



2010/21

8 June 2010

Schools may be the centre of attention at present what with talk of Academies, 'free' schools, reading tests and so on but in many ways the more interesting debate is happening around FE. The reason is clear. While the direction for schools has been set on high through Ministerial announcements and legislative proposals, that for FE appears less entrenched. Apart from the tantalising pledge "*to set colleges free from direct state control and abolish many of the further education quangos,*" the path for FE remains remarkably free of official pronouncements. There were after all just five lines on FE and adult skills in the Coalition Agreement compared to a page of proposals for schools. The page will not remain blank for long but maybe this is a unique opportunity, the best it's had since the Foster review of five years ago, for FE to make its pitch for greater self-determination.

Three keynote speeches have set the context for this.

First a speech by David Willetts in which he singled out the problems that excessive interference by governments had caused for vocational qualifications in the past: "*we have let down generations of young people who find that their vocational qualifications are not valued by employers.*" Second an initial speech on the economy by David Cameron in which he identified the key growth industries that could form part of a future skills policy and third, a significant positioning speech by Vince Cable in which he portrayed his Dept as the Ministry for Economic Growth. "*The Dept's central task, and my central task, is making sure that Britain is a place where enterprise and innovation are made easier and can succeed. Where ideas are generated and turned into jobs. Where people have the skills we need.*" It will be interesting to see how this concept of a Dept for Economic Growth will play alongside a Treasury that needs to make significant cuts. It could allow BIS to play good cop to the Treasury's bad cop but more significantly for FE, it positions it as a core part of what Vince Cable called "*the BIS dividend.*"

In delivering this dividend, the Secretary of State's priorities for FE were clear: "*an increased emphasis on lifelong learning, stripping out some of the bureaucracy around FE and making sure that the outdated distinction between blue collar apprenticeships and FE on the one hand and university on the other is disposed of for good.*" The work on stripping out bureaucracy is already under way. 13 of the Dept's quangos are under review, a further 20 will be before the year's out and a subsequent Reform Bill will ensure that a mechanism is in place for keeping numbers under control in the future.

So how should FE shape up? Three recent Papers offer us some clues.

First, a couple of Papers from the 157 Group of larger colleges. These make the case for a college system rooted in the community, a local hub of services and provision, responding to local needs and with funding and accountability equally locally driven. "*Colleges can play this role most effectively when they are given maximum scope to tailor their programmes to local needs and aspirations.*" This builds on the traditional model of colleges as a core part of the local architecture but with the freedom to respond flexibly. This doesn't have to be a misty eyed view about the importance of localism. A lot of work has been done for instance on the returns on investment that universities bring to local communities, some work on this has been done for FE but it would be good to see it promoted further. As one of the Papers says, "*no other educational organisations bring together the diverse mix of learners that is represented in a typical FE college.*" Colleges can therefore be powerful social as well as economic cogs in local communities, a logical part of the more coherent and

efficient way of delivering public services that was developed through the previous administration's Total Place initiative.

Second an interesting Paper from the Work Foundation, not specifically aimed at the FE sector, rather *'A policy prospectus for the first 100 days of the new government'* but with an emphasis on getting the economy going and how the skills agenda should be managed as a result.

The Paper identifies two worries. First that in a rush to create jobs for the present, strategic thinking about the economic and skills needs of the future is ignored. *'This immediate priority should not distract from the longer-term need to focus on where Britain's future sources of competitive advantage are likely to come.'* The policy of skills activism may remain under review but arguably skills prioritisation will not and will provide the context for much of FE's skills activity in the future.

Second, a worry that spending cuts could hit some regions let alone some industries harder than others. There are parts of the country that could be decimated for example if a tranche of public sector jobs is wiped out. The Paper therefore calls for *"speed limits"* rather than a blanket approach to cutting to allow for *"careful assessments of each region's strengths and weaknesses."* A regional approach therefore that would allow an FE system to respond swiftly to local circumstances.

If localism is the driving force behind these two Papers, value for money is the driver behind the third, a review of current college delivery models, commissioned by the then LSC and undertaken by KPMG.

With its belief that there is a need for urgent action and its detailed analysis of different forms of structural change, this is a challenging Paper and highlights the fact that efficiency, or as the Paper prefers it, the broader value for money, is now the main driver for change rather than any new ideology.

The central question which the Paper identifies is *'how far colleges should be delivery bodies for the plans laid down by other agencies and how much they should become strategic planning organisations in their own right?'* Given the strength, capacity, durability and indeed the commitment in the sector let alone the needs of the economy, it should clearly be the latter. Indeed many colleges are up for it as are many other partners and other potential providers but as the Paper stresses, there are considerable barriers in the way to achieving this. The sector appears snarled up in a series of legal and regulatory frameworks along with a myriad of governance requirements, working conditions and financing arrangements, each no doubt important but collectively acting as a drag on the sector's ability to move forward in the way it would want.

This therefore is the rub. Is the Dept able to remove some of the shackles and really set colleges free in an open market-place even though some may not survive or will the freedom it promises simply be a case of a long walk back to where we've been before?

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*The shape of FE to come?*

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