



The All-Party Parliamentary **University Group**

23 October 2018

Agenda

The subject of the meeting of the All-Party Parliamentary University Group is employability and skills

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| 6:00pm | Dr Roberta Blackman-Woods MP , Chair, All-Party Parliamentary University Group |
| c6:05pm | Dinah Caine CBE , Chair of Council, Goldsmiths, University of London |
| c6:15pm | John Cope , Head of Education and Skills, CBI |
| c6:25pm | Dr Bob Gilworth , President, AGCAS |
| c6:35pm | Questions, comments, and discussion with university leaders, MPs and peers |
| 7:30pm | Speaker meeting concludes. |

Speaker biographies

Dinah Caine CBE

Dinah Caine was appointed as Chair of Council at Goldsmiths, University of London in July 2018.

She is currently a member of the Creative Industries Council which brings together industry and government to deliver industrial strategy and chairs their work on education and skills.



Alongside this Dinah is a member of the Civic University Commission, a panel set up to explore how universities can combine global achievement with serving their communities.

Prior to her appointment at Goldsmiths, she was previously CEO and Chair of Creative Skillset, the industry skills body for the creative industries. Her other experiences include serving under two Mayors of London as an Advisor on the London Skills and Employment Board.

Dinah was awarded the OBE for her services to the Media Industries in 2002 and was awarded the CBE for her services to the Creative Industries in 2013.

John Cope

John was appointed Head of Education & Skills at the CBI in March 2018, overseeing the organisations work on education from early years through to lifelong learning and retraining.

He previously served as Director of Communications and External Affairs at the Education Policy Institute where he remains an Advisory Board Member.

Prior to joining the Education Policy Institute John worked for Rt Hon Nicky Morgan MP for three years, including during her time as Secretary of State for Education where he assisted with speech writing, communications and policy.

John held the role of Political Press Advisor for the Conservative Party which included a secondment to the 2015 general election team.



Dr Bob Gilworth

Dr Bob Gilworth's two-year term as President of the Association of Graduate Careers Advisory Services (AGCAS) in August 2018. He is also Director of the Careers Group, a membership organisation consisting of a range of higher education careers services founded over 100 years ago.

Before joining the Careers Group, Bob held the role of Director of the Careers Centre at the University of Leeds, and Head of Careers Services at the University of Huddersfield.

Bob holds a Masters in Higher Education Management from the University of Bath.



Briefing: Employability and Skills

Prepared for members of the All-Party Parliamentary University Group

This is not an official publication of the House of Commons or the House of Lords. It has not been approved by either house or its committees. All-Party Parliamentary Groups are informal groups of members of both houses with a common interest in particular issues.

This briefing document has been produced by Universities UK which provides the secretariat for the University APPG.

Introduction

This meeting of the All-Party Parliamentary University Group will explore the issues of skills and employability in a higher education context, with contributions from speakers with a range of views and experiences.

Various external developments have led to an increased focus on skills in the UK, and this has been widely welcomed. 'Skills policy' is often thought of as predominantly affecting further education institutions, with a focus on vocational or technical training however universities are becoming increasingly involved in the formation of policy in this area as the country's skills needs change.

This guide will give further information about the political context to questions around employability and skills and will provide further information about the challenges and opportunities that exist within a range of areas including employability of graduates, flexible learning, new provision and the onset of the Fourth Industrial Revolution.

Political landscape

The skills agenda has been relatively prominent in the government's priorities for many years, but in itself is multi-faceted, incorporating various areas of policy across different departments. Under Theresa May, skills policy moved from the Department for Business, Innovation and Skills to the Department for Education in a bid to create more holistic education policy. This move was met with mixed reviews, and to some seemed incongruous with the policy objective of ensuring individuals have the skills that business require and in doing so solving the skills gaps that exist.

The changes to the machinery of government are not the only significant developments over the past few years affecting skills; the introduction of the apprenticeship levy, the setting of the 3 million apprenticeship target, the advent of T-Levels, the Technical and Further Education Act 2017 and the regulatory changes made through the Higher Education and Research Act 2017 have been notable policy developments in their own ways. The majority of these changes are part of the government's bid to address the skills gaps that exist across the country, many of which are long standing, and simultaneously increase productivity levels; the UK output per worker is 16% behind the average of other G7 countries. As the Centre for Cities stated in recent research "cities with higher-skilled workforces tend to have higher average wages and higher productivity", and therefore it is vital for the prosperity of the country to have a highly skilled population that meets the needs of employers.

The emphasis on producing a workforce equipped with the range of skills that employers need both now and in the future has further increased in the context of technological change, an ageing population and Brexit. Several industries fear that the UK's departure from the EU will exacerbate skills shortages unless a stronger pipeline of talent is created. Politically it is important for the government to be seen to proactively create the conditions that help education providers at all levels produce a robust and industry-relevant workforce.

Since the 2012 decision to increase tuition fees to £9,000 per year, universities have increasingly been under the spotlight for many reasons including the value for money of a degree, often defined as individuals' ability to secure well-paid employment after graduation. The Education Select Committee has recently undertaken an inquiry into 'the value for money in higher education' in which several questions were asked about graduates' skills and how relevant they are to the needs of employers; we are waiting on the publication of this report. More information about how universities provide higher level skills can be found in the below section of this guide.

Upon launching the Post-18 Education and Funding Review in February 2018, Prime Minister Theresa May acknowledged that the tertiary education system was not working as well as it could for everyone and stated the need to ensure employers can access the skilled workforce they need.

The government's industrial strategy white paper recognises that education and investment in human capital is the biggest determinant of long-term economic growth. It also showed a clear recognition of the role that universities have to play in improving the UK's productivity performance which was welcomed by the sector. Universities can play a major role in providing individuals with the skills that their local economy needs. In order to achieve this, it is important that partnerships are formed between universities, further education colleges, employers and other areas of the education system. Universities are increasingly entering into such arrangements; an example of this being the innovative new partnership between the University of Birmingham and University College Birmingham that will work to strengthen pathways between further and higher education for young people in the city.

Higher level skills

The Fourth Industrial Revolution is driving comprehensive change in technology, the nature of work and the demand for skills. The jobs of the future are more likely to require higher level skills, and the supply of these skills will be critical to future success. This critical supply could be disrupted by an ageing population and uncertainty over immigration. These changes are increasingly complex and are

occurring at an accelerated pace, with profound challenges to the ability of policymakers, employers, educators and learners to keep up.

Increasing demand for higher level skills will be across a range of subjects, with humanities being as important as science and engineering, and across a range of levels, from sub-degree to postgraduate. Subjects and skills will need to be combined and re-learned throughout working life and the difference between academic and vocational qualifications, which is already blurred, will become less relevant, whereby a 'whole-skills' approach needs to be adopted. Subject-specific skills will need to be underpinned by a range of transferable skills. Work experience will be invaluable to developing learners who can apply their knowledge and skills to real-world problems and move easily between learning and working. To succeed in the future, learners will also need to think like employees, and employees will need to think like learners.

The linear model of education–employment–career will no longer be sufficient. The pace of change is accelerating, necessitating more flexible partnerships, quicker responses, different modes of delivery and new combinations of skills and experience. Educators and employers need to collaborate more closely, and develop new and innovative partnerships and flexible learning approaches. Universities are committed to working with employers, of all sizes, and many employers recognise the value of collaborating with universities. These efforts need to be supported, enhanced and developed. Every effort must be made by government to adopt a whole-skills approach and to embed educator–employer partnerships across policy to support this.

Universities UK recently produced a report 'Solving future skills challenges' which considers some of the implications of the challenges that exist in terms of the impact on knowledge, skills and careers. The report found that educating more people at university could bring significant benefits to the UK economy as the Fourth Industrial Revolution increases future demand for higher level skills.

Key findings from this report can be found below:

- In 2016, 440,000 new professional jobs were created, yet there were only 316,690 first-degree UK-based graduates, leaving a recruitment gap of 123,310, more than double the gap in 2015.
- Nearly 50% of the subject knowledge acquired during the first year of a four-year technical degree is outdated by the time students graduate.
- Employers have told the CBI that they expect the greatest demand for skills over the next three to five years will be for people with higher level skills

where there is already a much higher employment rate.

- By 2030, it is estimated that there will be a UK talent deficit of between 600,000 to 1.2 million workers for both our financial and business sector, and technology, media and telecommunications sector.
- Universities provide many professional and technical qualifications, estimated at around 41% of overall provision.

Employability

As touched upon in the political context section above, the employment prospects of graduates and the level of employment they gain has been subject to increased scrutiny in recent years. There are various factors this can be attributed to including the trebling of full-time undergraduate tuition fees in 2012, the continued existence of skills gaps and wider labour market patterns.

Contrary to some reports in the media, employers surveyed by the CBI and Pearson were generally satisfied with the transferable skills of graduates. Those most highly praised were graduates' use of IT skills, basic numeracy skills and technical skills. Universities are not, however, resting on their laurels when it comes to preparing their graduates for the world of work. Research has found that as the Fourth Industrial Revolution progresses there will be:

- A larger number of careers
- A wider variety of careers
- Different combinations e.g. self-employment, portfolio careers
- Increasingly flexible work structures and formats
- A faster pace of change and therefore a need for continuous up/reskilling

Therefore the economy will need graduates with combinations of specific subject knowledge, the cognitive skills associated with study of any subject, 'soft skills', technical skills and work experience.

Given the rapid pace of future change in terms of sectors and jobs it is essential that universities and employers collaborate more closely. Partnership between employers and universities should become the norm both during study but also after students have graduated. Addressing skills needs, boosting growth and productivity and enhancing opportunities is a shared responsibility.

A key area of collaboration is work experience. Work experience is immensely valuable both to employers and students. Any work experience, even work experience unrelated to a graduates first job is valuable because of the development

of soft skills and understanding of what it is like to work as part of an organisation and team. Both universities and employers value work experience and many universities are looking at innovative models such as micro-placements and collaborative projects to ensure a breadth of opportunities.

- 90% of employers cited work experience as one of their three most important factors when recruiting graduates
- 55% of employers said it was the single most important factor

However there is a significant gap in terms of the number of employers willing to provide work experience, some examples of gaps include:

- 55% gap – between almost all engineering employers agreeing work placements enhance employability but only 45% are engaged with higher education delivery.
- 35% gap - 65% of all employers feel work experience is critical or significant but only 30% offer education placements
- 41% gap - The work experience gap is highest for smaller employers, for those employing 2-4 people 63% consider it critical or significant but only 22% offer education placements

Changes to provision

Many higher education institutions are developing more flexible ways of learning, or even new, innovative forms of provision, partly in order to meet the skills needs of employers at particular levels. Universities do already provide many professional and technical qualifications, which are estimated at around 41% of overall provision including provision at levels 4 and 5 (including HNCs, HNDs and foundation degrees). Universities have long-standing links with professional, statutory and regulatory bodies, which reinforces their links with employers. Universities are also delivering the new degree apprenticeships in key areas of skills need such as engineering, digital technology, and leadership and management.

Degree apprenticeships are proving popular among employers, helping to meet the need for higher level skills both in terms of training new staff and upskilling existing staff. Employers and apprentices value the fact that it is a work-based qualification that also confers the award of a degree and in some cases a professional qualification, putting apprentices on an equal footing with graduates in the labour market. There are early indications that degree apprenticeships are increasing social mobility, with apprentices coming from a wider range of backgrounds, and so helping to broaden the talent pool.

As outlined above, future economic prosperity and success in the labour market will involve a greater amount of upskilling at different stages of life. There is therefore an urgent need to reverse the significant decline in the number of entrants to part-time study; between academic year 2010-11 and 2016-7 the number fell by 47% for undergraduate courses. Enabling and encouraging more individual to study for a qualification at Level 4 and above whilst also working is important for meeting the needs of employers and universities are working on how to do this within the current regulatory and funding system. Some of the barriers to more flexible provision, including for part-time learners, include the need for significant investment and funding in IT systems, the current regulatory system and the uncertainty around the future demand for courses. Universities UK will shortly be releasing work on the future of flexible learning which will make policy recommendations on how to increase the flexibility of current provision; the CBI are involved in this project to give the employers' perspective.

Looking ahead

As noted above, the **Education Select Committee** are currently undertaking an inquiry into the Fourth Industrial Revolution which had a focus on how best to prepare young people to take advantage of future opportunities by looking at the suitability of the school curriculum and tertiary education system. A variety of higher education-focus organisations have submitted written evidence to this inquiry including Universities UK, University College London (UCL), West Midlands Combined Universities and Birkbeck, University of London. Given oral evidence sessions have recently begun, it is likely the report will be published early in the new year and may contain recommendations relating to skills work within universities and/or lifelong learning specifically.

One of the areas touched upon in the **Education Select Committee's** inquiry into 'Value for Money in Higher Education' was graduates' employment prospects compared with non-graduates, and whether the skills they acquired at university were in-line with those needed by employers. Given the chair, Robert Halfon MP's, personal focus on the skills agenda it is likely this report, due out in the near future, will make recommendations relating to graduate outcomes and the use of destination data for this purpose.

The recommendations in the **Post-18 Education and Funding Review** Panel's report are likely to be significant across several aspects of higher education policy. Given that one of the four pillars of the review is 'delivering the skills the country needs' it is highly likely that the panel, comprised of experts from across the tertiary education landscape, will recommend changes to ensure the education system is responsive to the needs of the labour market, perhaps with a stronger

emphasis on collaborative working between universities, further education colleges, employers and other areas of the tertiary education sector. Another relevant pillar of the review centres around choice and competition in the tertiary education sector, particularly focused on different, more flexible forms of provision such as accelerated courses and degree apprenticeships. The review is due to be out in Winter 2018.



The All-Party Parliamentary **University Group**

Future meetings

Wednesday 14 November 2018

Brexit and Higher Education

18:00-19:30, Committee Room 4, followed by dinner

Wednesday 5 December 2018

Data in Higher Education

08:30-10:00, Terrace Dining Room B (breakfast meeting)

For more information about the group please email appug@universitiesuk.ac.uk or visit www.universityappg.co.uk