

# Career Guidance Inquiry: Semta Response

## 1. Introduction

We submit this response as the not for profit Science, Engineering, Manufacturing and Technologies Alliance (Semta), an employer alliance which brings the Advanced Manufacturing and Engineering sector together to address its skills needs and reduce gaps and shortages, not just for now but also for the future.

The Business Register and Employment Survey [data shows](#) that turnover per year in Advanced Manufacturing and Engineering is £321 billion per year, 9% of the UK total, despite the sector employing just 6% of the total UK workforce (1.7 million people), which works out at £189,400 per employee compared with £157,700 per employee for the economy as a whole. Gross value added in Advanced Manufacturing and Engineering is £110 billion per year, 11% of the UK total, which works out as £64,600 per employee (against £45,200 across the whole workforce).

However, the sector faces a looming skills crisis. [The Royal Academy of Engineering estimated](#) last year that a million more engineers and technicians would be needed by 2020. The size of this figure means that while returners and career changers can meet some of the demand, we need more young people to be joining the engineering sector after they have completed their studies – yet according to [EngineeringUK's 2015 report](#), only 57% of Science, Technology, Engineering, and Mathematics teachers feel that an engineering career would be a desirable one for their pupils and only 36% of them feel confident in giving engineering careers advice.

The disconnection between the careers advice given to young people and what employers need means that a new approach is needed. We welcome this inquiry, and welcome the cooperation between the Business, Innovation and Skills and Education select committees in setting it up.

## 2. Our Comprehensive Spending Review Submission on This Issue

Improving careers advice is so important to our sector that Semta's submission to the Comprehensive Spending Review process focused on it. In that submission, we called for a joined-up approach, linking together the work of the Department for Business, Innovation and Skills, the Department for Education and the Department for Work and Pensions under the umbrella of the new Careers and Enterprise Company. We envisaged the Company taking control of the national strategic direction of careers advice, providing a framework and guidance which local JobCentre Plus staff, teachers and other stakeholders could refer to and which would ensure some consistency and coordination of delivery.

The policy proposal we outlined in our Comprehensive Spending Review response was as follows:-

**We would suggest that the new Careers and Enterprise Company be used as the umbrella organisation under which all careers advice is organised.**

- The Department for Business, Innovation and Skills, the Department for Education and the Department for Work and Pensions (through Ministers and officials) should all have an input into the Company's priorities and strategic direction, and there should be a prominent role for employers.
- Once national priorities and strategic direction have been set, and mindful of the statutory requirement of schools and colleges to provide comprehensive and impartial careers advice, JobCentre Plus staff should then be given flexibility over how it is delivered within the schools and colleges in their catchment areas.
- Schools and colleges should be mandated to set aside a certain amount of time for the provision of careers advice and guidance for each class of children between the ages of 11-18 each year, with the amount of time increased for the 14-16 and 16-18 age groups. That mandatory time should then be split between JobCentre Plus officials and local employers. Employers could then use their time for careers talks, roundtable discussions with groups, site visits or any other method which they feel will engage with and inspire young people. Employers should be encouraged to send role models

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such as recent apprentices or graduate programme completers, in order to provide direct advice about what young people can expect from a career there.

- Employers in the Advanced Manufacturing and Engineering sector also spend a lot of time and money producing careers literature – it would help to reduce government expense if the new Careers and Enterprise Company were to collate and signpost towards such employer-produced resources from the centre.
- Pupils themselves should be given the power to decide which employers' sessions they wish to be involved in, as if teachers are given the power to decide there is no guarantee that employers will get to engage with young people with the right aptitudes and attitudes. They should be given literature produced by employers beforehand so that they are able to make up their own minds about whether they would like to hear more about the opportunities they offer.
- JobCentre Plus officials should be able and encouraged to link up with Connexions (where available) and other locally-run careers advice services and, where appropriate, either contract out to them their allotted time for careers advice or refer young people directly to them.

### **We believe that this will prove to be a more cost and time efficient way of organising and delivering careers advice for the following reasons.**

- Keeping JobCentre Plus staff members' 'outside' time to a minimum means more time spent doing their primary job, which is to assist the unemployed with finding work. This will allow JobCentre Plus staff be able to process more cases each day, leading to improved efficiency and customer service levels.
- There is no cost to the taxpayer when employers give up their own employees' time to go into schools and colleges and talk to young people about their career options – thousands of employers are already involved in doing so through the [STEMNET](#) programme. There is a cost to the employer but this will be more than negated if they are able to recruit the right young people as a result, especially in Advanced Manufacturing and Engineering where turnover and Gross Value Added per employee are both much higher than the national averages and where the return on investment in an apprentice can be expected within as little as 2.5 years.
- Having all three government departments with a stake in careers advice working under the umbrella of the Careers and Enterprise Company will eliminate duplication of services and ensure one consistent set of guidance and advice is produced to which JobCentre Plus staff, employers and teachers can refer.
- Having one umbrella organisation with ultimate control over the national strategic direction of careers advice will free up staff within the Department for Business, Innovation and Skills, the Department for Education and the Department for Work and Pensions to focus on other priorities.
- Having one clear national set of guidance will help JobCentre Plus staff to effectively engage with local employers and ensure that local employers have the confidence that their involvement in the process will be welcomed.

We will use the opportunity presented by this inquiry to expand upon this proposal and to reinforce the importance, both to our sector and more widely, of a coordinated approach with a prominent role for employers.

### **3. Employer Involvement in Career Guidance**

The recent [CBI/Pearson Education and Skills Report](#) showed that 71% of businesses provide careers advice and talks already, and that 60% are willing to get more involved, with 71% willing to expand their roles with local schools and colleges.

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The report also shows that 37% of firms would be willing to get more involved through national programmes – so there is clear scope for employer involvement in the Careers and Enterprise Company, especially in the production of a toolkit for schools which can help teachers to signpost young people to sectoral sources of careers advice.

Given the inability of many teachers, including Science, Technology, Engineering and Mathematics teachers (see above), to promote engineering careers, and given the continuing overlooking of apprenticeships and other vocational routes in careers advice, [with the 2015 Industry Apprenticeship Council annual report](#) finding that over three in five apprentices were partially or completely unaware of the range of career opportunities available in their chosen sector before beginning their apprenticeships, we believe there is a clear case for employers to be more involved in the careers advice process.

We feel that this is especially important to our sector, given the impending skills shortage and given the importance of apprenticeships and other vocational routes in ensuring employers are able to get new staff with the right skills. Given the popularity of the [STEM Exchange](#) that is managed by Semta, which currently has over 1,500 employers from Advanced Manufacturing, Engineering and related sectors registered and offering continuous professional development opportunities to further education institutions, and given the growth of initiatives like Tomorrow's Engineers and Primary Engineer, we feel there is ample evidence of a desire from employers within our sector to get more involved.

The popularity of [the Skills Show](#), which 75,000 young people attended this year, also demonstrates the enthusiasm of young people themselves to engage directly with employers; it would be good for employers and for young people if the opportunity to attend the Skills Show was offered more widely, with funding for travel and other costs looked at to ensure that no young people are excluded on the basis of geography or wealth.

However, we know from our own discussions with employers that often they are met with resistance when they approach schools to offer careers talks. Sixth form funding on a per-learner basis means that schools have a direct financial incentive to guide their pupils towards their own sixth forms and to actively discourage them from taking up apprenticeships or places at other institutions. (Incidentally, we know from discussions with University Technical Colleges that they too are hearing similar stories from young people who want to move to them from other schools.) Schools funding is beyond the scope of this inquiry but that perverse incentive needs to be looked at and a way of surmounting it found.

Although beyond the scope of this inquiry, we feel it is worth mentioning work experience at this point. According to CBI/Pearson, 24% of employers see work experience as one of the three top considerations when hiring young people, and three quarters of employers with links to schools already offer work experience placements.

The Commons Education Select Committee has [previously called on the government to reintroduce compulsory work experience placements at Key Stage 4](#), a recommendation the government rejected. While employers do have reservations regarding the ease of setting up and managing work experience placements, we feel that better links between employers and schools, and the better sharing of information, would overcome that obstacle. JobCentre Plus involvement in the process would also give employers a strong indirect link with schools through which they could promote their work experience opportunities – especially important for micro, small and medium-sized enterprises (which comprise >99% of the engineering sector), which may lack the personnel or capacity to directly engage with schools.

### 4. The role of the National Careers Service

The National Careers Service, set up to replace local Connexions services when their central government funding was axed, operates through a helpline and a website. [Ofsted found in 2013](#) that it was making 'little to no contribution' to careers advice in schools. This could be due to the National Careers Service having a national remit, whereas young people and their teachers are more focused on what opportunities might be available locally. Information about local opportunities will now be provided by JobCentre Plus advisors, while information about the different opportunities available in sectors could be more effectively provided in a face-to-face setting by employers, and by other bodies (such as charities, industry groups and

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foundations) to which JobCentre Plus advisors and teachers could signpost young people once trained in using the new Careers and Enterprise Company toolkit.

Given the role we envisage for the Careers and Enterprise Company in providing a national framework and guidelines, we see no real reason for the continued existence of the National Careers Service as a separate entity. Instead, the National Careers Service's functions should be subsumed within the Careers and Enterprise Company, which should take over the running of its helpline – the usefulness and value for money provided by the helpline should then be measured, in terms of numbers of calls taken and outcomes provided, to determine whether it ought to continue running or whether it should be scrapped and the service it provides delivered elsewhere (if at all).

### 5. Matching skills with labour market need

We feel that a local approach to delivering careers advice is needed and welcome the involvement of JobCentre Plus advisors in the careers advice process as a way of ensuring that where young people want to move directly into work or an apprenticeship from school, the advice they are given reflects the opportunities that are actually open to them in their localities.

We feel that Local Enterprise Partnerships, with their overviews of local labour markets and links with local employers, ought to take responsibility for oversight of career advice within their geographic areas. Through their direct links with chambers of commerce, employers and industry representative groups, as well as their links with new Combined Authorities in areas where there are devolution deals with skills components, Local Enterprise Partnerships can both encourage employer involvement in provision of careers advice and collate intelligence from employers which could in turn inform the Careers and Enterprise Company's strategic direction.

There is a skills shortage in certain sectors, of which Advanced Manufacturing and Engineering is one, which transcends local boundaries to a degree – so where young people express an aptitude for a career in a particular sector and a determination to pursue one at an elite level, the new National Colleges should be promoted to them as an option, as should the upcoming Institutes of Technology.

We believe that the Careers and Enterprise Company has both an important role in supporting the education and skills sector as a whole and institutions individually. Centrally, the company can support the sector by engaging with large employers, business groups representing sectors and SMEs, labour market analysts and other relevant parties (Trailblazer Groups/National Occupation Standard setting bodies, National Careers Service, Jobcentre Plus etc.) to produce guidelines and resources to help those responsible for delivering and supporting careers guidance. This will ensure that guidance properly reflects job roles and career paths available within each sector of the economy.

### 6. Incentivising schools

[2012 research undertaken by Careers England](#) suggested that after the duty to provide careers advice was switched from local authorities to schools and colleges, 83.5% of schools reduced their provision – so it's no surprise that so much careers advice in schools is weak. Notwithstanding that, we feel that, given the weakness of so much careers provision in schools – the Education Secretary herself has stated she has no reason to disagree with [Ofsted's contention that 80% is not good enough](#) – a strong policy 'stick' is needed along with the 'carrot' of a new framework and new support from the Careers and Enterprise Company, JobCentre Plus and employers.

We feel, given the importance of Ofsted grading to schools, that penalising schools which fail in their statutory duty to provide clear and impartial careers advice by downgrading them in Ofsted reports would be a clear demonstration by government that it is taking the problem seriously. This policy proposal, first included in our May 2015 [Skills Vision](#) advice paper for the new government, will provide a strong incentive to schools to ensure that their career guidance and advice services are of a good standard, and to actively work with employers and other stakeholders to ensure success.

### 7. Summary



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We believe that the creation of a new cross-brief Committee containing members of the existing Business, Innovation and Skills and Education Select Committees demonstrates a real awareness amongst Members of Parliament that the problems that currently exist in most careers advice can only be tackled with a coordinated, coherent and consistent approach.

We hope that the views and proposals put forward in this submission are fully taken into account by the Committee in putting together its final report and recommendations to government. We will be happy to provide further written or oral evidence as required by the Committee.