

Sense & Instability 2016



Contents

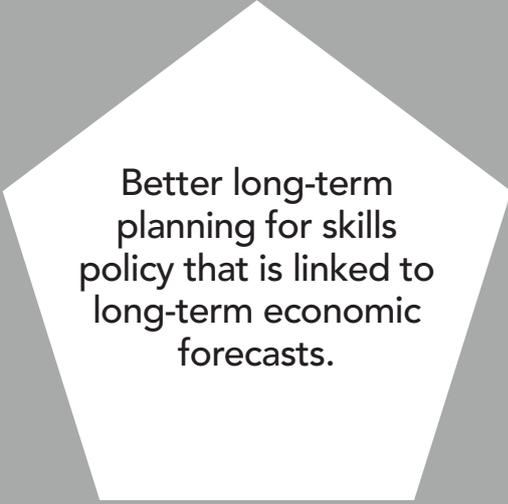
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The recommendations from our 2014 report



Greater coherence between central government, policymaking and local implementation.



Better long-term planning for skills policy that is linked to long-term economic forecasts.



Greater scrutiny of changes to skills policy to deliver better taxpayer value for money.



Better checks and balances to remove the risk of politics influencing policy decisions.



Foreword

Even though it doesn't seem that long ago, much has changed since we launched '**Sense & Instability: three decades of skills and employment policy**' in October 2014.

At the time, we were gearing up for a General Election, and many were predicting a hung parliament and another Coalition Government. The UK economy was strengthening, and youth unemployment had not long recovered from its peak of 20%. Academies and the EBacc were the flagship education policies, aimed as ever at raising standards in schools.

At the tail end of 2014 and as election fever gathered pace, skills were very much at the top of the agenda. In that period we saw something of an 'apprenticeships arms race', with each of the main political parties trying to out-do the others in the hope that their pledges would win the hearts and minds of the voting public.

Fast forward to today and for the first time in two decades, we have a Conservative majority Government in power. We expect to see a revival in grammar schools. Economic uncertainty is creeping in, as Britain prepares to leave the EU. And of course we have a new Prime Minister.

But one thing that hasn't changed is the continued focus on enhancing the skills system to fill skills gaps and boost productivity. True to its word, when the Conservative Government came into power, it maintained its commitment to achieving three million apprenticeship starts by 2020.

Since then, it has also launched numerous initiatives that have the potential to shake up the skills system. The apprenticeship levy is transforming the way that apprenticeships are funded, and reinforcing the drive towards an employer-led system. The Post-16 Skills Plan, launched in the summer of 2016, aims to simplify the vocational route, and focus it on 15 core pathways. The Area Based Reviews programme aims to ensure that Further Education provision is based on the needs of individuals and employers in each area.

Back in 2014, we argued for change to be more considered, rather than upheaval for the sake of it. Too often, we discovered then, new policies had been introduced because a new minister or Secretary of State was in place. Likewise, changes to the skills system were often misaligned with longer-term economic policy.

That's why we decided to produce this update to our original report – to look at the Government's recent initiatives and see whether progress has been made and lessons have been learnt.

There is no denying that change continues to be a common theme throughout skills and employment policy. Yet we are arguably seeing fewer, bigger changes and a more consistent approach to long-term skills policy. This is definitely a step in the right direction.

However, many of the underlying barriers to the successful implementation of policy reform identified in the first report remain.

Firstly, we still see a high level of instability when it comes to who has overall responsibility for skills. There have now been 65 Secretaries of State⁰¹ responsible for skills and employment policy in the past three decades. The skills remit has passed between departments 11 times, and is now back within the Department of Education.

There has also been little improvement in learning from past failures. The Post-16 Skills Plan for example, has been likened to the failed 14-19 Diploma initiatives. High targets continue to be set, despite the potential adverse effects of compromising on quality. Timescales continue to be rushed, meaning insufficient time to garner the necessary support of employers or educators; the risk of initiatives failing to be embedded properly persists; and there's a lack of consideration for the longer-term impact of some of the changes in scope.

And perhaps most worryingly, in some cases – again, taking the Post-16 Skills Plan as an example – consultation with the wider sector has been minimal, meaning the Government is missing out on what could be valuable insight.

It's a case of two steps forward, one step back. Because unless the Government hits the 'pause' button and takes the time to reflect and consult, it could be setting its skills initiatives up to fail, and undoing its good work over the past few years.

That's why we are recommending the following for the Government:

- **To develop a consolidated, consultative approach to Further Education and skills policy.**
- **To ensure learning opportunities for youth and disadvantaged groups**
- **To focus on quality rather than quantity**
- **To ensure greater ownership and engagement from employers.**

Don't interpret this report as a criticism of the skills system, or of the impressive work by ministers over the past few years. In fact, I think we should celebrate the progress that has been made.

Apprenticeships are now firmly part of the national conversation, and truly starting to be seen as a valuable alternative to university. Employers are taking more responsibility for driving the skills agenda. And a simpler system is no bad thing if we want the number of employers and individuals engage with it. For all of this, the Government deserves praise.

Nevertheless, if we want a skills system that helps us become more competitive and productive as a nation, we have to get the implementation right. If we don't, it'll be back to square one, 30 years down the line.



**Chris Jones,
Chief Executive of the
City & Guilds Group**

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Introduction

In autumn 2014, the City & Guilds Group published the report **Sense & Instability: three decades of skills and employment policy**⁰¹, examining how changing policies had affected the skills landscape.



Policymaking post-2014

Two years on from this, it is evident that many of the underlying issues that were identified remain. While the recent reforms to skills and employment policy build on some principles that are theoretically sound and have sector support, many of the changes have either lacked sufficient detail or have been introduced on rushed timescales. Certain changes, such as efforts to improve public perception of vocational education and increase employer engagement in training, have indicated a step in the right direction. Yet other policies have pointed towards stagnation or – in some cases – a reversal of effective and forward-thinking policymaking.



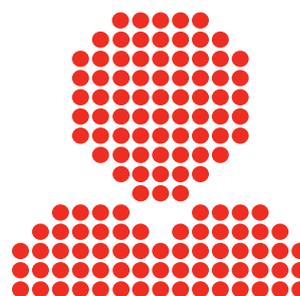
This report will consider recent policy developments in apprenticeships and in skills policy post-2014, as well as a number of structural changes, and review the objectives of reforms or planned reforms and the sector and business response. It will also endeavor to draw conclusions from this and make a series of recommendations for how policymaking in the sector should proceed.

In the course of the review, three patterns in particular are identified as having emerged that risk undermining successful policymaking in the sector. The first is a reduction in learning opportunities for young people in Further Education (FE), with access to college-based learning under threat from college mergers or closures resulting from the Area-Based Reviews launched in 2015. At the same time, there are concerns around whether changes to funding could, in the long-term, impede young people's abilities to access apprenticeships, particularly those from deprived backgrounds, a disproportionate number of whom belong to ethnic minorities. The concern is that this will exacerbate the already low levels of access to apprenticeships among this cohort.

The second challenge also relates to apprenticeships, and their domination of FE and skills policy. Until the introduction of the Post-16 Skills Plan⁰² earlier this year, the Government's apprenticeship scheme framed the skills policy environment, and there is a question mark over whether this trend will continue.

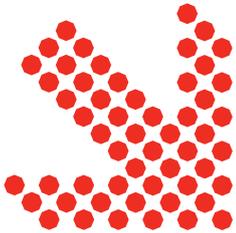
Ongoing concerns about the quality of apprenticeships also raise questions about whether apprenticeships are appropriate as the main solution to meeting the economy's skills needs. Moreover, a majority of the reforms introduced since 2014 have focused on FE and skills training for young people. The significant reduction in funding for older and unemployed learners suggests that adult training is not seen as a priority, despite ongoing concerns around skills gaps at all ages.

The third obstacle is that many employers and other stakeholders have raised concerns about the ongoing reforms. For any policy initiative to be successful, support from industry bodies is paramount, but feedback regarding the apprenticeship levy suggests that some employers are yet to be fully convinced – or indeed fully aware – of the usefulness of the Government's scheme. Criticism of the area-based reviews and other initiatives also warns of a disconnect between central departments and colleges in terms of how to tackle some of the pressing challenges of the day.



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

⁰² Post-16 Skills Plan, DfE and BIS, 8 July 2016



Cycle of change

Recent policy changes suggest that lessons from past successes and historic failures have not always been incorporated into current thinking around education and skills. Some reform proposals, such as the Post-16 Skills Plan, include initiatives similar to those that have been tried unsuccessfully in the past, such as the 14-19 Diplomas introduced by the last Labour Government. While the principles may be sound, it remains to be seen whether implementation of these new reforms will succeed where earlier attempts have failed.

Other issues include a continued lack of long-term vision and the absence of a consolidated approach to change; as this report will explore, some reforms appear to have been announced with limited consideration of their possible effects or how they relate to other priorities and commitments.

Significant and ongoing political tinkering in the Further Education system, identified as a problem in the 2014 report, also remains a key issue. Following on from the Wolf³ and Richard⁴ reports in 2011 and 2012, the Post-16 Skills Plan is the third independent report into FE and skills in five years, while responsibility for skills has once again changed department, moving from Business,

Innovation and Skills (BIS) to the Department for Education's (DfE) remit. It continues to be a concern that some policy proposals do not have time to take effect in practice before they are subject to further revisions; a recent example includes the granting of additional powers to the Institute for Apprenticeships before it is even operational. The outcome is a sector that is continuously and rapidly changing, yet is constantly in a position of catching up.

Together, these issues suggest the possibility that the sector is falling back into a trap of poor implementation. It is unclear whether the recent decision by Prime Minister Theresa May to move the responsibility for FE and skills to DfE will have the effect of energising the sector, or whether it could lead to a reversal of ongoing reforms and policies. One thing that is certain is that it will be some time yet before the sector gains some stability.

This report will explore these issues in greater detail, examining the implications of policy developments around apprenticeships and skills policy, and of the recent structural changes, to draw conclusions about the state of the sector two years on from the original Sense & Instability report, and identify recommendations for avoiding the mistakes of the past.

⁰³ Review of Vocational Education – The Wolf Report, 3 March 2011

⁰⁴ The Richard Review of Apprenticeships in England, 11 November 2013

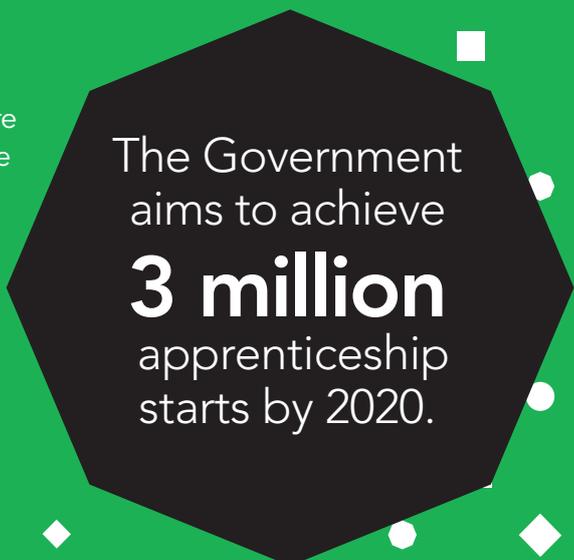


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Apprenticeships

One of the major policy changes introduced in the summer Budget 2015⁰⁵ will see the funding structure for FE adjusted in order to encourage greater employer investment in training.

Government co-funding in workplaces was removed from 2016/17⁰⁶ and an apprenticeship levy for large employers is to be introduced in April 2017.⁰⁷ These initiatives were intended to **'reverse the long-term trend of employer underinvestment in training'**, as well as ensure necessary access to funding in order to achieve the Government's vision of delivering three million apprenticeships by 2020.⁰⁸



The Government aims to achieve
3 million
apprenticeship
starts by 2020.

⁰⁵ Summer Budget 2015, HMT, 8 July 2015

⁰⁶ Letter, Minister of State for Skills, 15 December 2015

⁰⁷ Proposals for apprenticeship funding in England from May 2017, DfE, 12 August 2016

⁰⁸ Summer Budget 2015



The apprenticeship levy is equivalent to 0.5 per cent of an organisation's annual pay bill, offset by a £15,000 levy allowance. The levy will therefore apply to employers with an annual bill of more than £3 million.⁹ Funding proposals published in August 2016 indicate that employers that are too small to pay the levy will have 90 per cent of the apprenticeship training costs covered by the Government, responding to concerns that small employers will not benefit from the scheme as much as larger ones.¹⁰

Additionally, in order to simplify the funding system, the Skills Funding Agency (SFA) began a consultation in August 2016¹¹ on introducing upper limits to apprenticeships funding; these proposals were updated in October 2016.¹²

Following on from the launch of employer-led Trailblazers in 2013, intended to develop apprenticeship standards to 'step up the drive for quality as well as quantity,' the Government published the 2020 Vision for apprenticeships in England¹³ in December 2015. This announced that employer-designed standards will replace frameworks, stating that these would act 'as the 'shop window' for the apprenticeship, setting out in simple terms 'the knowledge, skills and behaviours needed for an apprentice to be competent and capable in their role.'

The 2020 Vision also outlined plans for 'rigorous and holistic end-point assessment... to demonstrate [apprentices] can combine and apply the knowledge, understanding and skills they have gained to real work requirements and assessments'. This is a shift from the existing model of continuous assessment.¹⁴

The Government's 2016 Enterprise Bill detailed plans to establish an Institute for Apprenticeships, designed to be an employer-led body to 'support employer-led reforms and regulate the quality of apprenticeships'.¹⁵

Sector viewpoints

The drive for employer engagement in the development of apprenticeship standards to ensure that apprenticeships meet the needs of businesses and the economy has been widely supported. However, some have called for FE and trade union representatives to be represented in the Institute for Apprenticeships.¹⁶

The announcement of the apprenticeship levy has also been met with mixed responses from employers and training providers. While some have said that the levy will benefit young people and encourage companies to change their approaches to recruiting and training employees,¹⁷ others have voiced concerns that the levy system will not be successful in resolving skills shortages or improving the number and quality of apprenticeships.¹⁸ Several industry bodies - including the Confederation of British Industry (CBI),¹⁹ the Institute of Directors²⁰ and the EEF²¹ - have called for the Government to delay the introduction of the levy due to economic uncertainties for businesses following the EU referendum result. They have contended that a delay would give businesses sufficient time to prepare and to ensure they deliver a high-quality apprenticeship offer.

There are also concerns around ensuring the end-point assessment process is effective, not least in light of analysis from FE Week revealing that there are no approved awarding organisations for more than half the new apprenticeship standards, prompting concerns of a lack of clarity and too much regulation.²²

⁹ Apprenticeship levy – employer owned apprenticeship training: Government response, BIS, 25 November 2015

¹⁰ Views sought on plans to boost apprenticeships, DfE, 12 August 2016

¹¹ Proposals for apprenticeship funding in England from May 2017

¹² New apprenticeship funding to transform investment in skills, DfE, 25 October 2016

¹³ English Apprenticeships: Our 2020 Vision, HM Government, 7 December 2015

¹⁴ English Apprenticeships: Our 2020 Vision, HM Government, 7 December 2015

¹⁵ Enterprise Bill: Institute for Apprenticeships, BIS, 26 February 2016

¹⁶ Row over make-up of new policing body, FE Week, 20 February 2016

¹⁷ Employer views on the apprenticeship levy, CIPD, June 2016

¹⁸ CBI response to the government's consultation on the introduction of an apprenticeship levy, 21 August 2015

¹⁹ Take more time to get apprenticeship levy right, CBI, 12 August 2016

²⁰ Government must listen to the concerns on apprenticeship levy. IoD, 12 August 2016

²¹ Industry and charities join forces to delay the apprenticeship levy, EEF, 5 August 2016

²² No approved assessment organisation for over half of new apprenticeships, FE Week, 12 October 2016

Analysis

The Government has taken a number of steps regarding apprenticeships that contribute towards stability: the continued focus on an employer-led system; the creation of a sustainable funding model such as the levy; and the creation of the Institute for Apprenticeships to oversee apprenticeship quality. The fact that the Institute for Apprenticeships will oversee the implementation of the Post-16 Skills Plan is also an important step towards alignment.

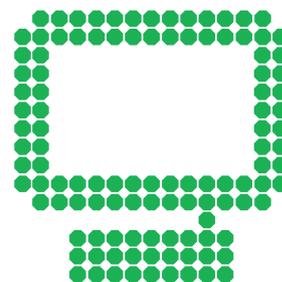
However, it's still a key priority to ensure that apprenticeship reform can address the current weaknesses in the system in order to deliver the skills needed by the economy, and to generate support from employers. The City & Guilds Group, alongside several other industry bodies such as the British Chambers of Commerce (BCC)²³, the CBI²⁴ and the Institution of Engineering and Technology (IET)²⁵, has urged the government to prioritise raising the quality of apprenticeships, as opposed to focusing on the quantity.

Employer attitudes to the levy remain a concern. A report by the CIPD found that the apprenticeship levy has low levels of support among employers, with just 38 per cent of those set to pay it supporting the principle, compared to 45 per cent opposing it.²⁶ The report also found that less than a third of those employers have calculated how much paying the levy will likely cost their organisation each year, suggesting that a large number of employers have been slow to assess the full extent of the plan. Equally, many employers surveyed by the CIPD indicated that they perceive the initiative to be disruptive to their existing workforce development strategies and do not believe it will have a positive impact on their business. Lack of willingness among employers to engage with Government initiatives has been a key factor in past failures; in order for the current reforms to be successful, employers will need to be convinced that the proposed changes will provide added value to their business.

There are also concerns about whether the current reforms will succeed in delivering the skills required by the economy. The Government's productivity plan, published in July 2015, noted the need for improvements in professional and technical skills in order to address the productivity shortfall, highlighting apprenticeships as a key part of this but also calling for a broader professional and technical education system.²⁷

Until recently, however, the policy environment has been dominated by the apprenticeship scheme. An Ofsted report published in October 2015 found that the two million apprenticeships delivered since reforms began in 2010 have not adequately matched the skills needed by the economy. The report also noted serious concerns about the quality of many apprenticeships being delivered, pointing to the fact that inspectors observed apprentices in the food production, retail and care sectors 'who were simply completing their apprenticeship by having existing low-level skills, such as making coffee, serving sandwiches or cleaning floors, accredited'.²⁸ It is worth noting that these occupations have been excluded from the 15 routes outlined in the Post-16 Skills Plan.²⁹

Criticism of the current apprenticeship system also raises doubts about whether the ongoing reforms will succeed in positioning apprenticeships as a prestigious path to skilled employment for young people, as outlined in the government's 2020 vision.³⁰



²³ BCC: Quality not quantity is key to apprenticeship success, BCC, 22 October 2015

²⁴ CBI boss calls for 'radical re-think' over apprenticeship levy, PRW, 28 April 2016

²⁵ Government's transport apprenticeship drive must focus on quality not quantity, warns IET, Training Journal, 29 January 2016

²⁶ Employer views on the apprenticeship levy, CIPD, June 2016

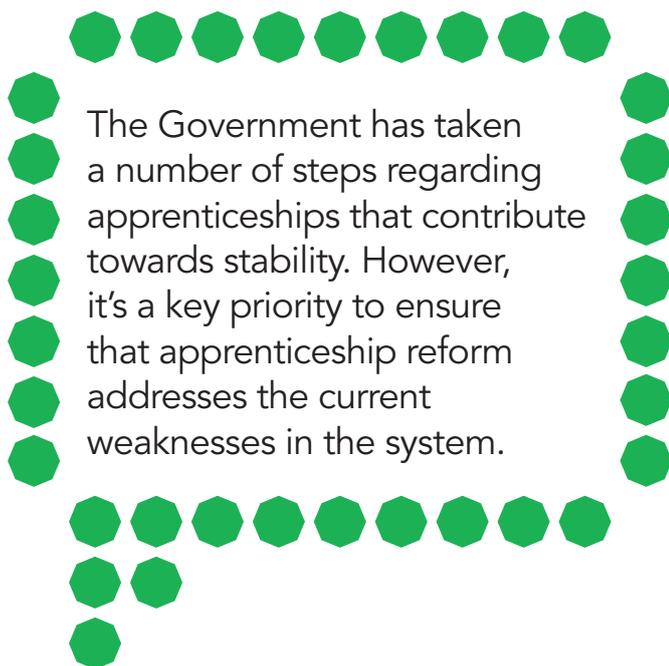
²⁷ Fixing the foundations: Creating a more prosperous nation, HMT, 10 July 2015

²⁸ Apprenticeships: developing skills for future prosperity, Ofsted, 22 October 2015

²⁹ Post-16 Skills Plan, DfE and BIS, 8 July 2016

³⁰ English Apprenticeships: Our 2020 Vision, HM Government, 7 December 2015

A majority of apprenticeships have been taken up by individuals over the age of 24; where youth apprenticeships are being delivered, they are more likely to be in sectors characterised by low pay and poor career progression, such as health and social care, business administration, and hospitality and catering, as the Social Mobility and Child Poverty Commission has noted.³¹ The CIPD has also pointed out that a majority of the new apprenticeships places in the last few years have been at intermediate level, which typically yield poor earnings. Accordingly, it suggests that unless more apprenticeships are made available at level 3 and above, it will be difficult to achieve equivalence in the perceived value of academic and technical routes.³²



Recent proposals to introduce upper limits to apprenticeship funding are also at odds with the commitment to making apprenticeships accessible to young people of all backgrounds.³³ The new flat rates would replace the previous system, which funded apprenticeships at different rates for learners of different ages and individuals living in deprived areas, although supplementary payments are to be made available for employers and training providers supporting younger apprentices, young care leavers and young adults with additional learning needs.

The decision to introduce upper limits to apprenticeship funding has raised concerns that this will negatively impact social mobility and progression, and disproportionately impact individuals living in deprived areas,³⁴ including people from ethnic minorities.³⁵

Other concerns that had been raised included that the proposed changes would result in funding for 16 to 18 year old apprentices being cut by around a third;³⁶ with this figure predicted to rise to up to 50 per cent for young apprentices in the most deprived areas. Conversely, in many cases funding for apprentices over the age of 24 is likely to increase substantially.³⁷ However, the Government's latest policy paper on apprenticeship funding, released in October 2016, aimed to simplify the system and put in place steps to ensure that the same level of funding will be provided regardless of where someone lives. This will last for one year while a review is conducted to understand the best ways of supporting individuals from all backgrounds.³⁸

³¹ Response to apprenticeships inquiry, The Social Mobility and Child Poverty Commission, 21 March 2016

³² Employer views on the apprenticeship levy, CIPD, June 2016

³³ English Apprenticeships: Our 2020 Vision, HM Government, 7 December 2015

³⁴ 'Apprenticeship funding cuts are wrong, pernicious and will be a disaster', TES, 22 August 2016

³⁵ Ethnic minorities will be hit hardest by apprenticeship funding cuts, experts warn, TES, 22 August 2016

³⁶ Britain's young and poor are being hit yet again – this time on apprenticeships, Guardian, 5 September 2016

³⁷ Funding rates cut by up to 50% for the most deprived 16-18 apprentices, FE Week, August 19 2016

³⁸ Apprenticeship funding from May 2017, 25 October 2016

³⁹ Written evidence submitted by the Centre for Vocational Education Research, LSE, March 2016

Whatever the outcome of the review, it is key that there is greater transparency around the pricing of apprenticeships to ensure that funding bands and caps are accurate, based on costs and representative of what is needed on the ground to best serve different cohorts.

Employers and training providers also need to ensure that apprenticeships focus on developing skills that can add value to organisations specifically and to the economy as a whole. Research by the London School of Economics has found that almost all apprentices over the age of 25, and a majority of those aged 19 to 24, worked for the same employer before enrolling on the apprenticeship scheme. Yet only a small proportion in the study had used the apprenticeship scheme to gain entry into employment or to move to a new job.³⁹

Employers and training providers need to ensure that apprenticeships focus on developing skills that add value to organisations and the economy.

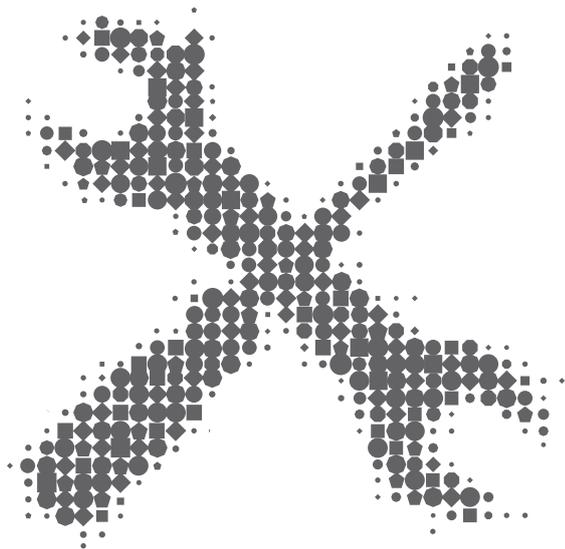
Key findings

- **Proposals to increase collaboration between employers and colleges on the development of standards are positive, and may help to ensure that qualifications deliver the skills that employers need – providing bureaucracy is kept to a minimum.**
 - **The Government has more to do both to generate support from employers for the apprenticeship levy and to convince organisations about the usefulness of this funding for their workforce development processes.**
 - **Apprenticeships delivered since the scheme began in 2010 have not adequately delivered the skills needed by the economy.**
 - **Young people are underrepresented in apprenticeships; where available, youth apprenticeships are 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.**
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Skills policy post-2014

The Post-16 Skills Plan, published in July 2016, indicated an important directional change in policies related to young people.⁴⁰ Building on the findings of Lord Sainsbury's independent skills review⁴¹, the document outlined the Government's plan for technical education.



In October 2016, the Technical and Further Education Bill 2016-17⁴² was introduced to the Commons, building on the measures set out in the plan which was developed in response to an independent report from an expert panel chaired by Lord Sainsbury.

Broadly, the reforms outlined in the plan aim to facilitate a system that can support learners in securing employment, as well as meet the skills needs of a changing economy. They also aim to improve the alignment of technical education routes with academic options.

The plan suggested abolishing the current system of there being thousands of qualifications, in favour of the creation of a common framework of 15 routes across technical education. It proposed that each route would bring together occupations that share training requirements, with two-year college-based programmes, aligned to apprenticeships, established at the beginning of each route. In order to reduce confusion among learners, the plan suggested streamlining the number of technical

⁴⁰ Post-16 Skills Plan, DfE and BIS, 8 July 2016

⁴¹ Report of the Independent Panel on Technical Education, BIS, 8 July 2016

⁴² Technical and Further Education Bill 2016-17 Parliament.co.uk, 27 October 2016



The lack of
consultation could
mean the Post-16
Skills Plan is doomed
to fail.

qualifications available, with only one technical level qualification available for each occupation or cluster of occupations within a route.

According to the plan, each of the 15 routes will have only one awarding organisation, and some routes will be delivered primarily through apprenticeships. Other changes outlined include expanding the remit of the Institute for Apprenticeships to oversee the framework and make this the principle body responsible for technical education. National Colleges and Institutes of Technology will also be created to provide education in STEM subjects and other important economic areas.

The Post-16 Skills Plan follows the Coalition Government's decision to introduce a new measure for 16-19 school and college performance tables, starting in September 2014.⁴³ The Technical Baccalaureate (TechBacc) Measure aims to recognise the achievement of students completing advanced technical qualifications, and to provide a barometer for qualifications recognised by professional and industry bodies as being of high quality. Under the new proposed framework unveiled in summer 2016, qualifications included within the TechBacc measure will come from one of three categories of technical and applied qualifications available for 16 to 19 year olds.⁴⁴

Other policy changes related to young people in recent years have included the creation of the Careers and Enterprise Company (CEC), which is tasked with advancing careers awareness among young people between the ages of 12 and 18 and connecting them with employers.⁴⁵ The CEC was established in response to repeated warnings

from businesses and educators that the existing provision in schools was failing to deliver the guidance needed by young people.⁴⁶

The CEC acts as an umbrella organisation for other bodies working in the sector, with a network of coordinators working across clusters of around 20 schools to provide information about possible training providers and employers in the local area.⁴⁷ In July 2016, it was also discussed whether responsibility for the National Careers Service (NCS) should be transferred to the CEC.⁴⁸

In line with the Government's employer-led approach to FE and skills, recent policy changes aim to further extend employer engagement, which could help to more closely align skills and jobs. Building on the approach developed in the apprenticeship Trailblazers programme, the Post-16 Skills Plan proposes putting employers in charge of developing standards across all technical education, including college-based qualifications.⁴⁹ Together with education experts, employers will be invited to advise the Institute for Apprenticeships on the knowledge and skills required to meet occupational standards in each of the proposed routes.

With regards to adult learners, there have been continued cuts to the adult skills budget. In July 2015 a letter from the SFA announced a further 3.9 per cent cut to adult skills and discretionary learner support allocations for colleges and training providers in 2015/16⁵⁰. Earlier that year the Association of Colleges (AoC) warned that 190,000 adult education places would be lost in 2016 due to cuts.⁵¹

⁴³ The Technical Baccalaureate Performance Table Measure, DfE, 16 December 2013

⁴⁴ Technical and applied qualifications for 14 to 19 year olds, DfE, 16 August 2016 19_Qualifications_Technical_Guidance.pdf

⁴⁵ New careers and enterprise company for schools, DfE, 10 December 2014

⁴⁶ CBI chief warns over poor careers advice, BBC, 19 June 2013

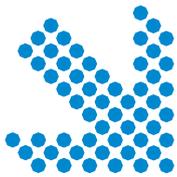
⁴⁷ Letter from Claudia Harris of the Careers and Enterprise Company, ASCL, 13 July 2015

⁴⁸ MPs back widening role of new Careers & Enterprise Company, FE Week, 5 July 2016

⁴⁹ Post-16 Skills Plan, DfE and BIS, 8 July 2016

⁵⁰ Changes to funding allocations for 2015 to 2016, SFA, 20 July 2015

⁵¹ Colleges say 'swathe of cuts' threatens adult education, BBC, 25 March 2015



Sector viewpoints

The Post-16 Skills Plan received approving responses from representatives of businesses, greeted as a 'step in the right direction' by the Institute of Directors (IoD).⁵² Particularly well received were plans to increase collaboration between colleges and employers on standards,⁵³ and to ensure learners develop a broader knowledge base before specialisation.⁵⁴

The FE sector's response to the changes proposed has been more mixed. While the proposed alignment and improved clarity between technical and academic education routes has generally been well received,⁵⁵ there are concerns that the move to make young people choose between academic and vocational routes at the age of 16 risks further institutionalising existing divides between the two.⁵⁶ There has also been criticism of the absence of additional funding for specific initiatives proposed in the plan, such as the commitment to guarantee work placements for all learners, as well as of the underrepresentation of creative arts and sports⁵⁷ within the proposed new routes. Likewise, there is also a notable absence of many typical job roles within the retail sector in the proposed framework.

Another concern is that the removal of existing qualifications as part of the rationalisation to 15 routes will limit choices for learners,⁵⁸ with the technical routes outlined in the plan covering fewer than half of all available occupations. The Federation of Awarding Bodies (FAB) has also raised concerns that the streamlining of qualifications and awarding bodies is anti-competitive and therefore not in the interests of learners (or society);⁵⁹ their argument is that

monopoly situations are less likely to cater for a kaleidoscope of different needs.

It is interesting to note that, unlike recent proposals for the introduction of grammar schools, the Post-16 Skills Plan did not go through a formal consultation process prior to publication of the white paper,⁶⁰ reflecting a more top-down and directional policy environment compared to other areas. Sector bodies such as the AoC have called for a full consultation to be conducted that allows for a two-way dialogue around the proposed changes.⁶¹

It is worth noting that the plan was published under the previous leadership, and there have since been a number of changes, including the transfer of responsibility for skills to DfE. However Theresa May's Government has indicated that it intends to progress with these reforms, and the Bill will begin to implement them.

Analysis

The Government's long-term plan is to bring together full-time technical FE and apprenticeships, which could provide a sustainable model in the long-term. However, the proposed reforms suggest that the lack of organisational memory at political and official levels, as well as the failure to learn from past successes and failures, remain key challenges to effective policymaking in the sector.

There are both similarities and differences between the new qualification reforms and the short-lived 14-19 Diplomas introduced by the Labour Government, which were available in 14 employment sectors or 'lines of learning'.⁶²

⁵² UK will fall behind without reforms to technical education, IoD, 8 July 2016

⁵³ Response to DfE technical skills overhaul announcement, CBI, 8 July 2016

⁵⁴ Reforms announced for technical education, CITB, 8 July 2016

⁵⁵ Post-16 Skills Plan published by Government, AoC, 8 July 2016

⁵⁶ ATL comment on the post-16 skills plan and independent report on technical education, ATL, 8 July 2016

⁵⁷ Post-16 Skills Plan published by Government, AoC, 8 July 2016

⁵⁸ Sainsbury Review and Post-16 Skills Plan published, NCFE, 8 July 2016

⁵⁹ FAB Proposals for the implementation of key recommendations in the Report of the Independent Panel on Technical Education and the Post-16 Skills Plan, FAB, July 2016

⁶⁰ Technical and professional education revolution continues, BIS, 5 November 2015

⁶¹ Government's Post-16 skills plan overlooks a number of key issues, FE News, 8 August 2016

⁶² Choose academic or technical route at 16 – radical government plans reveal, FE Week, 8 July 2016



Despite supportive views among many in the sector, the Diplomas resulted in slower than anticipated take-up rates,⁶³ and were ultimately abandoned a few years later by the Coalition Government in order to refocus efforts on improving existing qualifications.⁶⁴

FAB notes that the qualification reform risks 'repeating one of the fundamental weaknesses that undermined the 14-19 Diploma', namely that the routes were too broad to provide the skills needed by employers,⁶⁵ although it should be noted that the Post-16 Skills Plan is based specifically on technical qualifications, rather than the general or applied qualifications that were available through the Diploma system. While it is unclear what the outcomes will be from the proposed reforms, there remains a vital need to ensure that lessons learned from similar initiatives abandoned in the past are carefully considered.

It is also particularly concerning that the Post-16 Skills Plan did not go through a formal consultation process before the Technical and Further Education Bill was introduced to the Commons, despite the significant implications of the proposed changes. In contrast, a consultation was swiftly opened around the proposals for lifting the ban on grammar schools following the initial Government announcement. This approach not only reinforces the academia/ vocational divide, but also means change could be made without taking into account the support and insight of experts in the skills sector. The lack of consultation could mean the Post-16 Skills Plan is doomed to fail.

The creation of the CEC is an encouraging step forward, but schools remain responsible for providing careers advice and guidance to young people, often without the necessary expertise with which to do so. Likewise, it is still a concern that young people believe they have to choose either the academic or vocational route and do not have

the option to move between the two, and the proposed reforms risk erecting further barriers. As a result of these issues, large numbers of young people lack access to current, tailored information on which to base crucial decisions about their future education and employment.⁶⁶ It is possible, however, that the statutory requirement on schools to supplement their own offering with independent advice may go some way to addressing this issue.

Cuts to the adult FE budget in 2015 have also led to some colleges removing courses specifically designed for unemployed adults, as a way of keeping costs down.⁶⁷ Addressing these issues will be important to ensure that the FE sector can be successful in supporting people into work.

Adult unemployment is not currently a policy focus. This is a concerning gap, given that there are already severe weaknesses in the current FE system in terms of supporting adults into work.

Key findings

- **The improved alignment between technical routes, apprenticeships and academic education proposed in the Post-16 Skills Plan has generally been well received.**
 - **There is a concern that the removal of existing qualifications will limit choices for learners, as the proposed 15 routes cover fewer than half of all currently available occupations.**
 - **There is a notable absence of new initiatives to support unemployed adults over the age of 25 into work.**
 - **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.**
-

⁶³ Anger grows as diploma support wanes , BBC, 25 September 2010

⁶⁴ Labour's £300m diploma qualifications 'a complete failure', Telegraph, 19 November 2011

⁶⁵ Post-16 skills plan and the Report of the independent panel on technical education (Sainsbury Review) released, FAB, 8 July 2016

⁶⁶ Young people unaware of many lucrative careers, survey suggests, TES, 2 September 2016

⁶⁷ Government cuts could 'decimate' adult education by 2020, AoC warns, FE Week, 25 March 2015



5

Structural changes

Since *Sense & Instability* was published in 2014, there have been several changes to the structure of the FE sector. This includes changes to governmental structures, which saw the responsibility for FE policy, apprenticeships and skills move from the Department for Business, Innovation and Skills (BIS) to the Department for Education (DfE).⁶⁸

At the same time, Justine Greening was appointed as the Secretary of State for Education⁶⁹ and Robert Halfon was made the Minister of State at the Department for Education.⁷⁰ The changes to the machinery of Government represent the eleventh time that FE and skills policy has changed departments or been shared between departments since the 1980s.

Other developments include the introduction of a programme of Area-Based Reviews (ABRs) in order to restructure post-16 FE learning provision.⁷¹ The programme aims to ensure the financial stability of colleges by moving towards a system of 'fewer, often larger, more resilient and efficient providers' in the sector.

⁶⁸ DfE and BIS Explanatory Note, HM Government, 14 July 2016

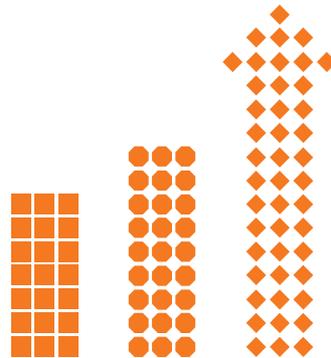
⁶⁹ The Rt Hon Justine Greening MP, HM Government, July 2016

⁷⁰ The Rt Hon Robert Halfon MP, HM Government, July 2016

⁷¹ Reviewing post-16 Education and Training Institutions, HM Government, 20 July 2015

To ensure consistency across geographical boundaries, the ABRs will be conducted within a national framework. Transition grants will be provided for colleges to implement any significant changes resulting from an area review, such as college closures or mergers, curriculum rationalisation or conversion to academy status.⁷² Once the ABRs have been completed, public funding will be provided only for those institutions that have demonstrated high quality learning provision as well as long-term financial stability.⁷³ The FE Commissioner leading the review process has estimated that the programme will result in a third of colleges disappearing.⁷⁴

Funding for FE and skills was significantly reduced in 2015/2016, particularly for adult learners,⁷⁵ whose funding was reduced by 24 per cent from the previous year.⁷⁶ Further changes to funding for FE and skills were outlined in the 2016 to 2017 skills funding letter⁷⁷, which set out the Government's annual funding priorities for the skills system. The letter detailed the establishment of a single Adult Education Budget (AEB), worth £1.5 billion, replacing three previous funding streams: adult FE, community learning, and discretionary learner support. Other changes included increasing funding for apprenticeships to £1 billion, and an extension of advanced learner loans to 19 to 23 year olds. The proposed changes aim to diversify funding routes to share costs between Government, employers and individuals. The new AEB also reflects a move towards more local rather than national funding responsibilities, underpinned by recent devolution agreements in several areas that enable local authorities to make their own funding decisions.



There have also been changes to apprenticeship funding since 2014, in an effort to simplify the system. The introduction of an apprenticeship levy and upper funding limits, as covered in earlier sections, will significantly change the way apprenticeships are funded. Funds levied by employers will go into a Digital Apprenticeship Service account;⁷⁸ the service will also enable employers to search for apprenticeship standards and frameworks, and identify suitable training providers.⁷⁹

ABRs could lead to a third of colleges disappearing.

⁷² Transition grants guidance: area reviews of post-16 education and training institutions, SFA, 11 April 2016

⁷³ Updated guidance on area reviews, HM Government, 24 March 2015

⁷⁴ One in three colleges to disappear – predicts FE Commissioner, FE Week, 7 July 2016

⁷⁵ Letter, Secretary of State for Business, Innovation and Skills, 26 February 2015

⁷⁶ AoC warns of the end of adult education and training provision by 2020, AoC, 25 March 2015

⁷⁷ Letter, Minister of State for Skills, 15 December 2015

⁷⁸ Government announces digital apprenticeship service as part of apprenticeship levy guidelines, Computer Weekly, 12 August 2016

⁷⁹ Data collection and the digital apprenticeship service, SFA, May 2016



Sector viewpoints

The reduction in funding for FE and skills in 2015 was heavily criticised, with the AoC estimating that it could lead to the loss of 190,000 adult learning places.⁸⁰ As mentioned in earlier sections, the reduction in adult funding has had significant effects on unemployed learners, with many colleges removing courses specifically designed for unemployed adults, in a bid to keep costs down.

The decision to move FE and skills to the DfE, and the announcement of the single Adult Education Budget in 2016, was more positively received by the sector. Educators have recognised the potential for greater cohesion in bringing policy for all elements of education and skills under one roof.⁸¹ The inclusion of funding plans until 2020 has also been welcomed for providing a clear and positive outline of the Government's intentions.⁸²

Nevertheless, some concerns have been raised regarding the proposed structural changes, particularly that the switch in departmental responsibility may lead to technical education and skills being overlooked in favour of schools and higher education.⁸³ There have also been calls to delay devolution of adult education funding responsibilities to localities until it has been agreed how this will work for providers that cross several regional boundaries, and uncertainties remain in terms of how the devolved system will operate in Scotland, Wales and Northern Ireland.⁸⁴ Others have pointed out that the devolution of funding threatens to disrupt provision and create additional administration costs.⁸⁵

The introduction of the ABRs had also been subject to concern that it will lead to college closures, thus reducing learners' access to different courses and

threatening job security for staff.⁸⁶ However, the Technical and Further Education Bill, outlined plans for a new regime to protect learners in the case of a college becoming insolvent, and address any absence of college provision.⁸⁷

The exclusion of schools and academy sixth forms from the ABRs has also been highlighted as a major flaw,⁸⁸ as has the fact that it is not possible for the reviews to look at provision of a full progression pathway, because apprenticeships are excluded. The decision of the FE Commissioner leading the review process – David Collins – to step down in November 2016 has also raised concerns about the overall stability of the programme amid the possibility of further delays to the timeline.⁸⁹

Overall, the ABRs programme has faced several challenges since it was first introduced, with significant delays to the first wave taking place.⁹⁰

Analysis

One possible implication of changes to the machinery of government is a reversal of current initiatives, such as qualification reform. The change in prime minister may also lead to changes to existing policies and reforms, as Theresa May develops her own strategy and priorities for her time in Number 10. Research into the effects of departmental changes on public policy is limited, but a 2010 report by the National Audit Office notes: 'Adherence to all key elements of good practice is generally poor when implementing government reorganisations, particularly in departments. Failure to follow good practice can waste resources and damage staff and stakeholder morale and business delivery'.⁹¹

⁸⁰ AoC warns of the end of adult education and training provision by 2020, AoC, 25 March 2015

⁸¹ Educators and training providers welcome skills shake-up, Apprentice Eye, 18 July 2016

⁸² Positive outlook in Skills Funding Letter, FE News, 4 January 2016

⁸³ Sector response to Department for Education (DfE) taking responsibility for FE, Skills & Apprenticeships, FE News, 14 July 2016

⁸⁴ Delay adult education budget devolution plans, government told, FE Week, 9 May 2016

⁸⁵ 'No one has a clue' about skills devolution as funding concerns mount, TES, 11 March 2016

⁸⁶ Further Education Area-Based Reviews, Unison, February 2016

⁸⁷ Technical and Further Education Bill, October 2016

⁸⁸ Merged or chopped... sixth-form colleges fear government review, Guardian, 29 March 2016

⁸⁹ Sir David Collins to step down before area reviews complete, FE Week, 11 June 2016

⁹⁰ Boles upbeat over area reviews, despite continued delays, FE Week, 4 July 2016

⁹¹ Reorganising central government, NAO, 18 March 2010

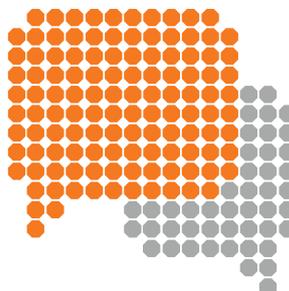
Another study into machinery of government changes in the UK also found that such changes are often far costlier than governments realise – despite the fact that the Treasury states that these should be cost-neutral – and can lead to key staff being overloaded.⁹² It typically requires up to three years for departments to refocus and for the benefits of change to be realised. These challenges tend to be greatest for new or merged departments, as opposed to de-merged departments, or when the change has been announced with limited prior planning, as with the recent upheaval.⁹³ At the same time, the report finds that institutional changes can be beneficial in re-energising departments, ministers and senior officials. To guarantee a level of stability to the FE sector, the DfE needs to ensure that any short-term efficiency costs associated with the change in department do not adversely disrupt ongoing reforms and policies.

Another key challenge is that the move towards there being fewer, larger colleges resulting from the ABRs may not have the desired effects on financial stability and learner provision. A report by BIS notes that larger institutions can benefit from ‘valuable economies of scale, protect and improve student access and progression, and address issues of poor quality’.⁹⁴ Despite the possible financial returns, however, some colleges see few additional benefits to the programme, and note that mergers or ‘academisation’ put institutions at risk of being taken over or losing the financial freedom to borrow money.⁹⁵

Research by the AoC and the National Union of Students (NUS) has found that fewer than half of FE learners can always afford travel costs to their place of learning⁹⁶. College mergers or closures risk exacerbating travel challenges for students, reducing access to education and skills for poorer groups, and limiting learners’ ability to access the curriculum that they want.

Key findings

- **The decision to move FE and skills to the DfE is generally recognised as a positive move that is likely to result in a more joined up approach to education policy. However, there are concerns about moving skills policy away from business and from the department overseeing future industrial strategy, not least that it could be lost between schools and Higher Education policy.**
 - **Machinery of government changes are often far costlier than governments realise, and departments may require significant time to refocus and realise the benefits of change.**
 - **Colleges note that mergers or ‘academisation’ resulting from the restructuring programme also put institutions at risk of being taken over or losing the financial freedom to borrow money.**
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⁹² Making and breaking Whitehall departments: a guide to machinery of government changes, LSE, May 2010

⁹³ Making and breaking Whitehall departments: a guide to machinery of government changes, LSE, May 2010

⁹⁴ Current models of collaboration – post-14 Further Education, BIS, 16 June 2015

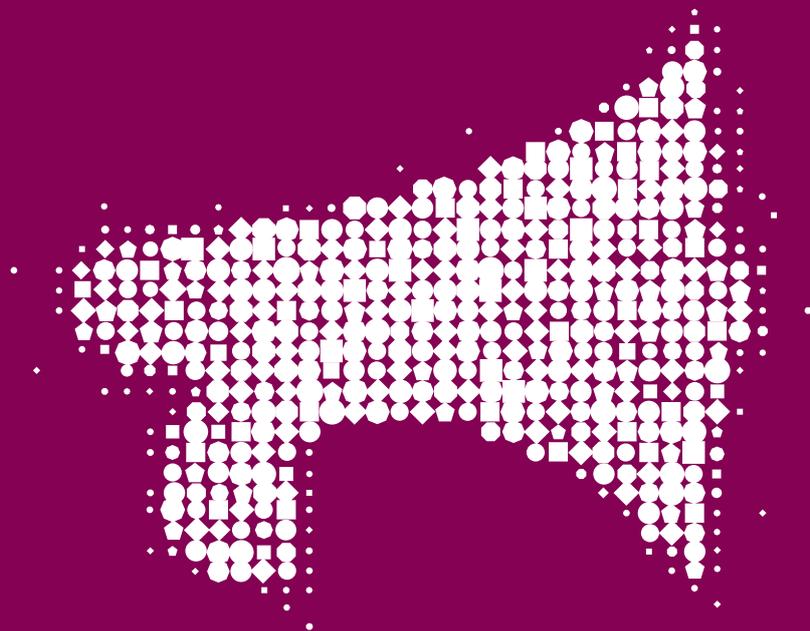
⁹⁵ Merged or chopped ... sixth-form colleges fear government review, Guardian, 29 March 2016

⁹⁶ Students are struggling to afford travel costs, AoC, 23 November 2015



Conclusion

Two years is a long time in education and skills policy, and much has changed since the initial **Sense & Instability** report was published in 2014. Yet, as this report shows, many of the issues identified previously – particularly around a lack of stability and organisational memory – still persist. Some of the recent policy changes have suggested a step in the right direction, such as initiatives to improve the alignment of technical and academic education and to increase employer engagement.





However poor implementation and rushed timescales risk undermining the success of these initiatives, and raise the possibility that the sector is repeating the cycle of poor implementation. Worryingly, there has also been a reduction in young people's access to some learning opportunities, and the Government has not yet succeeded in generating sufficient support and ownership from employers for the apprenticeship scheme.

Against this backdrop there are more fundamental questions about the extent to which the new reforms will be able to deliver the skills needed by the economy and reduce the productivity shortfall identified in the Government's productivity plan.

Following the eleventh departmental reshuffle in three decades, when the responsibility for FE and skills moved to DfE, there are also concerns that the current system is too disjointed to ensure a consolidated and coherent approach to policy.

The sector is at risk of repeating the cycle of poor implementation experienced over the past 30 years.

Key findings

- **The FE and skills sector is still suffering from a lack of stability and a failure to take advantage of organisational memory.**
 - **Positive progress in aligning technical and academic education and increasing employer engagement may be jeopardised by a lack of consultation, poor implementation and rushed timescales.**
 - **The sector is at risk of repeating the cycle of poor implementation experienced over the past 30 years.**
 - **There has been a reduction in young people's access to some learning opportunities.**
 - **The Government has not yet succeeded in generating sufficient support and ownership from employers for the apprenticeship scheme.**
 - **It remains unclear to what extent recent reforms will deliver the skills needed by the economy and reduce the UK's productivity shortfall.**
 - **Recent machinery of government changes may mean the current system is too disjointed to ensure a consolidated and coherent approach to policy.**
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7

Recommendations

The Government must develop a consolidated, consultative approach to FE and skills policy.

Our review of FE and skills policy since 2014 suggests that the lack of continuity needed to establish a consolidated approach to reform remains a key challenge in the sector.

While some positive steps have been taken to bring together full-time vocational education and apprenticeships into a single system, with a single governance structure, too often policies are developed in isolation of one another, with little consideration into the possible effects or attempts to incorporate lessons from past initiatives.

At a time of extensive structural and policy change, the need to take a balanced, prudent view, based on consultation and considered implementation, has never been greater.

Therefore, we reiterate the recommendation outlined in the original Sense & Instability report, which called for the establishment of an independent body responsible for evaluating the Government's policies. There continues to be a need for greater checks and balances in the system in order to ensure that new policies avoid repeating past failures.

Additionally, in the case of the Post-16 Skills Plan, the Government hasn't held a formal consultation. We recommend that once the Bill goes through, the Government invites input and feedback from awarding organisations, sector experts and employers before progressing any further with implementation, to shape the approach to skills, rather than enforcing changes.

Finally, to encourage greater transparency and scrutiny from employers, training providers and other stakeholders in the sector, we recommend the creation of a central resource outlining the Government's current reform agenda in terms of FE and skills. This would include progress to date and timely information about changes and amendments to the reforms, as they are announced. Key guidance documents outlining how policies will be implemented in practice should also be published at an earlier stage, to enable employers and providers adequate time to prepare for changes.

The Government should:

- Consult with awarding organisations, sector experts and employers on the proposed changes once the Bill for the Post-16 Skills Plan is passed, before progressing plans further, to draw on their expertise.
- Establish an independent body responsible for evaluating the Government's policies, along the lines of the Office for Budgetary Responsibility.
- Create a central resource outlining their current FE and skills reform agenda.
- Publish timings for when key guidance documents outlining how policies will be implemented in practice will be available to ensure plenty of notice for implementation.

Ensuring learning opportunities for youth and disadvantaged groups

This policy review has revealed a negative trend toward reforms that may limit opportunities for young people and disadvantaged groups. It reinforces concerns suggesting that policies are frequently developed in isolation, with limited oversight in terms of how different initiatives impact on one another or on different cohorts. While the Government has committed to ensuring learning opportunities are available for all groups, evidence suggests that current policies – particularly around apprenticeship funding and the Area Based Reviews – are unlikely to be successful in achieving this aim.

To protect opportunities for disadvantaged groups, full equality assessments should be completed before any policy is announced, and published for public scrutiny.

We recommend that more apprenticeships are made available for young people under the age of 24 and unemployed adults, to ensure all groups benefit equally from the scheme. At the same time, funding should be protected for disadvantaged groups, in particular, young people living in deprived areas, a disproportionate number of whom belong to ethnic minorities.



We also recommend that a thorough review is undertaken into the effects of the ABRs, once completed, to assess any adverse effects of the programme on learners' access to college-based learning.

The Government should:

- Complete and publish full equality assessments before any policy is announced, at the time of a white paper.
- Make more apprenticeships available for young people under the age of 24 and unemployed adults, to ensure all groups benefit equally.
- Protect FE funding for disadvantaged groups.
- Undertake a thorough review into the effects of the area-based reviews once these are completed.

Focus on quality not quantity

The Government has committed to delivering three million apprenticeships by 2020; evidence suggests, however, that many of the apprenticeships created in recent years have been of poor quality and have not adequately matched the skills needed by the economy.

Furthermore, apprenticeships have not necessarily been taken up by those individuals who are the most likely to benefit from the scheme, such as young people and unemployed adults. Delivering apprenticeships for the sake of it is a waste of public resources, particularly at a time when learners and training providers are experiencing a financial squeeze.

We recommend that policymakers focus on increasing the quality of apprenticeships, as opposed to just achieving numerical targets; if the quality is right, the numbers will come. In particular, higher numbers of apprenticeships should be made available at higher levels, and in sectors with the highest skills shortages. Greater cross-sectoral collaboration will also be beneficial in enabling employers and providers to adopt best practice from the most successful apprenticeships, such as those in the automotive sector, construction and engineering.

The Government should:

- Focus on increasing the quality of apprenticeships first, rather than focusing on high targets.
- Ensure more apprenticeships are available at higher levels, and in sectors with the highest skills shortages.

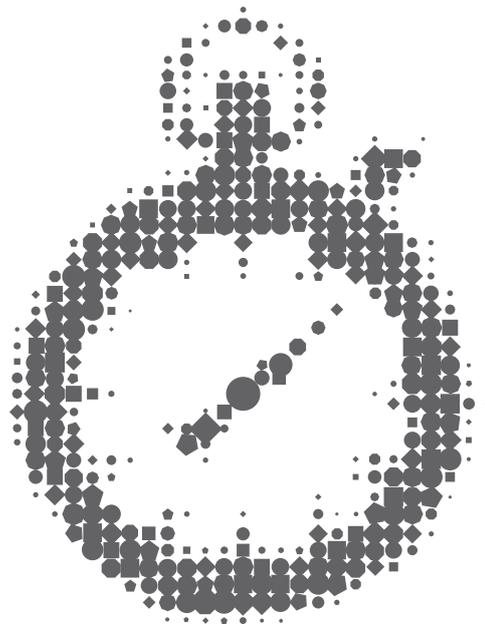
Ensuring greater ownership and engagement from employers

The apprenticeship levy has mixed levels of support among those employers that will be expected to pay it, and previous research suggests that many employers are yet to realise the full extent of the upcoming changes in terms of the costs to their organisations. To ensure sufficient employer ownership to the apprenticeship scheme, the Government must address concerns among employers, especially that the introduction of the levy in April 2017 will not give them sufficient time to prepare.

We recommend that the Government provides greater transparency around the operational detail of how the reformed apprenticeship system – including end-point assessment and the levy – will operate in practice, given there has been limited time for consultation, and that the levy is a new initiative. The Government should commit to deadlines for providing further information and ensuring employers have plenty of time to prepare, while minimising bureaucracy as far as possible. Additionally, the Government must create incentives and processes that enable and encourage employers and providers to deliver high-quality apprenticeships.

We also recommend that the Government considers broadening the levy to include funding for other forms of training in addition to apprenticeships. Although high quality apprenticeships can deliver many benefits to employers, they may not be appropriate in every context or for all employers. Greater flexibility in terms of the training methods covered by the levy may help to increase industry support, as well as send a strong message to employers that the Government trusts them to select the training that they believe is best suited to their organisation. The plan to enable employers to use the levy funding in their supply chains is a positive step forward.

Focus on increasing the quality of apprenticeships first, rather than focusing on high targets.



The Government should:

- Provide greater transparency around the operational detail of the reformed apprenticeship system, and particularly the levy, and commit to deadlines to provide further information.
- Minimise the burden of bureaucracy on employers as far as possible.
- Create incentives to encourage employers and providers to deliver high-quality apprenticeships.
- Consider broadening the levy to include funding for other forms of training.



Appendix: Behind the figures

Since Margaret Thatcher became Prime Minister, responsibility for skills policy has been taken on by 65 different ministers (up from 61 at the time of our first Sense & Instability report). This is in comparison with 19 (up from 18) ministers in charge of schools policy over the same period, and 19 (up from 16) in charge of Higher Education. The figures account for Ministers who have held the same role at different stages in their career (thus requiring a handover of policy) and those whose roles have been renamed, or who have held a different portfolio that also covers skills.

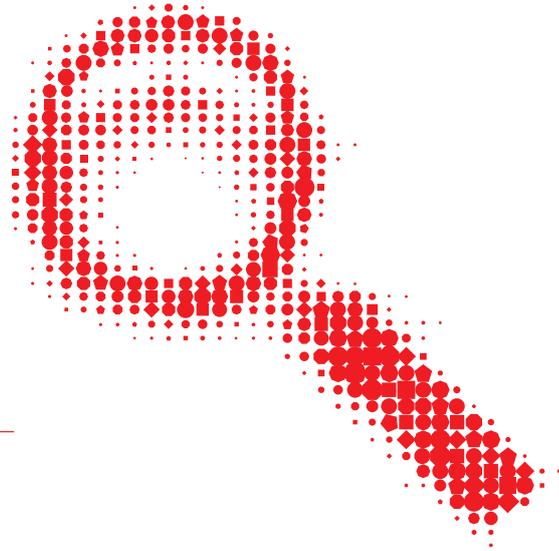
Skills policy

- **2015 onwards:** Sajid Javid (BIS); Justine Greening (DfE); Stephen Crabb (DWP); Damian Green (DWP)
- **Coalition:** Vince Cable (BIS); Nicky Morgan (DfE); Michael Gove (DfE); Iain Duncan-Smith (DWP).
- **New Labour:** Lord Mandelson (BIS); Lord Mandelson (BERR); Yvette Cooper (DWP); James Purnell (DWP); John Hutton (BERR); Peter Hain (DWP); John Hutton (DWP); Ed Balls (DCSF); David Blunkett (DWP); John Denham MP (DIUS); Alan Johnson (DfES); Alan Johnson (DWP); Ruth Kelly (DfES); Charles Clarke (DfES); Andrew Smith (DWP); Alistair Darling (DWP); Estelle Morris (DfES); David Blunkett (DfEE); Alistair Darling (DTI); Alan Johnson (DTI); Alistair Darling (Social Security); Harriet Harman (Social Security); Patricia Hewitt (DTI); Stephen Byers (DTI); Peter Mandelson (DTI); Margaret Beckett (DTI)

- **John Major:** Gillian Shephard (DfEE); Michael Portillo; John Patten (DfE); David Hunt (DE); Gillian Shepherd (DE); Ian Lang (DTI); Michael Heseltine (DTI); Peter Lilley (Social Security)
- **Margaret Thatcher:** Michael Howard (DE); Tony Newton (Social Security); John Moore (Social Security); Kenneth Clarke (DES); Norman Fowler (DE); Mark Carlisle (Education and Science); John MacGregor (DfES); Kenneth Baker (DfES); Lord Young (Department for Employment); Tom King (DE); Sir Keith Joseph (DfES); Norman Tebbit (Department for Employment); James Prior (Department for Employment); Peter Lilley (DTI); Nicholas Ridley (DTI); Lord Young (DTI); Paul Channon (DTI); Leon Brittan (DTI); Norman Tebbit (DTI); Cecil Parkinson (DTI); Lord Cockfield (Secretary of State for Trade & President of the Board of Trade); John Biffen (DTI); John Nott (DTI)

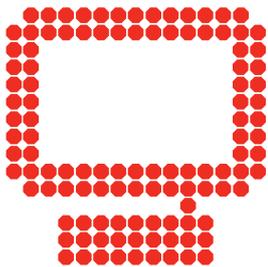
Schools policy

- **2015 onwards:** Justine Greening (DfE)
- **Coalition:** Nicky Morgan (DfE); Michael Gove (DfE);
- **New Labour:** Lord Mandelson (BIS); Ed Balls (DCSF); Alan Johnson (DfES); Ruth Kelly (DfES); Charles Clarke (DfES); Estelle Morris (DfES); David Blunkett (DEE)
- **John Major:** Gillian Shephard (DEE); Gillian Shephard (DE); John Patten (DE); Kenneth Clarke (DES)
- **Margaret Thatcher:** John MacGregor (DES); Kenneth Baker (DES); Keith Joseph (DES); Mark Carlisle (DES); Kenneth Clarke (DES)



University policy

- **2015 onwards:** Sajid Javid (BIS); Justine Greening (DfE); Greg Clark (BEIS)
- **Coalition:** Vince Cable (BIS)
- **New Labour:** John Denham MP (DIUS); Alan Johnson (DfES); Ruth Kelly (DfES); Charles Clarke (DfES); Estelle Morris (DfES); David Blunkett (DEE)
- **John Major:** Gillian Shephard (DEE); Gillian Shephard (DE); John Patten (DE); Kenneth Clarke (DES)
- **Margaret Thatcher:** John MacGregor (DES); Kenneth Baker (DES); Keith Joseph (DES); Mark Carlisle (DES); Kenneth Clarke (DES)





Appendix: Supporting quotes

Kate Shoosmith, Head of Policy & Public Affairs, Recruitment & Employment Confederation:

'A major barrier to economic growth is the lack of skilled staff in key sectors. Our data shows that it is getting harder for recruiters to find people for the jobs available and employers predict particular shortages in sourcing engineering, technical and healthcare professionals in the short to medium term.

'As this report identifies, we need to work with government, not against them, to build the talent pipeline and support more young people into work, and we all need to learn from past experiences. There are three things we think government should be prioritising here: an effective careers guidance network, embedding better employability skills within education, and high-quality, employer-led apprenticeships.

'On this last point, it really is time for government to think again. While the apprenticeship levy could help many employers and their employees participate in apprenticeships and this would be very welcome, it is being devised in such a way that puts the quality of apprenticeships in second place, while focusing on an arbitrary number of 3 million apprenticeship starts by the end of this Parliament. Now we have a new government in place, let's hope they pay heed to the industry and education experts who understand the type of training needed to ensure the future prosperity of the UK labour market.'

Dr Ann Limb, CBE DL, Trustee of the City & Guilds Group, Chair at SEMLEP and the Scouts Association:

'We now have, for the first time since 1997, a Conservative majority Government. In terms of public policy, I see links back to their past ideology, such as the 1989 Education Reform Act and the 1992 Reform Act. Many of the

developments covered in this report – the Area Based Reviews, reforms to funding methodology, the apprenticeship levy and so on – pick up trends from 20 years ago.

'The Government champions apprenticeships and employer ownership, whereas previous changes have been voluntary. Now, there is legislation that requires employers to train people – and if the Government can get the quality, funding and mechanisms right, by 2020 we will start to see change for the better. Because for employers to stay competitive, whether they are small, medium or large, they need to have the best possible talent.'

Anthony Impey, Founder & CEO, Optimity:

'I'm a huge advocate of apprenticeships as a result of the really positive impact that they've had on my business. But without doubt, the system needs an overhaul. We've struggled with the quality and relevance of what it being taught. And I've had doubts about the value for money the Government gets based on the level of their investment.

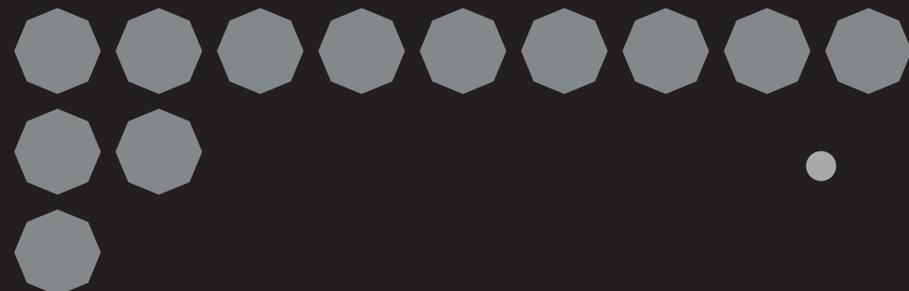
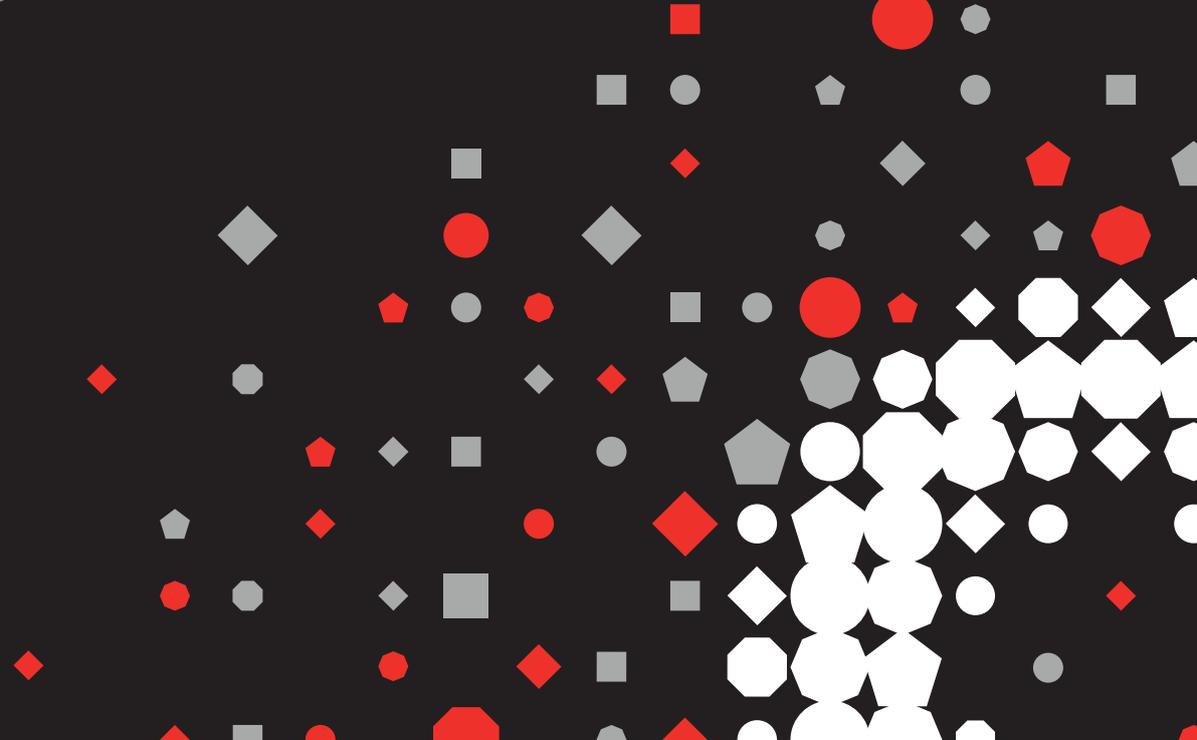
'As this City & Guilds Group report shows, what the Government has planned definitely has the right ambition and scale to fix these issues. There's lots of positive indicators that the right things are happening. But as with any great plan, its success will all be down to the execution of the strategy and the attention to detail. There is still a great deal of ground to cover and not much time to do it in.

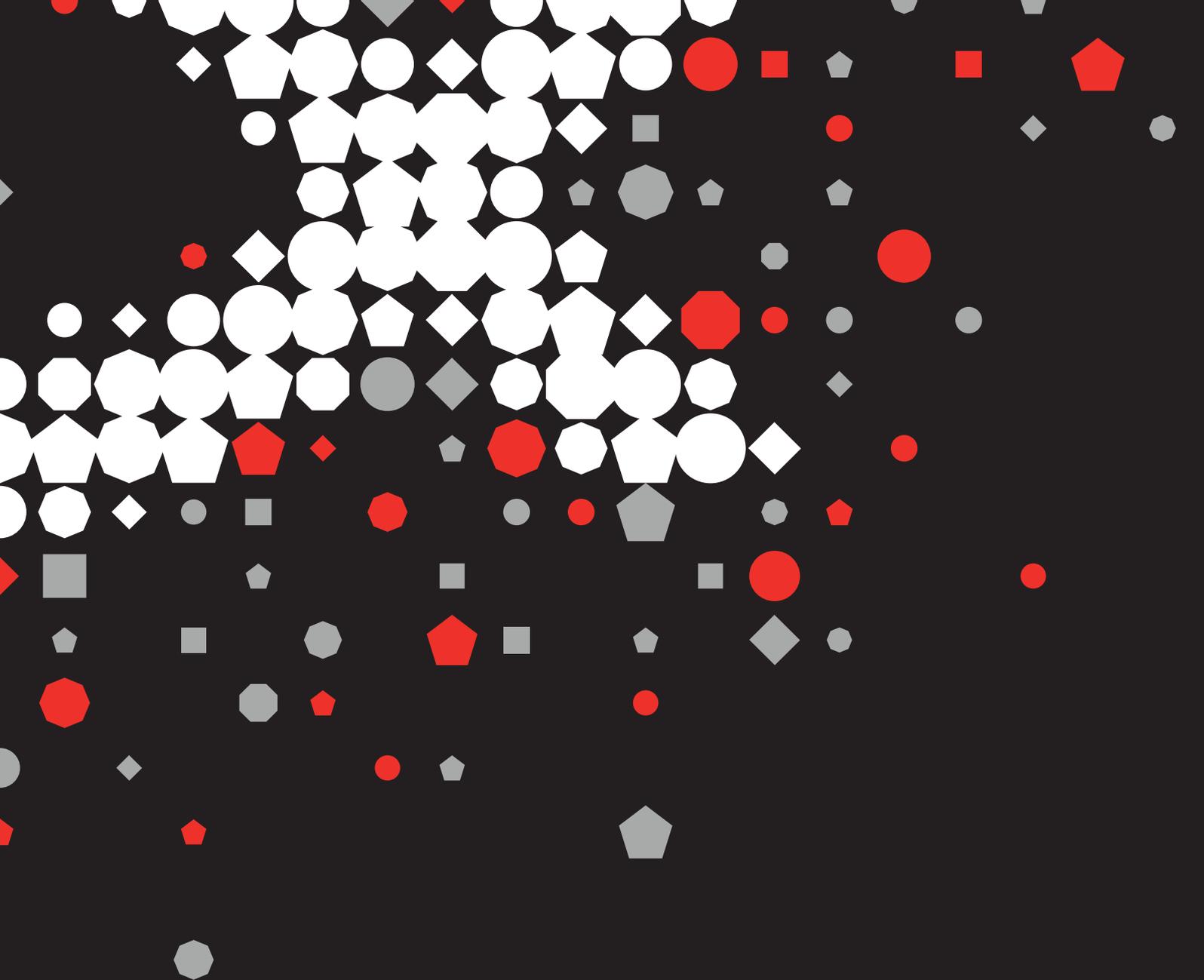
'In Optimity, talent is our single biggest obstacle to growth and I'm yet to meet a business that doesn't say the same. More than ever before, businesses need a skills system that delivers results.'



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The City & Guilds Group would like to thank those who also contributed to this report:

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 - Kate Shoesmith, Head of Policy & Public Affairs, Recruitment & Employment Confederation
 - Anthony Impey, Founder & CEO of Optimity, a London-based SME
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