

Speech: Damian Hinds Technical Education Speech

Introduction

Good morning ladies and gentlemen... Thank you all for joining us here in Battersea... And thank you to Battersea for providing this very striking venue.

I once came here as Minister for Employment and met some of your apprentices...

I remember speaking to them about what they were doing...their future plans...and being struck – as I often am when talking to someone on a good quality apprenticeship – by their enthusiasm, their ambition, their optimism... the sense of what is possible in the future.

Young people know when they are genuinely on a path to a good job, a great career – just as they know when they're on a route to nowhere.

And, unfortunately, for too long, we've had too many of our young people leaving school without the necessary skills or direction – and ending up on a dead-end route...getting in to work but not able to get on in work and progress to something better.

I am determined now to change this.

Everyone must be given the chance to get on a clear path to a skilled job. That could be an academic path – but it could also be a more practical, technical path, as I'll be setting out today.

Productivity problem

There is, of course, one dominant theme in any conversation about the UK economy right now... leaving the European Union. Getting the right deal for our country...the best future trading relationships... ensuring the stability that businesses need to keep growing and investing...and sustaining this unparalleled record we have had on job creation.

But there is another crucial issue that pre-dates Brexit and should be focusing minds just as much... Our great unsolved issue in our economy of the last fifty plus years: productivity.

Clearly, productivity matters...higher output per hour means the economy grows, firms can raise wages...and when people earn more, they have higher living standards, higher quality of life.

...And that goes for everyone's quality of life, not just those at the top.

Productivity is also how we afford our public services. When people earn more they can pay more. It's how we afford the best education for our children, the best care for our parents.

So what's the problem?

Today Germany, France, the US – all produce over 25% more per hour than the UK. And, actually, this productivity gap with Germany and France first opened up in the late 1960s, further back still with the US.

It is a longstanding problem.

And this gap really matters. Matching German productivity would allow government to spend tens of billions of pounds a year more in our public services.

What has kept our economy growing this last decade, is our growing working age population and our buoyant jobs market.

But... As the OBR point out, we cannot rely on a growing number of workers keeping our economy growing – employment is already at record levels and we're seeing less inward migration.

Our high employment rate is a great strength of our economy...

But the challenge now is more people working in highly productive industries, in rewarding jobs with the opportunity to progress and earn more...not just in work, but getting on in work.

Skills and people

So what's the solution?

A year ago today, this Government set out our first modern Industrial Strategy for boosting our nation's productivity...setting out our ambition to put the UK at the forefront of the AI and data revolution...increased investment in Research and Development...a major upgrade to the UK's infrastructure...

My colleague Greg Clark will be speaking about many aspects of this strategy later today.

Clearly, there is more than one factor associated with low productivity...but today I want to focus on a critical one that I believe underpins everything else...

Skills.

Yes you need to invest in high-tech machinery and in the latest technology; but you still need people who are trained to use it.

That's why our Industrial Strategy also promises a major upgrade on the nation's skills.

Right now, when it comes to skills we have an hourglass shaped problem in this country...

By that I mean that at the top of our hourglass, we have a large number of

well-educated people, often with degrees from good universities... They tend to be in the high skilled, high paid jobs. This is worth celebrating.

But at the bottom of the hourglass, we have a large number of people who either never progressed beyond GCSEs or gained low level vocational qualifications... They are too often ending up in low skilled, low wage jobs.

If we're ever going to close the productivity gap then we need more people getting into the top half of the hourglass, and essentially we need to change the shape of the hourglass so it bulges out in the middle...with more skilled jobs for people doing high quality training when they finish school.

In brief: more skilled workers, more skilled jobs.

At the moment, the UK benefits from a growing economy and low unemployment, but it suffers from a skills shortage...

In 2017, employers reported difficulties finding the right skills, qualifications or experience for 42% of skilled trades vacancies.

Our country needs more computer programmers...more engineers...more electricians and chefs... We need more technicians in fields from advanced manufacturing to healthcare ...construction to telecommunications.

Brexit and automation

This shortage is becoming more urgent...for two reasons in particular.

First, the movement of people.

Our businesses, and our society as a whole, has hugely benefited from our diverse workforce, the fantastic contribution of EU nationals and people from other parts of the world... Everyone working in the UK today, wherever we come from, has an equal stake in our nation's future.

As the Prime Minister has set out, once we will leave the EU we will be able to set our own immigration policy...a skills based system...

In the past the easy availability of ready trained labour coming from abroad has led to some reliance, some might say an over reliance, on importing our skills needs. In future, I want to make sure everyone has the opportunity to develop the complex skills needed to play their part in a vibrant, growing economy...

Secondly, automation...

It is impossible to predict the timing or the way automation will impact us – although we see various predictions when it comes to the numbers of jobs at risk or may change, no one really knows.

But we must assume it is those with more training that will do better...

And by more training I mean better literacy, better numeracy, continuing

improvement in general primary and secondary education, as well as practical, technical skills...

Ultimately, it is about how well our whole workforce can adapt to rapid technological change and a changing job market...the challenges and the opportunities.

The educational divide

What does all this mean for our education system?

Now, let's be clear: there is a lot to be proud of – standards have risen and, since 2011, we have narrowed the attainment gap between children from disadvantaged backgrounds and their better off peers by 10%.

That's a fantastic achievement from teachers and leaders across the country.

And we should also be proud of our strong higher education sector...students from all corners of the world compete for a place at our top universities.

But the truth is that while we can boast that our young people have an excellent and clear academic route to a job...A Levels and then university...

Our vocational, technical routes tell another story. For many, the route is not clear, the expectations are not high enough and the links to a skilled job are too weak.

In fact, around a quarter of all 16 year olds in the education system are essentially churning around – switching between course types, dropping back to lower-level learning, or repeating study at the same level.

In recent years we've done a lot of work to improve apprenticeships – but before then they'd fallen out of favour with employers... They were too short, with too little off-the-job-training... The apprentice stayed the apprentice rather than mastering the skills needed.

Behind all of this has been a bit of an attitude problem: as a nation I'm afraid we've been technical education snobs.

We've revered the academic but treated vocational as second class – when we do it well, law, engineering, medicine – then we don't even call it vocational.

Why has this has been tolerated for so long? I think the reason is the "O.P.C" problem. For so many opinion formers, commentators and, yes, politicians: vocational courses are POC courses: for 'other people's children'.

As the Prime Minister has been very clear – this has to change.

Young people not on the A-level route have two years of government funded education when they turn 16...precious time, precious investment in the future... And all too often it's time and money used to train them to a low level in a

skill the economy doesn't need.

Let me be clear, the answer is not just encouraging more and more people to go to university...

It is introducing clear, high quality, technical paths to skilled jobs... Paths that are as respected and as easy to understand as the A-level-to-degree route.

Partnership

If we're to achieve this, there are two vital partners for government.

The first is Further Education Colleges. For too long, Further Education has been something of a neglected sector, playing second fiddle to Higher Education... That needs to change.

Colleges will play an essential part in delivering the modern Industrial Strategy... They will be our key national infrastructure for technical education.

Of course, colleges do many important things for their communities... But their core purpose is to help people to move into and thrive in work. And providing world-class technical education – the knowledge and skills people need for the jobs of today and tomorrow – is central to that.

The second partner is, of course, employers. We can't guarantee young people that a qualification is a clear path to a job unless we're working side by side with the people who have the vacancies and the skills needs. That's why we're putting employers at the heart of every reform we're making to technical education.

Ambition

I'm not promising an overnight revolution. This is a ten-year project. But in a decade's time I want us to have a completely different perspective on technical education in this country...

The core test of our reforms will be this:

Today, in the UK, just 65% of our working population have completed upper secondary education, with qualifications at what, in the jargon, we call a Level 3 standard – the equivalent of A levels.

So one third do not; they have only GCSE-level qualifications, or below.

In Germany, that 65% is 87%...meaning a better chance at a skilled job, a higher wage, a career taking you where you want to go.

What does that mean in practical terms? Well, the difference to your wages from reaching a Level 3 or A-level equivalent qualification is about £40 a week – more than £2,000 a year.

I don't think our young people are less talented, less ambitious or less capable than those in Germany ...

In ten years time we should be able to look back on all the reforms we've made, and be able to say, yes, our young people now have the same – or ideally better – training opportunities than they do in Germany, or Holland, or Switzerland, or other leading systems.

Matching skills with the labour market need

How do we make this vision a reality? I believe there are four key elements.

The first is overcoming our system's failure to match skills with the labour market need...

Right now, we have a training market that is driven by the choices colleges and other training providers make... For the people putting on the training there is good reason to go for cheap, popular courses that are easier to put on, easier to pass.

We need a strategy that means both the individuals choosing their courses and the colleges putting the courses on are incentivised to develop skills that match the labour market needs of the future... With the number of people training in proportion to the number of opportunities likely to be available.

We know, for example, that Germany trains around 11,000 hairdressers per year – in England, around 40,000 people train in hairdressing each year, in a country with fewer actual heads.

At the same time, employers in the construction sector struggle to fill over a third of their vacancies because they are unable to recruit people with the required skills.

We need a plan to better ensure supply matches demand...a plan to make sure people are going to be able to find productive, remunerative jobs at the end of their courses.

A big part of our Industrial Strategy is tailoring policy to local needs, the same goes for skills.

Simply put – there's no point in training lots of people to be web designers if a town needs electroplaters.

So, when it comes to our new T Level qualifications, which I'll be talking more about in a moment...

...Our T Level funding consultation proposes that colleges must have regard to local skills plans and strategies before deciding which T levels to offer.

I want to go further. All areas will have Local Industrial Strategies.... And I'm determined that employers should have real influence over what kind of courses colleges in their area are putting on.

Some great colleges are already making this happen – let's make it universal.

As a starting point, today I'm publishing guidance on the role of our Skills Advisory Panels – local partnerships between public and private sector employers, local authorities and colleges and universities – setting out how they will work together to decide what skills are really needed in each local area.

I want this done well – so today I am announcing new support for every local area to fully understand and assess their skills needs now and in the future.. Each Panel will get £75,000 to analyse their local skills needs, which could include employing a labour market analyst.

Clear paths to a job

The second element is the lack of clear, simple path for young people choosing technical study at 16.

Britain is unique worldwide in offering thousands upon thousands of training courses to our 16-year-olds, more than 10,000 in total.

But it's hard to know for sure which course is actually valuable in the job market.

Often we find that these training courses teach about a broad sector, but they don't help someone develop the depth of skills they need to succeed in the job.

Our new T Levels will change this... 25 high quality courses, with a clear line of sight to actual job roles ...

We've worked with employers such as Fujitsu, IBM, EDF, GlaxoSmithKline, the Bank of England, KPMG, and the British Army to design rigorous content...

Crucially, both in the classroom and during the industrial placement, T Levels will focus on developing the skills needed to get, and perform well in, an actual job.

So looking at the first three T Levels being offered by around 50 colleges in 2020...

Pass your Education T Level then go and work as a teaching assistant or in an early years setting...

Pass Digital, Production and Design and apply to be a software development technician...

Complete the Design, Surveying and Planning T Level and become a civil engineering technician...

Clear paths to a skilled job.

And we will make sure that we're not letting people who need a little more

support fall through the gaps...

By making a 'transition offer' available to a number of young people who are not quite ready to do a T Level at 16... extra training so they'll be ready to start by 17.

I'll be setting out more details of this offer in the new year.

Today, as part of our T Level Action plan, I am also announcing the next set of T Levels we will roll out in 2021...

- A Health T Level...
- A Healthcare Science T Level...
- And a Science T Level...
- An Onsite Construction T Level...
- A Building Services Engineering T Level...
- A Digital Support and Services T Level...
- And a Digital Business Services T Level.

When fully rolled out, we'll be putting hundreds of millions of pounds in additional money behind T Levels every year...

Crucially, this will allow us to support the intensive 3 month industrial placements for every T Level student, so they can put into practice what they've learnt...developing their confidence and skills.

Already this year employers large and small are offering pilot placements to students...

But as T Levels are fully rolled out in the coming years we are going to need more and more employers to step up in every town and city, across the country. For businesses – this is your opportunity to build up the skills pipeline of the future.

As we roll T Levels out, we're also reviewing the qualifications currently on offer...we don't simply want to add 25 to the 10,000 plus that already exist...

There are going to be some tough decisions ahead as we think carefully about what we take away from the system as well as what we add – we'll consult before deciding on the nature of qualifications needed. But I think we'd all agree – better to see young people with a smaller number of high quality choices rather than a plethora of often mediocre ones.

A clear path to higher skills

The third element I want to look at is the issue of –what comes after your vocational qualification...

A-level students, of course, often progress to a degree, but what's the next step on your journey once you've completed a T Level or an initial apprenticeship?

Yes, many will now be wanting and, crucially, will be ready to step straight

in to a skilled job.

But, equally, some will also be ready for the next level of training that can take them to an even higher skilled job...

The kind of training that helps you step up from being a cook to a chef...a bricklayer to a construction site supervisor...an aircraft maintenance fitter to an aircraft maintenance engineer...

According to the CBI, the biggest growth in jobs in the years ahead is expected to be in management and professional and technical roles –

And these roles will require the specialist skills which a higher technical training course could provide.

At the moment, people in the sector describe these training courses as 'level 4 and 5'...

But a lot of people will look blank at this description – which is part of the problem.

Colleges and universities don't offer much training at this level... Very few students do it compared to the numbers doing a degree or a lower level of technical training – partly because it's not available and partly because they're not aware of it.

And employers are also less aware of these training courses...which means recruitment is often either focused below the level needed or above...with some jobs being unnecessarily inflated to degree level. Which, it's worth noting, can mean some people are paying for a degree they might not need.

It's not just the lack of college courses that's a problem here either...in recent years, we have not had enough apprenticeships that train people for more highly skilled jobs. When I visited Germany earlier this year I saw for myself how apprenticeships can be a ladder to more and more specialist, well paid occupations.

But in this country...last year more sixth form and college leavers went to Oxbridge than went on to do a higher level, that is to say a Level 4 or 5, apprenticeship...

I'm determined to properly establish higher technical training in this country – so that it's recognised and sought after by employers and young people alike.

Right now, with dozens of different qualifications, courses and brands on the market, it's baffling for employers and students alike.

But we do know there are good quality higher technical qualifications on the market already... What is missing is widespread clarity and confidence that these qualifications deliver the skills employers need.

That's why I intend to establish a system of employer-led national standards

for higher technical education which will be set by employers themselves. Through the Institute of Apprenticeships, we plan to identify and recognise existing and new qualifications that meet the knowledge and skills needed by employers.

I mentioned that Level 4/5 doesn't mean a lot to most of us... I want us to start calling these courses what they are: higher technical qualifications ...and develop clear national recognition...

Ensuring these qualifications are clearly badged and easy to recognise, meaning that employers are able to start looking for them on CVs and application forms, and advertising for them when recruiting to jobs at that level.

This process will be overseen by the Institute for Apprenticeships, who will soon become the Institute for Apprenticeships and Technical Education... and we will have the first recognised qualifications in place from 2022 – ready for those first T Level students who will just have completed their course.

We will be consulting next year on how to deliver this new approach.

I expect higher training to be offered by high performing colleges and universities, alongside our National Colleges focused on specific industries such as High Speed Rail and Nuclear... And by the new Institutes of Technology we're establishing across the country, which will specialise in delivering higher technical training.

Of course, it is essential that different bits of the technical education system also fit together – our reformed apprenticeships, T Levels, higher technical training...

The Institute of Apprenticeships have documented all the skilled jobs and occupations that you can get to through an apprenticeship or T Level...showing how you can progress from one job to another...that mapping should now extend to Higher Technical qualifications and beyond as well.

In this way, it will be clearer to everyone – young people, parents, employers and training providers – how, through high-quality technical education, you can get into and can progress to the top of your chosen profession.

Parity of esteem

Time to look at the fourth and overarching element: the issue of esteem. As I've said, we've long been technical education snobs in this country...

But our ultimate goal is to deliver parity of esteem when it comes to technical and academic routes...equally valid choices.

In order for technical education not simply to be something for other people's children, it has to be something you want your child to do as well. That means it's high quality and leads to a well-paid, rewarding skilled job.

Government can't endow esteem on technical education, you can't legislate for parity in this way...it's our job to make it high quality, then employers and young people themselves will genuinely value it. Quality has to come first. Get that right and esteem will follow.

We also need to make clear to young people, and their parents – that a degree is not the only path to a great job.

When it comes to our schools and colleges, although we have published performance tables where destinations to further education, apprenticeships and employment are all counted...

We show how many students go to specific universities... without also showing how many students progress to higher technical training...

So we inherently imply that university is valued more highly than other routes.

This will end. In the future, our performance tables will lead with publishing a new measure...one measure: young people doing higher learning on either route.

And this could be a degree at university or higher technical training through an apprenticeship or a Higher Technical qualification.

I'm clear that the school that gets a young person onto a higher apprenticeship deserves as much praise as when it gets someone to university.

To be clear, the message here is not don't do a degree – the message is simply you don't have to do a degree.

With the growth in the knowledge economy and the demands of business – we will need a high number of graduates in the future, but we also need more people with higher technical skills.

We want young people to acquire the higher qualifications that lead to high skilled, more rewarding jobs – whether through a degree, a higher apprenticeship or higher technical qualifications.

And no longer should schools and colleges feel that they must push students down one route in order to be judged a success.

We also need to make sure that all young people get the advice and guidance they need to make choices about their future. Just over a year ago we published our careers strategy, setting out our plans to build a world class careers system.

Thanks to the hard work of our partners like The Careers & Enterprise Company, we are now seeing real changes in schools and colleges, with over 2000 business volunteers helping to connect young people with employers and I commend them for what they do.

Finally, I want us to break down some of the false barriers we've erected

between academic and technical routes...

I don't see any reason why higher technical training shouldn't be open to certain A-level students as long as they have the prerequisite knowledge and practical skill –

Equally, I want T Level students, that want to, to be able to go to university to do relevant technical degrees.

This will of course depend on the T Level subject, but there will be an obvious path for, say, a Design, Surveying and Planning T Level student to then do a surveying degree or for an Accountancy T Level student to then do an accountancy degree. We will identify and work with specific universities well placed to lead the way on this.

And I'm pleased to be announcing today that UCAS has agreed to give a T Level UCAS tariff points in line with 3 A-levels. This reflects the size and complexity and demands of the qualification.

T Levels will be graded Pass, Merit or Distinction...and we are now discussing with UCAS exactly how points will be awarded per grade.

Conclusion

What does all this ultimately boil down to?

A clear quality technical path to a skilled job. More young people gaining higher skills. A more productive economy.

This won't all change overnight – this is a ten year project to upgrade our nations' skills...colleges playing their part as the national infrastructure for technical education, industry playing their part, creating and investing in the workforce of the future...

And we must see this through...

Even without the imperative of Brexit, productivity and skills are historic problems that need solving.

We have a modern Industrial Strategy that is all about making Britain fit for the future, in a world of rapid technological change... But it's people that are at the heart of this strategy. It's people that will make it live.

By investing in our technical education now, we can make sure that everyone is qualified for the jobs of today and tomorrow... That all our young people have the opportunities they need to succeed.

Thank you.