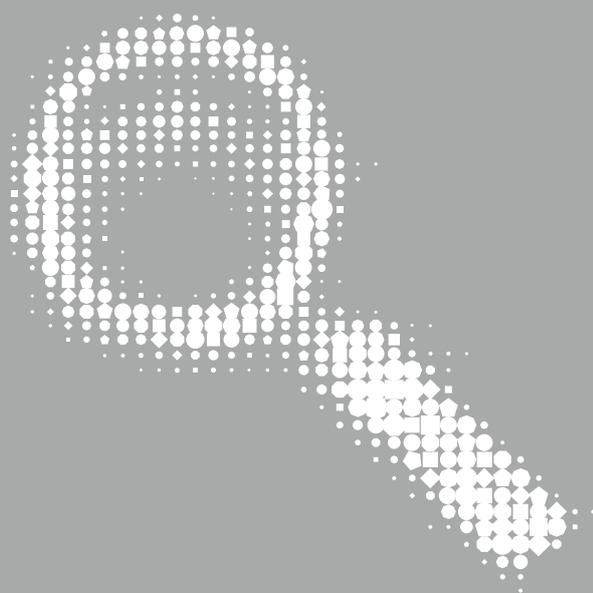


Minimum and Maximum Employment Rate by Educational Attainment, % ⁴⁶



⁴⁵ Note that the lowest age band for employment starts at 18, whereas for learning it starts at 20; this is due to the original source data having different bands 18-24
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/ybud/lms> | 25-34:
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/ybug/lms> | 35-49
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/ybug/lms> | 50-64
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/lf2u/lms>

⁴⁶ https://ec.europa.eu/eurostat/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tepsr_wc120&language=en



2.4 Key Findings

Access to Learning

Clear evidence of the economic benefits of skills development for the most disadvantaged

Recent evidence presented by both the Social Mobility Commission and the OECD highlights the economic benefits accrued by reducing the adult skills gaps and through investment in further education and training for the most disadvantaged learners, i.e. those from the lowest socio-economic bands and/or with the lowest qualification levels. Recent government reports acknowledge that meeting this challenge requires tackling the multiple barriers faced by these learners. At the same time, addressing these challenges is likely to be critical in order to minimise the potential impact of Brexit; to reduce socio-economic inequalities; and to ensure that both the needs of learners and industry can be met.

Improved equity in learner and employment trends

While challenges remain in meeting the needs of the most disadvantaged groups, the wider landscape of learner and employment trends points towards improved equity. Differential adult learning rates have narrowed for both gender and social class, while differential adult employment rates have reduced for gender and ethnicity – all of which points towards more equitable outcomes. Educational attainment has remained broadly constant, however the Social Mobility Commission's State of the Nation 2019 report demonstrates a wide gap in school attainment and income between the rich and the poor. The commission notes that even when people from disadvantaged backgrounds secure professional employment, they earn 17% less than those from better off backgrounds.⁴⁷

⁴⁷ <https://feweek.co.uk/2019/04/03/minister-admits-a-lot-we-dont-know-yet-about-treasury-backed-national-retraining-scheme/>

3

Measuring Success

3.1 Mapping the Skills Policy Landscape

The following section analyses whether UK governments over the last 15 years have used success measures effectively in the design and delivery of skills-based policies.





Effective use of success measures is understood here to mean more than simply developing quantitative performance targets that only measure outputs (for example, number of learners, employers or other key stakeholders engaged through the policy) but rather embedding measures of programme outcomes and impact from the outset and throughly testing these success measures to ensure that they are informed by a reliable evidence base.^{48/49}

To this end, analysis will focus on whether each policy has (i) established clear success measures in

the design and consultation phase; (ii) validated these success measures through the use of pilots and other scoping exercises before rolling out the policy; (iii) used comparison groups, baseline-end assessments and longitudinal studies to track policy outcome and impact (iv) and evaluated the extent to which any success measures were met. Where relevant, the analysis presented below will also explore the extent to which policies have actively targeted disadvantaged learner groups and/or those hardest to reach as part of a broader programme of improving equitable outcomes for all.

A snapshot of the skills-based policy reforms across the last 15 years

Government	Policy	Date of Policy
Labour (2005-2010)	Train to Gain	2006
	Skills Pledge	2007
Coalition (2010-2015)	Work Programme	2011
	Advanced Learner Loans	2013
	Apprenticeship Standards/Trailblazers	2013
Conservative (2015-present)	T Level Programmes	2017
	National Retraining Scheme	2018

⁴⁸ <https://www.tes.com/news/we-need-define-t-level-success>

⁴⁹ <https://www.cityandguildsgroup.com/whats-happening/our-views-and-opinions/st-giles-trust-unlocking-potential-in-ex-offenders>

3.2 Key Skills Policies (2005-present)

The following table outlines our assessment of the extent to which key government policies have incorporated the use of pilots, quantitative targets, success measures, continuous improvements; and whether they have achieved long term outcomes/impact.





Policy Summary

Policy	1	2	3	4	5	6
Train to Gain	◆	■	◆	●	◆	■
Skills Pledge	●	●	◆	●	●	■
The Work Programme	●	●	◆	●	■	●
Advanced Learner Loans	●	●	◆	●	■	●
Apprenticeships Standards/Trailblazers	◆	■	■	●	●	●
T Level Programmes	◆	■	●	●	■	●
National Retraining Scheme	■	●	●	●	●	●

Key⁵⁰

● No evidence found

■ Weak evidence or problematic implementation

◆ Strong evidence

Pilots run

Design based on pilot findings

Quantitative targets identified

Clear success measures embedded

Evidence of ongoing continuous improvements to the policy/programme

Clear evidence of long-term outcomes and/or impact

While it is not possible to compare policies directly, due to differences in their design and objectives, the table above makes it clear that there are significant gaps across skills policies, and in particular in the area of formal, outcomes- and impact-based success measures. The rest of this section outlines this analysis in greater detail and by individual policy.

⁵⁰ Please note that in the case of the Work Programme the table records 'no evidence' of pilots being run. In fact, strong evidence was found that pilots were not run. For the same reason, there was actually strong evidence that the programme design was not based on pilots. In the case of Advanced Learners Loans the table records no evidence of long-term outcomes and/or impact, where the report actually identifies weak evidence of the negative impact resulting from the programme.

Train to Gain (2006)

Train to Gain was a Labour Government initiative introduced in 2006, managed by the Learning and Skills Council (LSC). It served as a commitment between the Government and employers to invest in training, with key objectives to support employers to develop the skills of their employees and to streamline business performance. The programme centred around three components: a network of skills brokers to provide employers with independent advice on skills development and recommendations for accessing further education and training providers; the integration of flexibility in training for employees; and publicly-funded subsidies for specified courses and qualifications.⁵¹

Despite an early evaluation noting the need to *'establish the right series of success criteria for the Train to Gain service as a whole'*,⁵² there is no evidence that the programme identified any success measures with regard to outcomes and impact, focusing instead on outputs. The lack of documented evidence of intended impact led to issues in assessing the efficacy of the intervention, particularly in addressing its first objective; for example, it is not clear how employees' skills were improved and/or applied in the workplace as a result of the training identified and undertaken.

The LSC did complete regular evaluations in which they interviewed representative samples of learners on programme accessibility, experience and satisfaction/outcomes, however. The analysis of these interviews compared participants' expectations prior to enrolling on TTG with their feelings once a part of the programme. This included feedback on financial gains, new skills and attitudes towards learning, and also included some longitudinal analysis. The 2010 report states that: *'In [the fifth] wave, the longitudinal data tells us that, as time passes, more learners feel that there is an appropriate match between their job and their skills... Perhaps this is the strongest measure of the impact of the programme.'*⁵³

Whilst this demonstrates impact assessment, there is no evidence to suggest that this feedback was measured against intended programme outcomes or that it informed success measures for the programme going forward.

An earlier 2009 evaluation also documented high levels of employee satisfaction (95% of participants were *'at least fairly satisfied with the quality of training overall'*) and development in terms of improved work skills, increased attitude and self-confidence. A quarter of employees also reported receiving a pay increase, promotion or bonus as a result of achieving a qualification.⁵⁴ This report also outlined programme outputs, documenting that 1.25 million learners had been enrolled; however, just 554,100 of these participants had gained a qualification as result. The lack of measures to assess the learning trajectory of those enrolled in training but who had not yet achieved a qualification remains a clear evidence gap in terms of the evaluation of the programme's effectiveness. A later report (2011) from the Department for Business Innovation & Skills concluded that *'overall, there is little improvement in the labour market outcomes of [Train to Gain] learners following training'*.⁵⁵

Employer Training Pilots (ETPs), rolled out in 2002, were a precursor of Train to Gain. These pilots were used to inform Train to Gain's output targets; however, there is no evidence that these pilots were used to define further success measures or added value for the programme. One report states that programme outputs *'were intentionally ambitious, in that high performing areas from the pilots would have to grow by about half in a year'*.⁵⁶ The scope of the challenge is reflected in the figures from the programme's first year. While targets were exceeded with respect to both the number of employers engaged (52,730; target 47,770) and the proportion of hard to reach employers (72%; target 51%), the actual number of employees receiving training fell below output targets (almost a quarter of a million against a target of 313,590).⁵⁷

⁵¹ <https://dera.ioe.ac.uk/6781/1/nat-plan-for-growth.pdf>

⁵² <https://dera.ioe.ac.uk/6781/1/nat-plan-for-growth.pdf>

⁵³ https://www.employment-studies.co.uk/system/files/resources/files/lsc_100500.pdf

⁵⁴ <https://www.nao.org.uk/wp-content/uploads/2009/07/0809879.pdf>

⁵⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/32296/11-1036-employment-earning-outcomes-train-to-gain-extension.pdf

⁵⁶ <https://www.nao.org.uk/wp-content/uploads/2009/07/0809879.pdf>

⁵⁷ <https://dera.ioe.ac.uk/6781/1/nat-plan-for-growth.pdf>



As reported in a NAO study, key programme achievements included an increased focus on employers' needs in terms of skills training, as well as outputs such as improved basic level work skills for learners and improvements to business productivity. The report concluded, however, that overall targets were overambitious and did not provide sufficient focus on the areas of greatest need or greatest potential impact, with a clear need for a feedback mechanism to integrate better the lessons learned from the first three years of programme delivery. Further recommendations included advice that the LSC *'should use data from its expanded evaluation to inform future priorities for using Train to Gain funds, for example by assessing the benefits in particular sectors and for particular qualifications and courses'*.⁵⁸ These findings were underscored by the 2010 Public Accounts Committee Report which highlighted the lack of a strong evidence base for the initial high targets set for the programme, as well as the failure to make use of data trends to improve responsiveness to under-performance once programme delivery had commenced.⁵⁹

Both the NAO study and the PAC report also reported a significant limitation with the policy: namely, that approximately half of employers would have invested in comparable training opportunities for their staff without public subsidy.^{60/61} This limitation clearly highlights the need for effective success measures that not only assess outcomes and impact, but also that capture the 'added value' created by the policy in order to demonstrate value for money.⁶²



The 2009 report documented that 1.25 million learners had been enrolled; however, just 554,100 of these participants had gained a qualification as result.



⁵⁸ <https://www.nao.org.uk/wp-content/uploads/2009/07/0809879.pdf>

⁵⁹ <https://publications.parliament.uk/pa/cm200910/cmselect/cmpublic/248/248.pdf>

⁶⁰ <https://www.nao.org.uk/wp-content/uploads/2009/07/0809879.pdf>

⁶¹ <https://publications.parliament.uk/pa/cm200910/cmselect/cmpublic/248/248.pdf>

⁶² For further analysis of value for money, see Section 4 below.

Skills Pledge (2007)

Introduced in June 2007, the Skills Pledge was designed to encourage employers to make a commitment to deliver basic literacy and numeracy training for employees, as well as providing them with the opportunity to work towards achieving a level 2 qualification. Employers who signed up to the Pledge were required to develop an action plan to up-skill their employees, whilst the employees who met the requirements of the Skills Pledge were eligible for subsidised training under the Train to Gain programme. The overarching objective of the Skills Pledge was to up-skill the UK workforce, increasing UK productivity to the levels of those achieved by the US, France and Germany.⁶³

The Skills Pledge targeted groups typically excluded from further skills and training with a particular focus on low-qualified and low-skilled employees.⁶⁴ As such, the programme received support from leading unions, including the TUC, which affirmed its commitment to maximising the reach of the programme.⁶⁵ As the programme was employer-led, however, it failed to reach low-qualified and low-skilled individuals working for organisations which had not signed up to the Pledge; nor did it reach unemployed individuals. This is of particular importance given that only 4% of employers had signed up to the Pledge by 2009 meaning that the pool of eligible participants was relatively narrow.⁶⁶

There is no evidence available that suggests that the Skills Pledge made use of pilots, comparison groups or baseline-endline assessments to develop or monitor success measures. Targets for the programme focused on the number of employers who achieved 'Skills Pledge Champion' status.

The programme also fed into general skills targets set by the Government in response to the Leitch Review, including raising the number of adults with basic literacy and numeracy skills to 95% by 2020, compared with 85% in literacy and 79% in numeracy in 2005; and 90% of adults achieving a level 2 qualification by 2020, compared with 69% in 2005.^{67/68}

Two key evaluations were conducted after programme commencement. These evaluations focused on determining programme outputs, outcomes and impact retrospectively through interviews and surveys with participants and other stakeholders. It is notable that the evaluations were conducted by the same research company, which allowed for tracking of outcomes for participants willing to engage in both evaluations. While this does not offer a true 'baseline' measure of the distance travelled by participants, it offers a clearer longitudinal picture than most evaluations conducted for skills-based policies. In other words, it provides a more nuanced picture of programme outcomes compared with a one-off evaluation.^{69/70}

Evaluation findings indicated that the programme had a tangible effect on organisational approach to training and professional development, but did not always have a corresponding effect on productivity, with only a quarter of employers reporting an increase in productivity as a result of greater investment in staff training. As such, the programme was not considered to be causing direct economic impact, though it was viewed as a catalyst for creating indirect business benefits.^{71/72}

⁶³ <https://webarchive.nationalarchives.gov.uk/tna/+http://www.dius.gov.uk/worldclassskills.pdf/>

⁶⁴ <https://webarchive.nationalarchives.gov.uk/tna/+http://www.dius.gov.uk/worldclassskills.pdf/>

⁶⁵ <https://www.tuc.org.uk/research-analysis/reports/skills-pledge-tuc-briefing>

⁶⁶ https://dera.ioe.ac.uk/1313/1/NESS%20main%20report_1.pdf

⁶⁷ <https://webarchive.nationalarchives.gov.uk/tna/+http://www.dius.gov.uk/worldclassskills.pdf/>

⁶⁸ https://dera.ioe.ac.uk/6322/1/leitch_finalreport051206.pdf

⁶⁹ https://www.whatdotheyknow.com/request/60172/response/153626/attach/5/Skills%20Pledge%20Final%20Report%2015%208%2008.pdf?cookie_passthrough=1

⁷⁰ https://www.whatdotheyknow.com/request/60172/response/153626/attach/4/Evaluation%20of%20the%20Skills%20Pledge%202009%20Quantitative.pdf?cookie_passthrough=1

⁷¹ https://www.whatdotheyknow.com/request/60172/response/153626/attach/5/Skills%20Pledge%20Final%20Report%2015%208%2008.pdf?cookie_passthrough=1

⁷² https://www.whatdotheyknow.com/request/60172/response/153626/attach/4/Evaluation%20of%20the%20Skills%20Pledge%202009%20Quantitative.pdf?cookie_passthrough=1

The evaluations also report that assessment of the effectiveness of the Skills Pledge programme was problematic, given the lack of clearly identified objectives or successes measures against which to conduct the evaluation. In particular, the evaluation raised the issue of lack of clear programmatic purpose, questioning whether the programme represented a 'recruitment vehicle' for Train to Gain and other skills initiatives or whether it existed as a programme in its own right.⁷³



Government skills targets in 2007 included raising the number of adults with basic literacy and numeracy skills to 95% by 2020, compared with 85% in literacy and 79% in numeracy in 2005



The Work Programme (2011)

The Work Programme was a welfare-to-work scheme that formed part of the Government's broader reform to the welfare system. Replacing a series of previous schemes with a unified programme, it provided support for unemployed people claiming Jobseeker's Allowance or Employment Support Allowance to transition into employment. Financial incentives were offered to providers to encourage them to engage with the hardest to reach groups (i.e. those furthest from the labour market), with payment of incentives based on the length of time participants remained in work.⁷⁴ The programme was officially discontinued in 2017 after poor performance and challenges with the quality of provision.

The initial expectation was that the programme would offer participants personalised support relative to local labour market needs with a 'minimum service offer' set by the Government to ensure that participants received the expected levels of support.⁷⁵ Participation in the programme was mandated for long-term benefit claimants.

Targets associated with the programme focused on the number of participants engaged in work, with the key target focused on an increase of those in work from 25% to 36% when compared with previous schemes. A 2012 NAO Value for Money study queried the likelihood of achieving this target; however, the study noted that the programme offered a clear focus on sustained employment as a measure of performance when compared with measures used by the previous schemes that the programme replaced. The study also noted that the Government had taken significant steps to learn lessons from previous welfare-to-work schemes in the design of the programme.⁷⁶ A subsequent 2014 report by the Public Accounts Committee (PAC) confirmed the NAO's initial assessment of the Government's original targets, while noting that programme outputs were improving by 2014, with 32% of participants engaged in empowerment.⁷⁷

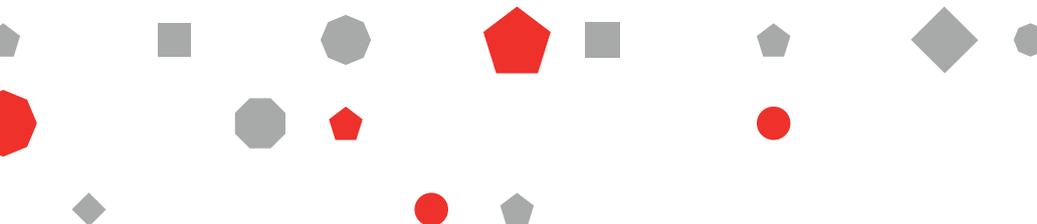
⁷³ https://www.whatdotheyknow.com/request/60172/response/153626/attach/5/Skills%20Pledge%20Final%20Report%2015%208%2008.pdf?cookie_passthrough=1

⁷⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/49884/the-work-programme.pdf

⁷⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/49884/the-work-programme.pdf

⁷⁶ <https://www.nao.org.uk/wp-content/uploads/2012/01/10121701es.pdf>

⁷⁷ <https://publications.parliament.uk/pa/cm201415/cmselect/cmpubacc/457/457.pdf>



A 2013 evaluation of the programme noted a number of challenges related to programme delivery, including: insufficient time to prepare for the programme given the speed at which it was introduced; challenges faced by providers to meet upfront costs ahead of longer-term payment by results; and limited impact of differential payments to incentivise engagement with those hardest to reach.⁷⁸ The NAO also raised concerns that providers may try to game the system in order to maximise payments; the high incidence of this practice, also known as *'parking and creaming'*, was confirmed in an independent 2013 study of the Work Programme. Both these reports highlight a key challenge with payment-by-results (i.e. financial incentives for providers) as a means of achieving programme objectives.^{79/80}

The limited success of the programme has also been documented in further reports. A 2014 evaluation of the *'participant experience'* found, for example, that those most likely to find sustainable employment were younger, female participants with recent work experience and no long-term health condition (i.e. those closest to the labour market). Of those that did find employment, only half considered the programme to have played a critical role in helping them to secure a job. Participants from the most disadvantaged groups (older people and those with health conditions or disabilities) were least likely to report satisfaction with the level of support received on the programme.⁸¹

The absence of clearly articulated success measures to ensure that the objectives of reaching the most disadvantaged were achieved is likely to have contributed to these failings during programme delivery. The 2014 PAC report recommended that future welfare-to-work schemes include a control group to enable additional impact to be identified. Overall, the PAC report highlights the need for a robust performance framework and mechanisms for ensuring quality standards are met consistently, as well as reviewing the approach to supporting those hardest to reach.⁸²

Furthermore, the Work Programme was not piloted.^{83/84} This decision was taken, according to the NAO, due to the programme being implemented in just 12 months (previous programmes had taken four years to introduce) and because of the lack of an evidence base against to test the assumptions that shaped policy development. The 2014 evaluation of participant experience cited above states that a number of post hoc pilots were planned for 2015 in order to build understanding of what assistance Employment Support Allowance claimants needed; as the report authors note, however, because the programme was launched (four years before) without a pilot or control group, no statistical assessment of the programme's overall impact on the employment outcomes of participants was possible.⁸⁵

⁷⁸ https://www.learningandwork.org.uk/wp-content/uploads/2017/01/WPEvaluation_implementation2013.pdf

⁷⁹ <https://www.nao.org.uk/wp-content/uploads/2012/01/10121701es.pdf>

⁸⁰ <https://www.birmingham.ac.uk/generic/tsrc/documents/tsrc/working-papers/working-paper-115.pdf>

⁸¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/425081/rr892.pdf

⁸² <https://publications.parliament.uk/pa/cm201415/cmselect/cmpubacc/457/457.pdf>

⁸³ <https://www.nao.org.uk/wp-content/uploads/2012/01/10121701es.pdf>

⁸⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/425081/rr892.pdf

⁸⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/425081/rr892.pdf

In 2015, the year the pilots were to run, the Government announced that the programme would be replaced by the Work and Health Programme,⁸⁶ which was designed to offer targeted support to unemployed individuals with long-term health conditions and/or disabilities.⁸⁷ While the new Work and Health Programme has set out a clear implementation plan alongside a commitment to building an evidence base to support programme delivery, it does not appear that lessons have been learned in terms of embedding success measures related to outcomes and impacts into programme design, with the focus remaining instead on outputs (in this case, supporting one million 'more' people with health conditions/disabilities into work within the next ten years).⁸⁸



The 2014 PAC report recommended that future welfare-to-work schemes include a control group to enable additional impact to be identified.

Advanced Learner Loans (2013)

Advanced Learner Loans emerged out of the wider skills policy review undertaken by the Government in 2011, '*New Challenges, New Chances*', which aimed to reform and strengthen technical and vocational education whilst achieving significant financial savings as part of the Comprehensive Spending Review.⁸⁹ The original 24+ Advanced Learner Loans policy replaced public subsidies for adult learners aged 24 years and above enrolled on qualifications at level 3 or above, on the basis that savings made from funding adult FE learners could be targeted for younger and lower-qualified learners. These learners were identified by the Government as less likely to invest in their own education.⁹⁰ In 2016, however, Advanced Learner Loans were extended to all learners aged 19 years and above in order to achieve even more extensive savings to existing adult and further education budgets.⁹¹

No published success measures associated with the policy could be identified. A target of 204,000 new learners per year funded by the loans was established; however, this target focuses on outputs rather than outcomes and offers a highly limited view of programme success.⁹² The Government did map the likely impact of the policy prior to implementation, concluding that a fall in adult learner numbers was likely. This fall was anticipated to be particularly high for learners aged 40 years and above, especially those currently out of work; learners with mental, physical or learning disabilities; learners pursuing Advanced/Higher Apprentices programme; and Muslim learners.⁹³ Government strategies to address concerns around the policy focused on publicising the new loans scheme to increase knowledge and awareness amongst adult learners, three quarters of whom were expected to take up loans to support further study.⁹⁴

⁸⁶ <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06340>

⁸⁷ <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7845>

⁸⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/663399/improving-lives-the-future-of-work-health-and-disability.PDF

⁸⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/145452/11-1380-further-education-skills-system-reform-plan.pdf

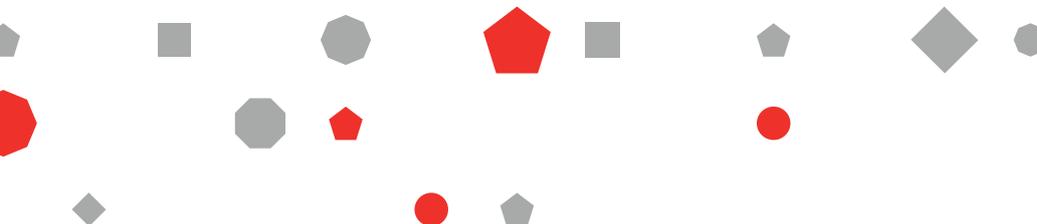
⁹⁰ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/32315/12-873-further-education-advanced-learning-loans-regulatory-impact.pdf

⁹¹ <https://www.gov.uk/advanced-learner-loan/eligibility>

⁹² https://dera.ioe.ac.uk/18374/1/Covers_24%2B_Advanced_Learning_Loads_FAQsFINAL.pdf

⁹³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/48832/13-547-24-plus-advanced-learning-loans-specific-learner-groups.pdf

⁹⁴ https://dera.ioe.ac.uk/18374/1/Covers_24%2B_Advanced_Learning_Loads_FAQsFINAL.pdf



None of the impact assessments conducted prior to the introduction of the policy clearly articulate how to measure the success of the policy, nor how to mitigate against the anticipated impact for the worst affected groups. These impact assessments offer limited practical insights in terms of policy planning, revision and implementation.⁹⁵ Furthermore, no evidence of the use of pilots, comparison groups or baseline-endline measurements could be identified in the development or implementation of the Advanced Learner Loans policy.

Since the introduction of the policy, there has been a steady decline in the number of adult learners (up to 31%) enrolling on FE courses at level 3 and above. While Government evaluations of the programme insist that further evidence would be required to make a direct correlation between the fall in adult learners and the move from subsidised to loan-based further education provision, voices from across the sector, including FE providers, have consistently attributed the fall in learner numbers to the introduction of Advanced Learner Loans.^{96/97}

As well as a fall in the overall number of learners, recent evidence shows that the volume of learners enrolled in further education taking out Advanced Learner Loans fell by 8% in 2017/2018, which is the first drop in learner loans since the policy was introduced. Demographic data indicates that the decline was greatest for learners aged 40 and above, with a fall of 14% in the total volume of loans taken out by this age group.⁹⁸ The total number of learners applying for loans was also notably lower in regions already identified as likely to experience lower levels of uptake in further education courses: namely, the East Midlands and North East.^{99/100}

Although fewer adult learners are enrolling in further education courses and those that do enrol are less likely to take out loans, satisfaction levels amongst those learners that have taken out loans remains high. Loan-funded learners report high levels of satisfaction with the availability of information and the process of taking out loans. Many of these learners also reported that the main motivation for engaging on their course and taking out a loan was the expectation of improved employment prospects and/or career progression.^{101/102}

Overall, existing evidence and data indicates that adult learners, who the policy was originally developed to support, have proved least likely to take up these loans. In other words, the policy has introduced further barriers to initial skills training and retraining for older adult learners – a group already under-supported and under-represented within further education – despite having being introduced under the guise of meeting the needs of these learners.

Advanced Learner Loans provide a clear example of how FE learners, especially those from already under-represented groups, have been left behind by attempts to tighten the public purse. There is evidence that much more needs to be – and could have been – done during policy design to ensure that cost-cutting measures are delivered and assessed in a way that continues to ensure the widest possible educational access for all groups as a key measure of the successful delivery of these financial targets.

⁹⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/301671/bis-14-721-tracking-the-impact-of-24-plus-advanced-learning-loans.pdf

⁹⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/522875/BIS-16-22-evaluation-of-24-advanced-learning-loans-an-assessment-of-the-first-year.pdf

⁹⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/754422/Impact_Evaluation_of_24_Advanced_Learner_Loans_Research_report_Nov2018.pdf

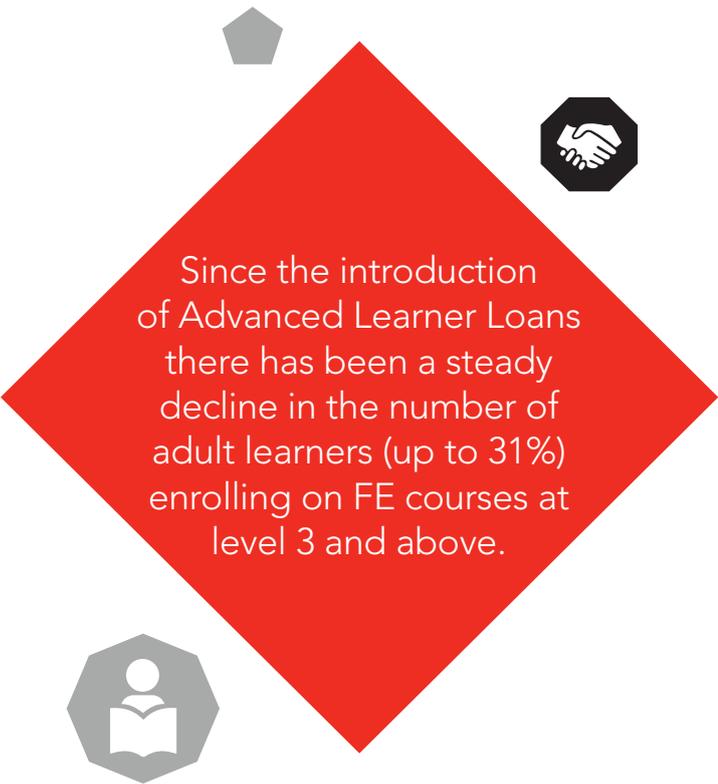
⁹⁸ <https://www.gov.uk/government/statistical-data-sets/fe-data-library-further-education-and-skills> 'Participation with advanced learner loans (level 3+) from 2013 to 2014 rtf 2017 to 2018 (full year)'

⁹⁹ <https://www.learningandwork.org.uk/wp-content/uploads/2017/01/2015-Adult-Participation-in-Learning-Headline-Findings.pdf>

¹⁰⁰ <https://www.gov.uk/government/statistical-data-sets/fe-data-library-further-education-and-skills> 'Advanced learner loan application information statistics to September 2018'

¹⁰¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/522875/BIS-16-22-evaluation-of-24-advanced-learning-loans-an-assessment-of-the-first-year.pdf

¹⁰² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/754422/Impact_Evaluation_of_24_Advanced_Learner_Loans_Research_report_Nov2018.pdf



Since the introduction of Advanced Learner Loans there has been a steady decline in the number of adult learners (up to 31%) enrolling on FE courses at level 3 and above.

Apprenticeship Standards/ Trailblazers (2013)

Apprenticeship standards are currently in the process of being implemented across England; these standards are designed to be employer-led and to replace the previous competence-based system of apprenticeship frameworks. The standards are intended to respond more fully to identified need and potential demand for apprenticeships, achieved in part by harnessing support from employers in the sector with each standard developed by employer-led groups (also referred to as Trailblazers group)¹⁰³ and a consultation process before the finalised standard.¹⁰⁴ Apprenticeship standards are expected to have replaced apprenticeship frameworks fully by 2020.^{105/106}

There is some evidence that targets were embedded in the development process for this policy: for example, the initial 2013 Trailblazer policy set out a commitment to evaluating and revising the development and implementation of the standards based on early lessons learned.^{107/108} A key 2015 measure saw the creation of the Institute for Apprenticeships and Technical Education, an independent public body responsible for overseeing the development and quality assurance of apprenticeship standards in order that standards met accepted quality and criteria.¹⁰⁹ The Government has also declared its intention to develop a new set of outcome-based success measures, focused on employment and learning destinations to assess training providers' performance.¹¹⁰

As yet, however, no specific targets or success measures have been published in relation to the apprenticeship standards with any specific targets notably absent in the Government's *English Apprenticeships: Our 2020 Vision*.¹¹¹ Instead, recent government targets cover the delivery of apprenticeships as a whole. Across the current targets, there is a continued focus on the number of apprenticeship starts as the key measure of success; the most recently published target for this is to reach 3 million new apprenticeship starts between 2015 and 2020.¹¹² This target is based on estimates of labour market need however the Government is now moving away from this target in some of its recent commentary.¹¹³

¹⁰³ <https://dera.ioe.ac.uk/18716/1/bis-13-p194-future-of-apprenticeships-in-england-guidance-for-trailblazers.pdf>

¹⁰⁴ <https://fiiss.org/wp-content/uploads/2014/11/Facilitator-Guide-2015-v10.pdf>

¹⁰⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/482754/BIS-15-604-english-apprenticeships-our-2020-vision.pdf

¹⁰⁶ <https://feweek.co.uk/2018/10/01/all-new-apprenticeship-standards-to-be-introduced-by-august-2020/>

¹⁰⁷ <https://dera.ioe.ac.uk/18716/1/bis-13-p194-future-of-apprenticeships-in-england-guidance-for-trailblazers.pdf>

¹⁰⁸ For an example of an early evolution of the programme, see: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/476940/BIS-15-629-process-evaluation-of-apprenticeship-trailblazers.pdf

¹⁰⁹ <https://www.instituteforapprenticeships.org/developing-new-apprenticeships/developing-new-apprenticeship-standards-overview/>

¹¹⁰ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/482754/BIS-15-604-english-apprenticeships-our-2020-vision.pdf

¹¹¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/482754/BIS-15-604-english-apprenticeships-our-2020-vision.pdf

¹¹² <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7278>; <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN03052>

¹¹³ <https://www.oecd-ilibrary.org/docserver/9789264298507-en.pdf?expires=1551280216&id=id&accname=guest&checksum=22CC2C22F6F1468B2A362E437A56F56E>

Recent data on apprenticeship starts shows that there were 369,700 apprenticeship starts in 2017/2018; however, this represents a decrease of 125,200 starts compared with the previous academic year. This decline has been largely attributed to the complexity and the inflexibility of the Apprenticeship Levy, the new funding model for apprenticeships introduced in 2017. While the overall number of starts decreased, the proportion of starts on the new standards increased from 5% in 2016/2017 to 44% in 2017/2018.¹¹⁴ The NAO has forecast that the Government is unlikely to reach its target of 3 million starts by the end of 2020.¹¹⁵

The Government has also set a number of targets related to increasing participation for learners from disadvantaged or under-represented backgrounds, including maintaining the current proportion of apprentices from disadvantaged areas at 25% through the provision of additional financial support to providers taking on these learners;^{116/117} and increasing the proportion of BAME apprentices to 12%.¹¹⁸ A recent Value for Money report by the NAO notes, however, that these targets are 'unambitious', given that the targets for BAME apprentices are significantly lower than the proportion of BAME working-age adults (15%) and BAME Key Stage 4 pupils (21%); that the proportion of new apprentices from disadvantaged backgrounds has fallen to 23%; and that no targets have been developed to address the under-representation of women in STEM subjects.¹¹⁹

Further targets associated with apprenticeships as a whole include a new goal that a minimum of 2.3% of the workforce of larger public-sector employees¹²⁰ are apprentices.¹²¹

However, initial reporting indicates that more than three quarters of public sector bodies have failed to achieve this target.¹²² New performance measures noted by the NAO include impact on earning, the number of apprentices remaining with their original employer and the development of a skills index.¹²³ There is mixed evidence as to whether these targets are being tracked and accounted for during this policy's delivery and on the policy's outcomes and broad impact so far.

The 2019 NAO Value for Money study on apprenticeships does recognise, however, that the Government has improved its data collection and publication of performance measures following heavy criticism from the NAO in 2016.^{124/125} At the same time, the NAO notes persistent limitations in terms of how the Department for Education defines and records performance measures, focusing, for example, on the number of apprenticeship starts without clearly accounting for the high proportion (32% in 2016/2017) who fail to complete their apprenticeship, as well as failing to define clearly what would constitute successful outcomes in terms of the data collection within the skills index.¹²⁶ A recent small-scale study conducted by the Government offered limited insights in how to better support those at risk of non-completion.¹²⁷

While recent evidence points to a significant increase in the proportion of higher level apprenticeships pursued under the new standards model,¹²⁸ voices in the sector have raised concerns that the focus on increased rigour and quality of the standards may not meet the needs of low-skilled school leavers who require further measures in place to prepare them for a more demanding workplace environment.¹²⁹

¹¹⁴ researchbriefings.files.parliament.uk/documents/SN06113/SN06113.pdf

¹¹⁵ <https://www.nao.org.uk/wp-content/uploads/2019/03/The-apprenticeships-programme-Summary.pdf>

¹¹⁶ researchbriefings.files.parliament.uk/documents/SN03052/SN03052.pdf

¹¹⁷ <https://www.nao.org.uk/wp-content/uploads/2019/03/The-apprenticeships-programme-Summary.pdf>

¹¹⁸ <https://www.nao.org.uk/wp-content/uploads/2019/03/The-apprenticeships-programme-Summary.pdf>

¹¹⁹ <https://www.nao.org.uk/wp-content/uploads/2019/03/The-apprenticeships-programme-Summary.pdf>

¹²⁰ This includes employers with more than 250 employees.

¹²¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/494493/bis-16-24-apprenticeship-targets-for-public-sector-bodies.pdf

¹²² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779966/Public_Sector_Apprenticeship_Target_Reporting_research_brief.pdf

¹²³ <https://www.nao.org.uk/wp-content/uploads/2019/03/The-apprenticeships-programme-Summary.pdf>

¹²⁴ <https://www.nao.org.uk/wp-content/uploads/2019/03/The-apprenticeships-programme-Summary.pdf>

¹²⁵ <https://www.nao.org.uk/wp-content/uploads/2016/09/Delivering-the-value-through-the-apprenticeships-programme-summary.pdf>

¹²⁶ <https://www.nao.org.uk/wp-content/uploads/2019/03/The-apprenticeships-programme-Summary.pdf>

¹²⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/782190/DfE_Learners_and_apprentices-Reasons_for_non-completion.pdf

¹²⁸ researchbriefings.files.parliament.uk/documents/SN06113/SN06113.pdf

¹²⁹ <https://www.oecd-ilibrary.org/docserver/9789264298507-en.pdf?expires=1551280216&id=id&acname=guest&checksum=22CC2C22F6F1468B2A362E437A56F56E>

There is evidence that certain aspects of the Apprenticeship Standards policy were piloted by the Government. Firstly, as mentioned above, a new set of outcome-based success measures were developed to monitor training providers' performance, focusing on employment and learning destinations. This new set of measures was piloted in 2015/2016, though no further details about the pilot or its outcomes could be identified.¹³⁰ Secondly, a pilot of the Digital Apprenticeship Service was announced in the Government's *English Apprenticeships: Our 2020 Vision* document, though again no further details could be found.¹³¹ Thirdly, the Institute for Apprenticeships & Technical Education is running a Pilot Digital review to help shape the apprenticeship standards in the Digital Sector; analysis of the feedback from this pilot was still underway at the time of writing.¹³²

Furthermore, an early process evaluation of Apprenticeship Trailblazers from 2015 noted that many networks of Trailblazers and individual employers – unwilling to be the first to jump into full-scale delivery – implemented small-scale tests, 'pre-pilot' proof-of-concept trials and soft launches of the new standards themselves. It is not clear from the report what role, if any, the Government played in facilitating, monitoring or following up on these pilots. Lastly, there is considerable overlap in policy development, and in employer participation, between the 'Trailblazers' central to this policy and the networks involved in the Employer Ownership Pilots, run by the Government between 2012 and 2017.¹³³ An evaluation from September 2018 found that these pilots failed to have any impact at all.¹³⁴

No evidence of comparison groups or baseline-endline measures being used in the development or implementation of this policy was identified.



The NAO has forecast that the Government is unlikely to reach its target of 3 million Apprenticeship starts by the end of 2020



¹³⁰ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/482754/BIS-15-604-english-apprenticeships-our-2020-vision.pdf

¹³¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/482754/BIS-15-604-english-apprenticeships-our-2020-vision.pdf

¹³² <https://www.instituteforapprenticeships.org/developing-new-apprenticeships/apprenticeship-standard-reviews/>

¹³³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/476940/BIS-15-629-process-evaluation-of-apprenticeship-trailblazers.pdf

¹³⁴ <https://feweek.co.uk/2018/09/21/major-dfe-research-says-no-evidence-the-350m-employer-ownership-pilot-changed-attitudes-nor-subsequently-led-to-increased-training/>

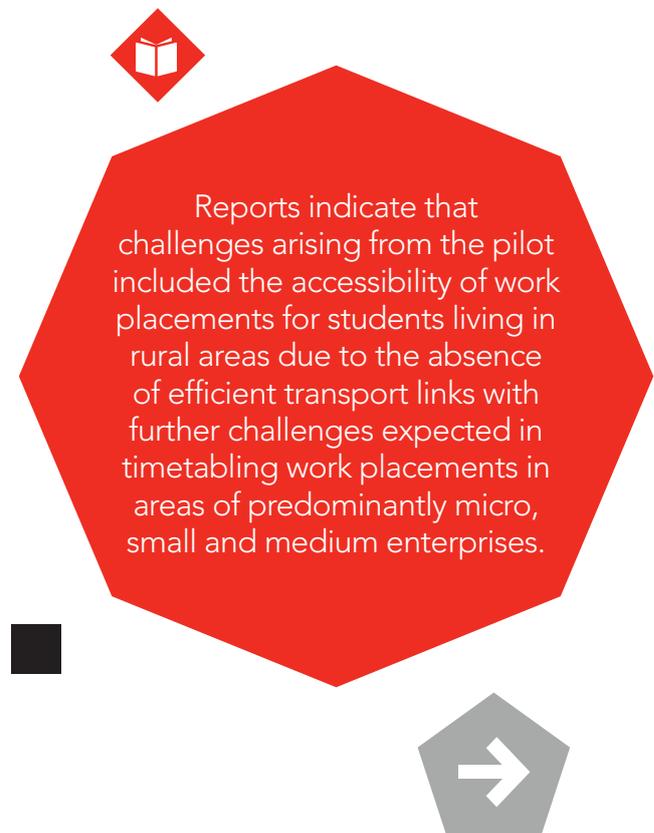
T Level Programmes (2017)

T levels (also known as technical levels) will offer students the opportunity to study a two-year technical education course that is equivalent to three A levels.¹³⁵ T level courses will comprise a mixture of on-the-job training through a three-month industry placement and classroom learning with a strong academic focus.¹³⁶ In this respect, T levels differ from apprenticeships where the majority of training is on-the-job (80%) with only 20% classroom time.¹³⁷ The Department for Education, together with businesses and industry experts, are responsible for the development and design of the T level programme, and to ensure that courses meet industry needs.¹³⁸

Pilots are being used to inform the development of this policy. An initial implementation phase is planned to be rolled out in selected colleges and education providers (50 in total) by September 2020, with full roll-out aimed for 2024.¹³⁹ A total of 15 technical routes have been mapped, with the first three pathways confirmed for the pilot phase as construction design, surveying and planning; digital production, design and development; and education and childcare.¹⁴⁰ Professional development training for teachers and trainers is currently being developed by the Education and Training Foundation in order to support the roll-out of the programme.¹⁴¹

An initial pilot was run in 2018, although there is limited publicly available information on its outcomes. Recent reports indicate that challenges arising from the pilot included the accessibility of work placements for students living in rural areas due to the absence of efficient transport links,

with further challenges expected in timetabling work placements in areas of predominantly micro, small and medium enterprises¹⁴² The most recent Department for Education action plan includes new measures which appear to respond to these challenges, including travel bursaries for students receiving Capacity and Delivery Fund support. Further assessment of the potential challenges for students in rural, coastal and remote areas is also expected.¹⁴³ No evidence of the use of comparison groups or baseline-endline measurements in the pilot or any other part of the policy's development has been identified.



¹³⁵ <https://www.gov.uk/government/publications/introduction-of-t-levels/introduction-of-t-levels>

¹³⁶ <https://www.gov.uk/government/publications/introduction-of-t-levels/introduction-of-t-levels>

¹³⁷ <https://www.gov.uk/government/publications/introduction-of-t-levels/introduction-of-t-levels>

¹³⁸ <https://www.gov.uk/government/publications/introduction-of-t-levels/introduction-of-t-levels>

¹³⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/760829/T_Level_action_plan_2017.pdf

¹⁴⁰ <https://www.instituteforapprenticeships.org/about/outline-content-for-first-new-t-levels/>

¹⁴¹ <https://www.et-foundation.co.uk/supporting/technical-education/tlevels/>

¹⁴² <https://feweek.co.uk/2018/05/07/lessons-from-the-t-levels-work-experience-pilot/>

¹⁴³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779002/T_Level_action_plan_2018.pdf



As yet, however, no success measures have been specified for T level programmes. While the Government has noted that T levels will be benchmarked against the technical education systems of leading countries worldwide, no particular benchmarks or systems are specified. Oversight for quality assurance, including development of performance indicators for awarding institutions, rests with the Institute for Apprenticeships and Technical Education and Ofqual.^{144/145/146}

The Government is currently engaged in consultation around how to adapt T levels for adult learners, including the introduction of the Flexible Learning Fund to support projects that test and develop ways to deliver T level programmes to adults.¹⁴⁷ In terms of reaching disadvantaged learners, the Government expects an over-representation of students from disadvantaged backgrounds pursuing technical routes, including students with SEN and/or disabilities and students previously eligible for free school meals. The Government has noted potential challenges around finding suitable work placements for students with additional needs, as well as reluctance on the part of employers to take on students with such needs.¹⁴⁸ While there are no specific success measures to assess how the new T levels will meet the needs of disadvantaged students, an advisory group of sector representatives is being set up to support effective delivery of the T levels for SEND learners.¹⁴⁹ The Government is also considering special requirements for employers who offer industry placements to young adult carers.¹⁵⁰

Since this policy remains in its early stages, there is no evidence available about its long-term and wider impact. While voices from across the skills and business sectors welcome the potential for T levels to create better labour market alignment,¹⁵¹ concerns have been raised that the current design of the programme has not adequately learned from the policy churn of recent generations in order to ensure that this wave of technical education reforms achieves the necessary purchase to create high quality qualifications valued by both industry and higher education institutions.¹⁵²

Recommendations from within the skills sector include ensuring the availability of clear progression routes from T levels to further education, training or employment, and creating pathways to complete the programme that do not depend on access to work placements (until such time as sufficient high quality placements can be guaranteed for all students).¹⁵³ Sufficient funding is also seen as critical for T levels to be delivered effectively and to produce the desired long-term outcomes for students.^{154/155}

¹⁴⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779002/T_Level_action_plan_2018.pdf

¹⁴⁵ https://consult.education.gov.uk/technical-education/implementation-of-t-level-programmes/supporting_documents/T%20level%20consultation.pdf

¹⁴⁶ <https://www.aoc.gov.uk/government/publications/department-for-education-single-departmental-plan/may-2018-department-for-education-single-departmental-plan#post-16-and-skills>

¹⁴⁷ https://consult.education.gov.uk/technical-education/implementation-of-t-level-programmes/supporting_documents/T%20level%20consultation.pdf

¹⁴⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779002/T_Level_action_plan_2018.pdf

¹⁴⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/711480/T_levels_Equalities_Analysis.pdf

¹⁵⁰ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779002/T_Level_action_plan_2018.pdf

¹⁵¹ <https://www.economicmodelling.co.uk/wp-content/uploads/2018/07/Collab-Emsi-T-Levels.pdf>

¹⁵² <https://www.aoc.co.uk/sites/default/files/AoC%20response%20to%20Implementation%20of%20T%20level%20programmes.pdf>

¹⁵³ <https://www.aoc.co.uk/sites/default/files/AoC%20response%20to%20Implementation%20of%20T%20level%20programmes.pdf>

¹⁵⁴ <https://www.apm.org.uk/media/7208/apm-t-levels-briefing.pdf>

¹⁵⁵ <https://www.aoc.co.uk/sites/default/files/AoC%20response%20to%20Implementation%20of%20T%20level%20programmes.pdf>



National Retraining Scheme (2017)

The National Retraining Scheme forms part of the Government's 2017 Industrial Strategy white paper, which sets out core policies and intended investment in skills, industry and infrastructure.¹⁵⁶ The National Retraining Scheme will provide funding to up-skill and re-train low-skilled adult workers most likely to be affected by advancing automation across UK industries. The first two sectors identified for inclusion within the programme are the digital and construction sectors. Core objectives of the scheme also include engaging those adult workers who are 'hardest to reach'.^{157/158}

To date, it is not clear how the balance between meeting industry needs and engaging the hardest to reach adult learners will be addressed by (as yet undefined) programme targets or success measures. As of January 2019, key industry figures were still pushing the Government to make announcements on details of the policy that would inform development of targets and measures, including how the scheme will work and who will be eligible.¹⁵⁹

As part of policy development, the Government is making use of pilots, although limited information is available on the design, purpose and outcomes of these pilots. No reference was made in the white paper to the use of comparison groups or baseline-endline measurements and no evidence of these being used could be identified elsewhere.

The 2017 Industrial Strategy includes a commitment of £40 million to 'testing innovative approaches', with the aim of learning more about how to support and incentivise adults in learning skills. An initial £10 million was allocated to a Flexible Learning Fund for projects that test the most effective learning delivery methods for low to intermediate skilled adults.¹⁶⁰ In October 2018, the Chancellor announced that £100 million had so far been committed to the scheme; this included £64 million from the previous budget for pilots in the two key sectors (digital and construction).¹⁶¹

Furthermore, an initial £30 million has been earmarked to test how artificial intelligence – and edtech in general – can be used effectively to support adult learners to up-skill and retrain via online digital skills courses.¹⁶² Two discovery phases conducted to date found that target users are less inclined to seek help online than was expected, with further research currently underway to explore

¹⁵⁶ <https://www.gov.uk/government/topical-events/the-uks-industrial-strategy>

¹⁵⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

¹⁵⁸ <https://dfedigital.blog.gov.uk/2018/12/20/designing-a-retraining-scheme-that-meets-user-needs/>

¹⁵⁹ <https://feweek.co.uk/2019/01/08/government-pushed-to-reveal-more-about-national-retraining-scheme/>

¹⁶⁰ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

¹⁶¹ <https://feweek.co.uk/2019/01/08/government-pushed-to-reveal-more-about-national-retraining-scheme/>

¹⁶² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

the factors that may affect user engagement with online learning.¹⁶³ Further details of these discovery phases have not been published and it is not clear to what extent, if at all, these exercises are informed by initial success measures or targets. The Government has also committed to developing an evidence base focused on how technological change will affect different sectors.¹⁶⁴

In terms of long-term and wider impact, voices from within the skills sector have raised concerns that the Government has yet to set out a clearly defined role for the National Retraining Scheme within its broader lifelong learning strategies.¹⁶⁵ Recent reporting also highlights (i) the lack of consultation with the broader skills sector, including educational providers, to inform policy development; and (ii) a lack of clarity around whether the policy delivery will be led by employers or provide adult learners with independent opportunities to engage with the scheme.¹⁶⁶

While the National Retraining Scheme remains in its infancy, early indications are that policy development has yet to include clear outputs, targets and success measures for the scheme. Although there is evidence of the Government conducting pilot studies, it is not clear how these are integrated into the policy's framework of intended

outputs, if this framework exists as well as there is no evidence of comparison groups or baseline-endline measurements being used. It is too early in the case of this policy for evidence to emerge as to whether success measures are being integrated into policy delivery or on the policy's impacts.



¹⁶³ <https://dfedigital.blog.gov.uk/2018/12/20/designing-a-retraining-scheme-that-meets-user-needs/>

¹⁶⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

¹⁶⁵ <https://feweek.co.uk/wp-content/uploads/2018/03/Shaping-the-new-National-Retraining-Scheme.pdf> and <https://feweek.co.uk/2019/01/08/government-pushed-to-reveal-more-about-national-retraining-scheme/>

¹⁶⁶ <https://feweek.co.uk/wp-content/uploads/2018/03/Shaping-the-new-National-Retraining-Scheme.pdf>



3.3 Key Findings

Existing output targets are often overambitious and lack a reliable evidence base

Policy development continues to focus predominantly on output-related performance and success measures, such as the target number of learners or employers engaged in the programme, often without an explicit evidence base or rationale for these targets. Recent NAO studies focused on skills policies highlight how these targets often lack a reliable evidence base meaning that targets are frequently overambitious; for example, the NAO's own forecasting for likely outputs for the Work Programme indicated that performance was likely to be significantly lower than estimated by departmental forecasts.

Need for greater focus on outcomes and impact measures

There is a notable absence of success measures developed during programme design to track outcomes and impact of skills-based policies. Greater use of outcome and impact measures is essential to ensure that programmes not only hit quantitative targets but also achieve broader policy objectives, especially those related to reaching the most disadvantaged and hardest to reach groups. Even in cases where impact studies are conducted early within the policy development cycle, such as Advanced Learner Loans, there is limited evidence that findings from these studies are used effectively in order to mitigate the risks of negative impact for specific learner groups.

Improved use of pilots in policy development

While there is evidence of the use of pilots in the development of skills-based policies such as T levels and the National Retraining Scheme, it is unclear how much this has been a positive step forward. The pilots appear to be included in name form only, and it is difficult to ascertain how much institutional learning is being incorporated into programme design. The pilots do not build in set time for learnings to be integrated into future design, or for review, meaning they cannot be used in the identification and use of success measures.

Limited use of comparison groups, baseline to endline data, or longitudinal impact studies

The use of comparison groups, baseline/endline comparative data and longitudinal impact studies are not yet routinely used within skills-based policy development to track outcomes for programme beneficiaries. The only identified example of baseline to midpoint data collection was adopted retrospectively by external evaluators assessing the Skills Pledge, while there was some evidence that longitudinal outcomes were tracked for Train to Gain. These methods offer significant potential to improve departmental understanding on broader programme impact for both programme beneficiaries and wider stakeholder groups, as well as providing a reliable evidence base to strengthen institutional learning and inform future policy development.

Challenges in reaching most disadvantaged or those hardest to reach groups

Continued challenges in successfully reaching the most disadvantaged and/or hardest to reach groups remain across recent skills policies. While there is a high level of awareness of the need to target the most disadvantaged or hardest to reach groups, more needs to be done in order to develop a strong evidence base that identifies the most effective strategies to meet initial targets related to engaging these groups, as well as wider use of outcome and impact measures that assess the extent to which the most disadvantaged or hardest to reach benefit from skills policies compared with other programme beneficiaries, i.e. the extent to which 'added value' for these groups is created through effective programme delivery.

Existing policy evaluations would be strengthened through improved use of success measures in policy development

While many skills policies and programmes are subject to external assessment, evaluations and impact assessments tend to be commissioned relatively late in the process, and often after the programme has commenced - making it impossible to gather baseline data against which to assess change. A lack of success measures attached to the programme additionally means that there is no benchmark against which success can be defined, meaning that evaluators are limited to assessment of self-reported change by participants/employers in areas such as skills and productivity. Building evaluation and impact assessment as an integral part of the policy development process, including early outlines of a programme theory of change, would help to address these significant limitations.

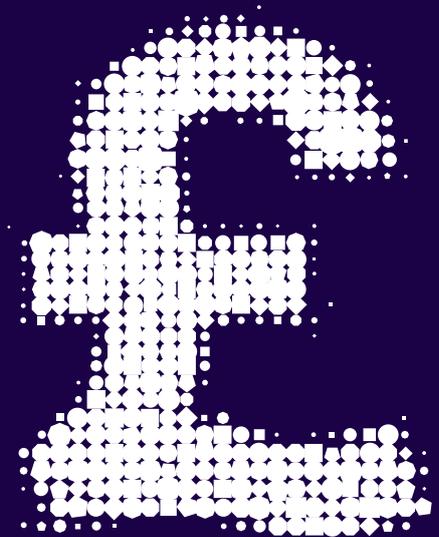


4

Assessing Value for Money

4.1 What is Value for Money?

Measures of value for money focus on the relationship between inputs to outputs and outcomes in order to assess the financial and socio-economic benefits of public investments. The NAO is responsible for delivering value for money studies across government departments and programmes¹⁶⁷



¹⁶⁷ <https://www.nao.org.uk/about-us/our-work/value-for-money-programme/>

These value for money studies are managed in two-year cycles (around 60 per year) with the majority of value for money studies submitted to the Public Accounts Committee (PAC) for further scrutiny.¹⁶⁸ This forms a key part of the Government's strategy to ensure public value is accrued from public resources and funding,¹⁶⁹ with the NAO tasked to deliver £10 worth of financial impact for every £1 required to run the NAO.¹⁷⁰

The NAO provides guidance for government departments on how to assess value for money as part of each department's internal strategy and/or policy development. Its recommended approach focuses on the 3Es:¹⁷¹

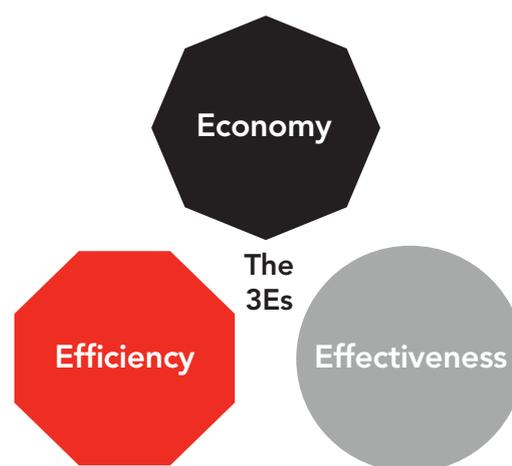
- **Economy:** *minimising the cost of resources used or required (inputs) – spending less;*
- **Efficiency:** *the relationship between the output from goods or services and the resources to produce them – spending well; and*
- **Effectiveness:** *the relationship between the intended and the actual results of public spending (outcomes) – spending wisely.'*

The NAO also provides a visual diagram of the causal chain that shows the expected relationship between objectives, resources, and inputs, via processes to outputs and outcomes; as well as how this causal chain is informed by the 3Es to achieve value for money. The NAO recommends taking account of equity alongside the principal 3Es to ensure that public resources are distributed fairly and reach all intended beneficiaries, including those with additional needs.¹⁷²

To date, only two government departments (DfID and DfT) have developed department-wide value for money frameworks based on the NAO guidance, with both departments adding an additional dimension to capture impact alongside outputs and outcomes.^{173/174}

A 2018 independent review of the extent to which DfID has integrated value for money management into its activities found that value for money has been clearly embedded into the overarching programme management; however, within individual programmes, value for money has largely been implemented in terms of introducing cost cutting measures rather than looking for ways to improve the quality of delivery with the same level of financial input.¹⁷⁵

Across the UK Government as a whole, the 2017 Barber Review also highlights the need for improved government measures of public value. The report argues that '*in the second decade of the 21st century, there should be no excuse for not having good data to enable effective monitoring of the outcomes programmes are delivering*'. Report recommendations include a proposed Public Value Framework to be used across government departments and services; however, the main focus on the framework (in terms of success measures) centres on improved identification and use on outcome-focused measures, such as KPIs. While the importance of both quality and innovation are emphasised across the report, measuring these aspects of public value are not given the same prominence within the accompanying framework proposals.¹⁷⁶



¹⁶⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/660408/PU2105_Delivering_better_outcomes_for_citizens_practical_steps_for_unlocking_public_value_web.pdf

¹⁶⁹ <https://www.nao.org.uk/about-us/wp-content/uploads/sites/12/2016/10/The-accountability-process.pdf>

¹⁷⁰ <https://www.nao.org.uk/about-us/wp-content/uploads/sites/12/2016/10/The-impact-of-our-value-for-money-work.pdf>

¹⁷¹ <https://www.nao.org.uk/successful-commissioning/general-principles/value-for-money/assessing-value-for-money/>

¹⁷² <https://www.nao.org.uk/successful-commissioning/general-principles/value-for-money/assessing-value-for-money/>

¹⁷³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/49551/DFID-approach-value-money.pdf

¹⁷⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/630704/value-for-money-framework.pdf

¹⁷⁵ <https://icai.independent.gov.uk/wp-content/uploads/ICAI-VFM-report.pdf>

¹⁷⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/660408/PU2105_Delivering_better_outcomes_for_citizens_practical_steps_for_unlocking_public_value_web.pdf

4.2 Value for Money in Skills Policy

As yet, the Department for Education does not have a departmental value for money framework comparable to those developed by the Department for Transport and DfID. A brief review of existing evidence suggests that value for money assessments are developed ad hoc with the main focus on efficiency savings across schools and higher education;^{177/178} however, it should be noted that the Department for Education's 2018/2019 departmental plan includes a commitment to review post-18 education and funding to deliver '*real choice, quality and value for money for everyone*'.¹⁷⁹

The NAO has conducted a number of value for money studies relevant to the skills policies analysed within this report: including, Train to Gain; the Work Programme; and Apprenticeship Standards. These value for money studies have been discussed in

more detail below; however, overarching findings from across these studies highlight the ongoing need for effective use of success measures in terms of productivity, widening participation and overall programme quality in the development and delivery of skills policies.^{180/181} The 2018 NAO's Departmental Overview of the Department for Education also highlights the lack of effective structures or strategies in place to monitor and oversee the diverse bodies and programmes for which it is responsible.¹⁸²

Given the limited evidence available on value for money across the skills policies under consideration, additional evidence of broader public value has been drawn from financial data related to policy delivery. The following table provides an overview of Government investment in the key policies under consideration:

Government	Policy	Expenditure
Labour (2005-2010)	Train to Gain	£1.5 billion
	Skills Pledge	£2.6 billion
Coalition (2010-2015)	Work Programme	£5 billion
	Advanced Learner Loans	£1 billion
	Apprenticeship Standards/Trailblazers	£1.6 billion*
Conservative (2015-present)	T Level Programmes	£500 million*
	National Retraining Scheme	£100 million**

*Expenditure per year based on latest figures and/or estimated figures for programmes yet to be rolled out.

**Expenditure for piloting rather than full programme.

¹⁷⁷ See, for example: <https://www.gov.uk/government/publications/deals-for-schools/deals-for-schools>

¹⁷⁸ <https://www.gov.uk/government/publications/value-for-money-in-higher-education>

¹⁷⁹ <https://www.gov.uk/government/publications/department-for-education-single-departmental-plan/may-2018-department-for-education-single-departmental-plan>

¹⁸⁰ <https://www.nao.org.uk/wp-content/uploads/2019/03/The-apprenticeships-programme-Summary.pdf>

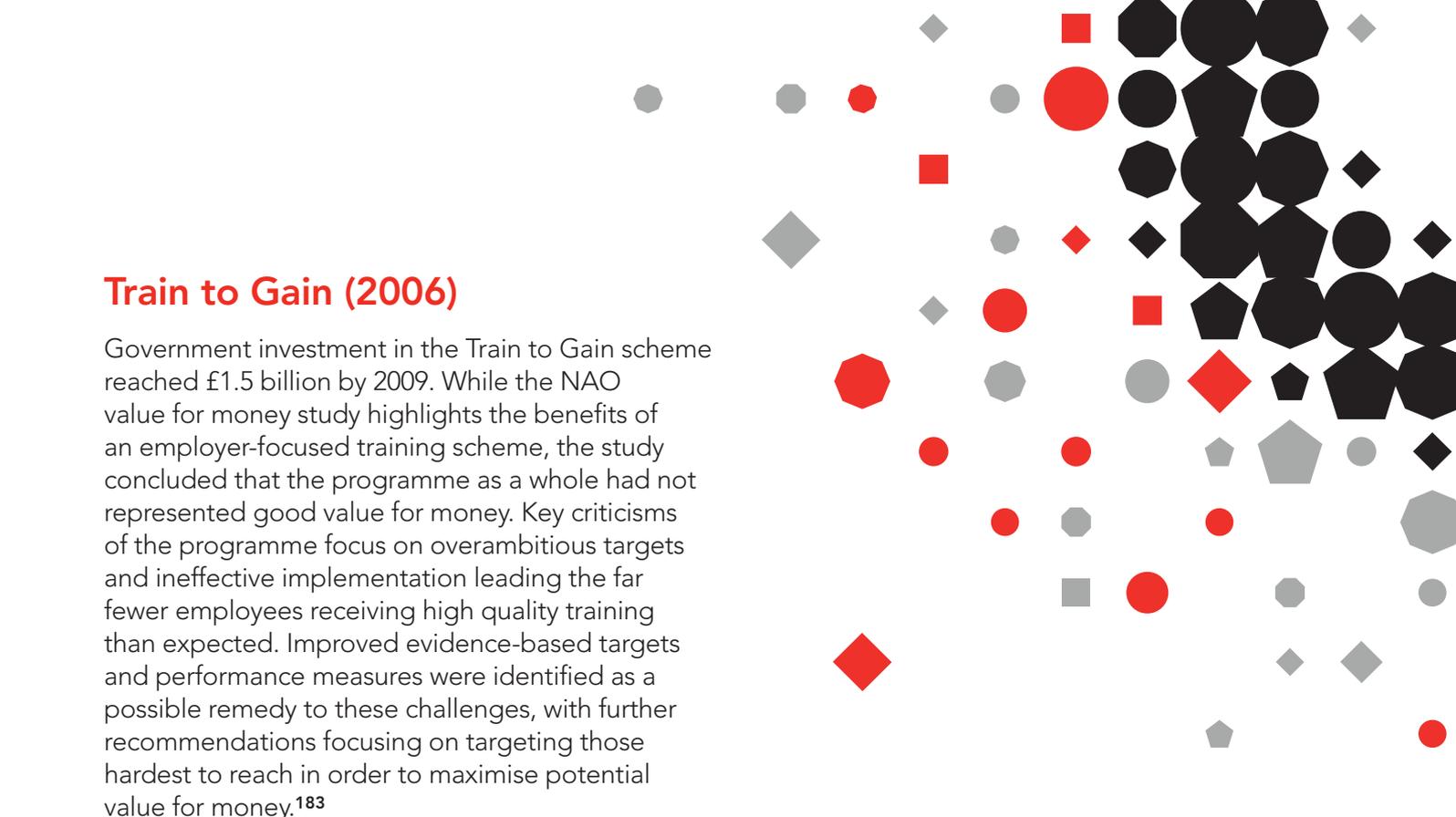
¹⁸¹ <https://www.nao.org.uk/wp-content/uploads/2016/09/Delivering-the-value-through-the-apprenticeships-programme-summary.pdf>

¹⁸² <https://www.nao.org.uk/wp-content/uploads/2018/11/Departmental-Overview-Department-for-Education-2017-2018.pdf>

Train to Gain (2006)

Government investment in the Train to Gain scheme reached £1.5 billion by 2009. While the NAO value for money study highlights the benefits of an employer-focused training scheme, the study concluded that the programme as a whole had not represented good value for money. Key criticisms of the programme focus on overambitious targets and ineffective implementation leading the far fewer employees receiving high quality training than expected. Improved evidence-based targets and performance measures were identified as a possible remedy to these challenges, with further recommendations focusing on targeting those hardest to reach in order to maximise potential value for money.¹⁸³

A subsequent report by the Public Accounts Committee (PAC) explored further key issues that limited the programme's value for money. In particular, the report highlights the swing from an initial underspend of £151 million in the first two years of programme to a subsequent overspend as the programme sought to increase levels of training activity. The PAC report also identifies the investment of £271 million in brokers who were unable to recruit sufficient numbers of recruiting employers during the initial two years of programme delivery, as well as the recruitment of many employers who would have provided training without public subsidies; both of which presented significant challenges in terms of providing value for money. As well as reiterating the need for evidence-based targets, the PAC report also emphasised the need for greater use of demand and capacity forecasting to develop appropriate performance measures during programme delivery.¹⁸⁴



Government investment
in the Train to Gain
scheme reached
£1.5 billion by 2009



¹⁸³ See, for example: <https://www.gov.uk/government/publications/deals-for-schools/deals-for-schools>

¹⁸⁴ <https://www.gov.uk/government/publications/value-for-money-in-higher-education>

Skills Pledge (2007)

Investment in the Skills Pledge totalled £2.6 million by 2009.¹⁸⁵ There is no evidence published on the value for money provided by the policy.

Evidence from a 2008 evaluation of the programme found that approximately two thirds of organisations signed up to the Skills Pledge deemed the programme to be cost effective within their own business accounting; however, many of these organisations also reported using internal resources rather than external support provided by the programme in order to achieve cost effective outcomes.¹⁸⁶

The Work Programme (2011)

The total value of the investment allocated for the Work Programme for its initial five year contract was £3-5 billion with the Department for Work and Pensions estimating that a total of 3.3 million direct beneficiaries would be reached, amounting to £1.95 saved for every £1 investment in the programme. A 2012 NAO value for money assessment noted that the design of the programme showed that lessons had been learnt from previous welfare-to-work schemes; however, the NAO warned that their own forecasting indicated that the programme was unlikely to achieve good value for money. Key issues identified include overambitious targets; performance measures not grounded in a reliable evidence base; and competitive pricing on the part of contractors making it less likely that those hardest to reach would be well served by the programme.¹⁸⁷

A subsequent 2014 Public Accounts Committee report noted that performance improved across the lifecycle of the programme to the extent that minimum targets established at programme inception were close to being met. At the same time, the report noted that the programme had been less successful at engaging 'harder-to-help' beneficiaries facing greater socioeconomic disadvantages or personal barriers, with many



providers focusing on 'easier-to-help' beneficiaries. The report does not offer any firm conclusions on value for money offered by the programme, noting instead that the absence of effective success measures, especially measures of 'additional' value created through the programme, were lacking.¹⁸⁸

Advanced Learner Loans (2013)

There is no published data on value for money provided by the policy for adult learners and other intended beneficiaries.

With respect to the expenditure associated with delivering the programme, financial data indicates that government expenditure has fallen short of annual budget allocations due to low uptake amongst learners. In total, the volume of loans taken out by learners has fallen significantly short of initial expectations with only £1bn out of an allocated £1.6bn used since the introduction of the policy.¹⁸⁹

The policy was originally introduced as a cost-cutting measure; in this respect, savings have been made to the Adult Skills Budget (ASB) as a result

¹⁸⁵ <https://assets.publishing.service.gov.uk>

¹⁸⁶ <https://www.whatdotheyknow.com/request/60172/response/153626/attach/5/>

¹⁸⁷ <https://www.nao.org.uk/wp-content/uploads/2012/01/10121701es.pdf>

¹⁸⁸ <https://publications.parliament.uk/pa/cm201415/cmselect/cmpublicacc/457/457.pdf>

¹⁸⁹ researchbriefings.files.parliament.uk/documents/CBP-7708/CBP-7708.pdf

of shifting the financial burden of adult further education from public subsidies to individual loans. Recent data reports show that ASB fell from £3.63 billion to £2.48 billion (or 32% in cash terms) between 2010-11 and 2015-16; this fall is largely attributed to the introduction of Advanced Learner Loans (which are no longer included in the ASB).¹⁹⁰ It should be noted, however, that additional expenditure was required for the Student Loans Company to administer Advanced Learner Loans, which has not been included within any assessment of savings to the ASB.

Apprenticeship Standards/ Trailblazers (2013)

As of 2017-18, annual expenditure on apprenticeships (including both the new apprenticeship standards and the original apprenticeship frameworks) stood at £1.6 billion. This comprises £800 million for apprenticeship training for 16-18 year olds, a level of funding that has remained relatively constant since the 2000s, and £800 million for 19 and above apprenticeships compared with £400 million in 2009-10.¹⁹¹ The apprenticeship levy was originally forecast to raise £2.7 billion towards the potential cost of apprenticeships in 2017-18, however this figure was revised down to £2.6 billion by the Office for Budget Responsibility after the first year.¹⁹²

Published in 2015, the Government's 2020 Vision for Apprenticeships estimates that apprenticeships offer a return on investment of £26 and £28 for every £1 of government investment at level 2 and level 3 respectively, which is higher than estimates of return on investment for further education qualification in general, which currently stands at £20 for every £1 invested.¹⁹³

The Government also estimates that individuals taking an apprenticeship receive significant return on investment in terms of their lifetime wages of

£48,000 to £150,000 depending on apprenticeship level (levels 2-4). Employers are also considered to benefit from value accrued through investing in staff apprenticeships with productivity gains estimated to outweigh the costs of investing in apprentices within two years of completion.¹⁹⁴

Despite the anticipated high return on investment produced by apprenticeships, a 2016 NAO VfM study heavily criticised existing design and delivery of apprenticeships for failing to adequately define and measure actual programme success. The follow-up 2019 NAO value for money study on apprenticeships indicates, however, that the DfE has started to make greater use of performance measures to assess both outcomes and quality in order to assess programme impact and allow for more effective value for money assessments.^{195/196}



The Government's 2020 Vision for Apprenticeships estimates that apprenticeships offer a return on investment of £26 and £28 for every £1 of government investment at level 2 and level 3 respectively



¹⁹⁰ researchbriefings.files.parliament.uk/documents/CBP-7708/CBP-7708.pdf

¹⁹¹ <https://www.ifs.org.uk/uploads/publications/comms/R150.pdf>

¹⁹² <https://feweek.co.uk/2018/03/14/levy-revenue-forecasts-downgraded-by-the-best-part-of-a-billion/>

¹⁹³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/482754/BIS-15-604-english-apprenticeships-our-2020-vision.pdf

¹⁹⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/482754/BIS-15-604-english-apprenticeships-our-2020-vision.pdf

¹⁹⁵ <https://www.nao.org.uk/wp-content/uploads/2019/03/The-apprenticeships-programme-Summary.pdf>

¹⁹⁶ <https://www.nao.org.uk/wp-content/uploads/2016/09/Delivering-the-value-through-the-apprenticeships-programme-summary.pdf>

At the same time, the NAO notes ongoing limitations in terms of how the DfE defines and records performance measures, for example, measuring productivity gains for learners who complete their apprenticeships without clearly accounting for the high proportion (32% in 2016/2017) of learners who fail to complete their apprenticeship, as well as setting unambitious targets for widening participation amongst under-represented groups.¹⁹⁷

Both the 2019 apprenticeship study and a further NAO 2018 STEM Skills study highlight the need for targets related to widening participation for women, especially in STEM subjects where there is the greatest economy return for both learners and the wider economy.^{198/199}

T Level Programmes (2017)

At present, the Government has pledged £500 million per year to deliver T levels once the programme has been rolled out nationally.²⁰⁰ A further capital fund of £38 million has been available since January 2019 for education providers who are delivering the first three T Level pathways; these funds will be used to support new facilities and equipment as well as investment support.²⁰¹

Given that the programme has yet to be delivered, there is no published data on value for money; however, concerns have been raised by the DfE permanent secretary, Jonathan Slater, that the planned roll out of the pilot programme in 2020 is unlikely to offer the '*regularity, propriety, value for money and feasibility*' required by public funds, recommending instead that the initial pilot be delayed until 2021 so that the necessary structures can be put in place to deliver the pilot T levels at a '*consistently high standard*'.²⁰²

There are no indications that the Government intends to delay the T level pilot programme in response to this guidance. As a result, the NAO has indicated its intention to keep clear oversight of the programme in terms of the value for money offered once roll out of the programme commences.²⁰³

National Retraining Scheme (2017)

There is no published data on value for money for the National Retraining Scheme, as the scheme remains in its testing phase without a set date for national roll-out.

To date, the Government has allocated £100 million towards the continued testing and development of the scheme,²⁰⁴ which includes £64 million earmarked for the development of digital and construction training as part of the pilot programme for the scheme.²⁰⁵ A Flexible Learning Fund has also been created with £10 million available to support projects that develop and test successful ways of delivering learning to adults with low/intermediate skills.²⁰⁶

Voices from across the sector have raised concerns about the lack of Government transparency around how the scheme will be delivered including the anticipated scope of the scheme and eligibility criteria;²⁰⁷ in the absence of this information, estimates of the total cost of the scheme do not offer a reliable picture of likely costs and/or value for money.

¹⁹⁷ <https://www.nao.org.uk/wp-content/uploads/2016/09/Delivering-the-value-through-the-apprenticeships-programme-summary.pdf>

¹⁹⁸ <https://www.nao.org.uk/wp-content/uploads/2016/09/Delivering-the-value-through-the-apprenticeships-programme-summary.pdf>

¹⁹⁹ <https://www.nao.org.uk/wp-content/uploads/2018/01/Delivering-STEM-Science-technology-engineering-and-mathematics-skills-for-the-economy-Summary.pdf>

²⁰⁰ <https://www.gov.uk/government/publications/introduction-of-t-levels/introduction-of-t-levels>

²⁰¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710831/180517_Request_for_Ministerial_Direction_-_T-Levels.pdf

²⁰² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710831/180517_Request_for_Ministerial_Direction_-_T-Levels.pdf

²⁰³ <https://feweek.co.uk/2018/06/15/now-the-national-audit-office-is-sniffing-around-t-levels/>

²⁰⁴ researchbriefings.files.parliament.uk/documents/SN03052/SN03052.pdf

²⁰⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

²⁰⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

²⁰⁷ <https://feweek.co.uk/2019/01/08/government-pushed-to-reveal-more-about-national-retraining-scheme/>

4.3 Key Findings

Absence of a value for money framework for skills policy

The Department for Education lacks a clear and coherent approach to assessing value for money across its programmes and services. At the same time, the Barber Review highlights the need for value for money assessments to become embedded to inform both departmental strategy and individual policy development. Within the skills sector, there is a strong case to be made for developing a framework and guidance on how to incorporate value for money assessments into programme design and delivery. This framework should draw on recommendations highlighted in existing NAO value for money audits relevant to the skills sector.

Limited use of value for money assessments across skills policy

With the exception of apprenticeships, the Department for Education has not tended to provide specific estimates on the value for money and/or return on investment provided by its policies. For policies subject to NAO value for money assessments, general trends indicate that skills policy development benefits from a good balance of learning lessons from previous policies and developing innovative approaches to meeting existing challenges.

NAO studies highlight, however, the limited use of performance measures, especially those that identify added value created by the policy as a whole and/or with respect to the most disadvantaged groups, which has led to a detrimental impact on effective programme delivery across recent policies. The lack of a reliable evidence base has also hampered clear assessments of overall value for money provided by these policies.



Conclusions

5.1 Key Findings



Learning and development trends by demographic

Clear evidence of the economic benefits of skills development for the most disadvantaged

Reducing adult skills gaps through investment in further education and training for those from the lowest socio-economic bands and/or with the lowest qualification levels has clear economic benefit for the UK, according to the Social Mobility Commission and the OECD.

The government acknowledges the multiple barriers faced by these learners. Urgently addressing these challenges will be critical in order to minimise any potential negative impact of Brexit as well as to reduce broader socio-economic inequalities and to ensure that both the needs of learners and industry can be met.

Improved equity in learner and employment trends

The wider landscape of learner and employment trends by other demographic measures points towards improved equity. Differential adult learning rates have narrowed for both gender and social class, while differential adult employment rates have reduced along gender and ethnicity lines, which points towards more equitable trends. Educational attainment has remained broadly constant, however the Social Mobility Commission's State of the Nation 2019 report demonstrates a wide gap in school attainment and income between the rich and the poor. The commission notes that even when people from disadvantaged backgrounds secure professional employment, they earn 17% less than those from better off backgrounds.²⁰⁸

²⁰⁸ <https://feweeek.co.uk/2019/04/03/minister-admits-a-lot-we-dont-know-yet-about-treasury-backed-national-retraining-scheme/>

Measuring Success

Existing output targets are often overambitious and lack a reliable evidence base

Skills policy development continues to focus predominantly on measures of success that target improved outputs, such as increasing the number of learners or employers engaged in a programme, often without an explicit evidence base or rationale for these targets. According to the NAO, this means that targets are frequently overambitious.

Need for greater focus on outcomes and impact measures

There is a notable absence of success measures that track the outcomes and impact of skills-based policies, particularly during the programme design phase. Greater use of these measures is essential to ensure that skills programmes not only hit quantitative targets but also achieve broader policy objectives, especially those related to reaching the most disadvantaged and hardest-to-reach groups. Even in cases where impact studies are conducted early within the development cycle, such as with Advanced Learner Loans, there is limited evidence that findings from these studies are used effectively in order to inform further design of programmes.

Improved use of pilots in policy development

While there is evidence of the use of pilots in the development of skills-based policies such as T levels and the National Retraining Scheme, it is unclear how much this has been a positive step forward. The pilots appear to be included in name form only, and it is difficult to ascertain how much institutional learning is being incorporated into programme design. The pilots do not build in set time for learnings to be integrated into future design, or for review, meaning they cannot be used in the identification and use of success measures.

Limited use of comparison groups, baseline to endline data, or longitudinal impact studies

The use of comparison groups, baseline/endline comparative data (e.g., comparing the end of a programme with the beginning), and longitudinal impact studies (e.g., observing people throughout a programme) are not yet routinely used within skills-based policy development to track outcomes for programme beneficiaries. The only identified example of baseline to midpoint data collection was adopted retrospectively by external evaluators assessing the Skills Pledge, while there was some evidence that longitudinal outcomes were tracked for Train to Gain. These methods offer significant potential to improve departmental understanding on broader programme impact for both programme beneficiaries and wider stakeholder groups, as well as providing a reliable evidence base to strengthen institutional learning and inform future policy development.

Challenges in reaching most disadvantaged or those hardest-to-reach groups

Continued challenges in successfully reaching the most disadvantaged and/or hardest-to-reach groups remain across recent skills policies. While there is a high level of awareness of the need to target the most disadvantaged or hardest-to-reach groups, more needs to be done in order to identify the most effective strategies to engage these groups. There should also be wider use of outcome and impact measures that assess the extent to which the most disadvantaged or hardest-to-reach groups benefit from skills policies compared with others.

Existing policy evaluations would be strengthened through improved use of success measures in policy development

While many skills policies and programmes are subject to external assessment, evaluations and impact assessments tend to be commissioned relatively late in the process, and often after the programme has commenced - making it impossible to gather baseline data against which to assess change or a benchmark to define success. This means that evaluators are limited to assessment of self-reported change by participants/employers. Building evaluation and impact assessment as an integral part of the policy development process would help to address these significant limitations.

Assessing Value for Money

Absence of a Value for Money framework for skills policy

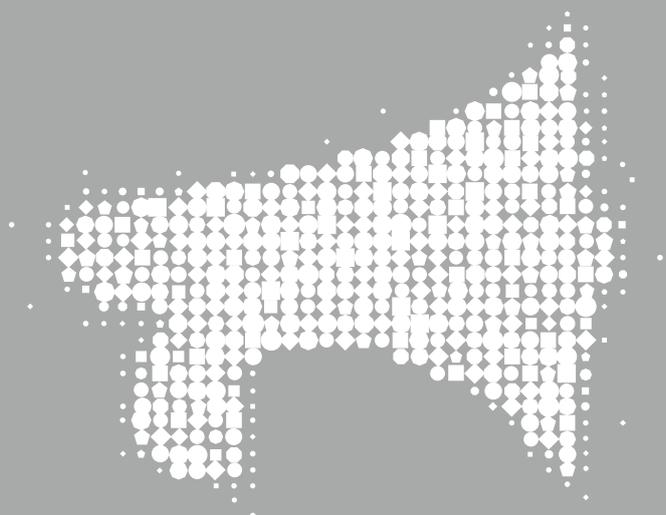
The Department for Education lacks a clear and coherent approach to assessing value for money across its programmes and services. At the same time, the Barber Review into improving value in public spending highlighted the need for value for money assessments to become embedded to inform both departmental strategy and individual policy development. Within the skills sector, there is a strong case to be made for developing a framework and guidance on how to incorporate value for money assessments into programme design and delivery. This framework should draw on recommendations highlighted in existing NAO value for money audits relevant to the skills sector.

Limited use of value for money assessments across skills policy

With the exception of apprenticeships, the Department for Education has not provided specific estimates on the value for money and/or return on investment for its policies. General trends indicate that skills policy development benefits from a good balance of learning lessons from previous policies and developing innovative approaches to meeting existing challenges.

NAO studies highlight, however, the limited use of performance measures, especially those that identify added value created by the policy as a whole and/or with respect to the most disadvantaged groups, which has led to a detrimental impact on effective programme delivery in recent times. The lack of a reliable evidence base has also hampered clear assessments of overall value for money provided by these policies.





5.2 Recommendations

In the three years since the publication of our previous Sense & Instability report, the Government has introduced two new skills policies: T levels and the National Retraining Scheme. While this report welcomes policies that are designed to address skills gaps, an assessment of value for money, as well as anticipated outcomes and impacts remain unclear.

What is clear from the findings of this report, and what we are again urging the government to do is to design skills-based policy and delivery needs to make greater use of success measures, as well as adopting a range of evaluation techniques to track these measures from inception onwards. Without these measures it will be impossible to judge the success of existing skills policy or learn valuable lessons for any future policy. Although we have seen and welcomed the use of pilots in T levels, it is unclear how this evidence has been used, and what purpose they have served.

We have identified four recommendations which we believe are essential for the Government to take forward to ensure effective future skills policy making that has a real impact on the most disadvantaged and hardest-to-reach learners, and that delivers real value for money for all beneficiary groups.

We believe these proposals will go some way in helping to address the problems highlighted in our research.

Embed success measures within skills programme design and delivery

It is essential that outcome and impact focused success measures become embedded within policy design in order to ensure that skills-based policies meet their overarching objectives.

Skills programme design and delivery has a greater chance of success if that success is defined along impact lines at the outset and measured throughout the process of delivery. A failure to do so risks delivering policies which do not, and cannot deliver for the groups they're seeking to help. This then risks reducing credibility for future initiatives. Broadly, preparing for success should involve:

- A planning process that properly interrogates and tests assumptions
- Incorporating a thorough impact assessment process from the early stages
- Clear setting out of intended outcomes and impact of skills programme
- Running pilots, ideally with comparison groups
- Gathering "lessons learned" for future implementation
- Embedding of continuous improvement process within the programme delivery process

Through this process, which gathers clear evidence of what works and uses this to inform future programmes, policy design and delivery is far more likely to be successful in the long-term.

Developing a Value for Money framework for skills policy

Improved use of outcome and impact focused measures is particularly critical to ensure that policies are meeting the needs of the most disadvantaged and hardest-to-reach groups. Skills policies need to provide meaningful 'added value' for these groups in a robust and effective manner.

The most effective way to ensure that both success measures and added value are consistently achieved across not only the most disadvantaged and hard-to-reach but all beneficiary groups is to develop a clear value for money framework that focuses not only on cost efficiency but also on equitable outcomes.

This framework should draw on the existing Government experience with DfID and the DfT who have developed department-wide value for money frameworks, as well as guidance, such as from the Barber Review. Wider lessons should be learned from the needs of the skills policy landscape, in order to ensure that best practice becomes embedded within skills policy design and delivery.

Creating the evidence base for the skills sector

Skills policy design and delivery needs to take a long-term, joined up view. Once again we are calling for the Department for Education to establish a Skills Policy Institute that distils evidence and provides a research base for both policy and practice, similar to the Education Endowment Foundation (EEF).

Setting up an organisation responsible for collecting and distilling best practice in skills policy goes hand in hand with wider use of pilots, comparison groups, baseline/endline data comparisons and longitudinal impact studies within existing policy development. It also helps tackle the problem of policy being developed in short-term political cycles as the body would operate independently.



The Skills Policy Institute should also seek to hold the Government to account by scrutinising skills policy, and ensuring that sensible progression routes are in place for learners across different skills-based policies

By embedding data collection techniques into policy design, and using evidence from the data collected in order to feed into meaningful revisions to policy delivery, existing and future skills policy has the potential to vastly improve. Initial policy objectives will translate into concrete outcomes for programme beneficiaries, particularly those disadvantaged and hard-to-reach groups.

Improve access to programmes for the most disadvantaged and hard-to-reach learner groups

Delivery of training and learning programmes needs to be not only more accessible for disadvantaged and hard-to-reach groups, but they should be positively enabled to benefit, with targets put in place to encourage and measure this effectively. Some examples of how these groups can be supported include:

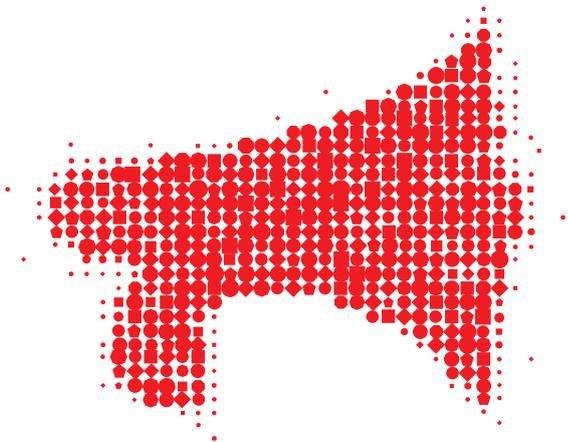
- **Single-parents** – offering funding for childcare or highly discounted childcare
- **People with health or other conditions** – a new focus on access to at-home and flexible learning
- **Ex-offenders** – peer mentoring to encourage people into employability and education programmes
- **Care leavers** – being actively supported in transitioning from education to employment.

There are numerous organisations who have first-class records of engaging with and enabling these groups and their expertise should be utilised.



Appendix: Behind the figures

In our Sense & Instability publications in 2014 and 2016 we reported on the changes in responsibility for skills policy in Government at a ministerial level.



In 2016 we reported that skills policy had been the responsibility of 65 different Secretaries of State, this figure now stands at 70.

This is in comparison, with 20 Secretaries of State up from 19 in charge of schools policy and 21 up from 19 in charge of Higher Education over the course of the same period.

The figures account for Secretaries of State who have held the same role at different stages in their career (thus requiring a handover of policy) and those whose roles have been renamed, or who have held a different portfolio that also covers skills.

Updating from 2016, the changes are:

Skills policy

Damian Hinds (DfE) 2018- present, Greg Clark (BEIS) 2016-present, Esther McVey (DWP) 2018 to 2018, David Gauke (DWP) 2017 to 2018, Damian Green (DWP) 2016-2017

Schools policy

Damian Hinds (DfE) 2018- present

University policy

Greg Clark (BEIS) 2016-present, Damian Hinds (DfE) 2018 - present



