
Report to: Employment and Skills Panel

Date: 25 November 2020

Subject: **For information only: Key Policy Reports**

Director: Alan Reiss, Director of Policy, Strategy and Communications

Author: Peter Glover, Economic Evidence Manager

1. Purpose of this report

- 1.1 To highlight to the Panel key policy reports produced by third-party organisations, including leading think-tanks. This is intended to keep Panel members informed about leading thinking on employment and skills issues, particularly the policy response to the Covid-19 crisis.
- 1.2 A short summary of each report is provided below, including a link to the full report so that Panel members can explore the report in more detail.

2 Information

Jobs, jobs, jobs: Evaluating the effects of the current economic crisis on the UK labour market, Resolution Foundation, 27 October 2020.

<https://www.resolutionfoundation.org/publications/jobs-jobs-jobs/>

- 18-24-year-olds, Black, Asian and minority ethnic workers, and the low paid are heavily represented among those who have lost their job after being furloughed.
- A high proportion of the self-employed are receiving lower earnings than before the crisis with many receiving no government support
- People who previously worked in hospitality, leisure, or non-food retail are likely to be looking for a new job in one of those same sectors or administrative positions rather than extending their job search to less affected sectors.

Learning for Life: Funding a world-class adult education system, CBI, 19 October 2020

<https://www.cbi.org.uk/media/5723/learning-for-life-report.pdf>

Nine out of ten employees will need to reskill by 2030 at an additional cost of £13 billion a year. With COVID-19 now accelerating changes to the world of work, the UK must use this momentum to drive a national reskilling effort.

Recommendations include:

- Introducing SME tax credits
- Turning the Apprenticeship Levy into a Skills and Training Levy
- Introducing Career Development Accounts
- Extending flexible loans entitlement to adults of all ages and to accommodate shorter bitesize courses
- Turning 'Job Centres' into 'Jobs and Skills Hubs' which offer face-to-face support.

2020 annual report on education spending in England, Institute for Fiscal Studies, 3 November 2020

<https://www.ifs.org.uk/publications/15150>

The report analyses the challenges facing each phase of education due to the ongoing COVID-19 pandemic. Further education colleges and sixth forms face challenges around education catch-up, but may also need to expand to accommodate extra students as apprenticeship and employment opportunities dry up. Higher education institutions are heavily exposed to financial losses as a result of pension scheme losses, declines in international student numbers and changes in domestic student participation.

Time to act - Tackling the looming rise in long-term unemployment, Learning and Work Institute, 19 October 2020

<https://learningandwork.org.uk/resources/research-and-reports/time-to-act-tackling-the-looming-rise-in-long-term-unemployment/>

This report explores the potential increase in long term unemployment as a result of the coronavirus crisis. It estimates that long-term unemployment could hit 1.6 million in 2021-22 – a 600% increase since the start of the crisis, and the highest level since 1994. The number of people becoming long-term unemployed in April and May 2021 could be up to three times higher than peak monthly referrals to the Work Programme introduced after the last recession.

Calls for a universal offer to all long-term unemployed people across the UK, but with devolved administrations and local government delivering the support at a local level.

Learning through lockdown: Findings from the 2020 Adult Participation in Learning Survey, Learning and Work Institute, 5 November 2020

<https://learningandwork.org.uk/resources/research-and-reports/learning-through-lockdown/>

The 2020 Adult Participation in Learning Survey explores people's experiences of learning since the outbreak of the Coronavirus pandemic. It found that there had

been high levels of participation in learning during lockdown. Over two in five (43%) – 22 million people across the UK – had taken part in some form of ‘lockdown learning’. However, those who could most benefit were the least likely to take part; for example, just one in three (34%) adults who were out of work took part in lockdown learning, compared to over half (52%) of those who were in employment.

Going further: The case for investing in Further Education and adult skills, IPPR, 3 November 2020

<https://www.ippr.org/research/publications/going-further>

Skills policy is crucial to our ability to ‘build back better’. Unlike the 2007/8 economic crisis, the impact of the Covid-19 downturn will be felt disproportionately in the labour market. The report concludes that up to 1 million people on furlough are in jobs that will not return.

Recommendations include:

- Commit to increasing per pupil spend for 16-19 years in colleges and sixth forms from £5,200 today to £8,300 by the end of the parliament
- Immediately establish a Job Training Scheme (JTS) as part of the ongoing reforms of the Job Retention scheme.
- Immediately suspend conditionality on people on Universal Credit who want to or are retraining.
- Build on the recent announcement of a level 3 entitlement for adults with the introduction of a maintenance loan on higher education terms for this group.
- Provide additional funding to fully fund the training component for apprenticeships for non-levy paying firms and introduce greater conditionality on the expenditure of the levy to target it at younger people.
- Invest in colleges as key institutions in supporting the ambitions of people, productivity and places.

Technical Breakthrough: Delivering Britain’s higher-level skills, Policy Exchange, 5 November 2020

<https://policyexchange.org.uk/publication/technical-breakthrough/>

Argues that universities should take on a significant role in most localities. in the provision of levels 4/5 technical and vocational education and that the Department for Education restructuring fund should be used to support universities facing financial challenges in focusing on higher level technical skills and moving towards closer alliances with local FE colleges.

3. Clean Growth Implications

3.1 There are no financial implications directly arising from this report.

4. Financial Implications

4.1 There are no financial implications directly arising from this report.

5. Legal Implications

5.1 There are no legal implications directly arising from this report.

6. Staffing Implications

6.1 There are no staffing implications directly arising from this report.

7. External Consultees

7.1 No external consultations have been undertaken.

8. Recommendations

8.1 This paper is for information only.

9. Background Documents

None.

10. Appendices

None.