
Photo: Sue Parkins

We want a fair deal, for learners as well as employers

Only around four per cent of learners currently co-fund their learning with their employers. A future system could see individuals managing their own learning accounts, co-investing with government and employers in the learning they want to do, writes **MARK RAVENHALL**

As we move towards local and national elections there is much debate about how much the Government should invest in adult learning. The word 'investment' is everywhere. The *Skills Investment Strategy* outlines how the £3.5 billion for adult skills will be invested over the coming year. Most of it is for learning that leads to qualifications and much will be invested in the workplace via adult apprenticeships and the Train to Gain scheme, where employers dictate the skills needs of their staff. Only six per cent is for 'informal', community-based or family learning.

Government investment still largely follows the agenda set by the 2006 *Leitch Review*, which prioritised spending on qualification-bearing courses. Lord Leitch, an investment banker by trade, argued that it was worth investing government money in a full Level 2 qualification (so that it was free of charge for those without one) as neither employers nor individuals were naturally incentivised to 'invest' in this themselves (for employers, the productivity gains, as against investing in Level 3 and higher-levels skills, did not warrant investment). The main winner would be the individual. It was argued that acquiring a Level 2 qualification (the equivalent of the five A*-C grades that we aspire to people achieving at 16) raised potential life-time earnings, as well as raising aspiration in people's families, where educational attainment was likely to be lower too.

When the market failed to respond to this investment, 'flexibilities' were introduced whereby qualifications could be funded at a higher level that brought benefits to employers as well as individuals. Programmes like Train to Gain had some stiff participation targets to meet and this meant that getting people onto courses was a higher priority than working out who should pay for them. Arguably, the Government picked up the tab for learning that would have been funded by employers out of their own training budgets. An example of hitting the target and missing the point, perhaps.

Train to Gain has supported 1.4 million learners and taken learning to places it previously had not reached. It has taken adult learning practitioners, from colleges in particular, into workplaces where they can exert a positive influence. It is one of the good news stories of recent years. But the lack of co-investment (between employers and the state) has also meant that we have not had enough money to invest in other parts of the system. The Treasury estimates there is over £100 million in fees from employers and individuals that could have been collected. Reading between the lines, the Government thinks that while it has done its bit, learning providers have not done theirs; they have not collected enough money from employers and adults.

Some colleges, private training providers and local authorities, however, have done exactly that. Some are very good at raising fees. Others, often locally in competition with them, are not. Some local markets have one provider offering a course free while another charges a fee. This is despite the Government having a fees policy over the last few years that has increased the 'fee assumption' (the proportion we are expected to pay) from a quarter to a half.

This is so much of a concern in straitened financial times that the Government has instigated an Independent Review of Fees and Co-funding. The review has done some detailed analysis, some of it using evidence submitted to the Inquiry into the Future for Lifelong Learning (see www.lifelonglearninginquiry.org.uk). Now the review is at the stage of consulting practitioners about how fees could be more fairly and systematically collected.

This is important as the more money that is collected from those that can pay, the more resources there are to help those that cannot; it is not just a fund-raising issue, it is one of social justice.

One of my concerns as a member of the review group has been about how we ensure that individuals get as good a deal as employers. Various surveys show that employers invest about £38 billion in learning each year. But this figure is not just fees, it includes lost time ('opportunity cost') and other factors. We do not use the same calculations for estimating the contribution of individuals – we just count the cash (the inquiry team has also calculated the amount of tax relief that employers get through training, which is, of course, subsidy from another route).

But the really interesting debate about funding concerns co-investment. How much do government, employers and individuals put together to fund learning? Only around four per cent of learners co-fund their learning with employers. Could we not envisage a future where we all have our own learning account where our employer (if we have one), the government and we invest together in the learning we want – and on our own terms.

Mark Ravenhall is NIACE's Director responsible for local government, further and higher education