EST 1892 LSBU

A Year in Higher Education 2022

Articles and blogs on higher education from LSBU

Introduction

Like recent many years, 2022 was dominated by change. Although we were less impacted by Covid-19, the sector faced other challenges including five Education Secretaries and an economic downturn resulting in part from Russia's invasion of Ukraine.

After three years of deliberation, the Government responded to the Augar Review of Post-18 education in February, announcing changes to student loan repayments and consultations on introducing Minimum Entry Requirements and Student Number Controls.

A political focus on skills and removing educational silos has been warmly received, particularly because the Skills and Post-16 Education Act passed through Parliament and the Levelling Up White Paper was published. So too has the increased investment in research and development, with the Chancellor's commitment to increase the R&D budget to £20 billion in 2024 representing very positive news for the sector.

On the other hand, we have felt the effect of the cost of living crisis. The unit of resource for teaching students is rapidly shrinking, with the £9,250 tuition fees now worth only around £6,600 in 2012-13 prices after factoring in this year's double-digit inflation. Plans to clamp down on foundation years, pressure to limit the number of international students after reaching the 600,000 target and another year of disassociation from Horizon Europe have each presented challenges.

The University's Research Excellence Framework results were published and demonstrated the huge strides LSBU has taken. 68% of the research submitted was ranked 'world leading' or 'internationally excellent', a 14% rise from 2014. We also produced the second version of our Social Mobility Index (published by the Higher Education Policy Institute), which ranks universities by their contributions to improving social mobility.

As we look ahead to 2023, we will be preparing for the assessment and outcome of our Teaching Excellence Framework submission, the Office for Students' planned changes to access and participation, and the Government's response to the Lifelong Loan Entitlement consultation.

I have made several policy interventions on these and other educational issues of the year. I hope you find them interesting.

Professor Dave Phoenix, Vice-Chancellor, LSBU and CEO, LSBU Group

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The new TEF proposals could punish inclusive providers

FE Week, 30 January 2022

The Teaching Excellence Framework has great potential – but new baseline measures could put FE-HE partnerships at risk, writes David Phoenix.

Last week the Office for Students released proposals for a revised Teaching Excellence Framework (TEF).

The TEF, which was first run back in 2017 but has been on hiatus since 2019, aims to incentivise "universities and colleges for excellence in teaching, learning and the outcomes they provide for their students".

First off under the proposals, it will no longer be the case that previous TEF exercises will be voluntary. All providers, including colleges with more than 500 higher education students in England, will be required to participate.

The proposals say that providers must meet a set of minimum baseline requirements for quality and standards, above which they will be judged for the excellence they provide in student experience and student outcomes. This is proposed to run every four years.

For student outcomes, the proposals say the panel should look at the last four years of data, checking three measures: year 1 to year 2 continuation, the rate of course completion, and progression into professional and managerial employment or further study.

Meanwhile, the student experience would consider the national student survey results for teaching, assessment, support, learning resources and student voice.

This data would be benchmarked against providers with similar student bodies. Providers must also submit a 20-page narrative statement (plus an optional student statement).

The panel would then make a final decision on whether to award gold, silver, bronze, or the new 'requires improvement' grade.

HE and FE providers found to 'require improvement' will not be able to charge the highest undergraduate fees under the proposals. If given the go-ahead, the new TEF will launch later this year and would first report in the spring of 2023.

From my group's experience of taking part in the 2017 exercise, I would argue that submitting to the TEF can be a useful process. But two details concern me.

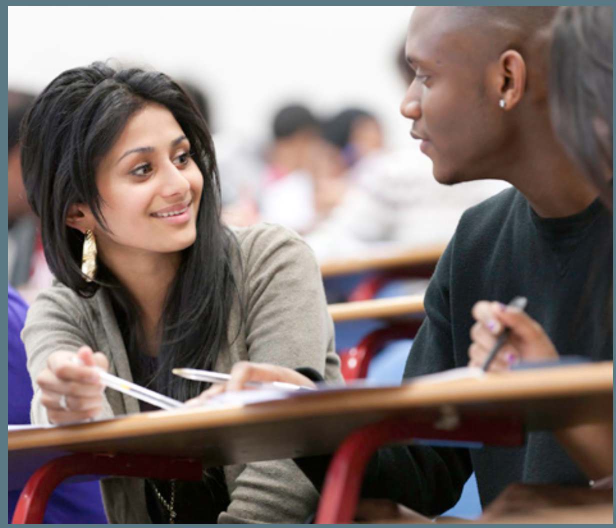
1. More inclusive providers could lose out
I am worried about the introduction of non-contextualised, unbenchmarked minimum baseline requirements for quality and standards. FE providers will recognise this problem.

These baseline requirements are currently subject to a separate OfS consultation. If implemented, a provider's levels of continuation, completion and progression will be introduced as a requirement for inclusion on the higher education providers register.

Aside from the financial impact of missing targets, such an approach will lend itself to more ranking exercises, so that institutions that take students with complex needs will always be at a disadvantage.

This is not because such students are any less able but a reflection of the competing demands upon them, which inevitably mean that they have a higher likelihood of non-completion.

2. FE-HE partnerships under threat
There is a further unintended consequence, which I am particularly mindful of as the chief executive of an organisation that includes both a university and a college. That is the potential effect on HE-FE partnerships.



Higher education could become far more conservative in its recruitment.

The proposals could help support carefully crafted partnerships that underpin the development of higher technical qualifications and new learning pathways. But these joined-up pathways are still developing, and the concept of specialist organisations working in partnership needs to gain traction in the media.

Many universities will be forced to take action to improve their outcomes, and for some universities that may include terminating partnerships where they don't have the resources to invest in more student support, or where stand-alone level 4 and 5 awards have not yet been fully developed.

More widely, it could see higher education becoming far more conservative in its recruitment, prioritising school and sixth-form college leavers who are most likely to help them meet their targets.

A TEF designed to improve teaching quality and new educational pathways should be seen as a positive development, and encourage HE-FE partnerships.

But the parallel development of non-benchmarked baselines has the potential to do the opposite. It could take us back to a place where higher education is for the privileged few.

The Importance of a Differentiated Sector

HEPI, 11 February 2022
By Saskia Loer Hansen and David Phoenix

While it was a disappointment that higher education funding was left out of the autumn budget, it was also to be expected. Since the Augar review was published in spring 2019, the Government has repeatedly deferred a substantive statement on the future direction of higher education funding. In the interim, with tuition fees frozen for their fifth consecutive year and inflation reaching 5.4 per cent, the need for fresh thinking on university funding is pressing.

Hopes are now pinned on a potential Higher Education White Paper, which might set out a clear vision of how the Government sees the future of tertiary education and how the Lifelong Loan Entitlement agenda might play into delivering a sustainable funding solution for higher education.

It is easy to get bogged down in the minutiae of the policy detail as universities rightly crave answers to many questions, but we would argue that it is also time to take a step back, and to assess the shape and diversity of the sector in which we operate. We contend that there is real value in having a truly differentiated sector, and that greater differentiation may also be the key to unlocking some of the funding and quality questions with which the Government has been grappling.

What do we mean by this? One of the major drawbacks of our current higher education funding model is that it drives homogenisation. Universities are seeking to be better at the same things while potentially losing touch with their origins, locations and the purposes for which they were each created.

Technical education is a prime example of our point. Numerous governments have enacted policies to create technical institutions through the foundation of the Redbrick institutions, colleges of advanced technology and two separate waves of polytechnics. Although many of these universities of technology have maintained the technical provision for which they were founded, funding incentives have pushed them to become more 'comprehensive', broadening their portfolios beyond their original purpose. The Dearing Report acknowledged this issue back in 1997, stating that:

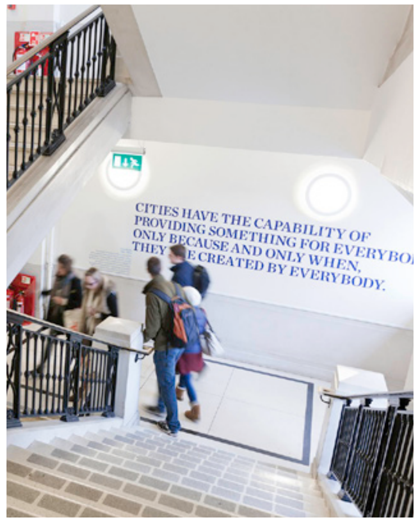
We heard from those who lead and work in the institutions that they consider that current funding arrangements are tending to promote homogeneity, and that institutions, whilst autonomous, are increasingly making similar choices in response to the range of funding options available to them. We were told that… institutions perceive no explicit financial reward or incentive for pursuing a distinctive mission…

The financial disincentive to specialise (aside from those few specialist institutions which receive additional funding to do so), has, if anything, grown over the last two and a half decades. One of the consequences of the 2012 fee reforms was that the levels of funding for most courses were equalised, regardless of how much they cost to deliver. While the Government provides a top-up grant for high-cost STEM subjects, it often fails to cover the full cost of their delivery. Analysis by the Russell Group has shown that lab-based subjects, such as Chemistry, Physics and Engineering, faced average deficits of £1,848 per student per year in 2019 to 2020. This often results in the need for internal cross-subsidies and can provide real disincentives for expanding STEM provision.

Significant attention has been paid to quality, standards and value for money in recent years, but the question of specialisation has rarely been touched upon. While it would not be appropriate for every institution to specialise, it feels equally inappropriate to have a funding system which prevents those universities that wish to have a narrower focus in some areas, in order to truly excel in others, from doing so.

Inevitably, once institutions depend on this 'balanced portfolio', there is a risk that when income is reduced, for example through standstill tuition fees, then the balance shifts away from those technical subjects the Government claims to support.

In its new Levelling Up White Paper, the Government rightly recognises the important role that both technical education and HE institutions have in supporting regional economies. In addition to maintaining their previous commitment to open 'nine new Institutes of Technology with strong employer links… to boost higher technical skills in STEM subjects', one of a handful of proposals in the White Paper concerning new funding is £100 million of investment in three new Innovation Accelerators to support the adoption of research by allied industries (exactly the sort of applied R&D that universities of technology undertake). But if the Government truly wants 'technical skills provision to better meet local labour market needs', they will need to put their money where their mouth is. They must provide universities which have long histories of delivering technical skills with the funding they need to maintain and grow their technical provision, rather than drive them, through underinvestment, to water down a core offer that is their *raison d'être*, and which can be at the heart of thriving business and a more productive UK economy.



New English Social Mobility Index for 2022

HEPI, 24 March 2022

A year ago this month, HEPI published my paper Designing an English Social Mobility Index (HEPI Debate Paper 27), which offers a methodology for comparing the contribution of individual English higher education providers' to social mobility. In short, it combines the social distance travelled by graduates from an institution with the number of graduates so transported.

The English Social Mobility Index (SMI) set off some debate both on Twitter and HEPI's website here and here because it challenged the frequent assumptions around which universities were making a substantial contribution to social mobility. There was also discussion about the limitations of my methodology based on the data available, which was acknowledged in the paper.

The most significant of these limitations was that, at the time of publication, it was not possible to track Index of Multiple Deprivation quintiles in the Longitudinal Education Outcomes or Graduate Outcomes data. My model therefore used the overall Longitudinal Education Outcomes scores for an institution, meaning that it was unable to identify differences in outcomes between socioeconomic groups.

It was always my hope to refine the Index through further iterations and, thanks to Jisc making the data publicly available, I have now been able to incorporate Graduate Outcomes data by Index of Multiple Deprivation Quintile (with some adjustments to the overall weightings see methodology note below).

The inclusion of this data has partially overcome the issue that some institutions could receive a high SMI outcome as a result of graduates from higher quintiles of the Index of Multiple Deprivation securing higher salaries while students from lower quintiles at the same institution failed to benefit from a similar uplift in salary outcomes.

The changes to the rankings can be seen below using the modified methodology and current data for 2022:

Rank	2022 Index (new methodology)	2021 Index (new methodology)
1	The University of Bradford	The University of Bradford
2	Aston University	Aston University
3	Queen Mary University of London	Queen Mary University of London
4	Birmingham City University	Birkbeck University of London
5	King's College London	Imperial College
6	The University of Salford	London South Bank University
7	Newman University	City, University of London
8	LSE	Newman University
9	City, University of London	Kings College London
10	The University of Wolverhampton	The University of Wolverhampton
11	Imperial College	The University of Bolton
12	The University of Greenwich	LSE
13	The University of Bolton	Birmingham City University
14	The University of Cambridge	The University of Salford
15	UCL	Teeside University
16	Brunel University London	The University of Huddersfield
17	University of Keele	Brunel University London
18	Teeside University	UCL
19	London South Bank University	Coventry University
20	The University of Warwick	The University of Greenwich

English Higher Education
Social Mobility Index 2022
Compiled by LSBU

Notably, 16 institutions have retained their position in the top 20 between the 2021 and the 2022 Index, while the top three positions remain entirely unchanged.

In November last year, the Institute for Fiscal Studies (IFS) with the Sutton Trust released their own ranking of English universities' contributions to social mobility. One of the strengths of their system was that it also contained data for subject level – thus providing a way to check that institutions were not benefiting from the strength of their averages – leaving some faculties to do the heavy lifting on access while not producing the same positive graduate outcomes as subject areas recruiting mostly affluent students.

However, the IFS's measurement of success – based on earnings at age 30 – required them to look at the social mobility of students who studied at university back in the mid-2000s. I would argue that this makes it a less useful measure as there is little institutions can do to change their recruitment practices from 15 years ago.

With the Office for Students' planned publication from this autumn of performance dashboards for continuation, completion and progression by each subject and each institution, as part of their planned changes to the Ongoing Condition of Registration of B3, I hope the next iteration of the SMI will similarly be able to incorporate subject level data but in a way that is recent enough that providers will be able to enact changes to improve their contribution to social mobility in the context of their mission.

What remains clear is that there is a real need for the sector to demonstrate the value that universities add to their students' life chances. The Office for Students is, for example, requiring that institutions demonstrate learning gain within their upcoming Teaching Excellence Framework submissions. The SMI is just one such potential tool, but it is evident that – in an increasingly regulated sector – all universities will need to find ways to justify the value they add to their students. The main aims of the SMI remain those of supporting debate about what is an important and complex issue whilst also encouraging self-reflection amongst HEIs by enabling comparison between peer groups.

Further information can be obtained for those not listed above by emailing corporate.affairs@lsbu.ac.uk.

Methodology Note: In the 2021 SMI, the weightings were approximately half on Access (2.25 out of 4.75) and half on the outcomes stages (2.5 out of 4.75).

With the incorporation of Graduate Outcomes data by Index of Multiple Deprivation Quintile, and with Quintile 2 weighted at 0.5x, the Access weighting needed to be increased in order to balance the model. Keeping Access with a 1.5x weighting would have resulted in Access at 2.25 out of 5.25 and the other two stages at 3 out of 5.25.

Weightings	IMD Q1	IMD Q2	Weighting	Index Components
Access	1	0.5	2	3
Continuation	1	0.5	1	1.5
Graduate Outcomes	1	0.5	1	1.5
				6

The Lifelong Loan Entitlement and the case for employer investment in skills

National Centre for Universities and Business, 28 March 2022

In 2025, the Government is planning to introduce the Lifelong Loan Entitlement (LLE), a new flexible system for student loans, with which they are hoping to drive a number of changes including:

1. Changes in the tertiary education offer: Creating a skills-based system that helps address the country's productivity gap by creating alternative higher education routes to a bachelor's degree, such as via Higher Technical Qualifications.

2. Changing consumer behaviour: Promoting flexibility within tertiary education by increasing both standalone Level 4/5 attainment and modular course provision enabling individuals to take shorter stand-alone courses over time.

While there is an acknowledged need in England for more individuals to be qualified to Level 4 and 5 to address the country's productivity puzzle, standalone modular courses do not necessarily contribute to meeting that need if they are not part of a recognised qualification framework. Higher Education qualifications in England are structured to build towards clear education outcomes. They have clear currency which makes them transferable between employers, while still including skills-based elements. This may not apply to short courses.

If the Government's ambitions for modular delivery is realised, there is a risk that – while such short courses could help meet an employer's short-term training demand – they may add little to an individual's education if they cannot be recognised as part of an established qualification. In this scenario, employers are the main beneficiaries of the system, while the financial risk lies with the student that takes out the loan (and the Treasury which underwrites it).

There is, therefore, a risk that the LLE could exacerbate the widely acknowledged issue of low employer investment in skills, further increasing the dependency of employers in England. This could be the equivalent of a state welfare system for skills.

Since the abolition of the statutory Industrial Training Boards in the early 1980s, employer engagement in the skills agenda has been voluntary. While employers maintain that skills are important, they have largely adopted the role of a consumer rather than being an integral part of the skills system (as for they are, for example, in Germany). This lack of investment was one of the impetuses for the Government to introduce the apprenticeship levy. Employer involvement in trailblazer groups to develop apprenticeship standards has been decidedly mixed, however, and often dominated by the largest companies in each sector.

Previous attempts at Employer Ownership Pilots – testing out various ways to encourage employers to co-fund training investment – have also shown mixed results, while making it clear that it will take considerable effort to move employers away from the 'welfare dependency' of a state-funded skills system.

The Local Skills Improvements Plans proposed in the Skills for Jobs White Paper will once again place employers in the role of customers, with local chambers of commerce asked to draw up a wish list of skills and then present this to local FE colleges – with penalties for those institutions that do not apply. This is an approach guaranteed to produced limited results, but the risk has potential to move from state welfare support for skills to one shared by learners. Further if there is rapid growth in such short courses via commercial providers this could exacerbate this the risk to student benefit and lead to significant increased demand on the Treasury through the LLE.

The LLE has significant potential to transform tertiary education.
The need to develop skills-based pathways that support individuals and enhance productivity is clear. To help realise the benefits and limit the risk of some unintended consequences it is therefore recommended that:

1. The LLE should be focused qualifications or courses linked to 'registered and approved' providers to help ensure that taxpayer's interests are safeguarded and help prevent uncontrolled expansion and cost before the system develops.

2. The LLE should be focused on courses that have the ability to contribute to a qualification.

3. Work to develop thinking about how to incentivise employers to engage in both the funding and design of employer led qualifications should be undertaken with BEIS and DfE. This approach should be used to fund short skills based training courses that benefit the employer but don't lead to a transferable qualification.

BTEC Nationals form a crucial element of an integrated skills system

28 April 2022

Published within the HEPI report *Holding Talent Back? What is next for the future of Level 3?*

The relationship between policymaking and politics is often fraught. Complex questions about balancing the needs of different sections of society are often reduced to sound bites and catchphrases. While change is needed, if we are to create an integrated skills system, it is important that we recognise the complexity of need.

The drive for simplification is arguably at the heart of the decision by the Department for Education to defund many BTEC Level 3 Nationals and other Applied General qualifications. Indeed, it is encapsulated in Lord Sainsbury's Report of the Independent Panel on Technical Education, which led to the development of the Government's Post-16 Skills Plan:

The system should provide young people with clear educational routes which lead to employment in specific occupations, and must be sufficiently clear and simple that career advisers can easily explain to young people what options they have.

There are currently around 4,000 approved qualifications at Level 3 and it is logical that this list should be periodically reviewed and tidied up. Since commencing their review of post-16 qualifications, the Department for Education has quite reasonably removed funding for 163 duplicate qualifications and begun to progressively defund qualifications with no or low publicly funded enrolments. This all makes sense and if anything is overdue. What would not make sense, however, would be to use the rationale of simplification to justify removing a set of vocational qualifications, on which over 250,000 people were studying in 2020 – almost a third of the 16-to-18 cohort.

T Levels will serve some learners very well but not all learners due to the need to specialise at the age of 16 into an occupation that will serve them for life. This seems highly at odds with the fast-moving pace of the UK economy where almost 30 per cent of jobs face a high probability of automation within 20 years.

The skills landscape may be complex, but so too are the needs of learners and the economy. Careers advice services are not ineffective solely because educational routes are not 'sufficiently clear and simple' – complexity is an inherent part of educational provision, if it is to meet the needs of a wide range of potential learners. Properly resourced careers and educational professionals need to be well-equipped to help learners navigate that complexity.

Rather than attempting to improve the outcomes of learners by reducing their choice, learners should be empowered with properly funded careers guidance that enables them to understand which qualifications can help them to meet their educational and career aspirations. This is what the LSBU Group – which includes London South Bank University, a Further Education College and a Multi-Academy Trust – has attempted to do by using Standard Occupational Classifications to align its existing course offers with clear careers pathways. For example, within our careers map for the Construction Site Manager profession (which maps the educational path from Entry Level at our gateway college to Level 6 at the university), BTEC Diplomas at Level 3 in Engineering form a core element of the pathway at our new technical college. Should a learner's ambitions change – towards Civil or Mechanical Engineering, for example – the broader curriculum a BTEC provides gives the flexibility to accommodate that change.

Being part of a group that includes 14-to-19 provision gives LSBU a unique position to appreciate the value Applied Generals play as part of an integrated skills system – including promoting routes into higher education. In addition to A Levels, South Bank UTC (one of two academy schools within the Group) provides BTEC Level 3 Subsidiary Diplomas in Engineering, Business Studies and Health, and Extended Diplomas in Health and Engineering. Every single student that matriculated at LSBU from the UTC held at least one BTEC. At Lambeth College (also part of the Group), 56 per cent of the College leavers also held at least one Applied General.

Looking at the University as a whole, the removal of BTECs would affect over half of adult Nursing entrants. If this figure were replicated across the country, it would have serious repercussions for the ability of higher education providers to plug the country's health skills gaps.

The BTEC programme has also enabled the Group to deliver a pilot programme at South Bank UTC to create the country's first Year 14. Using existing school funding and advice from LSBU academics, the school has been able to offer Engineering students the opportunity to stay at the school for a fifth year, in order to enhance their Level 3 BTEC Diploma and meet the requirements to take the Level 4 BTEC HNC Mechanical Engineering exam. In addition to receiving a qualification equivalent to the first year of a degree without paying tuition fees, those learners who achieve a merit are given the option to transfer directly into the second year of the degree at LSBU.

One of the aims of the Post-16 Skills Plan is to increase the number of learners qualified to Levels 4 and 5. Yet the defunding of BTECs would put an end to the development of this Year 14 pilot, which has the potential to be rolled out to the other 20-plus universities that sponsor or have partnered with academy schools.

The creation of the LSBU Group in its current form required three years' work with the Department for Education to establish a national pilot, including the need for secondary legislation. The work since then to create accessible pathways through further and higher education and into rewarding careers will be set back by the defunding of many Applied Generals. While there is scope, and indeed a need to review and defund a range of qualifications, going too far would amount to the withdrawal of educational opportunity that will prove highly damaging to many of England's learners.
It is pleasing to see that policymakers now appear to be addressing this issue.

What will minimum entry requirements actually achieve?

Wonkhe, 6 May 2022

At the end of March 2021, the balance of outstanding student loans in England reached £141 billion.

The sheer scale of this figure cannot be attributed to any single cause – but a variety of socio-economic factors including the impacts of a global financial crisis and viral pandemic, staggering levels of entrenched geographical disparity across the UK, and political decisions stretching back more than a decade have all played a part.

However, listening to recent political rhetoric, one could be forgiven for thinking that the fault lay entirely at the feet of higher education institutions – for teaching the "wrong" subjects; recruiting the "wrong" students, or not being able to ameliorate all of the cumulative effects of some students' socioeconomic disadvantage within three years of full time undergraduate study.

The Westminster government's latest response to this issue has been to propose minimum eligibility requirements (MERs) – restricting access to student finance for prospective undergraduates who do not have the equivalent of either a pass in their English and Maths GCSE or two Es at A level. In doing so, ministers have suggested that universities accepting students on to courses without such baseline qualifications are setting them up to fail.

In reality, these qualifications, in particular Level 2 English and maths, do not provide the neat indicator of academic ability that the Department for Education thinks they do. Research from the Nuffield Foundation, compiled between 2018 and 2021, has shown that GCSE "low attainers" missing either English or maths typically had an average of eight GCSE passes overall, one fewer than the non-low attainer average. While having strong English and maths qualifications are, of course, important, these are not the only indicators of success, and if this is to be used to deny students direct entry to a degree the case needs to be clear and strong.

The proposals are supposed to ensure only students able to succeed proceed to entry. This use of MERs doesn't make sense in the context of a risk based, outcome focused quality framework. The Office for Students has recently concluded a consultation on introducing minimum thresholds for students' continuation from year one to year two; for course completion; and for progression into graduate employment or further study – all of which providers will be held accountable for. If introduced, providers (and parts of providers) falling short of these uncontextualised baselines will face investigation and potential penalties from the OfS.

If implemented in the way OfS has described, this policy would render minimum entry requirements redundant. Firstly, because it would create a strong incentive for universities not to recruit applicants that they felt wouldn't be able to complete their course and go on to secure graduate employment. And secondly, because if a university was recruiting students without GCSEs in English and maths but still exceeding these thresholds it would demonstrate the arbitrariness of implementing such a barrier to progression in the first place. In this context, the argument that the government, through central decision making, determines who enters university is flawed and runs counter to the proposed quality framework currently being implemented.

One thing that a progression barrier to the next academic level is sure to achieve is reinforcing the perception that one route is superior to another. In this instance, that the academic route is superior to technical.

Given that it is currently a major part of the government's education strategy to increase the number of learners in technical subjects – having spent millions of pounds developing new qualifications such as T levels and HTQs – this is ironic, as technical qualifications will never command the esteem of academic ones if they are offered as an alternative for those "not yet qualified by ability or attainment to pursue higher education."

And there is a question of timing. The first HTQs – the technical Level 4/5 qualifications being developed by the DfE to act as an alternative to bachelor's degrees will become available this September – with a full roll-out by 2026. Even then, these new routes will take time to become embedded and widely recognised by employers, learners and parents.

The Office for Students, meanwhile, intends to implement minimum thresholds this September. If the Department for Education were to instigate MERs within a similar timeline, then we would be setting up a gateway to push some learners down a route that doesn't fully exist yet.

While the use of minimum entry requirements might make sense to officials in the Treasury, the educational arguments of limiting opportunity simply don't stack up. MERs are more likely to further discriminate against those from disadvantaged backgrounds; undermine the positive work being undertaken to develop and promote technical education; and work against the new OfS approach to quality assurance

Here are three ways the government can make LSIPs a success

FE Week, 18 June 2022

We currently have a higher education bill, a levelling-up and regeneration bill. A key plank in delivering on these linked agendas will be skills delivery. Yet we still lack explicit details about the further rolling out of local skills improvement plans (LSIPs).

The idea of asking employer representative bodies to work with colleges and universities to develop plans for making technical training more responsive to local skills needs was first set out in the skills for jobs white paper. Since then, the government has been running trailblazer pilots in eight areas across England.

As CEO of an education group with a university, two colleges and two academies, and which works with more than 1,500 employers, I've been watching the pilots' development closely.

While I support promoting collaboration between local employers and education providers, I'm concerned we, too, often treat businesses as customers rather than partners within our skills system.

So I am worried that the current proposals for LSIPs, coupled to changes to the loan system, could reinforce this behaviour and create a 'welfare state' for business-led courses.

I'm worried we too often treat businesses as customers.

With this in mind, I hosted a roundtable on LSIPs with representatives from the Department for Education, mayoral combined authorities, employer bodies, think-tanks and professional bodies.

There were three main takeaways from the discussion.

1. SMEs need help assessing their skills needs
Certain employers struggle to articulate their actual skills needs. This is particularly true of small businesses lacking established HR departments, businesses working in emerging sectors and non-chartered professions.

Given that SMEs make up 99 per cent of UK businesses and cover the entire country, their involvement is crucial in supporting levelling-up.

Therefore, successful LSIPs will require investment to help SMEs understand the skills they need to grow, and require leadership (not just responsiveness) from colleges and universities.

2. Employers need to invest more in training
Once employers have articulated their skills requirements, they must contribute to meeting them.

Otherwise LSIPs will become nothing more than ineffective 'shopping lists' of qualifications. In particular, employers will need to spend more on training rather than relying solely on employees to self-fund using loans.

Employer investment in training has fallen 28 per cent in real terms since 2005.
If employers are to be partners rather than customers in our skills system, then they have to invest as well as benefit. The government could encourage this by providing a tax incentive for those companies that invest in training needs identified in LSIPs.

3. People with few or no qualifications cannot be left behind
Finally, it is crucial that those with low or no qualifications are not excluded from opportunities LSIPs could create. Individuals with degree-level qualifications are already three times more likely to receive employer training than those without.

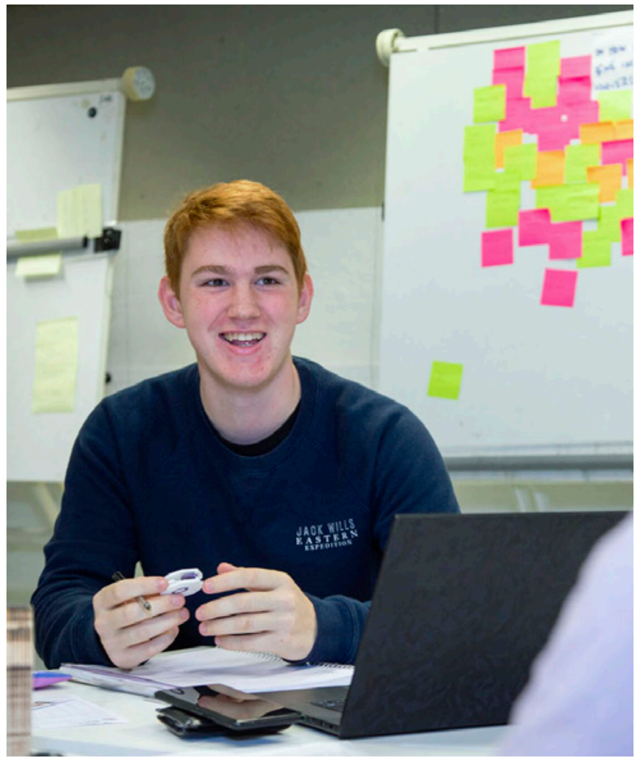
In supporting level 4 and 5 delivery, LSIPs need to recognise both the individual, employer and societal benefit of helping educational progression for the 17 per cent of individuals qualified to level 2; or indeed many of the 54 per cent of the population qualified to level 3 but lacking requisite English and maths qualifications.

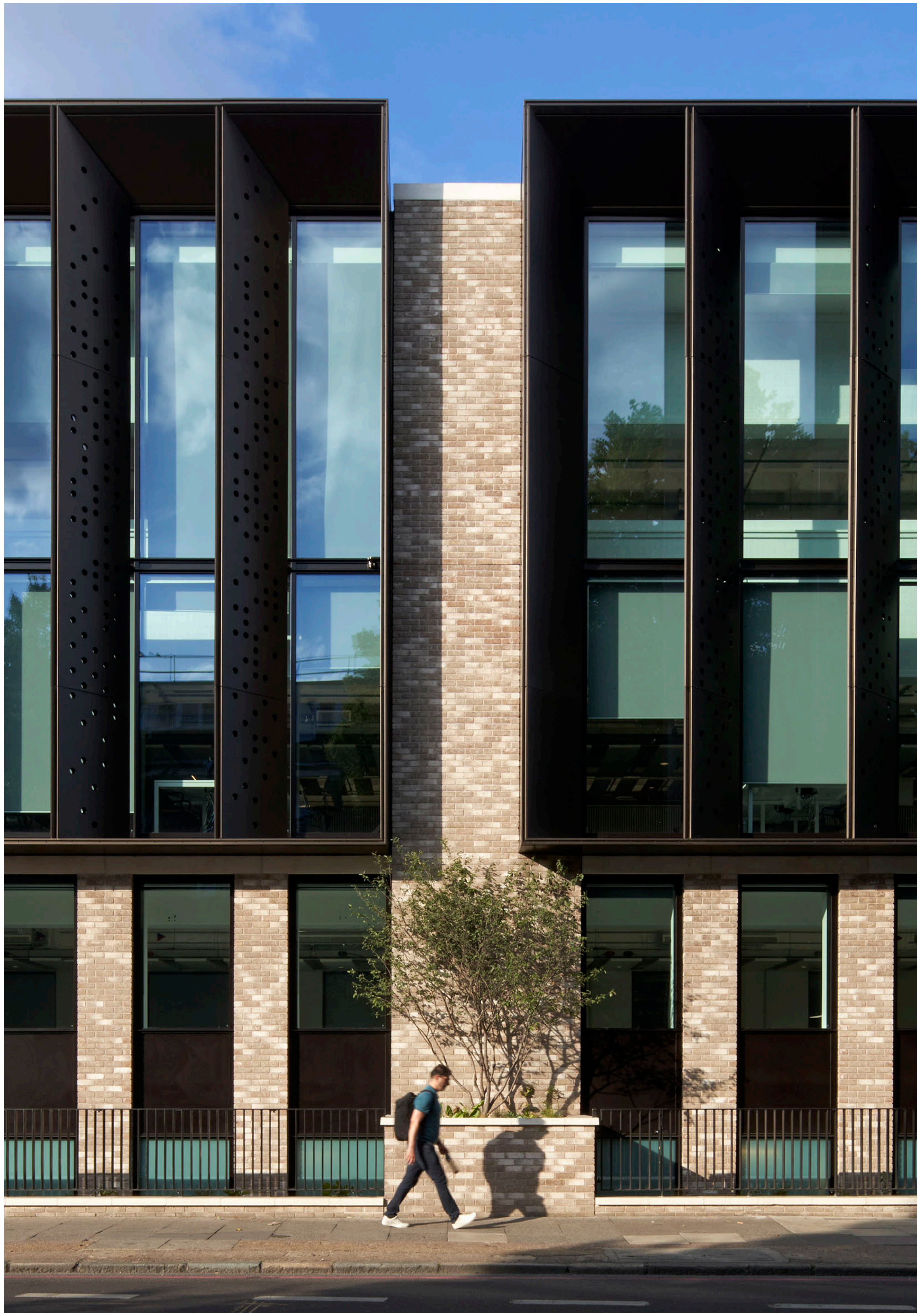
There is no one obvious solution to tackling the low-skills crisis. Suggestions from the roundtable included:

- greater use of accreditation of prior experiential learning;
- ensuring there are 'gateway' institutions within local areas;
- and using the new lifelong learning entitlement to help create 'stackable' credit-based qualifications that can be built up over time.

The government must recognise that colleges, universities and employers need to work together as genuine partners to share the cost of skills delivery.

There's no question that we already place many demands on businesses. But if we expect them to be one of the main beneficiaries of the skills system, it has to be reasonable to suggest that what they can get out of it directly reflects what they put into it.





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