

<p>Cyngor Cyllido Addysg Uwch Cymru Higher Education Funding Council for Wales</p> 	<p style="text-align: right;">Disclosable</p> <p style="text-align: right;">Annex A RIEC/11/13</p>
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Unconfirmed notes of the joint meeting of the Research, Innovation and Engagement Committee (RIEC); Student Experience, Teaching and Quality Committee (SETQC); and Reconfiguration and Collaboration Committee (RCC) held on 16 May 2011 at Cardiff University.

1 Purpose

- 1.1 The purpose of this meeting was to provide an opportunity for a joint focus on *Skills and Employability*. Responsibility for skills and employability is shared between SETQC (in relation to learning and teaching and the student experience) and RIEC (in relation to employer engagement and the wider economic agenda). RCC also has an interest in this agenda, in that it has funded collaborative projects that focus wholly or partially on skills issues, and was tasked with advising on strategies and funding proposals submitted in response to the regionalisation agenda, within which skills and employability is an important element.
- 1.2 In particular, the purpose was to explore how HEFCW and the HE sector, in the context of Corporate Strategy commitments and remit letter requirements, might better engage with the Wales Employment and Skills Board (WESB) and, as such, focused on a presentation from the WESB Chair, Sir Adrian Webb. Recognising that entrepreneurship is also highly relevant to this agenda, Sue Morgan from WAG's Department of the Economy and Transport also presented on the Youth Entrepreneurship Strategy. Perspectives were then provided from three of the constituencies represented on the Committees before group discussion centred on some of the issues raised.
- 1.3 The list of attendees is attached in **Appendix A**.

2 Presentation by Sir Adrian Webb

- 2.1 The key points covered were as follows:
- The Welsh HE sector has strengths, but this is not sufficient. The question is how good is the sector compared to the scale of the problem in the Welsh economy? For Ministers, this will be the measure of HE in Wales, who view the sector as reactive and not sufficiently strategic. The HE sector needs to “come off the back foot” and seize the initiative.
 - Real expertise in Wales needs to be better promoted in terms of building the Welsh economy. The Research Subgroup (established on an ad hoc basis by RIEC) made some very relevant recommendations in this respect, and it might be worth establishing a group to take these forward.

- More emphasis needs to be placed on the adult workforce which is the stock of the skills base. HE and FE have an important role in workforce upskilling. Within Wales, there needs to be more of a focus on (work-based) progression to levels 3, 4 and above, including into HE.
- There is a problem with a shortage of granular, real-time, localised labour market information (LMI) to guide HEIs in developing curricula. This may be an obvious area in which HE could seize the opportunity, eg through the establishment of regional skills observatories working with local employers.
- Statistics that appear to suggest that skills supply is exceeding demand could be damaging for HE. The message at a UK level is that this misses the point: we need to drive forward employers' ambitions, not cut back on skills supply. Changing the Welsh economy is not about a generic strategy for skills or research. Instead, it calls for a bespoke response (regional, localised and within real-time).
- Employers continue to make the case for the need for better employability skills from graduate recruits (recent CBI report lists as important employability skills, the degree subject, and possession of appropriate work experience). The possession of a degree has, to some extent, lost its cache. Skills need to be emphasised as a prime HE output, not merely the transmission of knowledge.
- Is there a need to re-balance demand? ie balance away from learner preference and towards skills needs, via a better informed market. This implies the need for more planning.
- Overarching all of this is the need to present Ministers with agreed expectations in relation to HE, ie a coherent strategic message on what HE can offer.

3 Presentation by Sue Morgan

3.1 The key points covered were:

- The Welsh Government's Youth Entrepreneurship Strategy (YES) has been endorsed by DCELLS and DE&T (now DfES and BE&T) Ministers. Website: www.bigideas.wales.com
- YES uses the ACRO definitions (Attitude, Creativity, Relationships, Organisation) to characterise entrepreneurial skills.
- The Welsh Government is reviewing its current funding model for entrepreneurship.
- The Welsh Government intends to establish a national monitoring and evaluation panel of YES (opportunity currently being advertised via the Sell2Wales website).
- The contribution of HE is seen as key to the delivery of the Strategy.
- Questions to consider:
 - What does entrepreneurship mean to HE? Are the definitions correct? Is it about cultural change, the skills and employability of students, knowledge exploitation, business start-up?
 - What are the critical factors in taking forward this agenda in HE?

- How can HE make an effective contribution to the delivery of the YES strategy?

3 Q&A session

3.1 Some of the issues highlighted were as follows:

- GO Wales is an excellent programme, but it only “bites at the edges”.
- All parties appear to have a blind spot as far as the funding of part-time provision is concerned.
- There is a tension between the concept of an “oven ready graduate” versus the need to future proof. Arguably, the use of granular LMI would lead to the former (and markets would need to be of a size and continuity to drive HEIs to respond); the use of ACRO employability definitions would point to the latter.
- Granular LMI (eg including on sub areas of STEM) is needed to provide information on the direction of the economy.
- Better links with FE offer huge opportunities in Wales (in Scotland a single Funding Council means that HE/FE policy is formulated jointly).

4 Perspectives from Committee members

4.1 *An employer’s perspective* (Brian Turton):

- In the context of priority sectors in Wales, the HE sector should be recognised as an income-generating business and continue to be promoted internationally.
- There is often a tension between the planning cycles of companies (which are usually relatively short-term) and universities (three, four-year courses).
- Schools have a responsibility to advise students against making bad decisions through ignorance.
- Companies are looking for agile, logical, inventive, numerate, etc graduates. The degree subject area is not so crucial.
- Available LMI needs to be as detailed, specific and localised as possible in order to provide real evidence of need.
- Companies need a better understanding of where government planning is going, in order to minimize their level of risk.

4.2 *The students’ perspective* (Katie Dalton):

- As above, schools have a responsibility to advise prospective students. Ill-informed choices often lead to higher drop-out rates at HE level.
- There will always be a tension in the fees debate between the case for educating for (specific) employment and learning for learning’s sake.
- HEIs need to consider how best to deliver employability skills to students on non-vocational (eg arts/humanities) courses, who often feel neglected in this respect.
- The needs of a diverse student population (eg students with caring responsibilities) need always to be kept in mind when considering how to embed employability skills and, in particular, work experience into the

curriculum. Due recognition should be given to skills obtained via alternative means, eg student volunteering, student representation.

- The new fees regime will raise students' expectations about the employability skills their courses will give them.
- The part-time issue is of huge concern to the NUS, as is the transition between FE and HE and the status of HE provision within FEIs.
- The importance of the availability of graduate jobs in Wales needs to be fully recognised.

4.3 *The SSC perspective* (Simon Dancey):

- SSCs would widely endorse the points made by Adrian Webb.
- HEIs are encouraged to tap into the resources and expertise of SSCs in relation to employer engagement, LMI, qualifications frameworks, etc. In particular, the expertise lodged within SSC employer panels could prove invaluable to HEIs.
- A holistic approach is needed – the role of private training providers and employers also need to be added to the mix.
- SSCs are very keen to engage in discussion about the employability of graduates.
- HEIs need to be more adaptable, eg in the provision of CPD opportunities.

5 Discussion groups

5.1 The groups considered the following questions in the light of the presentations and perspectives described above:

- (i) What has Wales got wrong that needs to be put right in relation to higher level skills provision and graduate employability?
- (ii) What can HEFCW and WESB do together, during the first year of the new Welsh Government, to ensure that graduates of Welsh HEIs (full-time, part-time, students already in employment) are more effective drivers of the Welsh economy and can compete more successfully in the UK and globally?

5.2 The points made in group discussion are attached in **Appendix B**.

6. Close

6.1 Thanks were extended to Sir Adrian Webb, Sue Morgan and to all the speakers and chairs. The next step was for HEFCW staff to identify key action points for discussion at forthcoming meetings of SETQC and RIEC.

Discussion Groups

Group 1 (chaired by Katie Dalton)

1. What has Wales got wrong that needs to be put right in relation to higher level skills provision and graduate employability?

- There is nothing specifically wrong in Wales – there are issues to address, but Wales is no worse than any other nation.
- Some institutions are using employability as their unique selling point
- There has been an (unhelpful) obsession with keeping Welsh graduates in Wales. It is more helpful to have a broader focus on world markets and graduate mobility. However, some graduates would like to remain in Wales and have to leave to find employment, or take jobs where their skills are underemployed.
- Wales is currently treating the symptoms and not the causes in relation to employability and higher level skills. The cause can be traced back to deficiencies in primary and secondary education, including a lack of rigour and discipline. This is evidenced in the PISA data. Unless deficiencies in the other parts of the education sector are addressed, any attempts to rectify them through HE are sticking plaster.
- There is a high rate of business start-ups by Welsh graduates. The HE sector needs to promote this and enable these businesses to be sustained.
- It is important to be wary regarding learner demand and debt, as the drivers for graduates to become entrepreneurial will change as a result of the changes in HE funding.
- The change in HE funding method should be considered as a tax. Entrepreneurs may become more strategic to ensure that they do not meet the threshold for repaying their fees.

Actions

- i) Shift the focus from keeping Welsh graduates in Wales to a broader focus on world markets and graduate mobility.
- ii) Address deficiencies in the primary and secondary education system.

2. What can HEFCW and WESB do together, during the first year of the new Welsh Government, to ensure that graduates of Welsh HEIs (full-time, part-time, students already in employment) are more effective drivers of the Welsh economy and can compete more successfully in the UK and globally?

- It is essential that learners and their advisors, and employers, are adequately informed.
- It would be better to avoid the obsession with the structure of the HE sector (numbers of institutions) as this diverts the sector's energy. Despite this obsession, some HEIs are doing well in relation to entrepreneurship (spinout companies etc). It would be better to focus on supporting the economy and new businesses, rather than on sector structure.

- All students should be exposed to entrepreneurship skills, including marketing and pitching. However, as a result of this exposure, some learners with particular aptitude in this direction may be identified, which could enable further focussing of resources.
- Entrepreneurship is a balance between nature, nurture, and the circumstances in which people find themselves.
- Elements of entrepreneurship could be included in each course, particularly the 'traditional' HE courses.
- Work placements could be included in each course.
- It is essential for students to be able to communicate their skills. This goes back to the issue of learner demand. It is likely that the change in HE funding will lead to different student demands.
- Every HE programme is already required to have an employability statement of skills gained. However, students are often not aware of this. There is an argument that there is an onus on academics to make the employability skills more transparent. There is also an argument that employability should be a credit-bearing aspect of each programme. However, there is some concern among academics regarding their ability to assess this. Higher fees may mean that students will be keen to have more money spent on their employability.
- There is an increased focus on performance indicators. This is under the control of the HEI. It is a particular concern that advisors based in schools should have the information to advise learners in making their choices. WESB may be able to help drive this into schools.
- It would be interesting to discuss a HE observatory/observatories for labour market information, but this would need to be funded. Query regarding where this funding might come from.
- HEIs and academics need to have confidence in the employability outcomes of graduates in order to provide assurance to graduates. This could be addressed systematically for Wales as a whole by having a compulsory employability component for all Welsh HE provision. Every member of teaching staff could have this as a responsibility, but they would need to be able to do this with confidence. Welsh HE could then be promoted as delivering employability (and entrepreneurship) skills well across the sector.
- Rather than having a retrospective perspective in relation to employability, we need to be forward looking. It might be possible to get dialogue in Wales along the model existing in Scotland, which has a single skills committee.
- Query whether it might be possible to get HE and FE in Wales together to address workforce needs. There could then be a number of exit points feeding into skills demands at different levels in industry.
- There was a query regarding whether the artificial separation of DES/HE and FE/schools prevented the development of a holistic perspective in relation to employability.
- The professions were considered to have a disproportionate impact on the HE system.
- Employers were not clear regarding what they would want in five years time. If the market cannot be defined, HE cannot address its needs.
- It was important to have close dialogue between employers and HEIs, which could include addressing generic skills. There needed to be a focus on generic skills and transferability.

Actions

- i) WESB, HEFCW and the HE sector could work together to ensure that appropriate information on employability is available to learners, their advisors and employers.
- ii) There should be more focus on what HEIs are already doing in relation to employability
- iii) There should be a shift in focus from the structure of the HE sector to supporting the economy and new businesses.
- iv) Wales could be promoted as a place where employability is addressed effectively sector-wide, including through having a compulsory employability component for all HE provision.
- v) WESB and the HE sector could work together to ensure that advisors based in schools have appropriate information for learners.
- vi) HE and FE could work together (regionally?) to address the needs of employers at different levels.

Group 2 (chaired by Nina Park)

1. What has Wales got wrong that needs to be put right in relation to higher level skills provision and graduate employability?

- Have we over-resourced undergraduate at the expense of postgraduate training?
- Have widening access policies, that aim to provide better opportunity, taken proper account of the need to provide a more valuable student experience in terms of their employability?
- Policies have focused on school-leavers entering higher education, whereas a large proportion of the skills base is already within the workforce. WESB and HEFCW need to educate ministers in relation to the policy implications of raising aspirations of the existing workforce.

2. What can HEFCW and WESB do together, during the first year of the new Welsh Government, to ensure that graduates of Welsh HEIs (full-time, part-time, students already in employment) are more effective drivers of the Welsh economy and can compete more successfully in the UK and globally?

- Does HEFCW need to do anything if the relationships between students and their HEIs are empowered? (recognising many assumptions here)
- We need to learn from examples elsewhere in the UK of networks of employers that sponsor, and offer work experience (rotating around different companies in the network) to, students and graduates. There is no similar scheme in Wales. HEIs need to listen to the needs of employers in terms of their specific skills needs.
- Future work on skills and employability in Wales might look at the reasons why international/EU students are much more likely to start a business than UK students, and how this entrepreneurship might be best developed and capitalised on while these students are still in Wales and after they have left.
- More needs to be done in terms of embedding employability and entrepreneurial skills across curricula.
- The skewing effect of full-time fees will eclipse the part-time (employed, mature) market. There has been a collective failure to focus on this issue and intervention is needed.
- Need for informed choices and aspiration building at sub- HE level.
- Training for leadership and management: need to grow expectations and aspirations, which can be difficult on a large-scale basis, but new fee expectations might help.
- Wales' strong SME base: we need to consider how to promote SMEs as potential graduate employers

Group 3 (chaired by Simon Dancey)

1. What has Wales got wrong that needs to be put right in relation to higher level skills provision and graduate employability?

- “Soft skills” are as important as academic and curricula related skills, but there is still value in going to university;
- There is a mis-match between graduate supply and employer demand;
- There is an oversupply of graduates without employability skills
- Student choices at age14 are critical to ensure the right career paths are open to students, and are also important in terms of aspirations;
- HE cannot be considered in isolation, as career paths begin in secondary education;
- Careers Wales has an important role, but they tend to advise on the subjects already of interest to students, as opposed to advising strategically or giving direction to students;
- Some SMEs are at saturation point, and could not accommodate more placements/graduates.
- GO Wales data shows that SMEs value their placement students, sometimes despite initial reservations. The placement model is seen as mutually beneficial.
- Good graduates will find good jobs, but many leave Wales to do this. Wales needs to do more to provide graduate level jobs.
- Given that STEM subjects enable learners to develop evidence based thinking, more needs to be done to promote STEM. The teaching of STEM subjects also needs to ensure that its graduates are flexible and adaptable.
- Advice for student choices at 14 needs to be improved, as it is the basis of the choice of future subjects, and is the first step to many career paths.
- Consideration should be given as to how embedded is the employability agenda within schools. Tackling employability at HE stage is, arguably, too late.
- Effort should be made to clarify routes into the vocations from secondary education, and vocational education should no longer be seen as second-rate.
- There needs to be clearer progression from secondary education and from FE.
- Many HEIs are working towards responsive provision, but due to competition between HEIs there is little communication and collaboration on best practice.
- Future strategy would need to be multifaceted and cross sector – it would need to tackle education, career choices, skills, and economy (in terms of generating job vacancies).
- Access to Masters (under the HEW ESF High Level Skills Programme) needs to be broader and other schemes to widen access should be promoted.
- There are developments in Europe in relation to vocational training to develop specialist skills in specific countries. Wales should engage with this and capitalise on aspects viewed as beneficial (Simon Dancey has further information).
- Evidence suggests that all placements are valuable in developing employability skills. Shorter placements should therefore be provided in order to share the benefits of placements to more students.
- Entrepreneurship/world of work modules are not a total solution, but are valuable and could be extended

- There is already evidence that UK graduates have an edge over their European peers, in that they are viewed as problem solvers, with skills beyond learning by rote. Could this evidence be investigated further?
 - The HE system has a responsibility to do more to demonstrate the value of its graduates and to continuously work with employers in relation to skills needs.
 - Careers Wales' Celtic Enterprise scheme is valuable for developing skills in young people and could be promoted further in secondary education
 - A commitment to the delivery of skills and employability could be added to fee plans requirements in the future.
 - (Part-time) HE mature students present excellent case studies of graduates with skills derived from existing or previous careers, and more could be done to promote them as examples.
 - There needs to be more collaboration between HEIs to share best practice and embed employability in programmes, but HE competition can work against this.
 - The link between institutions' specialist areas and specialist employers needs to be improved.
- 2. What can HEFCW and WESB do together, during the first year of the new Welsh Assembly Government, to ensure that graduates of Welsh HEIs (full-time, part-time, students already in employment) are more effective drivers of the Welsh economy and can compete more successfully in the UK and globally?**
- HEFCW and WESB should capitalise on current opportunities, specifically in relation to the new Science Policy and Economic Renewal Programme.
 - HEFCW and WESB could work together with HEIs to improve LMI (it was noted that Sector Skills Councils have engaged with Research Councils on developing LMI and supported the development of research hubs in some UK sectors).
 - The Welsh Government is developing an LMI unit – it was important for WESB and HEFCW to work jointly with this unit;
 - Wales' research in some of the priority areas identified by the ERP was weak, and needed to improve. Particular effort could be made to maximise employability skills in these areas.
 - Engagement could be improved between WAG and the HE sector, SSCs, CBI Wales, and the Confederation of Small Businesses.
 - Need a joint approach between HEIs and other agencies to develop a Welsh graduate brand.
 - A temporary working group could be formed under HEFCW and WESB, with other expertise as necessary, in order to present clear and joined-up messages to the Welsh Government, and to propose solutions.

Table 4 (chaired by Rob Humphreys)**1. What has Wales got wrong that needs to be put right in relation to higher level skills provision and graduate employability?**

- The HE sector has been too defensive and has not taken the initiative in communicating its strengths to WAG and Ministers. There was considerable support for Adrian Webb's suggestion of drawing up a business plan for HE in Wales.
- If the new fee regime results in higher fees for part-time courses, many employers who currently fund staff to undertake part-time study (e.g. NHS) may be unable to afford to do so in future.
- The sector is not yet providing students (particularly widening access students) with sufficient advice and guidance to enable them to choose the most appropriate courses to achieve their full potential. Could this be addressed as part of the review of Careers Wales?
- We do not differentiate the sector sufficiently, and should give greater recognition to the differing missions of institutions.
- Given its relatively small size, Wales should be able to co-ordinate activities better than in England. Wales has not yet capitalised on this advantage as effectively as it could do.

2. What can HEFCW and WESB do together, during the first year of the new Welsh Assembly Government, to ensure that graduates of Welsh HEIs (full-time, part-time students already in employment) are more effective drivers of the Welsh economy and can compete more successfully in the UK and globally?

- Students who have undertaken relevant work experience are much more attractive to employers. There should therefore be a major expansion of work experience in degree programmes.
 - One way of achieving this might be through an expansion of GO Wales (including international placements).
 - The number of sandwich degrees has declined considerably, partly because of the difficulty of finding employers are willing to be involved. It was suggested that degree programmes could include short work placements, rather than following the traditional sandwich model. If this involved additional costs, these could be met from institutions' additional tuition fee income, thereby demonstrating value for money to students. Alternatively, it might be possible to use European funding in those parts of Wales which qualify for it.
- We should think creatively about establishing integrated programmes of part-time study and related part-time work to enable students to work and learn simultaneously, rather than sticking with the standard full-time study model for most traditional students. This would require considerable engagement and commitment from employers, and would be easiest in the case of large-scale, major employers.
- Employability should be embedded in all curricula. This could be done in an integrated way, relating to the delivery or assessment of the course (e.g.

undertaking project work in teams, leading project teams, giving presentations), rather than necessarily involving additional curriculum content.

Other Comments and Observations:

- Some FE institutions already operate Regional Observatories, but there is probably a need for greater co-ordination and join up. WAG is attempting to address this.
- Much employer demand for skills training is quite specific and is most appropriately addressed through short courses, rather than degree programmes.
- We need to remember that graduates require generic skills which will equip them for a lifetime of work in changing situations, rather than narrowly focused skills which may quickly become obsolete.

Table 5 (chaired by Brian Turton)**1. What has Wales got wrong that needs to be put right in relation to higher level skills provision and graduate employability?**

- Past failures to disseminate successes means the HE sector has also failed in winning the hearts and minds of WAG senior civil servants and Ministers – potential role here for *sector champions* in future.
- Poor quality teaching in (particularly primary) schools for day-to-day ‘exciting’ engagement with science and engineering that really involves and inspires pupils – could be addressed via HEFCW’s responsibilities for ITT. A similar shortage of specialist science teachers at secondary school level is also detrimental to quality of science teaching in Wales and this is further compounded by poor careers advice in relation to the employability benefits of studying science subjects at higher levels.
- Agree there is a lack of detailed and current LMI to enable informed decisions, but suggest that even if it were available, HEIs would not be able to turn on a sixpence in response. Must also accept that better LMI will not lead to risk free conclusions and decisions (but it will be better than what we have now).
- Wales is sufficiently small to be able to move quickly to secure advantage (eg as it did to win the EADS inward investment). Wales has failed to capitalise on this ability to move swiftly and use this agility to significant advantage against England as a main way of compensating for England’s advantage in the scale of its industry base. Potential for HEFCW and industry to work more closely with WAG in using this agility advantage.

2. What can HEFCW and WESB do together, during the first year of the new Welsh Assembly Government, to ensure that graduates of Welsh HEIs (full-time, part-time, students already in employment) are more effective drivers of the Welsh economy and can compete more successfully in the UK and globally?

- Expand placement schemes beyond what is done via Go Wales – consider making work placements a feature of all undergraduate and post-graduate courses.
- Establish a common definition of what constitutes employability. For example, at present different institutions define entrepreneurship in different ways, which causes confusion to staff, students and external stakeholders (including employers) alike.
- Set up an employability framework that gives all universities common and specific duties to enhance the employability of their students and a common mechanism for reporting their success (or otherwise) in delivering employability skills (some Research Councils already have such a framework).
- Be more proactive in bringing together FE, HE and private training providers with employers to create a common agenda that uses the same language and definitions.
- Address the training of teachers and careers advisers in relation to STEM in the light of the issues identified above.

- Explore utilising regional FoF partnerships to promote the gathering of real-time LMI.
- Make bite-size accreditation really work – eg the ability to accredit a two-day course for an SME.
- Do not overlook the skills needs of adults already in work and develop better links with employers with regard not just to up-skilling their existing workforce but also to re-using and re-distributing existing skills – including those that employees already have but are not currently using.