



UCL INSIGHTS: RESEARCH BRIEFING

Addressing the non-university skills gap in England

The mid-level skills gap is a problem for many employers as they struggle to recruit enough employees with the right skills and/or qualifications. This can leave jobs unfilled and companies unable to expand further. While there are many routes into higher education for the over 25s, it is more difficult for established workers to undertake technical or vocational education to upskill or retrain if they are not supported by their employer or cannot self-fund.

Critical skills shortage

HM Treasury has estimated that by 2022 there will be an additional 3.6 million jobs within medium-skilled occupations, with the construction, finance and manufacturing industries most likely to report shortages of skilled trades, indicating a critical need for greater numbers of new technical and professional skilled workers in the workforce.

Furthermore, the Brexit vote and the UK's future exit from the European Union is already discouraging skilled EU workers from staying in the UK or moving here to take up the medium skilled jobs employers struggle to fill. While the future situation for EU workers in the UK is currently unknown, it is expected that hiring EU workers will become more difficult for employers, which may exacerbate the situation further, at least in the short to medium term. Reports suggest that 36% of all non-British workers in the UK are considering leaving in the next five years, representing an additional 1.2 million UK jobs that will require skilled labour.

Despite the evidence to suggest that the UK faces serious skills shortages in the next five years, recent education policy and its implementation in England has failed to fully address the needs of those adults aged 24 or over, seeking further education and training beyond traditional university routes. If these needs were met more fully, it is likely that some of the serious skills shortages faced currently, and in the future, might be addressed. Despite an abundance of policy initiatives to promote adult retraining, there remain serious inequalities relating to socio-economic class, gender, ethnicity, disability etc. alongside regional disparity.

Barriers to non-university training

Over the past decade many measures have been identified to address the mid-level skills gap by enabling easier access to technical and vocational education to upskill or retrain established workers, but insufficient funds, scant implementation and a lack of follow-through have hampered these efforts. The result is that instead of moving forward, progress is actually in reverse.

KEY FINDINGS

- There is a growing skills gap in England, with a critical shortage of skilled trades in the existing workforce.
- Recent education policy and its implementation in England has failed to fully address the needs of those adults aged 24 or over seeking further education and training beyond traditional university routes.
- Availability of sufficient funding support is a major barrier to adults over 25 accessing further training
- A 'missing middle' group of low-earners, part-time workers, women and people with disabilities are particularly underutilised and would benefit from increased access to upskilling and retraining.

Availability of and access to funding

Those who would benefit the most from upskilling or retraining, namely low paid workers in unskilled jobs, are often unable to do so because insufficient opportunities and funding are made available to them. Even where support and funding is available, for example, Advanced Learner Loans, many potential learners are unaware such support exists. Many initiatives are not widely promoted to ensure ease of access to funds and support.

In 2013, Advanced Learner Loans were introduced enabling access to funds for course fees and paid back under similar terms to university student loans. However, for many adults making the transition from employment to training the lack of eligibility for other financial support, for example towards cost of living and childcare, results in a considerable loss of earnings placing serious pressure on household budgets, and a significant barrier to upskilling or retraining.

In addition, training providers are facing uncertainty following the Brexit vote, as the European Social Fund

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'[Routes to Opportunity - Addressing the non-university skills gap in England](#)' was a commissioned project supported by the UCL Grand Challenge of Justice & Equality (GCJE) under its Access & Participation priority theme.

which has supported colleagues with up to £100 million in funding will need to be replaced.

The government has taken further action to support non-university training, and in the 2017 Spring Budget announced a commitment to further education maintenance loans from 2019-2020 for students on technical programmes at levels 4-6 and to support adults retraining at National Colleges and Institutes of Technology. This included £40 million to test different approaches to retraining, including £5 million to support 'returnships' for those returning to work after a long break. However, the provision does not cover learning at Level 3, a crucial level for adults wanting to retrain and upskill before entering higher level learning.

Inequality and disadvantaged groups

Concern has been raised about access to skills training and further education for a number of disadvantaged groups. Some reports have referred to the 'missing middle', a group consisting of low earners who neither have access to funding support received by mid to high earners, or qualify for 'out of work' support. In particular, single parents, part-time workers and people with disabilities are least likely to undertake further skills training and progress to higher earning.

Within this group, mothers with children aged under the age of 12 are more likely to be in part-time than full-time employment, and are viewed as being 'content' to work in low graded jobs with managers often unaware of the talent, experience and aspirations of this workforce.

There are additional barriers for the unemployed to retrain, as the welfare system is structured so that those studying part-time need to demonstrate that they would be available for full time work if the opportunity, thus providing a disincentive to such individuals to complete their course of study.

Vulnerable and disadvantaged groups have much to gain and much to offer from further training that could lead to more skilled employment, and have a significant role to play in addressing the critical skills shortage currently being faced.

RECOMMENDATIONS:

- The introduction of **individual learning credits to provide enhanced funding** for adults seeking upskilling or retraining.
- Further **expansion of proposed Further Education maintenance loans** to include all adult education and training providers and cover NVQ levels 2 and 3.
- Introduction of a **career review for all adults aged 25+** to tackle the mid-level skills shortages and address the underutilisation of groups trapped in low paid, low skilled work.
- Development of a **contributions based career development sabbatical** for established workers to receive the equivalent of Job Seekers Allowance for up to six months to enable them to upskill or retrain.
- Ensure **sufficient funds to replace the European Social Fund** for adult education to avoid further cuts.

Conclusions

Renewed interest in development of technical and vocational training to address a pressing skills gap in the UK economy is welcomed, however there remain a number of barriers to access to and participation in such training, particularly for those over 25. Issues relating to access to financial support, improving participation rates for disadvantaged groups, and better promotion of existing schemes are all areas that still need to be addressed.

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