



The Progressive Conscience

ANDREAS SCHLEICHER
discusses Britain's place in
the world of education

MATTHEW HANCOCK MP
on why now is the time to
focus on apprenticeships



Education: A solid start

Contents



- 03 Editor's introduction
James Brenton

BRIGHT BLUE POLITICS

- 04 Director's note
Ryan Shorthouse

- 06 Why I'm a Bright Blue MP
Chloe Smith

- 07 It's time to focus on early
childhood education
Annaliese Briggs

SCHOOLS

- 08 The right way to learn to read
Nick Gibb

- 09 Socially mobile schools
Conor Ryan

- 10 Interview with Andreas Schleicher
James Brenton

- 15 Putting our teachers in charge
Charlotte Leslie

- 16 Educating for character
James O'Shaughnessy

- 17 What LGBT students need
Joseph Musgrave

POST-16

- 18 A new era for apprenticeships
Matthew Hancock

- 19 Mind the gap between education
and unemployment
Rhian Johns

- 21 Skin in the game
Duncan O'Leary

- 22 Giving students what they want
Sonia Sodha

Contributors

JAMES BRENTON is the Editor of *The Progressive Conscience*

ANNALIESE BRIGGS is an Education Research Fellow at Policy Exchange. Annaliese is also a trained teacher

NICK GIBB is the Member of Parliament for Bognor Regis and Littlehampton and Minister of State for Education

MATTHEW HANCOCK is the Member of Parliament for West Suffolk & Minister of State for Business, Enterprise and Energy

RHIAN JOHNS is Director of Policy and Campaigns at Impetus – The Private Equity Foundation

CHARLOTTE LESLIE is the Member of Parliament for Bristol North West and is a member of the Health Select Committee

JOSEPH MUSGRAVE helped develop the social media campaign Out4Marriage and was Campaign Spokesman and Parliamentary Liaison for the Freedom to Marry campaign

DUNCAN O'LEARY is Research Director at Demos

JAMES O'SHAUGHNESSY is an education entrepreneur and Former Director of Policy at Number 10 Downing Street

CONOR RYAN is Director of Research at the Sutton Trust and Former Education Adviser to Prime Minister Tony Blair

ANDREAS SCHLEICHER is the Director for Education and Skills at the OECD and former Director of the OECD Programme for International Student Assessment (PISA)

RYAN SHORTHOUSE is the Director of Bright Blue

CHLOE SMITH is the Member of Parliament for Norwich North

SONIA SODHA is the Head of Public Services and Consumer Rights Policy at Which?

Bright Blue

Bright Blue is an independent think tank and pressure group for liberal conservatism.



Director: Ryan Shorthouse
Researcher: David Kirkby
Associate Executive Board: Alexandra Jezeph, Phil Clarke, Kate Maltby, James Brenton, Nick Denys, Jonathan Algar, Tim Flagg, Sam Nassiri

connect@brightblue.org.uk
www.brightblue.org.uk
Editor: James Brenton
Printed by: PPC, www.ppcbristol.co.uk
Designed by: Soapbox, www.soapbox.co.uk

Editor's introduction

Education policy may be ripe for addition, alongside politics and religion, to that list of subjects not to be discussed in polite company. Emotion and experience can often overshadow reason



JAMES BRENTON is the Editor of *The Progressive Conscience*

Education fiercely divides opinion, with perspectives often more felt than thought. Children's minds are a battleground of contrasting ideas and orthodoxies, and the components of a good education, and how it should be delivered, have been debated since time immemorial. Certain components of this debate, however, are relatively new.

Britain's students now compete for employment and opportunity not just with one another, but with students around the world, educated according to different (and, as discussed in this magazine, often more exacting) standards. Increased immigration has brought new and alternative expectations to bear upon our schools, and raised questions about what values are being taught in the classroom. Public finances are strained, and attention has necessarily turned to getting the best return for the education pound, provoking debate about how any such return should be measured.

Meanwhile, the economy is changing, and we can no longer expect our schools to teach children a finite set of skills that will carry them through to retirement. Instead we must add 'learning how to learn' to the long list of education's objectives. This will require a fundamental rethinking of how education is delivered, which skills receive the most attention, and the very purpose of education itself.

While a conclusive resolution of the debate around education is neither possible nor desirable, with new research constantly improving our understanding and methods, in this edition of *The Progressive Conscience* we have brought together important thinkers to share their perspectives.

Policy Exchange's **Annalise Briggs** (Pg. 7) explains what needs to be done to improve early childhood education to maximise the potential of the formative years of a child's life. Part of ensuring that children get the best education possible will also involve opening up access to the nation's best schools, and Tony Blair's former education adviser **Conor Ryan** (Pg. 9) describes how the government and individual schools can diversify their enrollment while providing parents with the information necessary to make the right decision for their children.

We can also expect that the outputs of the educational system will reflect the resources and talent that are its inputs. With this in mind, **Charlotte Leslie MP** (Pg. 15) describes how attracting better teachers will require that they be given more autonomy and opportunities for advancement within the profession. In this respect she is in agreement with **Andreas Schleicher**, Director for Education and Skills at the OECD. In my interview with Mr. Schleicher (Pg. 10), he tells me how opportunities for teachers, and the prestige associated with teaching, are an important determinant of educational outcomes.

We can no longer expect our schools to teach children a finite set of skills that will carry them through to retirement

Because education is about more than memorised facts, former Director of Policy at Number 10 Downing Street **James O'Shaughnessy** (Pg. 16) tells us about the role that character education should play in education. Britain's educators must also align themselves with employers to ensure that the next generation of students has the skills the economy requires, as **Rhian Johns** (Pg. 19) argues. With this in mind, **Matthew Hancock MP** (Pg. 18) describes the progress that Conservatives have made in improving the quality and quantity of apprenticeships available to today's students.

This edition also includes insights from **Duncan O'Leary** (Pg. 21) about what schools can learn from financial reforms, a discussion of how children should be taught to read from Minister of State for Education **Nick Gibb MP** (Pg. 8), **Sonia Sodha's** thoughts (Pg. 22) on what students want from university, and **Joseph Musgrave's** opinion (Pg. 17) on how to create better schools for lesbian, gay, bisexual, and transgender students.

This edition of *The Progressive Conscience* is an important addition to the education conversation, whether held in polite company or otherwise. ●

Ryan Shorthouse on why education should be at the heart of the Conservative offer



RYAN SHORTHOUSE is the
Director of Bright Blue

The centre-right is winning the argument on how our economy should be managed, more so than for a long time in British history. With growth returning and employment increasing, the general public trust the Conservatives the most on economic stewardship. In their attempts to control the welfare budget and the level of immigration, the Conservatives have most of the public on side too.

Yet, a strong record on competence – controlling the public finances, immigration and benefits – is proving insufficient alone in wooing enough voters to secure a second term in government. Miliband is mocked. But his party, according to various polls, is winning in key marginal seats, meaning a slim Labour victory is still a very likely prospect.

The Conservatives are good at the macro: managing the budget, standing up for the UK in the EU, leadership on the global stage. But they are struggling to convince enough of the electorate that, when it comes to individual circumstances and values, the Conservative Party really is behind them. As Lord Ashcroft has demonstrated, too many of those on modest incomes believe the Conservative Party does not represent people like them and is the “party of the rich”.

Another clear moral mission, other than deficit reduction, is needed. Conservatism needs to be

inspiring, not just competent. It needs to demonstrate how it is about transforming life chances, not just managing the nation’s bank account.

The centre-right does have an optimistic, progressive vision: individual empowerment and social responsibility. We believe passionately in giving people and communities – especially those facing disadvantage – the tools and freedom to create positive change. The centre-left, meanwhile, can too easily descend into ugly fatalism – believing that change cannot really spring from individual or social action, but only from tired and expensive statist solutions. The centre-right, after all, trumpeted the ‘Big Society’, which is underpinned by a belief in human goodness and ingenuity. More of this, please.

The centre-right does have an optimistic, progressive vision: individual empowerment and social responsibility. We believe passionately in giving people and communities – especially those facing disadvantage – the tools and freedom to create positive change

Improving education is critical for the building of an innovative, compassionate society led by empowered and socially-minded citizens. A decent education is a passport to mainstream society, to a good life in modern Britain.

Educational qualifications, in fact, are more important for securing and succeeding in the labour market in the UK than most other OECD countries. The more qualifications you have, the more likely you are to volunteer, to be tolerant of different social groups and to not engage in criminal activity.

Without them, there can be a dangerous and disheartening hopelessness and dislocation from society. Poverty is much more common among those with limited educational qualifications. And look at those who rioted across British cities in the summer of 2011 – they tended to have lower educational qualifications, with a fifth having none at all.

This Government has done a lot to increase educational opportunities. The number of apprenticeships and university places is increasing significantly, with more young people from deprived homes now in higher education. Free schools are increasing the availability of good school places for children from disadvantaged backgrounds in particular. Even when state resources have been slimmed, the government has extended the funding available for infants from modest backgrounds to access vital early years education.

More, of course, needs to be done. Specifically, the centre-right will need to develop and fight for a distinctive policy approach in several key areas of education. First, on finding a sustainable way of building an early years education system that is affordable and high-quality for all. Second, on spreading independence

and accountability – a potent cocktail for success – as well as the role of the independent sector in state schools. Third, on the mechanisms used to improve the quality of teaching. Fourth, on driving up quality in apprenticeships – by, for example, building a national market with rich, comparable information for young people. And, finally, to fight for a bigger and better higher education system which is fiscally sustainable.

These are big battles. But, especially recently, it seems the Government

has been fixated on another fight: against the ‘education establishment’. Some of this is understandable. But the Conservative Party must remind the public what it is really fighting for: policies to help those from modest backgrounds get the best possible education. The appointment of the talented Nicky Morgan MP as Education Secretary provides an opportunity for this. And the recent suggestion of a Conservative pledge in the next manifesto to end illiteracy in a generation is a strong start.

Policy makers on the centre-right are thinking creatively about improving education. The leadership of the Conservative Party must welcome robust and respectful policy debate. Energy is created from it, important for generating political momentum and support. If debate is stifled, the issues that are talked about narrowed, the party will not grow – intellectually or politically. Most importantly, education policies should be at the heart of an optimistic and inspiring story from the Tories in the crucial year ahead. ●



COLUMNISTS

WHY I'M
A BRIGHT
BLUE MP

Each issue, a Conservative MP tells us why they're part of the Bright Blue family. This issue, **Chloe Smith**, MP for Norwich North, tells us why she's a Bright Blue parliamentary supporter



CHLOE SMITH *is the Member of Parliament for Norwich North*

I'm a Bright Blue MP because I believe in the principles of the small state, responsible economics, freedom, enterprise and social liberalism. I want the Conservative Party to thrive into the next century as the voice of these principles.

I was elected at the age of 27. I've been one of the youngest Ministers in British history at 28. I first got interested in politics when I was trying to set up a youth forum in Norfolk, where I grew up and where I have the privilege to be a Member of Parliament today.

The reason I dwell on the Conservative Party's survival is that my generation, Generation Y, do politics very differently.

The majority of today's 18–24 year olds do not vote. Only 44% turned out in 2010 and, since then, at worst, 88% expressed that they don't plan to vote. There is evidence to suggest this situation is more extreme than it has been for previous generations of young citizens, and that Britain's problem is worse than elsewhere in Europe and the US.

2015's first time voters have an aversion to formal politics – but they are interested in political affairs and are engaged in different activities, including some outstanding community projects. They want confidence in what politics is for. Research suggests they vote on policy, and extremely few vote on the basis of family tradition. Politicians need to gain young voters' trust, communicate effectively and set out

the right policies. I argue for a focus on the economy, education and the major intergenerational issues such as housing, as well as modernising voting itself.

We have an exciting Conservative chance to communicate with a whole new market.

We know that our generation looks to themselves to take action, and look to businesses, charities and action groups to achieve things for their chosen community. Actions that the state can take come a long way down the list, according to research by Demos. Even *The Guardian* has been forced to admit that 'Generation Y is backing the Conservatives', and the BBC has woken up to the same.

The polls show an opportunity. Recent Ipsos Mori polling, *Understanding Society*, shows that support in Generation Y for the Conservatives has doubled since 2005. Although our party still lags Labour in this age group, Labour support has plateaued and Lib Dem support crashed.

Ipsos Mori's data also shows a decline in support across the board for redistribution and high welfare spending, but with the youngest generation in particular least in favour. Generation Y has strong interest in enterprise. Some argue too that whilst you might expect a clash of generations at a time of scarce resources, the lack of such strife reflects strong family values. All three of these points about policy and values imply an important opportunity for the centre-right.

The Conservative Party has been, is, can be and should be a party of radical ideas and action.

Our opportunity is to avert an existentially large-scale disillusionment with traditional party politics by making our party the home for Generation Y.

We need to act now because while the Baby Boomers are today's largest cohort, by General Election 2025 Generation Y (and younger) stands to be a competitive proportion of the voting population.

We should focus on three tools to make this change. First in our policy – the manifesto should serve Generation Y. Second in our language – so that we talk to all generations. And third in our campaigning. We need to work for it.

Generation Y, like any other group, backs its own values and aspirations. I want politics in Britain to work for Generation Y alongside other generations. Politics has to help new-style campaigners get results in their communities; has to help online activists articulate a vision for how things should be – and make it happen; has to help practical, relevant, goal-oriented and flexible young people run the country in good time. I believe passionately that the Conservative Party can be the home for Generation Y because we hold the principles of the small state, responsible economics, freedom, enterprise and social liberalism. Those principles matter for this generation as they have always mattered – and you can have them through your vote, your action and your leadership.

Bright Blue, like me, wants the Conservative Party to grasp that opportunity. That's why I'm a Bright Blue MP. ●

It's time to focus on early childhood education

Annaliese Briggs explains why the first years are pivotal for educational success, and why they are not getting the attention they deserve



ANNALIESE BRIGGS is an *Education Research Fellow at Policy Exchange. Annaliese is also a trained teacher*

If primary school teachers are the poor man's secondary school teacher, then early years educators are the poor man's primary teacher. Early years educators exist as much on the periphery of the education sector's consciousness as early education exists in the grand scheme of a child's life. Sometimes, they're forgotten altogether. For example, every year some 2000 enthusiastic members of the education establishment decamp to Wellington College to listen and learn from a line-up of A list education celebrities. It's a highlight of the education conference circuit and yet, despite its precedence, only one of this year's one hundred plus seminars specifically addressed the education of 0 to 5 year olds.

The absence of these voices is perhaps just as much a symptom of the early years sector's reluctance to engage with the wider school-based profession as it is about the wider sector's nonchalant attitude towards their peers teaching tots. All teachers share a desire to discuss and debate curriculum, assessment and pedagogy, yet the kind of education that school teachers aspire to give the children in their class has too often become a sore spot in the early years sector. Even the word – 'education' – has become almost synonymous with a stifling form of pedagogy that, in the minds of many, conjures up pictures of quiet children seated at desks passively completing worksheet after worksheet. This caricature is an unhelpful distraction and has come at the expense of the kind of valuable thinking and sharing

of wider educational expertise that the early years sector urgently requires.

Indeed, the kind of isolation that the early years sector has come to inhabit is a risky – and potentially costly – business. Successful reforms which started in the school sector – including the popular Pupil Premium and placements of ambitious Teach First graduates – are slowly beginning to roll out of schools and into nurseries. In the wake of these policies, the early years sector would be wise to be guided by their neighbouring schools, many of which are steeped in experience of getting the most bang for their buck.

In April this year, Her Majesty's Chief Inspector Sir Michael Wilshaw launched the first ever Early Years Annual Report. It had previously been buried away in the depths of other reports, so the decision to extract it, and in doing so give it its own voice, should have been cause for celebration. Yet it wasn't. Instead, fears that Sir Michael was pushing a 'schoolification' agenda dominated post-launch whispers. The launch of the annual report was nuanced: at once Ofsted had released the early years sector from the shackles of anonymity. Yet Sir Michael's solution to the lamentable and widespread educational poverty that begins in infancy and endures a lifelong legacy – otherwise referred to as the 18-month vocabulary gap – was school-based.

"What children facing serious disadvantage need is high-quality, early education from the age of two delivered by skilled practitioners, led by a teacher, in a setting that parents can recognise and access. These already exist. They are called schools."

It fell on deaf ears. Only it shouldn't have done because within this nuanced

argument lie two opportunities and an increasing number of facts. The first is that Sir Michael recognises the importance of early education and created a space for practitioners to have legitimate conversations with their colleagues in schools, which arguably operate a much tighter ship. In this respect, he levelled the playing field. He also placed the responsibility – an opportunity – for the early years sector to make a significant mark on educational poverty. The '18-month vocabulary gap' rolls off the tongues of politicians, policymakers and teachers up and down the country with incredible ease. Yet, more often than not, it is used to contextualise an initiative that seeks to close it, rather than prevent it from forming in the first place. Sir Michael reversed these priorities. Finally, a light is beginning to shine on a body of evidence that illustrates the effectiveness of school-based early years provision, such as the recent report from the Nuffield Foundation that found a larger proportion of government maintained schools offering Ofsted-rated 'good' quality provision for disadvantaged three to four-year olds than nurseries in the Private, Voluntary and Independent (PVI) sector. This makes any attempt to drive a wedge between early years professionals and their colleagues in senior settings all the more difficult to justify.

Distracting the education sector from the real business of improving life chances with weak criticisms of early 'schoolification' has a limited shelf life. And within this period, there is limited time for the early years sector to lead the profession in a conversation about the merits and limits of school-based practices, the evidence and the direction the sector should head in. ●

The right way to learn to read

Nick Gibb MP describes how we are failing to teach students the most important skill they will ever learn



NICK GIBB is the Member of Parliament for Bognor Regis and Littlehampton and Minister of State for Education

Just before the 2010 General Election I visited a school in north London to see volunteers helping children read. I met a nine-year-old girl who struggled to read the simplest of words. Eventually she read the word “even” on a flash card. I covered up the first letter ‘e’ and asked her to read the new word. She couldn’t.

It was clear that the child had not been taught the sounds of letters and how to blend them into words (how “C-A-T” becomes “cat”) – the essence of the phonics approach to teaching children to read. It is likely that she had been taught using the ‘Look and Say’ method in which pupils repeat words they see on a page until they recognise the whole word on sight. The theory is that as they begin to recognise more and more words, they will pick up the ability to read.

This wasn’t the case for the girl from the north London school. Nor was it the case for the 31% of six-year-olds who failed to read at least 32 out of 40 simple words in last June’s Phonics Check despite having completed nearly two years of primary school education.

The effectiveness of what is known as ‘systematic synthetic phonics’ (‘SSP’) was demonstrated in a seven year longitudinal study by Rhona Johnston and Joyce Watson, psychologists from Hull and St Andrew’s Universities, published in 2005. Three hundred primary school children from Clackmannanshire had been taught to read using SSP. By the end of primary school these children had a word reading age three and half years above their actual age.

It was this study that influenced the Education Select Committee in 2005 to recommend a review of the approach to the teaching of reading. The Labour Government of the day asked Jim Rose to conduct that review, which concluded that “synthetic phonics offers the vast majority of young children the best and most direct route to becoming skilled readers.”

For too long this country has let hundreds of thousands of children slip through the net with their reading skills poorly developed – these children rarely catch up

The National Curriculum was changed to reflect Jim Rose’s conclusions but despite this and the overwhelming evidence of the effectiveness of the phonics approach, resistance in some Local Education Authorities remained strong. The 2010 Conservative manifesto pledged “to promote the teaching of synthetic phonics” and “establish a simple reading test at the age of six”.

That test, the Phonics Check, has now been in place for three years. But what makes fascinating reading is the disparity in the results between different local authorities. One of the worst performing areas is Liverpool, where just 59% of pupils passed, compared to the national average of 69% and 79% for the top-performing local authorities. Of course, Liverpool has areas of severe deprivation, with 32% of its primary school pupils eligible for free school meals. But in Newham, with similar

levels of deprivation, 76% passed the phonics check. In prosperous Wokingham, where just 5.8% of primary pupils are eligible for free school meals, only 62% passed.

It is not deprivation that explains the disparity between these authorities, it is their attitude and approach to the teaching of reading. Sir Robin Wales, the directly-elected mayor of Newham, is a committed supporter of phonics and his determination to raise reading standards is inspiring. Other prosperous local authority areas such as East and West Sussex (63% and 65% respectively) need to explain why their primary schools are not as effective as those in Lewisham (75%) and Lambeth (73%).

For too long this country has let hundreds of thousands of children slip through the net with their reading skills poorly developed. These children rarely catch up and their time at secondary school is blighted as a result. As reading is the foundation on which all later education is built, this is a shameful waste of talent and damaging to our economy. All children, regardless of their intelligence or their background are capable of being taught to be fluent readers early in their school career. It is an ideological commitment to failed orthodoxies that has been so damaging to the most vulnerable in our society; those children without access to private tutors or parents who can teach them to read at home. As more and more schools see how effective the tried and tested synthetic phonics approach is to teaching young children to read, I hope that in the not-too-distant future this country will have eliminated the scourge of illiteracy. ●

Socially mobile schools

Fairness in education means broadening the pool of students at the best schools. **Conor Ryan** outlines the Open Access scheme



CONOR RYAN is *Director of Research at the Sutton Trust and Former Education Adviser to Prime Minister Tony Blair*

Social mobility is an important goal for all political parties. But despite Michael Gove's recent reforms to funding, structure and standards in schools, there remains a reluctance to address one fundamental question – who gets admitted to which schools, and how?

This matters in our best academies and comprehensives as much as in the remaining grammars or independent schools. It remains the case that going to a top school, state or independent, helps students get to a good university and then succeed in life. Yet in each case, too many families are priced out of a good education.

Sutton Trust research has shown that on average the number of pupils eligible for free school meals (FSM) – a proxy for poverty – is just below half the national average at the 500 non-selective schools with the best GCSE results. Ninety-five per cent of the top 500 comprehensives and academies have a smaller proportion of their pupils on FSM than their local areas, including almost two thirds with gaps of five or more percentage points.

Meanwhile, in elective local authorities, children who are not eligible for free school meals have a much greater chance of going to grammar school than similarly high achieving FSM children. Sixty-six per cent of those achieving level 5 in both English and Maths at Key Stage 2 who are not eligible for FSM go to a grammar school compared with only 40% of similarly high achieving FSM children. This means that even those pupils with

the ability to go to a grammar school are less likely to do so if they come from a poorer background. The best independent day schools, an important route to Oxbridge and Russell Group universities and home to the socially exclusive networks of our professional elites, are out of the price range of nine in ten parents, with fees averaging over £12,000 a year.

Unless we redress the balance, the social immobility which politicians profess to deplore will remain unchecked. There are changes that could be made, if politicians are brave enough to make them.

In comprehensive schools, most schools still use distance as their main admissions criterion. However, a growing number of urban academies and free schools now use random allocation or banding (where pupils are tested so that the school achieves a comprehensive intake, drawing students from across the full range of abilities) to enable parents who live outside traditional distance boundaries to apply.

Of course, a balance is needed, so that a youngster living next door to a school doesn't lose out, so some schools use inner and outer catchments to make such criteria less contentious. Procedural change is not enough: less advantaged parents need to know about the opportunities and rights to free travel for their children. There should be better information for parents, given by trusted members of their communities. Above all, this requires positive political leadership, so that schools are actively encouraged to widen their intake using the current Admissions Code, rather than legislative change.

Outreach is equally important in grammar schools. Following the

Sutton Trust's report *Poor Grammar*, a growing number are prioritising FSM pupils provided such pupils reach a minimum standard in the entrance tests. Some grammar schools are offering extra coaching to counteract the advantage given by expensive private tutors. There is also work underway to make those tests less coachable and more culturally neutral.

Perhaps the biggest challenge is in breaking down the barriers between state and independent schools. Successful governments have made moves in this direction through assisted places, independent-state school partnerships or turning independent schools into non-fee paying academies.

The Sutton Trust's Open Access proposals, based on a successful pilot in Liverpool, would open up 100 leading independent day schools to all students on the basis of ability rather than their ability to pay, and in doing so open up the professions. There would be needs-blind admissions, with those from low-income families not required to pay any fees and those from middle-income families expected to contribute on a sliding scale. Participating schools would receive the same state funding per pupil as other neighbouring schools, and their costs would be covered by a combination of fees and government grants.

Acting on admissions and access could transform social mobility in England. However, until children from low- and middle-income families get the chance to maximise their potential, Britain will remain trapped in a system where power continues to be the preserve of those with privilege, and ability to pay militates against everyone achieving their potential. ●

Andreas Schleicher: Getting world-class schools in the UK

The Director for Education and Skills at the OECD talks to **James Brenton** about how the UK's schools stack up against the rest of the world, and what we can learn from the success stories



ANDREAS SCHLEICHER is the Director for Education and Skills at the OECD and former Director of the OECD Programme for International Student Assessment (PISA)

JB: What are the ways in which you see the most successful nations using their education funds?

Spending patterns differ in many ways. One common factor among high performing education systems is that these tend to prioritise the quality of teachers over the size of classes. They pay attention to how they select and train their staff. They watch how they improve the performance of teachers who are struggling and how to structure teachers' pay. They provide an environment in which teachers work together to frame good practice – this is about professional autonomy in a collaborative culture. They provide intelligent pathways for teachers to grow in their careers.

If British girls had the same confidence in their abilities as British boys, the gender gap would turn the other way round

JB: How should the UK try to narrow the gap between children from families of different means?

The East Asian nations are particularly strong in this area. They have high and universal standards and expect every student to succeed, with little tolerance for failure. You see that mirrored even in the mindset of students. The fact that students in Asia consistently believe that achievement is mainly a product of hard work, while British students often attribute success to inherited intelligence, suggests that education and its social context can make a difference in instilling the values that foster success in education. Some of the East Asian countries are also good at attracting the most talented teachers into the most challenging classrooms. In Europe, Germany has been particularly successful in substantially narrowing the social divide over the

last decade. They have lengthened the school day, strengthened support systems, and introduced national standards together with a range of measures to monitor student learning.

JB: Is there a risk that leaders in the West are putting too much of a focus on test results in an effort to try to duplicate the results of countries in Asia in evaluations like PISA?

I don't think you can put too much weight on student performance. High performance aspirations, particularly for students from disadvantaged backgrounds, are an essential ingredient for success. Obviously, test results only capture a limited range of educational outcomes but these are essential for success. Also, the absence of mathematics skills, which are easier to test, does not imply the presence of other skills that are harder to measure!

JB: In the UK, boys outperform girls in math and science, with girls leading in reading. How have other countries successfully encouraged boys and girls to succeed in their relatively weaker subject areas?

In the UK, the gender gap in mathematics is particularly large among the lowest performing students. Much of that gap at the high end of the performance spectrum is attributable to gender differences in self-confidence. In fact, if British girls had the same confidence in their abilities as British boys, the gender gap would turn the other way round!

JB: How important is the status and pay of teachers as a component of the education system?

Everybody agrees that education is important. But the test comes when education is weighed against other priorities. How do countries pay their teachers, compared to other highly-skilled workers? Would you want your child to be a teacher rather than a lawyer? How does the media talk about teachers?

What we've learned from PISA is that the leaders in high performing systems have convinced their citizens to make choices that value education, and their future, more than consumption today. I don't think this is just about levels of pay, but also about career diversity and effective career structures.

Alternative pathways can be an element of this and I have been impressed by Teach First. Every industry needs its innovators and game changers and many of the people I have met at Teach First fit that bill perfectly. The challenge will be to invest in the professional development of these people and to retain that talent in education.

JB: The UK's educational performance has stagnated over the past three PISA assessments. What's the best way to make improvements?

Raising aspirations will be key. High-performing school systems share clear and ambitious standards across the board. Everyone knows what is required to get a given qualification. The PISA results also suggest that there is scope for reviewing pedagogical approaches.

For example, according to student reports in PISA, the dominant problems featured in British math education are 'word problems', simple mathematics embedded in complex situations. When I was a child, I hated this form of mathematics most, because all you had to do is extract the numbers and solve the problem. You don't find that kind of teaching in

most of the high performing East Asian countries. Conversely, these countries place most of their emphasis on strengthening conceptual understanding, an area where the UK is weak. In these East Asian nations, their students master the fundamental paradigms in mathematics and are then able to extrapolate from these to solve applied problems.

Leaders in high performing systems have convinced their citizens to make choices that value education, and their future, more than consumption today

Top school systems also embrace diversity with differentiated instructional practices. They realise that ordinary students have extraordinary talents and personalise educational experiences without leveling down performance expectations.

Last but not least, world-class school systems strengthen responsibility and capacity at school – something that the UK is doing too – and deliver high quality across the entire school system so that every student benefits from excellent learning. These education systems tend to align policies and practices across all aspects of the system, to make them coherent over sustained periods of time, and to see that they are consistently implemented. ●

Join Bright Blue

Becoming a member of Bright Blue enables you to support and partake in the championing of liberal conservatism

You will be an official part of Bright Blue's network - invited to all our events and conferences, with the opportunity to meet a wide range of people who share Bright Blue's positive and open-minded view of politics. You will also have the opportunity to contribute ideas on policies and strategy in various ways - in debates, on our blog, and in our magazine.

Join today and receive:

- A special members pass for the annual Bright Blue Conference
- An exclusive members-only reception each year with high-profile speakers
- Hard copies of all our books and magazines

www.brightblue.org.uk

 bright blue

WHAT I WISH I COULD HAVE DONE DIFFERENTLY WITH MY OWN EDUCATION

We asked our contributors what they wish they could change about their own education. Here's what they told us:



'I wish I hadn't dropped Spanish at the age of 14 because Latin America is one of the rising giants of the world.'

Matthew Hancock MP



'I would have made different – and far more informed – choices about the subjects I pursued aged 14 and 16 years old. These choices may have seemed narrower, but they would have supported a richer and deeper experience of studying English Literature at university.'

Annaliese Briggs



‘I deeply regret not paying more attention during French. It is also rather tragic that I never studied Shakespeare at school – not my choice, but that of the school.’

Joseph Musgrave



‘I would have benefited greatly from having an expert to talk to in detail about the variety of career options available to someone with my passions, interests and talents before I chose my GCSEs and when deciding what A-Levels to study and which universities to apply for.’

Rhian Johns



‘I wish I had more opportunities to learn other languages well.’

Conor Ryan



‘That’s simple: I wish I’d worked harder! I would have benefitted hugely from being introduced to the growth mindset and being trained to be more resilient and to persevere. These are things I’ve learnt the hard way instead.’

James O’Shaughnessy



‘I wish I had studied ancient Greek, as well as, or instead of, computer studies.’

Charlotte Leslie MP



‘My biggest educational regret is not making the most of my course at university. I chose the subject I knew well and was good at – history – rather than the one I had never done before but was really interested in – politics.’

Duncan O’Leary



We are passionate about getting young people ready for the workplace. Schools need to be too.

At ICAEW, we help people gain the skills, knowledge and experience to prepare them for the workplace. We do this through our world-class ACA qualification, in collaboration with employers. And we start early, through our schools engagement programme which includes the Business, Accounting and Skills Education (BASE) competition, with 600 school teams.

Employers tell us that they need work-ready young people coming into their businesses. Schools must teach pupils how classroom theory can be applied to the workplace and their personal finances.

Help the UK compete in the global race by equipping our young people with the skills they need to become the leaders of tomorrow.

Find out more at careers.icaew.com or contact jamuna.murphy@icaew.com



Putting our teachers in charge

Charlotte Leslie MP tells us why trusting in the expertise of teachers will get us further than any meddling from above



CHARLOTTE LESLIE is the Member of Parliament for Bristol North West and is a member of the Health Select Committee

What is the one big complaint putting off would-be teachers? If they listen to existing teachers, an answer quickly emerges. The one thing that unites the often disparate world of teaching and teachers is the almost universal lament over the extent to which Whitehall and Westminster have interfered in the classroom over the decades, and disempowered teachers of their professionalism.

From a political perspective, Secretaries of State have a responsibility to right the wrongs of a system that is letting down the pupils for whom they are ultimately responsible. But from the teacher's perspective, there is a constant state of flux as education is tossed on the waves of the political fates of ministers. There is little time for any one reform to bed down, to be assessed, and for results to be seen amidst this constant change. Worse still, there is little room for teachers to exercise their professional expertise. And if this constant change is bad for workforce morale, it is not at all clear that – whatever the merits of each individual change – it's any good for pupils either.

T.S. Eliot warns against the folly of trying to “Devise systems so perfect, that nobody will need to be good.” As a Conservative, I agree. Successful organisations are based on the values, integrity and energy of the people; you build a great country by empowering its people, not hammering them like mincemeat into a ‘system’. You build a great education system by unleashing the vocation, talent and energy of

teachers. The question is, how can we turn the balance of power in education on its head to empower our professionals, not our politicians and bureaucrats?

One compelling model comes from the world of medicine. Whilst far from perfect, the royal college system provides a home for professional standards. As the daughter of an NHS surgeon, I grew up hearing the complaints of medics over politicians' lack of understanding of how health professionals work – but at least a minister never told my dad how to do a wrist operation. In the medical profession, standards of excellence are developed and owned by organisations like the Royal College of Surgeons. Teachers are not so lucky.

A medical analogy cannot be applied exactly to teaching, but it provides a way forward which is currently being seized upon by the teaching profession itself – that of building a Royal College of Teaching. Such a college would focus solely on evidence-based standards of teaching excellence, and take a role entirely separate from that of unions. It would provide a home and a hub for continuing professional development, bridging the current gap between the work of university academics on education and hard-pressed classroom teachers with experience of what works best.

Such an institution could remove another barrier to entering teaching for a talented young person – that of practice-based career development. Currently, the main route to promotion through teaching involves moving away from the classroom, to management. There is no equivalent practice-based career ladder which leads to a position analogous to, for example, a consultant

surgeon – an individual who is at the top of the field in their practice, and takes responsibility for teaching junior practitioners. Qualifying as a doctor is seen as the beginning of the journey. Often, however, gaining qualified teacher status is seen as more of the end of professional development, as endless lesson plans and the cycle of marking homework take over.

In future, a Royal College of Teaching could even take on roles currently performed by the state, such as curriculum design, by maximising and building on work currently done by subject associations. Teachers could specialise within the college, contributing to the body of evidence-based work on how we can teach better. Such an opportunity is a very different proposition from that which teachers can currently expect.

But of course, this cannot come from a politician like me. It must come from teachers themselves. Membership must be voluntary, and the personal and professional development that membership provides must be worth the investment of time and money made by each individual.

An independent commission, led by the Prince's Teaching Institute, has drawn up a blueprint of how this might work. Politicians are starting to sit up and take notice – now we must step back, sweep the way clear, and unleash the best aspects of professionalism, vocation and dedication that our current teachers can offer, in order to raise the profession of teaching itself, and attract a whole new, talented and aspiring generation to become not simply a workforce feeding a system, but individual professionals of integrity and excellence. ●

Educating for character

Conservatives must lead the charge in bringing character education back into the classroom, says **James O'Shaughnessy**



JAMES O'SHAUGHNESSY is an education entrepreneur and Former Director of Policy at Number 10 Downing Street

Michael Gove can lay claim to being the most successful reforming Education Secretary since Ken Baker, and possibly even Rab Butler, but some bald facts underline just how far Conservatives still have to go to provide every child with the education they deserve: one child in four leaves primary school unable to read, write and count at the level expected of an 11 year old; a student from private school is five times more likely to go to university than one from an underprivileged background; and, we are the only OECD country where the literacy of 16–24 year olds is no better than that of 55–64 year olds. We must be restless for further reform, and ruthless in the face of opposition.

Progressive teaching philosophies are the cause of the appalling educational inequality in England, and they have dominated our schools for decades. As a result, the fundamentals of a good education – discipline, good behaviour, a knowledge-rich curriculum, high expectations – have dramatically declined. It is only very recently that the damage done by the educational establishment has begun to be reversed, thanks to a mixture of top-down reform and bottom-up challenges from Free Schools and Academies.

So Conservatives are, at last, reclaiming the right for every child to be introduced to the best that has been thought and known, to use Matthew Arnold's evocative phrase. This is an advance of great significance and it will transform lives.

However, to really unlock children's potential we need to go further. We are on the way to reclaiming academic rigour but that is only half the story. The classical ideal of education, which dominated Western civilisation for millennia, valued the development of moral character as much as it did intellectual ability. This was best summed up by Martin Luther King when he said: "Intelligence plus character: that is the goal of true education."

Educating for character has been as much in retreat as academic rigour, if not more so. It has survived in the independent sector and in some faith schools, but is often absent in the secular schools where the majority of young people are educated. The post-war crisis of adult authority and the growth of moral relativism shunted out of classroom practice the idea that schools should purposefully and explicitly develop a range of virtues in children. But just as the extreme social liberalism of the '60s and '70s is fading and people are rediscovering the benefits of traditional norms of behaviour, so we should not be surprised that educating for character is making a comeback. Indeed, parents are crying out for it: polling by the Jubilee Centre for Character and Virtues has shown that 87% of them want schools to educate for both academic excellence and character development.

Nobel Prize-winning economist James Heckman has shown that character strengths, sometimes called non-cognitive traits, are skill-like and can be positively influenced with the right instruction. Character is not fixed and we can all become better versions of ourselves. This is a profoundly optimistic view of human potential that matches the aspirations

that Conservatives have for the academic achievement of young people.

The story of the KIPP (Knowledge is Power Program) group of charter schools in the US, whose story is told by Paul Tough in his book *How Children Succeed*, shows why character matters. A group of schools formed to get poor, mainly black, urban children into college, KIPP found that their no-excuses academic approach was phenomenally successful at getting children into university (up to 10 times the local average) but not great at keeping them there.

Looking back at their data, KIPP found that the best predictor of college graduation was not grades but the ability to stick to tasks. This led them to the door of the University of Pennsylvania, and Angela Duckworth in particular. Duckworth pioneered the understanding and measurement of 'grit' in young people, and has shown that this quality – perseverance in the pursuit of long-term goals – is a better predictor of success than IQ. She helped KIPP develop their character growth report card, and KIPP's co-founder Dave Levin now talks of 'character plus academics' being the twin strands of education's DNA. My charity, Floreat Education, is taking exactly the same approach with our goal of developing both virtue and knowledge in primary school children.

Developing young people's character virtues is an ancient practice. The traditional purpose of moral education – giving children the practical wisdom to make good decisions for their own benefit and the benefit of others – has never been more relevant. Ensuring schools educate for moral character is the next frontier in school reform. ●

What LGBT students need

While this government has made historic changes to LGBT rights, **Joseph Musgrave** explains that we still have a long way to go in making LGBT children comfortable at school



JOSEPH MUSGRAVE *helped develop the social media campaign Out4Marriage and was Campaign Spokesman and Parliamentary Liaison for the Freedom to Marry campaign*

Is there really any difference between bullying – in a general sense – and LGBT (lesbian, gay, bisexual and transgender) bullying in schools? One scenario that I confronted recently has caused me to think deeply about this.

Consider the following. Two children, of identical age, attend the same secondary school in a fairly small rural town. One is a county level rugby player (a promising talent) and consistently records excellent grades at school. Our other mystery character is not academically gifted but is creative, hard-working and charismatic. Both are gay – the rugby player is in the closet, his contemporary is not. They are aged 15.

Due to relentless bullying for being gay, our creative begins an ever increasing rate of truancy. The school calls in the boy, along with his parents, to address the problem. However, as far as the school is concerned, the issue is the truancy. They blanch when the father of the boy declares that he is fully supportive of his son being out and explains his son's absence is the school's fault for not addressing the bullying. Nothing productive comes from the meeting and, shortly thereafter, the boy drops out of school with no Standard Grades (GCSE equivalents) as a result. Our rugby player goes on to captain the school team, attends one of the United Kingdom's best universities and is involved in a nationwide campaign

to change the law to allow same sex marriage.

Thankfully, the creative now enjoys an incredibly successful, jet-set, career. I know because I was the rugby player.

This story illustrates why LGBT bullying can be particularly pernicious. According to the charity Stonewall, there are two key characteristics of homophobic bullying; it is underreported by those bullied and teachers are slow in acting to stop it. Although homophobic bullying in schools is common, many students are afraid to report it for fear of being outed – even if they aren't, in fact, gay. Why come forward when it will just give the bullies more ammunition? Many do not risk it. In contrast to other forms of bullying (like racism, for example), teachers are less well trained to confront LGBT bullying – some are even unwilling to see it as a problem.

It doesn't help that homophobic language is normalised. We frequently hear things referred to as 'gay'. A small thing perhaps, but imagine you are holding a secret for years so tightly that it permeates your life. Then imagine that casual references to that secret are always equated with being bad or substandard. Children are impressionable and hearing this sort of language discourages them, if they are gay, from being comfortable discussing it as they get older.

For all that, we are not going to stop bullying. That includes being bullied for being short, tall, thin, fat, blue eyed, brown eyed, having a prominent Adam's apple, being rubbish at sport, good at exams or for being

gay. That does not mean we can't do anything. We can begin by building up the confidence of our young people – through sport and other non-academic activities – and trying to foster the type of supportive family environment that is crucial to being able to withstand bullying. Increasing the level of training and awareness of issues surrounding bullying among teachers, and improving systems of reporting, will increase the trust of children in their ability to report these issues.

There are specific things around LGBT issues in education that also need to be addressed. Sorry, you PC hating bods, but we need a zero tolerance policy regarding the pejorative use of the word 'gay' (and those like it) in our schools and sports pitches. Besides, the English language has many more exquisite ways to express distaste for things. Specific LGBT training for teachers is equally important, so that the sensitivities around LGBT issues are as well understood by them as for other forms of bullying. Michael Gove has taken action to do just this, not least by labelling homophobic language as "medieval."

Thankfully, society is broadly onside – and it is to civil society, rather than to government action, that we should ultimately look if LGBT bullying is to be eliminated. More and more children are growing up with openly gay family friends, friends of theirs are coming out at school and they are more likely to have openly gay role models. With more effort, and the inexorable march of time, I am optimistic the story of the rugby player and the creative will be a relic of the past. ●

A new era for apprenticeships

Minister of State for Business, Enterprise and Energy **Matthew Hancock MP** tells us about the importance of apprenticeships and how Conservatives are increasing their quality and quantity



MATTHEW HANCOCK is the Member of Parliament for West Suffolk & Minister of State for Business, Enterprise and Energy

We are in an exciting era for apprenticeships. For the first time in years, apprenticeships are being seen as a route to a brighter future.

Conservatives can be proud of what we have achieved under this government with respect to the expansion and improvement of apprenticeships. We care about spreading opportunity and supporting everyone to reach their full potential and that is why we are radically reforming practical apprenticeships and making them the new norm for young people.

To bridge the artificial gap between vocational and academic learning we are ensuring no child finishes school without the basic numeracy and literacy skills they need to succeed. Too many young people leave full time education ill-equipped for the work place.

Under the new educational reforms, students who fail GCSE maths and English will no longer be side-lined, but instead they will continue studying to achieve a good level of qualification.

Both employers offering apprenticeships and universities offering degrees expect a decent grasp of maths and English. We must not let students slip through the net of achievement because they struggle with their numeracy and literacy the first time round.

The next step is to ensure that apprenticeships are not the second-class option for young people; they must not be seen as the last resort of those who have not achieved academically. Instead, we are putting apprenticeships on track

to become the prestigious competitor to university places.

Increasing the quality of education in schools in turn increases the skills of people in the work place and helps secure a better future for employer and employee. We are reforming vocational education to improve the vital links between schools and businesses.

The quality of vocational training is fundamental to easing the transition between school and the workplace. That is why we are constantly driving up the quality of apprenticeships.

The standard of apprenticeships under the last government was unacceptable; many lasted only 6 months or less, only half of the apprenticeships available reported receiving off-the-job training and lots of the 'programme led' apprenticeships didn't even provide access to a real employer.

But we are changing things for the better. We will ensure that apprenticeships are valued as highly as university and both are seen as equally valuable ways of achieving a brighter future.

We have already taken several concrete steps towards an improved system of apprenticeships. We have scrapped 172,000 short duration apprenticeships since 2010 and we are ensuring that all apprenticeships now last for at least 12 months, giving employers a chance to provide meaningful on-the-job training. While screening out the lower quality apprenticeships and insisting on high quality across the board, we have still managed to create 1.6 million new apprenticeship starts since 2010. It is not only about the quantity, but the quality of the apprenticeships and we are succeeding in driving up both.

The government cannot take all the credit for this achievement. Employers have been fundamental in making apprenticeships work. Employers have been given the freedom to decide what training best suits their needs so that apprenticeships provide practical value to both the company and the apprentice. Apprenticeships are becoming more and more employer led and employer designed, as they should be.

Employers are in the driving seat and the extra £25 million we have given them, as part of the apprenticeship fund, will help businesses take the lead in improving training for new employees. Apprenticeship courses are approved and respected by employers guaranteeing their labour market value.

While we strive to bridge the gap between university degrees and apprenticeships, to put them on a level playing field as a choice for the future, we are also bringing them closer together by funding £20 million extra for degree level apprenticeships.

This additional funding has already helped many small businesses across the UK to employ their first apprentices. Young people can now opt for a university degree, an apprenticeship or a combination of both. We are putting education and employment side by side to create the best possible opportunities for young people.

By raising standards in schools, making learning more rigorous and responsive to employers, we are driving a culture change in education that harnesses vocational learning at its heart, hand in hand with university degrees to ensure a brighter future for all. ●

Mind the gap between education and unemployment



RHIAN JOHNS is
*Director of Policy
and Campaigns at
Impetus - The Private
Equity Foundation*

If education is failing to prepare students for employment, who better than employers to explain what they need? **Rhian Johns** describes how to bring businesses into the education mix

Two topics often make the headlines of late – the UK education system and youth unemployment. It's no coincidence that these should both make the news simultaneously, yet the intrinsic link between them is rarely made.

Thirty years ago the majority of young school leavers began their working life in manufacturing and elementary occupations. Employers were prepared to train young people and had low expectations for their skill level on joining. Fast-forward thirty years and the youth labour market has changed dramatically. The majority of school leavers' first jobs are in the service sector and employers expect them to be 'job ready' from day one. The education system has not kept pace with this dramatic shift. Whether or not we believe it is the primary role of education to produce workers, failing to ensure that young people leave education with the basic skills and qualifications necessary to find and keep work puts not only their individual chances of career success at risk but also has profound consequences for the rest of society.

The UK has close to one million young unemployed. Up and down the country, however, rates of unemployment are not evenly distributed. Many of the places currently experiencing the highest levels of youth unemployment are the same places that have experienced economic difficulties for some time. In London the disparities are stark, with some boroughs seeing youth unemployment rates of 9% and others 26%. It is tempting to conclude that we must put all of our efforts into tackling youth unemployment in cities such as Middlesbrough, Barnsley and Glasgow (all have rates over 25%) and ignore those cities with comparatively low levels such as Southampton, York and Cambridge (all have rates below 13%). When compared to Germany, however, where the youth unemployment rate is just 8.6%, the UK's disparity is not between high and low levels; rather it's between high

and higher levels. A young person's ability to transition successfully into the labour market is heavily influenced by where they live and the qualifications they achieve whilst in education. The provision of comprehensive careers information to students while they are still in school is therefore the best place to start.

More integration is required at a local level, particularly between schools and the local business community

At present, we are failing to link up our education and labour market policies, and we therefore risk future generations of out of work youth. 604,441 children were born in the year 2000, and our recent research shows that 120,888 will become NEET (Not in Education, Employment or Training) as a result of not making the transition from education into employment. This is not inevitable, but we must act fast. The millennium kids turn fourteen this year, a crucial age in their school career, when their choice of which GCSEs or other qualifications to study will directly affect their future career success. Having quality careers guidance before this important decision is made is critical.

The statutory duty for securing independent careers information, advice and guidance rests with schools, however a recent Ofsted report shows that three quarters of schools have inadequate provision. The new statutory guidelines for Careers Guidance recognises the crucial role played by school governors but I'd suggest going a step further and call for all schools to appoint a Local Business Governor: someone who takes unique responsibility for making links with the local business community and for providing up-to-date local labour market >>



>> information to the school. Many businesses acknowledge that responsibility for developing employable skills cannot rest solely with schools and they are willing to work with schools and support young people by giving careers talks, work taster days and work experience. It's about making links and connections and constantly striving to improve. For those at risk, this must be face-to-face and focused on progression planning – developing high aspirations and a realistic plan for achieving them. Being employable is not just about getting a job, but about holding down a job and progressing in a meaningful career.

‘The old proverb that ‘it takes a community to raise a child’ has never been more true. No one government department, school or business can tackle youth unemployment alone, and

better co-ordination is necessary. Impetus – The Private Equity Foundation are calling for a ‘time-limited’ Secretary of State for School to Work Transitions, responsible for co-ordinating efforts across Whitehall and Westminster, ensuring there are clear pathways to employment for all young people, with further development of quality apprenticeships and traineeships, including in those industries that employ large numbers of low skilled young people such as retail, health and social care. A national response alone is not enough. More integration is required at a local level, particularly between schools and the local business community, with a focus on giving students the information they need to effectively link their education to the start of their careers. ●

Skin in the game

Duncan O’Leary tells us what education has in common with banking, and what lessons educators can learn from recent financial reforms



DUNCAN O’LEARY is
Research Director at Demos

Why is it that regulation often feels both burdensome and ineffective at the same time? Perhaps the answer is that we have been doing it wrong.

In the aftermath of scandals, or crises, there are often calls for more regulatory ‘oversight’. From banking to pensions policy, regulators are blamed for not keeping a close enough eye on the industries they are supposed to be policing. But behind this is the assumption that regulators will be able to establish an accurate picture of what each company is doing, let alone what it ought to be doing. Sometimes simple standards can be set, but this is not easy in complex markets involving many companies and countless transactions.

US legislators have been experimenting with a different approach. Following the financial crisis, the Dodd–Frank Wall Street Reform Act specifies that banks must keep 5 per cent of every mortgage loan on their balance sheets – the so-called ‘skin in the game rule’.

The value of the rule is that lenders are held more accountable for their decisions: the incentive is to focus not just on whether a loan can be sold on, in secondary debt markets, but also whether the borrower will actually be able to pay it back. By preventing banks for passing all the liability for a loan onto others, ‘skin in the game’ gives regulation some teeth. But crucially it does so by realigning incentives, not expecting regulators to oversee everything a bank does.

There is potential to apply ‘skin in the game’ as a regulatory principle in other areas. Rating agencies, which also played a high profile role during the economic crisis, are one such example. Products with AAA ratings proved to be far less safe than their ratings suggested, costing investors and ultimately the taxpayer too. Would this have happened if fees depended, in part, upon the accuracy of ratings? In future, a fixed percentage of the fee for rating a bond could be held back until the moment that the bond reaches maturity, with payments made if the rating was sufficiently accurate.

Beyond regulation, ‘skin in the game’ could also become a tool for public service reform. For example, universities are routinely criticised for offering courses that do not enhance the job prospects of the students who sign up for them. Such criticism is often followed by a call for the government to get a ‘grip’ on which courses should receive government funding and which should not.

A smarter approach would be to give universities a much bigger stake in their students’ future success. For example, if universities were obliged to provide even a small percentage of the money lent to students through student loans, rather than students borrowing 100 per cent of their loan from the Student Loans Company, universities’ income would be tied to students’ future earnings. Alternatively, the cost of written-off loans could be covered by individual universities, as the Director of Bright Blue, Ryan Shorthouse, has suggested.

To bolster this effort, more could be done to inform student decision making – building on the moves to



publish ‘destination data’ for school-age pupils. The Student Loans Company has a wealth of data on the subsequent earnings and employment records of students from higher education courses across the country. Publishing this data set would be another way of giving universities a much stronger incentive to ensure that students leave their institution with the right kinds of skills and support to make the transition from education into work.

The skin in the game principle works by reforming the incentives rather than expecting either policymakers or regulators to be all-knowing or all-powerful. In doing so it seeks to align risk and reward – or power and responsibility – but without the bureaucracy that traditional models of policymaking can bring. As a principle for either the reform of public services or private marketplaces, that’s not a bad place to start. ●

Giving students what they want

Sonia Sodha describes how we can give students the information they need to decide their own future



SONIA SODHA is the Head of Public Services and Consumer Rights Policy at Which?

When the government introduced its new higher education funding regime in 2011, it hoped that, armed with information and faced with higher fees, students would become more engaged in deciding where to go to university and more demanding about the quality of their learning experience. Three years later, the results are mixed.

Our research at Which? has shown that the number one reason students give for applying to university is employment outcomes. Nonetheless, just 38 per cent of prospective students research employment performance data at the time of making their choice. This is despite the fact that there are important differences in what's on offer for some very similar price tags, and among comparable institutions.

There's also considerable variation in the nature of the academic experience. A recent analysis conducted by Which? found that students studying Psychology could expect to benefit from anywhere between just over 7 hrs of teaching per week at the University of Reading to just under 14 hours at the University of Glasgow. And although students value teaching time in small groups, business and management students at the University of Bath spent less than two in every 10 hours in small groups, compared to six in every 10 hours at Leeds Metropolitan University. We also found variation in the proportion of hours led by an academic member of staff from around half (58.7%) for history students at University of Cambridge

to almost all (94.3%) at University of St Andrews.

Despite these differences, only one third of students applying to University had considered factors such as who was doing the teaching and just one fifth had investigated the size of the teaching groups.

These gaps in students' research have predictable consequences. One third of students surveyed said that they might or would have chosen a different course if they knew at the time of application what they do now about their academic experience. Ultimately, one in three students paying higher fees in the new regime say they feel their course is poor value for money.

We need to increase the quality, quantity, and availability of information about universities, and ensure that students have the resources to access and understand this information. The Government introduced the Key Information Set a few years ago, providing a set of comparable and core data points about different courses. This is a significant step forward, but the information it draws on is limited in places. Information on graduate outcomes is based on outcomes six months post-graduation, which is too soon a point in time to assess success. Instead, students need access to longer-term data on earnings. When it comes to teaching, the information is limited to the proportion of time in scheduled teaching versus private study, rather than the actual number of teaching hours, or what this consists of – lecture, tutorial or seminar – meaning it is very difficult for students to get an accurate picture of what's on offer.

This is why Which? launched a website in September 2012 to support

students navigating this process.

Which? University pulls together a mix of comparable data and student reviews in an accessible format which has already proven to be popular with students, receiving nearly 4 million visits since launch.

Prospective students also need advice about how to interpret information about universities and what it means for them. It's concerning that there has been a reduction in funding for advice to students faced with these decisions, with responsibility for delivery moving from local authorities to schools. A damning report by Ofsted found that three quarters of schools were failing to implement their new duty to deliver advice.

The Government has recently announced new reforms to lift the cap on student numbers in 2015 to help meet demand and give students greater choice over where they take their money. This could lead to more competition, but there are also risks: more alternative providers are likely to enter the market, and they are not covered by all aspects of the existing regulatory regime. And in a more competitive context, universities may well choose to simply spend more on marketing rather than improving quality: this has been an issue in the US, where there are many more private providers, some of which have been accused of making misleading claims. The lifting of the cap makes it even more important that better information and advice is made available. But it also requires reform of the regulatory regime to ensure all providers are covered, and students are protected regardless of whether they're studying at a public or private institution. ●



RESEARCH THEMES

Individual power and potential

Thirteen million Britons are in poverty, the majority of which are in low paid work. Especially when fiscal resources are increasingly constrained, Bright Blue will be exploring and devising credible and imaginative approaches to improve our welfare and education systems to ensure greater individual and national prosperity.

Security and prosperity in the globalised world

The globalised, capitalist economy has increased living standards and opportunities for millions. But the composition of communities has changed, sometimes rapidly, and pressures on our resources and environment have mounted. Bright Blue will be suggesting ways to find a better balance between maximising the benefits and addressing the challenges of globalisation – such as immigration, environmental degradation and resource scarcity – to build stable societies and sustainable economies.

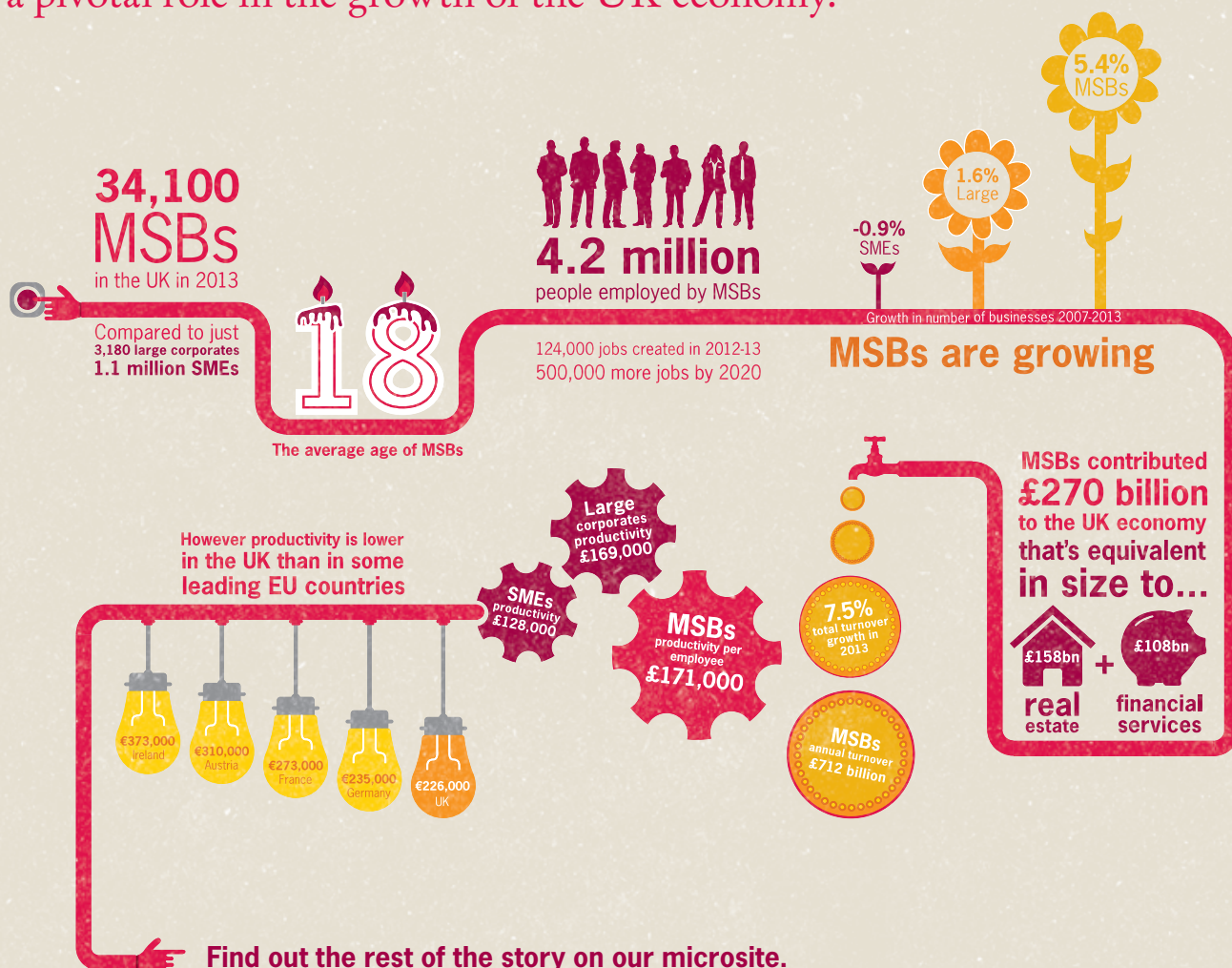
The future of conservatism

Across the western world, societies are becoming more ethnically diverse and socially liberal. Bright Blue will be looking at how conservatism can modernise to remain compelling and inspiring in liberal democracies.

Agents of growth

The power of mid-sized businesses

The UK mid-market is a vibrant and dynamic business segment, often overlooked by policy makers, yet it plays a pivotal role in the growth of the UK economy.



Read insights into UK mid-sized businesses and our recommendations to Government on how they can support these businesses unlock their potential for growth:

www.grant-thornton.co.uk/Agents-of-growth