

Technical Breakthrough

Delivering Britain's higher level skills

Professor Edward Peck, Rich Pickford and Will Rossiter

Introduction by David Goodhart



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Introduction

By David Goodhart

There have been many false dawns in the story of vocational-technical training in the UK in the past few years. But it is possible that we now stand on the threshold of a *real* dawn.

Despite the wrenching distraction of the pandemic, the likelihood of a brief return to mass unemployment and the short-term reduction in apprenticeship places, one of the biggest failings of British public policy—the state of post-school education and training for those not going into higher education—is now receiving more of the attention it deserves.

To be fair to recent governments many people have been worrying about the “other 50 per cent” for some time and various initiatives from the apprenticeship levy to T levels and creating the Institutes of Technology, have emerged, or are emerging, with mixed results. But there now seems to be a deeper acceptance in Government that the country is suffering from a fundamental misalignment that has contributed to political alienation as well as economic inefficiency, and one-off initiatives will no longer be sufficient.

The story is well enough known and was spelt out with brilliant clarity in the Augar review in May 2019. Britain has been over-producing bachelor degrees and under-producing people with practical and vocational competencies from the basic to the sub-degree level 4/5. The results are now plain to see in the increasingly noisy employer complaints about skill shortages, especially in the “missing middle” technical fields, and in the sharply diminishing returns both for individuals and society as a whole from the helter-skelter expansion of academic higher education in the past 30 years.

There was a time when the economy and the public services were crying out for more school leavers to march on into cognitively demanding academic higher education. The knowledge economy needed more knowledge workers and the number of public service professionals was leaping ahead. That time is now past.

Higher education remains a British success story but it is possible to have too much of a good thing. The knowledge economy now turns out not to need quite so many knowledge workers. Much intellectual work is now being automated and routinised in the way that manual work was for an earlier generation. And even before the widespread introduction of AI, those signals of diminishing returns are plain to see: a collapsing graduate income premium, at least 30 per cent of graduates in non-graduate jobs more than five years after graduating, and a loss of rigorous academic

standards outside of the most elite universities.

Moreover, the whole basis of education policy, social mobility, even economic productivity policy, has been based on the idea of an ever expanding academically trained managerial and professional class. But the growth in that class has slowed to a snail's pace and in the coming years it might even start to shrink. The proportion of adults in the top two social classes in Britain—the higher and lower managerial and professional classes—was 35 per cent in 2000 and it is now barely 37 per cent.

In the face of these realities you might expect the higher education sector to accept that the golden age of growth is over and that a period of retrenchment, or even repurposing, is now in the public interest. When the facts change, higher education must surely change too. Edward Peck's essay represents a creative grappling with these new realities.

But voices like Peck's are all too rare. The system is sustained on automatic pilot by a powerful set of vested interests. Universities are educational and cultural institutions but also commercial enterprises. The more students they attract the higher their incomes and the more, their leaders tell themselves, they can expand into important areas of knowledge creation and innovation and thereby serve the public interest.

The public remain sceptical, as our Populus opinion survey (see page 32) underlines. The UK is divided almost down the middle on whether the big expansion of university education has been good for the country, with only 19 per cent strongly agreeing that it has. Similarly, with the graduatisation of more jobs: while around three quarters accept that teaching should require degree level study, just less than half believe that is true of nursing and 24 per cent and 12 per cent, respectively for police officers and prison officers. And nearly half of those who graduated before 2011 say that their degree was not necessary for their job and that they rarely, if ever, use things they have learnt from their studies.

Nevertheless, more school leavers entered higher education this year than ever before. That is partly thanks to the uncertainties surrounding work in a pandemic stricken economy. Delayed entry into the labour market is a rational strategy for many young people.

But when defenders of the higher education status quo point to the decisions that more and more young people are making to choose the route of academic study they omit to mention just how constrained and directed these choices are, both economically and culturally.

The route into higher education is a great motorway with clear, simple, sign-posting and significantly greater public subsidy, thanks to a generous loan scheme, than most other forms of post-school education and training. In 2017-18 over £8billion was spent supporting 1.2m UK undergraduates, while just £2.3billion was spent supporting 2.2m full and part time adult Further Education students. Finding a software apprenticeship is an altogether more complex business as Paul Johnson, director of the Institute for Fiscal Studies, discovered when he tried to do so for his second son. And public subsidy for technical level 4/5 qualifications is much patchier than higher education funding and most

people depend on an employer paying.

The public are, understandably, opposed to this example of the “Matthew Principle” (further rewarding those who are already privileged) with 70 per cent supporting the view that governments should provide a level playing field of support to all forms of post-school education, according to our poll.

Yet three years away from home at a residential university has become a rite of passage for a large majority of middle class young people. It is a pleasant way of growing up, partly at public expense, doing often undemanding academic work and having fun at a place where you meet people from different backgrounds and make friends and often find romantic partnerships for life. Given this option why wouldn't many, if not most, young people grab the chance?

And, if that wasn't enough, there is the whole gravitational force of a culture. Go back a couple of generations and there used to be many ways of leading a successful life, and lots of small ladders up for capable people and second chances if you hadn't done well at school.

Now, as I argue in my new book *Head, Hand, Heart: The Struggle for Dignity and Status in the 21st Century*, cognitive-academic ability has swept all before it and become the gold standard of human esteem, while other human aptitudes have lost prestige and reward. And as your teachers, and probably your parent too, keep telling you, there is just a single ladder up into the zone of safety and success and that is A levels and a good university. Who can argue with that when around 40 per cent of jobs, and all the most desirable ones, are now graduate-only including nursing and policing? So, people of even modest academic ability strain every sinew, and if they are affluent pay for private tutors, to achieve entry into a full-time academic degree course.

This is despite the fact that many non-graduate jobs are better paid than lower level graduate jobs and employers often prefer to hire non-graduates, with more than half of people with hiring responsibilities in our poll preferring someone who has completed a work-based apprenticeship to a new university graduate.

High intelligence is, of course, vital to the future of civilisation. We need teams of highly intelligent and academically trained researchers to find a vaccine for Covid, to find a way of sucking carbon out of the atmosphere, and generally to create new knowledge in everything from science and technology to social science and historical research. But we also need the practically-skilled technicians to manufacture the vaccine, to operate the carbon capture and storage facilities, and to support the activities of research scientists and engineers by building and running much of the equipment they use to do their research.

There will never be equality of esteem between those people who are both cognitively blessed and capable of the highest levels of original thought and the majority of us who are of average ability, and nor should there be. But there could and should be much more equality of esteem within that large, average middle. Instead the various incentives described above have

produced a bloated class of the academically credentialised doing middle and lower end cognitive jobs, often including routine administrative work that could just as easily be done by their non-graduate peers or, indeed, non-graduate parents. In purely economic terms, but also maybe in terms of job satisfaction, many of them would be better off filling the vacancies in skilled trades or for non-graduate technicians and engineers.

The current system has thus produced a crisis of disappointed expectations for too many graduates who believed they were destined for high status, well-paid professional employment. It probably lies behind some of the recent political eruptions such as the Bernie Sanders wave in the US and Jeremy Corbyn in the UK and it is maybe even a factor in the Black Lives Matters protests.

Meanwhile, those who have not made it into the graduate class have every reason to feel they have slipped into a second class citizen category. This was not an issue when, say, just 15 per cent of people in your school or town went to college and you didn't but when nearly half do and you don't, it is a different psychological proposition.

Nobody in senior New Labour circles appeared to have given any thought to this in 1999 when Tony Blair made his famous speech proposing a target of half of school leavers going to university. Indeed, the Blair government initiative was doubly damaging because the growth in higher education coincided with a big expansion of apprentice numbers at level 2 (i.e. below the traditional level 3, A level equivalent), in the name of social inclusion, leading to a large expansion of low quality 'apprenticeships' that contributed to eroding the reputation of apprenticeship training.

Objections to this new higher education status quo are often described as "kicking away the ladder". If one assumes, like the idealistic young Jude the Obscure, that high academic achievement is the only worthwhile form then any proposal to restrict entry will be seen as unfair especially as, given the performance gaps at secondary level, those most likely to not make the cut in the future will be mainly from lower income households. But that unfairness lies mainly at the level of secondary education and takes as a given the superior nature of academic type intelligence and skill.

Moreover, if social mobility is one of the main goals of higher education then it has failed dismally for there is a consensus among social mobility researchers that the monopolisation of higher education by the middle and upper-middle classes has contributed to the slow down in mobility of recent decades.

The case for climbing the academic higher education ladder is still the default position of the most influential people in Britain most of whom enjoyed its benefits in a different, more elitist, era. But if the ladder is leading nowhere for too many people, of all social classes, who don't have the temperament for rigorous academic study, perhaps it is time to worry less about kicking it away and pay more attention to the state of the other ladders into worthwhile skilled employment.

Not wanting to kick away the ladder from any worthwhile activity is a decent instinct but it is not a solid basis for designing public policy and

can also overlap with a kind of narcissism, ‘you too should be like me’. It is not possible to reproduce the elite higher education experience of several decades ago for almost half of all school leavers and the attempt to do so has produced an unsatisfactory hybrid.

So if the current configuration of higher education is not producing a more skilled and productive workforce, is not improving social mobility, and has led to degree grade inflation and falling academic standards in many fields, then perhaps it is time for a thorough rethink. And that appears to be what this Government is proposing as a central part of its ‘levelling up’ agenda. Boris Johnson’s speech on the subject on September 29th is the most radical and significant since Blair’s ‘50 per cent to college’ speech 21 years earlier and decisively calls an end to that well-intentioned but misguided target.

The speech, above all, calls time on one of the biggest anomalies in British social policy in recent decades, namely the fact that even despite high tuition fees, higher education for most students receives a significantly bigger public subsidy than most other forms of post-school education and training. At a stroke the Prime Minister has swept away this anomaly with the Lifetime Skills Guarantee which gives to everyone a flexible loan entitlement to four years of post-18 education. He has also signalled a long overdue shift away from the focus of so much educational resource on 18/19 year olds in HE.

The PM had the customary tilt at the artificial divide between academic and more practical forms of intelligence but he, or his speechwriter, was, for once, doing more than going through the motions. “Everything is ultimately a skill – a way of doing something faster, better, more efficiently, more accurately, more confidently, whether it is carving, or painting, or brick laying, or writing, or drawing, or mathematics, Greek philosophy; every single study can be improved not just by practice but by teaching.”

The UK is an international outlier in higher education in two respects—the very high proportion of students who attend residential universities and, since 1992 when the polytechnics became universities, in the lack of a sector specifically dedicated to higher technical education. The dominance of the classical academic research university model offering, typically, a 3/4 year full-time, mainly residential, degree course has made it harder for mature students and people wanting to improve their skills with part-time, modular-type learning which is particularly suited to higher vocational education.

Later this month the Government will publish its white paper on Further Education which should mark the beginning of the end of this oddity of UK post-school education.

Here is the PM again: “So now is the time to end this bogus distinction between FE and HE. We are going to change the funding model so that it is just as easy to get a student loan to do a year of electrical engineering at an FE college – or do two years of electrical engineering – as it is to get a loan to do a three year degree in Politics, Philosophy and Economics. The Augar review highlighted the complexity of the funding system, the

bias that propels young people into universities and away from technical education. It is time to end that bias. We will give FE colleges access to the main student finance system, so that they are better able to compete with universities; not for every FE course, but for a specific list of valuable and mainly technical courses to be agreed with employers.”

This is especially relevant to the delivery of level 4/5 skills - the so-called “missing middle” of higher vocational but sub-degree level competencies - that some parts of the economy are so desperately short of. The numbers doing HND and HNC qualifications, which used to form the backbone of the skilled trades and technician education have collapsed in recent years to just 15,000 registered for HNDs and 19,500 in 2016/7, compared to nearly 100,000 a year back in the 1980s and 1990s. There has been a similar decline in foundation degrees.

Edward Peck argues that most of the renewed investment in technical skills should be delivered by universities and especially new universities like his own, Nottingham Trent. He makes an imaginative pitch for a repurposing of parts of higher education and for something like the re-invention of “applied universities”, the old polytechnics in new form.

A Government that has made such a big play of reinventing the FE sector is unlikely to fully accept the Peck plan and will probably opt for a more mixed economy between FE and HE in the delivery of level 4/5. But the Peck plan is a welcome contribution and will be an essential reference point in the current debate.

Delivering Higher Level Skills: demand, supply, and focus

This paper makes ten recommendations that will increase the chances of the Government's policy on vocational and educational achieving its objectives. In summary, these are:

Demand:

- The Government should follow through on its commitment to a lifelong learning loan entitlement which is consistent across all adult studying at levels 4 – 6 and covers maintenance as well as fees;
- The Government should look again at increasing the ways in which the Apprenticeship Levy could be utilised so as to create a better balance between state, employee and employer in meeting the costs of skills provision;
- The Government should ensure that the design and administration of the entitlement prioritises maximum flexibility for the learner so they can choose the volume and pace of study to meet their circumstances;
- The Government should initiate grant-based pilots of the proposed lifelong learning loan entitlements in a number of areas that are facing the largest employment challenges;

Supply:

- The Government should recognise the reputational and practical benefits of universities taking a significant role in most localities in the provision of levels 4/5 technical and vocational education;
- The Government should task the Education and Skills Funding Agency (ESFA) to initiate local reviews of the future provision of levels 4/5 by Further Education Colleges (FECs) without Degree Awarding Powers (DAPS);
- The Government should enable the Department for Education (DfE) restructuring fund to support universities facing financial challenges in focusing on higher level technical skills and moving towards closer alliances with local FECs;
- The Government should look to explore with universities the

future fee models for level 4/5 provision in the light of potential efficiencies generated by enhanced blended learning and increased student numbers;

Focus:

- The Government should phase in its lifelong learning loan entitlement as the DfE introduces its new accredited level 4/5 national technical and vocational qualifications; and
- The Government should invest in the creation of the capacity to generate local intelligence on skills needs that underpins decisions by individuals, employers and providers.

It provides a case study of how Nottingham Trent University (NTU) is reshaping the contribution a university can make to 'left-behind' localities and contains a proposal for a pilot of the Lifelong Learning Loan Accounts. Appendix One presents original polling on the public view of technical education and universities, which informs the arguments that follow.

What is the opportunity?

The Prime Minister and Secretary of State for Education have made bold statements about their commitment to revolutionising post-18 education. They want to open new opportunities for all those who do not attend university and, indeed, for some of those that do enrol but may have benefited more from going down a different path. They want to boost both the numbers of adults of all ages undertaking higher technical education and enhance the status of further education qualifications.

The Government is working on a White Paper that will set out a far-reaching and joined-up package of measures to transform technical and vocational education in this country. This discussion paper seeks to inform these proposals and ensure that the forthcoming reforms provide the best outcome for all learners across further and higher education.

The broad policy direction of Government has been widely welcomed. Many employers are desperate for applicants to have the skills to drive up their productivity. Many young people as well as older adults are keen to gain those skills to boost their employment prospects, income and security. Many experienced providers of technical and vocational education, both universities and FECs, stand ready to offer more flexible routes to skills-based qualifications. There is the potential for an alignment of demand and supply that could deliver the revolution the Government seeks, driving economic growth, in particular in those seats in the Midlands and North where it has promised to 'level-up'.

I welcome the breadth of the Government's ambitions, encompassing reform of funding and delivery across a whole range of qualifications, including the introduction of 'T' Levels. However, this paper focuses on the demand for, supply of and focus around technical and vocational education at levels 4 and 5. It argues that these important changes can be

made without wholesale restructuring of the further and higher education system.

What is the problem?

It would be churlish to deny that the pursuit of the 50% target for university enrolment by school leavers has had a positive impact on the career prospects of the majority of those who have gained a place, especially for the increasing numbers in higher education from poorer households. The polling conducted for this report highlights the importance of degrees for most of those who undertook them (87% of graduates said their degree was worth it). Nonetheless, as David Goodhart points out above, there is broad consensus within Government, amongst many in the education system and, as our polling shows, in the older members of our society, that the law of diminishing returns has started to kick-in.

Furthermore, we are entering uncharted territory with the combined impact of Covid-19 and Brexit on our economy. There has been a plethora of reports highlighting the urgency of our collective and individual need to develop new and refresh old skills at 18 and beyond. The Office for Budget Responsibility's fiscal sustainability report in July highlighted that Covid-19 would see the UK unemployment rate peak between 9.7% and 13.2% in 2021¹ whilst the Recruitment & Employment Confederation has highlighted that employment agencies are reporting the biggest increase in temporary staff in 23 years.²

The Augar Review of Post-18 Education and Funding stated the problem loud and clear: '[it] is a story of care and neglect, depending on whether students are amongst the 50 per cent of young people who participate in higher education (HE) or the rest'. The public polling undertaken for this report shows strong support for more equal distribution of educational resources across a range of different options. Augar highlighted also that there is increasing concern that too many of these young people who do attend university are pursuing low quality courses, where one dimension of quality is their (in)ability to get a job that requires a degree several years after graduating. Again our polling seems to support this argument, with under 60% saying that their degree was necessary to their current job although a higher percentage - almost 70% - said that their broader university experience was of value to their role.

The demographic and participation trends over the next ten years mean that up to 20% more young people could be attending university in 2030 than did so in 2020; given the lower than 50% rate of loan repayment at present by graduates this may not be affordable. Finally, the focus on young people has meant that the numbers of mature adults studying at university has been allowed to decrease significantly in the last decade; these are the very people who may most need their skills enhancing in order to meet their own aspirations and those of their current and future employers.

One of the problems that has emerged slowly since the creation of the last wave of universities in 1992 is the narrowing focus of all higher

1. Office for Budget Responsibility, Fiscal sustainability report 2020, <https://obr.uk/fsr/fiscal-sustainability-report-july-2020/> (accessed August 2020)
2. Recruitment & Employment Confederation Press Release, Report on Jobs: Staff appointments drop at much weaker pace in July, <https://www.rec.uk.com/our-view/news/press-releases/report-jobs-staff-appointments-drop-much-weaker-pace-july> (accessed August 2020)

education institutions on the *full-time three-year degree*. The numbers studying for level 4 - Higher National Certificates (HNCs) in old money - and level 5 - Higher National Diplomas (HNDs) - as free-standing qualifications, especially on a part-time basis, have shrunk considerably,³ as Goodhart also notes in his opening piece here. Delivery costs and long-term sustainability are at the forefront of providers concerns about delivering level 4 and 5 provision. When surveyed, close to a third of post-16 providers identified lack of funding as a key challenge and over a quarter highlighted a lack of interest from learners to take up these courses (although it is not clear whether the lack of funding prompted this lack of interest).

The majority of those leaving higher education with an undergraduate degree (level 6) do have vocationally specific skills - from nursing through quantity surveying to journalism - but the dominance of this model has largely squeezed out other routes to acquiring skills. For example, there has been a significant decline in enrolments on level 4/5 Foundation Degrees in recent years, from 80,000 at their peak to around 20,000 last year.⁴ Alternative paths have remained available, of which three are the most significant.

FECs have extended their portfolio of programmes at level 4 and above. Whilst these may have been provided more locally, and sometimes at lower fees than through universities, typically these have been small scale, with cohorts rarely exceeding 500, and leading usually to full degrees validated by a university (although a few have gained their own Degree Awarding Powers, or DAPs). Furthermore, investment in FECs has reduced steadily over time, and the contrast in facilities and equipment between most of them and universities is stark.

The Open University (OU) remains by some considerable distance the largest recruiter of undergraduate students in the UK, but even their more flexible approach to learning has not stemmed a major decline in numbers since 2010. Much of the shrinkage in mature adult enrolment is attributable to the decline in OU recruitment amongst this demographic.

Participation in level 4/5 apprenticeships has strengthened considerably since the inception of the Apprenticeship Levy. This shows that new funding arrangements can stimulate demand and that FECs and universities are agile in delivering new programmes to respond to skills requirements defined by employers. Our polling highlights that over 50% of employers value work-based apprenticeships and would look to employ an individual who had completed one recently ahead of a new graduate.

On the positive side, and building in part on the apprenticeship experience, there is general agreement about what at least some of the solution might look like. The Augar Review itself, Universities UK and the CBI, and the Association of Colleges, to highlight but a few, have all produced reports that outline the benefits of more modular provision of level 4/5 courses. They argue that students should be able to study at the pace and intensity that they choose, stepping in and out of learning to suit their circumstances. This is one of the key points that the Prime Minister made in his speech at Exeter College in September 2020 as he announced

3. Foster, D, Level 4 and 5 education, House of Commons Library Briefing Number 8732, 4 November 2019

4. <https://www.hesa.ac.uk/news/11-01-2018/sfr247-higher-education-student-statistics/numbers> (accessed September 2020)

his commitment to a life-long entitlement to four years of loans for those studying at level 4 and above in HE or FE. It is almost certain to be a central plank of the forthcoming White Paper.

However, whilst there may be a shared view about the ends, there is considerable work to do to put in place the means. There are three key mechanisms that this report identifies as crucial in the reform of English higher technical education.

The first is the way in which students can access financial support for their studies: the demand challenge. The second is the method by which different providers across a locality can deliver an integrated set of high-quality programmes: the supply challenge. The third is the device for ensuring that demand and supply are picking the right priorities for skill development: the focus challenge.

The good news is that none of these mechanisms are unfamiliar to us; indeed, they all exist, at least in part, across the current system. The task now is to be mindful of the pitfalls within our current system, widen out the successful aspects, and join them up.

The Demand Challenge

It is the funding model introduced in 2012 that has driven the focus on three year full time degrees in recent years. The undergraduate loan regime has incentivised students to study such programmes and thus incentivised providers to deliver them. It has led to the creation of a body - the Student Loan Company (SLC) - which distributes loans for fees and maintenance and familiarised a tax system that deducts payments at source to repay them when graduates pass a salary threshold.

There remain two obstacles to the achievement of the ambitions of Government: the limitation on programmes that are eligible for these loans; and the capacity of the SLC and HMRC to deal with a much larger volume and greater variety of learners and loans.

The Augar Review produced a solution to the first obstacle in the demand challenge: Lifelong Learning Loan Accounts (LLAs). These accounts would enable adults from the time they leave school up to pre-retirement age to access loans for fees and maintenance for approved programmes on the same terms as those available to undergraduate students. They would be administered by the SLC and repaid through HMRC. This is the approach that the Prime Minister appeared to support in his Exeter speech when introducing his support for a lifelong learning loan entitlement.

Flexibility would be central, based on the needs of learners and employers. The loans would enable study for level 4/5 qualifications, encompassing single assessed modules and short accredited courses as well as longer apprenticeship-style programmes taken over several years. They would enable adults to study part-time, build their studies as their careers develop, and take their accumulated credits with them.

There is strong evidence to suggest that this approach would encourage many more adults to borrow to invest in their own future. For example, the sharp increase in enrolments following the introduction of loans

for postgraduate study - providing a fixed amount to cover fees and/or maintenance - in England has shown that the availability of a financial support package is crucial to unleashing demand. Furthermore, research on the recipients of these loans shows that they were taken in roughly equal proportions across all social groups. This demonstrates an appetite across all society for individuals to invest in their own future and that of their families.⁵

Increased future flexibility in the ways the Apprenticeship Levy could be utilised, in particular being deployed alongside employees' own loans, could produce a new model of co-investment in skills developments that benefits both parties. This would also result in a better balance between state, employee and employer responsibility in meeting the costs of producing the skills that the economy needs.

The LLAs will be an additional cost to Government, but delivering on its commitment to a revolution in Post-18 education was always going to need new investment. A loan scheme has three obvious advantages over grants being given out to learners, employers or providers. It offers the prospect of some of the cost being recouped over time. It encourages learners to take more thoughtful and responsible decisions about the focus and extent of their studies. It ensures that provider income is linked directly to learner demand which should help drive quality as well as responsiveness to learners' needs.

This third benefit may have another consequence. We noted above concerns both about the growth of young people in the population - and thus the number going to University - between now and 2030, and the low quality of some of the courses that they study. Enhanced flexibility in the funding model may not only encourage more mature adults to enter onto flexible skills-based courses at levels 4 and 5; it may have the same impact of young people who may otherwise have seen going to university to do a full time three year degree as their best option. We will pick up this strand when we look at the supply challenge.

The second obstacle noted above - focusing on the system to administer loans for higher level skills - should not be underestimated. Whilst acknowledging it is a huge undertaking, the SLC has taken a number of years to put in place a robust system that oversees distribution of fees and maintenance loans to around 1.2 million people every year. However, and notwithstanding it dealing with complexities such as those students who drop out before completion, this is a relatively uniform and straightforward product. Processing the volume and variety of loans that would result from the introduction of LLAs - from people taking a full time three year degree through to those enrolling on one module of a level 4 course per year - would be considerable, albeit surmountable over time. The answer lies in a phased approach, of which more in the section on focus.

5. Mateos-González, J L., and Wakeling, P, 2020, Student loans and participation in postgraduate education: the case of English master's loans, Oxford Review of Education

The Supply Challenge

There is still nostalgia amongst many older business leaders for the HNCs and HNDs - level 4 and 5 qualifications respectively - mentioned above. Rose-tinted as some of these memories may be, they testify to the enthusiasm of employers for qualifications that delivered the skills that they perceived they needed, were given time to build up their reputation, and possessed name recognition with the public. In part, the credibility of these qualifications was attributable to the high regard in which most of the then polytechnics which delivered them were held.

Level 4 and 5 qualifications are provided by both universities and FECs, in roughly equal proportions. Where the latter do not have Degree Awarding Powers (DAPs), they are validated by universities or are standalone qualifications accredited by the College or another professional or private body (for example, HNCs and HNDs are still around but the brand was sold to Pearson several years ago). As a consequence, there is a wide range of qualifications from which learners can choose, although in practice these choices are often constrained by current funding arrangements and patterns of local provision.

Furthermore, whilst universities may validate FECs' level 4/5 courses and, indeed, sit cheek by jowl in the same town or city, it is rarer to find a coherent and connected portfolio of programmes which have been designed to facilitate learner progression. It is not unusual to find FECs' programmes validated by a geographically remote university, which presumably tells us something about the reasons behind the lack of such a portfolio.

The best examples of collaboration result often from mergers between a university and an FEC, as has happened in South London and Bolton, often prompted by financial and/or quality issues affecting one or both parties. Where they work well, they enable the aligning of curricula across different levels of study, the sharing of equipment and facilities, and the pooling of expertise for delivery and assessment. Some universities have established subsidiaries where student experience is more akin to the one delivered in FECs, for example Coventry University College, and with lower fee rates. Others have acquired private FE providers to streamline and improve progression from level 3 into higher levels of study; NTU is one example.

These arrangements make two important points about the engagement of universities in the future growth of level 4/5 skills programmes. The first is that the current position has arisen in a piecemeal fashion which does not necessarily reflect an optimal approach for any of the parties involved. Whilst the models in South London and Bolton have initiated new ways of working, they may struggle to gain national acceptance within the current policy and legal framework. The second is that this university engagement is already very extensive and has considerable benefits for students, employers and government alike. Its further development may point the way to the solution of one emerging policy dilemma.

It is hard not to conclude that a long-term stance of non-intervention

by government and relevant public bodies in the shape and structure of higher skills provision at a local level has left an inefficient and ineffective legacy. It is puzzling that the recurring financial and quality problems across many FECs have been examined over many years in the absence of any consistent consideration of their relationship with universities. Significant statutory barriers remain to cross-sectoral mergers and other forms of structural alignment; the London South Bank University merger with a local FEC took three years to come to fruition.

This neglect has practical and detrimental consequences. Opportunities for students, universities, colleges and employers are being missed through a lack of joined-up approaches to both policy and practice. Specifically, there is:

- failure to produce a coherent set of programmes that facilitate student progression across levels of provision from levels 3 (A-levels or B-TECs) to level 7 (postgraduate study) resulting in a confusing landscape of offers that do not meet fully the needs of either learners or employers;
- duplication of programmes, and thus staff, equipment and facilities, across institutions often teaching relatively small cohorts, in a period of accelerating pressure on resources;
- lack of collaboration in areas such as estate utilisation, digital technology, and a range of back office services;
- major transaction costs in the validation and quality assurance of programmes delivered in FE but awarded by HE without achieving for students, qualifications that carry the reputation and status of the awarding institution; and
- increasing cost for FECs in meeting the regulatory requirements of the Office for Students.

Government has started recently to intervene in a more proactive way. The Institutes of Technology initiative has sought to incentivise universities and FECs to collaborate with employers and local devolved authorities and LEPs around new programmes and facilities focused on higher and technical education. This is welcome recognition of the need for national intervention, but it does not constitute a comprehensive approach to the problems it has inherited. It will not by itself produce a unified skills system across England comparable with the more integrated model developed across Scotland.⁶ At the same time, the Government is aware of the benefits of universities - or, to be more precise, institutions with DAPs - being central to the delivery of a new generation of flexible level 4/5 technical qualifications which will be co-designed by employers, accredited by the Institute for Apprenticeships and Technical Education (IfATE) and funded through the lifelong learning loan entitlement.

I argue that the Government should be bolder. It should be clear that level 4/5 provision is primarily the responsibility of those organisations which can award degrees. Universities and FECs with DAPs would continue

6. Spours, K, Education/employer partnership working and place-based skills development: a Social Ecosystem Model <https://www.city-ofglasgowcollege.ac.uk/sites/default/files/Ken%20Spours.pdf> (accessed July 2020)

to offer programmes from levels 4 to 6 as at present. However, no more FECs should be awarded DAPs unless there is a demonstrable problem with local delivery (for example in higher education cold spots where no university is prepared to fill the gap).

At the same time, those FECs without DAPs which run level 4/5 programmes would be prompted by ESFA to review their portfolio in collaboration with those local organisations which do have such powers, presumably in many cases the same institution that validates their provision at present. This process would look to address the range of challenges identified above. There would be a presumption - but not a prescription - that the provision of these programmes would transfer to an institution possessing DAPs.

There are several benefits of this approach:

- level 4/5 provision will be delivered in most cases only by those institutions with extensive expertise and experience in providing higher education;
- investment in expanding level 4/5 provision will benefit from the economies of scale that will result from being made into institutions with existing capacity and capability in these levels of education and dealing with larger cohorts of students (bearing in mind that two obstacles identified by providers to investing in such courses are set-up costs and long-term viability);
- current and new level 4/5 provision will benefit significantly from the reputation that comes from being delivered by recognised and respected providers of degree-level education (our polling shows that only just over half of respondents viewed a technical qualification from an FEC as having the same value as one from a university);
- design of courses and in-house support to enable student progression from level 5 to level 6 and onto level 7, where beneficial to the learner, will be much easier;
- access for employers to courses they wish to access will be streamlined, delivered alongside the business growth and innovation support that is already in play from universities; and
- essential investment in the technology that will drive the availability of flexible, modular, and blended (combining face to face with online learning) vocational courses will be focused in one local institution rather than spread across several which may be in competition.

More importantly for the long-term, in the context of significantly increased accessibility to loan finance, institutions with DAPs - including many universities - will pivot towards developing high quality standalone level 4/5 qualifications that are also available as modules accredited as bite-size qualifications. The initial success of Foundation Degrees shows that there is an appetite for such programmes from both students and

universities. This would mean significant investment in the facilities and people to deliver level 4/5 qualifications in a range of settings across a geographical patch in a coordinated fashion, including on the campuses of FECs if that is the most accessible and appropriate location.

For those Higher Education Institutions in a strong financial position, it will mean Government could mobilise these resources towards a major national priority. For those in a weaker situation, it gives a clearer purpose to the restructuring fund that the DfE has put in place recently and offers to these providers the prospect of a more secure future; it could also act as another prompt to look at new local alliances between universities and FECs. In a few localities, it may require granting of DAPs to FECs in cold spots for higher education or using IoT style competitive funding regimes to incentivise universities and FECs to develop joint provision.

However, there is another potential advantage to Government of this approach given the growth in the numbers of adults of all ages who need to develop higher technical skills: downward pressure on costs. The ESFA, using recommendations made by the IfATE, is already reducing the amount paid to providers of the educational component of some level 4/5 apprenticeships. In turn, these providers are responding by improving efficiency by investing in more online approaches to both teaching students and liaising with employers.

Beyond utilisation of more and better technology that will facilitate more blended learning, there are other reductions in overheads that could see fee rates for level 4/5 programmes shrink or, at least, remain static. For example, local students are less likely to incur significant marketing costs to recruit. They are more likely to live at home and be better connected to the local labour market, thus reducing the need for maintenance loans to support the additional accommodation and other costs of moving to a new town or city.

At the same time, Coventry University has shown the viability of a 'fewer-frills' approach to delivering courses from levels 4-6 at 60% of the current fee for a traditional degree; in so doing, it has made significant reductions to its cost base, such as in developing new terms and conditions for staff.

At the same time, of course, the offer has to be sufficiently rich and varied to attract a wide range of applicants - from 18 year olds who are choosing this level 4/5 route as an alternative to enrolling on a full degree to older adults who never considered going to university before - and to give the wrap-around support that enables students to complete their studies. It is worth bearing in mind that much of the extra-curricular activity pursued by full-time undergraduate students - for example sport clubs and student societies - are based on a pay as you go model which could apply just as well to those taking a more flexible and modular approach to their studies.

Crucially, however, if more students - and in particular the growing demographic of 18 year old students - are going to choose level 4/5 courses rather than a full degree, they are much more likely to do so if they are still 'going to university'.

One of the striking features of the current debate is that a major argument for enabling FECs to take a much greater role in future level 4/5 provision appears to be that it will support their financial sustainability. This may well be true. Nonetheless, it is a strange approach to the allocation of public money which is intended to optimise the benefit of skills education to individuals, employers and the broader economy. There is no doubt that FECs need more money, but it should be focused in large part on giving them the wherewithal to make their unique contribution to the skills ladder at level 3 and below as effectively as possible.

There is a golden opportunity here to use the expansion of funding for levels 4/5 to move the focus of a significant segment of the higher education sector back towards a broader offer that characterised them before they became universities whilst also bearing down on costs. In short, Government should seek to pivot the post-92 'applied universities' - and those created since - more towards technical and vocational courses rather than expand or continue FECs in an area in which they have very limited experience and expertise.

This would not require these universities to stop delivering traditional degrees in a broad range of subjects or undertaking research; indeed it is important to their continued reputation that they do both. However, it would mean that universities would be deploying their considerable resources, organisational capacity, and employer links to the benefit of many of the 50% that do not enrol for a full time university degree at 18. This would be the next step in developing their role to drive social mobility.

This would leave FECs to focus mostly on the considerable problems that beset education in this country at levels 3 and below. To achieve this, the Government is starting already to implement the increases in funding and reforms to allocation mechanisms recommended in The Augar Report. Under the proposals outlined here, universities could also give financial recognition to colleges to acknowledge the considerable amounts of support required to prepare their students to progress from level 3 to level 4.

The Focus Challenge

Many employers complain about the lack of relevant skills of those entering the workplace from any level of education. They argue that too often FECs and HEIs focus on the wrong things: they do not give learners the right specialist skills for that profession or trade; they do not impart sufficient generic skills, such as team working; and they do not imbue an appropriate work ethic.

However, it is heard least from those employers which have most involvement in the design and delivery - and frequently professional accreditation - of programmes put in place to meet their future workforce needs. This highlights the obvious but still important point that the more skills provision engages employers, the better the fit with what those employers need to drive growth and productivity. This is one of the key

lessons of the development process for apprenticeships put in place by the IfATE, where the specification of standards defined by employers has been central to creating curriculum content and assessment regimes.

This central focus on the relevance of the skills being taught to meet the current and future needs of employers is being picked up by the DfE's new accredited programme of level 4/5 qualifications. Also overseen by the IfATE, they will be based on a similar approach to defining course content and, again like apprenticeships standards, will be phased in over time.

This initiative brings a number of advantages beyond ensuring that skills provision has the right focus. First and foremost, it offers the prospect of a solution to the second demand challenge identified above - the capacity and capability of the SLC to operate a more complex loan book - as the PM's lifelong learning loans could be introduced alongside these accredited level 4/5 programmes, gradually over time. This would also mean that the additional Government investment in loans would be addressing from the outset major areas of national priority for skills development. Furthermore, existing level 4/5 courses which did not meet these requirements would have their current access to SLC loans withdrawn in due course, addressing some of the concerns about poor quality provision.

However, this approach will not deal entirely with the focus problem, as the need for specific skills varies significantly across the country. Understanding local needs for these skills is central to all categories of learners making good judgements about which courses to study and to providers judging if and at what volume they will be required.

A recent study into securing new job opportunities highlights that both potential learners and current and putative providers struggle to make informed decisions about the labour market, career options, and training opportunities. It contends that labour market intelligence 'is dispersed, often incomplete and not deployed in a way that allows stakeholders to spot disparities between skill supply and demand, identify opportunities for transitions between jobs and help people prepare for growing occupations.'⁷ Lack of confidence in prospects of employment with a sector depresses demand from individuals which deflates the confidence of institutions to create supply.

This is not to say there is not robust analysis of labour demand and supply taking place. Combined Authorities and LEPs have access to voluminous reports on such matters. However, they lack the capacity and capability - and the statutory requirement - to produce the quality of labour market intelligence that was available to previous bodies responsible for economic development, such as Regional Development Agencies.⁸ This needs to be tackled systematically, with a newly formed regionally focused but nationally informed system to allow learners and businesses to gain a detailed knowledge of demand and supply of skills.

Many reports on our education system - including the Augar Review - have called for improved access to Information, Advice and Guidance (IAG) for those considering their future choices. I would endorse this point but,

7. Orlik, J., Rhode, M., Douglas, R., Ward, P., and Scott, R, 2020, *Finding Opportunities in Uncertainty: The information and support that workers need to navigate a changing job market*, UK Nesta

8. Lawton, C., 2010. *A toolkit for assessing local skills demand and supply*. Nottingham: East Midlands Development Agency.

rather than make this case again, want to draw attention to the importance of this IAG being based on up-to-date and comprehensible employment data and forecasts at a regional level. This requires the publication and dissemination of at least annual regional insights on employment trends and skills, costs of courses, and future earnings potential, to support learners of any age to make informed and targeted decisions. This would also give providers insights into where to put their efforts. Supply of level 4/5 skills is best generated by informed learner demand stimulated by a new funding approach. A refreshed and rigorous approach to labour market intelligence is central.

Mansfield and Ashfield: A case study of a new approach to skills provision at the sub-regional level

Introduction

This paper has outlined the policy interventions that address the major opportunities and barriers that relate to the demand, supply and focus of level 4/5 skills in England. This section of the report shows how Nottingham Trent University (NTU) has been working in Mansfield and Ashfield (M&A) to exemplify how many of these policy interventions can be put into practice. It leads onto a proposal for a pilot that would test the impact of the funding method - the Lifelong Learning Loan Accounts - contained in the previous section.

The NTU project in M&A has sought to highlight how a HEI can utilise its resources, capability, networks and innovation to support a locality left behind by the knowledge economy. Following the closure of its coal mines in the late 20th Century, the area has not developed a major new post-industrial purpose beyond a range of distribution jobs that are now themselves under threat from automation. Both towns are in desperate need of levelling-up.

Whilst NTU is still at the beginning of discovering and delivering the full extent of its contribution in M&A, it has started to explore how innovative education and research can be brought to bear to address deep-seated and longstanding problems. At the same time, it is working with the civic agencies, businesses and people of the two towns; they share great pride in their past and great hope for their future.

This next section will set out the economic and skills position of M&A, demonstrating the importance of both in-depth analysis and dissemination of labour market intelligence as well as active partnership with local organisations. The chapter will then map out the supply side innovations that NTU is taking forward that exemplify the proposals outlined earlier in this report.

Background

Mansfield and Ashfield Districts in North Nottinghamshire can be seen as a critical case study through which to look at the nature of the challenges facing many of our northern communities and ways in which HEIs and FECs can re-shape their relationships to help address them. This is not just an education lens, but rather encompasses broader contributions such as raising aspiration and achievement in schools, supporting economic growth through innovation and enterprise, and implementing evidence based interventions within the community.

These two districts are in many ways typical of the former industrial towns of the North and Midlands. The loss of coal mining and other traditional industries, particularly textile related, over the last 40 years has left an area with a combined population of over 225,000 people struggling to find a positive post-industrial future. As well as being archetypal 'left behind' places - and very graphic illustrations of the importance of the 'levelling-up' imperative in public policy - they are also typical of the 'red wall' parliamentary constituencies that swung to the Conservative Party in the 2019 General Election (albeit Mansfield elected a Conservative MP in 2017).

M&A exhibit many of the characteristics of a low-skill and low-wage economy. Employment levels and economic activity rates (prior to Covid-19) were in line with national and regional averages, but skill levels and earnings lagged national averages by some margin. The profile of local employment (by occupation) is also noteworthy. Professional, associate professional and technical occupations are underrepresented, while care, leisure and services occupations are overrepresented in comparison to national benchmarks. The jobs density (ratio of jobs to working age population) is low compared to regional and national averages. This picture, and available data on commuting patterns, is suggestive of an area that supplies labour to the neighbouring cities of Nottingham and Sheffield.

The profile of local employment by industry sector is also significant. The industries with the highest location quotients (i.e. those that are overrepresented relative to their share in the national economy) and largest shares of local employment are: human health and social work activities (15% and 20% of local jobs); administrative and support service activities (15% in Mansfield); wholesale and retail trade and repair of motor vehicles and motorcycles (20% and 18%). It is hard to see this employment profile as characteristic of a 21st Century knowledge-based economy. Mansfield workers are also amongst the most vulnerable in the nation to technological change, with nearly a third of the jobs in the area predicted to disappear by 2030 due to automation.

It is the skill level of local residents that is the real cause for concern. Just over 20% of the local working age population has the equivalent of an NVQ level 4 qualification or better. The national average for NVQ4+ is 40%. At the other end of the qualification hierarchy, close to 10% of the local working age population have no qualifications at all; the national

average is 7.5%.

The Social Mobility Commission has shown that Mansfield is amongst the 10 least socially mobile of the 324 local authority areas in Great Britain. A child born into a ‘poor household’ there is amongst the 5% of people in the nation who are most at risk of remaining stuck in a cycle of disadvantage.

Table 1: Key social and economic indicators for Mansfield and UK.

Indicator	Mansfield	UK
Social mobility index rank out of 324 (2017)	315	-
% of population with NVQ4+ (2018)	24%	39%
% of population with no qualifications (2018)	13%	8%
Unemployment rate (2019)	8.2%	4.2%
Gross Value Add (GVA) <i>per worker</i> (2018)	£45,300	£57,600
% of economically inactive who want a job (2018)	34%	21%
% increase in social care spend from 2009/10 to 2017/18	11.7%	7.8%
% of economic inactivity due to long-term illness (2018)	50%	23%
% cancer cases diagnosed at early stage (2017)	38%	52%

This combination of lagging skills supply and apparently low aggregate demand for higher level skills goes to the heart of M&A’s challenge. This is not a challenge that will be resolved simply by local investment in education and training, important though this undoubtedly will be. Investment in skills must go hand in hand with the creation of the kind of jobs that require higher level skills that are currently underrepresented in the local labour market. Failure to address the demand side of the skills equation can only result in greater commuting to work elsewhere and, even worse, out-migration of workers with higher level skills. This is challenging because it implies training people, at least in part, for jobs that do not yet exist in the locality or for jobs that do exist but which are hard to fill (for example, within nursing and allied health professional roles in the large local hospital).

So, if the focus of training and education investment is solely to meet extant local employer demand for skills, we risk mostly just perpetuating the low-wage and low-skills economy of the present. Indeed, this could imply locking M&A into a trajectory of development that sees it fall farther behind other comparable local economies. At the same time, engagement with both public and private enterprises in the localities has demonstrated that there are employers - and the local NHS is the beacon exemplar - which have a pressing requirement for a more skilled workforce.

Universities are uniquely placed to support interventions to address this constellation of local economic development challenges for the simple

reason that they can act both on the demand for and supply of skills. They can upskill the local population through appropriate provision of education and training, while also delivering innovation and business development support to local businesses to facilitate the development of new products and services that will in turn stimulate aggregate demand for skills in the locality. This is the fundamental rationale - the *dual track* - that underpins NTU's initiative in Mansfield and Ashfield. At the same time, they can develop with FECs a skills ladder that aligns provision at levels 3 and below with the opportunity to move onto study at levels 4 and above in a manner that is accessible to and understandable by individuals and employers alike.

Defining principles and pursuing partnership

NTU adopted four principles in its approach to working in Mansfield and Ashfield. The first was to work in partnership with local civic agencies and businesses to co-produce plans for the University's contribution to the towns. The second was to recognise the requirement for a sustained and integrated programme of interventions underpinned by investment by the University and its partners. The third was to use its broad organisational and social capital to harness resources from across all of its academic and professional activities where these could enhance this programme. The fourth was that NTU would shed any preconceptions as to the ways in which a university could contribute to the economic, social and cultural renaissance of a location in which it had little presence to date.

Starting in Mansfield, the first of these principles meant NTU convening stakeholder workshops in the town bringing together local authorities, NHS organisations, businesses and community and voluntary groups to address two questions: what would be the benefits of making Mansfield a university town; and how could these be delivered?

NTU in Mansfield

Establishing a physical location for NTU's contribution to Mansfield was identified by all parties as the crucial first step to NTU demonstrating its commitment to the area and its people. This was achieved by transferring existing level 4 and above provision at Vision West Nottinghamshire College's (VWNC) University Centre into NTU's portfolio, with first students starting under its auspices in autumn 2020. However, future HE programmes in Mansfield will be driven solely by the current and future demand of local employers.

This is exemplified by the partnership with the Sherwood Forest Hospital Foundation Trust (SFHFT). The ambition is simple: local people will study for nursing and allied health professional qualifications on a local campus with placements in a local hospital which it is envisaged in many places will become their long-term local employer. A similar approach is being delivered with East Midlands Ambulance Service to train paramedics based in the north of Nottinghamshire and Derbyshire and being developed with Nottinghamshire County Council to address skills

shortages in the social care workforce.

The growth in nurse training is being facilitated by NTU making a significant capital investment - in partnership with the local LEP - into re-purposing a building on the VWNC campus to become a clinical skills development centre. Nursing will run alongside level 4/5 foundation degrees in business, education and early years, computing, health and social care and sports science (partly in collaboration with Mansfield Town FC) being delivered in the University Centre. Whilst students will have the option of going into Nottingham to complete a full degree, the intention is to make these standalone qualifications, which is why NTU is also pursuing HNC and HND accreditation. In the near future, modules within these programmes will be available as accredited short courses or single modules to bring the flexibility to the patterns of study available. It is envisaged that NTU will grow its level 4/5 apprenticeship offer onsite alongside some of the new accredited Higher Technical Qualifications being introduced by the DfE. All these courses will be designed to enhance resilience and productivity in the service sector which will remain important to the locality as well as generate higher skill levels to underpin growth in current and emerging digital and manufacturing companies.

Behind this partnership approach lie some important practical arrangements. VWNC staff have moved across to NTU under TUPE legislation and the College is relinquishing its registration with the OfS. NTU will make a financial contribution to VWNC for each one of its students that enrolls on its Mansfield programmes and is paying for the space and support services provided by the College in the University Centre.

Furthermore, the programmes will be based on the evidence that NTU has accrued about the most effective approaches to learning. Compulsory work experience will be central to every course. They will be designed as a blended approach which brings together face to face interaction with online resources. They will build on the use of advanced student data analytics from the outset (the NTU student dashboard). They will embed characteristics that facilitate success (resilience, engagement, agency) into the learning experience. The table below highlights some of the specific ways provision by NTU in Mansfield will take evidenced learning from across NTU to deliver an innovative tailored offer to students.

Figure One: Table of NTU in Mansfield specific course elements to support learning and engagement.

Central aspects of NTU courses in Mansfield
1. Placements and employability: all courses must include genuine, assessed placements or work-related learning
2. Active collaborative learning: all courses must include at least three modules per level in which either SCALE-UP or Team-Based Learning is adopted for the whole module
3. Course flexibility: all courses must include at least one fully online or heavily blended module
4. Personalisation: all courses must incorporate one to one personal tutorials for students which embed engagement with the Student Dashboard
5. Resilience: developmental interventions around resilience must be embedded as part of the core offering for students
Recommended aspects of NTU courses in Mansfield
a. Delivery of modules: all or most modules are to be delivered sequentially, one at a time
b. No formal end of year examinations: the assessment should be undertaken at the end of each module, for example in the form of coursework, presentations or class tests
c. Full day delivery: where possible, classes should be offered into the evening to maximise flexibility for students
d. Co- and extra-curricular activities such as mentorship, students in classrooms, volunteering, etc. should be incentivised

The vision for student provision in Mansfield is two-fold: to enable more local people of all ages to stay and study in Mansfield; and to encourage people from outside the locality to come and study there. In pursuit of the latter goal, the Town’s Future High Street Fund bid contains a proposal to create student accommodation in the town centre. This will bring new sources of income to local businesses and a potential new model of social university housing where students are engaged in community action as part of their accommodation offer. Crucially, NTU will bring its brand and reputation to the provision of higher education in Mansfield. Interestingly, almost 50% of students enrolling on NTU’s Foundation Programmes in autumn 2020 live outside M&A, achieving a medium-term strategic ambition from the outset.

The delivery of education and skills is just the start. It addresses only one of the two tracks of NTU’s part in the levelling-up of M&A, albeit the growth in student numbers in the towns will itself generate direct and indirect employment. The University is looking to develop in the two towns the level of business support, talent development, and innovation incubation that it offers already to SMEs in Nottingham. This will encompass growing locally the enterprise and competitiveness model that NTU brings to the stimulation of growth of higher value clusters of small

and start-up companies, in particular in the digital sphere.

In so doing, the University will invest further to unlock national, regional and local resources through its expertise and experience in accessing a range of sources of funding. In the very short-term these will include European Structural and Investment Funds (ESIF) funds such as the European Social Fund to support skills development and the Local Growth Fund (LGF) to support strengthening infrastructure. Beyond that, NTU will input bids to the [Stronger Towns Fund](#) as well as the forthcoming [Shared Prosperity Fund](#). It will seek to generate research and innovation funds to support initiatives that enhance the economy and peoples' well-being; the first example relates to the growth of social prescribing. The award-winning NTU Legal Advice Centre will also offer its services to residents and businesses in the towns. The Arts Council has already funded NTU to pursue a collaborative project with local organisations to develop further their cultural strategy. One element of the NTU initiative has been hampered especially by Covid-19: offering bespoke support to a large local secondary school around pupil aspiration and achievement.

A Proposal for a Funding Pilot

The Government has announced already a £2.5bn national skills fund. There is an opportunity to commit this money to both meeting immediate skills needs through training grants and modelling how a new long-term approach based on LLAs could be phased in over the lifetime of this parliament. This section outlines a proposal to launch a pilot to trial the optimal approach to introducing LLAs in Mansfield and Ashfield, potentially alongside three or four other localities to explore its impact in a number of settings.

As we show in the first section of this report, for many years now the funding support for learners at sub degree level has been as disparate as it has been restricted. The availability of finances to enable adults to engage in skills education is patchy, tricky to navigate, and not flexible enough to address the needs of many potential learners. Most shorter and more focused courses are simply excluded. This has reduced demand and, in turn, largely stifled innovation in supply.

The suggestion is that Government would commit part of its £2.5bn national skills fund to a major local education provider – in the case of Mansfield and Ashfield, NTU - so that it could make available grants to learners to identify the extent and the nature of latent demand, the type of provision that most ensures learner engagement and attainment, and the features of any future LLA scheme that would best ensure its success.

Of course, this approach would also enable local people and employers to address in short order some of the identified skills gaps in the local economy, in particular those arising in the post-Covid world. To achieve this, NTU would work in Mansfield and Ashfield with the local LEP to utilise its labour force analysis to pick priority skills areas and with a network of regional employers to design and deliver a range of programmes to provide those skills, from short-run certificate programmes to longer-term

programmes at levels 4/5. Although NTU would administer the funding with local agencies, it is envisaged that some of the courses would be run by other providers as part of an integrated skills package that is navigable by both learners and employers.

NTU proposes Mansfield and Ashfield as the lead pilot site due to the current skills landscape outlined earlier in this report. It is clear that M&A would benefit from moving people in low-paid work into skilled well-paid technical vacancies that employers are struggling to fill due to a lack of candidates with the appropriate skills. The area is a prime candidate for leading the charge in “levelling-up”.

The pilot would have the following characteristics:

- A duration of 24 months, starting in January 2021.
- The award of the LLA as a grant within the pilot of no more than a specified amount per annum depending on the scale of the course, flexible in use for tuition fees and maintenance.
- Eligibility criteria for the grant would need to be defined (e.g. adults over 18 without a publicly funded degree).
- The funds would be provided from the National Skills Fund and administered by a provider in collaboration with the LEP/ Combined Authority and local employers.
- Eligible programmes would be defined by national and local skills priorities in consultation with local employers.
- A range of providers would deliver the courses.

Conclusion: future policy in action

This case study demonstrates the practicality of the policy recommendations outlined in the previous section. First, it shows that universities are putting in place flexible models of levels 4/5 provision that could form the basis of a pilot of LLAs whilst addressing some of the pressing skills needs of employers and learners in a ‘left behind’ town. Secondly, it exemplifies the benefits of an institution with degree-awarding powers taking responsibility for level 4/5 courses across a locality, in close partnership with the FEC, and where smooth progression from level 3 is a mutually shared priority. Thirdly, it makes clear the central importance of credible, accessible and granular data about labour markets to the shaping of appropriate programme portfolios alongside the critical role of engagement of local employers and learners.

Overall, the experience in Mansfield shows the forthcoming White Paper could drive fundamental and necessary reforms in higher technical and vocational education if it approaches the demand, supply and focus challenges in the manner articulated in this report.

Higher Education Polling Survey

Summary of Results

On behalf of Oakhill Communications, Populus conducted an online nationally representative poll among 2,081 respondents between 8th-9th July 2020. Populus is a member of the British Polling Council and abides by its rules. For more details, go to www.populus.co.uk.

Q1 – The expansion of university education

- We opened this survey asking respondents to what extent they agreed or disagreed that the big expansion of university education has been good for the country. The results show a country almost split down the middle. Just over half (55%) of respondents agreed overall with respondents more likely to somewhat agree (36%) than strongly agree (19%).
- Respondents aged 18-24 were significantly more likely to agree (71%) in comparison to all other age groups (25-34s 66%, 35-44s 58%, 45-54s 51%, 55-64s 44%, 65+ 46%).
- 16% of respondents disagreed overall, with men (18%) more likely to disagree than women (14%).
- Respondents who graduated in the year 2012 or after were more likely to agree (76%) that the big expansion of university education has been good for the country in comparison to those who graduated in the year 2011 or before (58%). This could be due to their university experience being fresh in their minds and so are more likely to relate to this on a personal level.

Q2 – School Leavers

- According to recent UCAS figures, about half of school leavers go on to study at university. We asked our panellists if they feel this figure is too many, too few or about right. Two fifths (44%) agreed that it was about right, over a quarter (27%) claimed it was too many and 14% claimed it was too few. 15% said they were unsure.
- Men were more likely to feel this figure was too many (31%) vs women (22%). Unsurprisingly, those aged 65+ (44%) were the most likely age group to feel the number was also too many – perhaps because they are from a generation where few school

leavers went onto University and went straight into the working world instead. On the other hand, the younger age groups (18-24 54%) were more likely to feel the opposite and agreed that this number was about right.

- A fifth of respondents (19%) who graduated in the year 2012 or after felt this number was too few.

Q3 – Government Resources

- We presented respondents with three statements relating to where the Government should focus its resources and we asked them to choose which one aligns with their view the best. Overall, the statement ‘The Government should provide resources equally to all students whether they are going to attend University or not’ was the most chosen statement with 7 in 10 respondents (70%) choosing so. Women (74%) were more likely to choose it in comparison to men (67%).
- 15% chose the statement ‘The Government should focus their resources on the 50% of school leavers that do not go on to study at University’ with men (17%) more likely to feel this best aligns with their view in comparison to women (13%).
- Just 3% chose ‘The Government should focus their resources on the 50% of school leavers that do go on to study at University’ and 1 in 10 (11%) respondents claimed they were unsure.

Q4 – Technical Qualification

- We asked 2,000 respondents if they felt a technical qualification awarded by a Further Education College as being of more, less or about the same value as one awarded by a university. Over half of respondents (53%) agreed it was about the same, over a quarter (27%) agreed it was less value and 9% agreed it was more value. 12% claimed they didn’t know.
- Men were likely to agree it was more value (11%) vs women (6%) and women were likely to agree it was about the same (55%) vs men (50%).
- Respondents aged 18-24 were the most likely age group to feel it was of less value with 4 in 10 (41%) believing so in comparison to all other age groups.

Q5 – Vocational professions

- There is some debate as to whether vocational professions should require you to have a degree qualification. We asked respondents which professions (from a given list) they feel should require a higher education degree. The answers broke down as follows:
 1. Teacher = 73%

2. Nurse = 48% (women (54%) more likely to agree than men (42%))
 3. Police officer = 24% (women (30%) more likely to agree than men (19%) along with those in younger age groups (18-24s 38%, 25-34s 31%))
 4. Prison officer = 12% (women (16%) more likely to agree than men (8%))
- 18% claimed none of these vocations require a higher education degree. Those who graduated in 2011 or before were significantly more likely to agree here too (14% vs 8% who graduated later). 2% chose 'Other'.

Q6/Q7 – Graduates who work

- Among our respondents who have graduated from university, 6 in 10 (63%) graduated in the year 2011 or before and over a quarter (28%) graduated in the year 2021 or after. 9% claim they couldn't remember when.
- We asked our graduates who currently work, if they feel their degree was necessary for the job they are in now (when we say degree, we asked them to think about the academic aspect of the course itself). Over half (58%) agreed that it was necessary, with the ABs segment agreeing more so. However, 42% claimed it wasn't necessary either not at all or that they rarely use learnings in their current job which rose to 46% among graduates from the year 2011 or before.
- Just over a quarter (27%) said they agreed completely and they use learnings from their degree regularly in their job. 31% claimed it was somewhat necessary and they use parts of their degree in their job now.
- 15% claimed their degree wasn't necessary at all for their current job, which was significantly higher for those who had graduated in the year 2011 or before (17%) in comparison to more recent graduates (9%).

Q8 – University experience

- We then asked this same group (graduates who work) to think about their University experience as a whole and whether the things they learnt during this time have been useful in their job. Over two thirds (68%) agreed that they have used learnings from their time and experiences at University in their job. A quarter (25%) agreed that they do so regularly and 43% agree that they do so on a more occasional basis with some of the things that they learnt during this time.
- Across social groups, Abs (79%) were the most likely to agree (vs 64% C1s). Similarly to Q7, those who graduated more recently

(2012 or after) were more likely to agree (76%) that they use learnings from their time and experiences at University in their job compared to those who graduated in 2011 or before (65%).

- Overall, 32% said they rarely/never use learnings from their time and experience sat University in their job (21% rarely; 11% never).

Q9 – Degrees, worth it or not worth it?

- In the next question we asked graduates to what extent they felt that different aspects of their degree were worth it or not worth it. An overview of the results are as follows:
 1. The time taken to complete your degree – 87% worth it; 13% not worth it
 2. The money spent on your degree – 74% worth it; 26% not worth it
 3. The effort that went into completing your degree – 89% worth it; 11% not worth it
- Half (50%) of respondents agree their degree was completely worth the time spent completing it with respondents aged 65+ (65%) and ABs (56%) most likely to agree. Agreement here was consistent across employment sector and graduation period.
- In regards to money spent, 41% agreed this was completely worth it and a third (33%) felt this was somewhat worth it. Overall, a quarter (26%) felt that their degree was not worth the money spent – younger respondents (38% 18-24 vs 14% 65+) and those who graduated more recently (35% 2012 or after vs 20% 2011 or before) were more likely to agree. This is likely a reflection of the rise in University tuition fees in more recent years.
- The effort put into completing a degree was the aspect deemed most ‘worth it’ amongst these respondents with 89% agreeing here. Over half (54%) agreed that their degree was completely worth the effort that went into it, older respondents (72% 65+) and those who graduated in 2011 or before (58%) were most likely to agree with this sentiment.

Q10/11 – Employing candidates

- Among our respondents who work, 14% are currently in a role where they are in charge of employing people. Men (17% vs 10% women), ABs (26% vs 8% C1) and those in the private sector (17% vs 8% public) were more likely to be in this type of role.
- Overall, 6% of these respondents are in charge of employing people for their own company and 8% have this responsibility in the company that they work for.
- We then asked our panellists who are in charge of employing people for their own company/the company that they work for,

to tell us which statement from a pair, best aligns with their views around employing candidates.

- Over half (52%) of these respondents felt that they would rather hire someone who had just completed a work-based apprenticeship than a new University graduate.
- On the other hand, just under 3 in 10 (29%) felt that they would rather hire a new University graduate than someone who had just completed a work based apprenticeship. 18% of those who saw this question felt that they were unsure of which best aligned with their views.

Q12 – Graduates today vs Graduates from 20 years ago

- To close the survey, we asked all respondents to what extent they agreed or disagreed that graduates today are better equipped for the workplace than those of 20 years ago. Overall, 28% of respondents agreed with this statement with a fifth (20%) saying they somewhat agree and 8% saying they strongly agree.
- Agreement was consistent across male and female respondents, however, across age groups, younger respondents were more likely to agree that graduates today are better equipped for the workplace (39% 18-24; 39% 25-34 vs 21% 55-64; 20% 65+). Londoners (38%) and those who graduated in more recent years (40% vs 24% 2011 or before) also were most likely to agree.
- A third of respondents (32%) disagreed that graduates today are better equipped for the workplace than those of 20 years ago. Unsurprisingly, older respondents (40% 65+ vs 25% 18- 24) and those who graduated in 2011 or before (38% vs 23% 2012 or after) were most likely to disagree here. Those in the private sector were also more likely disagree that recent graduates are more equipped for the workplace (31% vs public 24%).
- It is worth considering that respondents do not necessarily have any first-hand experience of witnessing other graduates in the workplace other than their own personal experiences.

Notes

Quotas and Weighting

- Populus's online omnibus survey has quotas set on age, gender, region and social grade. In addition, Populus weight back the data to the known profile of Great Britain using age, gender, region, social grade, working status, number of cars in the household, taken a foreign holiday in the last 3 years and housing tenure.
- When comparing results between sub groups, we generally only report on statistically significant differences between these groups.

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- When analysing sub groups, we only report on those that have a base size of over 100 respondents (data from groups with a base of fewer than 100 respondents would not be robust enough to draw any meaningful conclusions from and thus would only be indicative).



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