

Scoping Discussion Note

Scrutiny Review of Further Education (FE) in Southwark (cross-reference to area review of FE in central London)

Date

14 November 2016

Introduction

As part of the 2016-18 Scrutiny work programme, the Overview and Scrutiny Committee (OSC) will undertake a review of FE in Southwark. The review will cross-reference to the area-based review of FE being undertaken by the Department of Education (DfE) on a national scale, of which Southwark forms part of the central London sub-region. The DfE review is expected to conclude and report its recommendations in November 2016, which aligns with the scoping discussion by OSC planned for 14 November 2016. The scrutiny review of FE is expected to conclude by March/April 2017.

Background / context

Further education represents an important pathway for many young adult (and older) learners from school and into employment, especially those seeking technical and vocational routes into work. However, for too long our post-16 further education provision in the borough has been below the standard we expect, especially so given the job and business opportunities that continue to be available in Southwark as a central London borough.

Lewisham Southwark College, the local FE college, was assessed as 'inadequate' by Ofsted twice in the space of eighteen months between 2013 and 2015 and although the most recent Ofsted in 2016 rated the college as 'requires improvement', key challenges remain. Without the appropriate steps put in place there is a risk that still too many residents will be left behind from what is on offer locally in terms of FE provision.

In stark contrast to FE, Southwark's schools are now performing at their best rate in a generation, with nine in ten rated 'good' or 'outstanding' by Ofsted. Furthermore, through our employment work the council have supported over 2,500 people into work (many of whom face barriers to finding work). In 2015/16, Southwark Council helped create 412 apprenticeships in the borough, the best performance in London. As part of the council plan refresh to May 2018 we are committed to 'support a high quality FE and skills offer in the borough'. We are also updating our economic well-being strategy, for presentation to cabinet in December 2016, with a quality FE and skills offer a key aspect of strategy implementation.

The need to build skills for future generations is a key focus in government and with the London Mayor too. An area based review of skills for central London has been set up by DfE. The review has been set up to respond to the twin challenges of a much reduced resource base for the FE sector and how to build a skills offer that helps drive local economic growth and meets the needs of future learners and employers. The review will report in November 2016 and set out recommendations for the FE and adult learning sector to respond to over the medium term. The council is committed to constructively responding to that review.

However, the council can only influence FE provision and delivery. Ultimately, colleges are independent institutions, with separate governance and decision making arrangements, and whilst they should take account of stakeholder priorities how they plan, manage and resource activity is ultimately for each college to determine as they see best.

Purpose of the scrutiny review / intended outcomes

The scrutiny review of FE is timely given the background issues set out above. Intended outcomes will be determined through the scoping exercise and associated evidence gathering stage of the review.

Key sources of information

There are a number of national, regional and local information sources that may be useful in informing the scoping exercise.

The government published the *Post-16 Skills Plan* in July 2016, mapping planned reforms to the technical education offer nationally between 2016 and 2022. This plan was informed by a review from the *Independent Panel on Technical Education* (chaired by Lord Sainsbury), which made wide-ranging recommendations for systemic reform.

On 27 October 2016 the government introduced a *Technical and Further Education Bill*. A ministerial statement¹ from Justine Greening MP indicates that, in addition to the streamlining reforms mapped out in the *Post-16 Skills Plan*, the Bill addresses protections for students and the financial instability of the FE market.

The *Lewisham, Lambeth and Southwark Skills Analysis (2013/14)* provides detail on the local context. The research, carried out by CESI, was part of submission to develop the pilot community budget project 'pathways to employment', supporting those furthest from the labour market back into work.

A summary of these reports follows. Full documents have been attached as appendices where available.

The *Area Based Review of FE and Skills* – setting vision, purpose, policy ideas and general discussion – is due to be published later in November. The review will set out the FE and skills landscape in central London, presenting recommendations and wider conclusions for consideration.

The most recent Ofsted report for Lewisham Southwark College is also attached as an appendix. More detailed data setting out performance outcomes for learners, including destination data, are held by the college but can be requested.

There are some common themes to note when reviewing existing literature:

- FE and skills provision is highly complex with thousands of qualifications delivered through a competitive market process which drives down quality
- Learners, parents/carers and educators understandably struggle to navigate this offer, which appears all the more complex when viewed alongside a well-established and relatively simple academic route
- The existing network of colleges and training providers is not financially sustainable

Report of the Independent Panel on Technical Education, April 2016

¹ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-10-27/HCWS223/>

The panel was established by the Minister of Skills and tasked to advise on actions to improve the quality of technical education in England. This included simplifying the complex system of skills support with the aim of creating a system that meets the needs for the 21st century. The review was commissioned in light of persistent poor performance in skills at a national level². The panel was chaired by Lord Sainsbury and was commended by many in the education sector when published. The review considered best practice in the UK and other international education systems.

The report identifies some key challenges in the current landscape and presents recommendations for a way forward. Key challenges included:

- Existing qualifications do not bear sufficient relation to occupations or to employer requirements
- The volume of qualifications on offer (over 13,000 technical qualifications including more than 33 in plumbing alone) drives down quality and makes it impossible for learners to take informed and effective decisions about what route is best for them
- There is a market-based approach to qualifications which has reduced quality, particularly in level 2/3 qualifications

The report recommends a fundamental shift in the structure of the technical education offer. It proposed that two modes of delivery should be adopted: employment based (most commonly delivered through apprenticeships) and college based (most commonly two years full time classroom based study). These modes should be delivered through 15 routes which are connected to occupations and which span both employment- and college-based training.

The objective is to produce a skills system that effectively prepares learners for work by offering a coherent framework of qualifications at level 2/3 and 4/5 (and beyond). The report suggests that the technical option should be clearly delineated from the academic route, while retaining the option for learners to transition between the two routes as they progress.

The delivery of provision should also be diversified to accommodate learners of any age, i.e., adults returning to training may require a different approach to learning than school leavers.

Key recommendations:

- Streamline the technical offer to 15 routes for skilled occupations where there is *substantial requirement for technical knowledge and practical skills* (and remove occupations without this requirement from the programme)
- Expand the scope of the Institute for Apprenticeships to include all technical education
- Every college based route should begin with a two year programme suitable for 16-18 year olds based around a common core, also aligned to apprenticeships
- Offer 'bridging provision' to enable individuals to transition between technical and academic routes
- Ensure provision is diversified to accommodate learners of any age, i.e., adults returning to training may require a different approach to learning than school leavers

² The UK is 22 out of 23 OECD nations for intermediate professional and technical skills, projected to drop to 28 by 2020 (*OECD Skills Outlook 2013: First Results from the Survey of Adult Skills*, OECD, 2013). It is also in the bottom four OECD nations for literacy and numeracy skills among 16-24 year olds (*UK Skill Levels and International Competitiveness, 2013*, Bosworth 2014).

- Refine the approach to qualification regulation to address quality issues at all levels
- Offer of a 'transition year' for all those not yet ready to adopt a technical route, including learners with additional needs
- Refine careers education to ensure learners are aware of the technical route
- Reform funding to ensure only colleges and training providers meeting clear criteria are eligible for funding

Post-16 skills plan

The *Post-16 Skills Plan* sets out the vision for a reformed technical education system that works alongside the well-established academic route to address the skills need to the UK. It is based on the Sainsbury review (see above) and adopts all the recommendations made, within financial constraints.

In addition to other key issues identified by the Sainsbury review, the report highlights a persistent deficit in apprenticeship opportunities and a lack of technical education at higher levels to meet futures skills demand.

The plan also commits to focus on key skills areas with high levels of need in the short-term, to ensure provision responds to employer needs.

The plan adopts almost all of the recommendations made by the panel, including:

- Streamlining technical education to just 15 occupation-based routes, grouping occupations where there are shared technical and skills requirements
- Introducing a two-year programme at the beginning of all routes, centred around a common core of learning
- Reforming qualification regulations generally, and specifically limiting qualifications for these two-year programmes to just one-per programme, delivered by licence following a competitive process
- Offering transition years and bridging provision to help learners join and transfer on/off technical routes
- Reforming careers education to ensure everyone knows the options available to them

The plan also sets out four guiding principles by which these reforms will be shaped:

1. Employers must play a leading role
2. Technical education needs to be fulfilling, aspirational, clearly explained and attractive – to everyone, regardless of their gender, race, disability, sexual orientation, sexual identity or any other factor beyond their control
3. We need to ensure that many more people can go on to meet the national standards set by employers
4. We need close integration between college-based and employment-based technical education

Lewisham, Lambeth and Southwark Skills Analysis (2013/14).

The report was produced by the three boroughs as part of a submission to develop a pilot community budget project 'pathways to employment', supporting those furthest from the labour market back into work. The report includes key information on the local labour market, notably a proportion of economically inactive residents with long term health conditions higher than the London average. The report highlights that disadvantage groups are disproportionately underperforming when compared to London averages too, particularly minority ethnic groups, older people and people with disabilities.

The report notes that those without a job in the three boroughs are more likely to have no qualifications than London as a whole, especially Lewisham and Southwark. Compounding the disadvantage that this represents, we also note that there is an increasing focus on sectors that require higher-level skills. That being said, these sectors also provoke an increase in hospitality sector developments and, of course, require lower-skilled service roles.

There is a mixed picture in terms of competition: pay across London, with some wages falling and others rising according to labour force supply. We will have a clearer picture of how this information applies to Southwark on completion of the *Area Skills Review*. It is generally accepted that there is an information-delay which results in learners acquiring qualifications which do not best position them for the labour market at the point of entry. A number of online tools are available to support young-people with decision making but it is not clear what the take-up of these tools by schools is as yet.

Some issues on the ground are also highlighted. Learners acquire qualifications which provide them with a range of useful soft skills. For example, a hairdressing course provides skills in budgeting and financial management plus rich development in customer services but employers may not identify that. Alternatively, learners may qualify in a profession with good employment prospects but low rates of pay and elect to enter another field on qualifying.

In summary, there is growth locally of high-skilled jobs and, with it, a supply of entry-level and low-skilled vacancies. What may emerge is something of a gap in bridging roles and qualifications to enable low-skill residents to access the high-skilled opportunities. The demand for skills is changing at a rapid pace. It will be increasingly important to track training against future labour force demand to ensure residents are best-positioned to access opportunity in a market which has access to a global supply of workers. It may also be important to effectively communicate career pipelines to ensure younger residents do not make future career decision based on low rates of entry-level pay.

Key conclusions

The UK has some clear challenges around skills to address in the short and medium term. Plans to address some of the issues of complexity and poor-quality in the technical education offer nationally are in place. How effectively these solutions satisfy need at the local level will depend, to some extent, on the quality of information decision makers have. Effective communication of intelligence has a key role to play in skills provision, planning and delivery. We will have a better understanding of how this may play out at a sub-regional and local level when the *Area Skills Review* is published.

Methodology for review

Desk-research, semi-structured interviews and open panel discussions may be useful to inform a final report detailing any findings and recommendations.

The area-based review will provide useful data and information to be considered before a scope for the report is set, both in terms of areas for more detailed/ localised consideration and possible areas of particular interest for Southwark. The review is focused on local FE provision and as such the role/ functions of Lewisham Southwark College will be key. The review may also wish to consider useful information concerning where sub-regional matters may be of interest, acknowledging that learners and employers do not operate within a 'set' geographical boundary to access training and employment.

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