



# Education for a Sustainable Future

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# Funding for skills development to meet the levelling up and sustainability agendas

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## Reforms in the FE and skills sector

- 'Skills for Jobs' White Paper
- Skills and Post-16 Education Act
- 'Levelling up regeneration Bill





## Focus on Skills



The legislation underpins the government's transformation of the post-16 education and skills sector as set out in the Skills for Jobs White Paper



It defines the **SKILLS MISSION** for our sector



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# “Skills for Jobs” White Paper

A more coherent skills ‘ecosystem’ that aligns supply and demand for skills and knowledge by:

Putting employers at the heart of post-16 skills so that education and training leads to jobs that can improve productivity and fill skills gaps

Providing the advanced technical and higher technical skills that the nation needs

A flexible lifetime skills guarantee

Reforming funding and accountability

Supporting excellence in teaching





# Skills and Post-16 Education Act 2022



“Transform the skills, training and post-16 education landscape and level up opportunities across the country”.

Embed employers in the heart of the skills system, by placing a legal requirement on colleges and other providers to work with employers to develop skills plans so that the training on offer meets the need of local areas



# Skills and Post-16 Education Act 2022

## New powers over the FE and skills sector to the Secretary of State

Designate and remove the designation of Employer Representative Bodies responsible for developing LSIPs

Introduce statutory guidance to tell ERBs who they should consult with and what should go into the LSIPs

Statutory underpinning for lifelong loan entitlement of 4 years of post-18 education at levels 4 to 6 from 2025

Use the intervention system where providers are failing in the duty to review and publish how their education and training offer is meeting local skills needs.



## Reactions to the Act

“This legislation will make sure everyone can gain the skills they need to progress into a rewarding job, and businesses have access to a pipeline of talented, qualified employees for their workforces – boosting productivity” – Alex Burghart, Skills Minister

“The laws contained in the Act have been developed to help transform the skills and training landscape and level up opportunities across the country by making it easier for people to train in order to get the skills they need to secure well-paid jobs in industries with skills gaps, such as health and social care, engineering, digital, clean energy and manufacturing” – FE principal

“We would have liked to have seen the lifetime skills guarantee on the face of the bill, the role of colleges as co-constructors of LSIPs formalised, and a commitment to look at the rules around Universal Credit conditionality” – David Hughes, AOC

“We need to focus on delivery. That requires more public funding to reduce the £750 million real terms shortfall compared to 2010, policy reform to better support retraining and apprenticeships, and a laser-like focus on joining up support. It is these that will help to determine if these reforms stand the test of time”. – Stephen Evans, LWI





# What are Local Skills Improvement Plans?



A “local skills improvement plan”, in relation to a specified area, means a plan which

- a. is developed by an employer representative body for the specified area
- b. draws on the views of employers operating within the specified area, and any other evidence, to summarise the skills, capabilities or expertise that are, or may in the future be, required in the specified area, and
- c. identifies actions that relevant providers can take regarding any English-funded post-16 technical education or training that they provide so as to address the requirements mentioned in paragraph b.

LSIPs were piloted through 8 trailblazers in local areas where the Department for Education (DfE) invited Employer Representative Bodies (ERBs) to work with local providers to develop and “test” the first LSIPs, e.g. models of ERB, ways of ensuring joined up approach.



## Roll-out of LSIPs

- An expression of interest to become an employer representative body had to be submitted by 6 June 2022 ([Local skills improvement plans: submit an expression of interest - GOV.UK\(www.gov.uk\)](https://www.gov.uk)). This is a very brief document and at this stage does not give any detailed information regarding the focus of the LSIP.
- Detailed bids were to be submitted by the end of August 2022 with commissioning taking place by the end of September 2022.
- The successful employer representative bodies (ERBs) will be given a three-year contract with the Department for Education (DfE) with up to £550k of funding available per LSIP area.
- The funding is to be utilised for resources and the development of data and is revenue based only.
- The geography for the LSIPs will mirror the Local Enterprise Partnerships (LEPs) and, therefore, regardless of devolution the LSIP will be developed as a LEP area plan.
- 38 LSIPs are in place now, e.g. Federation of Small Businesses for N2D2



# Levelling up regeneration



**“Improving productivity, and spreading prosperity, crucially depends on enhancing people’s education and skills – giving everyone access to good schools and the opportunity to receive excellent education and training.”**

- ❑ **Local Skills Improvement Plans**, together with supporting funding, will be set up across England to set out the key changes needed in a place to make technical skills training more responsive to skills needs
- ❑ Emphasis on level 3 and above outcomes
- ❑ More devolution of decision making and funding
- ❑ More collaborative approaches to improving adult skills , e.g. Multiply programme
- ❑ Cost of living crisis !!!

By 2030, to have significantly increased the number of people to have successfully completed high quality skills training in every part of the UK, including 200,000 more people successfully completing high quality skills training annually in England, driven by 80,000 more people completing courses in the lowest skilled areas (Mission 6)



## Multiply programme – adult numeracy skills

- £557 million allocated to the 3-year programme as part of the levelling up agenda across whole of the UK (Shared Prosperity Fund)
- Aim is to improve the numeracy and, therefore life, chances of adults without the equivalent of a grade 4 at GCSE
- Any activity generated by this fund should not duplicate AEB provision but provide elements of progression towards these (up to and including level 2)
- Can be targeted at certain groups, e.g. hardest to reach, care leavers over the age of 19, recently released from prison
- Partly allocated through combined and local authorities and centrally
- Includes funding for UK-wide digital platform for adult numeracy
- Prospectus has more detailed information on acceptable interventions, e.g. maths modules embedded in vocational programmes, managing money for parents



## Levelling up regeneration – a bit more detail

- By 2030, increase the number of primary school children achieving the expected standards in reading, writing and maths from 65% to 90%; no reference to improving the GCSE outcomes in secondary education?
- By 2030, increase the number of people completing high quality skills training by 200,000, **e.g. into energy conservation and renewables**
- Putting local employers at the heart of provision
- Strengthening locally accessible institutions, notably the national network of further education colleges
- Ensuring that all individuals have lifetime access to training, **e.g. retraining for jobs in the renewables sector**
- Providing employment support for disabled people and for those with health conditions
- 55 education investment areas, covering a third of the country
- Areas to receive teacher retention payment, academisation of schools with Ofsted requires improvement grade
- New 16-18 free schools

**Big emphasis on PLACE!**

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# Plans for more devolution



Devolution in place	Deals on offer	By 2030
London Greater Manchester West Midlands Liverpool City Region Tees Valley West of England Cambs & Peterborough South Yorkshire North of Tyne West Yorkshire	York & North Yorkshire North East (expanded) Durham Hull & East Yorkshire Nottingham & Notts Derby & Derbyshire Leicestershire Norfolk Suffolk Plymouth, Devon, Torbay Cornwall	Cumbria Lancashire Lincolnshire, Rutland Cheshire Staffs, Shropshire Herefordshire, Worcs Warwicks, Northants Oxon, Beds, Bucks Essex, Kent Surrey, Sussex Hampshire, Berks Wiltshire, Gloucs Somerset, Dorset
24m people, 41% of population, 60% of AEB	11m people, 18% of population	20m people, 41% of population





# Opportunities for skills development



Focus on skills  
as part of  
levelling up

Future spending  
decisions driven  
by investment in  
skills

More and better  
apprenticeships

More  
devolution and  
local decision  
making

Lifelong loan  
entitlement

Securing new  
funding, e.g.  
Multiply

New  
investment in  
skills, e.g. Free  
courses for  
jobs offer

More  
qualifications at  
levels 4 and 5

More  
collaboration

Green skills and  
energy  
sustainability  
programmes



## Threats

Uncertainty over funding of skills mission

Reducing waste through too much competition might destabilise the provider market

Lack of focus on level 2 and below

Defunding level 3 quals

Falls in real terms funding, e.g. AEB

Competition from new sixth forms in EIAs

Contribution to skills in enhanced inspections

Cost inflation pressures

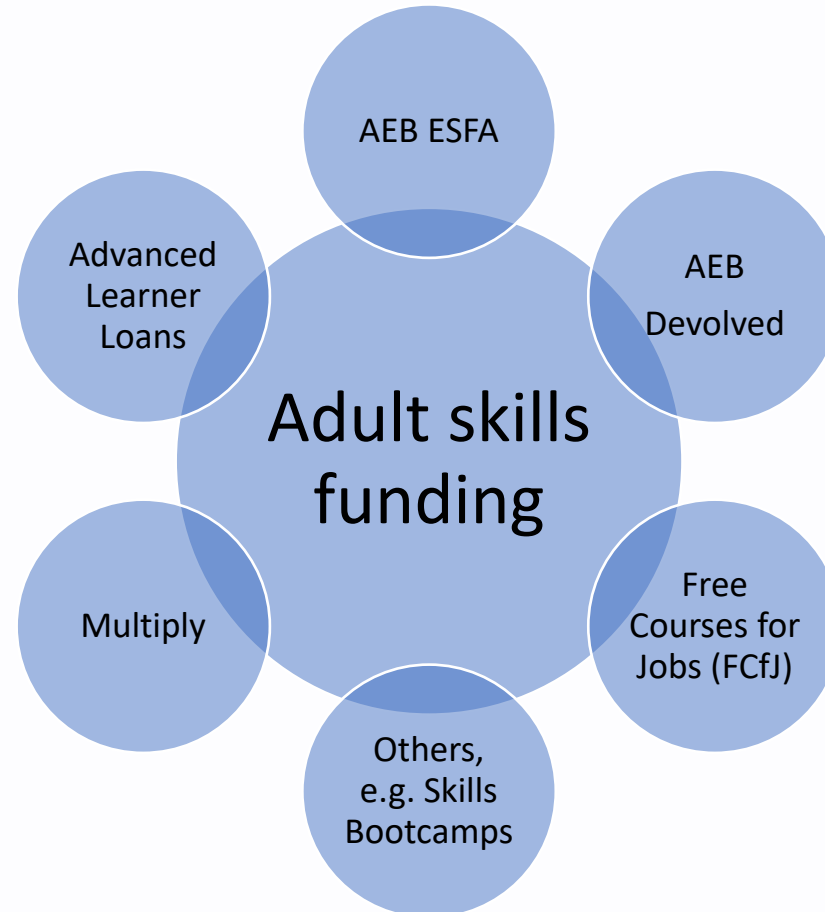
New powers to Sec of State

Skills shortages in our own sector





# Funding for skills development



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## Free Courses for Jobs (FCfJ)

- Funded out of the National Skills Fund as part of the Lifetime Skills Guarantee
- Learners eligible for this offer can be fully funded; the ESFA has changed the validation rules to allow this, for learners who are not already eligible for full-funding
- Removes age constraints and financial barriers for adults seeking their first level 3 qualification
- From April 2021**, any adult **aged 24 and over** who wanted to achieve their first full level 3 qualification, which is equivalent to a technical certificate or diploma, or 2 full A levels, has been able to access hundreds of fully funded courses in **specific sector subject areas**, e.g. **engineering**, health and social care, science, ICT, hospitality and catering – e.g. Diploma in Advanced Professional Cookery Level 3 (£3345)
- Adults are able to undertake one short qualification without exhausting their eligibility for a more substantial qualification
- From April 2022** this offer has also been available for adults who are unemployed or earning low wages (below the national living wage), **even if** they hold a full Level 3 qualification or higher



## Funding of Free Courses for Jobs

- Funding is routed either through the ESFA administered Adult Education Budget or through Mayoral Combined Authorities and the Greater London Authority (for residents in those areas)
- Uplifted rates for certain level 3 qualifications depending on size (GLH) - £600 for qualifications 360 GLH and over, or £150 for qualifications 359 GLH and less
- The ESFA increases the £150 or £600 by the area cost uplift and/or disadvantage uplift if applicable to that learning aim
- Devolved authorities have some flexibility to add other qualifications to the approved list (but without the uplifts)
- Providers must not claim for ESFA AEB funding where learners are already being funded through an Advanced Learner Loan (ALL) for qualifications that are in the level 3 adult offer



# Skills Bootcamps



- ❑ Funded out of the National Skills Fund (initially £43m)
- ❑ Free, flexible courses of just 12 to 16 weeks which give people the opportunity to build up sector-specific skills and fast-track to an interview with a local employer
- ❑ Suitable for employed, recently unemployed, self employed or returning to work adults aged 19 and over
- ❑ Some bootcamps have additional eligibility criteria
- ❑ Courses include software development, digital marketing, data analytics, and have been extended to include engineering, construction and **green skills**

“They have a clear line of sight to a new job, endorsement from an employer, provide up-front training before someone starts a job, and are targeted specifically at the skills employers want.”



# Funding for Skills Bootcamps

- ❑ Originally available in specific regional locations as pilots, e.g. Greater Manchester and West Midlands - now extended to all nine regions.
- ❑ Some national initiatives as well, e.g. HGV drivers
- ❑ Delivered by a wide range of providers, working in partnership with employers, other providers, LEPs and local authorities
- ❑ A provider can be a lead supplier in a specific sector across several regions, e.g. Learning Curve Group in construction in East Midlands, South West, London, South East
- ❑ List of bootcamps is updated regularly
- ❑ Uses a different funding formula from the AEB
- ❑ Employers only need to contribute 30% of cost of training if upskilling their own staff



## Skills development for sustainability - example

In a devolved authority using AEB and FCfJ offer

- Focus on support for adults out of work or in low paid work to access the skills they need to succeed into good jobs in green conservation and retrofitting
- Provision must be accessible, make an impact and be locally relevant
- AEB grants cover enhanced funding rates for the right qualifications plus £400 for a 'good' job



Many thanks



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