

GUIDE TO THE SKILLS SYSTEM

The Skills System: A definition

The Skills System is an umbrella term encompassing a wide range of vocational education and training in both the private and the public sector. It covers all levels and life stages, and the diverse network of groups that provide, support, and benefit from these opportunities.

Vocational education and training ranges from the informal accrual of skills by exposure to work-like environments or tasks, to formally certificated and long term courses. Levels of training also range from the provision of basic English and maths skills at Entry Level or Level 1, through to highly technical degree-based apprenticeships, and everything from employability and offender learning in between.

The system is sometimes viewed as two overlapping systems: a private system of skills development led and funded by employers and individuals; and a public system supported and funded by government. The private system meets market needs and the public system has a duty to ensure people are sufficiently skilled for the labour market, supporting productivity and economic growth.

The ultimate goal of policymakers is to strengthen both these systems, and crucially the links between them, whilst avoiding the moral hazard of disincentivising employers to train.

The system covers multiple policy areas and government departments. Here, education, further and higher education, adult skills, employer engagement, welfare, and industrial strategy all converge.

It is helpful to conceptualise the system as a mixed and diverse ecology. Policymakers and decision makers need to understand the roles and requirements of large employers and FE colleges, alongside those of SMEs and microbusinesses, independent training providers, and the needs of individuals in the labour market.

Although the skills system is not truly 'systematic', the interdependencies within it require us to think about its varied components and relationships holistically. Changes to the school curriculum, for example, will impact industry several years down the line, and the unforeseen consequences of seemingly isolated reforms can risk underqualified individuals or skills gaps in the economy.

In this Parliament, the skills agenda must take centre stage. We are presently confronted with significant economic and social challenges against which the further education and skills system must be mobilised.

Starting with the economic: Britain faces skills shortages in key growth areas, and a productivity paradox. It is estimated that over the next eight years, the economy requires 830,000 new engineers, purely to replace workers reaching retirement.¹ Rates of productivity are lagging behind other G7 nations.²

The fallout from the financial crisis of 2008 has also exacerbated concerns around inequality and social mobility, concerns held by people across the whole political spectrum. At present there remain too many disconnects and gaps in the education and training system. These gaps limit the potential of individuals, particularly those who do not flourish in school, or who find themselves trapped in low skilled, low paid, and insecure employment.

The last Parliament saw significant progress in rising to these challenges, with actions taken to raise the status of vocational and technical qualifications, and to strengthen paths of progression into work and higher level skills development. These successes must be consolidated, and we must look ahead to the anticipated disruptions and opportunities that globalisation and technological innovation will bring.

To develop the world class skills system our economy needs and people deserve, our skills system must be conceptualised in all its complexity. The dynamics and interdependencies within the system, and the roles of its varied components must be appreciated.

It has often been said that the skills system is not fully understood by policymakers. Whether this is a fair notion or not, it is with this sentiment in mind, and our conviction of the central importance of skills to our nation, that we have produced this Guide.

In this Guide we aim to demystify this policy area and help to overcome some of the initial barriers policymakers can face in conceptualising the skills system.

Here we offer:

- An introduction to the skills system
- A review of current policy
- A contextual analysis of this policy area
- Six key messages for policymakers

Our six key messages offer policymakers a framework for addressing the challenges ahead. These messages are informed by past experiences of skills policy development, and serve to guide policy and decision makers as they undertake further reform.

In essence, we add our voices to calls from across the sector for policymakers to: bring stability to the sector; embrace systems thinking; improve the whole policy process; enhance quality and confidence in the system; boost employer engagement; and ensure sustainable funding in the long term.

In addition to this Guide, we offer our ongoing services as a body to assist policymakers in navigating the system, and our expertise in continually exploring how our vocational education and training system can become truly world class in serving individuals and the needs of the wider society and economy.

Lastly, we would like to thank the Education and Training Foundation, OCR, and the 157 Group of colleges, without whose generous support this Guide would not have been possible.



A handwritten signature in blue ink that reads "B. Sheerman".

Barry Sheerman MP
Co-Chair, Skills Commission



A handwritten signature in blue ink that reads "Ruth Silver".

Dame Ruth Silver
Co-Chair, Skills Commission

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Six key messages for this Parliament

In this Parliament we would like Parliamentarians, civil servants, policymakers and practitioners from across the wider FE and skills community to be guided in their actions by the following six key messages:

1. Ensure Stability

- Parliamentarians should take heed of the calls from employers, practitioners and FE and skills experts for greater stability in the sector
- FE and skills is the adaptive layer of the education system, yet many feel that the agility of providers and awarding bodies is undermined by frequent policy and procedural change. Parliamentarians and policymakers must ensure that the system is enabled to be proactive rather than reactive

2. Adopt Greater Systems Thinking

- Planning should be more holistic, taking into account the system in its entirety. Parliamentarians must pay greater attention to the potential unintended consequences of future reforms
- Policymakers and the sector need to strengthen vocational pathways and transitions between education and work to ensure a functioning pipeline of training delivering high level skills
- The portability of training qualifications across the UK should be taken into account given devolved powers and transnational industries
- Government departments must identify opportunities where joint investment in skills could improve outcomes, boost productivity, and make savings. There must be greater co-operation between BIS, DfE and DWP along with the DH and the DCLG

3. Improve the Policy Process

- Political consensus around the long-term vision for the FE and skills system, and commitment to it, are needed to ensure greater stability and a working strategy to build a world class skills system
- The policy process needs to be improved to allow policies to embed, quality to develop, and to give employers confidence in the system
- Policy must be designed in genuine partnership with employers and relevant professional and industry bodies who will be responsible for implementing or working around future reforms
- Policy must be fully evaluated to build on successes and avoid repeating past mistakes. Civil servants must help retain organisational memory as administrations come and go

4. Enhance Quality and Confidence

- Employers and learners struggle to understand many of the qualifications on offer because of frequent change. Vocational programmes with good reputations and employer buy-in will build confidence in the qualifications
- High quality vocational programmes (Level 4+) and the pathways that lead to them should continue to be invested in and developed across a range of sectors
- Improved careers advice and guidance, starting from a young age, is required to ensure that vocational pathways from school to employment are better understood and valued by students, parents and employers
- Due attention and resources must be devoted to enhancing the quality of leadership, teaching and innovation within the sector

5. Boost Employer Engagement

- Policymakers must better define how they expect different types of employers to engage with the skills system, as engagement can vary greatly
- Strategic engagement from employers should be promoted as this will produce a skills system which meets employers' needs. The 'two way street' model of employer provider engagement, called for by the Commission for Adult Vocational Teaching and Learning, should be implemented and championed by MPs at a local level
- When designing future policy and funding arrangements, policymakers must take into account the diversity of employers across industries and regions with particular attention paid to the role of SMEs

6. Ensure Fair and Sustainable Funding

- Parliamentarians must acquaint themselves with the economic and social benefits of further education. The sector's role in raising skill levels and tackling low productivity must be recognised and fully accounted for in the next Spending Review
- The relative balance of BIS funding across FE and HE must be reconsidered in light of labour market need, value for money, and social equality
- The short-term funding challenges faced by FE providers must be reassessed in light of the fact that many providers are being expected to do more with less
- The long-term financial sustainability of the system must be considered with a realistic assessment of the right balance of funding contribution from employers, government and individuals

Context

Before we outline the current skills system, it is necessary to place the UK in an international context, and consider how the development of skills policy over the past several decades in England and the UK has influenced the shape and nature of the system today.

VET Systems Internationally

Many of the nations that score well in indices of youth employment, productivity and skills development have a more clearly defined vocational education and training (VET) system than England. International VET systems typically overlap with general education systems from around the age of 14 and can be characterised by:

- Strong pathways into a range of occupations that are understood by the general public
- High rates of employer engagement and well understood meanings of what this is
- The association of vocational pathways with high quality and positive returns in the labour market

Many countries known for their successful VET systems, such as Germany, Austria and Switzerland, are described as social market economies with highly regulated labour markets. Thus a word of caution should be given against simplistic policy importation, given the UK's more marketised economy and flexible labour market.

However, there are countries that share similar economic and labour market conditions with the UK, which rank higher in indices of youth employment, productivity and skills development, than England. Countries such as Australia and the Netherlands have achieved lower levels of youth unemployment through smooth transitions between education and work, and have strong partnerships between employers and education and training providers.³ Successful VET systems are not therefore exclusive to social market economies and highly regulated labour markets.

Policy Stability

The development of skills policy over the past several decades in England and the UK has affected our ability to build a skills system comparable to successful VET systems abroad.

Firstly, and most importantly, a striking feature of skills policy in England has been its volatility. As a 2014 City & Guilds report pointed out, the policy area has flipped between or been shared with multiple departments 10 times since the 1980s.⁴ Similarly, 61 Secretaries of State have been responsible for skills policy over this time.

The problems caused by instability at the top have been exacerbated by a lack of political consensus and the centralised nature of skills policy in England. New ministers wishing to leave their mark, shifting departmental priorities, and political rivalry have combined to drive a pace of reform in further education that is incomparable to developments in higher education or the schools system. Over time a plethora of reforms, restructures and initiatives have been developed for the sector from the centre. While many of these have been well intentioned, the frequency of change, the lack of time given for reforms to embed, and in some cases the lack of funding, have all made it difficult for providers and employers to operate to their full potential.

The development of meaningful employer engagement at a local and national level with education and training providers has also been affected by policy instability. Bodies representing local economic interests have undergone several reformations, oscillating between greater employer influence and central government control. The current Local Enterprise Partnerships follow on from Regional Development Agencies, Training and Enterprise Councils, and Local Authorities. It is crucial that whatever set of organisations occupy this space, they are able to establish a reputation as the central point for engagement between employers and local education and training providers.

Similarly, there have been many intermediary bodies intended to ensure that the skills needs of employers and industries are met. Industry Training Boards, Industry Training Organisations, National Training Organisations, Sector Skills Councils and now Industrial Partnerships have all occupied this space. These bodies are regularly reinvented. Reasons for this include perceptions that there are too many of them, doubts over the extent to which they represent all employers in their sectors, and disagreements over how they should be funded. The frequency of this restructuring suggests that the solutions to these issues may lie beyond the structure of the representative bodies alone.

The quality of teaching and provision across the sector could also be said to have suffered in an unstable policy landscape. The past decades have seen many reforms to the sector's improvement, funding and inspection agencies. The Education and Training Foundation, the education and skills funding agencies (EFA and SFA), and Ofsted have a long pedigree behind them, and many of their predecessors can be seen in the comparison table in the annex. Many in the sector make the case that their ability to act as the adaptive layer of the education system is undermined by frequent policy change.

Systems Thinking?

The creation of a coherent skills system has also been held back by a tendency to focus on reforming particular parts of the system in isolation to the whole – there has never been a whole systems review. This is a significant contrast to countries that have more developed VET systems where reforms are looked at in a holistic way. A pertinent example of the instability in the skills system is the changing structure and content of vocational and technical qualifications in comparison to the relative stability of GCSEs and A Levels.

There has been a series of attempts to introduce new, centrally sponsored vocational qualifications with the hopes they will satisfy industry needs, provide a broad content offer, or restore public confidence in vocational and technical education. This has resulted in the introduction of a plethora of qualification types since the 1980s from NVQs, GNVQs, AVCEs, Applied A Levels, Diplomas, numerous branded qualifications, and the more recently rebranded suites of qualifications such as EBaccs and Tech Baccs. Many of these qualification types have been axed and the constant churn has done much to devalue the vocational pathway as learners, parents, and employers have struggled to keep up. As a result, the academic route remains the gold standard despite the examples of world-class vocational training available across the country.

In addition to a lack of holistic thinking in the design and implementation of skills policy, there has been an absence of long-term strategic planning. The move of the former Polytechnics towards a more traditional HE degree based offer, coupled with a lack of a clearly articulated industrial strategy, left a long-term structural gap in skills infrastructure. While some FE colleges, training providers and employers moved into this space, offering a range of higher vocational programmes (Level 4+), England remains behind competitor nations in terms of higher level training. England ranks 16th out of 20 OECD countries in the

proportion of adults holding vocational post-secondary qualifications (defined as equivalent level of a degree or higher), with the largest proportion of adult further education delivered at Level 2.⁵

Finally, an enduring feature of skills policy in England is the absence of sustained and in-depth evaluation of policies and initiatives. For example, there is little understanding of the impact of NVQs despite their relative longevity. Likewise, little is known about post-14 diplomas: how much did the programme cost, why were they abolished and what was learnt in the process? This apparent lack of willingness to learn from past experience has led some to talk of a ‘collective amnesia’, which acts as a hindrance to the development of a functioning skills system.⁶

While instability and a lack of systems thinking have arguably hindered the development of a coherent VET system in the past, a better understanding of the components and dynamics of the system, along with its many successes, can aid the creation of a world class further education and skills system in the future.

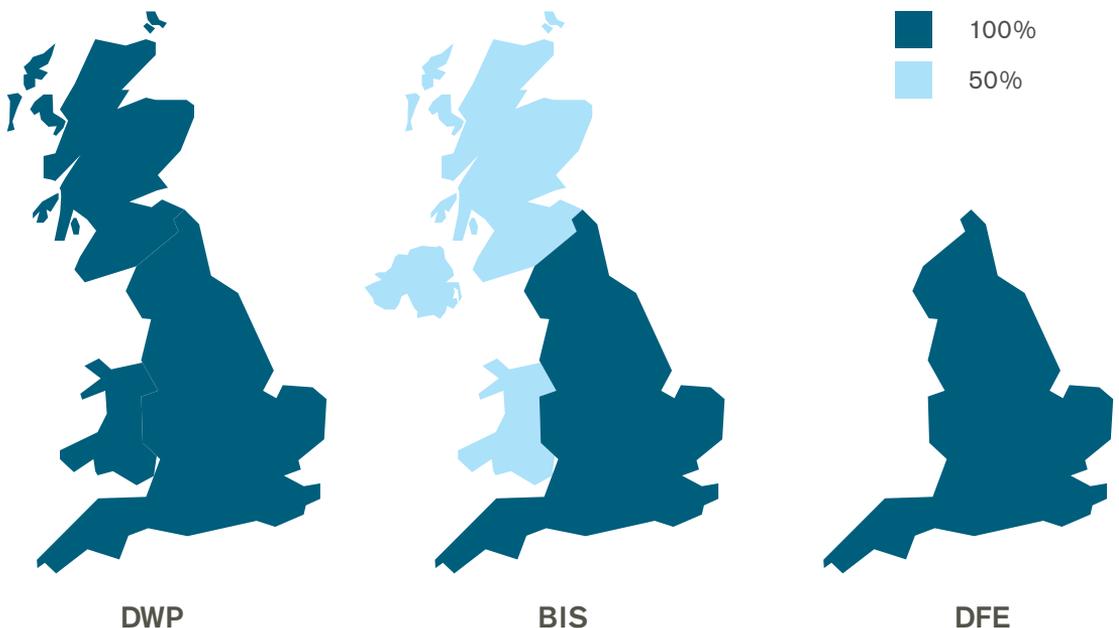
An introduction to the skills system

Devolved responsibilities for skills across the UK

Skills, education and employment policies are devolved to varying degrees throughout the UK. While education policies are most devolved across the four nations, welfare and employment policies are less devolved. Skills policies are increasingly being further devolved, both across the UK and within the nations themselves.

Given the devolved nature of skills policy this Guide will primarily focus on England.

Extent of devolved responsibility by department ⁷



England

In England, the Department for Education (DfE) is responsible for education and training policy up to the age of 18 while the Department for Business, Innovation and Skills (BIS) manages skills policy, including 16-18 apprenticeships.

Skills policy is also devolved within England itself. The 39 Local Enterprise Partnerships (LEPs) between local authorities and businesses have an increased role in directing local skills strategies and working with colleges, training providers, employers and the SFA to set skills priorities. In Manchester, Sheffield and London, City Deals are playing an increasing role in influencing local skills provision.

Northern Ireland

Employment and skills have been devolved to the Northern Ireland Assembly since the Northern Ireland Act 1998. The skills system in Northern Ireland largely mirrors the English system, most likely due to the troubled history of the Northern Ireland Assembly, which has been suspended several times since its creation.

Skills implementation is managed by the Department of Employment and Learning. The major policy framework is *Success through Skills: the Skills Strategy for Northern Ireland*, published in 2002 and updated in 2010.

Scotland

Skills policy was devolved to the Scottish Parliament with the 1997 referendum and the subsequent Scotland Act 1998.

Skills Development Scotland and the Scottish Funding Council are the main non-departmental government bodies responsible for overseeing skills programmes and managing funding for both colleges and universities. The Scottish Government's skills strategy, *Skills for Scotland*, was developed in 2007 and 'refreshed' in 2010 following the global financial crisis.

Wales

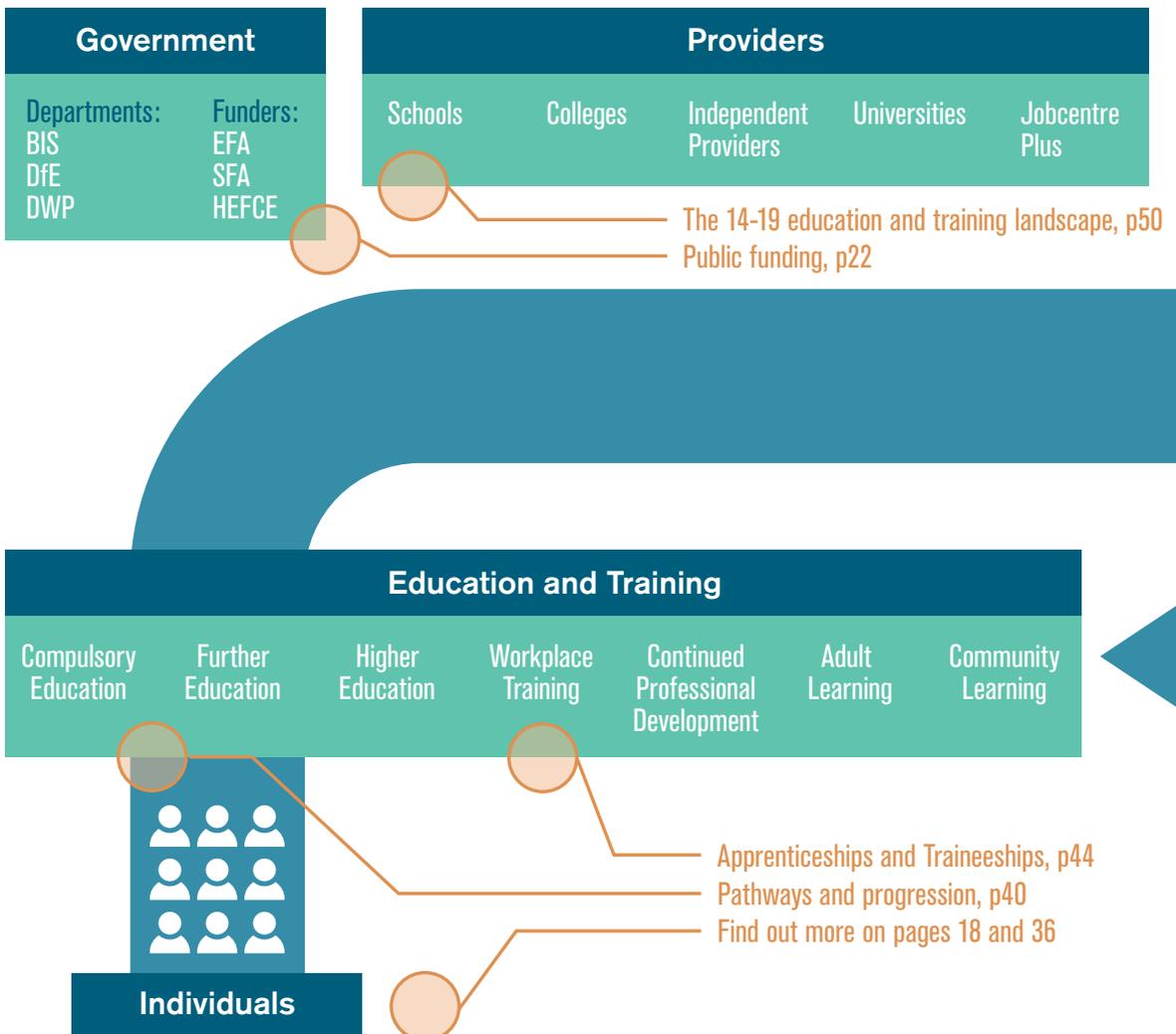
Skills policy was formally devolved to the Welsh Assembly in the Government of Wales Act 2006.

The Welsh Department of Education and Skills oversees skills policy and its *2014 Policy Statement for Skills*, and the subsequent *Skills Implementation Plan* outline Wales' overarching skills policy.

Navigating the Skills System

The skills system is best conceptualised as an ecosystem made up of varied yet interdependent components adapting their behaviours to an ever changing environment. The repercussions of change at one level will impact upon functions further along the chain, sometimes in unexpected ways.

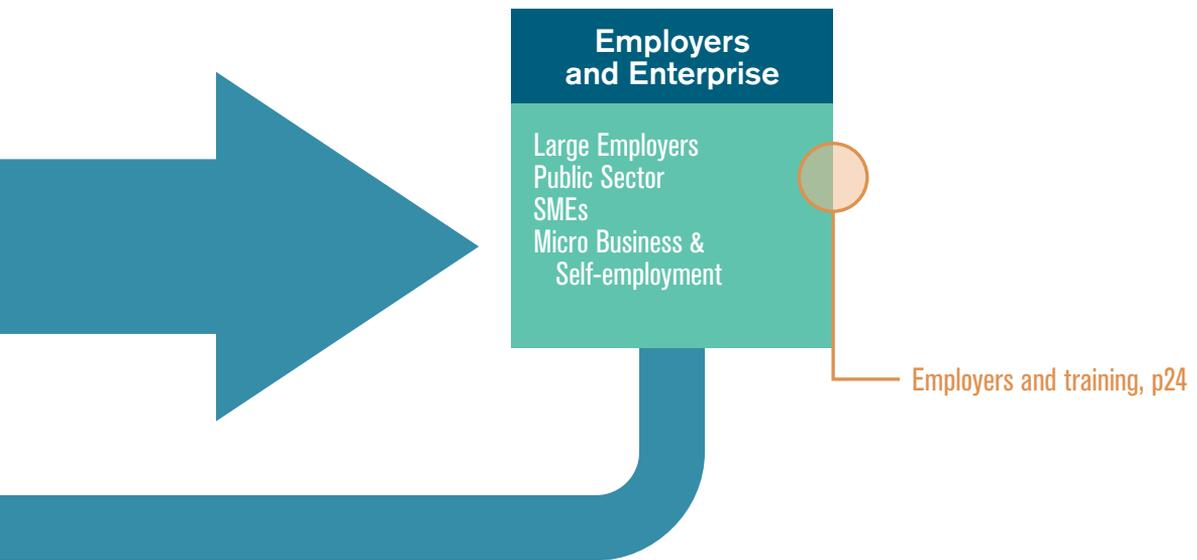
Below some of the key components of the system are displayed with references to pages where you can find out more about certain aspects of the system.



Standards		
Regulation: Ofsted Ofqual QAA Industry specific SFA and EFA	Authentication: Awarding Organisations Apprenticeship Trailblazers	Quality Enhancement: Education and Training Foundation FE Commissioner

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Devolved Powers
Devolved powers LEPs City Deals

Devolved Parliaments, p14

Labour Market Intelligence
UKCES Careers Advice Services

The Labour market, p26

Sectors
Industrial Partnerships Sector Skills Councils & Bodies Professional & Trade Bodies Trade Unions

Phases of education and training

An individual's interactions with the skills system can be divided into three main stages based upon age related funding priorities.

Pre 19

- General Education up to the age of 16 with greater elements of choice between subjects, institutions, and courses from the age of 14
- From September 2015 all young people up to the age of 18 in England are required to continue in education or training
- Courses are classified as theoretical, technical and applied general, with pupils able to study a mixed programme full-time or take work-based learning pathways such as traineeships or apprenticeships
- Study Programmes are in place for all full-time students between 16-18, including a core of qualifications and work experience. Further English and maths is required for those who are below grade C at GCSE
- Delivery through a range of providers including colleges, sixth forms, UTCs, studio schools, schools, independent training providers, employers, specialist centres and secure colleges
- All are entitled to independent careers advice and guidance
- Approved provision is fully funded by the DfE through the EFA

19-23

- Young people leave compulsory education and training enter work, or progress into further or higher education
- The majority of students in higher education are between 19-23, funding study with student loans
- Young people enter work and the employer skills system via straight forward recruitment internships or graduate schemes
- Government contributes towards the costs of apprenticeships and grants for employers taking on apprentices under the age of 24
- First full Entry, Level 1 or 2 qualifications are fully funded
- Full state funding for traineeships or qualifications and units (Level 3 or above) to help young adults into work or to progress to an apprenticeship
- Significant providers at this stage include colleges, employers, independent training providers, third sector organisations, the Jobcentre Plus and Work Programme providers, and offender learning and skills providers
- Provision is funded by BIS through the SFA, with certain elements of training funded by the DWP

24+

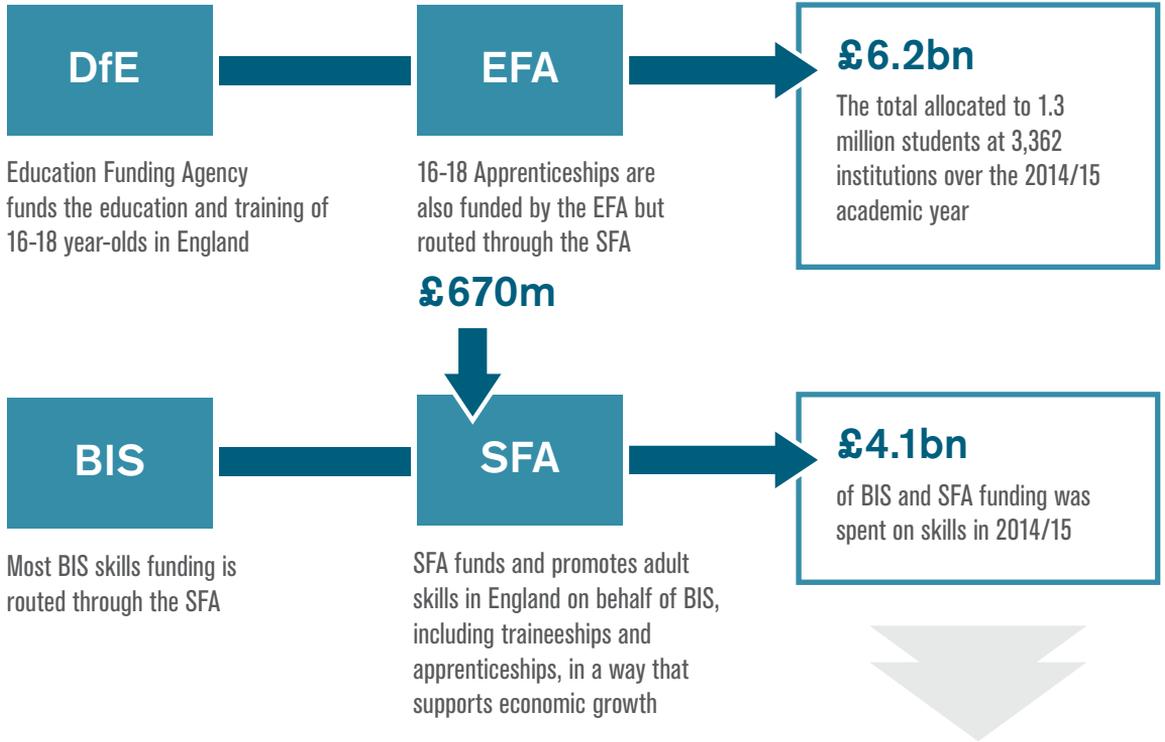
- Individuals develop their skills through workplace experience, continual professional development or through employer funded training
- Workers re-enter training to upskill or retrain, particularly in areas such as digital skills
- Access to 24+ Advanced Learning Loans for learners studying at Levels 3 and 4
- Apprenticeship programmes receive contributory funding from Government
- Fully funded English and maths qualifications and units to help adults to reach GCSE level A*-C (Level 2)
- Alongside vocational training courses a wide range of providers offer other types of provision including employability, basic skills, the Work Programme, English for Speakers of Other Languages (ESOL), offender and community learning
- BIS is primarily responsible for adult learning and skills while the DWP plays an important role in developing skills amongst the unemployed and economically inactive

Key facts

- 51% of 16-18 year-olds in education and training follow vocational and technical training programmes including apprenticeships
- A greater number of 16-18 year-olds study in FE colleges and sixth form colleges than in schools
- Of all 16-18 year-olds, currently around 6% start apprenticeships
- Each year colleges educate and train over 3.1 million people
- Over 1.2 million courses in STEM subjects are undertaken by students at colleges
- 254 colleges provide undergraduate and postgraduate level courses and 144,000 students study higher education in a college
- 21.7% of young full-time undergraduate entrants registered at colleges were from neighbourhoods with low rates of participation in higher education, more than double the equivalent rate (10.4%) at universities
- 97% of colleges recruit learners via Jobcentre Plus
- Further education is not just provided by colleges. It is also delivered by over 3,000 Independent Training Providers in England as well as the third sector, employers, offender learning etc.
- The success rate for apprenticeships in 2013/14 was 68.9% compared to 73.8% in 2011/12, a decline of 4.9%
- The economic return to the Treasury from adult apprenticeships spending is around £18 per £1 of government funding

The public funding system

This page gives an overview of the main public funding flows into the skills system, how these are expected to change, and how providers receive funding.



DfE
Education Funding Agency funds the education and training of 16-18 year-olds in England

EFA
16-18 Apprenticeships are also funded by the EFA but routed through the SFA

£6.2bn
The total allocated to 1.3 million students at 3,362 institutions over the 2014/15 academic year

£670m

BIS
Most BIS skills funding is routed through the SFA

SFA
SFA funds and promotes adult skills in England on behalf of BIS, including traineeships and apprenticeships, in a way that supports economic growth

£4.1bn
of BIS and SFA funding was spent on skills in 2014/15

DWP

Skills and training spending from the DWP budget cannot be easily separated from costs across its programmes and labour market activity budgets. Work Programme providers for example can draw down funds from the SFA as well as the DWP and spending in this area may vary from funding employability and softs skills through to funding qualifications or certification such as driving tests

Breakdown of BIS/SFA funding⁸ 2014/15

Funding to Support the FE and Skills Sector	125,004,000
24+ Advanced Learning Loans	398,000,000
Adult Skills Budget	2,258,311,000
Employer Ownership	73,400,000
Offender Learning and Skills Service	128,900,000
Community Learning	210,747,000
Learner Support	205,507,000
National Careers Service	90,878,000
Skills Infrastructure	58,900,000
European Social Fund	173,000,000
Capital Grants	414,857,000

Overall BIS Skills Funding is decreasing
 Skills funding is not protected and risks being decreased further



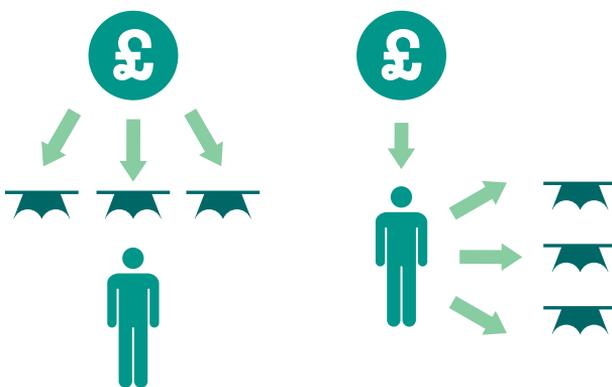
However, more funding is being directed to adult loans
 24+ Advanced Learning Loans



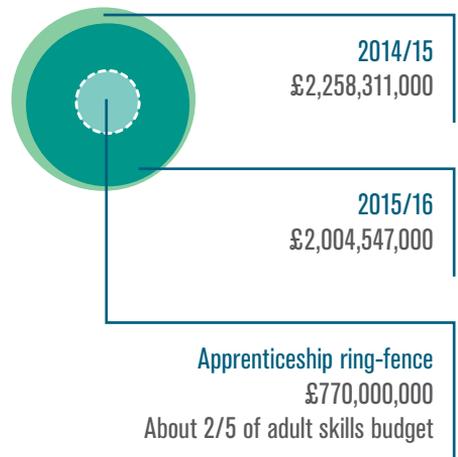
Changes to 16-18 qualification funding

Pre-2013
 Funding by qualification

Post-2013
 Funding per student

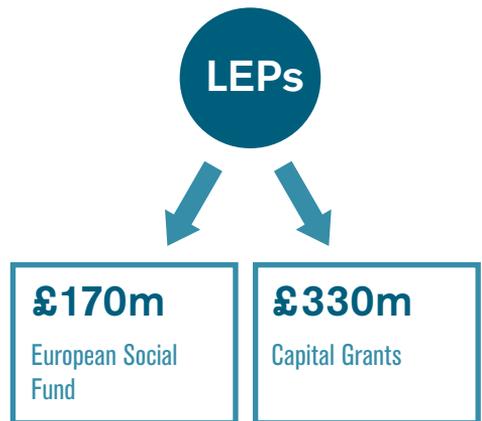


Within this, the Adult Skills Budget is shrinking



Role of LEPs bidding for funds

In 2015/16 LEPs are able to bid for funding from:



Changes to the funding of adult qualifications

Following the Whitehead Review into adult vocation: qualifications the SFA has reduced the total number of qualifications eligible for government funding by 6,900 since 2013, leaving 3,100 remaining.

The role of employers in the system

Although this Guide focuses on the publicly supported side of the skills system, it is vital to view this policy area holistically. This page outlines the ways in which employers provide training for their employees and how they engage with the publicly supported skills system.

2/3 employers across the UK fund or arrange training for their staff, investing every year an estimated

£42.9bn



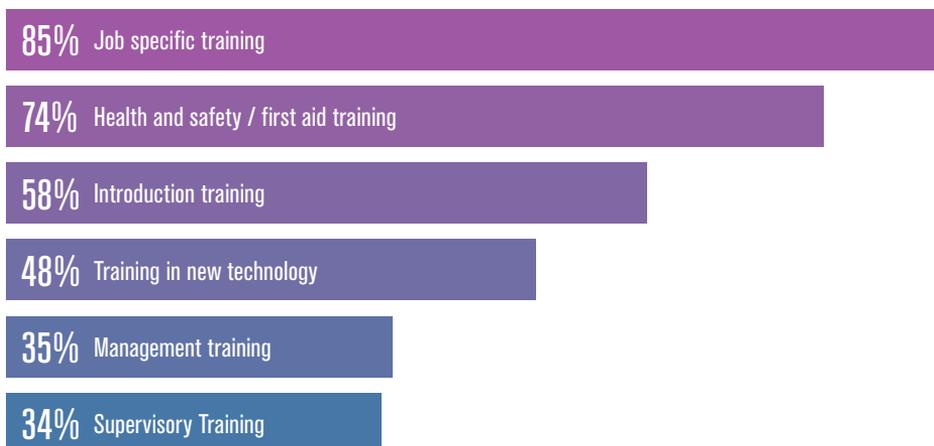
This figure includes the direct and indirect costs to employers, accounting for wages and lost productivity as well as the training costs.

Training is delivered:



This training is a combination of on-the-job and off-the-job skills development. While many employers fund formal courses for employees such as CPD and NVQs, much training is uncertificated and tailored to the specific needs of the employer.

Types of training provided over the last 12 months by employers



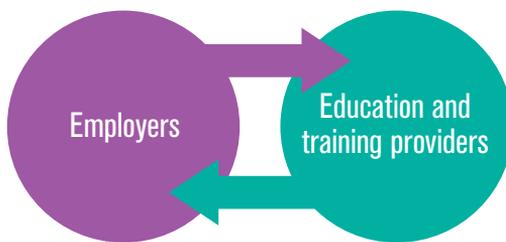
Examples of employer engagement with schools and colleges

38% of employers across England offer work placements to young people

66% of employers say work experience is a significant or crucial factor in their recruitment

Colleges and universities work collaboratively with businesses, however they receive £440m of the £3.3bn spent by employers on externally provided training. Employers are four times more likely to use private trainers for their training needs than FE colleges or HEIs.

The Two Way Street concept, described by the Commission on Adult Vocational Learning in their 2013 'It's About Work' report, remains a gold standard for the relationship between employers and colleges and training providers. In this system employers are fully engaged in helping to create and deliver vocational programmes with colleges and training providers.



International Comparisons

The definition of training is important when looking at international comparisons. When compared in terms of unspecified 'training' employers in the UK perform well against international competitors. However, when employers' provision of continuing vocational courses is compared, the comparison is less favourable.



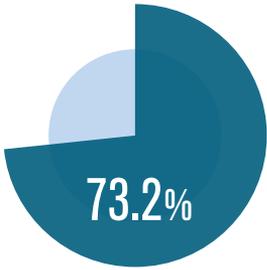
- European comparisons of rates of employers training their employees place the UK well above the European average in fifth place

N.B. Many European countries have more highly regulated labour markets than the UK and it is important to note that uncertificated training can be of high quality and more tailored to the needs of the employee

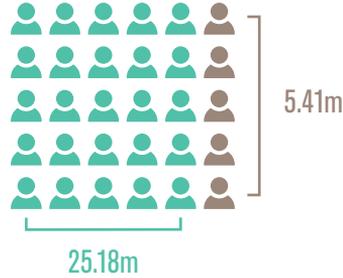


- The proportion of UK businesses offering continuous vocational training courses has decreased - in the same period it increased in many other EU countries
- The average amount of time spent on continuous vocational training courses is less than the EU average and half the amount in France
- 15% of all employers in the UK offered formal apprenticeships; compared to a quarter to a third of employers in Austria, Germany and Switzerland

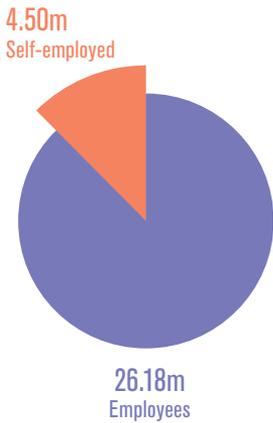
The contemporary and future labour market



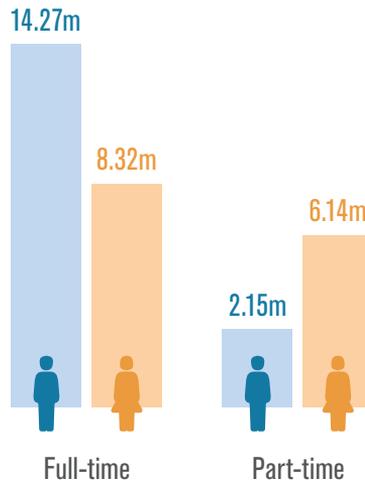
At the start of 2015 there were **30.90m** people in work. **73.2%** of people aged 16 to 64 were in work for period of October to December 2014.



There were **5.41 m** people employed in the **public sector** and **25.38m** people employed in the **private sector** for September 2014.



Levels of part-time and self-employed work at the start of 2015. ¹¹



Most employment growth since the recession has been in high-skilled roles. From the **first quarter of 2008 to the third quarter of 2014**, there were the following net changes across these four broad occupational groups:

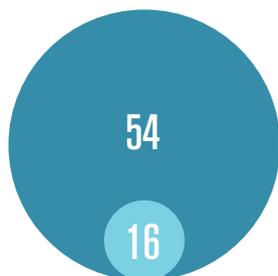
- + **1.3m** more high-skilled jobs
- + **0.3m** more service-intensive jobs
- **0.5m** fewer middle-skilled jobs
- **0.2m** fewer labour-intensive jobs¹²

The majority of jobs created between now and the end of the decade are expected to be in high-skilled posts. By 2020 it is predicted that half of all employment will be in the upper occupational categories, being classed as managerial, professional or associate professional.



However employers warn that the future growth and competitiveness of the UK economy could be put at risk by growing skills shortages in key growth industries.

Growth in areas facing skills shortages 2012-14¹³



June 2012 October 2014

CBI surveys estimate:



Over half of STEM based employers are anticipating increased difficulties in recruiting skilled workers

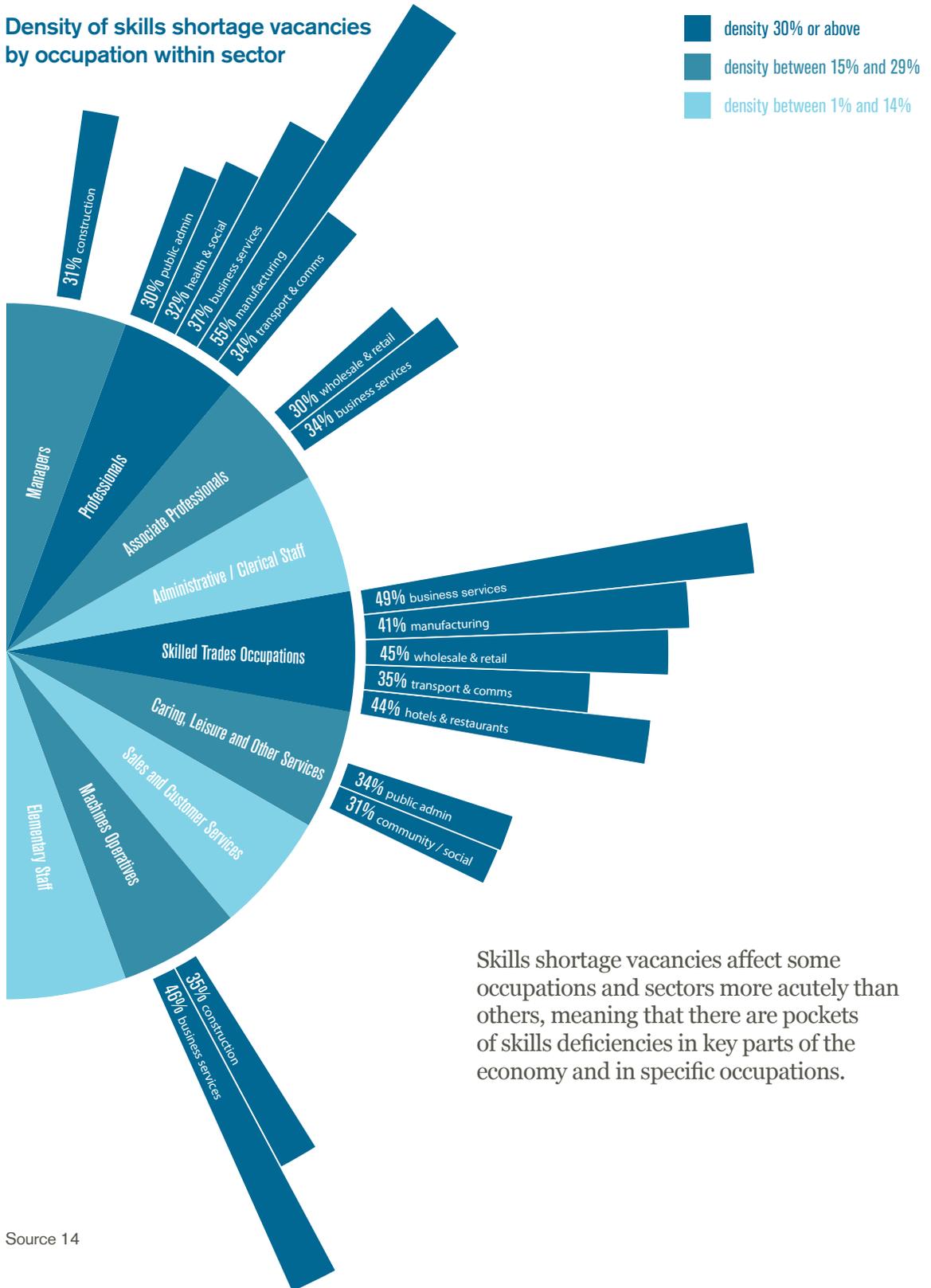


76% employers expect to need more people with leadership and management skills



58% of employers are not confident they will be able to recruit sufficiently high-skilled employees

Density of skills shortage vacancies by occupation within sector

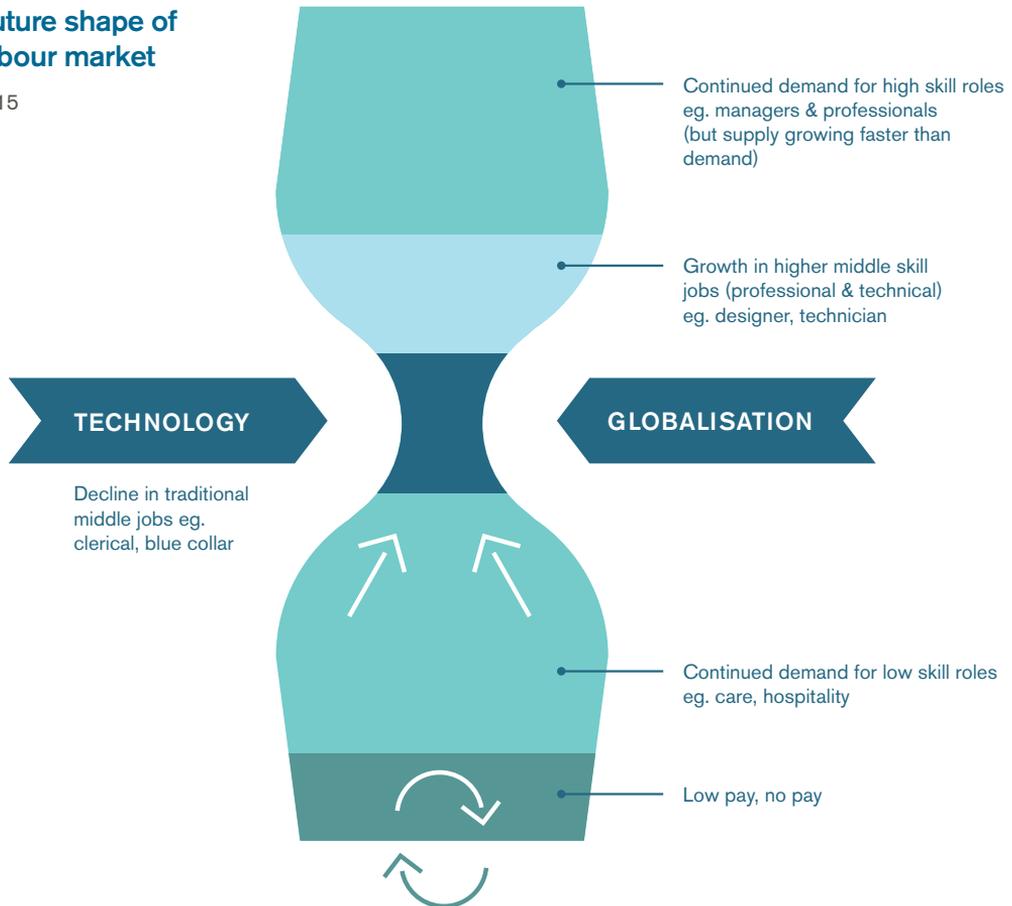


Skills shortage vacancies affect some occupations and sectors more acutely than others, meaning that there are pockets of skills deficiencies in key parts of the economy and in specific occupations.

As well as mounting concerns over how shortages of high end skills might impact on the future growth and productivity of the UK economy, there are growing concerns about the impact of globalisation, business innovation and demographic change on the shape of labour market.

The future shape of the labour market

Source 15



Source 16



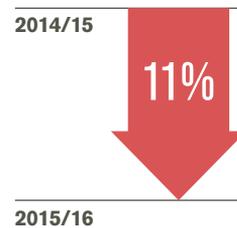
Inequalities and areas for concern

As currently structured, the skills system contains a number of weaknesses and gaps which affect certain groups of learners. This page provides an overview of some of the challenges our skills system faces.

Funding

The Adult Skills Budget

Overall skills funding has been reduced, with the Adult Skills Budget falling by 11% between 2014/15 and 2015/16. In some cases the funds available for non-apprenticeship adult skills could be reduced by up to 24%.



The recent cut to the funding of 18 year-olds of 17.5%

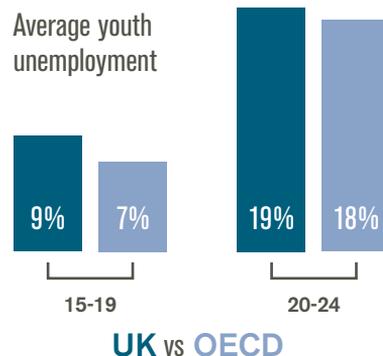
An impact assessment from the AoC shows that students from deprived areas and ethnic minorities were most likely to be affected by this policy. Thus providers catering for disadvantaged learners, and those with a predominantly vocational course offer, will be most impacted upon.

NEET statistics

At the start of 2015 there were 943,000 16-24 year-olds not in education, employment or training (NEET). A number of policies have been introduced to combat the issue:

- raising the participation age
- Youth Contract
- traineeships
- reformed apprenticeships

However, the number of NEETs still remains high and above the OECD average.



Higher vocational qualifications

In terms of the proportion of adults holding vocational post-secondary qualifications (defined as equivalent level of a degree or higher) the OECD's 2014 *Skills Beyond Schools* report ranks the UK:

 16/20

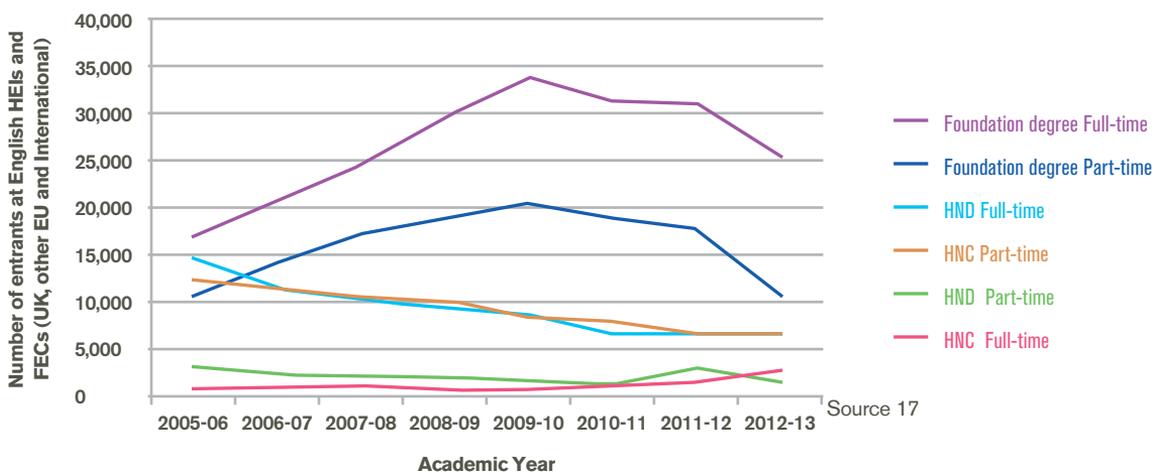
Low pay

According to the Resolution Foundation's *Low Pay Britain 2013* report, for every four people in a low paid job 10 years ago, three are still in low paid job today:

 3/4

Part-time and sub-degree level learning

Part-time learning has long been seen as an important pathway for people wishing to retrain and acquire higher level skills. However, between 2008-09 and 2012-13 there has been a significant decline in part-time learning, particularly in courses at sub-degree level often provided by FE colleges.



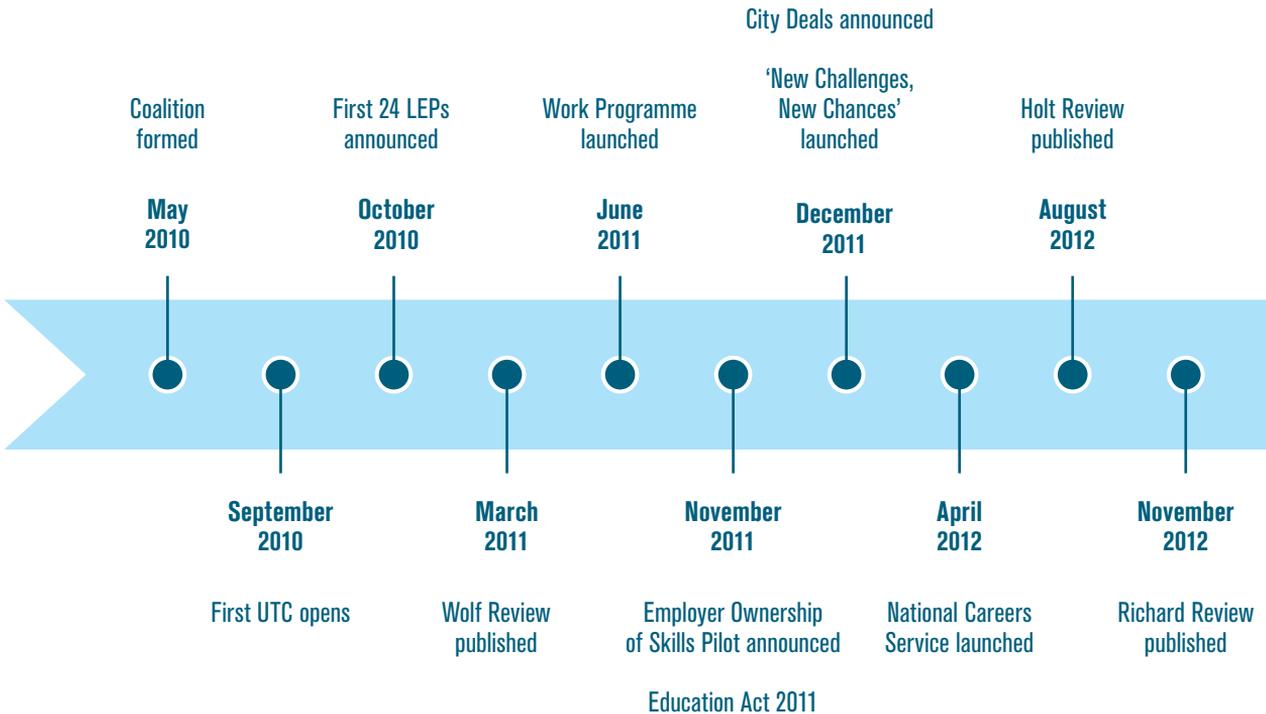
The reasons for the decline in part-time learning are complex, with increased tuition fees and poor economic climate most often cited. Given the importance of this valuable pathway its reduction requires further assessment.

Policy Review 2010-2015

Skills timeline

In this section some of the key policy developments between 2010 and 2015 are described. Given the breadth of this policy area, it has not been possible to outline every policy initiative. The introduction of 24+ Advanced Learner Loans, the National Careers Service, and the Careers and Enterprise Company for example have been omitted in this review.

Skills Timeline 2010-2015



'The Future of Apprenticeships in England' (Richard Review implementation plan) released

CAVTL report 'It's About Work' released

ETF established

Phase 1 trailblazers

National Colleges announced

Degree Apprenticeships announced

March 2013

May 2013

October 2013

April 2014

November 2014

April 2013

August 2013

November 2013

September 2014

December 2014

'Rigour and Responsiveness in Skills' published

Study Programmes announced
Traineeships introduced

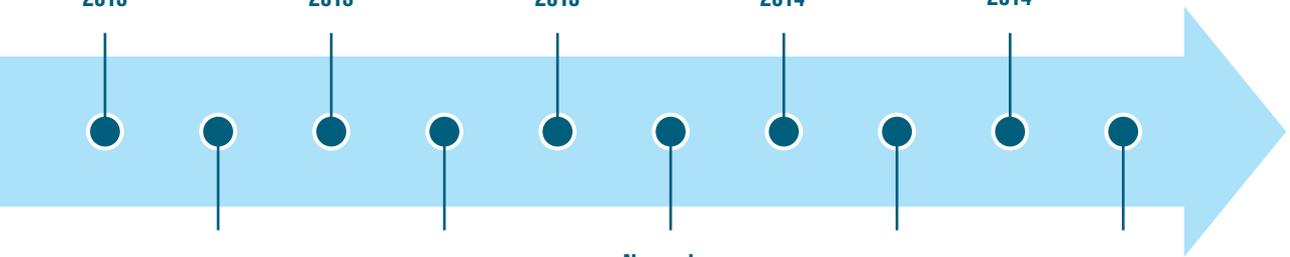
Whitehall Review published

Study Programme English and maths funding condition

Careers company announced

Applied general qualifications introduced

Technical level qualifications introduced



Study Programme

Study Programmes, recommended in the Wolf Review, aim to offer all students aged 16-19, whatever their education and training pathway, more breadth and depth in their learning without limiting their options for future work or study.¹⁸ Together with reforms designed to channel funding per learner not per qualification, Study Programmes are intended to create a system that approaches a student's development more holistically.

A Study Programme should include:

- substantial academic or applied and technical qualifications that provide progression to a level higher than that of a learner's prior attainment, and which meet their educational and career aspirations
- non-qualification activity including meaningful work experience
- the continued study of English and maths is mandatory for students who have not yet attained a grade A*-C in GCSE, and encouraged for all others

The Study Programme has been adopted by the Government and it is now a funding condition for providers to teach English and maths to students who are below grade C in GCSE.

Implementation has been described as a 'major change and challenge for the sector' by Ofsted, and the regulator's 2013/14 annual report was critical, purporting that progress was on the whole slow and the principles were poorly understood amongst institutions.¹⁹ However, as non-qualification activity is not mandatory, take-up has varied across the sector. It needs to be noted that the changes brought in by the Study Programme have had a significant impact on providers, requiring much more teaching of English and maths and oversight of work experience.

An indication of the activities of 16 and 17 year-olds is given in the data on the next page.

Please note this data shows a static snapshot of what the 16 and 17 year-old cohort was doing at the end of 2013. However, what it does not reveal is the movement between different courses and institutions that occurs within this stage of education and training.

Largely, this movement is said to be from school sixth forms to FE colleges, where a lot of students start Level 3 qualifications later at 17 or 18. There are a number of reasons for this trend: poor performance at GCSE could mean that students retake classes to improve grades; funding regimes which incentivise schools to 'hold on' to pupils who may not necessarily be well-suited for its Level 3 offer; and poor careers advice and guidance.

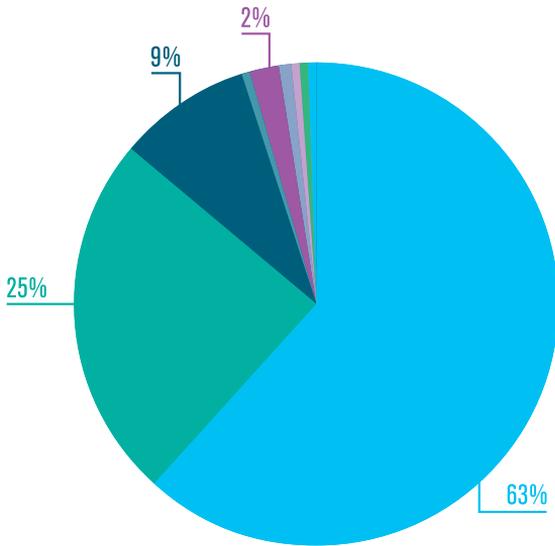
The fact that many students will begin Level 3 vocational courses later explains why some providers are hit more by cuts to the 18 year-old funding rate, described on page 30.

Activities of 16 and 17 year-olds in England

16 and 17 year-old learners in England

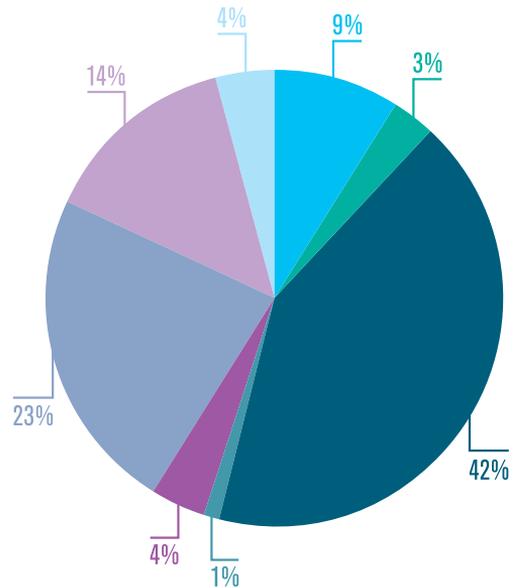
The charts below show the activities of the 1.3 million 16 and 17 year-olds in England at the end of 2013. It shows where they studied (if in education), and their highest study aim.

State Schools Sixth Form (FT)



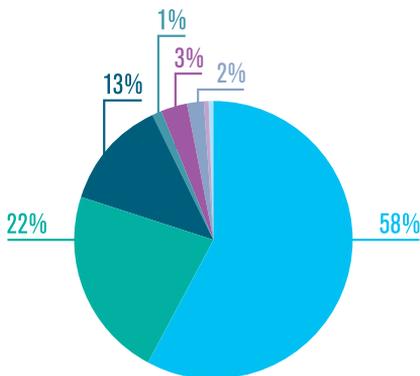
415,400; 32.0% of cohort

General Further Education, (FT)



383,800; 29.5% of cohort

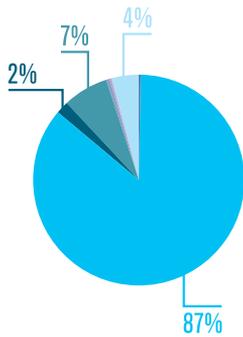
Sixth Form Colleges, (FT)



140,700; 10.8% of cohort

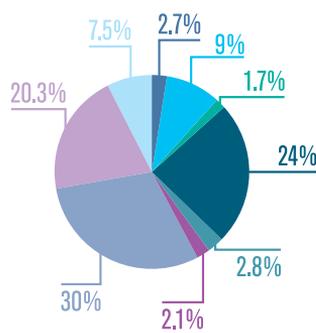
- HE qualifications
- A/AS levels
- A/AS levels and L3 vocational
- L3 vocational
- GCSE
- GCSE and L2 vocational
- L2 vocational
- L1 vocational
- Other
- Apprenticeships
- Advanced Apprenticeships

Independent Schools, (FT)



80,900; 6.2% of cohort

Part-time Education



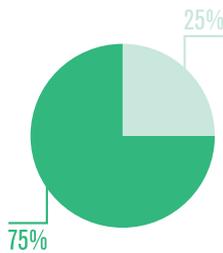
70,100; 5.4% of cohort

NEET



65,800; 5.1% of cohort

Apprenticeships



61,200; 4.7% of cohort

Other Education/Training
(Inc Jobs With Training)



37,200; 2.9% of cohort

Jobs Without Training



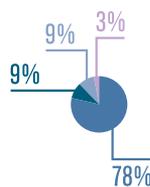
32,100; 2.5% of cohort

Special Schools



10,400; 0.8% of cohort

He Institutions (FT)



5,700; 0.4% of cohort

Data relates to snapshot at end of 2013. Sizes are approximate based on area in relation to number in each activity. Total sums to 100.3% due to a small overlap between education and Apprenticeships. Source: DfE Participation SFR.

Qualifications Reforms

The last Parliament saw significant reform to both general and vocational qualifications. Alongside a programme of GCSE and A Level reform, the Wolf Review of vocational education has greatly influenced policy on vocational qualifications and has resulted in the rationalisation of qualifications and the inclusion of English and maths in many programmes. The DfE uses four categories for the qualifications open to full-time young learners: theoretical, technical, applied general, and basic/wider skills.²⁰

Theoretical qualifications, often referred to as ‘general’, cover a range of subjects at Level 2 and 3 including GCSEs and GCEs (A Levels). Reforms are underway to make GCSEs more challenging, and the EBacc, a new performance indicator, has been introduced to measure the percentage of students in a school who achieve 5+ A*-C grades in English, mathematics, two sciences, a foreign language and history or geography. Coursework and practical exercises are being reduced in favour of written examination at the end of the course in both GCSEs and A Levels. AS Levels are also being decoupled from A Levels.

Technical Awards and Levels are qualifications designed to prepare learners for a more technical pathway or specific occupation. From September 2015 students at Key Stage 4 (age 14-16) will be able to take up to three Technical Awards, alongside 5 GCSEs from the EBacc subjects. Technical Awards, at Level 1 and 2, have at least as much teaching time as GCSEs and are designed to enable smoother transitions from general education into further technical programmes such as Tech Levels, which were introduced in September 2014.

Tech Levels have at least as many hours of teaching as A Levels and are recognised by trade or professional bodies. These were introduced as part of the Wolf Review recommendations, but to date there has not been a significant uptake.

Applied general qualifications were also introduced in September 2014. These are Level 3 qualifications that cover a wide range of vocational subject areas and need the backing of three Higher Education Institutions. They are designed to facilitate entry into higher education and are often taken alongside other qualifications such as A Levels. These were also included in the Wolf recommendations and a significant number of qualifications in this area being scrapped with more stringent regulations put in place to ensure their value for learners and employers.

Wider skills qualifications cover a broad range of levels and to support people with the acquisitions of skills considered important for employment. This includes transferable skills, such as communication or team leadership skills, as well as basic skills such as numeracy and literacy often delivered through Functional Skills qualifications.

Following on from the 2013 Whitehead Review, a similar process of rationalisation is occurring with adult vocational qualifications. The SFA has amended its qualifications approval procedure to introduce the principles of rigour, recognition and relevance. Qualifications will only be approved for public funding where they are regulated by Ofqual or the QAA, have high demand from employers and individuals, and help learners to enter or move towards employment. The SFA has removed up to 6,900 qualifications from public funding in the past two years.²¹

Pathways and progression

There are many options open to young people when it comes to qualifications and pathways. This is a simplified map to show some of the popular and emerging options and routes through the education and skills system. These occur in a range of institutions.

Source 22

Up to 16

GCSEs and the EBacc (Level 2)

Mixed programme of GCSEs (Level 2)

Including

Up to 3 Technical Awards (Level 2)

Or

Other Qualifications for students with particular needs such as Functional Skills



From 16

Further options beyond compulsory education and training

Mixed Programme of A Levels, Tech Levels, and Applied General Qualifications (Level 3)

AS / A Levels (Level 3)

Tech Levels and the TechBacc and Vocational Qualifications (Level 3)

Foundation and intermediate Vocational Qualifications (Levels 1-2)

Traineeships

Apprenticeships (Level 2+)

Work-based training routes, which include elements of the above

Many vocational qualifications will begin at Level 1 or 2 as most learners will have been exposed to very little vocational education or training whilst at school.

Vocational Qualifications (Levels 4-7)

Sub-degree level programmes including Foundations Degrees and Diplomas (Level 5)

Bachelors Degree (Level 6)

Postgraduate level courses including Masters, Diplomas, and Doctorates (Level 7+)

Higher Apprenticeships (Level 4-6)

Apprenticeships

Reforming and expanding apprenticeships was a key feature of the Coalition Government's skills strategy between 2010 and 2015.

- An apprenticeship is paid job with training, allowing the apprentice to gain a nationally recognised qualification
- They can take between one and five years to complete and cover a wide range of job roles and industries
- Apprenticeships span different qualification levels from Intermediate at Level 2, through to Advanced at Level 3 and Higher Apprenticeships at Level 4 and above
- The National Apprenticeship Service is responsible for promoting apprenticeships and maintaining an online vacancy system

Much of the recent reform has centred on the 2012 Richard Review which called for apprenticeships to be more employer-orientated.

The Coalition Government's 2013 *Implementation Plan* announced the Trailblazer scheme through which the existing apprenticeship Frameworks will be replaced by new simplified Standards designed by employer-led groups. Apprenticeships are also being encouraged for a wider range of occupations, and achieving a Level 2 in English and maths is to be a key component of the new Standards.

While the Government currently covers the full costs for under 19 year-olds, 50% of costs for 19-24 year-olds, and makes a contribution towards those over 25, a simplified funding model is being trialled for the apprenticeship trailblazers through which the Government will contribute £2 (up to a cap) for every £1 spent by employers. Digital Apprenticeship Vouchers, intended to ensure employers have purchasing power when sourcing training, are to be implemented by 2017.²³

A package of incentives is also available for small businesses, those recruiting 16-18 year-olds and for the successful completion of the apprenticeship. These are designed to encourage greater employer and industry engagement with apprenticeships.

There were over 2 million apprenticeship starts during the last Parliament and all three main parties are committed to expanding apprenticeships. Further details of apprenticeship uptake can be seen on page 44.

Traineeships

Introduced in 2013, traineeships are a training programme for people aged 16 to 24 to help prepare them for an apprenticeship or job. They are designed for young people who are unemployed, have little work experience, and are qualified below Level 3, but who can be prepared for employment or an apprenticeship within six months. The traineeship programme has three core elements.

- A work placement
- Work preparation training
- English and maths support if required

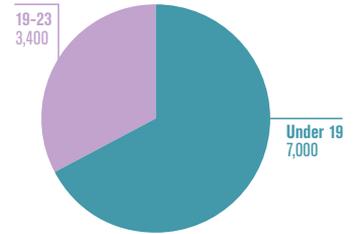
Traineeships are unpaid, but employers can cover travel and expenses and trainees can also receive Jobseekers Allowance; the 16-hour rule limiting the amount of training a claimant could do per week without losing benefits was removed in March 2014.

The rules around traineeships are intended to be flexible and they can last anywhere up to a maximum of six months. They are designed so that providers and employers have the freedom to develop a training and work programme that best suits the needs of the individual trainee. Providers, however, are currently required to have an Ofsted Grade 1 or 2 in order to deliver traineeships.

Traineeships and apprenticeships

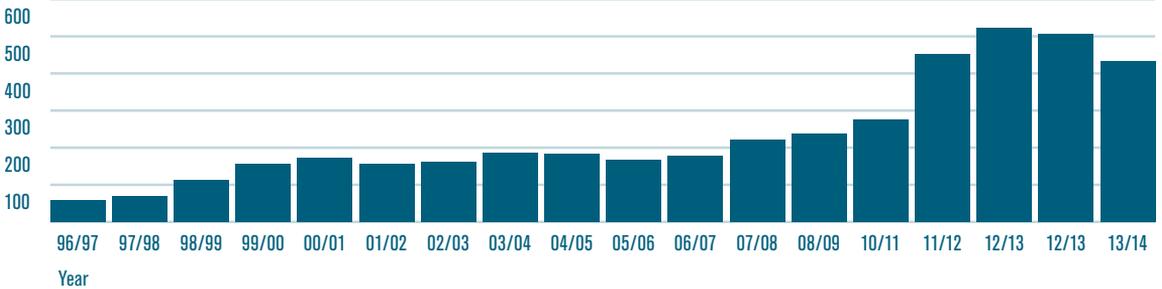
Introducing revamped traineeships in 2013 and expanding apprenticeships were key elements of the Coalition Government’s skills policy between 2010 and 2015. Apprenticeships were a major feature of the 2015 General Election with all major parties committing to increasing apprenticeships and improving their quality. The following pages provide a snapshot of the current trainee and apprenticeship landscape:

Traineeship starts (2013/14)

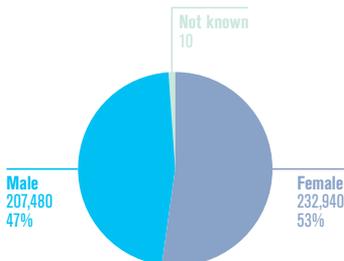


Apprenticeships

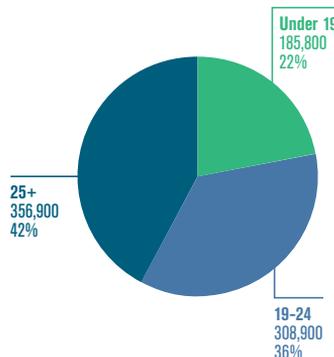
Uptake, thousands



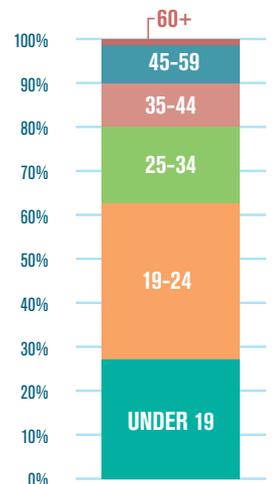
Starts by gender (2013/14)



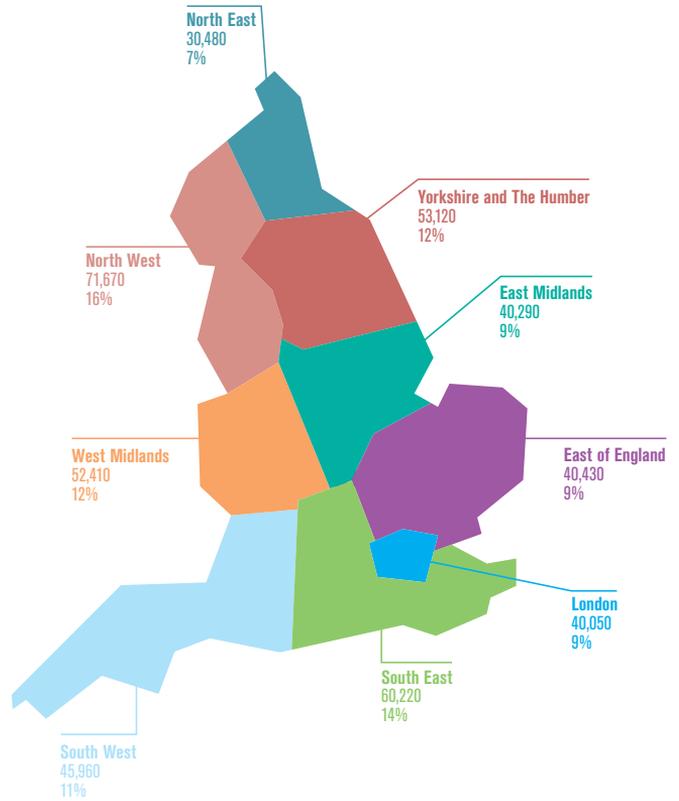
Participation by age (2013/14)



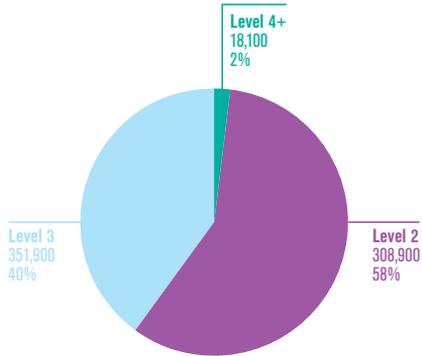
Starts by Age (2013/14)



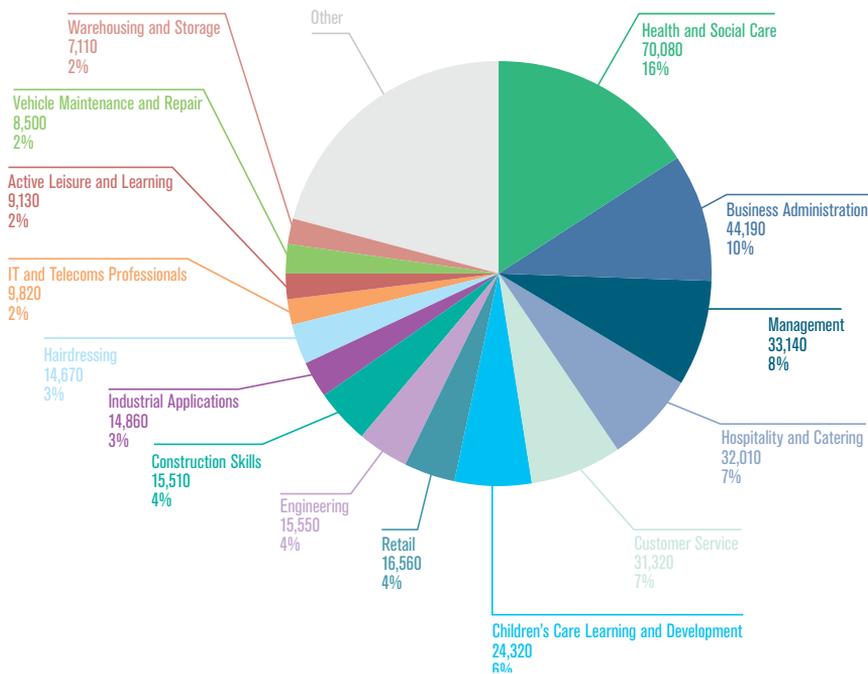
Starts by region (2013/14)



Participation by level (2013/14)



Starts by framework (2013/14)



Employer Ownership of Skills Pilot

The Employer Ownership of Skills Pilot is a government fund available for employers in England to design and deliver more flexible training programmes. Announced in November 2011, the fund totals £340 million over four years. Employers were invited to apply for funding by submitting project proposals to create jobs, raise skills, and drive enterprise and economic growth.

An initial evaluation of the first round of funding was conducted by BIS in March 2015 and reached mixed conclusions. It found that only 37% of desired starts had been achieved from 'ambitious' initial targets of 10,000 apprenticeships and 90,000 non-apprenticeships qualifications.²⁵ It also noted that many employers felt it was unlikely they would sustain their pilot projects (in their current form) after funding ceased.

However, the evaluation found that pilot projects had been particularly successful in increasing collaboration, and that the diversity of the training models funded was a key strength of the pilot.

LEPs and City Deals

LEPs are partnerships between local authorities and businesses which determine local economic priorities, lead economic growth, and encourage job creation within the local area. They were first announced in the 2010 Coalition Agreement, replacing Regional Development Agencies.

The Local Growth White Paper published in October 2010 announced the creation of an initial 24 LEPs. A further 15 have since been created, bringing the total to 39. All areas of England are covered by a LEP, with some areas covered by multiple.

LEPs are eligible to apply for funds from the Single Local Growth Fund in 2015-16. They were also allocated part of the EU Structural and Investment Funds for 2014-2020.

City Deals followed in December 2011, detailed in the *Unlocking Growth in Cities* White Paper. These are tailored agreements between government and a city that give the city additional powers over infrastructure, skills and jobs and economic growth, in exchange for greater responsibility for their local economy.

The first wave of City Deals were agreed in July 2012 with the eight largest cities outside of London. Wave 2 involves another 20 cities.

Industrial Partnerships

Industrial Partnerships bring together employers across a sector to encourage growth and competitiveness through the development of skills. Eight partnerships have been established across the aerospace, automotive, creative, nuclear, tech, energy and efficiency, science, and tunnelling and construction industries. The Government, through the SFA, will fund these partnerships up to March 2017 with £131 million from the Employer Ownership of Skills Pilot Fund. This investment has been matched by employers who are providing £1.70 for every government £1.

Partnerships are chaired by a key employer in the industry, and act as a forum for other businesses in the industry to influence and define skills priorities. It is hoped that this will help industries tackle skills shortages and better prepare for future skills needs, all of which will be prioritised in an Industrial Strategy for the sector (where one is in place).

Institutional Diversity and Specialisation

Competition and innovation within the FE sector is increasingly used as a mechanism to promote quality, choice and specialisation amongst FE providers.

Competition for resources has been introduced through reforms to the funding system and the position of LEPs, as well as the expansion of apprenticeship provision. 2014 also saw the opening of the first FE college since 1992, with further specialist National Colleges are set to open from 2015. Similarly, the DfE has opened the market for new entrants in the 16-19 arena through the encouragement of new academies, free schools, UTCs, and studio schools. An overview of the different providers operating in the 14-19 space is available on page 50.

In addition to new market entrants, the 2011 Education Act removed a range of restrictions and controls on college corporations, putting colleges on a similar footing to charities operating within the independent/private sector. The Coalition's reform plan for FE *New Challenges, New Chances* provides

a list of new models and partnerships which FE colleges may develop. These include: federations or joint venture models with other colleges; working with an employer or groups of employers and universities to form UTCs, and working through Group Training Associations or Apprenticeship Training Associations to develop innovative apprenticeship models.

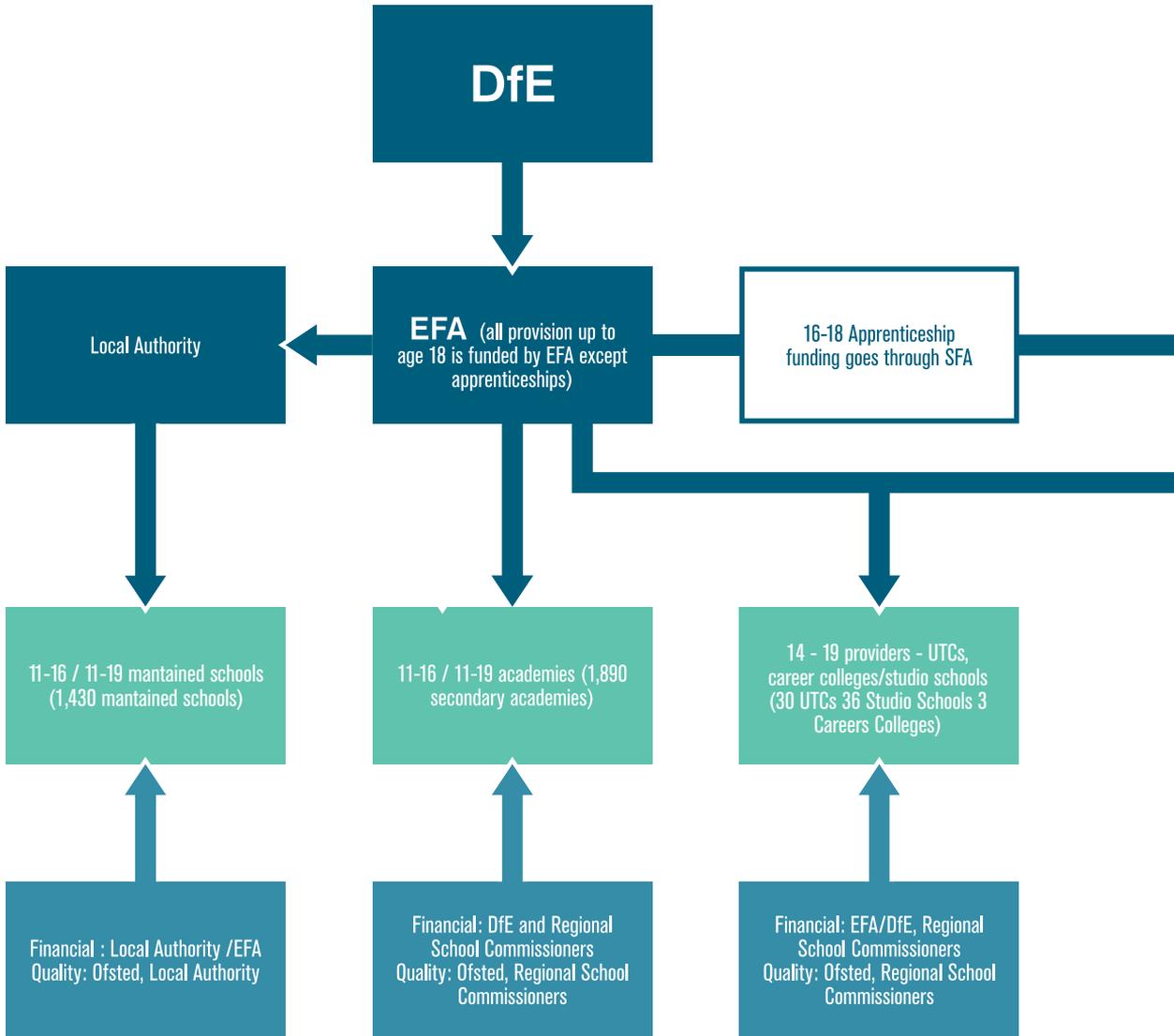
National Colleges

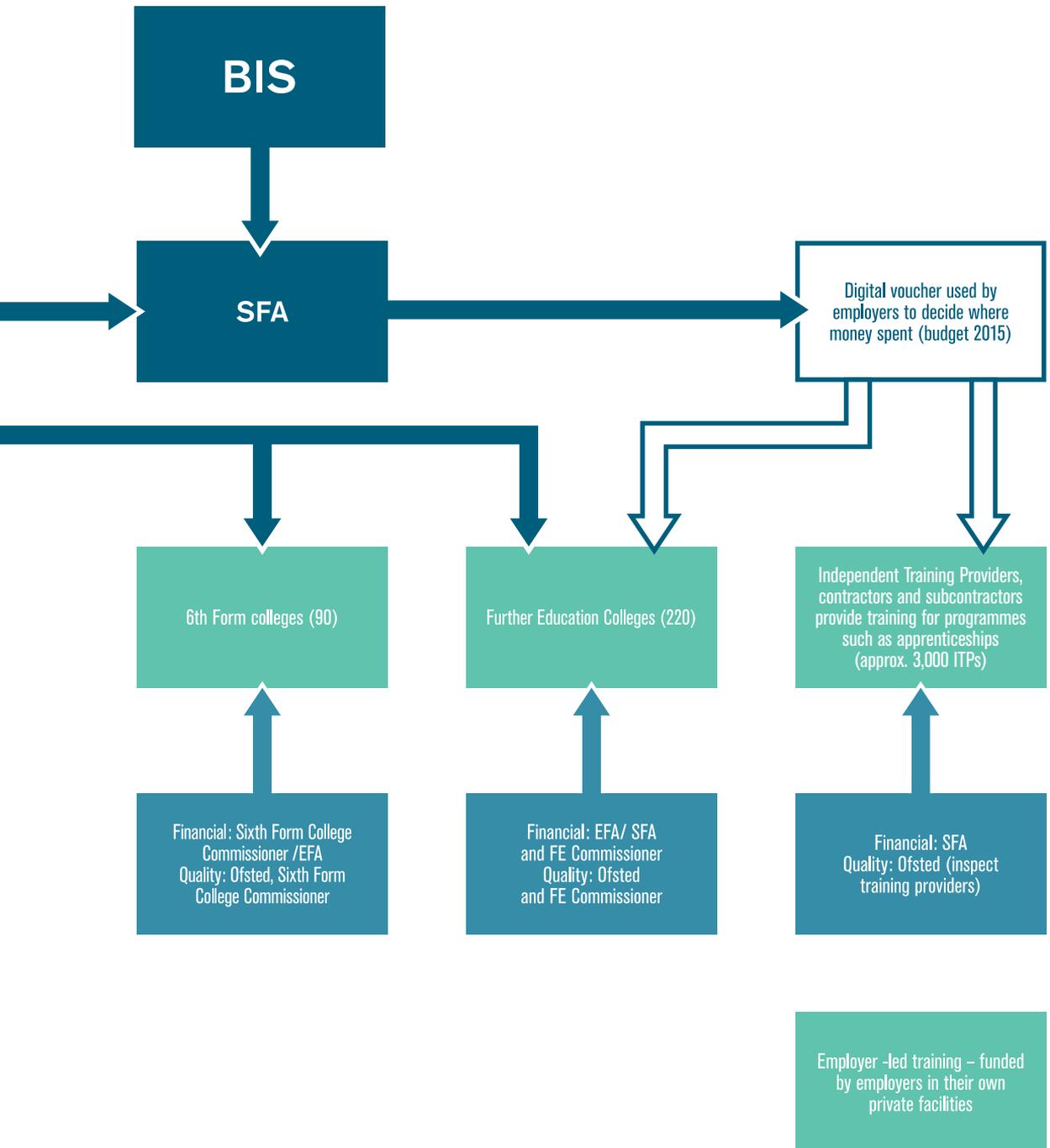
National Colleges are intended to be expert training centres focusing on key areas of the economy. First announced in April 2014, they are designed to fill high-skill vocational gaps, and to help fulfil the Coalition Government's ambition to achieve greater parity of esteem between vocational education and training and higher education. They will combine academic study with practical application and will collaborate with schools, employers and universities.²⁶

To date, seven National Colleges have been announced, some being formed around existing FE colleges such as Blackpool and the Fylde College. Specialisms include high speed rail, nuclear, onshore oil and gas, advanced manufacturing, digital, wind energy, and the creative industries.

Each college is led by employers, with 50% of initial investment to establish a college coming from employers. BIS has allocated £80 million of government match funding to support the development of National Colleges through to 2017.

The current 14-19 education and training landscape in England





Intervention

A new intervention process to address underperformance was announced by BIS in its April 2013 paper *Rigour and Responsiveness in Skills*. The role of the FE Commissioner was established along with several FE advisers, who intervene in FE colleges, designated institutions and local authority maintained FE institutions that have failed an Ofsted inspection, failed minimum standards of performance, or that have inadequate financial health and controls.

In these cases, the FE Commissioner assesses the capacity and capability of the governance and leadership to deliver the necessary improvements to quality or finances. The Commissioner then provides advice to Ministers and the Chief Executive of the funding agencies on what action is needed to secure improvement in order to protect the needs of learners and safeguard public money.

In 12 of the 19 institutions visited by the FE Commissioner to date, the interventions were triggered by assessments indicating inadequate financial health or financial management. Similarly, in interventions triggered by an inadequate Ofsted judgement, the FE Commissioner also identified underlying financial issues.²⁷

Leadership and Teaching

In July 2014 BIS published the *Further Education Workforce Strategy*. Over £30 million is currently being invested in a range of programmes and initiatives to improve the quality of leaders, teachers and teaching.

The Education and Training Foundation (ETF), established in August 2013 as the sector owned and led body responsible for professionalism in further education, is leading on many of these initiatives. For example, the ETF is implementing recommendations from the Commission on Adult Vocational Teaching and Learning, including embedding the concept of a 'two way street'.

The ETF published new standards for teachers and teaching in May 2014, to underpin quality improvement in future years. It is also developing Teach Too which aims to improve vocational learning by supporting occupational experts to become involved in teaching their expertise. Leadership, management and governance are supported across the sector through the Foundation's ELMAG

(Excellence in Leadership Management and Governance) programme which provides learning and development opportunities on an online portal.

The Work Programme

The Work Programme was launched by the DWP in June 2011 as a part of the Coalition Government's welfare reforms. A range of private, public and voluntary sector organisations have been contracted to support the long-term unemployed return to work through a two year programme that includes training and work experience. Between June 2011 and March 2016, the DWP hopes to refer 2.1 million people to the Work Programme at a cost of £2.8 million.

The aims of the Work Programme are to increase employment, reduce the time spent on unemployment benefits, and specifically identify those who are harder to reach and help them back into employment. The Work Programme wants to achieve these results at a lower cost than previous welfare-to-work schemes, using a payment by results approach for contractors.

A report by the National Audit Office has showed that the Work Programme's results for successful job outcomes and helping the hardest to reach have not been dramatically different to previous welfare-to-work initiatives.²⁸ However, the Work Programme has been more successful in reducing the amount of time claimants spend on job seekers allowance.

Conclusion

Ensuring the relevance and quality of the further education and skills system has been a perennial challenge for all governments, but one which carries heightened importance in this Parliament.

Today the FE sector faces significant challenges, including the raising of the participation age, the financial pressures on colleges caused by budget cuts and proposals to expand apprenticeship programmes. Likewise, Britain's lagging economic productivity, rates of youth unemployment, and growing skills shortages and mismatches all require the education and training system to be assessed and attended to.

In addition to these considerations, longer-term demographic and economic factors should focus minds on the necessity of promoting a high quality and forward looking system. Replacement labour demand due to retirement is predicted to hit key growth sectors of the economy. At the other end of the spectrum, a dip in the 16-19 year-old population will be followed by a significant growth in this demographic entering further education and training in the 2020s. The forces of globalisation and innovation continue to change the structures of work and bring accompanying social disruptions. These will demand continual reassessment of the relevance of skills provision.

The last Parliament saw much progress with measures taken to raise the status of vocational and technical qualifications, and to strengthen paths of progression into work and the study of higher level skills. However, the sustainability of the sector is in jeopardy and its future success is not guaranteed.

In order for us to build a world class system we need to fully appreciate the interconnectedness and interdependencies of the skills system, and think strategically about the relationship between its seemingly disparate components. As discussed throughout this Guide, to secure the right policy conditions for the system to flourish policymakers will need to:

- Ensure stability in the system
- Adopt greater systems thinking
- Improve the policy process
- Enhance quality and confidence
- Boost employer engagement
- Ensure fair and sustainable funding

These six actions are outlined in detail in the Key Messages on page 8.

By taking heed of these messages, policymakers can best ensure that we avoid the mistakes of the past and create the foundations from which to build a forward looking and adaptive skills system.

	Departments responsible for skills policy	Major policy & initiatives	Changes to the curriculum & qualification offer
1973-1979	Department of Education & Science 1964-92	Training Opportunities Scheme	School leaving age raised to 16
Conservatives under Thatcher 1979-1990	Department of Education & Science	Technical and Vocational Education Initiative (TVEI)	NVQs introduced
	Department of Employment	Youth Training Scheme (YTS) New Training Initiative	National Curriculum introduced
Conservatives under Major 1990-1997	Department for Education 1992-95	Youth Training Administrative support for liP provided through TECs	GNVQs Modern Apprenticeships
	Department for Education & Employment 1995-2001	Training Credits	
Labour 1997-2010	Department for Trade & Industry, Department for Innovation, Universities & Skills, 2007-09 (later BIS)	New Deal EMA Train to Gain	Diplomas Advanced Vocational Certificates (later Applied A-levels)
	Department for Education and Skills, 2001-07 (later Department for Children Schools & Families)	Skills Pledge Individual Learning Accounts	Young Apprenticeships Advanced Apprenticeships Programme Led Apprenticeships
	DWP		
Coalition 2010-2015	BIS	EMA, requirements for work experience and funding of	Participation age raised to 18 & pupils able to transfer to college or UTC from 14
	DfE	Connexions removed	
	DWP	Qualifications reform	Study Programmes introduced
		Trailblazer Apprenticeship and incentives for small businesses	Reformed GCSEs, A-levels & new Tech Awards & Levels
		Employer Ownership of	Review of vocational qualifications
	Skills Pilot	Traineeships	
	The Work Programme	Trailblazer Apprenticeships Degree Apprenticeships	

system by administration

Institutional change	Inspection & Quality Enhancement	Local & Regional interests represented by	Sectors & industry represented by
Centres of Advanced Technology become universities	HMI DES	LEAs	Industry Training Boards
	HMI FEU FESC	LEAs (powers reduced) Local TVEI projects and Area Manpower Boards	Industry Training Organisations
Colleges leave LEA remit 'Incorporation' Polytechnics become universities Skillcentres privatised	Ofsted FEDA	TECs (Training and Enterprise Councils)	National Training Organisations
National Skills Academies Centres of Vocational Excellence Jobcentre Plus	Ofsted Adult Learning Inspectorate LSDA (later LSIS) IfL	9 RDAs (Regional Development Organisations) 1998-2012 47 local Learning and Skills Councils	26 Sector Skills Councils
New Academy Schools & UTCs First new FE college since 1992 established 7 National Colleges Chartered Colleges	Ofsted FE Commissioner Education and Training Foundation	39 LEPs City Deals	8 Industrial Partnerships Trailblazer participants

Acronyms

<u>AoC</u>	<u>Association of Colleges</u>
<u>AVCE</u>	<u>Advanced Vocational Certificate of Education</u>
<u>CAVTL</u>	<u>Commission on Adult Vocational Teaching and Learning</u>
<u>CBI</u>	<u>Confederation of British Industry</u>
<u>CPD</u>	<u>Continuing Professional Development</u>
<u>DFE</u>	<u>Department for Education</u>
<u>EFA</u>	<u>Education Funding Agency</u>
<u>ESOL</u>	<u>English for Speakers of Other Languages</u>
<u>ELMAG</u>	<u>Excellence in Leadership, Management and Governance</u>
<u>ETF</u>	<u>Education and Training Foundation</u>
<u>HEFCE</u>	<u>Higher Education Funding Council for England</u>
<u>GNVQ</u>	<u>General National Vocational Qualification</u>
<u>LEPs</u>	<u>Local Enterprise Partnerships</u>
<u>NEET</u>	<u>Not in Education, Employment or Training</u>
<u>NAO</u>	<u>National Audit Office</u>
<u>NVQ</u>	<u>National Vocational Qualification</u>
<u>OECD</u>	<u>Organisation for Economic Co-operation and Development</u>
<u>QAA</u>	<u>Quality Assurance Agency</u>
<u>SDS</u>	<u>Skills Development Scotland</u>
<u>SFA</u>	<u>Skills Funding Agency</u>
<u>SMEs</u>	<u>Small and Medium-sized Enterprises</u>
<u>STEM</u>	<u>Science, Technology, Engineering and Mathematics</u>
<u>UKCES</u>	<u>UK Commission for Employment and Skills</u>
<u>UTC</u>	<u>University Technical College</u>
<u>VET</u>	<u>Vocational Education and Training</u>

Skills Commission members

The Skills Commission is a group of leading experts and opinion formers from the education and skills sector that carries out research and makes recommendations for skills policy reform.

Recent inquiries have included *Still in Tune?*, which reflected the changing structures of work on to the skills system, and *One System, Many Pathways*, a report on the 14-19 system of education and training. Intervention and improvement in further education were also recently considered in a pair of reports entitled *The Move to Improve* and *The Move to Improve 2*.

<u>Dame Ruth Silver</u>	<u>President, Further Education Trust for Leadership Skills Commission Co-chair</u>
<u>Barry Sheerman MP</u>	<u>Labour Member of Parliament for Huddersfield Skills Commission Co-chair</u>
<u>Simon Bartley</u>	<u>President, World Skills</u>
<u>Charlotte Bosworth</u>	<u>Director of Skills and Employment, Oxford, Cambridge and RSA Examinations Board</u>
<u>Barry Brooks</u>	<u>Executive Head, Energy and Efficiency Independent Assessment Service Strategic Adviser, Tribal</u>
<u>Dinah Caine OBE</u>	<u>Chief Executive, Creative Skillset</u>
<u>Eileen Cavalier OBE</u>	<u>CEO and Principal, London College of Beauty Therapy</u>
<u>Toni Fazaeli</u>	<u>Chair of Governors, South Leicestershire College Vice Chair, Access to the Professions</u>

<u>Ian Ferguson CBE</u>	<u>Chair, Metaswitch Networks Ltd</u>
<u>Professor Alison Fuller</u>	<u>Pro-Director (Research and Development), Professor of Vocational Education and Work, Institute of Education</u>
<u>Rosy Greenlees</u>	<u>CEO, Crafts Council</u>
<u>Jacqui Henderson CBE</u>	<u>Board Member, Policy Connect Chair of Governors, Northumberland College</u>
<u>Jan Hodges OBE</u>	<u>Chief Executive, The Edge Foundation</u>
<u>Judith Norrington</u>	<u>Education and Skills Consultant</u>
<u>Sue Rimmer OBE</u>	<u>Principal, South Thames College</u>
<u>Graham Schuhmacher MBE</u>	<u>Head of Development Services, Rolls-Royce</u>
<u>Baroness Margaret Sharp of Guildford</u>	<u>Liberal Democrat Member of the House of Lords</u>
<u>Geoff Stanton</u>	<u>Fellow, Institute of Education</u>
<u>Sir Mike Tomlinson</u>	<u>Birmingham Education Commissioner Former Chief inspector, Ofsted</u>

Secretariat

The Skills Commission is powered by Policy Connect. Policy Connect is the leading network of Parliamentary groups, research commissions, forums and campaigns working to inform and improve UK public policy.

Working across a wide range of policy areas, covering mainstream and niche issues, the Policy Connect network of groups is recognised for providing the highest quality in impartial, policy-led research, events and campaigning.

Each group is led by parliamentarians and senior figures from across its policy field and is staffed by a team of full-time, dedicated policy experts. Every group within the network is unique, operating independently, with its own programme of events, research and campaigning activity. However, all groups share the same fundamental principles that comprise the Policy Connect approach: non-profit, cross-party, fully transparent, providing policy expertise in a highly organised and professional manner.

The Policy Connect network of groups is proud of the role it plays in providing a platform for thoughtful, collaborative and creative debate in UK public policy.

<u>Jess Bridgman</u>	<u>Head of Education and Skills</u>
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Sponsors

The Skills Commission is extremely grateful to OCR, the Education and Training Foundation, and the 157 Group for supporting this Guide

OCR

Oxford Cambridge and RSA

OCR is a leading UK awarding body. We provide qualifications which engage people of all ages and abilities at school, college, in work or through part-time learning programmes. Our qualifications and support services equip learners with the knowledge and skills they need for their future, helping them achieve their full potential. As part of the Cambridge Assessment group, part of the University of Cambridge, we work in partnership with educators, industry leaders and government to ensure our products and services recognise achievement at all and support progression.

<http://www.ocr.org.uk/>

The Education & Training Foundation

The Education and Training Foundation works with teachers, leaders and businesses to help them deliver excellent Further and Vocational education and training. Our priorities are to boost national capacity to teach maths and English, and embed these key subjects within the curriculum; support the sector in bringing standards of leadership, management and governance up to the level of the very best, and develop a Vocational Education and Training (VET) system based on genuine partnership between providers and employers.

<http://www.et-foundation.co.uk/>



The 157 Group is a consortium of influential further education colleges. Our member colleges are large, focus on high level vocational and technical qualifications and are strategic leaders in their localities. We aim to represent our members and colleges more widely in policy influence, thought leadership and practice improvement. We work in partnership with other colleges, employer umbrella organisations, thinktanks, national and regional bodies involved in education, the government and its agencies, and aim to ensure that the practitioner voice is heard loud and clear in policymaking circles.

<http://www.157group.co.uk/>

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Acknowledgments

The Skills Commission would like to thank all the individuals and organisations that assisted with the production and publication of this Guide.

In addition we would like to express special thanks to Lorna Unwin, David Russell, Julian Austen, Keith Smith and Julian Gravatt.

We are also very grateful to Peter Barrett and Clare Morley.

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