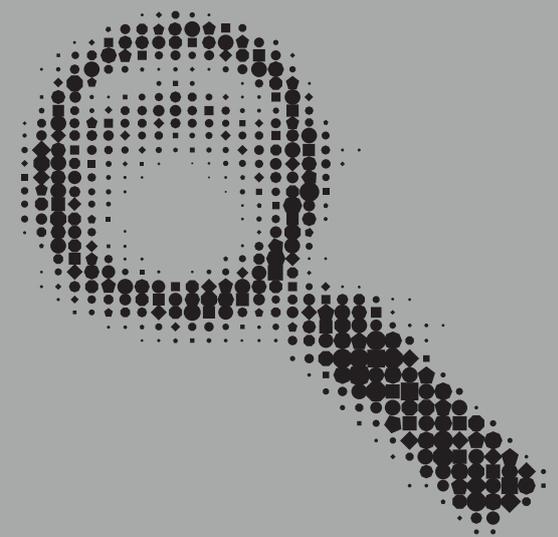
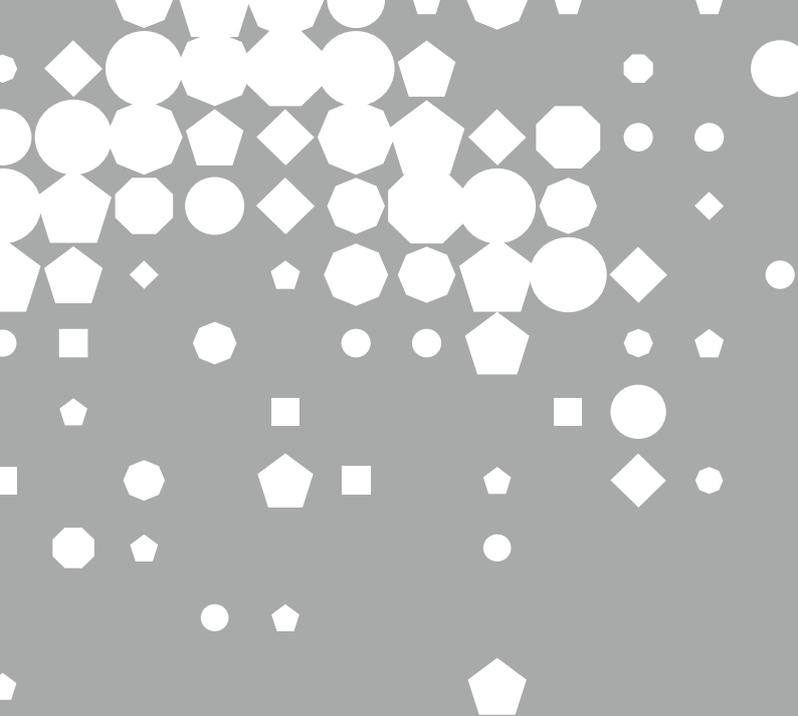


Sense & Instability 2016

Executive summary





This report has been published by the City & Guilds Group as an update to the 2014 paper *Sense & Instability: three decades of skills and employment policy*⁰¹. It examines recent changes in the skills landscape and evaluates whether the conclusions raised by the original report have been heeded.

Apprenticeships

The Government has taken a number of steps regarding apprenticeships that contribute towards stability. An apprenticeship levy for large employers is to be introduced in April 2017. In addition, in 2015 the Government announced that employer-designed standards will replace frameworks⁰². The Government has also established the employer-led Institute for Apprenticeships.⁰³

The drive for employer engagement has been widely supported. However there is some concern about the levy, including from industry bodies. Critics have called for it to be delayed in the context of uncertainties following the EU referendum result. This is a key concern because employer unwillingness to engage with Government initiatives has been a key factor in past failures.

⁰¹ *Sense & Instability: three decades of skills and employment policy*, the City & Guilds Group, 13 October 2014

⁰² *English Apprenticeships: Our 2020 Vision*, HM Government, 7 December 2015

⁰³ *Enterprise Bill: Institute for Apprenticeships*, BIS, 26 February 2016

There are also questions over a number of aspects of the reform programme, including:

- Whether it will succeed in delivering the skills required by the economy.
- The quality of some apprenticeships.
- Whether it will position apprenticeships as a prestigious path to skilled employment for young people.
- The potential for the reforms to result in funding for 16 to 18 year old apprentices being cut.

Key findings

- Proposals to increase collaboration between employers and colleges may help to ensure that qualifications deliver the skills that employers need – providing bureaucracy is minimised.
- The Government has more to do to generate employer support for the apprenticeship levy.
- Apprenticeships delivered since the scheme began in 2010 have not adequately delivered the skills needed by the economy.
- Young people are underrepresented in apprenticeships and more likely to be in sectors characterised by poor pay and career progression.
- The Government's review into how apprenticeship frameworks are funded should focus on ensuring transparency so that funding bands and caps are accurate, based on costs, and do not disadvantage people because of their background, or where they live.

Skills policy post-2014

The Post-16 Skills Plan, published in July 2016, outlined the Government's plan for technical education. Proposals include the creation of a common framework of 15 routes across technical education, with only one qualification available for each occupation or cluster of occupations within a route, and only one awarding organisation per route. The plan would put employers in charge of developing standards across all technical education.⁰⁴ Other changes include expanding the remit of the Institute for Apprenticeships and creating National Colleges and Institutes of Technology.

The plan received approving responses from business, but the FE sector's response has been mixed, with concern that the move to make young people choose between academic and vocational routes at 16 risks further institutionalising existing divides.⁰⁵ There has also been criticism of:

- The absence of additional funding for specific initiatives proposed in the plan.
- The absence of many typical retail roles in the proposed framework.
- The potential for the removal of existing qualifications to limit choices for learners⁰⁶.
- The lack of formal consultation before the publication of the white paper, which could set the Plan up to fail.
- Some similarities between the new qualification reforms and the short-lived 14-19 Diplomas, regarding streamlining technical pathways.

Other policy changes have included the new Technical Baccalaureate (TechBacc) Measure for 16-19 school and college performance tables,⁰⁷ and the creation of the Careers and Enterprise Company (CEC).⁰⁸

The same period has seen continued cuts to the adult skills budget⁰⁹. These cuts have led to some colleges removing courses specifically designed for unemployed adults. Overall, adult unemployment is not currently a policy focus.

⁰⁴ Post-16 Skills Plan, DfE and BIS, 8 July 2016

⁰⁵ ATL comment on the post-16 skills plan and independent report on technical education, ATL, 8 July 2016

⁰⁶ Sainsbury Review and Post-16 Skills Plan published, NCFE, 8 July 2016

⁰⁷ The Technical Baccalaureate Performance Table Measure, DfE, 16 December 2013

⁰⁸ CBI chief warns over poor careers advice, BBC, 19 June 2013

⁰⁹ Changes to funding allocations for 2015 to 2016, SFA, 20 July 2015

Key findings

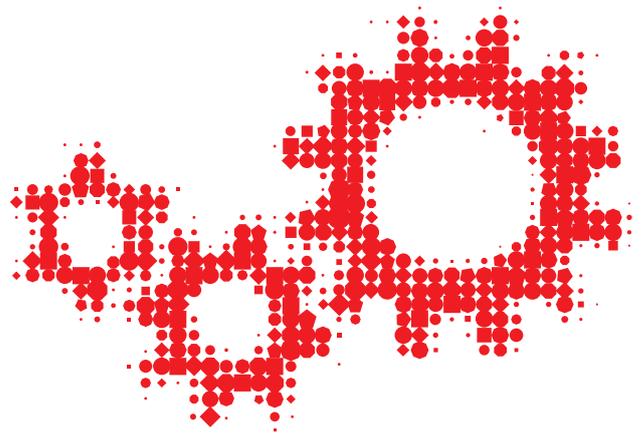
- A lack of organisational memory remains a key challenge to effective policymaking.
- The improved alignment between technical routes, apprenticeships and academic education has generally been well received.
- The removal of existing qualifications could limit choices for learners, as the proposed 15 routes cover fewer than half of all currently available occupations.
- The lack of consultation before the Bill was introduced to Parliament is setting the Post-16 Skills Review up to fail if it implements changes that are not supported or informed by experts in the skills sector.
- There is a notable absence of new initiatives to support unemployed adults over the age of 25 into work.

Structural changes

In July 2016 responsibility for FE policy, apprenticeships and skills was moved from the Department for Business, Innovation and Skills (BIS) to the Department for Education (DfE). Justine Greening was made Secretary of State for Education¹⁰ and Robert Halfon became Skills Minister.¹¹ Educators have recognised the potential for greater cohesion, although there are concerns that this may lead to technical education and skills being overlooked.¹² Research has also highlighted the implications of machinery of government changes.¹³

In July 2015 the Government announced a programme of area-based reviews (ABRs) in order to restructure post-16 FE learning provision¹⁴. There are fears this will lead to closures or mergers and result in fewer, larger colleges, thus reducing learners' access to different courses¹⁵ and potentially reducing access for poorer groups.

However, the Technical and Further Education Bill, released at the end of October 2016, outlined plans for a new regime to protect learners in the case of a college becoming insolvent.¹⁶



Other structural changes since 2014 include the establishment of a single Adult Education Budget, replacing three previous funding streams. This reflects a move towards more local funding responsibilities, underpinned by recent devolution agreements.

The inclusion of funding plans until 2020 has been welcomed.¹⁷ Nevertheless, there have also been calls to delay devolution until further detail is provided.¹⁸ Critics have pointed out that the devolution of funding threatens to disrupt provision and create additional administration costs.¹⁹

Other changes have included increasing funding for apprenticeships to £1 billion, and an extension of advanced learner loans to 19 to 23 year olds. There have also been changes to apprenticeship funding, so that funds levied by employers will go into a Digital Apprenticeship Service account.²⁰

Key findings

- Moving FE and skills to the DfE could see the sector lost between schools and higher education and left out of industrial strategy decisions.
- Machinery of government changes are often far costlier and more complicated than expected.
- Mergers or 'academisation' resulting from the restructuring programme put institutions at risk of takeover or of losing the financial freedom to borrow money.

¹⁰ The Rt Hon Justine Greening MP, HM Government, July 2016

¹¹ The Rt Hon Robert Halfon MP, HM Government, July 2016

¹² Sector response to Department for Education (DfE) taking responsibility for FE, Skills & Apprenticeships, FE News, 14th July 2016

¹³ Making and breaking Whitehall departments: a guide to machinery of government changes, LSE, May 2010

¹⁴ Reviewing post-16 Education and Training Institutions, HM Government, 20th July 2015

¹⁵ Further Education Area-Based Reviews, Unison, February 2016

¹⁶ Technical and Further Education Bill, October 2016

¹⁷ Positive outlook in Skills Funding Letter, FE News, 4th January 2016

¹⁸ Delay adult education budget devolution plans, government told, FE Week, 9th May 2016

¹⁹ 'No one has a clue' about skills devolution as funding concerns mount, TES, 11th March 2016

²⁰ Data collection and the digital apprenticeship service, SFA, May 2016



Conclusion and recommendations

Many of the issues identified in the 2014 report still persist. Initiatives to improve the alignment of technical and academic education and to increase employer engagement are welcome. However poor implementation and rushed timescales risk undermining this progress. Worryingly, there has also been a reduction in young people's access to some learning opportunities, and the Government has not yet generated sufficient employer support for the apprenticeship scheme. Fundamental questions also remain about the extent to which the new reforms will deliver the skills needed by the economy.

The report makes the following recommendations to the Government:

Develop a consolidated, consultative approach to further education and skills policy

- Consult with awarding organisations, sector experts and employers on proposed changes once the Post-16 Skills Plan is passed, before progressing plans further.
- Establish an independent body responsible for evaluating the Government's policies.
- Create a central resource outlining its current FE and skills reform agenda.
- Publish key guidance documents at an earlier stage and ensure plenty of notice for implementation.

Ensure learning opportunities for youth and disadvantaged groups

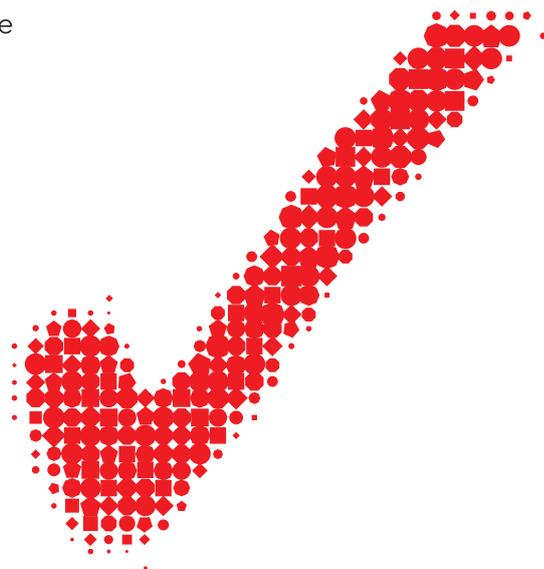
- Publish full equality assessments at the time of a white paper.
- Make more apprenticeships available for the under-24s and unemployed adults.
- Protect FE funding for disadvantaged groups.
- Undertake a thorough review into the effects of the ABRs once these are completed.

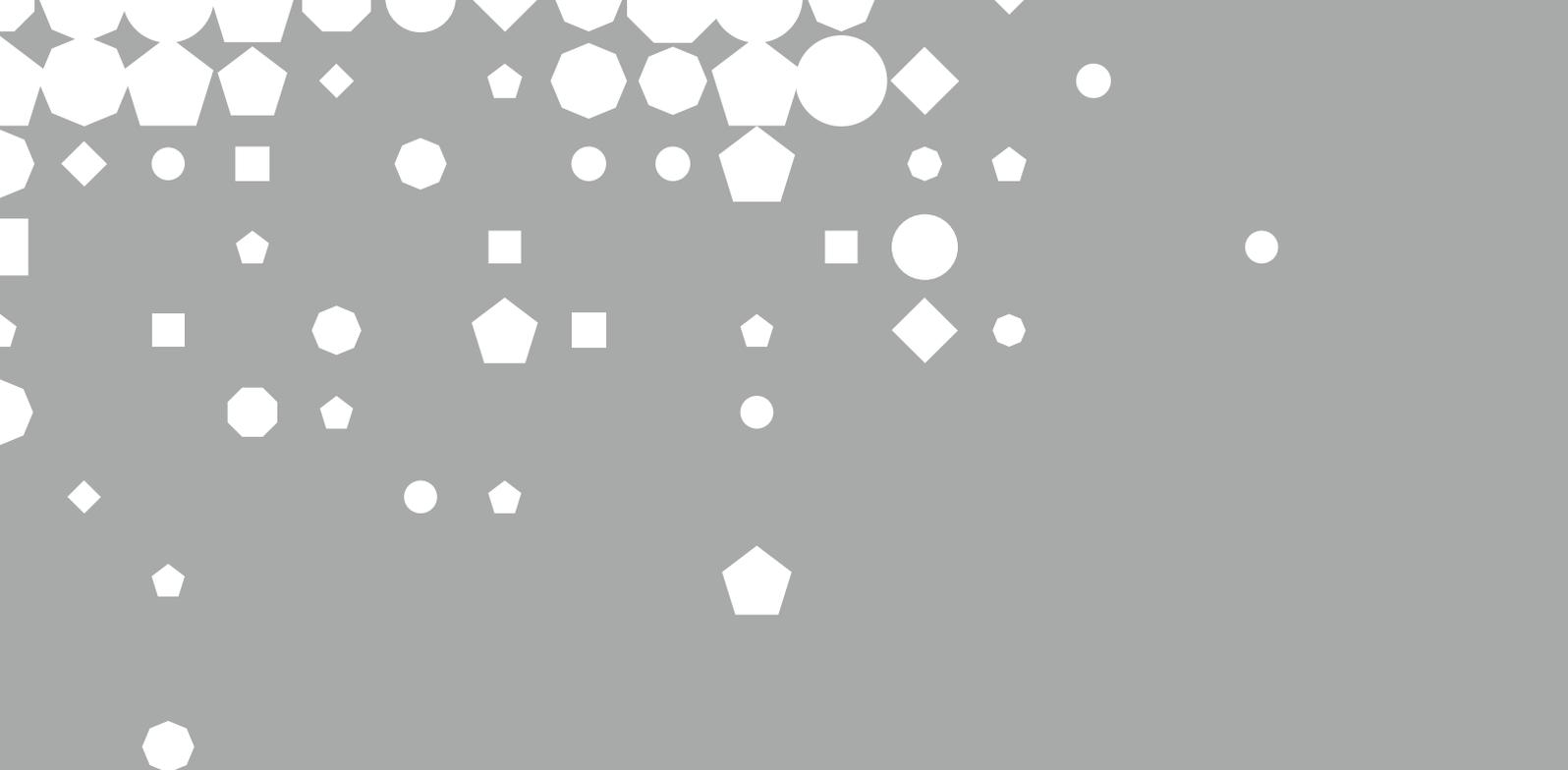
Focus on quality not quantity

- Ensure more apprenticeships are available at higher levels, and in sectors with the highest skills shortages.

Ensure greater ownership and engagement from employers

- Provide greater transparency around the operational detail of the reformed apprenticeship system, but minimise bureaucracy as far as possible.
- Create incentives encouraging employers and providers to deliver high-quality apprenticeships.
- Consider broadening the levy to fund other forms of training.





City & Guilds Group
1 Giltspur Street
London, UK
EC1A 9DD
www.cityandguildsgroup.com

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