

## POLICY WATCH

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### Can we fix the skills gap? Radio Four's File on 4 investigates

From an Austin Allegro to an oil tanker, Radio 4's File on 4 programme this week, heavily trailed as an investigative report into the English UK skills system, certainly covered a lot of distance.

The Allegro was conjured up by the Government's Skills Envoy, Sir Digby Jones, to describe what happens if you pour a lot of money into something, in this case skills training, without trying to match what the customer, in this case the employer, wants. "You put a lot of money in at the top and an Austin Allegro comes out at the bottom... it's what I call the British Leyland model." Not for nothing was the Allegro known as the Aggro in the 1970s. As for the oil tanker, that old cliché reappeared in a question about how long it can take to turn things round; again in this case the UK skills profile. So was the programme right? Is money being thrown at skills problems with too little regard for what employers really want? And is reskilling proving to be too slow?

#### Any new light shed?

Both sides had their say during the course of the programme but in truth little new light was shed. It became in the end like the Schleswig Holstein question - intractable. Critics pointed to familiar concerns: a fixation with Level 2 when many employers want higher level skills, the ambition question; an oversupply in some skill areas and a lack in others, the supply v demand question; the nature of some vocational training and how far it was producing skilled crafts people, the 'have we got the right type of training' question; and that old favourite too much money being poured in and too little coming out at the other end, the 'is it working' question? Government, in the shape of the Skills Minister, defended its policies stoutly but then Government is in the business of raising expectation and the expectation currently is that things will get better once the Leitch recommendations are implemented and a demand led system is in place. Optimism is an important ingredient in Government strategies but as the programme indicated, it's also wearing a bit thin in places.

#### The tensions

One of the experts quoted in the programme was Frank Coffield of the London Institute. He has studied what he calls "this disorganised, troubled but pivotal sector" for some time and argues that current policy is based on three false assumptions. Firstly the institutional focus on skills, secondly granting employers the driving seat in developing vocational qualifications and thirdly believing that market place competition will drive up provider responsiveness and efficiencies.

Each assumption is holding down a pressure cooker of tensions. Simmering under the lid for example are colleges caught between functionality and adaptability, employers caught between influencing the vocational system and redesigning parts of it and the market place caught between competition and collaboration.

To return to the two central questions aired in the programme, is the money being thrown at the 'wrong' skills problem as far as employers are concerned and is it all taking too long?

#### **Is it what employers want?**

On the first question, two points should be made. One is that the Government has done a lot to try and give employers voice, hence the whole panoply of Sector Skill bodies, Sector Skill Agreements and 14 - 19 Diploma Development Partnerships. The other is that whether the money has been spent in the right places or not, it has at least prompted a rise in learning activity. The assumption in the programme was that the LSC had soaked up a lot of money for limited returns yet its autumn 2006 Progress Report is littered with charts and stats showing how the money is being spent and where.

On the flipside, however, three problems remain. One is how far the set of roles and responsibilities that Government has carved out for employers is really what they want? The evidence is not convincing here. Drafting learning outcomes is not their natural terrain even if articulating skill needs is. Frank Coffield is one of many who think that the Government - employer relationship needs a rethink. Secondly, employers, and certainly the one in the radio programme was very clear about this, want a more flexible approach to how the money is spent. Some want basic skill training, others Level 3 and above training; some want bits of learning recognised, others complete qualifications; some want to use their own training, others nationally recognised qualifications. This is what responding to needs really means to employers and why they feel Train to Gain, at present at least, is too restrictive.

Thirdly, is routing funding through the two Leitch 'demand' routes of Train to Gain and Learning Accounts the answer? Some reservations have been expressed. This, for example, is David Sherlock writing in the latest *Talisman*; "one does not have to be a fuddy duddy defender of existing institutions to see placement of so much faith in the new and untried as a very high risk approach." Some of these risks can be seen in the current consultation on creating a demand led system. There, premise and conclusion follow in rapid succession with little in between. 'We expect the future, reformed FE system will be the first choice of employers' for instance, and 'as a consequence, employer engagement and investment in training will increase.' Yet a few bridges need to be crossed to get from one to the other.

#### **Is it taking too long to turn things around?**

The second question is the oil tanker question, the time it takes to turn things round. According to *The Financial Times*, "while Sandy Leitch was deliberating over skills, around 5m Indians were awarded degrees." Global challenges are making speed of change an issue and naturally employers are keen to see things happen as quickly as possible. On the other hand as both Foster and Leitch implied in their Reports, the learning and skills sector needs a period of growth and stability not further upheaval, and embedding a culture of lifelong learning takes a long time.

In all fairness there was a sense of urgency running right through the Leitch Report. This, for instance, was Leitch on basic skills, "the current problem is so pressing that current efforts must be more than trebled." In addition, although the Leitch targets are set for 2020, much of the activity will need to take place pretty soon, 2010 - 2013, when the demographic bulge works through. In other words we need to be planning for that bulge right now not waiting to be hit by it.

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