

**Labour's
Policy
Review**

Transforming further education: A new mission to deliver excellence in technical education

The second report of the
independent Skills Taskforce

Introduction

The lack of high quality training routes into work or further study for the ‘forgotten 50 per cent’ of young people needs urgent attention. The pathway for young people that choose the so-called royal route of ‘A’ levels and university is relatively straightforward. In contrast, young people that do not go to university face a wide array of courses that are often low quality and have limited purchase in the labour market.

To address this Ed Miliband announced in 2012 that the next Labour government will introduce a gold-standard Technical Baccalaureate for 16-19 year olds and significantly raise the quality and quantity of apprenticeships. The independent Skills Taskforce, chaired by Chris Husbands, Director of the Institute of Education, was set up to examine how these reforms should be implemented.

The Skills Taskforce’s interim report, *Talent Matters*, published in May 2013, argued that this requires a sea change in the way we think about skills. We need to raise the status, quantity and quality of vocational education, and not simply rely on the academic route to meet our skills needs. And we also need to raise demand for skills, providing support and encouragement to enable employers to better use and develop skills in the workplace.

In September 2013 we published the first of three final reports, *A Revolution in Apprenticeships*. This called for a universal gold-standard framework for apprenticeships and a new deal with employers, giving them more control over skills funding and standards through reformed sector bodies, and in return asking them to increase the number of high quality apprenticeships in their sectors and supply chains.

Delivering Labour’s vision for the forgotten 50 per cent of young people requires institutions that are capable of delivering gold standard vocational education. This paper sets out a fundamental rethink of the vision and purpose of the further education (FE) system for young people to deliver Labour’s Technical Baccalaureate and the off-the-job component of apprenticeship training. We call for a new licensing system to reinvigorate FE providers as specialist Institutes of Technical Education, characterised by high standards of teaching and strong links to employers across their local and regional labour markets.

The focus of this paper is on education and training for young people, which makes up the majority of FE college provision. There are important related roles that some FE colleges play in issues surrounding adult skills and welfare to work provision – this is out of the scope of this review, but the Taskforce believes that the vision provided here will provide a core purpose and commitment to excellence upon which this wider provision could build.

A further report will follow looking at the content and purpose of 14-19 education, including the design of Labour's Technical Baccalaureate.

Why the FE system needs reform

Two decades since the 1992 legislation that created a self-governed, state-funded, incorporated further education system, FE colleges have transformed themselves into one of the country's major human, social and capital public assets. FE colleges are key providers of vocational training, and some college students now compete successfully with the best in the world when their vocational skills, crafts and trades are put to the test. Many FE colleges are equipped with state of the art, industry-standard facilities housed in buildings that benefitted from capital investment under the last government.

However, three problems limit the capacity of colleges to fulfil their potential and meet the challenge facing the forgotten 50 per cent of young people that do not go to university.

First, a lack of clarity about the core role of further education generates complexity for employers and young people trying to navigate the vocational training market. The FE sector is extremely heterogeneous. It is often described as *'everything that does not happen in schools or universities'*, a situation entrenched over the last 20 years by the need for colleges to comply with a variety of government funding regimes and incentives across a range of poorly coordinated government departments and agencies. But FE colleges also deliver a significant proportion of A' level provision and, increasingly, higher education. The broad range of provision and generalist approach, attempting to be all things to all people, is a barrier to excellence in the sector. The narrower curriculum focus on high quality academic study in school sixth-forms means they tend to perform well. FE does not have this sense of core purpose.

Second, the standards of teaching and the quality of college-based vocational training are variable. The training requirements for FE lecturers have been downgraded by the current government - they no longer need to hold any form of teaching qualification. Significantly, FE lecturers are also not required to have attained English and Maths to even a basic level, despite the need to build these skills in the young people being taught in FE. This contributes to wider problems with the quality of vocational courses. While colleges deliver some very good vocational training at level 3 and above, studies have shown that many college-based vocational qualifications at level 2 have limited value for employers or young people, in fact some even have negative returns in the labour market.ⁱⁱ A world class vocational training system requires lecturers with specialist knowledge and with the ability to tailor curricula and pedagogy to suit the varied needs of learners and

employers. We cannot achieve a high status vocational route through education if we do not have the high quality and specialist teaching to deliver it.

Third, high quality vocational training requires strong links between colleges and employers. There are examples of where this is done well, but in many cases the links between colleges and local employers need to be significantly strengthened. Many employers do not know where to go to find training tailored to their needs or to hire a trained young person. This can lead to a mismatch between the training supplied by colleges and the needs of employers. A CBI/Pearson survey found that only half (51 per cent) of employers that train through colleges are satisfied with their overall responsiveness to an organisation's training requirements.ⁱⁱⁱ While larger businesses are better able to shape local training provision, a survey of members of the Federation of Small Businesses found that only 17 per cent agree that schools and colleges provide courses that meet the needs of local businesses, and just nine per cent agree that they prepare young people to a sufficient standard.^{iv} In turn, low levels of employer engagement mean that colleges often struggle to secure the work experience or on-the-job training that should accompany college-based training.

Labour's approach

The core challenge facing Britain today is the disconnection between growth and living standards, as economic growth no longer automatically leads to rising prosperity for the majority of working people. The lack of clear routes into meaningful employment for a significant section of young people is a major contributor to this problem as it means that many are shut out from opportunities at a young age.

Ed Miliband has pledged that the next Labour Government will put this right by re-balancing our education system to offer a clear route through school and college and in to work. This will include a new Technical Baccalaureate for 16-19 year olds featuring a high quality technical qualification accredited by employers, work experience and English and maths. Labour has also proposed, based on the Skills Taskforce's first report, radical reforms to increase the quality and quantity of apprenticeships.

The Skills Taskforce calls on Labour to give FE colleges a core mission to provide gold-standard delivery of this vocational route. We recommend that Labour should build on the best of the FE system to create a network of licensed Institutes of Technical Education. This will require colleges to become vocational specialists. It means raising standards in vocational teaching and pedagogy. And it means strengthening the links between colleges and their local labour markets.

Policy recommendations

1. Give FE colleges a new mission to provide Labour's gold-standard vocational qualifications

In our previous report, the Taskforce called on Labour to put apprenticeship funding in the hands of employer representatives at sector level, allowing employers to invest in training that meets the needs of their sectors and supply chains. We also need to build the confidence of employers in the standard of the local training on offer so that they are encouraged to invest in colleges. Similarly, if Labour's new Technical Baccalaureate is to provide excellence in vocational education, on a par with the academic route, it will need to be delivered by colleges with the knowledge and expertise to ensure a high status and quality award.

The Taskforce recommends that FE colleges should be given a new animating role and purpose to provide gold-standard delivery of Labour's proposed Tech Bacc and the off-the-job training component of apprenticeships. We propose that the way to do this is through a licensing system, creating incentives for colleges to become new Institutes of Technical Education. These reformed FE colleges should offer excellent specialist provision in intermediate and technician training, including high quality pre-apprenticeship training, level 3 and above apprenticeships and the Technical Baccalaureate.

Any FE college that wishes to deliver the Tech Bacc or apprenticeship qualifications would require a licence. To apply for the licence a college should be able to demonstrate that they meet three core criteria, in addition to broader indicators demonstrating strong performance and measures of employer and student satisfaction:

- Specialist vocational teaching and expertise
- Strong employer and labour market links
- High quality English and Maths provision

On receiving the licence the college would receive the status of Institute of Technical Education. This status would entitle it to apply for funding streams for the Tech Bacc and apprenticeships. Our long term goal is for all colleges to meet the criteria required to become licensed Institutes, but those not up to standard will not receive state funding for apprenticeships or the new Tech Bacc. This will encourage colleges to specialise in areas of relevance to the local labour market, improve their employer links and raise standards of teaching.

One option is to give the UK Commission on Employment and Skills (UKCES) responsibility for determining the criteria and process for awarding the licences. This would ensure that these reforms are in line with the recommendations in our previous report into apprenticeships, which set out a more coordinated system of

regulation for the vocational training system and gave UKCES a lead role in building strong institutions at sector level to facilitate employer involvement. These reforms should seek to drive a rationalisation and simplification of the wide range of funding and inspection bodies that colleges currently deal with, in support of a new core purpose.

Some outstanding colleges already have specialist teaching expertise, facilities, and effective links to the local labour market and would be able to meet the criteria and attain licensed Institute status based on their current performance. However, where colleges need help to improve and build links with local employers, applying for the licence would also be a gateway for support from the relevant Sector Skills Councils, Local Enterprise Partnerships (LEPs), and other local bodies responsible for economic growth.

In partnership with these bodies, colleges would choose and tailor their specialisations to local economic needs and strengths, as well as broader economic priorities for the area, set through sector strategies and local growth strategies. While areas such as healthcare and construction are likely to be relevant in most areas, colleges should also respond to local areas of economic importance. Examples of this include Warwickshire College, which is working closely with the advanced manufacturing industry, Milton Keynes College, which has developed links with the local media, digital and games industry, and the land-based college Reaseheath, which has its own zoo. Some smaller colleges may specialise in one area, while larger colleges may develop various areas of expertise to meet diverse economic realities.

Labour's new Institutes would not cease to deliver 'A' levels, but would be expected to integrate academic learning with their specialist vocational and technical qualifications. The combination of academic and vocational learning is vital to prevent a two-track system and ensure that vocational qualifications provide a platform for further study and to support mobility and progression in the labour market. Therefore the Institutes would continue to provide relevant underpinning academic subjects, including science, technology and engineering where relevant. In particular, all Institutes should offer English and maths from level 2 and above, to deliver Labour's pledge to ensure all young people continue to study these core subjects up to 18, regardless of prior achievement.

Around two-thirds of FE funding and provision is focused on 16-19 year olds - how this provision is targeted is the main focus of this report. Many larger colleges also provide a wider range of basic and adult skills provision and may continue to do so. However we believe that a core focus for all FE colleges should be to help fill the gap in the lack of high quality, specialist vocational provision for young people.

Key recommendations:

- The Taskforce recommends that FE colleges should be transformed into new Institutes of Technical Education with a core mission to provide gold-standard delivery of Labour's proposed Tech Bacc and the off-the-job training component of apprenticeships.
- We propose that the way to do this is through a licensing system, using vocational funding streams as incentives for colleges to develop specialist expertise. Any FE college that wishes to deliver the Tech Bacc or apprenticeship qualifications would require a licence.
- To apply for a license colleges would need to demonstrate that they have specialist vocational teaching and expertise; high quality English and maths provision; and strong employer and labour market links. One option is to give UKCES responsibility for determining the process and criteria for the licences as part of a more simplified approach to funding and quality assurance.

2. Raise standards in vocational teaching and pedagogy

Teachers can only deliver high quality vocational training if they have the underpinning knowledge and expertise to do so. The Government is allowing unqualified teachers to practice in the FE sector, undermining the standards and status of the profession and putting standards at risk. The best performing countries require high quality, qualified teachers to deliver both academic and vocational education. We must do the same.

The Taskforce therefore believes anyone responsible for educating our young people should be qualified in teaching, be it in schools or colleges. We recommend that lecturers teaching young people in further education, including in the proposed new Institutes of Technical Education, must hold a teaching qualification.

Given the need to continue to improve English and maths skills among young people leaving education, particularly those leaving FE, we also recommend that all FE lecturers teaching young people should hold English and maths at level 2 or above, not just those teaching these core subjects. All learning requires a solid grasp of the basics so it follows that those delivering this learning should possess such skills themselves.

A key goal of teaching qualifications should be to develop expertise in curricula design and pedagogy among FE lecturers and colleges. The Taskforce's previous report called for employer-led sector bodies to have greater control over the content of vocational qualifications underpinning apprenticeships, with the freedom to choose, adapt and update them as necessary. We called for sector bodies to develop a smaller number of broader and higher quality qualification frameworks that leave

space for local flexibility in course design, curricula and pedagogy. Labour has also pledged to give employers more say over the qualifications that will count towards the Tech Bacc by accrediting those that are included. In this context, FE lecturers and colleges will need to build the expertise required to work with employers to tailor courses according to the needs of the local economy, rather than simply deliver off-the-shelf qualification frameworks.

In addition to this, submissions to the Skills Taskforce stressed the importance of continuing professional development (CPD) requirements for FE teachers to maintain and update their specialist vocational skills. We recommend that FE lecturers not currently active in their sectors should be required to spend a period of time every year with an employer in a field relevant to their vocational area. This will allow lecturers to keep their skills and experience of the workplace up-to-date with recent advances and to promote to employers the value of vocational training. It will help FE staff to demonstrate to students how the skills and knowledge learnt can be applied in the world of work and it would also give employers the opportunity to demonstrate to FE staff what is expected of their students once they enter the work place.

Teaching qualifications and CPD requirements in FE should be set and organised by the Education and Training Foundation, working with key stakeholders such as the Institute for Learning, college membership bodies, professional bodies (in line with the recommendations of the Gatsby Foundation^v), UKCES and reformed sector bodies. The remit of the Education and Training Foundation should also be expanded to support colleges to build expertise in pedagogy and curricula design and facilitating the operation of programmes of part-time secondments for industry professionals to teach in FE colleges.

To promote the importance of vocational skills and careers, we also recommend that UKCES should enhance the importance of the current National Skills Show by introducing and organising local and regional Skills Competitions, where students compete on the basis of their vocational skills. Competitions are currently organised on an ad hoc basis by Sector Skills Councils or the National Apprenticeship Service, but could be mainstreamed and aligned with standards for the WorldSkills competition - the Olympics of vocational education, which takes place every two years. This would help motivate and spread best practice of excellence in vocational teaching and learning.

Key recommendations:

- All FE lecturers teaching young people should hold a teaching qualification and Level 2 or above in English and maths. Teaching qualifications should incorporate expertise in curricula design and pedagogy to ensure vocational teachers are able to work with employers to tailor courses to local economic needs.
- Lecturers not actively working in their specialist area should also be required to spend a period of time in industry every year.
- Qualification and CPD requirements should be set by the Education and Training Foundation.
- Skills competitions should be mainstreamed to motivate excellence in vocational teaching and learning by enabling students to compete regionally and nationally on the basis of their vocational skills across different sectors.

3. Strengthen links between colleges and local employers

The introduction of the Tech Bacc and higher standards for apprenticeships opens up a renewed opportunity for colleges to work more closely with regional employers and small and medium sized firms to deliver high quality training and build strong training pathways into work. This, and the creation of new gold-standard Institutes of Technical Education, will in turn unlock opportunities for co-investment and engagement from employers who currently believe colleges are not well-equipped to meet their training needs.

Building stronger links between colleges and employers is crucial to developing stronger training routes for young people, and also offers opportunities for work-based projects and experience that can help to develop improved employability skills and an entrepreneurial culture among young people, as recommended by the Mitchell report to Labour's Youth Jobs Taskforce.^{vi}

The need for improved links between colleges and employers requires stronger engagement on both sides. Successful examples of such approaches include:

- Specialist colleges, such as the Landex colleges in the agriculture sector and the JTL (Joint Training Ltd) colleges in engineering, have industry representatives on their governing bodies and committees. This helps to ensure their training remains relevant and has value in the labour market. Landex also operates industrial liaison panels that work with subject specialist staff to ensure they remain up-to-date with industry needs, take an active role in course design, and keep industry representatives informed about course content and structure.

- Some colleges have set up Employer Link Managers or teams to engage and build relationships with local employers. These are often staffed by industry practitioners, who identify opportunities to develop tailored training routes into skilled work and liaise between colleges and employers to tailor apprenticeship frameworks to the specific skills needs of the employer, while also ensuring that employers understand their roles and responsibilities to the apprentice.^{vii}
- The Gazelle Colleges Group, in conjunction with Pearson, is seeking to develop a cluster of Entrepreneurial Colleges that offer new models of learning based in real business contexts. This approach engages employers and entrepreneurs as direct stakeholders in the strategies, plans and operations of colleges to solve their business needs and in the process develop new learning opportunities for students. The Gazelle Colleges Group also operates its own commercial trading enterprises to provide services to the public and enable student employees to work in a variety of managerial, functional or trainee roles.^{viii}

These approaches should be encouraged through the licensing process. Although we think that the core focus of colleges should be to tackle the lack of high quality intermediate vocational skills provision, greater partnership-working with employers could mean that in some cases it makes sense for colleges to offer progression to higher level technical learning at level 4 and above. Landex, for example, offers pathways from intermediate training through to foundation degrees, HNDs and some full degrees. There is also a case for colleges to work more closely with local universities to create pathways to higher vocational training where necessary.

In return for more tailored and employer-centred services, colleges could expect to unlock greater co-investment and involvement from employers. New 'something-for-something' deals between colleges and employers could include employer participation on college governing boards, capital expenditure where relevant, contributions to course costs, or opportunities for work experience, on-the-job training, staff secondments and industry placements. To unlock these deals, some colleges will need to be more flexible and innovative than is currently the case, with more scope to adapt and tailor curricula within broad and high quality national frameworks to suit local economic needs.

The long term vision should be for all colleges to become far more dynamic institutions that play an active role in helping employers to innovate and in supporting local, regional and sectoral growth strategies.

Employers wishing to change their business models or innovate in work organisation and processes to compete in higher value markets currently have nowhere to go for support. Yet in many other northern European countries, colleges and universities

offer practical and applied research and consultancy services to employers, helping them to better utilise the skills of their staff and to innovate in their production and product marketing strategies.

These sorts of approaches can support wider efforts to drive a more innovative, productive and higher skill economy, helping employers to invest in and grow their workforce. In Germany, for example, the Fraunhofer Institutes support innovation in high skill sectors to solve core public policy issues. In many Scandinavian countries colleges have also supported greater product and service innovation in traditionally lower skilled sectors such as care and construction, as well as high skilled sectors. Finland launched its first National Workplace Development Programme in the mid-1990s to support organisations to implement innovative modes of operation aimed at improving both productivity and the quality of working life, and has since worked with thousands of workplaces, using expert researchers and consultants to help employers to improve ways of working. In Scotland some local universities and colleges are experimenting with similar approaches, working with employers in low skilled sectors such as retail and care to address poor business performance and job quality in the workplace.^{ix}

These approaches will help to increase local opportunities for skilled jobs and training, and in doing so provide more opportunities for the forgotten 50 per cent of young people. Such approaches should be promoted and supported by the relevant local bodies charged with economic development and growth, such as the LEPs. To facilitate this, the new Institutes for Technical Education should have a guaranteed place on the board of the relevant LEP. In addition, LEPs, working with regional arms of sector bodies, should be given a lead role in organising employers locally to provide high quality work experience and apprenticeships for the colleges. Existing growth and innovation funding, such as the money the current Government has devolved to LEPs, could be used to promote these approaches.

Key recommendations:

- The establishment of new Institutes of Technical Education provides opportunities for colleges to unlock employer engagement and co-investment. As colleges develop strong curricula design expertise, they should seek to offer employers more tailored training programmes. These approaches should be encouraged through the licensing and reform processes.
- In return for more tailored training and services, colleges should seek to establish something-for-something deals with employers - asking that they contribute through participation on governing boards, capital expenditure, contributions to course costs, or by providing opportunities for work experience, on-the-job training, staff secondments and industry placements.

- To promote a more integrated approach with local growth strategies, Licensed Institutes of Technical Education should be guaranteed a place on the LEP board.
- Over time, colleges should play a far more dynamic and active role in providing research and consultancy to support innovation, growth and new ways of working in their local economies, as is the case in many northern European countries. This will support wider efforts to drive a more innovative, productive and higher skill economy, and in doing so provide more opportunities for the forgotten 50 per cent of young people.

Conclusions and next steps

There are currently 218 general FE colleges in England¹, in addition to 15 land-based colleges, 10 specialist designated colleges, and three art, design and performing arts colleges. While some of these general colleges offer high quality and innovative provision and work closely with local employers, many do not, and there are no requirements or incentives for them to do so.

The vision set out here seeks to transform the highly heterogeneous FE sector into a network of specialist institutions that provide high quality, industry-defined vocational education, focused in particular on intermediate level vocational education, and underpinned by a core curriculum of English and Maths. Over time, we think these approaches open up scope for colleges to become drivers of change in their local economies and communities, integrated into wider efforts to support innovation across the economy.

The next part of the puzzle is the content of 14-19 education, what young people should learn and the skills they should acquire between these ages, how to build a high quality vocational route through education and into the Tech Bacc at 16 and how to ensure we prepare all young people for the world of work. The final paper from the independent Skills Taskforce will address these issues.

¹ Excluding the 93 6th form colleges

Annex 1

Membership of the Skills Taskforce:

- **Professor Chris Husbands (Chair):** Professor Husbands became Director of the Institute of Education in January 2011. He has directed numerous research projects, including the National Evaluation of Children's Trusts (2004-2009) and the evaluation of the leadership development programme for Directors of Children's Services (2009-2010), as well as a comparative study of high performing education systems for the UK government. Before his appointment as Director of the Institute he led large schools of education at the Universities of Warwick and East Anglia.
- **Stephen Alambritis:** Stephen is the Leader of the Council at the London Borough of Merton. Formerly Head of Public Affairs at the Federation of Small Businesses, he is currently a member having set up his own successful small business in the property sector. He is also a Commissioner at the Equality and Human Rights Commission and is also on the Board of the London Pension's Fund Authority. He was formerly a member of the Better Regulation Task Force and was also Chair of Enterprise UK.
- **Graham Cole:** In 2011 Graham became Chairman of AgustaWestland Ltd and was also appointed to the Board of the parent Company Finmeccanica UK. Graham is also Chairman of Vix UK Limited and a member of their global board. In 2012, Graham was appointed Chairman of the CBI South West and he is also President of The West of England Aerospace Forum and a member of the Ministerial Aerospace Committee.
- **Jacqui Henderson CBE:** Jacqui is Managing Director of Creative Leadership and Skills Ltd, a consultancy and project management company. She was previously Chief Executive of Tec National Council and UK Skills and Regional Director of The Learning and Skills Council in London. Jacqui was awarded the CBE in January 2001 for services to Education and Training. She is Vice Chair of Newcastle University and was until March 2012 Chair of Northumberland Care Trust.
- **Dr Ann Limb OBE DL:** A former FE College Principal, Anne is Chair of the South East Midlands Local Enterprise Partnership and she has worked in the private sector for the last 8 years. Following her successful career in the FE sector, Ann was responsible for implementation of the UK government's flagship e-learning initiative learndirect and was a member of the government's Digital Inclusion Panel. In the 2011 Queen's Birthday Honours list, Ann was appointed an OBE for her services to education.
- **Bill Thomas:** Bill is a former Senior Vice-President and General Manager of EMEA at Hewlett-Packard. He is the Proprietor of Hopton Estates, and holds nonexecutive directorships of Xchanging plc; and of GFI Software Sarl, a leading supplier of software to the SME market. He chairs the International

Advisory Board at the Cranfield School of Management and sits on the Advisory Board of Leeds University Business School. He was formerly Executive Vice-President at EDS.

- **Tom Wilson:** Tom was appointed Director of unionlearn - the learning and skills organisation of the TUC - in July 2009. Prior to that, Tom had been Head of the Organisation and Services Department at the TUC. He was previously head of the National Association of Teachers in Further and Higher Education's Universities Department for five years and Assistant General Secretary at the Association of University Teachers from 1988.
- **Tom Sherrington:** Tom is Headteacher at King Edward VI Grammar School, Chelmsford, member of the Headteachers' Roundtable and Chair of the Vision 2040 Redesigning Schooling Group for the Specialist Schools and Academies Trust.

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