

Attending:

Alison Wolf (Chair)
Frank Bowley, (DfE)
Andrew Dickerson (Uni. of Sheffield)
Stephen Machin (CEP, LSE)
Sandra McNally (CVER Director)
Stephen Nickell (University of Oxford)
Harriet Ogborn (CVER Administrator)
Jenifer Ruiz-Valenzuela (CVER)

Apologies:

Bev Robinson (Blackpool and The Fylde
College)
Frank McLoughlin (ETF)
Nigel Rogers (CEP Manager)

Minutes from October steering group and action points

Alison Wolf asks whether the action points arising from the last Steering Group (SG) have been addressed. In particular, those referring to paragraph 18. Sandra McNally replies that Andy Dickerson has refereed the paper from Project 1.3 that these action points refer to, Andy Dickerson notes that he received a revised version of the paper last week and will make sure that all the points have been taken into account (**Action point**). Sandra McNally confirms that the remaining action points have been addressed.

Presentation on Progress of the CVER Programme (Sandra McNally) and Discussion

[Presentation attached]

- 1) Sandra McNally highlights CVER outputs coming out in the near future. These include the briefing note by Hupkau and Ventura (to be uploaded online by the afternoon of February 21st), the literature review on post-16 remedial policies by Van Effenterre, as well as the recent literature review on careers information and guidance by herself.
- 2) Sandra McNally also mentions the availability of the CVER constructed database “census of FE providers” that we will share with DfE in the near future.
- 3) Other projects in Strand 1 have already been published from the last SG (McIntosh and Morris) and Conlon, Patrignani and Herr is under review.
- 4) On the quality of provision (strand 2), McNally mentions that a first draft on the impact of UTCs on student performance (Machin, McNally, Terrier) finds no positive impact of UTCs. She also mentions that two of the projects under this strand (2.1.2 and 2.1.3) are very data intensive, but the first results for project 2.1.3 indicate that there is a lot of heterogeneity in the value added of FE institutions (colleges and 6th forms) and that the determinants of these differences are the subject of research at the moment. She also points out that the case study of apprenticeships (McIntosh) will be coming out soon.
- 5) On project 2.3 on the impact of getting a C grade in GCSE English for later outcomes, she explains that AQA has agreed to share additional data on remarking, and that a discussion paper will be out as soon as possible once this additional data has been received. Stephen Nickell wonders whether we look at first time versus second time sitting of GCSE exams and McNally clarifies that this project looks at the impact of getting a C grade at the end of KS4 (first time sitting). Stephen Nickell suggests looking at how many people repeat GCSEs after missing the C grade the first time. Stephen Machin explains how we are going to get data from AQA on who has been remarked and what were their original marks.
- 6) The first CVER DP is being extended to look at early labour market outcomes for people that are not in education by the age of 21. This work will be submitted for a special issue of the NIESR Economic Review.
- 7) The paper by De Coulon, Hedge, Nafilyan and Speckesser will be re-submitted for the DP series soon; as well as the paper by Hedges on educational choices and peer group effects.

- 8) In terms of potential commissioned research, Sandra McNally describes the two pieces of descriptive work by IES for CEC and Impetus, and clarifies that CVER will only engage in this as long as the SG agrees with it and subject to having enough staff to engage in such work. CEP will be involved in a trial to assess the impact of “Embedding contextualisation in English and Maths GCSE teaching“, commissioned by the Education Endowment Foundation. There are questions about what contextualisation means, and Alison Wolf says that it sounds very interesting but at the same time rather difficult to implement unless there is a very clear way to define contextualisation and what the treatment would look like. McNally explains that there will be a pilot and only if it seems feasible, will CVER and NIESR (for the qualitative part) proceed with the evaluation.
- 9) McNally briefly describes an additional project on apprenticeships joint with the Sutton Trust. There is likely to be a relatively modest contribution from the Sutton Trust, although their sponsorship could help raise the profile of the research. Nobody in the SG opposes the 4 pieces of work.
- 10) McNally presents briefly the findings from McIntosh and Morris CVER DP on the returns to vocational qualifications using LFS data. They find high returns for Level 4 vocational qualifications. She notes that administrative data suggests that very few people get these qualifications.
- 11) McNally then presents the work by Cavaglia, McNally and Ventura on whether there is an earning premium for apprenticeships; using data for the cohort that did their GCSEs in 2003 and whose highest qualification achieved is either vocational level 2 or vocational level 3. The project then asks: if you get an apprenticeship on top of your vocational degree, does this make a difference for the earnings differential? The main preliminary result is the gender difference in terms of median earnings for males and females. Alison Wolf asks whether BTECs are included in the sample. Her intuition is that a higher proportion of students entering university with BTECs are women and therefore would not be included in this sample. Whereas for men, the earnings profile is really flat, for women there is an increasing trend with age for all groups, and particularly so for apprentices. There was a discussion about this group having earnings trends that exceed those of the median worker, but this might be due to the age profile of the sample. Also, Alison Wolf wonders whether these workers are full or part-time and whether this can be addressed with the data. Jenifer Ruiz-Valenzuela says that the data does not have information on that particular aspect. (**Action point:** take a deeper look at these issues (BTECs, differences with median worker) to make sense of the estimates when compared to estimates in other papers).
- 12) Sandra McNally clarifies that they are looking at real earnings. When turning into the regression estimates, McNally highlights the difference in earnings differentials for men and women (especially at age 28) and notes that one of the potential explanations to explain this difference are the sectors into which men and women go into. McNally mentions that in the future they are going to look into the characteristics of people sorting into the different sectors, and that they have further ideas to tackle this issue with an identification strategy which tries to estimate causal effects rather than correlations.
- 13) Other issues and questions discussed for this project are:
 - Frank Bowley and others: differences seem to be more driven by the sector than the gender per se. It would be good to have a better understanding of this issue. He raises the question of the counterfactual group: are women sorting into apprenticeships very different from those who do not, for instance?
 - Some sectors might be more affected by the fact that government might be able to control wages. Therefore, whether you give training or not might not make that much of a difference.
 - Questions on where hairdressing is classified in the current classification.
 - Andy Dickerson asks when was the requirement that carers have to have level 2 introduced. Alison Wolf mentions that it came around the time of Train to Gain.
 - Other issues about participation depending on gender and age group were discussed (more research is needed around this to fully understand the differences shown in the presentation)
- 14) McNally introduces the work by Conlon and Patrignani, using a sample of people that finish education at age 22 in 2010 and earnings at age 26 (2013-14), but that they would be looking into earnings at 27 (2014-15) also. Their methodology compares people with a certain qualification with two types of counterfactual, controlling for different control groups. McNally mentions that they have agreed that they will include also GCSE results as part of their controls. Some of the preliminary results for this project have been sent along as a presentation. Alison Wolf thinks that

there is a problem about conflating BTECs with other qualifications. Sandra McNally suggests that instead they could introduce a different category for BTECs. Alison Wolf thinks that would be very helpful. **Action point:** Introduce BTECs as a separate category.

- 15) Frank Bowley worries about using the next level down as a counterfactual. Sandra McNally explains that they will have another output where they very carefully compare results using admin data with LFS. Frank Bowley would like to be able to compare the relative bias using the two methodologies (achievers/non-achievers and level X versus level X-1). McNally suggests that a potential way to have a deeper understanding about this is to look at the characteristics of all these groups in terms of GCSE attainment, for instance. Stephen Machin thinks that Conlon and Patrignani's methodology is more transparent than using achievers and non-achievers. Frank Bowley thinks that it would be good to have a sense of where the relative bias is by using the different methodologies/counterfactuals; and Alison Wolf agrees. Sandra McNally noted that one of the research outputs of the team from Sheffield and London Economics will be a careful comparison of results from survey data and administrative data using different counterfactual groups. **Action point:** It is agreed that we should call this set of estimates earning differentials rather than returns.

Process for interim reporting and application for funding extension

- 16) Alison Wolf says that she understands that it has taken time to sort the data, but that it is very important that in the next 6 months there are outputs going out that are useful for policy-makers, especially given that CVER is a government-funded centre.
- 17) Frank Bowley says the two-year funding extension will go to Donna Ward, DfE Chief Analyst in the first instance. Due to the sums involved, it will go to the Minister for Skills and have to be signed off by the Secretary of State. Alison Wolf advised putting the findings into easy to understand form and ensuring that they get sent to policy makers.
- 18) Andy Dickerson suggests that CVER could contribute in the debate of the apprenticeship levy: if the levy is going to be paid by employers, where are these employers? In what sectors? Is the levy going to be useful? Can our research inform that debate? Frank Bowley says it will be important to feed into the government's industrial strategy too.
- 19) There was some discussion about trying to get out the paper on the impact of getting the C grade on English for later educational outcomes. There was some discussion about the fact that the negative impact found is the obvious impact of not being able to pass a hurdle (Nickell) but Sandra McNally mentions that if the system would grant second chances, we should not see such a big impact at age 18. Additional discussions on the implications of the results for the re-sit policies were discussed, but the paper does not talk to the effectiveness of re-sits. That would require a new paper. **Action point:** It is agreed, though, that CVER will look into how many students failing to get the C grade the first time in the cohort studied in the paper, re-sit the exam a year after and how many succeed at achieving a C grade then
- 20) There was discussion about how soon the results about UTCs could be put out and in what format. This is a major issue, and it would be good to have neutral and unbiased research out there influencing policy. Frank Bowley and Alison Wolf think that this particular piece of research is newsworthy. Sandra McNally mentions that there is a trade-off between time to put out the papers and their quality; and asks whether there is an alternative way to make the preliminary findings available to policy-makers before the discussion paper is ready for publication. Stephen Machin suggests a seminar for policy makers, as well as a CentrePiece article.
- 21) In general, it was agreed to make greater efforts to make CVER research accessible to policy makers.
- 22) The SG ask about other policy-relevant findings coming up. The project about the earnings differential attached to apprenticeships (Cavaglia, McNally and Ventura) was also mentioned as a possible candidate. Alison Wolf asks about Hilary Steedman's case studies and wonders when they will be ready because they could be informative for the industrial strategy. Sandra McNally thinks it will not be ready very soon. Frank Bowley asks about Alan Manning's project and migration and Andy Dickerson mentions that he just sent data, so this project will take some time to be ready.

Action Point: Sandra McNally to write one side of A4 on UTCs and Apprenticeships and then Frank Bowley will send this to senior policy makers at DfE. Frank Bowley to advise on holding a seminar with policy-makers at DfE or LSE. In general CVER to make work more accessible to policy makers.

- 23) Sandra McNally describes the process that CVER will use to ask for an extension and the SG agrees with it.

Any other business:

- 24) Frank Bowley invites CVER to suggest questions for future Skills Surveys.

The next meeting of the Steering Group is 21 June 2017 (1–2.30pm).

Summary of Action Points

1. Andy Dickerson to check action points of last SG meeting in relation to project 1.3.
2. Paragraph 11. Project about the earnings differential to apprenticeships (project 3.2a) Action point: Cavaglia/McNally/Ventura to look carefully at issues raised in the discussion including the characteristics of women who are in the sample compared to those who go to university (with BTECs); do trends in earnings make sense in relation to that known for the median worker?
3. Paragraph 14. Conlon and Patrignani to revised categorisations in Project 1.1 such that those with BTECs (at different levels) are considered as separate categories and not subsumed into broader categories.
4. Paragraph 15. Project 1.1. (Conlon and Patrignani) needs to refer to estimates as 'earnings differentials' or 'earnings premia' and not returns.
5. Paragraph 19. Project 2.3 (Machin, McNally and Ruiz-Valenzuela). We will look into how many students failing to get the C grade the first time in the cohort studied in the paper, re-sit the exam a year after and how many succeed at achieving a C grade then.
6. Sandra McNally to write one side of A4 on UTCs and Apprenticeships and then Frank Bowley will send this to senior policy makers at DfE. Frank Bowley to advise on holding a seminar with policy-makers at DfE or LSE. In general CVER to make work more accessible to policy makers.

Centre for Vocational Education Research: Steering Group Meeting, 21 February 2017

Sandra McNally

Outline

1. Brief summary of progress in relation to outputs
2. Potential externally commissioned research
3. Focus on labour market returns to qualifications
4. Communication and Dissemination

Progress in brief – highlighting recent or forthcoming outputs

Overarching Strand	<p>(1) Briefing note: Further Education in England: Learners and Institutions (Hupkau and Ventura); (2) Post 16 remedial policies: a literature review (Van Effenterre)</p> <p>(3) Careers information and guidance: recent literature on interventions (McNally)</p>
1. Impact of VE on individuals, firms and growth	<p>Returns to vocational qualifications using the LFS (McIntosh and Morris). CVER DP</p> <p>Estimating returns using LEO data (Conlon and Patrignani)</p> <p>Briefing note + technical report The incidence of publicly funded training in England (Conlon, Patrignani, and Herr) Under review/forthcoming</p> <p>IES projects in progress on benefits of apprenticeships to employers (1.2); training and productivity (1.4)</p> <p>International case studies of automotive sector (1.6)</p>
2. Quality of VE provision	<p>2.1.1. Effect of UTCs on student performance (Machin, McNally, Terrier). College principals (2.1.2), value added (2.1.3) and capital expenditure (2.1.4)</p> <p>2.2. Case study of Apprenticeships in AMRC (McIntosh). Briefing note coming soon.</p> <p>2.3 Importance of getting a grade C in English on later outcomes (Machin, McNally, Ruiz-Valenzuela). Conference presentations</p>
3. Individual participation decisions and the costs and benefits of VE	<p>The demand for VE skills, and the choices individuals make (Dickerson and Morris)</p> <p>Extending paper on post-16 choices to look at early labour market outcomes (Hupkau, McNally, Ruiz-Valenzuela, Ventura). NIESR Economic Review</p> <p>Is there an earnings premium associated with apprenticeships for young people? (Cavaglia, McNally, Ventura)</p> <p>Young people who leave education with ‘below level 2’ qualifications (De Coulon, Hedge, Nafilyan and Speckesser). Re-submission of DP expected soon.</p> <p>Educational choices and peer group effects (Hedges). DP will be submitted soon.</p>

Potential commissioned research

IES:

Descriptive work on “early disengagement” (Proposal for CEC)

Descriptive work on “NEETs and positive destinations” (Proposal for Impetus)

LSE:

Embedding contextualisation in English and Maths GCSE teaching (Proposal for EEF)

Apprenticeships for young people: a quantitative analysis (joint CVER/Sutton Trust)

CVER DP: Labour Market Returns to Vocational Qualifications in the Labour Force Survey (McIntosh and Morris)

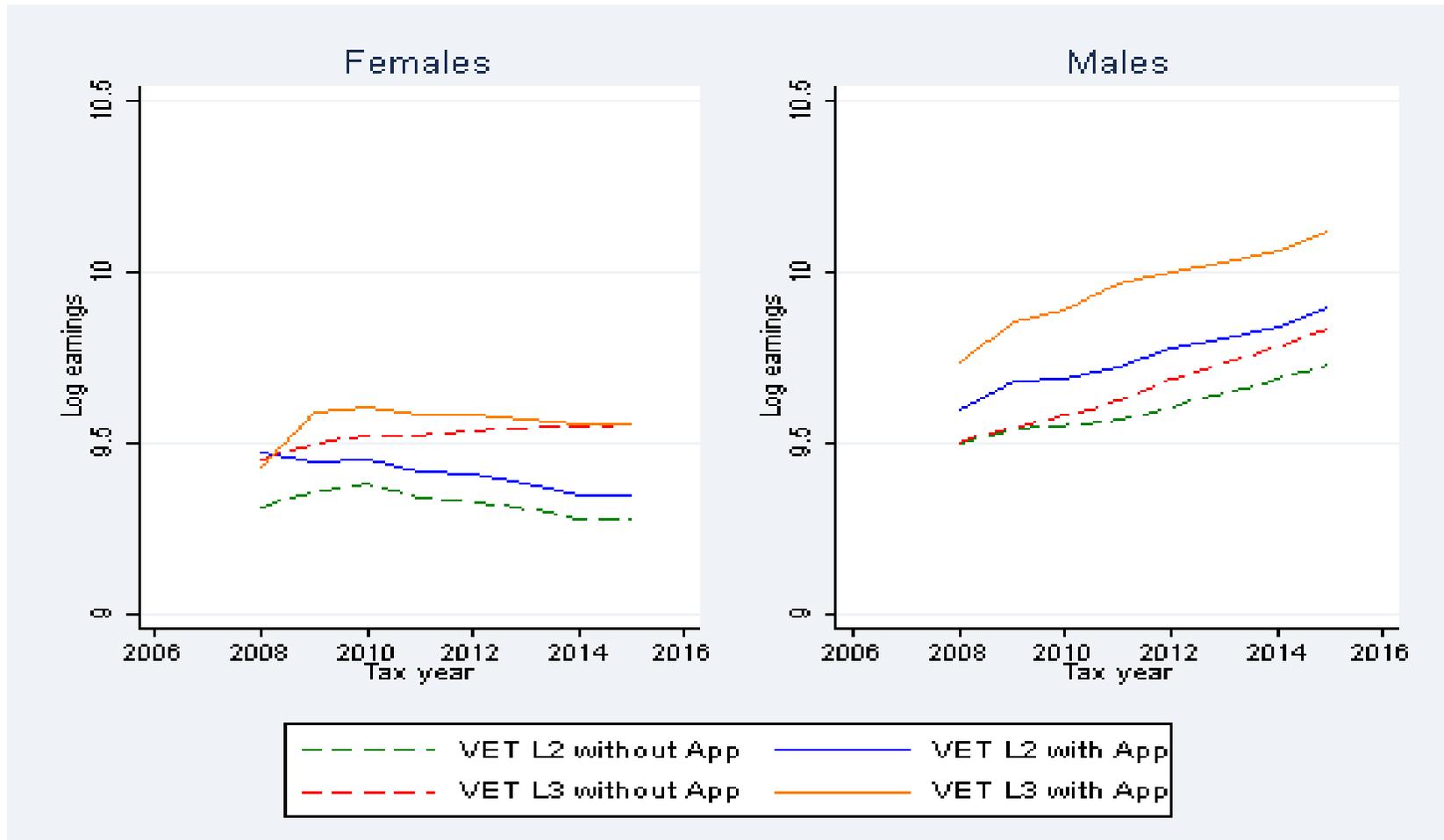
- Estimates returns to vocational qualifications using the LFS between 1997 and 2015
- Suggests strongly heterogeneous returns between and within level; for men and women
- High returns for Level 4 vocational qualifications (note: admin data suggests very few young people get to L4)
- Vocational subjects that yield the highest returns are Engineering, Construction and Business, while the estimated returns are much lower in subject areas such as Caring, Childcare and Catering.

Is there an earnings premium associated with apprenticeships for young people?
 (Cavaglia, McNally, Ventura. Project 3.2)

Cohort undertaking GCSE in 2002/03 by highest level of education

	VET L2 without App	VET L2 with App	VET L3 without App	VET L3 with App	Total for the cohort
Female	45%	48%	54%	36%	49%
White British	82%	89%	81%	90%	80%
English at home	93%	97%	92%	98%	91%
Eligible for FSM	20%	13%	12%	7%	14%
5 GCSEs with grade A-C	18%	24%	54%	51%	51%
GCSEs in English Maths and Science with grade A-C	7%	10%	31%	31%	37%
Started apprenticeship L2	0%	91%	0%	54%	13%
Started apprenticeship L3	0%	22%	0%	79%	6%
Observations	39,387	32,966	41,701	23,512	568,515

Log median earnings for females and males by group



Regression estimates for females (full controls)

	Employed at least one day	Working days (log)	Yearly gross earnings (log)	Gross earnings per day
Age 23				
Apprenticeship				
Level 2	0.046*** (0.005)	0.017 (0.01)	0.062*** (0.015)	0.055*** (0.013)
Age 28				
Apprenticeship				
Level 2	0.009 (0.006)	0.009 (0.01)	0.038* (0.015)	0.026 (0.013)
Age 23				
Apprenticeship				
Level 3	0.029*** (0.006)	0.02 (0.011)	0.091*** (0.017)	0.075*** (0.016)
Age 28				
Apprenticeship				
Level 3	-0.009 (0.007)	0.001 (0.011)	-0.017 (0.017)	-0.025 (0.016)

Regression estimates for males (full controls)

	Employed at least one day	Working days (log)	Yearly gross earnings (log)	Gross earnings per day
Age 23				
Apprenticeship				
Level 2	0.034*** (0.005)	0.049*** (0.010)	0.164*** (0.015)	0.121*** (0.013)
Age 28				
Apprenticeship				
Level 2	0.009 (0.005)	0.014 (0.009)	0.129*** (0.013)	0.116*** (0.010)
Age 23				
Apprenticeship				
Level 3	0.035*** (0.006)	0.051*** (0.012)	0.235*** (0.017)	0.185*** (0.015)
Age 28				
Apprenticeship				
Level 3	-0.003 (0.007)	-0.01 (0.012)	0.110*** (0.015)	0.122*** (0.014)

Distribution of sectors of highest education and earnings differential for females (KS4 cohorts 2003, 2004, 2005 and 2006)

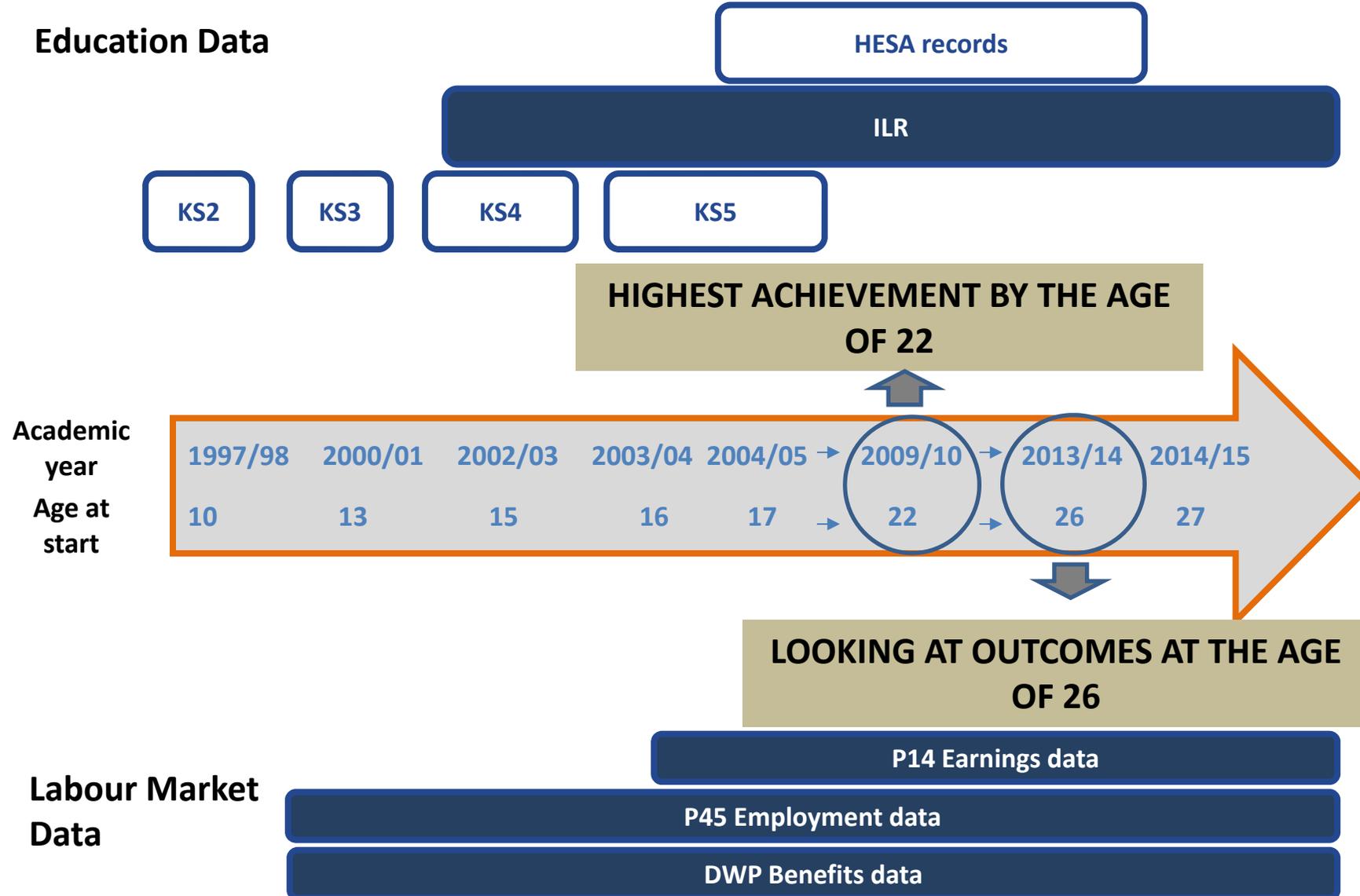
	VET L2 no app	VET L2 with app	Earnings differential	VET L3 no app	VET L3 with app	Earnings differential
Health, Public Services and Care	25%	23%	0.031* (0.014)	31%	37%	-0.012 (0.011)
Science and Mathematics	0%	0%	-0.528 (1.752)	2%	1%	0.241 (0.147)
Agriculture, Horticulture and Animal Care	3%	2%	0.194 (0.102)	6%	5%	0.129*** (0.038)
Engineering and Manufacturing Technologies	3%	1%	0.099 (0.131)	0%	1%	0.397 (0.459)
Construction, Planning and the Built Environment	0%	0%	0.397 (1.012)	0%	1%	-0.380 (2.811)
Information and Communication Technology	3%	1%	0.311** (0.117)	2%	1%	0.258 (0.133)
Retail and Commercial Enterprise	28%	38%	0.013 (0.012)	7%	6%	0.031 (0.031)
Leisure, Travel and Tourism	6%	3%	-0.034 (0.049)	11%	11%	0.033 (0.021)
Arts, Media and Publishing	4%	1%	0.292* (0.146)	23%	9%	0.090*** (0.023)
History, Philosophy and Theology	0%	0%	-0.317 (0.613)	1%	1%	0.110 (0.163)
Social Sciences	0%	0%		0%	0%	0.473 (1.778)
Languages, Literature and Culture	0%	0%		0%	0%	
Education and Training	1%	0%		1%	1%	-0.362 (0.262)
Preparation for Life and Work	15%	5%	0.074** (0.028)	9%	5%	0.016 (0.032)
Business, Administration and Law	12%	25%	0.011 (0.015)	8%	22%	0.078*** (0.018)
Total	82,143	69,084		104,112	32,960	

Distribution of sectors of highest education and earnings differential for males (KS4 cohorts 2003, 2004, 2005 and 2006)

	VET L2 no app	VET L2 with app	Earnings differential	VET L3 no app	VET L3 with app	Earnings differential
Health, Public Services and Care	11%	5%	0.154*** (0.027)	7%	3%	0.123*** (0.024)
Science and Mathematics	0%	0%	-1.093 (1.175)	3%	1%	0.192 (0.112)
Agriculture, Horticulture and Animal Care	3%	3%	0.122* (0.052)	4%	1%	0.018 (0.079)
Engineering and Manufacturing Technologies	15%	24%	0.187*** (0.012)	11%	45%	0.290*** (0.011)
Construction, Planning and the Built Environment	20%	31%	0.056*** (0.013)	5%	26%	0.107*** (0.021)
Information and Communication Technology	6%	4%	0.302*** (0.034)	12%	6%	0.234*** (0.020)
Retail and Commercial Enterprise	8%	14%	0.136*** (0.016)	1%	1%	0.094 (0.132)
Leisure, Travel and Tourism	8%	4%	0.066* (0.032)	17%	8%	0.092*** (0.018)
Arts, Media and Publishing	4%	1%	0.271** (0.102)	25%	4%	0.190*** (0.024)
History, Philosophy and Theology	0%	0%		1%	0%	0.276 (0.225)
Social Sciences	0%	0%		0%	0%	
Languages, Literature and Culture	0%	0%		0%	0%	
Education and Training	0%	0%		0%	0%	0.056 (0.279)
Preparation for Life and Work	17%	7%	0.252*** (0.020)	6%	2%	0.202*** (0.039)
Business, Administration and Law	5%	9%	0.116*** (0.023)	8%	4%	0.193*** (0.025)
Total	105,652	82,982		98,724	59,296	

Project by Gavan Conlon and Pietro Patrignani, Project 1.1b (London Economics)

Timeline for the 2002/03 KS4 cohort



Project by Gavan Conlon and Pietro Patrignani , Project 1.1b

(London Economics)

Specifications

Baseline and augmented specifications

Variable	Baseline	Augmented
Time since highest qualification was achieved	v	v
Ethnic background	v	v
FSM eligibility		v
SEN status		v
IDACI score		v
KS2 Maths test score		v

Treatment and counterfactual groups

Highest qualification	Counterfactual 1	Counterfactual 2
Level 4 vocational (including Higher Apprenticeships and HNC)	Level 3 (all, including A levels)	FL 3 vocational
Advanced Apprenticeship	Level 2 (all, including GCSEs)	Intermediate Apprenticeship
Full level 3 vocational	Level 2 (all, including GCSEs)	Full level 2 vocational
GCE A/AS/A2 level (full level 3 achieved)	Level 2 (all, including GCSEs)	GCSEs only
Level 3 other	Level 2 (all, including GCSEs)	Level 2 vocational only
Intermediate Apprenticeship	Level 1	GCSEs
Full Level 2 vocational	Level 1	Level 1 vocational
Level 2 academic (5+ GCSEs A*-C)	Level 1	Level 1 academic
Level 2 other	Level 1	Level 1 vocational
Level 1 vocational	Below Level 1	Entry/other level
Level 1 academic (5+ GCSEs A*-G)	Below Level 1	KS4 entry but no formal achievement
Entry/Other Level	KS4 entry but no formal achievement	na
KS4 entry and no ILR achievement	na	na

Communication, dissemination and CVER events

- Newsletter (now goes to 700 people). 3 since last SG. Advertise our seminars, the conference, and dissemination of our outputs.
- Long list of engagement activities
- Indicators show increasing use of our website over time. 12,000 visitors to date (3,000 since last SG)
- DP series has > 6,000 downloads
- Next CVER conference planned for 11-12 September 2017
- A number of presentations arranged for the near future, including 3 at the RES conference and keynotes at 2 international conferences on VET (in Berne and Hong Kong).

Process for interim review and application for extension?

1. Interim report for October SG meeting
2. Submit the report to the Research Board at DfE
3. SG writes report for the Research Board (shortly after SG meeting in October)
4. An independent evaluator writes a short report
5. The Research Board makes a decision about the funding extension and if so, this goes to the Minister.