



REALISING THE POTENTIAL

A review of the future role of further education colleges

Overview

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INTRODUCTION

The Secretary of State for Education and Skills and the Chair of the Learning and Skills Council asked me to advise on the key challenges and opportunities facing Colleges of Further Education over the next five to ten years and to suggest how their future contribution might be maximised. Following extensive consultation and research I have made my report and this is a summary of its arguments, conclusions and recommendations. Information on how to get hold of the full report is given on the back page.

This overview necessarily focuses on just the most significant themes, beginning with a review of the present position and then setting out the case for greater clarity of purpose and further developments in service quality. There are many ways in which leadership, management and the organisation of provision might be improved, with a stronger focus on the views of learners and the needs of business.

THE PLATFORM FOR CHANGE

Where are we now? Colleges play a vital role. Over three million learners attend annually and numbers are growing. They offer a rich diversity of learning opportunities, supplying skills for the local economy, developing basic literacy and numeracy, giving people who have been failed by or have dropped out of the education system a second chance and helping a significant number of people progress

to higher education. FE colleges drive social inclusion, helping countless individuals to contribute and grow in self esteem. They have a professional and highly committed workforce.

But despite their efforts there is a very great problem. Nearly 200,000 16 to 18 year olds are not in employment, education or training. Millions of young people and adults are held back by literacy and numeracy problems. Fourteen percent of working age adults have no qualifications, and our workforce has lower levels of basic and intermediate skills than our main European competitors.

These are not of course challenges for FE colleges alone: the compulsory schooling system also bears a major responsibility. Nevertheless there is a strong sense, widely shared, that the FE sector is not performing to its full potential and could make a greater contribution.

The problems do not all sit within the colleges themselves, nor under their direct control. There are concerns about the wider system within which they operate. For example there is confusion about the planning roles of colleges and the local Learning and Skills Councils (LSC) and insufficient clarity about the roles of the national LSC and the DfES. There are too many bodies charged with monitoring and developing quality. Too many reorganisations have taken place with, as one consultee memorably told us, dead bodies left on the field of battle. The persistent underperformance of a minority of colleges has been too readily tolerated and for too long. Crucially, the system lays such a plethora of expectations and aims on

colleges that their core purposes are obscure and their reputations fuzzy.

EVOLUTIONARY CHANGE

History is a complex tale and feelings run deep. The sector is in truth complicated and managerial frameworks are under developed. There is no simple magic bullet to put things right. No 'big bang' reconfiguration of further education is proposed, as some might have wished. Large scale structural changes in the public sector have too often taken an age to implement, cost a fortune and alienated the very workers on whom the system most depends.

The way forward, we believe, is to articulate clear purposes and a renewed dedication to quality, and to make a modest number of principled changes in the way the system is led and administered that will catalyse improvement over time.

THE SKILLS IMPERATIVE

The UK has a prosperous history but our future depends on our skills. The world is a competitive market and the marketplace is crowded with nations seeking to succeed. Newer entrants to the market, China for example, can call on fantastic numbers of increasingly skilful people. The world being as it is, the UK cannot assume that its future will be like its past: it truly may not be.

Education, research and innovation lie at the heart of our economy. This is not new. Every society has

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relied for its survival on the transfer of skills and the abilities from generation to generation. What is new is the level and breadth of knowledge and skills required to make our way in the world',

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by Bob Rae of post compulsory
education in Ontario**

We need to maximise and fulfil the potential of all our people - young people and adults - to contribute know-how and skills of world class quality. Future economic prosperity and good public services depend on it. So perhaps our most crucial recommendation is that colleges should sharpen their focus and direct the main force of their effort towards improving employability and supplying economically valuable skills. They should receive in this endeavour the full support of their local partners, the relevant national bodies and government itself. The first task for all concerned is to work through the practical implications of this strategic refinement, including those for the content and funding of, and payment for, college programmes.

Embracing employability and skills development as the core purpose of FE colleges does not exclude the contributions they make to academic progression, for example through their A-level programmes, or in driving social inclusion and facilitating personal development. But a less equivocal and clearly articulated vision, and a more identifiable 'brand', will galvanise strategic thinking, stimulate an unswerving passion about quality and transform the sector's reputation. It will set down a vital building block in the UK's foundation for future prosperity.

Sixth form colleges should retain their primary focus of academic achievement and progression for 16-19 year olds, and be treated by the DFES and LSC as a distinctive brand.

IN PURSUIT OF EXCELLENCE

The second imperative we propose, after greater clarity of purpose, is a reformed approach to quality improvement. There are several strands, but two in particular stand out.

First, a more determined stance must be taken on persistent underperformance. Poor provision is concentrated in a significant minority of general FE colleges. The number of colleges judged inadequate is falling, but the position is still unacceptable and the Government cannot allow this to continue. And colleges which are coasting must start striving for excellence. The situation must be addressed as it ill serves learners and debilitates and dents confidence in the sector. Time should be called on those institutions that have relentlessly failed their communities.

The way forward is to construct a transparent, staged approach to failing colleges, supported by a stronger element of contestability. Colleges that do not make the grade should be served a notice to improve requiring specified improvements on an explicit timescale. The Quality Improvement Agency and Centre for Excellence in Leadership should work with the LSC to support them during the improvement period. Colleges or departments that do not meet required standards should be subjected to a contestability review, organised by the LSC, which could

lead to another college or alternative provider assuming responsibility.

Over time, services should be commissioned increasingly from the FE colleges and other providers best able to supply them on a quality and value for money basis: learners deserve the best service available. The most effective providers should be able to prosper, and the service freed to develop and flex in line with what is required.

We do not however propose an early or wholesale move to an open market system. This may evolve in the fullness of time but the immediate suggestion is that limited contestability should play a part in the systematic management of persistently poor performance and increasingly in workforce development services for employers – including through the National Employer Training Programme.

Secondly, we think greater impetus should be given to the development of specialisms in general FE colleges as a powerful quality driver. A valuable start has been made with the successful Centres of Vocational Excellence (CoVEs) programme. And the new Skills Academies, working with Sector Skills Councils, offer an exciting opportunity to develop in a systematic way, across the country, networks of specialist provision with a focus on raising standards and meeting employer needs. Skills Academies will have the resources and expertise to function as national centres of excellence for the sector, building quality networks – 'hub and spoke' arrangements – with CoVEs at local and regional levels and local departments in colleges.

LATERAL AND LOCAL - REFORMING REGULATION AND INSPECTION

The quality improvement landscape in FE is crowded with organisations charged with inspection, improvement or regulatory functions. There is unnecessary complexity and duplication of effort and further rationalisation is required.

We argue that coherence will be increased and the burden of inspection would be lightened if only one body has responsibility. We support the proposal to establish a single post 16 inspectorate through the merger of Adult Learning Inspectorate (ALI) and Ofsted. We also support, and hope to see expedited, the proposal to relocate the responsibilities within the DfES Standards Unit to the Quality Improvement Agency. We broadly welcome the measures already set in motion by the LSC to reduce its resource overhead and to focus its impact through the strategic themes in *agenda for change*.

For the medium and longer term we urge a more radical, although gradual, reform. Experience in Australia, Denmark and the United States is that the counterparts of our FE colleges thrive within a less centralised and regulated framework. We believe that the most significant shaping influences on colleges should be lateral and local rather than vertical and national.

FE colleges should operate within a framework of local commissioning, led by local LSCs, and influenced very strongly by links with employers

and informed by regional and national priorities and objectives. The commissioning function, which we describe in our report, and the colleges themselves must also develop more systematic and regular processes for harvesting, understanding and responding to the aspirations and feedback of learners themselves. College governance arrangements should ever more faithfully reflect and incorporate the interests of the local communities they serve. Collaboration between local FE providers within the local commissioning framework, and across hub and spoke networks, will be a distinguishing feature of systems that set out to supply learners with an integrated, locally accessible pathway or package of opportunities and facilities that respond to the pattern of their needs and flex over time as needs change.

Over a period, led by the best who inspire confidence in their capacity to deliver, we see colleges moving towards self-regulation and a gradual loosening of detailed central engagement. We see a more motivating, creative, locally responsive, efficient and frankly modern management culture supplanting the invasive centralism that now prevails. There are precedents overseas and relevant models in other parts of the UK public sector.

THE AUTHENTIC CENTRAL ROLE

Currently, FE is the neglected 'middle child' between higher education (HE) and schools. Since further education offers such important benefits for the collective economy and for individual

learners and employers, the DfES should be looking across its own spheres of operation and across government departments to create conditions in which FE can prosper and deliver. The key requisites are clarity about the roles, functions and expectations of different interests and coherence in policy, as it affects FE, across educational sectors and departments of State, and their agencies.

A multi-billion pound public service, working in such nationally important territory, should enjoy the benefits of top level commitment and representation. Whilst the government believes that it has clear and strong leadership arrangements in place, it does not feel so to the staff who work in colleges; they consider that colleges are often given third place to schools and universities. We believe the government should review the way that corporate leadership for skills is organised, with the intention of reflecting the importance of the role and enhancing the effectiveness of the FE sector. There needs to be a much stronger focus and interest in colleges and what they can offer.

GETTING THE BASICS RIGHT

There is a great deal of room for improvement in a number of basic management functions.

There is for example a desperate need for better information across the FE college system and the wider learning and skills sector. We have been dismayed, repeatedly hampered in our task, by the difficulty of debating the work and performance

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of FE in the absence of sound, up to date and simple information. We cannot understand why there are no information standards across the sector, including comparative value for money data, as there are in other parts of the public sector. We believe this is a serious problem. There is a major need to develop a robust analysis of value for money in the sector eg. outcome costs, asset utilization and procurement.

At the same time we have been struck by the amount of data that is collected in FE and used, if at all, poorly. The challenge is to collect less but know more, easing the burden of reporting on colleges and better informing decision making throughout the system.

We recommend consideration of a single purpose agency set up to collect relevant data and transform it into intelligence. This role could be played by the Higher Education Statistics Agency (HESA), building on the role it plays for HE, or by a new organisation, or by the LSC building on its delivery role for Managing Information Across Partners (MIAP). By whatever means, there would be clear sense in a single agency covering both further and higher education.

Equally disturbing is the poor state of workforce planning and development. Almost a quarter of a million people are employed in FE colleges in England. They are the most vital resource the sector has. In the course of the Review it was clear that focused, committed and professional lecturers, support staff and leaders transform individual lives and make a real difference to local businesses. Yet until recently there had

been little coordinated national effort around workforce development. The Success for All reforms, including the qualification targets, improvement to initial teacher training and the teaching and learning change programme, is beginning to make a difference but more needs to be done.

Morale is strongly affected by a perceived lack of parity of esteem and reward with other sectors, particularly schools and higher education. Support staff, many of them in quasi-teaching roles, feel particularly undervalued. And we received many representations about the impact of salary levels on colleges' ability to recruit and retain.

We recommend that a new national workforce development strategy should be produced, led by DfES but developed with the Association of Colleges, colleges themselves and other stakeholders. This should be founded on a fresh analysis of workforce needs. It should be available publicly in twelve months, bringing forward priorities and practical action plans.

It must include a clear plan for improving leadership and management across the sector. We met and heard of many able and impressive college principals and senior managers. But we also know from inspection evidence that, taken in the round, management and leadership are insufficiently strong and there is insufficient supply. And there are real issues about the diversity of managers, leaders and those in governance roles.

To lead the organisational transformation we propose in this report, the sector needs very able, experienced and influential managers,

firmly focused on priorities, quality, learners and outcomes. It needs leaders who can think strategically and creatively, convey their passion and optimism and engage and inspire their staff and local partners. They must enhance the reputation of the sector, influence at the highest levels and sustain a high energy contribution in good health and in sometimes challenging circumstances.

MAIN RECOMMENDATIONS

Our key recommendations to create a national network of world class, innovative and dynamic colleges with the capacity and capability to meet the demands of the 21st century for economic competitiveness and social justice are:

Vision. The report sets out a clear vision for what is needed to build a first class FE system for the future. To achieve this vision, we set out recommendations about the key features of a FE college for the future and the qualities needed for a new generation of leaders with the skills to drive through sustainable transformation.

Purpose. General Further Education, tertiary and specialist colleges need to have a clear purpose and role. They should have as their primary purpose improving employability and supplying economically valuable skills.

Quality. There must be a relentless drive on quality to achieve the primary skills purpose. Responsibility for quality improvement rests with colleges, but should be underpinned by a streamlined quality improvement

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infrastructure (including a single inspectorate). There must be a tougher, time bound approach to provision which is failing, including opening it up through a contestability review to other providers. To improve choice, over time provision should increasingly be commissioned from those best able to supply it in terms of quality and value for money. Focused management information, including comparative data on value for money, should be used much more efficiently and effectively. A common shared value for money framework across FE colleges should be developed including value for money reviews.

Learners. The voice of learners should be strengthened throughout the system to make the experience rewarding and successful. Colleges should consult learners on major issues which impact on their learning and learning environment, and there should be a requirement to collect learner views in a consistent way, and to act on these. This should all form part of a college 'learning entitlement'. There must be better training for learner representatives. And the LSC should establish learner panels at national and local level. The local learning system must be made easier to navigate for learners and enable seamless progression to higher levels, through increased collaboration (which should be a requirement).

Employers. FE colleges must improve their services to employers – through improving both the pool of recruits and their responsiveness to specific local and regional employer needs. In turn, employers need to think more systematically about their future needs and different models of partnership should be developed to enable FE

colleges to respond to them. The Leitch Review of Skills is looking at skills needs to 2020 and will be making recommendations in mid 2006. The Government should consider what further action should be taken to improve engagement between colleges and employers when it receives this advice.

Workforce development and leadership. To give the skills focus greater impact, revitalised workforce reform and leadership development programmes are needed – including bringing in, and developing vocational expertise. These programmes should be set out in a national strategy to which all colleges sign up. Further action is needed to improve diversity including in governance roles.

Reputation. The new college purpose needs to be promoted to build local, national and international reputation by the Government, LSC and colleges. FE colleges should be proactive locally in promoting their role and contribution. Some college principals should take on a promotional role for colleges at national level explaining the benefits of colleges to society as a whole. The Government should lead a review of reputation, working with the LSC and AoC.

Specialisation. There should be funding incentives (capital and other) to develop vocational specialisms within General FE and tertiary colleges to improve choice and quality. These should be connected through hub and spoke arrangements across the country, including with the Skills Academies and Centres for Vocational Excellence.

Management System and Accountability. This should be **simple and clear** and allow local flexibility.

The central roles of DfES and the LSC should be refined to lighten the impact of centralised control, and minimise duplication and undue central demands. There should be a stronger and clearer lead for FE colleges within Government. The DfES should be the strategic architect – through a pan-sectoral educational vision. The LSC should translate this into local action through its operational leadership of the whole learning and skills sector, and be the local commissioner. Self regulation should be the medium term goal, increasing the rewards in terms of autonomy for those colleges who are locally responsive and demonstrate excellence to learners and employers and value for money.

Funding. There must be a more transparent and widely understood model of need and resource distribution. A national learning model covering learner pathways and resource channels through schools, FE and higher education should be developed as the basis for resource distribution. Capital investment is needed to transform FE colleges in line with the skills focus. But capital funding must follow this new purpose rather than determine it and support more efficient uses of premises and the provision of more community outreach facilities.

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