BRIDGEHEAD | EDUCATION

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MEETING BRITAIN'S SKILLS NEEDS IN A POST-PANDEMIC WORLD

A roundtable discussion with Peter Aldous MP, Chair of the Further Education and Lifelong Learning APPG

ROUNDTABLE DISCUSSION: PUBLISHED JULY 2022

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Peter Aldous, MP

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FOREWORD

Colleges, training providers and employers have experienced significant challenges and unprecedented uncertainty in recent years. Britain's decision to leave the European Union, the pandemic and the ongoing cost of living crisis have all visited a significant toll on the sector and its ability to deliver education and training.

Apprenticeship starts have plummeted, students continue to seeing their learning and exams disrupted and education funding has been further stretched. Meanwhile, employers continue to struggle with labour shortages and supply chain issues and soaring inflation.

To examine the extent of these problems, and to consider practical, workable solutions, leading education and skills PR agency Bridgehead Communications invited colleges, training providers, and leading business organisations to a roundtable discussion in Norwich on 31 August 2022 to meet with Waveney MP and Chair of the All-Party Parliamentary Group (APPG) for Further Education and Lifelong Learning, **Peter Aldous.**

This report serves as a summary of the discussions held and is intended to provide a contribution to the ongoing debate on how to solve the challenges facing the further education sector and to improve the quality of training provision in England and Wales.

Should you have any questions regarding the discussions conducted or the issues raised, please do not hesitate to get in touch.

Yours faithfully,

William Walter,
Managing Director,
Bridgehead Communications

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Bridgehead Communications would like to thank the following individuals and their organisations for taking part in the roundtable.

Peter Aldous
MP, Chair of the Further Education and Lifelong Learning APPG

Terry Baxter
Chief Executive Officer, Inspire Suffolk

Anne Bailey
Chief Executive Officer and Co-Founder, Form the Future

Sally Butcher
Managing Director, Realise Futures

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Principal of Sixth Form Provision, West Suffolk College

Alex Birks
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ABOUT BRIDGEHEAD EDUCATION

Bridgehead Education is a specialist division of marketing, public relations, and political communications consultancy, Bridgehead Communications. The agency has a specialist focus on the apprenticeships, vocational skills and further education sectors.

Based off Fleet Street in the heart of London's old media district, our expert team includes former national print and broadcast journalists as well as senior policy advisers with an in-depth understanding of the public policy landscape.

Our clients are wide ranging. They include sector leaders, colleges, independent training providers and awarding bodies. Our clients' needs are equally diverse. We work with those looking to re-brand or market themselves more effectively; individuals and providers seeking to raise their public profile or navigate a hostile media environment; those looking to keep abreast of changes in political and media attitudes; and sector campaign groups seeking to better understand or inform the legislative process.

For more information, please visit our website (www.bridgeheadcommunications.com) or email us at: contact@bridgeheadcommunications.com.

ROUNDTABLE DISCUSSION: KEY THEMES

1. Cost of living crisis

One of the key themes to emerge from the roundtable discussion was the effect on colleges and providers of rising energy bills and the lack of long-term funding settlements.

16-19 education is funded through a variety of methods depending on the institution, the type of training being delivered to students, and the subject being taught[1]. 16-19 education providers have called for the government to plan funding for the sector on a longer-term basis than the one or two years it plans for currently.

The principal of one local college called for funding to be spread out over five years so it could be put towards, for example, building their teaching staff. The principal said funding for students falls by 17.5 per cent once they reach 18[2], which is affecting students who did not sit GCSE exams during the pandemic and are now reaching adulthood. This, the principal argued, runs counter to the government celebrating the funding it had made available to help students catch up on their education after coronavirus.

Another financial concern for attendees was energy bills, with one principal warning businesses and organisations could close without government support. One principal stated their electricity bill had already risen from £400,000 to £1.2 million.

The chief executive of a social enterprise revealed they had budgeted for a 50 per cent increase in utility bills this year and this was already looking optimistic.

Mr Aldous told delegates it had become clear recently that government support on utility bills could not be contained to just households and individuals. There also had to be a focus on small businesses such as training providers, colleges, and charities – otherwise the whole system could collapse.

Funding for post-16 education, which he argued had been falling for decades rather than since the Conservatives came to office, needs to improve after attendees made clear funding increases announced by government had been eroded by the cost-of-living crisis.

New funding also needs to focus on delivering education to students rather than on capital projects such as new buildings and new infrastructure, Aldous added.

It's investment in flesh and blood rather than investment in concrete and steel, which is probably most important.

- Peter Aldous MP

1 https://www.gov.uk/guidance/16-to-19-funding-how-it-works
2 https://www.tes.com/magazine/archived/calls-funded-education-recovery-year-students

2. Apprenticeship levy

A key theme to emerge from the discussion between attendees was the shortcomings of the apprenticeship system. Currently, the apprenticeship levy is widely used to train up existing staff instead of bringing new, younger workers into businesses, several attendees complained.

The chief executive of one community interest company said this had meant good-quality level 2 and 3 courses were harder to come by, which reduces the opportunities for school and college leavers.

The trend in the apprenticeship system was for more provision at higher qualification levels, the leader of an apprenticeship agency complained, with the number of degree apprenticeship starts having more than doubled since the apprenticeship levy was introduced. Whereas the number of apprentices at level 2 and 3 has dropped by more than two-thirds since 2016/17[3]. Young people who want to start their career need lower-level apprenticeships as a foundation stone, she argued.

A representative from a local employer group revealed how larger employers were reluctant to transfer their levy funding with smaller companies, to the extent levy-paying firms are sitting on millions of pounds in public funding.

When this funding is not used by an employer, it is returned to the government. Employers which pay the levy can transfer up to 25 per cent of their funding to a company which does not pay the levy so they can employ apprentices[4]. Yet businesses and educators were being held back from doing more because levy-payers had refused to make the best use of this transfer mechanism, the attendee stated.

One training provider attendee pointed out the levy system had worked in their sector because many of their training programmes naturally last for a year or more, so they naturally reach the minimum requirement for apprenticeship standards. As a result, 85 per cent of students across the sector and all levels were now apprentices.

However, the attendee argued that the funding bands that determined how much funding providers received for each apprenticeship standard had not kept up with inflation. Subsequently, the provider was having to charge employers extra for training their apprentices.

3 https://explore-education-statistics.service.gov.uk/data-tables/fast-track/63ee5424-3083-4fd6-bb50-31bdffd229ee

4 https://www.gov.uk/guidance/transferring-your-apprenticeship-levy-to-another-business

One business which previously employed over 50 apprentices, had decided to stop hiring them, as they were no longer commercially viable, the attendee reported. Meanwhile, government rules mean small-to-medium enterprises can only employ ten apprentices[5], suppressing the supply of apprenticeship opportunities.

Peter Aldous agreed the apprenticeship levy system was not working as efficiently as it could and it was holding down Britain's productivity.

5 https://www.gov.uk/guidance/manage-apprenticeship-funds#how-funding-works-if-you-do-not-pay-the-apprenticeship-levy

3. Employers' and young peoples' demand for skills

Participants also discussed their concerns that employees, as well as young people, were not sufficiently engaged in training the next generation of UK workers.

Several of the attendees highlighted how young people were being put off from pursuing training opportunities owing to the higher wages being paid elsewhere. One college principal noted that their local hospitality venues are offering £11 an hour for waiting staff, whereas the minimum wage for apprentices is just £4.81 an hour[6]. The latter is not worth coming off benefits for, another argued.

Another concern shared was for the significant number of young people who are becoming further removed from both the jobs market and education. A representative from a charity for young people voiced frustration that young people were being shoehorned into training which was not right for their needs and there was insufficient interest from politicians in helping them.

If young people and their families are concerned about their energy bills and the cost of living, the apprentice minimum wage is not high enough to entice young people into taking up training, attendees agreed.

Attention also needed to be focused, one college leader said, on the mental wellbeing of students. While students can access support, support staff are leaving in droves because the college could not afford to pay them, and they are difficult to replace.

One attendee stated that the number of young people not in work or training is a future crisis. Yet an attendee from a community interest company said they wanted the education system to recognise some learners – particularly those with special educational needs – do not engage in education to find a job. Rather, they want to build social links and improve their mental health. Forgetting them would mean discounting a large proportion of people with low literacy and numeracy skills.

Employers' lack of engagement in training is another issue, attendees agreed. One principal recalled employers visiting them to complain the college was not teaching young people the "right skills". Yet, the principal countered, what had those employers done to help the college understand what the right skills are?

6 https://www.gov.uk/become-apprentice/pay-and-conditions

Also, had they provided work experience for students and what was their training programme so those young people could continue learning new skills while in-work. Many employers, the principal said, did not have an answer to those questions.

Mr Aldous highlighted his concerns about the low productivity in the UK, as well as the lack of alignment between the nation's bank of skills and the needs of the economy. He said greater funding, including funds to improve the education workforce, was needed to help deliver training.

I think what you'll see is a big drop in young people even wanting to engage in education. And that is a future crisis waiting to happen.

- A college principal

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