



ASSOCIATION
OF COLLEGES

REBUILD:

A SKILLS LED RECOVERY PLAN

FOREWORD

The COVID-19 crisis represents the biggest shock to the economy, to our society and to labour markets that any of us will have seen before.

The Government's response to provide substantial and unprecedented funding to employers to retain their staff through the Job Retention Scheme comes to an end in the autumn. Nobody knows how many of the 9 million people on furlough will retain their jobs and how many will be unemployed. With employment already 600,000 lower than it was in March, there is a high likelihood that unemployment will reach the highest levels seen since the Great Depression in the 1930s.

We know that young people and adults with lower qualifications always suffer worst in a recession and this one will be no different. In fact, it might be worse for those groups because of the particular difficulties facing sectors which recruit large numbers of young people, such as retail, hospitality and leisure.

Our plan is for a skills-led recovery, using the next 12 months to start rebuilding our labour markets and economy. A bold commitment from the Government, investing £3.6 billion would help 764,000 young people and adults to get the education and training they need to make their path into jobs smoother and easier.

We have set out detailed proposals to retain, relaunch and retrain through incentives to employers, support and advice to young people and flexible opportunities for adults. I am confident that this package of measures would enable colleges to do what they do best, providing hope, motivation and ultimately pathways to jobs for large numbers of people facing very difficult times.

We know that some sectors will bounce back quickly, particularly if the Government makes major infrastructure investments. Colleges are vital the supply chain for the next nursing professionals, designers, digital experts and construction engineers and they are ready to offer those courses, with the investment we are calling for.

Now is the time for bold and urgent decisions from the Government. Our plan provides the blueprint for the next year. Beyond that we look forward to discussing the longer-term issues with the Government in the Spending review and as it develops the FE white paper. Unprecedented times need bold actions. Our plan will deliver so much for 764,000 people.

David Hughes,
Chief Executive,
Association of Colleges

REBUILD – A skills led recovery

The COVID-19 shock requires a bold plan for a skills-led recovery. Colleges hold the key to the supply chain for the next nursing professionals, designers, digital experts and construction engineers among others.

While their current priority is ensuring staff and learners can safely resume face-to-face learning, colleges are also planning how best to meet the needs of the people and employers in their areas. This plan sets out the investment needed for them to be able to deliver that and ensure that the recovery is rapid, widespread and reaches those most affected.

Colleges cannot deliver this on their own. Their plans to deliver on economic recovery are part of a much wider ecosystem of key stakeholders; employers, students, parents/carers, local and combined authorities, elected mayors, LEPs, schools and universities and public transport providers.

Colleges will be able to call on their employer relationships to ensure that the funding reaches the most important parts of the economy, especially in priority keyworker and recoverable sectors.

Four key areas of challenge

Participation in education and training which is focused on job outcomes will be vital to delivering this plan. We set out interventions which will mitigate the effect on labour market entrants; provide young people with better skills ready to be successful in the labour market, and offer intensive advice and training for adults facing redundancy as a result of Covid-19 as well as higher level opportunities for those able to fill technical and professional roles.

The economy will emerge from Covid-19 smaller than it was on entry. This will mean far fewer opportunities to enter or remain in work for at least the next 12 months. Many of those currently benefiting from the Job Retention Scheme face a greater chance of redundancy as the scheme finishes at the end of October, which is when the country is likely to see the real economic impact of Covid-19.

The four key challenges colleges are preparing to address:

- More young people (16 to 25-year olds) needing college places due to high unemployment and being crowded out of jobs;
- A large cohort of young people, particularly new college starters, needing support to 'catch up' in learning after several months of lockdown;
- Fewer apprenticeship places resulting in a large number of apprentice redundancies and a shortage of new places for aspiring apprentices; and
- Large numbers of adults requiring training to help them move from the sectors in most difficulties into those which might expand or recover more quickly, this may reach even greater numbers if furloughed workers then face redundancy.

In response there are five key asks of government that would support each of these groups in differing ways.

Five key asks

This REBUILD plan will support 750,000 people, every community and thousands of employers through the recovery period and to minimise long term economic scarring:

RETAIN: every young person (16 to 18) has a confirmed high-quality education or training place, funded to meet their needs and the learning they have lost. Funding needs to be flexible enough to allow students to start throughout the year and to support colleges adapting to the 'new normal';

RELAUNCH: a suite of employment related, skills-based training programmes including extended traineeships and apprenticeships, that accommodate work experience and jobs, underpinned by a comprehensive bursary system and government incentives to employers;

RETRAIN: one, easy to access, funding pot to provide training for adults who have been made redundant, flexibly and from intense short courses all of the way to higher technical and professional qualifications.

Underpinned by:

RESOURCE: release 20 per cent of current £1.5bn capital fund for IT equipment, software and building modification in Autumn 2020 and funding for transport and the additional staffing required;

REVIEW: simplification of the funding rates and rules colleges work to in order to have the flexibilities to meet demand.

Recommendations:

RETAIN

- A college-based national tutoring scheme, re-engagement and catch-up programme funded through a £375 premium per enrolment of students who have yet to achieve good grades in English and maths.
- A targeted one-off grant to support delayed assessments from summer 2020.
- One off grant funding for social distancing adaptations.
- Extending High Needs Funding for final year students by 5 percent.

RELAUNCH

Higher Level 3 to 5 classroom-based programmes for 18 & 19-year-olds:

- An up to 12-month pre/re-employment programme to upskill and reskill targeted at key worker and recoverable sectors under a single brand to ensure employer awareness, with clear links to apprenticeship opportunities as they become available and including an interview guarantee through national employer body partners. Allow for unitization, remove accountability penalties and provide a weekly allowance to learners through an enhanced bursary
- Investment in a range of 'employability' wrap around services to complement the pre/re-employment training offer including a funded information, advice and guidance (IAG) offer.
- Investment in high quality content from partners such as the Open University, Jisc and BLC (Blended Learning Consortium) at Levels 3/4/5.

Level 2 and 3 reformed traineeship programmes for up to 24-year-olds:

- Extend maximum length to up to 12 months and allow delivery of qualifications in priority sectors up to Level 3.
- Allow the use of work simulation and realistic environments where access to work experience is not possible and reduce the minimum requirement of 100hrs.
- Remove existing funding cap for qualification aims and revise funding rates for work placement.

Apprenticeships for all ages:

- Block release apprenticeships with employer incentives of up to £3,000 per apprentice, with an increase of non-levy funding allocations to match.
- Where needed, a front-loaded payment profile for colleges to allow for intensive up-front delivery.

RETRAIN

- Enhance the Adult Education Budget together in one budget line with the National Retraining Scheme, the National Skills Fund, the Shared Prosperity Fund. If properly aligned, colleges would be funded once to deliver across all of these funds, cutting bureaucracy and making the system more understandable and accessible for colleges, employers and students.
- Urgently consider releasing a proportion of the National Skills Fund to support retraining and flexible learning at Levels 4/ 5 aimed at helping displaced adults to reskill and/or upskill in the short-term.
- Remove the accountability penalties which do not work in this crisis period for the learner and the provider.
- Fully fund 24+ adults to undertake subsequent Level 3 programmes or units in priority sectors to respond to post furlough unemployment.

RESOURCE

- Single capital budget line: Bring all capital funding lines into one to allow for the much-needed investment in resources.
- Invest in online delivery and infrastructure to enable more students to be able to access high quality online learning.
- Extend and promote Taking Teaching Further Promote Further Education as an employment opportunity for those who have valuable skills which currently can't be used in industry.

REVIEW

- Implement a range of funding and rule changes to 16 to 18, traineeship, apprenticeship and adult offers to facilitate training opportunities for all those that need them.

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