

## House of Lords debate: The case for maximising talent and skills in the UK Thursday 5 March 2009

The 364 English further education and sixth form Colleges:

- educate and train 727,000 16-18 year olds each year (more than are in school sixth forms, private schools and private training providers put together);
- enrol more than 2 million adults each year, the majority of whom achieve economically valuable qualifications.

In 2006/07 Colleges received £6.7 billion a year in public funding, 79% of which came from the Learning and Skills Council (LSC).

### Gaining skills at Colleges

AoC believes that vocational qualifications are the key to the UK becoming a skilled, competitive nation and ensuring that as many people as possible maximise their potential.

Almost half of all vocational qualifications are awarded via Colleges, compared to 6% via employers. These include Diplomas, Apprenticeships and National Vocational Qualifications.

### Information, Advice and Guidance

The Government rightly identifies the need to change attitudes towards vocational qualifications, but should not underestimate the challenges. A recent report conducted by the Edge Foundation found that only 24% of teachers perceived apprenticeships as a good alternative to A-levels.

The Apprenticeships, Skills, Children and Learning Bill, which is currently being considered by the House of Commons, places a duty on schools,

when giving pupils career advice, whether it is in the best interests of the pupil to tell him or her about apprenticeships.

AoC considers this proposal too weak and does not believe it will help young people make informed decisions about their post-16 options. Too many pupils make poor choices, on the basis of bad advice, and end up dropping out of education at 17.

Colleges firmly believe that all young people should have a statutory right to be informed about all their options post-16, not only those which their teachers view as being in the pupil's interests.

### Apprenticeships

Government has placed much emphasis on apprenticeships and we welcome the Government's intention to raise their status so that they are seen as a viable alternative to Diplomas or GCSEs/A levels. However, placing apprenticeships on a statutory basis should not threaten the ability of Colleges to offer apprenticeships flexibly.

AoC is concerned that the Government's ambitious target of 250,000 apprenticeships by 2020 will not be met unless there is a significant increase in demand from employers. In the recession it will be even more difficult to encourage employers to offer apprenticeship places. There is a role for the public sector but we do not envisage there being sufficient places to meet the Government's target.

- In some industries where permanent contractual arrangements are limited or others

where a level of skill is required from the start of employment, we propose a new 'Access to Apprenticeship' scheme to ensure as many young people as possible are in training.

- It is important that the new National Apprenticeship Service should not be overly bureaucratic and that Colleges and other providers are able to respond quickly to employer requirements without the need for a broker to intervene
- Colleges should be able to transfer funding from the apprenticeship budget to full time 16-19 year old budgets. Many Colleges are reporting higher levels of recruitment on full time courses than anticipated. They will not receive any additional funds for these extra learners in the current financial year.
- Group Training Associations, where a College acts as the employer and therefore takes on any associated risks, should be encouraged to enable small businesses to take on apprentices.

### **Barriers to Colleges' ability to help grow skills and talent in a recession**

AoC believes there is more that could be done to enable Colleges to respond flexibly to local skills needs, particularly in the recession. It is important to note that we are not asking for an increase in the overall level of funding but a more flexible approach to how Colleges can utilise their funding.

- The funding system is still too slow and can often be behind the economic reality. This can prevent the sensible harnessing of available funds.
- Colleges lack the freedom to move money between funding pots to meet changing needs, for example

when people on Train to Gain programmes are made redundant.

- The 'adult responsiveness' funding pot is still subject to LSC requirements for delivery of full level qualifications that are not appropriate in the current economic situation.
- Colleges are measured on particular outcomes which are set by the LSC and this determines their future funding and reputation. Therefore there is a major disincentive for Colleges to deliver flexible packages of training which fall outside the rules.
- LSC has said it wants Colleges to increase the proportion of course fees payable by students from 42.5% to 47.5% in 2009-10. At a time when household and company budgets are tight, LSC should not enforce this new fee increase.

### **Higher Education**

The Government targets for 40% participation in higher education by 2020 can only be realised by recognising the unique and successful contribution that FE colleges have made to HE.

Colleges are able to attract less 'traditional students', often adults, who want to study part time because of work commitments. This provision enables a different sector of the community to participate in higher level education.

Foundation degrees have proved particularly effective in this regard. These can be not only useful preparations for full degrees, but can also allow graduates to specialise and hone their skills following a more general degree.

Currently HEFCE is unable to fund modules of higher education which is

delivered in Colleges. This is most unfortunate as it is this type of provision which enables institutions to react quickly and decisively to meet the needs of people needing to reskill as a result of the recession.

accounts and career development loans.

### **Adult Education**

The UK has an ageing population which will require an increasing number of adults with employment-related skills and qualifications. The nation is lagging behind its major competitors and radical action is needed. Even if current targets are achieved, there will still be 4 million adults in 2010 with inadequate basic skills.

The Government needs a sustained national drive to expand provision at levels 2 and 3 but in areas driven by learner choice. Colleges need the ability to tailor qualifications to employer demand. Decisions cannot all be made in Whitehall or left to education bureaucracies.

As the world's fifth largest economy we should be aiming to be in the top five of the Premier League of skilled nations not struggling in mid-table.

Raising skill levels requires adequate adult learning provision across the country accessible to all. AoC is pleased that the Government's skills campaign will help promote skills but believe it is inequitable that adults seeking a first level 3 qualification should be required to pay a fee when those under the age of 25 do not.

Government should extend the right to a first free level 3 qualification to all – regardless of age. All learners should receive adequate support to cover the costs of learning: locally-managed funds for those facing high childcare and transport costs sitting alongside national entitlements like learning