MAXIMISING THE ROLE OF HIGHER EDUCATION IN ACHIEVING THE LEITCH GOALS ON SKILLS

SEMINAR REPORT

PURPOSE AND ORGANISATION OF THE DAY

This seminar, one in a series organised by the Centre for Public Policy Seminars for the Learning and Skills Council, was held at the Palace Hotel in Manchester on 28 February 2007. In the period following publication of the Leitch Report by the Chancellor of the Exchequer, its aim was to examine how the range of providers in both the higher and further education sectors could best provide young people and adults with the range of higher skills required by both Leitch and Government. Equally, in a system which was aimed to become increasingly demand-led, how should both employers and sector skills councils best work with providers to ensure that their needs were met? Similarly, how would Government and the funding bodies (HEFCE and LSC) ensure that policy objectives were realised. The seminar brochure posed five questions :-

- How Should HE, FE and Industry Best Work Together to Deliver Higher Level Skills?
- How Should Higher Education Institutions Best Contribute to Raising Skills Levels?
- How Should Further Education Institutions Best Award Degrees?
- How Should Progression Through Vocational Learning Best Be Achieved?
- How Can Provision and Qualifications Be Better Demand-Led?

The day, which was chaired by John Korzeniewski, LSC’s Regional Director, was divided into three sections, each containing two presentations. In the first, Hugh Tollyfield, Deputy Director at DfES, posed the overall policy question: How should higher education, further education and industry best develop partnership working to fully contribute to the skills agenda following Lord Leitch’s report? He set out Government’s agenda and expectations. Then Richard Brown, Chief Executive of the Council for Industry and Higher Education, examined what industry required of higher and further education in developing the nation’s skills base following Leitch.

In the second session, after coffee, Sean Mackney, Head of Learning and Teaching at HEFCE, explored how the funding council expected higher and further education institutions to work with partners to meet funding criteria in widening participation and extending higher learning following Leith. Renata Eyres, of one university sector provider, Salford, who is a member of the Widening Participation and Skill Strategy Group of the North West Universities Association, looked at lessons so far and signposts for the future on how well universities are doing in taking forward the Higher Levels Skills Pathfinder.
In the third session, after lunch, there was a similar examination of progress and challenges in the further education sector by Bill Moorcroft, Principal of South Trafford College. Just how could colleges develop demand-led higher learning programmes? Finally, Janet Ryland, the Qualifications and Framework Development Director for LSC in Coventry, and her colleague, Sarah Millett, Senior Policy Maker for Higher Level Skills, looked into the future at where all this was taking us. How can we make the greatest impact on national and individual skills needs by 2020?

An eighth speaker, Tom Bewick, Chief Executive of the SSC, Creative and Cultural Skills, had to withdraw at very short notice because of ill-health.

There was highly engaged debate involving a large number of participants at the end of each session.

RESPONSE TO, AND VALUE OF, THE DAY

In this key area of national skills policy, where major advances are required by 2010, numerous contributors stressed how little HE and FE were working together yet and how little each understood the other's culture. The Council for Industry and Higher Education emphasised how little is yet known of what the demand for higher skills really is although Leitch is probably the biggest challenge currently facing both higher education and business. The data available is very limited. Therefore, seminars such as this provided a quite rare and particularly valuable opportunity for a wide range of stakeholders to get together and share views and information.

The response to the seminar was positive and encouraging. The seminar chair, from LSC, saw the day as an excellent means to debate how HE and FE should relate, especially on increasing participation in higher education. There was an excellent range of both speakers and delegates. The DfES contributor commented on how good and unusual it was to speak to such a mixed HE/FE audience. The CIHE speaker echoed this and thought that the day provided an outstanding opportunity for people across the sectors to guide his Council.

Response from delegates was very positive. A Government representative from Northern Ireland said the event was contemporary and informative with wide ranging and robust debate. The Chief Executive of Foundation Degree Forward found the day “very enjoyable and interesting”. Other educational delegates said the day was “extremely informative and well-managed”, “very informative”, “the round-table discussions leading to formulated questions were particularly useful” and “Q and A sessions explored some pertinent and timely issues”. A RDA delegate found the day to be a “very useful networking event”, a business delegate found it “thought-provoking and informative” and others found it “very well managed with an appropriate agenda”.

THE DAY IN MORE DETAIL

THE GOVERNMENT SPEAKER

Hugh Tollyfield, Deputy Director at DfES responsible for HE Employer Engagement at DfES, opened the seminar speaking on Government’s agenda and expectations on Unlocking Workforce Potential. Government’s Skills Strategy sees skills development as a means of developing economic growth, social mobility and improved public services. Skills development sits alongside enterprise, innovation, competition and investment as drivers of productivity.

Leitch provides a compelling vision for the UK to be world class in skills by 2020. This involves 95% of adults having functional literacy and numeracy, 90+% of adults being qualified to at least Level 2 (with an aim to achieve 95% as soon as possible), a shift in the intermediate skills balance from level 2 to level 3, and 40+% of adults qualified to Level 4 and above with a commitment to continue progression to Level 5+.
Key underpinning principles of Leitch include shared responsibility, with Government, employers and individuals working in a new partnership, to increase investment. A focus on economically valuable skills must provide real returns and should be portable. Provision must be demand-led to meet needs of individuals and employers, not centrally planned. Provision must adapt and respond to be react to future change. It must build on existing structures, improving current performance through simplification and rationalisation.

Key Recommendations of Leitch include all public funding for adult vocational qualifications to go through Train to Gain/Learner Accounts by 2010. A strengthened employer voice will be achieved through a Commission for Employment and Skills, which will replace SSDA, the National Employment Panel and the Skills Alliance. There will be a network of employer led Employment and Skills Boards to influence delivery. There will be a greater employer buy-in through SSCs leading qualifications reform and raising employer demand and investment. Public funding for vocational qualifications will be linked to SSC approval.

Leitch requires a rebalancing of higher education priorities. The teaching and learning mission for HE should be extended to the whole adult workforce; and HE should deliver flexible and responsive provision to meet employers’ needs. A portion of HE funding is to be delivered through a demand-led mechanism ‘similar to’ Train to Gain. SSCs should work directly with HE providers to influence content of provision, e.g. through Foundation Degrees. There is a key role for HE in driving up quality of management and leadership skills in the workforce. The position will be reviewed in 2010 by the Employment and Skills Commission.

How will the sector respond? There is a great opportunity for innovation, collaboration and progression. In an environment of shared responsibility for investment, the HE policy challenges are how best to stimulate higher level skills demand, higher level skills supply, effective deployment and a fair and equitable society.

Action already in hand include 2006 and 2007 HEFCE grant letters which include employer focused provision a priority, 5000 employer co-funded places in 2008/09 and 5000 year on year growth. Higher education is involved in Train to Gain Pathfinders in 3 regions. There is HEFCE employer engagement SDF projects. There is a developed communications strategy and a HEA development programme. The Further Education Bill moves the agenda forward. This is a start, but it is still very supply-side focused.
Government’s approach to economic growth through skills development looks to high workforce skills enabled by continuing progression which is achieved through lifelong learning accessed in the workplace and delivered by employer/HE provider collaboration.

None of this is totally new. Higher education already works with business to a certain extent in the provision of honours degrees, foundation degrees and postgraduate qualifications, and in the key HE activities of research, knowledge transfer, consultancy and CPD.

But taking the next steps presents key delivery challenges. The core mission has to be more business facing; enablers have to be built; barriers have to be removed; integrated solutions are required to enable progression; there has to be emphasis on continuing professional development of HE’s own workforce.

So what’s stopping us? What would make the difference? First, risk has to be shared and managed. A critical mass is required, so we have to build capacity and capability. To achieve sustainability we have to invest in market making. We need reward and recognition through funding, systems, and attitudes. We need comprehensive commitment; we all have to sign up to change.

**A BUSINESS PERSPECTIVE**

**Richard Brown**, Chief Executive of the Council for Industry and Higher Education, opened his presentation by saying he believed Leitch to be sound on analysis and strong on targets. However, it was also weak on actions and it tended to overemphasise the importance of qualifications. Did Leitch really appreciate the challenges that had to be met?

How are we going to achieve Leitch’s 40/45% target? The answer rather depended on other targets being achieved. Could the higher education target be achieved if others such as FECs did not achieve the targets at Levels 1-3? Also, how do we best identify and stimulate business demand?

Does Government and its various agencies have a clear vision of the role of the individual employer in future skills policy; about future demand by employers or about how workplace learning will really work. For many businesses, the issues do not revolve around levels or qualifications. They are after solutions to business problems. What many see as the added value of higher education is the provision of bright and reflective minds that can make businesses succeed. Many business leaders have an out-dated view of what HE can offer, based on their own personal experiences. There is a vast range of employers and a vast range of needs. What Rolls Royce requires has little in common with the needs of hairdressers. There really is no such thing as “a business view”.

Rather surprisingly, relatively little is known about business demand for higher level learning. This is partly because businesses do not generally consider “levels” and neither do they keep comprehensive data. Neither do the sector skills councils nor regional development agencies nor the Confederation of British Industry nor the Federation of Small Businesses. The best guide is that the market accessible to HEIs is about £5 billion of which HEIs currently have a £300m share. But these estimates are not precise.

What we do know, from a CIHE report, is that only <1% of all trainees in businesses are at level 4 (NESS). The UK spends less with external providers than other countries. UK businesses tend to value workplace skills and knowledge. Most of £90m big businesses spend on higher education is spent with Business Schools : London Business School,
Cranfield, Cass, etc. Only £18m is invested by smaller businesses, and 7 HEIs get 50% of this.

What is the value of higher education institution learning to business? It raises knowledge levels. It links the practical with the theoretical. It supports non-traditional recruitment and progression. It rewards and incentivises staff with nationally recognised qualifications. We need to get these messages across to more businesses.

What are the challenges facing business and higher education? First is the need to understand the latent demand for skills provision. It is important to stimulate latent but informed demand. We can learn from the new regional pilots and existing successful partnerships. How is it possible to deliver the bite-sized learning required? What will it look like? What does co-funding look like? How do we know if we have achieved the necessary changes in the workplace?

The skills provision has to be co-funded and coherent at level 4. Effective higher skills provision involves relevant facilitation, accreditation and assessment, including in the workplace and this presents a real challenge to existing systems that are geared around 3-4 year on-campus provision of learning.

Co-funding requires purchasing by informed employers rather than uninformed ones. Achieving this requires new facilitation and consultancy approaches. We also need new funding methodologies around 10/15 credits. Maybe we need new approaches on ASNs. Perhaps we even need new HEI delivery, business and reward models.

There is much happening across the sector and in moving forward we can learn from share good practice and understand why it works. It is important to understand what can be scaled. Different approaches will be required to meet different employer markets. There are major risks in all of this for higher education institutions, which need to be minimised.

There are a number of issues which need much further thought. Should we distinguish better between higher education learning and higher education institution learning? What should be the role of private sector providers? How best can we achieve shared delivery with HEI accreditation? How best should we market accreditation as a product? How best should we assess existing learning?

Final thoughts are: Realising the Leitch target is the greatest challenge facing the HE sector in a generation…and it is a similar challenge for the business sectors. For the higher education sector to deliver and not to fail the 2010 review proposed by Leitch requires much better understanding by all concerned and a lowering of the risks involved.

**DISCUSSION**

There was much discussion on what “demand-led” really means. How do we distinguish between employer- and learner-led? What should be the role of SSCs? How do we get away from bashing HE and FE institutions and develop a more constructive approach by both Government and business? Can we learn from the Scottish model, which has hybrid qualifications at levels 6 and 7, jointly delivered by HE and FE, and rather better relationships with business? Similarly there is much to be learned from US approaches, such as in California, where community colleges focus on two year associated awards. How do we better define locally-valuable skills and ensure that they are delivered. How do we achieve greater shared responsibility on raising demand?

We need to overcome the history of under-investment in learning by UK businesses, especially SMEs and those which are family-owned. Business needs to be convinced that it will not be able to survive in an increasingly competitive and globalised world unless levels of skills are raised. But does the HE/FE sector have the appropriate skills-sets or levels of interest to engage with the SME market? If not, how best can it acquire them?

Sector Skills Councils must have a crucial role here. Yet many SSCs are still too focused on levels 1 to 3 and have little engagement or thinking in higher skills. SSCs probably need greater support to enable them to become better at signposting where partners need to go. There needs to be greater clarity and dynamism on the HE role in sector skills agreements.
Skills for Health is one SSC which is working across its market to develop a more flexible educational pathway. Qualifications do not provide the right starting place. We need a better understanding of the role and needs of individual workers at different stages in their career, based on their own and employer need. We need to recognise that different people develop at different rates. Can we find a way of developing skills horizontally rather than relying on a vertical pathway?

Should we stop having “graduates” of HEIs and FECs? Would it be better to have “members” who would always be able to go back to their institutions to top-up their skills? Would it not also be preferable if people were able to take “credits” from one institution with them on to other providers when they moved either within their jobs or between jobs?

Higher education institutions will tend to see little benefit in attempting to meet Leitch-type goals unless they can see stimulation in demand for courses and increased income streams. Similarly, both HE and FE institutions need help in reducing their risk-exposure. We need greater transparency on what both HE and FE provide. Even sophisticated employers who do know what they want can get confused by the institutional architecture, eg between the University of Manchester and MMU. We also need to recognise that Leitch was weak on the need for “generic” skills which business looks for to provide added depth, breadth and reflection. Proper recognition of this weakness could assist HE and FE to meet the needs of business in more sustainable ways.

It is wrong to try and delineate too much about the respective roles of HE and FE. Attempting such institutional demarcation could lead to new sets of problems. In-fighting over who does what is pointless and non-productive, as is continuing bickering over what is academic and what is vocational. HEIs in particular suffer lack of flexibility and speed to move because of their bureaucratic structures. They will lose some of this bureaucracy if given greater responsibility to manage and funding which makes it worth their while.

There is great diversity in the FE sector. Some larger FE colleges will tend to move to accrediting their own qualifications. The vast diversity of needs that has to be met requires a great diversity of provider. To meet local economic needs means getting the right providers and approaches in the right areas. But, equally, colleges need to learn how to collaborate better if they are to be able to more fully meet employer needs.

The Thames Gateway is providing a good model for the rest of the country. HE and FE bodies have come together to guarantee progression through the system. Large new campuses at both Thurrock and Greenwich contain a range of institutions. It does not matter too much which of them does what provided that all local needs are met in a comprehensive way. Likewise, Teesside University is working with the Lifelong Learning Network locally to provide brokerage and to engage with employers.

Employers are going to continue to invest only where they see and understand a clear business interest for themselves. The challenge is for providers to work with brokers, including the SSCs, to communicate the real value to learning and skills. For both employers and providers to be able to fully understand demand and ensure effective supply of skills requires detailed two-way insight of required content and delivery. Therefore, as far as is possible, partners should be allowed access right inside the processes of their opposite numbers.

Foundation degrees have to stop being seen as a soft option. They are degrees. Business demand does have to be stimulated to ensure provision is viable. Foundation Degree Forward is now firmly established throughout England; it needs to show effectiveness in stimulating employer demand.

David Watson argues that we are in the state that we are because of almost constantly changing structures. We have little time for building continuity through stable organisations. The same situation does not seem to exist elsewhere in Europe, even when governments change.

Newspapers that focus on jobs, such as the Guardian and the Times, need to place more emphasis on the employability value of different qualifications and providers. Some non-grand HEIs have greater employability potential and starting salaries than does Oxbridge. CIHE is working with UCAS and the Guardian to look at better articulating to a wider audience the employability characteristics of 50+ qualification streams within UK higher education. The key report is on the CIHE website.
The University of Westminster is looking at the body of knowledge that companies are looking for, what are the skills that they really need and how they should go about acquiring them. HEI/FE understanding of the need for knowledge often varies from what business really does need, so discussions on the subject can be desultory.

Few people these days go through life using the range of skills they learned at 20. Many of us junk our vocational skills. What we tend to develop are our analytical/reflective skills. This is a reason for the difficulty in getting employers to recognise what skills they do need.

Every 6th former knows they can go to UCAS to find out what qualifications, and thereby possible skills development, are on offer. There is no similar place for businesses to go to find out what higher and further education providers can meet their needs.

What will constitute success when the position is reviewed in 2010?

- We cannot address the whole of the market by then.
- We need to focus on those sectors where we can make a difference
- In those sectors we need to achieve excellence, so that employers are delighted by the service they receive and by the after-sales service of providers.
- We have to learn to become more flexible so that we can better understand and respond to what constitutes success.

We need to be able to share good practice across employer/provider sectors. We need some early winners.

CHALLENGES FOR FUNDING HIGHER EDUCATION - APPROACHES OF HEFCE

Sean Mackney opened by saying that the position of HEFCE and his own presentation had much in common with those already put forward by DfES and CIHE. Leitch goals are the place for us all to aim our sights. However, some of the Leitch mechanisms and processes are weak. We should not be concerned with dismantling existing institutions. We need to be able to build towers of lifelong learning and these have to be built upon sound foundations.

How big will the growth of higher learning in the workplace need to be to meet Leitch goals? Higher education in the workplace could become as that in HEIs. We already have a range of centres of teaching and learning which concentrate on this agenda. However, it is still a cottage industry. It is not core and it is not properly costed.

Just what role should HEFCE play in the major changes underway in the HE sector? It was not thought to be appropriate that the Funding Council should issue diktats like “HEFCE expects …………” The sector is very diverse and has to be marketed in a range of ways that will bring in the money. Relatively autonomous providers will do deals with individual employers and then receive public funding. We probably need business to business or joint venture approaches rather than centralised planning from Bristol. HEFCE can be expected to wish to see successful development of effective approaches but it is unlikely itself to state requirements.

HEIs need to engage with employers not just on Leitch but on the whole knowledge-transfer agenda. Probably only a limited number of HEIs will engage on Leitch issues in a substantial way. But most will engage in a more limited way. All will need to have some form of flexible system which make sense to learners locally. They will probably need to have working relationships with other parts of the Skills architecture, like Business Links and Train to Gain.

The Leitch agenda will make sense to individual HEIs only if provision brings more potential learners to their door with the requisite finance. HEFCE will wish to put money where it is needed in order to provide for new demand. However, it will not wish to be prescriptive.

HEFCE is also in the process of transforming its regulations and support mechanisms. It is developing performance indicators which will show degrees of success within the new agenda. There is a need to keep development costs low
and to increase capacity. There is a need to fund small units of provision and credit systems.

HEFCE is exploring with DfES and LSC what legislative barriers there are to prevent the necessary changes happening. But increasing employer demand is key and is the biggest challenge. This needs to come from the whole range of companies - from blue chips to SMEs. We need to use as many change agents, partners and levers as are necessary.

HEFCE is enthusiastic about making a difference - and will seek to do so by working with as wide a range of partners as is necessary and available.

CHALLENGES FOR HIGHER EDUCATION INSTITUTIONS IN ACHIEVING LEITCH GOALS

Renata Eyres presentation was an essentially practical one, providing an overview of how well universities in the North West of England are taking forward the Higher Learning Strategic Pathfinder, what had been learned so far and what might be coming up in the future. She spoke as Head of Continuing Professional Development and Greater Manchester Strategic Alliance Champion at the University of Salford, in which role she is responsible for supporting and advising staff across the University in relation to lifelong and workplace learning activity.

The presentation looked at some early findings from the pathfinder that impact on HE, for which information had been provided by Celia Brigg, Project Manager from the North West Universities Association. Many higher education institutions already have significant links with employers through a variety of means. Many have research and knowledge transfer partnerships and many involve business in curriculum development and delivery. However, in overall terms, this is generally a small proportion of total activity. HEIs are now being asked to rapidly increase the volume and scope of these partnerships in delivering higher level skills. Alongside this there are several key projects at both regional and local level that are being supported to aid in the identification, promotion and delivery of this agenda.

One of these projects in the north west is the Higher Learning Strategic Pathfinder, which is one of 3 national pathfinder projects. It is managed by NWUA who represent 15 HEIs across the region

The pathfinder is focussed primarily on 4 key sectors, selection of which was based on regional skills priorities research. These are: Advanced Engineering and Materials, Business and Professional Services, Digital and Creative Industries, and Construction. All partners and potential providers were consulted during the development of the business proposal, particularly in relation to potential ideas for new programme developments within these sectors. The project is still in it’s very early stages with staff recently being appointed to key posts.

An Information event on 16th March for partners will cover the following items :-

- Train to Gain and the Brokerage systems.
- Higher level skills needs that have been identified by SSCs for the region.
- How HE providers might respond to these identified needs within each of the sectors.

Other areas of activity currently being undertaken include further development of an on-line database of programme provision across all areas of the HEIs in the region. This is something NWUA had already begun to develop prior to the pathfinder project and aims to provide a single point of access of information for employers, potential students and brokers to enable them to gain an overview of the types and range of programmes available that might meet their particular needs.

Newly appointed Specialist Advisors are currently meeting with partners and providers in order to gain a better understanding of their range of expertise and resources available. They are able to inform partners and providers of more of the detailed project plans that may be of relevance to them. They are also building relationships and understandings of other projects that are ongoing within the region eg Greater Manchester Strategic Alliance and the Lifelong Learning Network.
At Salford University, key staff who will represent each sector have been identified. As far as possible, these are the same staff involved with GMSA, so as to ensure a better understanding of the projects, where each one sits, and where people sit within each one. Internal communication channels have been developed within and across Faculties and also to the SLT. Support services such as Admissions; Quality Standards and ISD have been kept well informed as they will be central in providing the local infrastructure support necessary. Staff have reviewed existing provision and identified potential areas for new development, ensuring that these link to the strategic direction of the School and Faculty.

All provision is being mapped to provide the most up to date information available to populate the online database of provision. This requires significant staff time and resource and therefore commitment on behalf of individual institutions.

The initial findings that are coming through from some of the Specialist Advisors include the fact that the HE sector generally does not really understand or is fully aware of ‘Train to Gain’. In the Creative and Cultural industries sector, there appears to be concern over the large numbers of programmes already being offered and how these relate to student and employer demand. Generally, there is a need to distinguish more clearly between student and employer demand.

From an individual HEI perspective, the pathfinder needs to consider links to other projects, particularly those ongoing within the local area. For example Salford is a major partner in the GMSA and the LLN and is the lead partner for the CPE creative and cultural. The same staff are representing their sector within each of these projects and therefore they must be clear as to what their role is and that the projects complement one another rather than duplicate. There needs to be effective training for the brokers and specialist advisers drawing on local knowledge and expertise. All partners and providers must be kept well informed as to progress within the project.

What does this project and the other initiatives and external drivers mean for HE? New developments being driven by these initiatives must be in alignment with individual institutional objectives otherwise institutions will not fully engage. There need to be clear lines of communication both internally and externally. Links between projects must be made at a strategic level and ensure that other sectors are included and best practice is built upon across the organisation. All involved need to be ready to deliver on the outcomes of the pathfinder in order to ensure long term sustainability of these activities.

Funding issues will require significant work not only internally but also from the funding bodies. The central infrastructure requirements will also involve significant additions and adaptations in order to adequately support these types of learners and their employers. Quality assurance policies and procedures will need further development, with additional flexibility built in to accommodate the wide range of potential situations.

Staff development is another major area of consideration as a number of staff will be required who are able to ‘translate’ and speak the language of both business and academia and act as an interpreter and facilitator. Within employing organisations staff will also require support as some may act as mentors and supervisors for colleagues.

Significant actions are required by all partners to make this initiative work. Not all HEIs should be expected to participate. Although there is a recognised high element of risk involved in such a rapid scaling up of this activity, without certainty of employers’ real commitment to contribute, those institutions who demonstrate desire and willingness to drive forward should be adequately supported. Wherever possible, identified risks should be mitigated against.

For many within the HE sector, this is a very positive move and validates the work already being undertaken by a number of universities. It requires a long term commitment from all parties. We should recognise the significant potential opportunities that engaging in this activity can bring throughout both the HE sector and regional business. However, primarily the opportunities it affords are to learners themselves.
DISCUSSION

The discussion session started by questioning whether we had too many intermediaries between providers and employers? Is too much time spent on networking and not enough on achieving change? Is there too much noise and not enough action? Are there too many initiatives and institutions involved in trying to achieve change? Can ways be found of simplifying and streamlining relationships and initiatives?

The underlying thesis which we all working to is that the UK is performing poorly internationally. But:

- To what extent are we learning from initiatives abroad?
- Have we evaluated previous British initiatives adequately?

However important the Leitch related work in higher education is, would we be prepared to see extra funding provided at the expense of other areas? UUK could be expected to have strong views on this. HEFCE probably requires greater funding to be able to meet the expectations adequately. The Funding Council probably also needs to communicate with all stakeholders better on what can and should be done. Without such approaches, HEI Planning Departments are likely to resist activities going ahead because of alleged lack of funding.

But there is a realisation that universities and colleges alike tend to operate in vertical silos, with limited cross-fertilisation of ideas. It is too easy to blame external bodies like QAA, HEFCE or LSC for poor management and communication.

How can institutions best plan their activities and their finances? Employers vary considerably by sector, size and location, as do universities and colleges. There can be no simple, stereotypic approach or any one catalyst for change. We need greater flexibility to deal with such diversity. A few trailblazers are required to show how things can be done. But they do need to be protected from risk.

From a LSC perspective there is clear impetus to move to a unit-based curriculum, after which funding will follow. There is an expectation that SSCs will drive the curriculum sector by sector. How realistic is this?

In the health world there is a pseudo demand-led approach. National demand for skills is based on assumed need and provides the basis for funding. Such an approach often tends not to correspond well to local needs, but employers will tend to accept it because funding is available. Students can finish up with qualifications which are not wanted. Such an approach is not sustainable. SSCs must develop better models.

Both the NHS and the police pay for curriculum provision in full. But employer needs in engineering which are not provided in-house do not have similar funding available. Such private sector skill needs are way beyond the resourcing abilities of individual universities and colleges.

Pathfinder programmes are being developed in certain vocational areas. Can these fully meet undergraduate expectations? There has to be an ever-evolving curriculum even in areas without pathfinders. How are these going to be adequately resourced?

An understanding of a person’s present and future role in the workplace should be the starting point in any learning pathway. Should the State be expected to pay for students’ learning of valuable lifelong skills?

POTENTIAL CONTRIBUTIONS AND CHALLENGES FOR FURTHER EDUCATION COLLEGES IN DEVELOPING DEMAND-LED HIGHER LEARNING PROGRAMMES

Bill Moorcroft, Principal of South Trafford College, examined the thesis that what we are moving towards is a new employment and skills service to deliver economically valuable skills.

Sometimes large companies fail because of poor leadership. While we cannot stereotype or generalise, the same fate could befall any business - including universities and colleges. FE and HE operate in parallel universes. We need to
look towards a more homogenous system. Hopefully this will come, following Leitch.

There needs to be greater understanding that the contribution of education to the economy is not just economic. It is as much social and about the quality of life and the quality of the workforce.

A better relationship need to be built between learning providers and the statutory funders - both LSC and HEFCE. There is a short timeframe to 2010 to overcome granting difficulties. There is need to meet both short- and long-term goals. There is presently confusion over PSA and OECD short-term targets to satisfy Ministers and long-term goals to satisfy society.

The Market Maker system will open up the learning landscape, with a challenge to the FE/HE relationship as we move from a procured to a commissioned system. Commissioned approaches to meet consumer need require a more sophisticated knowledge than we have had in the past. LSC/HEFCE have to be far more aware of the complexities in managing a demand-led system. There are likely to be failures of institutions and new entrants into the market place. We will have to deal with both prescribed and non-prescribed HE, with Foundation Degrees bringing money for contestability.

In planning provision in the future, we need to be very conscious that learners need a seamless approach. At present, there are too many hoops and complexities to get a qualification; this will have to change. We also have to be aware that employers will have a systematic influence through SSCs on what is provided, and that only SSC approved provision will be fundable. New provision must be demonstrably relevant to employers and meet a gap in the market locally and/or nationally. Bespoke provision will be accredited by the college and approved by SSC. We can learn from community college provision in the United States.

What We Must Do? Colleges will have to give priority to developing relationships with employers and SSCs. We must develop an entrepreneurial culture that has capacity and capability to deliver. We must become customer facing and responsive to demand. We must deliver high quality and real choice. Partnering and collaboration will be required with both employers and providers. There has to be a seamless relationship with intermediary functions (IAG and brokerage). We have to achieve personalised learning tailored to individuals and employers. Fundamentally, there has to be flexible funding to match delivery.

Following Leitch, there is a vast opportunity to change the landscape of skills provision for adult learners in a fundamental way. We will see different funding streams to meet the needs of both learners and employers. Colleges will become more entrepreneurial businesses with more flexible workforces. Different skills are needed to provide personalised learning.

The FE Bill provides massive opportunities and challenges which we have to meet with confidence. Are we to be risk adverse or risk aware? If we continue to be risk adverse, like many businesses we will cease to be part of the landscape.

WHAT IS THE VISION IN 10 YEARS AND HOW WILL WE ACHIEVE IT!  -  LSC PERSPECTIVES

To have a vision which will take us from 2008 to 2020 requires some blue-skies thinking, which Janet Ryland and Sarah Millett of LSC aimed to provide. Their vision for 2020 was that we would have a community of employers, learning providers and individuals, with provision which can be accessed easily and is delivered innovatively. To achieve this, we have to be more imaginative and have a better understanding of how the technology might develop.

Employers will be both more challenged and more energised by increasing globalisation. They will be competing in a market place containing much better qualified staff and they will be competing for such staff. Train 2 Gain will make employers more informed purchasers of provision. Both employees and learners will be able to move far more horizontally and diagonally both within and between organisations in terms of skill level. Employers will be able to see whether the rate of return on their investment has been worth it. Employers will have a key role in achieving the 40% target, as the majority of the workforce have already left full time education. This means they need to be central to
developments.

There will have to be a different relationship between the State, employers and learners. There will need to be a public funding approach which is demand-led and is about improving economic competitiveness and enhancing social mobility - a framework of seamless progression where levels of achievement and skills are not culturally or institutionally differentiated.

In other words, what we will need to have is the Leitch ambitions of:

- World class high skills, with a commitment to exceed 40% of the adult population to be qualified to level 4 or above.
- Portion of higher education funding for vocational courses to be delivered through a similar demand led mechanism as Train to Gain.
- Employers drive up the attainment of intermediate and high skills.

So, how will we need to go about delivering this vision? What systems and infrastructure will we need?

Fortunately, a lot of infrastructure is already in place. Train to Gain provides an independent, impartial Skills Brokerage Service to employers, targeting those described as Hard to Reach. It provides an Organisational Needs Analysis, that includes leadership and management skills, and . From 2007, there will be trials of individual learner accounts at level 3. There also have to be effective progression opportunities, with the level 3 entitlement extended to 25 and progression onto higher skills.

Whatever misgivings we have about qualifications, they will remain the premier mark of achievement. However, the move towards a unit based and credit regulatory framework should enable qualifications to be developed which are more directly responsive to employers needs and which can support incremental achievement through the accumulation and transfer of credit. The recent DfES/LSC consultation paper (Delivering World Class Skills in A Demand Led System) is a critical moment in the move towards a unit and credit based across FE which can articulate and align with the HE sector. The landscape of qualifications reform painted in the consultation document encompasses:

- A regulatory structure where qualifications are endorsed by employers (through the role of SSCs and SQS)
- A regulatory structure delivering more rational and rationalised qualifications
- A credit and unit based regulatory framework across England, Wales and Northern Ireland, which supports progression across the FE system and HE sector and also articulates with European developments
- Public funding which supports this new framework is aligned to units and credits and is in the context of a demand-led system
- Removal of the current funding and status distinctions at levels 4 to 8 of the current regulatory framework in order to ensure there is clearer funding responsibil-
ity at higher levels and can support more seamless progression

What does all this mean for current targets and priorities? Work is already underway to ensure that we can align measurement of targets and performance measures to a unit and credit based system. The combination of the Qualification and Credit Framework and the Demand-Led approach should lead to greater sophistication in terms of how we identify national, regional and sectoral priorities for funding and how we move away from the ‘one size fits all’ approach irrespective of what is needed in a particular sector, by particular employers and at what time. It will remain imperative to deliver on PSA targets, but a more responsive regulatory framework and a demand-led system will allow greater mediation. We recognise that for some sectors, for some regions, it is now level 4 which is the emerging priority.

And, of course, we need to align what we are doing in England and elsewhere in the UK with what is happening elsewhere in Europe in terms of both the Bologna work and the work around an European Vocational Educational Training System.

As a reality check, it is important to appreciate that while the nations of the UK are continuing to improve their skills levels, OECD figures show that other countries are doing better and we are at risk of falling behind. Therefore, we need to have confidence, innovation and ambition if we are going to arrive at where we want to be by 2020.

FINAL DISCUSSION AND CONCLUSION

The final discussion was relatively brief, looking at how feasible and practical it was going to be to reach the necessary goals by 2010 and beyond. How best do we overcome the barriers, and do we need a hard-nosed regulatory route to enable us to work better together.

In bringing the day to a close, John Korzeniewski commented on how valuable the day had been in bringing so many interests together and in engaging both higher and further education in a common debate about common goals. The structure of the day worked well and he for one had gained much from it. We had started with high level inputs from both Government and business, then examined the detail with a range of senior practitioners and finally looked forward into the future examining necessary keys for progress and achievement. He thanked CPPS for organising the event.

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