

HIGHER SKILLS IN THE NORTH WEST: REPORT ON EVENT HELD ON 15 FEBRUARY 2008

This report summarises the main points of interest from the above event (at the Harris Park Conference and Function Centre, University of Central Lancashire, Preston), which was held:

- to look at the outcomes of the Leitch Review, the creation of the new Department of Innovation, Universities and Skills, the Comprehensive Spending Review settlement, the Government's new Higher Skills Policy ' the Government's Sub National Review, and other key related developments impacting on the development of higher skills, and, in the light of them,
- to consider through presentations and interactive exercises, how flexible approaches to achieving higher skills can be most successfully promoted and delivered to employers.

The event took the form of a series of presentations (followed by an opportunity for questions and answers), plus two Syndicate Exercises based on case studies of Foundation degree providers working with employers. The concluding session reviewed the main outcomes of the day.

Copies of the slides used in the presentations are available from Kate Fletcher (K.Fletcher@fdf.ac.uk).

The summary below picks out a few main points from each presentation and from the subsequent Q&A sessions. Annex A to this report summarises the main outcomes of the Syndicate Exercises.

1. Opening Presentations

Hugh Tollyfield, Special Adviser – Employer Engagement, HEFCE

Hugh opened his presentation by adopting Marilyn Wedgwood's definition of a world-class workforce as being "a thinking, educated workforce - working intelligently". He identified two strong themes of the Leitch review and the Sainsbury review as being the need for stronger business-HE partnerships, and the need to develop a high quality workforce. The Leitch review meant that skills were now seen as an economic as well as social issue and the goal was to create "T-shaped" students, having both breadth and depth.

The Leitch review set an important challenge for HE: to deliver world class high skills, exceeding 40% of the adult population qualified to level 4 and above by 2020. HE was already a major contributor to the UK economy and a major supplier of an economically valuable workforce. However over the coming years it would have a critical role to play in raising the skills levels of the huge proportion of the existing workforce not yet qualified at level 4. Meeting the Leech challenge would require the HE sector to grow a new market of employer-funded provision for people in work who may otherwise never have experienced HE, through:

- Part-time and short course accredited modules and units
- APEL, progression and credit accumulation
- Validation of employer in-house training and shared delivery with employers

- Innovation in teaching and learning delivery

To support this, HEFCE had developed a programme of action research which will be spending more than £100 million over the period 2008 to 2011 and has set a number of related goals, including 20,000 extra entrants to HE-based workforce development in 2000/11, an increase in Foundation degree enrolments to at least 100,000 by 2010, and a new funding process to support future growth. Co-funding had a very important part to play in this process but Hugh emphasised that there were no rigid rules regarding Co-funding and that the key issue was achieving sustainability. HE providers will be expected to develop sustainable cost/price models for employer focus provision which do not require the continued import of development funding in order to survive.

Patrick McGhee, Deputy Vice Chancellor, UCLAN: The HE Response

Patrick noted that the Leitch proposals had had a mixed reception and he identified a number of important issues which needed to be addressed in taking forward the implementation, including:

- The need for greater acknowledgement of higher education and the important role that universities have to play in up-skilling the workforce
- The need for the Government to do more to test the willingness of employers to pay
- The lack of consensus on whether employers currently make a satisfactory contribution to training or over what such a contribution might be
- The difficulties in defining skills needs for the long-term
- The confusion about what “demand-led” actually meant:: employer, employee, or sectoral demand?
- How the new UK commission for employment and skills will relate to HEFCE and whether there will be sufficient HE representation on it
- The importance of EU policy as a driver for HE development
- The importance of knowledge transfer activities as a driver of HE-business engagement and consequently action on skills

He concluded with the following final thoughts:

- Qualifications have been politicised but there are still no votes in skills
- Many universities have a long-standing involvement in higher-level skills and associated partnerships
- The proposed new partnerships will only work if we have new ways of working
- Regions are important in new ways
- Whatever the Imperfections, Leitch is put learning back to the forefront of thinking about the UK’s economic future.

In the subsequent Q&A session the main points made included:

- It is important to recognize the wide spectrum of activities and initiatives aimed at addressing skills issues, including Diplomas, Apprenticeships, Academies, new Adult Careers Service etc
- HEIs do need to get involved in addressing regional and sub-regional issues and needs. University of Manchester, for instance, was now taking an increasingly close interest in the sub-regional economy, reflecting the desire of its graduates to be able to find jobs locally

- Although the possibility of an economic downturn posed a real risk, Hugh Tollyfield noted that even in a recession there is always recruitment and training activity. If a recession were to occur, this would lead to different skills needs emerging, but it could also affect employer's willingness to pay.

2. First case study: Foundation degree in Building Services Engineering

Dr Steve Wynn, Curriculum Manager for Construction at Liverpool Community College, and Dr Fiona Borthwick, Head of Construction & Civil Engineering Group at Liverpool John Moores University

This case study focused on the collaboration by Liverpool John Moores University and Liverpool Community College to address the higher skills needs of Haden Young, a large building services engineering contractor working in the commercial, industrial and public sectors. Through this collaboration a successful Foundation degree programme had been developed, with benefits for the employer, College and the students. The key lessons on constructing employer links were:

- The importance of providing what the customer wants, how and when they want it
- Getting to know the customer
- Recognizing that employers do not exist to supply the needs of education; it's the other way round
- The importance of protecting employers from unnecessary committees, questionnaires, academic bureaucracy and College/University politics.
- Above all: love your employers!

3. Presentation on the Sub/City-Regional Perspective:

Paul Thomas, Manchester Enterprises

Paul had stepped in to replace Dave Moorcroft, who unfortunately had been taken ill earlier in the week. He reviewed the background to the Sub National Review and the growing importance of City Regions and Sub-Regions as a focus for economic development, including skills development. He identified the key implications of the Leitch report and the Sub National Review report for HE and higher skills as being:

- Skills are central to the City Region agendas
- The importance of higher skills is increasingly recognized
- Employers will want to include higher skills in the agendas of the new Employment and Skills Boards
- This also aligns with the Government's pressure for greater HE employer responsiveness
- Because of their different missions, this will affect some HEIs more than others, but all will be affected
- It will be important to develop new partnership mechanisms and links, where these do not already exist.

In the subsequent Q&A session the following main points were made:

- Retention of graduates within the City Region was an increasingly important issue for Greater Manchester, as for other City Regions
- Currently too many of these stayed on in level 2 jobs for which they were overqualified. The challenge was to develop closer links with employers

- during their degrees and, through this and other actions, to increase the numbers moving into level 4+ jobs in the local economy
- An aspect of this will be the need to review the relevance of many courses to local economic needs and their potential for enabling graduates to achieve employment.

4. **Second case study: Development of the Foundation Degree in Nuclear Related Technology**

Dr Jonathan Francis, Senior Lecturer, University of Central Lancashire

This case study focused on the development of a Foundation degree in nuclear related technology in West Cumbria. This was a partnership development involving a number of partners, including employers, an independent training provider and HE. Jonathan identified the key lessons as being:

- The importance of identifying people who could champion the development of the Foundation degree within the employer and partner institutions
- The value of having a wide range of supporters among key agencies and other partners
- The need to allow sufficient time for development work and to take into account summer vacations etc
- The need for a work-based approach, with training delivered locally

5. **Conclusion**

Fran Hulbert, Management Board member, Foundation Degree Forward, and former Director Skills Policy, NWDA

In summarising the event, and reviewing its success in addressing the issues of interest to participants, Fran made the following main points:

- It is important to consider skills strategies as being a spectrum of activities pitched at different levels. She liked the description by a previous speaker that “vocational skills keep the company going, but higher skills help it to move forward”
- There were skills issues across the whole economy, including big skills issues and opportunities in the service sector, where we needed to up-skill rather than to go downmarket
- The jury was still out on whether the new brokerage arrangements would work; the quality of brokers would be crucial to a successful outcome
- FE/HE relations should be a real growth area following the Leitch review, but the disruption facing FE as a result of changes to the LSC etc could complicate this
- It was very important that qualifications were seen by employers to be relevant and up-to-date

Annex A

15 FEBRUARY EVENT: SUMMARY OF SYNDICATE DISCUSSIONS

Syndicate Exercise I

<u>QUESTION</u>	<u>KEY POINTS MADE</u>
What are the main higher skills issues facing most employers?	<ul style="list-style-type: none">• Leadership and management skills and managing change, but employers are also looking for enterprise, enthusiasm, attitude, critical and reasoning skills, i.e. employability skills• Employers do not always have a long-term view of their skills needs and don't necessarily know that they need higher level skills, nor do they know what a graduate could bring to the business• SSCs need to articulate employers' needs and providers need to work with them• SMEs are not involved enough with the skills agenda and universities need to work better with them. SMEs do know where to start looking
How can these best be diagnosed and what obstacles might there be to the diagnosis, and how can these be overcome?	<p><u>Diagnosis</u></p> <ul style="list-style-type: none">• Lots of employer engagement• Educators and employers are talking different languages; they need to find a common language to engage. The difference between education and training also needs to be understood• Partnership, not supply-based, approaches are the best way to develop needs and diagnose requirements• Training needs analysis, including succession planning• Link to knowledge transfer activities• SSCs do this work but better partnerships are needed to disseminate it and better SME involvement with the SSCs• It has to be a partnership approach, e.g. college and HEI develop a joined up offer, involving work-based learning providers <p><u>Obstacles</u></p> <ul style="list-style-type: none">• HEFCE funding is a major stumbling block to demand led education: it funds bums on seats, without regard to potential job opportunities• Who is the customer: the student or the employer?• SMEs do not have the critical mass of learners, therefore need to collaborate and form partnerships• Validation rigours and constraints can be an

	<p>issue for timely development work</p> <p><u>Solutions</u></p> <ul style="list-style-type: none"> • Recruit staff who know how to deal with employers and blend this with the academic input • Recognize that organisations are not homogeneous bodies, there are a lot of people involved • Training for employers and HEIs would help. Ensure the output from these is disseminated across institutions and not just between a few individuals • It is important to make links across the businesses and not just with the HR and training departments
<p>In what circumstances might Foundation degrees be an appropriate solution and what delivery and other problems might Foundation degrees pose?</p>	<ul style="list-style-type: none"> • Fds are a key route to workforce development • Fds offer a good way forward and SMEs are easier to engage about them • Fds can be a bridge between the competence base and the academic route, a good option for people who did not perform well at school • WBL providers need to increase their involvement and universities need to learn from them • But an Fd is not always the answer. Specific skill shortages might require smaller chunks of learning, building up from these. Also Fds are sometimes not providing the skills specific enough for smaller employers • Need to ensure the learning is mapped to national occupational standards • Small volumes might make Fds unviable financially • Enabling CPD modules on credits to be built up into a full qualification is what employers want • However the term “Foundation degree” is unhelpful
<p>What other solutions might be appropriate and in what circumstances?</p>	<ul style="list-style-type: none"> • There is a forest or maze of qualifications: you have to spend time and effort to choose the appropriate paths • Accrediting employer based training: a lot goes on but is not accredited, e.g. in the financial sector • Use certificates, transcripts, credits; have a framework from which units or modules can be taken in order to build up to a full qualification • Negotiated learning packages, delivered flexibly

<p>How can delivery of higher skills solutions best be integrated with meeting other employer needs and with related services/initiatives?</p>	<ul style="list-style-type: none"> • By developing a joined up approach with FE colleges, work-based learning providers and HEIs • Flexible delivery, modular solutions, selling progression routes • Work with the training manager and adopt a holistic approach, addressing problems and solutions overall, not just skills in isolation • Knowledge transfer partnerships might be appropriate mechanisms to solve problems
<p>Other main points made</p>	<ul style="list-style-type: none"> • Need to understand the complexities of both universities and employers • SMEs are extremely difficult to engage with • Take account of different university missions etc. University of Manchester for instance does not see his role as just serving SMEs; it has a wider global agenda • There is the need for sufficient staff resource in providers to be able to spend time with employers to understand them, the changes in the sector, and therefore their longer term skill needs • HE staff development needs to maintain up-to-date sector knowledge in order to be able to speak sensibly to employers • The needs of the migrant workforce also impact on skills requirements. NWDA is providing some funding for work on this • Some sectors such as construction and early years are responsive and better informed about their skills needs • Flexibility in delivery is an issue for employers, so that the programme needs to be delivered without regard to term times etc • Adopt a WBL approach to delivery: in the workplace, at times to suit the employer and learner, take the pain out of learning • The bureaucracy of the university system can be a big obstacle when looking at a new forms of delivery; you need someone to help companies through the maze

Syndicate Exercise 2

QUESTION	KEY POINTS MADE
<p>How might the Leitch report, Sub National Review and other recent developments change the scene and what new opportunities and problems might they present for those involved in working with employers to address their skills needs?</p>	<ul style="list-style-type: none"> • The Leitch review has raised the bar on skills overall. It has helped to create a high and strategic level focus on higher level skills shortages and to put the skills agenda on employers' own agendas • There is a danger of missing out the HE agenda, given the focus on 14 to 19 and Apprenticeships • Universities need to be more involved and closer to the workforce in meeting their needs • SSCs need to be engaging with universities to work with them on addressing skills needs • Need to learn employers' language and keep employers away from the bureaucratic baggage and meetings • Employers are increasingly recruiting on a national and all international basis, so how does this will link with local skills and labour markets? • Graduates cannot articulate their skills and abilities to employers if they have to apply through on-line tick boxes • Quick paybacks will be needed • Need to make validation easier and less onerous • Take more account of employability skills
<p>Which organisations ought to be collaborating in developing and delivering higher skills at the City or Sub Region level, and why, and how do their perspectives and interests differ?</p>	<ul style="list-style-type: none"> • SSCs, FE colleges, HEIs, employers, WBL providers, professional bodies, skills academies, lifelong learning networks, trade unions • Professional bodies can be important partners, driving progress where competition between companies might inhibit action • Universities and FE colleges need to be more involved • SSCs are an important route to employers but at varying stages of development • Who is driving forward Multi-Area Agreements and the correct partners sufficiently involved? • Schools need to be involved re Diplomas. Will HEIs take Diploma learners? • The constantly changing business support infrastructure is unhelpful • LSC are losing their way as their funding is passed to individual local authorities • Cumbria has a particular need to attract and retain graduates; it needs a unified approach in order to achieve this
<p>What will be the main</p>	<ul style="list-style-type: none"> • Leitch will require a cultural change from many

<p>challenges in promoting and delivering collaboration and how might these be overcome?</p>	<p>institutions</p> <ul style="list-style-type: none"> • The Leitch review represents a traditional view of skills and is simplistic. Universities are autonomous institutions and there is a need to make the business case to get them involved, otherwise they will not. • Competition between partners and competition in terms of sharing contacts. Remember that HEIs are businesses too • The history of FE/HE partnerships and HEI ability to pull funding from FECs if it wishes • Often too much bureaucracy in HE/FE links and administration • HE/FE partnerships appear easier to develop than HEI to HEI links • Need to convince employers of the benefits of the partnership • Initiative overload: more meetings such as this are needed to bring partners together to build links • Managing the different perspectives of partners productively is a key issue • Competition v collaboration among providers, although collaboration can be an important way of achieving economically viable programmes • University timetables, long summer breaks etc • Degree awarding powers for FE colleges might alleviate some of the problems
<p>What should we be doing in the North West to help?</p>	<ul style="list-style-type: none"> • Partnership working; there is a genuine commitment to this • Not necessarily all working with the same employers: different markets for different providers • SSCs and employer brokerage systems need to work better to deliver, particularly as individual companies cannot always articulate their needs • Work demonstrably in effective partnership • Show flexibility • Need to sell to employers the benefits of training, that they cannot afford not to train • Get rid of the notion that highly skilled employees will demand more money and all leave for competitors
<p>Other main points made</p>	<ul style="list-style-type: none"> • Employer/provider relationships are very complex • The SME term is not always helpful • Employment and Skills Boards need to allow providers to tap into the local workforce needs and to ensure that the local provision generates the workforce needed by employers

	<ul style="list-style-type: none">• The Sub National Review and Leitch Implementation Plan are potentially very beneficial for sub-regions, but the correct partners need to be involved and the HE input needs to increase• We should be doing more benchmarking against other countries• Avoid silo activity, for instance regarding graduate employability
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