

Towards a Virtuous Circle of Learning

John Hayes MP

Ladies and Gentlemen,

City and Islington is a Beacon college judged as outstanding by OFSTED. The college sends 1000+ students to university every year. It also awards vocational licenses to practise to nursery nurses, dispensing opticians, network engineers, beauty therapists among many others. As you can see from this wonderful building that we're in, the college has state-of-the-art accommodation following a £64 million + building programme.

I am delighted that you are all here and very grateful to the college and NIACE for hosting this event.

This college truly presents a vision of the future.

Introduction

Education changes lives because it changes life chances.

Little makes more difference to peoples' wellbeing than the empowerment they gain through education and training. Education changes their job prospects – their prospects for fulfilment.

Education changes nations.

Our country's economic wellbeing depends upon skills, knowledge and initiative.

Britain's past was built on the energy and enterprise of earlier generations.

Britain's future will be framed by the skills of this generation and those to come.

Today I want to outline the direction of Conservative thinking - ideas that have been inspired and informed by many meetings with educators, business leaders and by visits to colleges and workplaces.

The people I've met are the forefront of vocational education.

I am pleased to see many of them here today.

Later this year Lord Leitch will publish his final Report on Skills.

His interim report revealed how far we must advance to meet key challenges.

You know as I do that much needs to change.

Let's be clear about the scale of the problems.

Even if the Government were to meet its targets for improving the UK's skills by 2020, at least 4 million adults will still not have the literacy skills expected of an 11-year-old child.

And 12 million would not have equivalent numeracy skills.

Britain would continue to be, in Leitch's own words, '*an "average performer" – positioned at best, in the middle of the OECD rankings.*'

We would continue to have smaller proportions of intermediate and higher-level skills than key competitors like France and America.

When so many Britons are cheated of their chance to prosper all of Britain's chance to prosper dwindles.

The final Leitch report is likely to recommend that much more must be done if we are to close the skills gap.

I look forward to responding to the final report.

And I look forward to the Government's response too.

The strategic issues he is addressing go beyond particular political Parties.

But the fact remains that the distance we must now travel is in part the result of Government's failure to move in the right direction.

Labour are in their tenth year of Government.

Ten years of failed initiatives.

They have imposed a rigid system that does not respond well to either the needs of learners or employers.

Unremitting change from an unresponsive Government.

Ministers can accurately claim that funding for further education has increased since 1997, but there is profound confusion and concern in the sector about what it's expected to deliver.

And there is a danger that the weight of central direction and control is stripping FE professionals of a clear sense of vision and purpose.

We certainly need a more flexible system where the FE sector is empowered to respond to the needs of individual learners and employers.

And to map a way forward we need to be clear about the purpose of teaching and learning.

Labour seems to see further and continuing education solely in terms of utilitarian economic outcomes.

Too often this obscures the need to encourage hard-to-reach groups back into learning.

But worse still it narrows our view of the difference training can make; must make.

The writer and craftsman William Morris saw no distinction between his various talents.

For him the whole was part of '*man's expression of his joy in labour*'

Far too often we fail to appreciate the value of individual expression through craftsmanship

Too often vocational education is seen as the poor relation of academic education.

Establishing the often-cited objective of parity of esteem should not be about dragging down academic standards, but about recognising the true value of craft.

So let's stop trying to make the vocational academic, or the practical theoretical.

Instead, let us value unacademic skills for their own sake.

We must raise our sights and improve the rigour of all learning.

William Morris also said that *'the past is not dead, it is living with us, and will be alive in the future which we are now helping to make.'*

We no longer sufficiently value the practical knowledge that one generation can pass on to the next.

Nor how an appreciation of knowledge can motivate its acquisition through a career, throughout a life.

Neither do we value enough the sustenance that education can bring to living communities.

Education is about crafting the sort of society in which we can be proud to live.

Once we acknowledge the true value of education

we can create a virtuous circle of learning.

People inspired to learn throughout their lives

in their workplace; in their homes; in their communities

Individual empowerment, communal prosperity, national success.

The Challenge

Britain is suffering from a skills crisis.

Employers know it, teachers know it, learners know it and politicians from both major parties know it too.

In his 2005 Budget speech, Gordon Brown said that '*Britain's economic destiny... depends upon establishing British leadership in skills, science and the knowledge economy.*'

Yet, a recently published CBI survey of business here in London revealed the huge gap between Brown's rhetoric and reality.

Skills shortages have become the biggest barrier to business in the Capital.

Sixty-one per cent of employers currently face skills shortages; a rise of twelve per cent in just one year.

At the same time, unemployment in London stands at over 300,000, a rate of 7.6 per cent.

Far too many people left behind, without the skills they need to succeed.

Far too many businesses held back by skills gaps.

Government's failure to grasp the growing skills deficit helps to explain the scale of migration to Britain from Central and Eastern Europe.

Predominately young and hardworking people from the new EU states often have skills that we lack.

But immigration is a palliative not a cure for the skills crisis.

Unrestricted immigration strains our capacity to provide school places, healthcare and housing and it has an unpredictable affect on unemployment as recently released figures make clear.

We should not use immigration as a way of shirking our responsibility to provide people with the skills to succeed.

Over a third of adults in the UK do not have a basic school leaving qualification – double the proportion in Canada and Germany.

Five million people have no qualifications at all.

The routine paucity of school leaver's basic skills weakens national economic competitiveness in a global economy. No longer able to compete on price we must outperform the skills of our competitors.

But worse still, poorly educated young people's life chances are limited.

Individual economic empowerment depends on a capacity to prosper.

Skills are about empowering people.

But it isn't only basic skills that Britain lacks.

It is in higher level vocational qualifications – level 3 and above – that Britain performs particularly badly.

As our economy advances, becomes more sophisticated, our skills needs advance in turn.

Core skills – the ability to read, write and count – naturally remain vitally important. They always will be.

But there is less demand for the next level of generic skills in a mature, advanced economy.

Britain's destiny is that of a high skilled, high-tech, highly performing country.

Yet just 28 per cent of Britons are qualified to apprentice, skilled craft, and technician levels, compared to 51 per cent in France and 65 per cent in Germany.

The Leitch review has shown that Britain's low overall level of skills is a key factor in our poor productivity performance.

One fifth of our productivity gap with France and Germany is a result of the UK's comparatively poor skills.

And things are getting worse.

The trend is moving in the wrong direction.

The UK skills gap is at a 12-year high

Failings of the current system

Should we really be surprised that we face a skills crisis?

After all, - in terms of qualifications - our school system fails to address to needs of half of its pupils.

Only 51 per cent of our young people actually achieve the formal measure of 5 GCSEs at grades A* - C.

The UK has one of the lowest levels of participation in learning by 17 year olds of any nation in the OECD.

Young people who achieve their grades at 16 continue studying, but those who do not often disengage.

A generation cheated. A moral imperative to save the next.

The Government knows there's a problem.

That's why it's focusing resources on learners studying for their first level 2 qualification in basic skills by introducing a new entitlement for 19 – 25 year olds.

A second chance for those who lack basic skills is important, but evidence suggests that it becomes harder to learn these skills as we get older.

We must tackle the problem at its root - in schools.

Surely no one should leave school unable to read, write or count.

The Government's strategy also displaces resources from other adult learners.

The Department of Education has estimated that half a million adult learning places will be cut between 2005 and 2008.

Whatever ministers might pretend – these are not just recreational and leisure classes.

Courses aimed at some of the most vulnerable members of our society – homeless and disabled people and those with learning difficulties – are being cut, simply because they do not lead to a formal level 2 qualification.

Earlier this month demonstrators outside Salisbury College protested against the sudden closure of courses for more than 100 people with learning difficulties.

Last year Hampstead Garden Suburb Institute was forced to axe half of its provision for learners with severe learning disabilities in Barnet.

Similar cuts are happening at colleges across the country.

A cruel blow - to people who deserve better.

And all in the name of targets.

And the Government's strategy does not recognise the growing importance of raising the skills of the existing workforce.

Improving the skills of the ensuing generation of school leavers will not be enough by itself to solve the skills crisis.

The demographic trend suggests that there will be 600,000 fewer young people aged 16 – 24 entering the workforce between now and 2020.

Over 70 per cent of the 2020 workforce is already over the age of 16!

As Lord Leitch notes: *‘In the future, workers are more likely to have to retrain as the proportion of older people and the length of working lives increases, and as the rate of change and innovation increases.’*

So, we must up-skill and re-skill the existing working population.

It will be a huge task. Projections suggest that up to 75 per cent of jobs in 2012 are likely to require skills to at least Level 3, but only 50 per cent of the current workforce have attained this level.

This means that we need to raise skill levels for a quarter of the workforce, about 7 million people, from Level 2 or below to Level 3 within the next seven years.

But as the Government demands more and more of FE, valuable courses are being lost, even though research suggests people would be willing to contribute to their cost.

Cuts in courses for adults wanting to up-skill to technician level in construction, retail, care and IT.

Cuts in services to employers, including training on employers' premises;

Cuts in courses for older people who want to stay in the job market.

We need a skills strategy that reflects the training needs of the whole of our society

And we need a step change in skills investment.

Employers already invest around £23.5 billion annually in training. But it is essential that this grows.

For businesses to increase their investment they must be confident that what's produced is what they need.

That means a demand-led system which combines the needs of employers with the choices of learners.

So finding ways to improve employer engagement in training provision

means a different relationship – one based on genuine partnership between employers and educators.

The kind of partnerships we need will never be developed under the rigid system of central control that Labour has adopted.

Different solutions are best able to meet the needs of different business sectors.

Employers and educators should be freed to find the right way forward.

In this way we can provide a better match between provision and need.

A new role for Sector Skills Councils

The Learning and Skills Councils were designed to help businesses play a fuller role in skills education.

But the Government has micromanaged the Councils' work, undermining a potentially valuable bridge between business and education.

Recent reports suggest that there have been clashes between the LSC and the DfES over proposed changes to the funding system in the recent FE White Paper.

Though the Government says it wants the system to be more sensitive to employers needs, it retains the belief that it can make the system more responsive by dictating from the centre.

They won't stop interfering – because they just don't trust teachers and businesses.

But there are also questions about whether the LSC uses its budget efficiently.

Over £1 billion of the LSC's annual budget of £10 billion fails to reach any of the bodies that actually provide training.

And between 2003 and 2006 the LSC chose to spend £20 million on management consultants!

The businesses I talk to tell me that the regional structure of the LSC is not always helpful. Some employers are based in one locality; big firms span the whole nation.

The current structure simply does not reflect this reality.

High skilled businesses change rapidly because the business environment in which they operate, the technology they use, and their competitors change. This dynamism means that their skills needs change too.

The training regime must be flexible enough to respond. Given that the days when we could train once and be equipped for life have passed, we must engineer a system responsive to need; ready to change.

I doubt that the present arrangements can reliably prove effective partnerships between employers and training providers.

It's too costly; too bureaucratic and too insensitive to dynamic training needs.

Perhaps we should look at alternatives to the LSC.

Nationally a straightforward funding body would do the job.

And at local level perhaps County Councils and Unitary Authorities should play a greater role – they already have strategic responsibility for economic development. If we are serious about democratic localism we must trust local government.

And we should look again to the role the Sector Skills Councils play.

Not all yet work well. But many do. And some, like Skillset, GoSkills and SEMTA, excel.

They are employer-led organisations covering specific sectors.

Perhaps they should play a more important role at the heart of a demand-led system.

Much of the current bureaucracy surrounding vocational education reflects Labour's dogmatic attachment to regionalisation.

A system that reflects the needs of specific business sectors both across Britain and in specific locations is much more likely to be effective.

There are a variety of ways we might encourage training via these employer-led skills councils.

Tackling the skills crisis at its root – in schools

Creating a structure which gives employers and training providers the room to create genuine partnerships opens up the possibility of both widening and deepening the

scope of skills education and I'm currently considering a number of possible ways forward.

In the last Parliament, the Government announced new diplomas that will allow pupils to enter a vocational stream at 14, with schools sending pupils for extended periods, or even on a permanent basis, to colleges.

However, there is a danger that the introduction of the first five diplomas in 2008 is being rushed, limiting the opportunity for employer engagement in their design.

These new qualifications must match the needs of business. I am not yet convinced that they will.

Figures released last week reveal that truancy is now at a record level.

Over 55 thousand pupils are skipping classes each day.

Ministers have spent almost £900 million on failed initiatives to improve behaviour and attendance at school.

They should be considering the fundamental causes of the problem.

Children who might excel in skills education are denied a curriculum that interests and motivates them.

In fact around one in five comprehensives is offering vocational courses only to children with special educational needs.

If we are to reengage the 50 per cent of pupils who are not well served by the current system it is vital that vocational education is no longer perceived as a second best option or no option at all.

A continuing debate about selection is sterile.

The issue is not which school children go to, but the quality of the education they receive once they are there.

Our children must have the opportunity of swimming in the stream best suited to their aptitudes and needs, not sinking in an education system which is insensitive to both.

To achieve this we must have the imagination and the flexibility to challenge the current rigidity and breakdown the barriers between schools, FE & HE.

We could develop vocational centres – bridging businesses colleges and schools – with an emphasis on a variety of high quality skills.

In this way many more schools – drawing on concentrated resources – will be able to offer the full range of vocational diplomas.

Through such genuine partnership between business and providers, schools could be linked to and part funded by firms with a significant local profile.

And we should look to provide more on-the-job vocation education for children.

More work shadowing, more mentoring.

Helping to re-engage the children currently left behind.

Soft skills also matter. As last month's study by the Chartered Institute of Personnel and Development / KPMG shows employers want to recruit school leavers with good communication skills and a strong work ethic.

Better integrating the private sector in vocational course design would improve the fit between the supply of vocation education and demand, so incentivising private sector investment.

Workplace training

I'm also considering how structural change could improve both the quality and quantity of workplace training.

At present agencies such as the LSC, the RDAs and Train to Gain control funding for workplace training.

Alarming, Institute of Fiscal Studies research exposed that 85% of provision on the Train to Gain pilots would have happened anyway- without Government funding.

Too often the use of these funds is driven by Government targets rather than the needs of business.

Employers require training at level 3, but government policy is to deliver places at level 2.

The weakness of the Government's blunt, predict-and-provide approach colours the system of Modern Apprenticeships.

Dr Hilary Steadman of the London School of Economics has argued, that in other European countries such as Germany and the Netherlands, offers of apprenticeships enable individual firms to signal skill needs to young people.

In Britain, the practice of target setting doesn't guarantee the same match between provision and need.

The take-up of apprenticeships in England and Wales remains lower than in other European Countries.

In England, employers only have an indirect say in framing the curriculum for vocational qualifications.

In part this explains why as Professor Lorna Unwin of the Institute of Education, argues, that the competence based emphasis of NVQ qualifications has codified too much and created rigidity.

In particular, the system underestimates the importance of acquiring practical on-the-job knowledge or know-how.

Central to successful apprenticeship schemes elsewhere in Europe is mentoring by a highly skilled and experienced craftsman.

Yet not all Modern Apprenticeship frameworks stipulate the need for each apprentice to have a mentor in the workplace.

This lack of mentoring helps to explain why 30 per cent of apprentices drop out of the Modern Apprenticeship programme.

It's part of a wider cultural problem.

What some other European countries have - and Britain often lacks - is a virtuous circle of learning.

An apprentice's motivation to learn is stimulated by the support of more knowledgeable and skilful colleagues.

There is an awareness that increased experience and competence brings with it higher occupational status.

This encourages continued learning. A thirst to progress.

Establishing such a virtuous circle of learning in Britain means recognising that acquiring skills isn't something you do only at the start of your career.

Training isn't just for the under 25s – it's for life.

While the system in Germany and the Netherlands encourages employers to constantly improve the skills of the whole workforce, the system in Britain focuses too much on lower level skills, and only on those skills that can be certified.

Central to any reform should be a determination to improve the role employers' play in the provision of training.

We must move away from a target culture to one that responds to genuine need.

We might look at offering representatives of business a statutory role in defining need and allocating resources, possibly through the Sector Skills Councils.

Employers would be more able to signal their needs if they were better integrated into course design.

In the case of large employers, we should even consider completely outsourcing vocational training to them.

We also need to look at the level of vocational qualifications attained.

Recently published research by the Centre of Economic Performance suggests that vocational qualifications below Level 3 provide little economic advantage.

It may be that we should critically review qualifications below Level 3, encouraging more people to progress to a higher level.

The Levy System

There are currently two Industrial Training Boards, financed by industrial levies, covering the construction and engineering sectors.

Both these Boards provide a wide range of services and training initiatives, including setting occupational standards and developing vocational qualifications, delivering apprenticeships and paying direct grants to employers who carry out training.

They work well. And what works is what counts.

Recently, the British film industry gave its support to a levy on production to help train future filmmakers and technicians.

The Sector Skills Council Skillset should be congratulated for generating support in the industry for the levy.

Let's look at ways of extending this successful experience to other sectors

If employers pay a voluntary levy they expect to drive the system. They'll want value for money – the training and the skills they need, when they need them.

The LSC spends a great deal of time talking to businesses.

Now fine words must be accompanied by finer deeds.

Real partnerships based on real commitments, shared endeavour.

When businesses contribute they demand the best.

Licences to Practice

In some sectors there is also more we could do to ensure the highest standards of professionalism.

There is currently a lively debate about licence to practice.

Evidence from around the world suggest that licence to practice schemes work help to raise skill levels; increase respect for occupations, improve quality and workmanship; reduce or even eliminate ‘cowboys’ and so increase public confidence.

After all we regulate the standards for professionals such as doctors, lawyers and accountants. Not to do so would be seen as absurd. Yet we don’t routinely do the same for skilled craftsmen and tradesmen.

It is difficult to understand why it is seen as acceptable for unqualified people to look after the elderly in care or rewire our homes despite the huge risks to health and safety.

But there are understandable concerns that if quality was dictated by statute and driven by government the result would be costly, burdensome to business and ineffective.

I believe that providing a competitive advantage is the best way of driving up quality.

When businesses know they have a sales and marketing advantage because their excellence is recognised they will embrace accreditation.

Instead of yet another Government regulation, I want to look at an employer / further education - led extension of accreditation, building on quality standards such as ISO and British Standards – already well established and widely respected.

Standards of best practice that improve safety, efficiency, interoperability and facilitate trade.

When I was in business, my own firm went through the BS 5750 process. It was rigorous and obliged helpful self-appraisal.

When business and commerce works with educators and trainers, accreditation through independent scrutiny and peer review can provide a competitive edge; a marketing advantage for British business.

Quality assurance - designed, respected and chosen by firms which voluntarily opt for excellence.

Government could encourage and support this, not least through the buying power of the public sector.

The Future of FE

We must also take a fresh look at the role FE should play. Sir Andrew Foster in his recent report argues that FE often tries to do too much, and so too often doesn't do well enough.

Too often too little sense of focus and purpose.

Just as the funding landscape is cluttered, so the range of provision is littered with repetition.

Yet I have visited many superb colleges who know where they're going and know how to get there.

Many of the best have developed specialisms in which they excel, as is increasingly the case with schools and has long been true in higher education.

Excellence necessitates concentrated commitment and the acquisition of the very best teachers and resources.

Dedicated professionals, quality plant, ambitious learners.

And people's aspirations reflect the quality of the environment in which they learn. Perhaps some of what the LSC now spends could in future create more colleges like the one we are in today.

We could extend the specialist schools idea to FE colleges, giving birth to a new generation of high profile specialist colleges, endowed by and linked to particular businesses or business sectors.

Such solutions would work well in urban areas where people could choose between specialist colleges.

In rural Britain a different approach is required. We must look at greater collaboration between providers, more satellite campuses and the use of the best technology to facilitate remote teaching and learning. We must go the extra mile to ensure that those in isolated and rural communities have every opportunity to succeed.

If Foster's key complaint about lack of purpose in F.E. is to be addressed, bold reform must be considered.

Foster concluded that what was needed was '*less centralisation and moves to greater self-regulation*'

Surprisingly, the Government's recently published FE White Paper does not propose pruning the number of organisations that currently have a monitoring, inspection or improvement role in FE Colleges.

Although the Education and Inspection Bill will merge The Adult Learning Inspectorate with Ofsted, the White Paper proposes yet another regulatory body, the 'Quality Improvement Agency', bringing the total number of bodies back up to a staggering 17.

We should be much braver and bolder in bringing forward the agenda of self-regulation and less central control advocated by Sir Andrew Foster in his review.

The more we trust FE professionals the more they will innovate and excel.

We could move to a system of self-regulation by stages, led by colleges that have demonstrated excellence under the existing regime.

Inspection should focus on the quality of teaching and learning; not get bogged down by theory and process.

If a college delivers results, how it does so should principally be a matter for its governors, staff and students.

Government must stop patronising FE and treat the sector as grown-up.

Vocational Education and Social Justice

Education matters for our economy. It's the difference between being able to compete and failing. But it matters just as much because it changes the quality of lives.

Back in 1943, Rab Butler's White Paper on Educational Reconstruction stressed the contribution that education can make to democratic citizenship.

Then the contribution continuing learning can make to community life was valued.

We should be just as ambitious now by recognising, once again, that engagement in adult education leads to greater civic participation – improving the health of both individuals and the communities of which they are part.

We must embrace the civilising and enriching force of learning. It's power to sweeten, adorn and embellish life.

How sad then that - according to NIACE - one in three adult education places will be lost in the next three years.

It is a curious age in which the Government that gives free T.V. licences also cuts keep fit classes!

As David Cameron has said, we should be as concerned with social growth as we are with economic growth.

With economic empowerment AND social empowerment.

Surely we must look again at the role FE plays in community life.

Providing education for democratic citizenship is all the more important as we cope with the influx of new immigrants to our country because education plays a vital role in building social cohesion.

The elevation of the people is an historic Tory mission.

And education plays a central role in delivering social justice.

Because it is the vehicle for social mobility.

It's at '*the spearhead of social reform*' as Rab Butler said of his Education Act in 1944.

The children of parents with literacy skills below entry level 2 are demonstrably more likely to be poor, unemployed and in poor health when they, in turn, reach adulthood.

The cycle of deprivation can be broken if more adults in poorer households can be persuaded back into education but we are unlikely to achieve this if we see the virtues of adult learning in solely utilitarian terms.

We must raise aspirations and expectations.

Education provides individuals with a hunger to achieve. Empowered by the skills they acquire.

Learning for jobs, learning for life.

Society prospers when people are proud.

Their aspirations met, their achievements recognised.

Collective fulfilment firmly rooted in all knowing the value of what each contributes.

Conclusion

Training helps people to reach their potential.

In a fast changing world there is always something new to learn – a fresh skill to acquire.

A skilled future.

With a new generation of proud craftsmen -

making beautiful things, doing vital work.

Building their pride and fixing what's wrong with Britain.

Not two nations – the academic and the rest – but one, where each according to his aptitude provides to others according to their needs.

An ambitious vision of a highly skilled nation with all playing their part.

Learning through life to grow and to prosper.

A virtuous circle of learning.