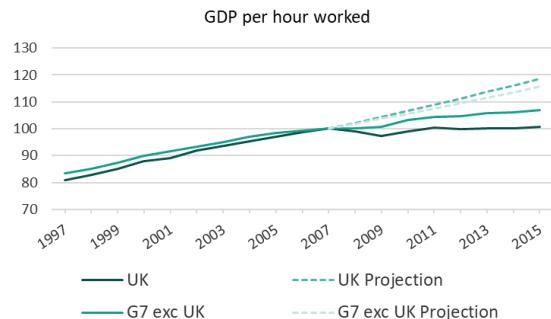




1. Economic challenges

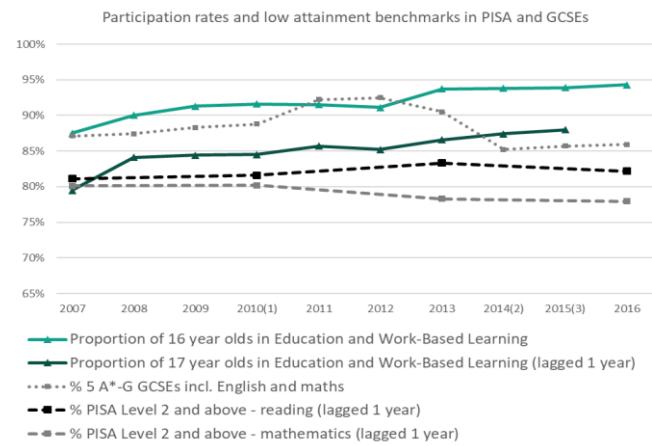
- Median real hourly pay fell 12% between 2009 and 2015 for under-30s, and 9% for all employees.
- Output per hour remains around 16 per cent below the average of the rest of the G7, whilst employment has recovered well.
- Youth (16-24) unemployment and NEET rates have fallen sharply from over 20% in 2011, but remain over 10%.
- Number of people of State Pension Age projected to increase by 33% by mid-2039, while the number of people of working age is projected to rise by 11% per cent.
- After 7 years of austerity, public debt still almost 90% of GDP.
- Brexit creates new uncertainties for labour supply and production patterns.
- Technological change is creating new opportunities, but is changing the world of work rapidly – growth of the ‘gig’ economy, unstable careers, and employment growth concentrated in new types of roles.



2. Creating effective education pathways

- Problems in technical education are recognised by the Government: Post-16 Skills Plan seeks to create a more job-focused technical route with clearer pathways.
- But could create two narrow options. Research has described our A level system as “uniquely narrow and short” compared to successful systems where most study science, maths, arts, social sciences and languages to 18.
- Only around 27,000 entries for A level modern foreign languages in 2016, a decline of 1/3 since 1996. Four times as many boys study physics A levels as girls, and almost twice as many study maths.
- Many value keeping options open: only around 15 per cent of 16-18 year-olds studying at level 3 are undertaking full time technical education designed for entry to occupations; almost twice as many are taking an applied general qualification.
- Positive consensus on the benefits of apprenticeships, but widespread concerns about quality and use of apprenticeship levy to rebrand training for older workers.
- Intermediate skills and short-cycle tertiary qualifications are lacking whilst 30 per cent of England’s workers are ‘overqualified’ compared to an average of 22 per cent in an OECD survey.
- Have increased participation without radically reducing low attainment. Many still disengaged while NEET interventions have been scaled back.

- ✓ *The Post-16 Skills Plan, and the review of tertiary education, needs to create a coherent vision for education that caters for those looking for a ‘career education’ and higher level, non-degree, skills (1).*
- ✓ *Apprenticeships must be linked effectively to other routes and be designed to deliver general skills rather than meet targets (2).*
- ✓ *The transition year needs to form a proper three-year journey for disengaged young people (3).*
- ✓ *Comprehensive careers education strategy (4).*
- ✓ *Ensure curriculum decisions take society’s varied interests into account (10).*



3. Improving basic literacy and numeracy in school & college leavers

- England is unusual among developed countries to have the same levels of basic literacy and numeracy amongst its youth and those nearing retirement.
- Around one in ten university graduates in England have ‘low’ literacy or numeracy skills according to the OECD.
- The proportion of young people who failed to achieve GCSE A*-C or another Level 2 qualification in English and maths at age 16 who had achieved this by age 19 is increasing, but over 75 per cent of these young people still fail to do so.
- Sir Adrian Smith’s recent review of post-16 mathematics recommended that the Government review the GCSE resit policy, considering what curricula and qualifications would be most suitable.

- Deep-seated beliefs that a young person ‘can’t do maths’, maths anxiety, or low self-esteem can make it difficult for teachers and trainers to engage learners.
- ✓ *Retain the ambition for everyone to attain at least a level 2 in English and maths by 19, and develop Functional Skills to make the most of the new technical routes for contextualising learning (5).*
- ✓ *Monitor whether apprentices with low English and maths skills are developing them effectively (5).*
- ✓ *Develop a strategy for improving education staff working conditions and development across all phases, including to ensure we retain effective teachers of literacy and mathematics (8).*

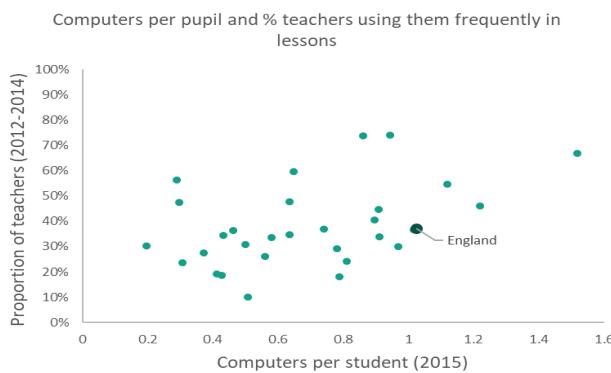


4. Employability, 21st Century and ‘soft’ skills

- Many employers in the UKCES’s 2015 Employer Skills Survey reported challenges finding people who can manage time and prioritise tasks (47 per cent) and possess customer handling skills (39 per cent).
- Evidence highlights the importance of non-cognitive skills for employment, life outcomes, and acquiring educational knowledge, e.g. Carneiro, Crawford, and Goodman (2007) found that ‘social adjustment’ at 11 had a significant impact on employment and wages at age 42 after controlling for educational attainment
- The evidence for the malleability of non-cognitive skills, and for the effects on wider outcomes of deliberate strategies for enhancing them, is mixed – particularly when teaching them in general contexts.
- Variety in the delivery of core course content in schools may help, but in PISA 2015 England’s pupils had a similar exposure to enquiry-based instruction in science to the PISA average, and it tended to be associated with lower science scores.
- Out-of-school/college experiences, including service learning, have been shown to develop skills and are popular, but the proportion of 16 to 17-year old full-time students in employment fell from a peak of 42 per cent in 1997 to 22 per cent in 2017.
- Entry rates into higher education have been found to be on average 12% cent higher for graduates of the Nation Citizens Service (NCS) than others. The scheme has expanded rapidly to 93,000 participants in 2016.
- ✓ *The Government should prioritise ensuring that the school and college accountability system supports provision of a sufficiently broad curriculum, before advocating specific interventions or the use of scarce curriculum time for the teaching of non-cognitive skills (7).*
- ✓ *Further expansion of the NCS should not compromise effectiveness or value for money. The introduction of a Passport for Life might support development of a wider set of locally-tailored interventions (12).*

5. Developing skills for the modern economy

- Digitalisation & automation will change the types of job available, but around half of adults in England have basic or no ICT skills, higher than the OECD average
- According to the UK Digital Skills Taskforce, 72 per cent of large companies and 49 per cent of SMEs are suffering tech skill gaps.
- *If an evidence-based approach is taken*, technology could be better used to save workload and learning in schools/colleges.



- The UK’s adults had the fifth lowest financial competency scores among 17 OECD countries assessed in 2015.
- Disadvantaged students were twice as likely as others to be low performers in financial literacy in PISA, but financial literacy scores had correlations of 0.74, 0.75 and 0.78 with mathematics, reading and science performance respectively.
- Recent introduction of coding and financial literacy in the curriculum is welcome, but it is unclear whether teachers are prepared to teach the latter.
- ✓ *Monitor the implementation of new curriculum elements and consider emerging EEF evidence on the impact of support provided to schools (9).*
- ✓ *Ensure that teacher training established the right core digital competencies (15).*
- ✓ *Familiarity of modern software should be augmented with more workplace-focused skills (13).*
- ✓ *Through apprenticeship standards, employers should identify gaps in digital skills levels and help establish appropriate minimum standards (14).*

6. Embedding lifelong learning

- With some of the least strict employment legislation in Europe, England has a dynamic labour market with high job turnover. This may support employment, but may reduce incentives for training.
- England was rated slightly above average for overall (including informal) adult education rates and ‘readiness to learn’ in the 2012 OECD Survey of Adult Skills.
- But in the 2010 EU CVTS, 31% per cent of UK employees attended vocational training courses at work, compared with an EU average of 38 and 46% in Norway.
- Budget 2017 announced maintenance loans for level 4+ learners, but only in Institutes of Technology and National Colleges.

- Adult learners tend to be younger, more literate, in higher socio-economic groups, and in professional occupations, but others may need the training more to avoid low-paid work. Careers education could help develop a better culture in relation to training.
- Adult training has fallen alongside a more than 50% cut to the non-apprenticeship adult skills budget between 2010-11 and 2015-16, and part-time degree study has decreased.
- ✓ *Better promote the current offer for free English and maths training (6).*
- ✓ *Explore personal learning accounts, or other ways to provide better financial support for adult learners alongside the offer for higher education (11).*

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