
MANIFESTO 2019/2020

Executive summary

The Institute of Student Employers (ISE) is an employer-led membership body focused on bringing entry-level talent into the workforce. We represent around 300 of Britain's largest employers, who collectively bring tens of thousands of young people into the labour market every year.

This paper sets out the six key policies that a future government will need to implement to ensure that firms are able to find the talent and skills that they need and young people are able to make a smooth transition to the workplace and build productive careers.

- 1. Place greater emphasis on employer and university collaboration in higher education.** Universities are engines of economic development and higher education graduates are a key source of talent for all businesses. Higher education policy should be designed with a clear understanding of the needs of the labour market.
- 2. Maintain and streamline the apprenticeship system in consultation with employers.** The apprenticeship system has seen radical changes over the last few years. A future government should commit to the maintenance and streamlining of the current system.
- 3. Facilitate better employment outcomes for disadvantaged students.** Social mobility and diversity bring enormous economic benefits to the country. It is important that government supports businesses and educators to improve education and employment outcomes for all young people.
- 4. Renew the Careers Strategy and extend careers hubs across the country.** The government should support schools and colleges to implement the Gatsby Benchmarks and deliver 'good career guidance' for all students.
- 5. Invest in vocational education and engage employers in its design and implementation.** It is essential that the UK builds a strong vocational system with parity of esteem to higher education pathways.
- 6. Design migration policies that enable businesses to access high quality global talent.** Migration policy should be designed to ensure that employers can recruit the talent that they need with the minimum of cost and bureaucracy.

Introduction

The Institute of Student Employers (ISE) is an employer-led membership body focused on bringing entry-level talent into the workforce.¹ This includes employers who are recruiting new staff from schools, colleges and universities. We represent around 300 of Britain's largest employers, who collectively bring tens of thousands of young people into the labour market every year. This supply of new talent into the labour market is critical to Britain's economic future. Ensuring that young people can enter the labour market and progress within it is key to social and inter-generational justice.

The ISE works closely with the full range of stakeholders involved in the early career labour market. As well as our employer members we also have members from education (schools, colleges and universities) and from a wide range of careers, recruitment, development and other intermediary organisations. Our members work to ensure that the early career labour market is fair, effective and efficient.

There is an important role for government in supporting and shaping the early careers labour market so that it works in the best interest of everyone. We would like to see government policy around skills and careers becoming more coherent and joined up.

This paper sets out the key policies that a future government will need to address to ensure that firms are able to find the talent and skills that they need and young people are able to make a smooth transition to the workplace and build productive careers.

1. Place greater emphasis on employer and university collaboration in higher education

British universities are amongst the best in the world. ISE members recruit graduates in large numbers and report high levels of satisfaction with the candidates that they recruit. We have made important strides in improving the relationship between employers and higher education. It is important that future reforms to higher education preserve and extend this.

Proposals for a future government

- Universities should be viewed as engines of local economies and encouraged to build links with Local Enterprise Partnerships and locally and regionally based employers.
- Greater emphasis should be given to building university-business partnerships as a key aim for higher education.
- Graduate employability is an important outcome of the university system and should be resourced accordingly by universities and overseen by the Office for Students.
- Employer engagement with higher education is valuable for universities, employers and students. The government should work with the university sector to support the growth of employer contributions to the curriculum, industrial placements, and employer-led projects, workshops and talks.

¹ See <https://ise.org.uk> for more information about the ISE.

- Higher education institutions should be required to provide institutional careers services, including an employer liaison function.

2. Maintain and streamline the apprenticeship system in consultation with employers.

The apprenticeship system has seen radical changes over the last few years. ISE employers have engaged enthusiastically with the system. We would like to see any future government commit to the maintenance and streamlining of the current system.

Proposals for a future government

- Ensure stability in the apprenticeship system: Any changes to the system should be limited, gradual and done with careful employer consultation.
- Commit to the principle that the apprenticeship levy should not be a payroll tax and that good employers should get out more than they put in.
- Ensure transparency in the way that unspent money from the apprenticeship levy is used. It should be earmarked to support skills e.g. through supporting career education and guidance, rather than absorbed into central treasury funds.
- Increase the flexibility in the use of the apprenticeship levy by doubling the levy 'expiry date' and increasing the range of costs that can be supported with the levy.
- Review the requirement for 20% of time on apprenticeships to be spent off the job and develop regulations that allow apprenticeships to be more responsive to business need whilst maintaining quality.
- Support higher and degree level apprenticeships and continue to ensure that they can be paid for through the levy. This is particularly important for candidates from low socio-economic backgrounds who cannot afford tuition fees.

3. Facilitate better employment outcomes for disadvantaged students

The ISE membership is committed to diversity, social justice and social mobility. Our members have been making changes within their organisations to ensure that their workforces draw from the widest talent pools possible and represent the wider population. It is vital that government implements policies that support this work.

Proposals for a future government

- The Social Mobility Commission should be empowered to become more solutions focused. Government should be required to set out and implement an action plan in response to the Commission's recommendations.
- All internships, placements and extended work experience opportunities (more than four weeks), such as that provided as part of T-levels, should be paid at least the relevant National Minimum Wage level. It is important that less well-off students are not locked out of key sectors of the economy.
- There should be a requirement for educational institutions to monitor and report on the educational and employment outcomes of young people from the equality strands

highlighted in the Equality Act. Access and participation plans provide a framework for this for those young people who attend university, but it is important this is broadened out to cover all young people.

- Government should commission a working group to investigate whether 'socio-economic status' can be added to the Equality Act. This should include the development of guidance on how this new strand can be defined and monitored.
- All young people in the education system should be supported to access a wide range of extra-curricular activities and opportunities for work experience. These opportunities are key to ensuring that young people can develop the skills and attitudes that they need for their careers.
- Government should expect that universities, particularly elite institutions, should use contextual data as part of their admissions processes.

4. Renew the Careers Strategy and extend careers hubs across the country.

Young people's ideas about the future and their knowledge of the labour market are formed while they are in school or college. It is important that the government ensures that this is addressed through world class career education and guidance in schools and colleges.

- The government should publish a new Careers Strategy building on the previous strategy which comes to an end in 2020.
- The new strategy should commit to the implementation of the Gatsby Benchmarks in all schools and colleges.
- All schools and colleges should be required to identify a careers leader who can lead careers and provide a point of contact for employers.
- Career education should receive dedicated and statutory curriculum time.
- Careers hubs should be established across the country building on the existing pilots. Key performance criteria for these hubs should be their ability to engage employers and to support them to work with schools and colleges.
- Ofsted should have a more rigorous focus on how well schools are delivering career guidance.
- Schools should be supported to make use the DfE's Destination Measures to enhance the career support that they offer and assess their school's performance in preparing their students for their next transition.

5. Invest in vocational education and engage employers in its design and implementation

The ISE's employer members have increasingly moved away from a sole focus on graduates. Most of our members now recruit both graduates and school leavers and make extensive use of the apprenticeship system. We are heartened to see that government has been moving in the same direction and that all political parties are now committed to building a strong vocational system alongside a world class higher education system.

Proposals for a future government

- Government should continue to invest in and develop the vocational education system.
- Substantive policies and public information campaigns should clearly spell out the message that vocational and academic routes have parity of esteem and that both are suitable for all qualified candidates.
- Employers should be consulted in the design of new initiatives like the T-levels. The principle of employer ownership of the skills system should be reaffirmed.
- Government should be cautious in the expectation that it places on employers to provide additional work experience for the education system. Appropriate support and incentives should be put in place if the volume of work experience is to increase.

6. Design migration policies that enable businesses to access quality global talent

Many of our members are global businesses. Others rely on international trade and talent in their businesses. As Britain evolves its global position in the world it is important to minimise uncertainty and ensure that employers can make use of talent and opportunities from around the world.

Proposals for a future government

- Government should design migration policies to allow both universities and employers to continue to recruit high quality entry-level international candidates.
- The student visa process should be simplified for employers by reducing both costs and layers of bureaucracy. Allowing international students to remain in the UK after graduating from a UK university broadens the talent pool and enhances the appeal of UK higher education.
- Migration policy also needs to be designed flexibly to recognise the different needs of regions, sectors and occupations. We should avoid a one-size fits all approach to salary thresholds and ensure that a points-based system, if introduced, recognises local needs and sectoral differences.
- EU learning mobility schemes such as the European Community Action Scheme for the Mobility of University Students (the Erasmus programme) should be maintained both to offer UK learners the opportunity to develop their employability overseas and to provide a mechanism to internationalise UK higher education.