

ESSAY

Greasing the wheels to good jobs: a school-to-work agenda for government

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Young people should not only leave school with a higher level of knowledge and skills, they should also be offered better pathways to a valuable career.

There has been a renaissance in the political importance of education in recent years, lifted from its previous backwater status. Tony Blair sailed to victory in 1997 on the back of the mantra of 'education, education, education' and a pledge card that included a reduction in class sizes. Under Michael Gove, education was a key focus of the Coalition's public services reform agenda – pushed forward with almost evangelical zeal. In this article, we argue that despite the major progress made between 1997 and 2010, and the partial continuation of this progress under the current government, there is a long way to go in pursuing educational reform to get the system where it needs to be if the next generation of young people are going to be set up for success in the increasingly competitive, globalised labour market they will enter.

Under the last Labour government, the political impetus behind reform necessarily focused on schools and boosting baseline standards. For the next government, alongside continuing the pace of progress on school standards, there are two areas that need sustained attention. The UK must build a high quality system of vocational and technical education that is a true alternative to academic study and the

university pathway. A system where, as the Shadow HE minister recently stated ‘you still need a degree to break into the middle class’ (Byrne, 2014) is sub-optimal and socially egregious. Relatedly, policy-makers must also look at how we can smooth transitions from school to the next stage in life, whether that be into further education or into work.

These are both areas where too many young people are still being failed by the system. For one of the authors, in their work with young people the route to rewarding work for those not pursuing academic study is best described as ‘a rollercoaster with gaps missing in the tracks’. In the third quarter of last year, over 15 per cent of 16-24 year olds were not in education, employment or training, the lowest number for seven years, but still unacceptably high.

Since the last election, Ed Miliband and successive Labour front-benchers have made good progress in highlighting the crisis of a generation underprepared for tomorrow’s economy. In the pages that follow we make a number of constructive suggestions for the policy response required.

We suggest three areas for bold reform. First, the way Information, Advice, and Guidance (IAG) and employer engagement is delivered needs to be overhauled, with the creation of locally-led youth transition services. These services would bring together careers advice, work preparation training and education-employer opportunities such as work experience and work shadowing, better ensuring young people gain access to the opportunities that are vital to ensure they make an effective transition. Second, the role of teachers in stewarding young people needs to be recognised, strengthened and incentivised by ensuring every teacher develops the skills to support youth transition in their initial training, backed up by access to employer-led continuing professional development (CPD) throughout their careers. Finally, as a minimum, all citizens, regardless of their age, should have an entitlement to level 3 education or training (i.e. A-Level standard), to ensure they are qualified to the standard that will be needed to secure ‘good work’ and to support the UK’s transition to a high-skilled economy.

The analysis in this article is based on a wide range of collective experience working in this area: teaching at the chalkface; working within a number of localities to develop bottom-up solutions; researching and writing about education reform for a variety of think tanks, businesses and other organisations, and speaking with scores of policy experts and other stakeholders.

These reforms will cost money, at a time when there is not much available.

However, we argue that these reforms provide good value, generating returns far greater than the cost to the Exchequer of their implementation. We also suggest a number of ways that they could be paid for through the re-prioritisation of current government spending.

Boosting employer engagement

The underlying reasons for the difficulties around school-to-work transitions are complex but a number of interconnected problems stand out for those wishing to take a non-academic route to employment.

First, there is insufficient employer engagement within the education system, and indeed insufficient employer investment in education and training. This in turn leads to a shortfall in employer demand for trained and skilled workers and therefore an insufficient number of high quality opportunities to pursue work-based learning. In the absence of this, the quality of vocational education, especially that which is purely college-based, is extremely variable. Second, there is insufficient support to enable young people to navigate the various vocational options and make informed decisions. This lack of support has serious consequences, given the variability of quality already noted, and the variability in returns to vocational education.

This is an area of policy that cannot be fixed by government diktat – and any policy that attempts that will ultimately fail. Instead, we need to reach a new consensus about the role that government, employers and individuals should be expected to play in our education system. To a degree, this has already been recognised in Labour’s approach. Miliband’s announcement, based on IPPR’s *Condition of Britain* report (Lawton et al., 2014), that, under a Labour Government, unemployed young people will be paid to undertake worthwhile training rather than receiving cash benefits constitutes a step in the right direction. It should be seen not as a punitive measure, but rather as an entitlement with an accompanying responsibility. The state has to ensure the individual has access to opportunities to get worthwhile training, and the individual has a responsibility to seek those out. This can be seen as a form of social contract between state and individual.

However, if Labour is to transform the British workforce it needs to go much further – also introducing a new social contract between employers and the state when it comes to engagement in education. The engagement and involvement of employers in an improved system of vocational education is a precondition for success. Indeed,

many of the challenges faced in vocational education are not educational challenges at all, but rather consequences of how businesses operate and are structured. It is only through an evolution in business practice that change in this area can be attained. For example, if Miliband's 'fourth national goal', that 'by 2025 as many young people will be leaving school or college to go on to an apprenticeship as currently go to university', is to be achieved then the government will need to work together with business to create incentives (be they carrots or sticks) for the increased investment of time and money required to boost the number of Level 3 apprenticeship opportunities with attractive progression routes. Similarly, if Labour's proposed National Baccalaureate (a qualification to recognise either academic or vocational learning and enable learners to move between either route) is to be successful, it is essential that employers, including blue chip companies (as well as top universities) are involved in the development of the qualifications.

The changing labour market

There is a significant disparity in the opportunities available to non-graduates. Access to 'good work' is heavily concentrated in the hands of graduates. Recent work by BIS has shown that male non-graduates will earn on average 28 per cent less over their life compared to their graduate counterparts, whilst for female non-graduates this penalty is currently 53 per cent (DBIS, 2013). Part of the problem here is almost certainly that the UK economy does not have enough skilled, well-paid jobs for non-graduates. As Ewart Keep (2012) has argued, businesses tend to fill some kinds of intermediate/technician/associate professional level jobs with graduates, whose education is paid for entirely by the general public purse, rather than investing in training non-graduate workers themselves.

We are seeing the development of an hourglass-shaped labour market, whereby the jobs available are polarising into what Goos and Manning (2003) have described as alternately 'lovely' or 'lousy'. Globalisation and technological innovation has enabled many semi-skilled jobs to either be automated or be outsourced to other countries where the cost of labour is cheaper. Brown, Lauder and Ashton (2010) argue that even intellectual, creative, and higher level processing work will soon be routinised and sent offshore. The jobs which are left will be either high-skilled jobs in high-valued added industries, or low-paid jobs in the service sector, where human interaction and physical presence are still important. Traditionally, young people who entered a trade or a profession could expect their careers to progress, from being a trainee or an apprentice to perhaps having the status of a chartered profes-

sional. The changes we are seeing to the labour market mean that this form of career progression is in decline, with fewer opportunities for young people to progress as a result.

This trend has two effects. First, it is a further disincentive for young people to pursue vocational options. In the current system, young people who do not go to university lose out, and face the prospect of a poorer life than many of their peers and forebears. Second, it means that for young people today the stakes are higher: it is much more important for young people to be successful first-time around in a fragmented labour market with fewer opportunities for secure career progression. The choices made by young people at the age of 16 are therefore more significant than previously – and the consequences of failing to provide a young person with the support and information they need to make informed choices are much harsher. This situation has been exacerbated in recent years by policy choices which have further rationed public support for second-chance education, such as the introduction of higher education-style income-contingent loans for older workers seeking to retrain.

In order to address this situation, we need policies that not only increase the number of skilled jobs, but also improve the ability of young people to access these jobs and then improve career progression prospects within them. We need to ensure not only that young people leave school with a higher level of knowledge and skills, but also that they are offered better pathways to a stable and valuable career path. We will not be able to mitigate the vagaries of globalisation entirely by reforming the School to Work Transition. However, we can give our children the best possible chance of succeeding in the twenty-first century economy.

Below we offer three potential policy solutions that will help mitigate the impacts of the combination of circumstances we describe above. The first two are supply-side interventions that should help young people to ‘be successful first time round’. The third would play a key role in providing attractive opportunities for retraining, thus helping to mitigate some of the sharper impacts of our current high stakes at 16 system.

Some policy solutions

(1) Providing high quality and locally-led youth transition services

As we have already established, not enough young people are receiving the high quality advice and guidance required to ensure they can get themselves onto valued

career pathways. Of the problems identified above, this is perhaps the easiest to remedy.

The support provided for young people to transition to work from education has been in need of improvement for many years (DCSF, 2009), but has been further exacerbated by the cuts to services like Connexions (Institute for Careers Guidance, 2012) and the removal of the duty for schools to provide face to face careers guidance. Schools have been given the responsibility for careers information and guidance but not the resource to effectively deliver it, creating inequalities in access. In the absence of suitable support, many young people have had to rely on social capital to find appropriate opportunities, a state of affairs which encourages the intergenerational replication of inequalities in access to high quality work (Norris, 2011). The CBI has described careers advice and guidance as being ‘on life support’ (CBI, 2014) but Labour’s policy on how the situation might be remedied is worryingly vague, seemingly being confined to including provision of careers advice in the Ofsted inspection framework.

At the launch of the #FirstStepCroydon campaign earlier this year (a campaign for quality work experience placements and employability skills) young people and employers spoke frankly about their concerns. Students revealed their fears that without the networks to find quality work experience they will get trapped in a vicious cycle of unemployment, unable to gain that first step on the ladder. And employers revealed their fear that Croydon’s most talented students will leave the town.

As a recent report from the Gatsby Foundation recognises, the system that exists is highly complex and fragmented (Holman, 2014). Schools must therefore pool resources and budgets and work with their local colleges and Local Enterprise Partnerships to jointly commission careers services which take responsibility for all students. To achieve this, Labour must (a) find funding to support new face-to-face provision and (b) implement a ‘duty to collaborate’ in the creation of a locally commissioned careers service in each functional labour market. At least initially, subscribing to the locally commissioned service *must* be compulsory for all types of school. An opt-in service would be very unlikely to achieve the economies of scale required to create viable services of the depth and breadth required. In an age of budgetary restraint, collaboration would mean this area isn’t overlooked when an individual education organisation faces other calls on its financial resources, guaranteeing the long term interests of students aren’t overlooked in place of short term pressures. These pressures might include other calls on funding or, even worse, institutions trying to keep students enrolled to maintain funding levels when

they would be better off studying at a different institution, which the Association of Colleges reports has happened at numerous schools with sixth forms (Whittaker, 2014).

Ensuring collaboration around careers should also naturally support improvement in work to build sufficient employer links for each educational institution. Here we also need to develop *local brokers for work experience in every area of the country*, perhaps through reviving the most successful elements of the Education-Business Partnerships, which were short-sightedly scrapped by the Coalition in 2011. It is critical to develop intermediary organisations that can broker relationships at scale between schools, colleges and workplaces. Without such a broker you cannot scale and sustain the workplace learning component that is essential to a high-functioning vocational system. A relatively small amount of investment would be required, but the long-term benefits to our young will be significantly higher, supporting us to build this key element of the vocational system and move closer towards countries such as the Netherlands where annual internships of 10 weeks with a private or public sector organisation are often included in full-time vocational courses.

There is also a role for local action and entrepreneurialism to help solve some of these problems. Recognising the futility of just waiting for policy, funding and relationships to drip down to our young people and employers, a number of Labour councils across the country have taken action to win better routes to work with young people themselves through forging new partnerships between state, employers and civil society.

In Bradford, for example, the council and the chambers of commerce are partnering to create an employer engagement brokerage and also deliver an enterprise curriculum for schools and colleges. In Oldham, the council's youth guarantee will ensure an employment or training opportunity for every 18 year old by 2015, delivered by aligning the efforts of local employers, job centre, colleges, schools and the voluntary sector.

Meanwhile, in Croydon the #FirstStepCroydon campaign also shows how a Youth Compact in which state and civil society co-negotiate and champion with business could enable the building of a locally-led transition service. Led by local young leaders with the support of Croydon Citizens and Teach First in its first month, the campaign won promises for 200 work experience placements, with expenses, from a range of local businesses, charities, and public sector agencies. This number is now continuing to rise.

Such schemes are not replacements for government investment but will serve their localities well if national action is taken. As Labour and civic action catalyse new ways forward the challenge will be to harness and multiply their impact to create a genuinely sustainable and locally-led youth transition service that can never be taken away from our young people again.

(ii) Developing teachers to prepare young people for the workforce

We also need to consider the role of teachers in preparing young people for the wider world. The IAG and work experience we describe above are necessary but not on their own sufficient. If young people are to thrive, they must leave school with the knowledge and skills that will enable them to succeed in the workforce. Currently, familiarity with the labour market and employer perspectives are not a priority for teachers. We argue this has to change. We should acknowledge that many teachers, particularly those in pastoral roles, are already taking on this role. What we propose below would not require them to do anything new, would not add substantially to workload, and would instead provide them with the support they need to fulfill properly this vital element of their role.

There are two caveats before we proceed. First, we do not think that schools should solely be in the business of producing workers – there are of course broader aims to education. However, it is a mistake not to see preparation for the modern workforce as a core function of the education system. Second, we do not think teachers should dedicate time within lessons to developing an enumerated set of ‘workplace skills’, as has been suggested in the past. History teachers should teach history and maths teachers should teach maths. Rather, teachers should develop an awareness of trends in the labour market and the needs of business so they can tailor what they would be teaching anyway to incorporate relevant applications.

We propose two small reforms. First, teachers should undergo a week’s placement in a large employer local to their initial teacher training (ITT) provider during the course of their training. As ITT is increasingly school-based, this will necessitate schools building good links with business – no bad thing in itself. Teachers would spend this week learning in a holistic way about how the private sector operates, and should ideally spend time shadowing workers across the shop floor and management levels. Any business does market research to see what its customers want from its end product. It is time for the education system to do the same. There is a powerful challenge to business here also; for years the CBI has regularly decried the

state of school-leavers, and with this reform they would have the opportunity to inform teachers directly what their requirements are.

Second, we advocate the prioritisation of regular employer-led CPD which allows teachers to learn about what employers require from school leavers, in order to gain an appreciation of the changing nature of the workplace. It is not for employers to tell teachers what to teach, but rather for teachers to have their planning and practice informed by the important perspective that employers hold. With such awareness, teachers can provide good guidance to pupils in order to complement the IAG system, given the vital role played by informal pastoral guidance. These small reforms should be seen as influencing the culture of schools, and not providing further tick box requirements that Ofsted inspectors will look for in lessons.

(iii) Entitlement to free Level 3 education (up to A-level standard)

Finally, we must respond to the labour market implications of globalisation and greater global competition through transitioning more quickly towards a high-skilled, high-pay economy where employees add real value through the work they do, rather than trying to compete with emerging economies in a race to the bottom.

The UK Commission for Employment and Skills estimates that by 2020 there will be an additional 3.6 million jobs which require Level 3 skills (i.e. A-level or equivalent) compared to 2010 (UK CES, 2010). Yet the government's own 'Skills for Life' report, published in 2011, suggested that there are 8.1 million adults in the UK lacking basic numeracy skills, and 5.1 million people lacking basic literacy skills (BIS, 2012). This is a serious mismatch – but there are currently too many obstacles in the way of those who wish to retrain. The coalition government has singularly failed to grasp this point. In an attempt to improve the financial sustainability of the education system, it has restricted entitlement to funded post-secondary education for those aged 25 or over. Older learners will now be required to make financial contributions through further education loans, similar to those taken out by undergraduates. They are now trying to extend this regressive approach further – recently consulting on introducing loans for 19-to-23-year-olds to study at Levels 2 and 3. This is fundamentally wrongheaded. How can it be right that 16 year olds receive GCSE and A-level education for free, while their peers who are just a few years older will be saddled with large amounts of debt? Moreover, it is overwhelmingly socially unjust, as those most likely to be penalised by this policy are those from lower social class groups.

As a first step this must be overturned. We must not put unnecessary hurdles in the way of those who have already been failed by the education system once – and are seeking a second shot at gaining the qualifications they need to get ahead. Instead, we need to create a system which promotes lifelong learning and actively encourages adults to seek to get the qualifications necessary to enter into skilled, high quality work.

To give our citizens the chance to succeed it is also vital that we raise our aspirations with regard to the skills of the workforce. If we want to be able to compete in the new global economy we need to give all of our citizens the opportunity to reach A-level standard. As a first step we should establish an entitlement to Level 3 education, whatever your age. In the longer term, we would like to see Labour move closer towards reintroduction of proper Individual Learning Accounts which incentivise investment in education by employers and individuals. The original learning accounts were a conceptually sound policy idea, tarred by fraud resulting from poor implementation (King and Crewe, 2013). A decade and a half on they are worthy of reconsideration.

Paying for it and conclusions

We have proposed bold changes in three areas, which will better equip the British population for the realities of the future. However, these changes will cost money, and the incoming Labour government will be operating within a constrained fiscal envelope. It would be irresponsible therefore to make recommendations without considering how the changes we suggested might be funded.

Providing access to Level 3 education for all adults is, potentially, a huge challenge, but must, in our view, take place alongside a wider review of post-16, FE and HE funding. The current higher education funding settlement is expensive and unsustainable and will without a doubt need to be addressed by an incoming Labour government. This post-election Higher Education funding review should become a wider, more holistic review aimed at producing a fair funding framework for all, regardless of the route taken. In line with Miliband and Hunt's contractarian philosophy, the system ought to be funded by contributions from the state, from individuals, and from business too.

A number of potential areas for savings elsewhere in the post-secondary education budget have been proposed and are worthy of further examination. Howard Reed (2010) has argued that the £5 billion of tax relief against corporate and income tax

liabilities for provided work-related training is ripe for refocusing to make it more progressive and efficient. The Gillard government in Australia attempted a similar reform to its even more generous system in 2013. Tom Bewick, a former adviser to Adult Skills Minister John Healey has also identified potential savings in the apprenticeship funding system, arguing for the removal of apprenticeship training subsidies for large corporates, who ‘should be reinvesting their own profits in apprentice training because of the productivity gains it will give them’ (Bewick, 2014).

It could also be argued that a number of these areas of spending could be funded, at least in part, from hypothecated savings – whereby investment made now in creating better vocational pathways, is offset by reduced overall spending on social security as people are better equipped to find work. The Gatsby Foundation argues that high level IAG can be provided for £64 a head. If we cannot find this money we have the wrong priorities. Our proposals for collaboration between schools would not cost much at all, and brokering institutions can be funded through contributions from LEPs, Local Government, and modest levies on schools, or as a last resort, small levies on users once they are in work.

We should fund modifications to teacher training and CPD in the same way school capital projects are funded, through the use of hypothecated grants to schools and colleges, funded by a modest redistribution of resources away from capital budgets for buildings. Investing in developing a teaching workforce that is continuously improving is one of the most important tough choices that should be made in education. If socialism is the language of priorities, now is the time to choose a Master Teacher, familiar with the world of work, in a tatty classroom over an underqualified teacher in palatial surroundings.

The argument for making adjustments like these is compelling. They would constitute an essential, and comparatively modest, investment in the future of the country. Investing in this way is likely to generate much greater returns in future than spending the money elsewhere. In the post-2015 election fiscal environment, it will be essential to make modest spending changes that lead to more effective outcomes, and this will be as true in education as in other areas of the national budget. Many will disagree that we have highlighted the right priorities here, and many will disagree with the reprioritisation of funds we suggest to pay for our ideas. However, we believe that this kind of thinking will be vital in the next parliament. The next Labour government will succeed based on its ability to find big wins from small change.

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