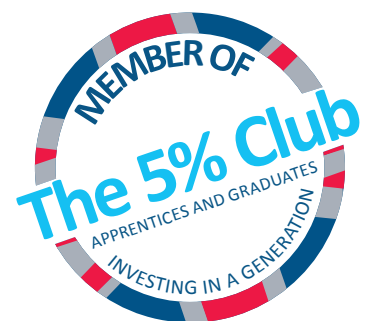




Time to Shine: A further education sector fit for the future



About The 5% Club

The 5% Club is uniquely an employer-led not-for-profit organisation founded in 2013. It works with UK employers and key influencers to inspire, educate and retain a growing body of people into “earn and learn” placements in order to increase the number of apprentices, sponsored students and graduate trainees.

The goal of The Club is to increase the employment and career prospects of today’s youth and equip the UK with the skilled workforce it needs to compete globally. Members aspire to having at least 5% of their UK work force in “earn and learn” positions within 5 years of joining. Progress is measured annually and reported by the member in its Annual Report or equivalent.

In setting up The 5% Club, we wanted to encourage leading firms of all sizes to invest in a generation - to put their money where their mouth is and set a clear example for many more employers to follow. We believe that the aim should be to build a much broader way for people

to enter the job market or reskill, moving away from the entrenched university focus and create a world-class vocational system in the UK that is on a par with, if not better than, systems such as that in Germany.

The 5% Club believes that employers are best placed to identify the skills that the economy will need in the future and best placed to drive high quality, relevant training which can be the bedrock to a long and fulfilling career. By joining The 5% Club, employers demonstrate to their customers, employees and potential recruits that they are a business committed to developing their workforce and building the skills the UK economy will need to thrive.

Methodology

This research was undertaken between 27 February and 13 March 2018 via an online questionnaire to 272 members of The 5% Club.



Director General, Penelope,
Viscountess Cobham CBE

Leo Quinn Foreword



Our members are hugely supportive of the UK's wide network of further education (FE) providers. A massive 91% of them feel that the FE sector is critical to skills and training. It plays a vital role in academic and vocational education, including apprenticeship training, ensuring that people have the skills and knowledge to back up the practical experience they receive in the workplace and to meet their own potential. Beyond these important roles, further education is also core to lifelong learning, continuing professional development, improving social mobility, tackling youth unemployment, giving those who did not do well at school a second chance, and supporting those who want to learn for fun or try a new hobby. And it will only continue to gain in importance to employers as the Apprenticeship Levy beds in and T Levels are developed.

However, our members are concerned that the FE sector is treated like the poor relation of universities – somewhere only for those who failed at school or are not clever enough for academia. This all-member survey crystallized those concerns. Key amongst them is the fact that there is no coherent strategy or vision for the future to ensure that FE is up to the job. Low funding and a lack of investment in recent years is starting to affect the curriculum and quality

of provision. Linked to that is the quality of the teachers and indeed, the number of them: official statistics show a sharp decline in teachers in further education colleges, a fall of nearly 20,000 between 2010 and 2017¹.

The UK economy needs a strong FE sector that works closely with employers and is able to respond to the fast pace of change in industry, while effectively equipping those it educates for the workplace. It must be brought out of the shadows and reinvigorated. It cannot remain the cash-strapped Cinderella of the education sector. It needs fair funding, improved collaboration with local employers and a period of stability following the recent reforms and budget constraint to help employers deliver increased growth and the Government hit their apprenticeship targets and other ambitions.

My thanks go to our members who gave so freely of their time and shared their experiences and expertise in the writing of this paper.

Leo Quinn
Founder and Chairman

A handwritten signature in dark ink, appearing to read 'Leo Quinn', written in a cursive style.

¹ <https://www.theguardian.com/education/2018/feb/04/30000-teacher-shortfall--secondary-schools-further-education>

Executive summary

The FE sector is vital to the economy. It provides skills training and education for those who want to pursue technical and vocational routes to a career. It also plays a key role in adult skills education, lifelong learning and social mobility. Over 3 million people a year in the UK access some form of FE, in a range of different settings, from colleges and community centres, to prisons and the armed forces. The Productivity Plan (2015), the Sainsbury Report and Skills Plan (2016) and the Industrial Strategy (2017), all identify FE as being core to our economic future.

However, not only are FE colleges reducing in number due to mergers and restructuring following the area review process, those that remain are under severe funding pressure. Between 1998 and 2016, FE funding was halved, (primary and secondary school funding per pupil doubled in the same period). Further education spending per student was 45% higher than secondary school spending in 1990 and will be around 10% lower in 2019-20². Yet with current and predicted requirements for the skills training FE provides set to increase, these institutions need more investment in facilities such as high-tech laboratories and workshops, particularly in the digital and engineering spaces, moving more towards 'live environment' car workshops and restaurants. Additionally the FE sector needs to employ industry specialists who often expect high salaries to be incentivised away from their sector into the classroom. It is for these reasons that, in spite of the pivotal role FE will continue to play in skills and the economy in the future, only 42% of our members describe themselves as optimistic about the outlook for the sector.

The 5% Club is fully supportive of the FE sector. Individual and national prosperity will suffer significantly if both workers and employers cannot obtain access to world-class technical training across the country. But more needs to be done to strengthen it and ensure it is able to deliver the high-quality skills and training employers and the economy need. Funding for the sector needs to be stabilised. Relationships with employers must be strengthened – with both FE providers and employers taking responsibility for making this happen. And there must be a period of consolidation, to allow for the reforms to become established and for the sector to focus on making them a success. Over the past three years, there have been over 25 significant pieces of legislation relating to the FE sector which have left the further education landscape looking very different today compared to how it looked even ten years ago. While many of the changes have been positive, being in a permanent state of flux has left many working in the FE sector with reform fatigue - there must be greater stability over the next decade to allow the sector and those working in it to return to strength.



² Institute for Fiscal Studies, 2017

Key points and recommendations



1. The FE sector needs a coherent strategy setting out a clear vision for the future to ensure that FE is up to the job.
2. Low funding and a lack of investment in recent years is starting to affect the curriculum and quality of provision, and the number and quality of teachers.
3. FE needs increased and more stable funding to invest in infrastructure. There should be no further cuts to public investment in FE. It would also help the sector to invest if there was an understanding of the settlements it will receive over a longer timeframe.
4. The FE sector will need to become more entrepreneurial, reaching out and building new relationships to secure new revenue streams. This in turn will require a new skillset and change in culture for the sector.
5. Relationships with employers must be strengthened – with both FE providers and employers taking responsibility for making this happen.
6. Learners are often not yet work-ready when they come out of FE, with a lack of key skills such as team-working, communication and problem-solving. This must be addressed.
7. 100% of members who responded to the survey felt that FE should be given a specific remit to work with employers to close skills gaps in the regions they operate in.
8. If the limitations in FE providers are not addressed, employers will not be convinced to increase the number of apprentices they take on, skills gaps will not be tackled and the Government will not hit its targets for apprenticeship starts.
9. 47% of our members, mostly those working in specialist areas requiring specific skillsets, or those based in rural areas, say they are unable to find training providers for the skills or specialisms they were looking for. This is likely to get worse with the reduction in the number of FE colleges and the introduction of T Levels.
10. In the light of ongoing reforms, many providers have not yet begun to prepare for T Levels and may not therefore be ready once they become a reality.
11. T Levels should reflect the needs of local employers and regional economies. FE providers will need to undertake thorough mapping exercises to identify local employer requirements to ensure they can design a curriculum that meets that demand for a wide range of businesses in the area.
12. The plans for T Levels should be accompanied by a national campaign to ensure that parents, employers, teachers and young people are aware of them, respect them and that they are regarded as a desirable, first-choice option.
13. There must be a period of consolidation, to allow for the reforms to become established and for the sector to focus on making them a success.

Employability, quality and access to provision

Although our members are strongly supportive of the FE sector and the important role it plays and will increasingly play in educating and upskilling people, only 7% of our members believe it is fit for purpose as it is: 93% believe it needs some improvement.

“They have been the poor relations and there is evidence to suggest that teaching quality is poor in colleges.”

While some FE providers are forward-looking and providing high-quality teaching and preparation for the workplace, others are not. The areas which our members outlined as needing improvement range from the quality of provision and of teaching, to the state of some of the teaching materials and facilities. But it is the disconnect between the skills employers need and what some parts of the FE sector offers that is the biggest issue for our members.

“It still seems heavily focused on academic qualifications and the vocational courses it runs are not always high quality.”

Members highlighted that learners are often not yet work-ready when they come out of FE, with a lack of key skills such as team-working, communication and problem-solving. In short, our members believe that there is not a strong enough link between FE and the workplace and what will be expected of learners once they reach it. Remedying this cannot, of course, all be the responsibility of the FE sector - employers must also take the initiative and engage with further education in a way that has not been done before.

“In the main the standards in FE are not good enough and learners do not come out with the relevant skills for employment.”

In terms of provision, 47% of our members, mostly those working in specialist areas requiring specific skillsets, or those based in rural areas, say they are unable to find training providers for the skills or specialisms they were looking for. The areas they highlighted as finding it difficult to find FE provision were wide-ranging. They include: CAD and cabinet making in Dorset; bid proposal writing; level 3 and level 6 apprenticeship training in general; scaffolding; steelfixing; formwork; carpentry; railway engineering; asbestos removal and demolition; mineral extractives; logistics in the southeast; and fire and security engineering in Oxfordshire.

Furthermore, 81% of members are concerned that the reduction in the number of FE colleges³, and the move to bigger, regional colleges may have an additional impact on their ability to access the training provision they need.

“It is important that FE and Employers communicate, listen and are more aligned with each other, in terms of the content and learning of courses and how those skills are applied in the work environment. Not just technical skills but also behavioural skills, as so often what the student is learning is not what is actually happening in the real world.”

³ <https://www.aoc.co.uk/about-colleges/college-mergers>

Our members are supportive of the creation of specialist FE colleges such as the National College for High Speed Rail in Birmingham and Doncaster, which have bespoke facilities to deliver training for the specific skills required. However, the facilities and teaching and learning spaces offered by other FE colleges and other providers across the country must also keep pace to ensure learners are getting the highest quality experience possible and that the experience prepares them for the workplaces they will enter. This is increasingly difficult in the light of financial pressures, however it is essential to ensure that we invest in the infrastructure and facilities which enable us to keep up with and remain competitive against other countries. This will require investment, but it need not be public money – building closer relationships with employers could see opportunities for sponsorship of improved facilities or private financing which have not currently been exploited. This requires the FE sector to become more entrepreneurial, reaching out and building new relationships to secure new revenue streams which in turn will require a new skillset and change in culture for the sector.

“...we’re not always comfortable asking our apprentices to travel that distance.”

To tackle these various issues, an astonishing 100% of members who responded to the survey felt that a key way of tackling this would be to give FE a specific remit to work with employers to close skills gaps in the regions they operate in. Members also felt that a strategy for the future of the sector would help to define the sector better in the public’s minds: at the moment, FE is a catchall term which covers the offer of a diverse sector. It does not have a defined image. Its intangibility means that there is not the public and political understanding of FE’s important role that the sector deserves.

Ultimately, if the limitations in FE providers are not addressed, employers will not be convinced to increase the number of apprentices they take on, skills gaps will not be tackled and the Government will not hit its targets for apprenticeship starts.



Funding



Funding for FE comes from a variety of sources, including the public purse, income from apprenticeships, traineeships and adult education. However, significant reductions in the amount it receives from Government, with cuts in areas including adult education and 16-18 funding, combined with the current fall-off in the number of apprenticeship starts since the introduction of the Apprenticeship Levy, have had a considerable impact on the amount of money FE providers receive. This has resulted in a lack of investment in some areas, which our members say has had an impact on both the quality of provision and the resilience of the sector.

“The FE sector is struggling financially and does not necessarily have the resources required to deliver the quality expected by the customer.”

78% of those members who responded to the survey feel that the FE sector needs at least the same level of funding as currently being received, or an increase in funding, in order to provide the service employers and the economy need.

“The lack of funding also means that they can be working with textbooks and materials that are years out of date.”

Indeed, delivering improved outcomes for learners and employers with fewer resources is likely to become increasingly difficult, especially in the light of the increased investment in new infrastructure and facilities needed to ensure that the learning keeps pace both with the modern workplace and with the economies we are in competition with.

“It will need investment to attract great people to teach, train and educate in this sector.”

In the first instance, we believe that there should be no further cuts to public investment in FE. It would also help the sector to invest if there was an understanding of the settlements it will receive over a longer timeframe. Laboratories and other infrastructure require significant capital investment and having the financial stability of a settlement over a five-year period, for example, would assist in making these financial commitments.

Of course, new technology offers significant potential for FE to reinvent itself. It will help facilitate new ways of teaching, an enriched learning experience and improved outcomes, at lower cost. However, new technology is not a panacea and it will be vital to ensure that this does not come at the expense of losing the personal contact between teacher and learner and between learners and the rest of a group, which enhances the learning experience and which is rightly so valued by learners.

T Levels

The new technical qualifications, T Levels, which are a key part of the reforms to technical education and post-16 skills training, are being introduced following the recommendations of the 2016 Sainsbury Review. They will be taught from 2020. They have considerable implications for the FE sector, which will provide most of the teaching, as they involve a 50% increase in the number of learning hours, including a high quality work placement for each student, which will equal around 900 hours of vocational training a year.

The 5% Club's members are supportive of the T Level concept. We agree that replacing the current, confusing system of technical education with 15 new T Level courses in areas such as digital and transport and logistics, making it easier to understand and navigate for young people considering which route to take, is the right thing to do. However, there remain a number of concerns around the proposals, which may be why only 37% of our members describe themselves as being positive about them at the moment. This may also be attributed to a current lack of knowledge about T levels.

In particular, our members are concerned that:

- The sector may not be able to weather further significant reforms following the recent changes and budget constraints. In the light of ongoing reforms, many providers have not yet begun to prepare for T Levels and may not therefore be ready once they become a reality.
- The new system will mean that FE has to strengthen its relationships and partnerships with employers. The success of T Levels lies in the employability of those who undertake them. FE providers will therefore need to build a stronger work placement and apprenticeship network. In particular, while our members feel that work placements are very important, they are concerned that it will be difficult to find enough work placements, particularly in rural areas and across the range of business sizes: while larger companies should be able to absorb a number of workplace students, smaller companies are likely to find it much more difficult.
- T Levels should also reflect the needs of local employers and regional economies, so FE providers will need to undertake thorough mapping exercises to identify local employer demand to ensure that they can design a curriculum that meets that demand not just for large companies, but for all the businesses in the area. However our members are concerned that the FE sector may not have the capacity to gear up in this way.
- Significantly increasing the number of teaching hours for technical subjects is critical to delivering the skilled workforce the country needs. However, with the current shortfall in teachers in the sector and no plans to change the image of the profession, our members are concerned that there may not be the high quality teachers in place in time to provide the teaching.
- To our members' knowledge, there is no robust prediction or target of how many people are expected to opt to take T Levels. Without this information, it is difficult to know whether there will be enough work experience placements available or whether the proposed funding is sufficient.
- If the above points are not addressed, T Levels risk being a failure before they have become a reality, as learners will not choose to take them in large enough numbers to give them credibility and help establish them. The plans should therefore be accompanied by a national campaign to ensure that parents, employers, teachers and young people are aware of them, respect them and that they are regarded as a desirable, first-choice option.
- As The 5% Club has highlighted on other occasions in previous publications, careers advice and guidance available to students under 16 will also need to be strengthened and better funded to help signpost the T Level option.
- 45% of those who responded to the survey said that providing the breadth and depth of high quality T Level training is likely to be difficult in specialist roles and rural areas. This may limit opportunities for students living in rural areas as the time and cost of travelling to a FE college will be too great for many young people.



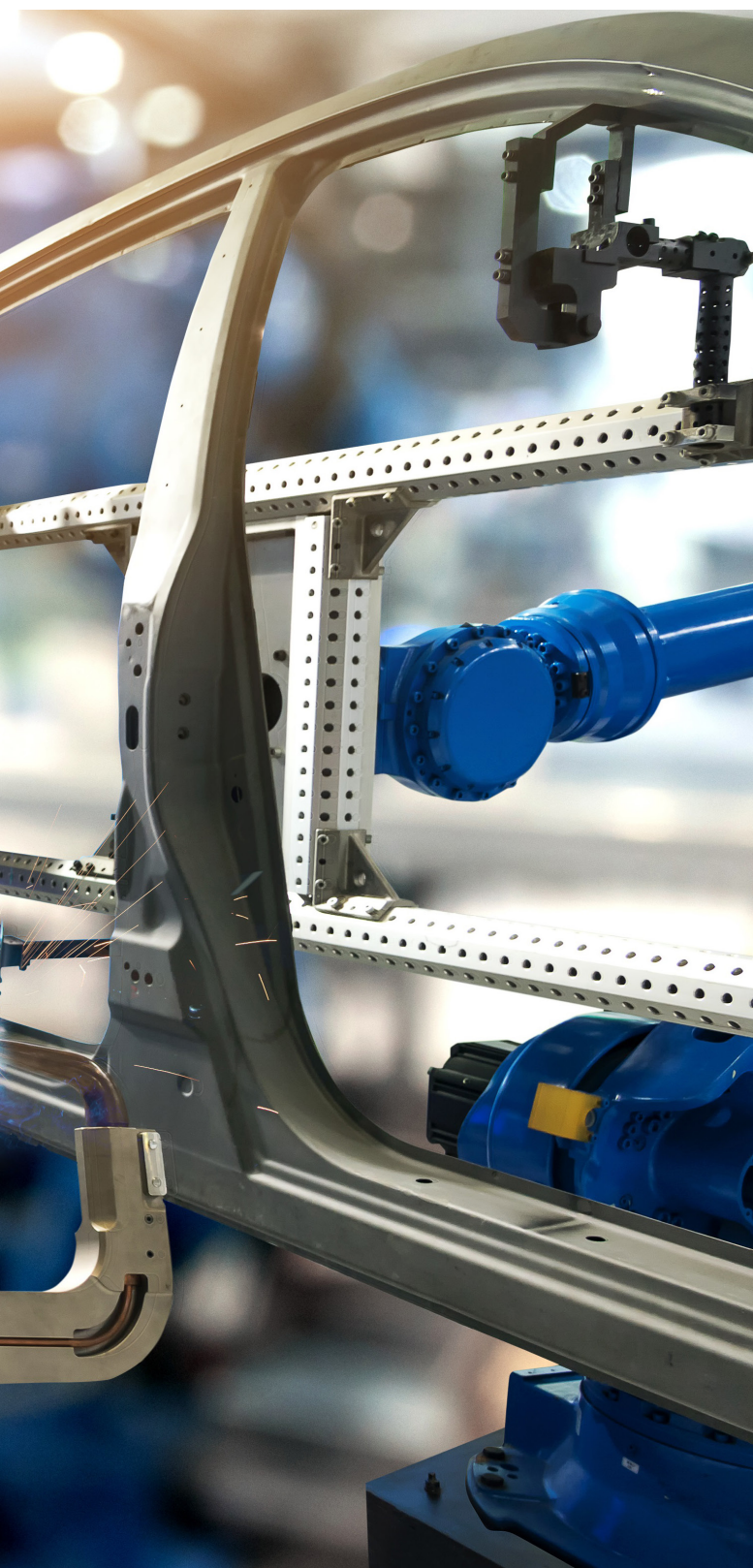
Conclusion

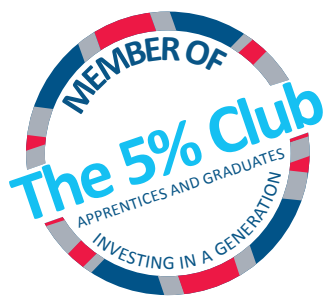
The 5% Club's members are supportive of the Government's ambitions to create an outstanding further education and skills system.

We believe that the FE sector is business-critical. We need a strong, financially stable FE sector to play its key role in helping tackle addressing the skills gaps which exist across the economy.

Delivering this will require the neglect of the further education sector to end, greater public and political understanding of the important role it plays and the FE sector and employers to commit to working more closely together to build stronger working relationships.

“The key stakeholders are Parents, employers, students and workers. There should be a comprehensive media campaign coupled with targeted briefings for employers. Multi-channel, as no single method will penetrate deeply enough.”





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