Developing a Four Nations College Blueprint for a post-Brexit economy

Discussion paper
Introduction

This Blueprint sets out the central role colleges can play in meeting the three greatest priorities faced by governments, employers and citizens across the UK:

1. The **governments of the UK and the devolved nations** need to improve productivity to ensure economic growth and business success in an increasingly competitive world;

2. **Employers** need to be able to recruit and develop workforces which can meet their needs as skilled migration slows down, demographic changes see skilled people retiring in greater numbers and the Fourth Industrial Revolution brings new technology into more workplaces;

3. **Citizens** need opportunities to learn new and higher-level skills throughout their lives to stay up to date, relevant and flourish in a fast-changing labour market.

Colleges are delivering on this agenda already but can do far more with the right policies and investment. They play a vital role in every community, supporting inclusive economic growth and social fairness. They deliver high quality professional and technical education and skills for citizens, communities, employers and the wider economy.
In the modern global economy, the future prosperity and well-being of each and every community across the Four Nations of the UK – businesses, workforces, individual citizens and their families – are increasingly dependent on the skills of the population. Our skills deficit is already having an adverse effect on productivity and business competitiveness, as well as on wages and wider social mobility. The challenges ahead mean that, without a concerted campaign and the necessary investment to raise the skills of the whole working age population, this deficit will have a progressively damaging impact on business and the wider economy.

The labour market challenges facing the economies and communities in the individual nations of the UK vary considerably. The root causes are, however, common:

- A demographic time-bomb with replacement demand far outstripping the supply of young people entering the labour market;
- An acute and growing gap in the supply of higher-skilled technicians, particularly in STEM occupations, affecting business competitiveness and productivity across the UK economy;
- Post-Brexit, reductions in EU migrant labour in many higher-skilled technical occupations exacerbating the current pressures on the supply of skilled labour;
- The ever-increasing pace of automation and the Fourth Industrial Revolution further increasing the skills gap across STEM occupations and key sectors of the economy;
- The slowdown in social mobility impacting directly on the labour market and the supply of skilled workers;
- Lack of understanding of what colleges do and of the necessary information, advice and guidance for young people and adults to be able to choose their best option.

These are all compounded by endemic regional disparities in educational attainment and skills.

These challenges call for a radical re-think of public policy and investment based on the following twin priorities:

**Skills for All**

The demographic profile of the labour market alone, combined with the substantial need for training and re-training of the existing workforce, calls for a fundamental re-focusing of education and skills policy through a single all-age strategy. The aim should be to raise the skills baseline for most of the population, regardless of age, to a level commensurate with the needs of the future labour market – the minimum level should be set initially at a Level 3 (England/Wales/Northern Ireland)/Level 6 (Scotland).

**Technical Education and Skills**

The major skills deficits in our labour market are in intermediate and higher technical occupations. Tackling this is best done at the local and regional level through college-employer partnerships, shaped by the economic priorities of the relevant devolved authority.
Colleges – A Social and Economic Asset

Colleges are anchor community institutions across the Four Nations, central to inclusive economic prosperity and social fairness, delivering high-quality professional, technical and vocational education and skills for citizens, communities, businesses and the wider economy. With better investment, they can play a more pivotal role in meeting the key labour market challenges which lie ahead.

As well as providing education, skills and training for people in their local communities enabling them to succeed in the labour market, colleges deliver knowledge and technology transfer to employers to help them improve productivity through innovation and workforce development.

Colleges in every community across the Four Nations are ready and able to deliver more with the right investment and support.
The Case for Change

There is a general consensus about the critical role of skills and education in improving productivity and overall economic performance, as clearly stated in the UK Government’s own Industrial Strategy:

“Places with more highly skilled people grow faster and have higher levels of productivity... Skills shortfalls... contribute to imbalances in productivity with education and skills as the biggest determinants of regional variations... There are also skills shortages specific to certain sectors... Even with shortfalls in STEM skills and technical education addressed, we could be left with shortages in particular specialisms, unless we develop a better system to identify and fix emerging gaps.”

The essential role of intermediate and higher technical skills was further underlined in the 2016 report of the Independent Panel on Technical Education commissioned by the UK Government:

“By 2020, the UK is set to fall to 28th out of 33 OECD countries in terms of developing our intermediate skills... Unless we take urgent action we will be left further behind. This is not just an economic imperative, but a social one: we need to offer everyone the chance of lifetime sustained employment and the opportunity to progress to the highest skills levels.”

The report from the Resolution Foundation’s Intergenerational Commission highlighted the worrying slowdown in qualification improvements across generations and its damaging effect on younger workers, in particular the large number of people in the so-called “gig economy”:

“... younger generations... are more likely to be in low-skill, atypical and insecure employment... (with) poorer prospects of moving on to better-paid jobs. Their pay progress is being held back because their cohort-on-cohort qualification gains are not as great as the previous generation. This is largely because the number of university and college places has not grown as fast... with a failure to provide clear and high-quality technical education routes outside university.”
Across all Four Nations there is a strong consensus that these challenges require a world-class technical and professional education system. Despite this consensus and the overwhelming weight of evidence, policy and investment remains inadequate: more needs to be done. There are several positive initiatives under way in each of the individual nations. However, we believe that a number of critical actions need to be taken on a UK-wide basis to deliver an all-age skills programme on a scale that meets the needs of a twenty-first century economy.

Devolution has led to an increasing divergence of technical education and skills policy and structures across the Four Nations. Despite those differences, colleges retain a shared culture and ethos built around their core economic and social purpose. That unique role in providing high-level, high-quality technical and professional skills for employers and local communities, from the Highlands and Islands of Scotland to the English Black Country and from rural West Wales to Belfast, is reflected in the case studies in this report. Building on that proud tradition, colleges are ready to take on the common challenges we face in meeting the rapidly changing needs of the modern labour market. To do so, policy and investment decisions are needed across the Four Nations to enable colleges to deliver on this ambitious agenda.
Policy and Investment Recommendations

A Lifetime Learning Entitlement
A statutory entitlement to accredited education and training, relevant to identified labour market opportunities, to at least Level 3 (England, Northern Ireland and Wales)/Level 6 (Scotland) for all adults who have not previously attained that level. This must be fully funded by the UK Government and devolved governments.

A New Social Contract
Based on the principles of the Diamond Review in Wales, guarantee fair funding for full-time and part-time students in both further and higher education across the Four Nations, with an entitlement to maintenance grants up to the equivalent of the Living Wage.

National Retraining Programme
Fully funded training in skills shortage occupations or retraining for skilled employees in jobs at risk at Levels 3-5 (England, Wales and Northern Ireland)/Levels 6-8 (Scotland) identified by Devolved Nations and their regional counterparts in England.

Employer Tax Incentives for Workforce Development
Provide incentives to employers for the release of employees to retrain and upgrade their skills, on a part-time basis, at Level 3 (England, Wales and Northern Ireland)/Level 6 (Scotland) and above through short-term wage replacement costs and/or National Insurance relief.

A Better Jobs Deal
As recommended by the Resolution Foundation’s Intergenerational Commission, an active labour market programme offering practical support for younger workers in low-skilled and insecure employment to train to progress into better jobs.

College Innovation Fund
Building on the pioneering work in Scotland and Northern Ireland, provide formula-funding for colleges to support SMEs to adopt new technology and business practices to help improve productivity, with skills support for the workforce development needed to secure the business improvements.

Making apprenticeships and higher technical standards work seamlessly
Establish a common framework of transferable standards and qualifications, recognised by employers and customised to the individual needs of the Four Nations, to ensure mobility of labour and help people progress in and into work.
**A New Social Partnership**

These new policies and investment will enable colleges to deliver on the key challenges set out above. A new social partnership between colleges, employers, unions and governments should be established to set the vision and strategy and support its implementation to ensure that the challenges are being met. This partnership will be vital to promote skills as a crucial part of a successful future, and to engage employers, people and communities in the behaviour and culture changes we need to become a lifelong learning society.

**The College Role**

As well as new policies and investment, we know that colleges will need encouragement and support to step up to these challenges. We have outstanding colleges delivering on these challenges across the Four Nations, but the lack of investment overall has resulted in too few being able to deliver on the wider agenda. That needs to change, and the college sector has a strong record of delivering on challenges – with the right support, policies and investment.

**Four Nations College Alliance**

Colleges across the Four Nations, in conjunction with their membership bodies, are creating a new Four Nations College Alliance. Whilst respecting the different contexts and jurisdictions we operate in, we believe there is real value in building a new partnership, capitalising on the rich diversity of practice across the sector and helping us better define the future role of colleges in a modern economy. Our aims will be to:

- Promote the critical role of technical and professional education in meeting the needs of a modern high-skill, competitive economy;
- Inform and lead a public debate on future education and skills policy;
- Campaign to secure close alignment of skills policy priorities with the Industrial Strategies, together with commensurate investment to match the changing needs and structure of the labour market;
- Maintain and strengthen the role of colleges as community assets vital to achieving the twin goals of economic development and social mobility;
- Learn from one another, by sharing practice and pooling knowledge and experience to improve the quality of our services to both citizens and businesses;
- Aid the development of new roles in support of businesses in innovation and productivity improvement through the wider use of the college infrastructure and resources.
For the longer term we will establish an independent commission drawn from across the Four Nations to review and advise on the long-term future role of colleges, building on academic research and international models of post-compulsory education. We envisage a commission which will set out a vision for how colleges will need to develop over the next decade and help establish the vital role of colleges for the success of the Four Nations. It will bring together the best of what colleges are already doing across the Four Nations and help build a confident and forward-looking sector, working in partnership with governments, employers and citizens.
Across the four nations

Scotland
Population: 5.3 million people
26 colleges educating over 250,000 students per year, employing approximately 10,000 staff.

Northern Ireland
Population: 1.8 million people
6 colleges educating over 80,000 students per year, employing 3,500 staff.

Wales
Population: 3.2 million people
13 colleges educating over 131,000 students per year, employing 7,500 staff.

England
Population: 5.5 million people
262 colleges educating over 2.2 million students per year, employing approximately 820,000 staff.

Across the Four Nations

Case study: Dudley College of Technology

Case study: Coleg Cambria

Case study: Fife College, City of Glasgow, College, South Lanarkshire College

Case study: Exeter College

Case study: Bridgend College

Case study: Coleg Cambria

Case study: North West Regional College

Case study: Glasgow Clyde College

Case study: Belfast Metropolitan College

Appendix

19
Across the Four Nations

20
Case study: Dudley College of Technology

21
Case study: Coleg Cambria

22
Case study: Fife College, City of Glasgow, College, South Lanarkshire College

23
Case study: Exeter College

24
Case study: North West Regional College

25
Case study: Belfast Metropolitan College

26
Case study: Bridgend College

27
Case study: Coleg Cambria

28
Case study: North West Regional College

1918
Glasgow Clyde College is working in partnership with Specsavers on the development and delivery of workforce development programmes for staff employed in their retail outlets across Scotland.

Through the Flexible Workforce Development Fund (FWDF), Glasgow Clyde College is currently delivering six bespoke courses in Customer Excellence in locations such as Glasgow, Aberdeen and Edinburgh.

The courses have been designed specifically to match the development needs of around 60 members of staff providing frontline services to Specsavers customers. Customer service is one of Specsavers’ three core principles. Their store-based teams interact with customers every day; it is their awareness of and ability to provide great customer service that underpins customer loyalty and advocacy for the Specsavers brand.

In addition, Specsavers identified a need to develop skills in British Sign Language (BSL) amongst their customer service teams which will contribute to their efforts to improve the level of customer care for people with hearing difficulties. Workers from 10 branches are in the process of completing the SQA certified British Sign Language (BSL): An Introduction (SCQF Level 3). This unit is designed to enable candidates to develop basic proficiency in BSL and will enable them to use BSL in simple situations to produce, respond to and receive communication about everyday personal matters.

The FWDF has also played a significant role in enabling Glasgow Clyde College to engage with and develop a positive relationship with the company. The college and Specsavers are now exploring the possibility of working in partnership to contribute to the development of a Modern Apprenticeship framework that is suited to the job role of Optical Technician within this sector.

North West Regional College has more than 10,000 students enrolled in full and part-time courses across its five campuses in Derry-Londonderry, Limavady and Strabane. It is also one of the biggest employers in north west Northern Ireland.

Its Business Support Centre plays a pivotal role in delivering a skilled workforce to Northern Ireland through the delivery of bespoke pre-employment training programmes.

In December 2017 the college, in partnership with Derry City and Strabane District Council, launched the region’s first ever Fabrication and Welding Academy - designed to tackle the prevalent shortage of skilled welders in Northern Ireland. NWRC delivered a 12-week re-skilling solution aimed at providing skilled talent to meet the requirements of local engineering companies.
Despite serving an area of high deprivation - only 47% of learners aged 16-18 years have a GCSE in both mathematics and English – Dudley College of Technology is one of the highest performing general further education colleges in England. They are the biggest provider of apprenticeships within the West Midlands Combined Authority, working with over 500 companies. Their work with Totally Modular, a supplier of residential housing solutions, is a fantastic example of colleges supporting business innovation and technological transfer. Totally Modular approached the college to access their Business Information Modelling facilities to help create a testing zone for a new flood defence mechanism. As the college has unique facilities including a four-storey high ‘hangar’, where students are taught the practical know-how required for fabricating and assembling buildings using the latest available technologies. One of these installations was a three-bedroom house which can detect changing water levels and intelligently respond to its environment by elevating itself on a series of moving axles. The purpose of the initiative being: to fully test the flood defence mechanisms. Working with Dudley College’s Level 3 and 4 Construction students and researchers from the University of Wolverhampton, the ambition is for the new product to gain certified building status, so the product can be brought to a global market.

Supporting innovation

The partnership then deepened with the business accessing the college’s research and development facilities to help create a testing zone for a new flood defence mechanism. As the college has unique facilities including a four-storey high ‘hangar’, where students are taught the practical know-how required for fabricating and assembling buildings using the latest available technologies. One of these installations was a three-bedroom house which can detect changing water levels and intelligently respond to its environment by elevating itself on a series of moving axles. The purpose of the initiative being: to fully test the flood defence mechanisms.

Working with Dudley College’s Level 3 and 4 Construction students and researchers from the University of Wolverhampton, the ambition is for the new product to gain certified building status, so the product can be brought to a global market.

A skills-focused curriculum

One of the largest colleges in the UK, Coleg Cambria serves 11,500 full and part-time further education students, 2,300 apprentices, and 500 higher education learners. They also provide education services to 2,500 inmates at HMP Berwyn.

The college has developed a broad curriculum focused on employers, employability and high-level skills. Each year, they meet with the North Wales Economic Ambition Board, and uses labour market intelligence to ensure that curriculum design meets the needs of the regional economy.

Vocational cluster groups for curriculum teams work with employers and develop real work opportunities for all students. Examples include placements for A Level IT and maths students in Financial Services, and Health and Social Care students in a large regional care home organisation. The college also helps large employers run work experience programmes for school aged learners and to positively recruit identified groups, for example, girls into engineering.

At Cambria, all students have detailed advice and guidance on career opportunities at each level of study. Students see the benefits of learning when it is directly linked with high-skilled employment and the college has seen high retention, attainment and progression rates with students motivated to succeed and find high-skilled employment.
Next generation power and energy

SMART meters are the next generation of gas and electricity meters that offer a range of intelligent functions including near real time energy usage through a display in the home. The meters also communicate directly with the energy supplier eliminating meter readings and estimated bills.

With current Scottish government plans to install a SMART meter in every home by 2020 there is a forecast requirement for 2000 SMART metering engineers in Scotland. Energy Skills Partnership (ESP) has been working with Fife College, City of Glasgow College, South Lanarkshire College and industry to meet this demand.

ESP has agreed standardised SMART meter training procedures and costs and worked with colleges to gain all relevant approvals required for colleges to deliver the correct programmes.

To ensure that the relevant skills meet industry needs, industry is working closely with the college placement training provision for those progressing from college programmes into the industry, new entrants, Modern Apprentices and CPD programmes for existing employees. ESP has worked with industry to secure a supply of SMART metering equipment for the college sector.

ESP and partners have positioned the college sector to meet immediate and future SMART meter installer demand and agreed a pipeline offering full-time gas learners employment opportunities.

Re-balancing the local labour market

Though Belfast enjoys the highest levels of economic growth in its region, it also has the largest number of local areas to suffer social deprivation. One issue for the city is the large number of recent graduates occupying non-graduate roles - the ONS puts it at 49%.

Belfast Metropolitan College has worked with the Department for the Economy to develop and deliver the Assured Skills Programme supporting bespoke graduate pre-employment through an Academy model which is co-designed with large employers. It provides a unique model to match unemployed and underemployed non-technical graduates with high end jobs in the professional services sector.

Given the scale of graduate underemployment across major cities in the UK, which in turn creates a bottleneck for those with lower level vocational skills entering the labour market, the Assured Skills Programme provides a responsive model to create a talent pipeline for high-growth companies in the services sector.

The model can be replicated in different technology-related areas and the intensive nature of the Academy ensures that participants get skills which are immediately applicable for partner companies.

In the last three years the programme has placed over 1,100 graduates into employment across the city. On average 93% of all participants go into employment with an average starting salary of £21k.
Ambition and academic excellence

More than 10,000 people learn and train at Exeter College each year, including 5,500 full-time 16 to 18-year-olds accessing a range of academic and applied technical qualifications in their Sixth Form Centre. The college also has 2,000 apprentices, 500 higher education learners and 2,500 adults accessing full or part-time learning.

Exeter College works with around 1,000 employers including significant partnerships with Great Western Railway, South West Water, the Royal Devon and Exeter Hospital, the MET Office and a large number of SME employers.

The college prides itself on its philosophy of ambition and academic excellence, shifting the focus from simple achievement to aspiration and progress. There is a culture of high expectations, where excellence and progress are celebrated visibly throughout the year. The college also offers its students the chance to measure their progress towards their academic ambition regularly and provides regular touchpoints to practice skills in a supportive but realistic assessment environment. Students report that they feel stretched, challenged and feel confident that they know how to improve further.

Their whole-organisation approach works. This year, Exeter celebrated a record number of students progressing on to Oxford and Cambridge, and into Russell Group universities. They are rated outstanding and have achieved above national average results – including being placed in the top 10% nationally for A Level student progress in humanities.

Ensuring a constant pipeline of talent

Bridgend College offers an extensive range of courses to its 6,000 students, from entry level to degree in over 20 vocational areas, including their award-winning apprenticeships offer.

Tata Steel are one of the country’s biggest employers – with over 6,300 workers across Wales. They work with Bridgend College to ensure they have a constant pipeline of talent. A true partnership, the college and employer work together to co-design and co-deliver the apprenticeship programme which currently has over 200 apprentices learning and training.

This collaboration has been so successful that Tata Steel was named Macro Employer of the Year at Welsh National Apprenticeship Awards, and Bridgend College has been shortlisted for the 2019 Tes FE Apprenticeship Programme of the Year.

Employers that work with Bridgend College have reported a more engaged workforce, lower staff turnover and reduced recruitment costs, as well as increased customer satisfaction, improved productivity and competitiveness.