ASSOCIATION OF COLLEGES

FE Provider Strategy and Mandate

Commissioned by the Association of Colleges (AoC)

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Foreword

Interest in the role of colleges has grown over the last few years, in part because of the work we have done as a sector to be noticed, heard, recognised and respected. That interest has brought with it a raft of reforms, many of which are positive and helpful, and additional funding which has started to redress the severe cuts the sector suffered from in the 2010s.

What has been missing despite the attention is a clear understanding of the roles that colleges play, their relationships with other education providers and their part as anchor institutions supporting economic and social progress. We have also consistently challenged government to develop a new, trusting, more arms-length relationship with colleges to properly release the potential they have, with the right investment.

This report is aimed at informing the debate we need to have and adds to a growing evidence and research base that we and partners are building. It highlights international examples – with new international analysis and case studies - drawing on global best practice in the skills sector and translating that into the English context.

Building on the College of the Future report, the analysis underscores the need for an integrated tertiary system, collaborative not competitive, with simplified funding and accountability, and a triple mandate for people, productivity and place. This is an agenda that the FE sector stands ready to deliver through a wider lifelong learning strategy. Ultimately, we would want to see this lead onto a new sense of direction and identity for the FE sector, and consideration of a national brand for FE.

With DfE taking forward some of the reforms recommended in the report, this is a good time to be debating with college leaders how they view the future of their institutions. It's not an easy debate to have when the pressing challenges from the cost of living crisis are creating enormous financial difficulties for colleges, but we must not ignore the potential for long term change because of the need to address the urgent issues.

I would like to thank the research team that worked on this report, in particular the report's key contributor, Jane Pither and colleagues in AoC as well as the support from the Gatsby Foundation and RCU's support with the data produced for the report.

Please read it, respond and join the debate.

David Hughes

Executive Summary and Key Recommendations

This report was commissioned to explore the distinctive role of English colleges in the newly developing skills landscape arising post-pandemic and Brexit and against a backdrop of high inflation. It is clear that investment in skills will support economic growth and social recovery both in the short-term as well as over a longer period. It is also clear that such investment needs to demonstrate excellent value for money in order to compete for the limited resources available to the government to fund solutions to the challenges. As evidenced in the report, further education (FE) colleges are readily positioned to meet these needs. In order to do this, it is important that there is a wider understanding of the role and contribution of colleges and of the benefits of a systems approach rather than a marketplace within the FE and skills sector.

A series of key recommendations for a college mandate and a provider management strategy has been developed through a review of international literature about how colleges and other providers are managed in different skills systems, especially in the context of recent system reforms, a quantitative review of providers in three sub-sectors: apprenticeships, adult education and higher technical education and a series of stakeholder interviews. The recommendations build on a previous report reviewing competitiveness within the 16-18 sub-sector and a leading paper on education and training systems design.

Colleges are uniquely placed to support young people's transition into the labour market, with the necessary job-related skills, whether this be through classroom-based or apprenticeship provision. They have an unparalleled track record of upskilling and reskilling adults, not only supporting their pathways through the labour market but also enhancing their lives. People in colleges are accustomed to working collaboratively, to maximise benefits from scarce resources, rather than wasting funds on competition.

In conclusion, the development of a positive strategy for further education and skills, as part of a wider lifelong learning strategy, would enable a sense of direction and identity for this vital sector, within which colleges, equipped with a clear mandate, are strongly placed to enhance economic productivity and support the levelling up of disadvantaged communities.

Recommendations

College Mandate

- Colleges need a clear mandate which will serve to promote the sector and the institutions within it. This may be achieved by considering a national brand for the FE sector.
- The dual mandate should be re-evaluated as a triple mandate:

    - providing social mobility and a further chance for people
    - serving the economy by providing high quality skills training
    - providing education for young people, adults and employers through points of transition

  in other words – serving society, the economy and individuals.

- In order to support clarity about the college mandate, key stakeholders including civil servants, politicians and regional and local policy makers should be fully briefed on the history and heritage of FE and what happens on the ground.
- Colleges should speak with a unified voice and to a unified message.
- Colleges would welcome a partnership approach to strategic accountability, for example learning from the operation of the Scottish Regional Outcome Agreement model.
- With a clear mandate for colleges established, consideration should be given to secure funding through fewer funding pathways to build stability in the sector and allow colleges to become key resources for their communities.
- Colleges are strong advocates for sustainability. This should be fully acknowledged as part of the government's preparations for response to the climate emergency. As anchor institutions, colleges' contributions to sustainable communities should be used as a resource.

Provider Management Strategy and Partnership Working

- Consider reframing FE within a tertiary sector or developing a lifelong learning policy and strategy that links all pathways through education, acknowledging that education is a lifelong process.

- Consider a managed market approach in 16-18, apprenticeship and adult technical education provision to reduce duplication and the risks of poor quality.
- Streamline HTE qualifications to eliminate market confusion, competition and support local provision of these by regulated providers (where identified as a priority by the local network).
- Foster more genuine partnership working and collaboration. Colleges have the right environments to collaborate and work well in partnerships, when they are not forced to compete by the creation of artificial markets.
- Encourage employers to regard colleges as natural business partners through embedding a default setting of partnership working.
- Consider long term planning approaches, both at national and local levels. Colleges could be more proactive than reactive in forecasting future skills with partners, which could be published to support the local plans.

Contents

1. Introduction

The UK faces some major challenges in terms of skills. Although unemployment is low, rising inflation is likely to produce a recession in the next 12 months and result in job losses in sectors where spending is discretionary. The government hopes that inflation will peak in 2023 but a prolonged war between Ukraine and Russia will cause shortages of food and energy with knock-on effects to all other sectors. These issues compound the short-term challenges arising from Brexit which has reduced trade with the EU, changed migration patterns and cut business investment. The UK had strong economic growth in 2021 but is now lagging behind its competitors. Slow growth limits the funds available to government to tackle some major challenges, for example the need to rebuild the health services in the wake of the COVID pandemic, the need to accelerate decarbonisation and the need to level up underperforming parts of the UK.

Against this context, recent national policy changes in England will have a profound impact on further education. In addition to the 'Levelling Up agenda', as outlined in the White Paper published in February 2022[1], the Skills and Post-16 Education Act (2022) received Royal Assent at the end of April[2]. Aspects of this were based on the Augar report (2019) on post 18 education[3], which in turn built from the Sainsbury review of Technical Education in 2016[4]. The landscape for FE is changing yet again.

As a result, it is felt that there is a need for a clear mandate on what a college is, as well as the aims and purposes of FE providers more generally, in order to maximize colleges' contribution to the levelling up agenda and the objectives of the 2022 Act[5]. At the AoC Conference in 2021, the then Secretary of State for Education said that he wanted a simplified FE landscape that can be understood by all. A clear college mandate will be essential for this, in order to shape a robust FE strategy. We recognise that there has been previous consideration of this issue, for example, in the recent reports from the Independent Commission

[1] Department for Levelling Up, Housing and Communities, *Levelling Up the United Kingdom*. 2022. CP604. Available online: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1052706/Levelling_Up_WP_HRES.pdf.

[2] *Skills and Post-16 Education Act 2022*, Chapter 21, https://www.legislation.gov.uk/ukpga/2022/21/contents/enacted.

[3] Department for Education, *Independent panel report to the Review of Post-18 Education and Funding*, 2019, Available online: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/805127/Review_of_post_18_education_and_funding.pdf.

[4] D. Sainsbury, *Report of the Independent Panel on Technical Education*, 2016. Available online: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/536046/Report_of_the_Independent_Panel_on_Technical_Education.pdf.

[5] *Skills and Post-16 Education Act 2022*. op. cit.

on the College of the Future.[6] The cycle of continuous policy change to which FE is subjected now makes the definition of a clear mandate critical, so that new policies are more effectively implemented rather than being tangential to college missions.

FE system

However, before defining a college mandate, the design of the FE system in which colleges operate also needs to be considered. The English Further Education (FE) system is probably one of the most complex in the world. Indeed, claims that it is a system have been disputed, for example by Keep.[7] Although nominally part of the English education system, FE has all too often been defined as neither school education nor university-based education and this appears still to be the view of some government policy makers. In addition, it has, either overtly or tacitly, encompassed both education beyond the age of 16 as well as training for employment at all ages and has suffered from a blurred identity as a result.

As expected, when looking for international comparisons, there is no single comparator. Instead, parts of other systems can be compared with elements of the English FE system. Internationally, what is referred to as FE in England is probably closest to TVET (Technical and Vocational Education and Training) or VET (Vocational Education and Training). Following the Sainsbury Review (2016)[8], the term Technical Education (TE) was adopted in England to distinguish apprenticeships and other technical qualifications, for example, BTECs and the newly developing T levels, from academic education, seen as GCSEs, A levels and university degrees. Lifelong Learning is a term widely used internationally, which has been in and out of favour in England. This extends the concept of learning beyond compulsory education, and it may therefore be argued that FE, TE, TVET and HE (higher education) are all forms of Lifelong Learning. To some extent the definition (and then the systems and policies that are designed from it) is dependent on whether post compulsory education is seen not only as preparation for the labour market but also as preparation for citizenship and life or merely as training for employment. In other words, does FE have a predominant social or economic responsibility, or does it encompass both?

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[6] Independent Commission on the College of the Future, *The English College of the Future,* (Independent Commission on the College of the Future, 2020). Accessed online on 1 July 2022.
[7] E. Keep, 'State control of the English education and training system—playing with the biggest train set in the world', *Journal of Vocational Education & Training*, 58,1, (2006) 47-64. DOI: 10.1080/13636820500505819.
[8] Sainsbury, *Report on Technical Education*, op. cit.

Social and economic context

Some of the data gathered and analysed, especially the quantitative data, may have been impacted by the Covid19 pandemic between 2020 and 2022. This affected FE, as it affected all other sectors in England. Studies of the impact on learning are outside the scope of this report, but it is fair to say that there were direct negative impacts on learner outcomes both within colleges and in the workplace (apprenticeships) as well as impacts on the supply of work placements (both for T levels and apprenticeships) as well as impacts on learner life choices about both FE and HE. There was an inevitable rise in college expenditure over the period. However, there were also positive impacts, for example the rapid development of digital learning and blended learning, bringing forward some of the developments that many had been calling for over a number of years.[9] It is to be hoped that the benefits of these will continue to be felt after a thorough evaluation and consideration of their suitability and effectiveness for certain groups of learners. The widening of gaps between certain groups was also exacerbated by the pandemic and the social mission of FE should not be forgotten in this context.

The pandemic has also mitigated the immediate impact of Brexit. English FE policy was silent on preparation for Brexit although there has now been a realisation, accentuated by the pandemic, that many skilled workers have left the English labour market. Had national FE policy makers been more adept, some of these issues could have been addressed through skills development plans before Brexit occurred. The current position is that England is attempting to address short term skills gaps, as well as develop skills to attract inward investment from beyond the European Union and develop skills for its new global markets from a position of some weakness. However, a more coherent, strategic approach to FE policy, including recognition of the work done in their localities by colleges and a greater market regulation to aid the development of Local Skills Improvement Partnerships (LSIPs) will support these economic endeavours.

The Levelling Up White paper identified six types of capital that will support the development of a locality. Progress towards this regeneration will be measured by productivity and wellbeing benchmarks. It is abundantly clear that FE colleges occupy a place in the asset and infrastructure base within a locality. Colleges not only contribute to intangible, social, institutional and human capital but also by

[9] B. Harrison, 'FELTAG Five Years On. A Community and a Movement, Not Just a Report', [Blog post], *Inside Government,* 2019. Available online: https://blog.insidegovernment.co.uk/further-education/blog/feltag-five-years-on.

supporting both productivity and wellbeing so that, physical and financial capital are also enhanced.

The economic position following COVID-19 and Brexit has been compounded by the war in Ukraine. At the time of writing, England (and the rest of the UK) is experiencing high levels of inflation and a weakening economy. FE providers may be affected by some of the following: rising energy costs, demands for pay rises from a poorly paid section of the education system, increasing food costs, higher than planned construction costs and higher interest rates. In addition, the uncertainties of the war will have more far-reaching effects on the economy than are currently visible.

The final key point that FE could and should play a part in is sustainability. Many institutions, including FE colleges, have begun to benchmark their activities against the United Nations Sustainable Development Goals.[10] Progress towards these is of vital importance to the next generations, and colleges, in particular, are well placed to contribute through local, regional and national skills development, by educating their own workforce and stakeholders and by promoting sustainable development through their own actions. This can no longer be ignored.

Scope

The scope of this report, within the context set by Keep,[11] is to produce recommendations for a college mandate (its aims and purpose and who determines these) and provider management strategy, set within the existing structures (i.e. marketplace) as it is highly unlikely that there will be a full change of direction to a systems driven philosophy.

This report is offered in support of the development of a provider management strategy and college mandate. It seeks to support:

- The development of a mandate for colleges so that their role and purpose is more clearly understood by all stakeholders.

[10] UN General Assembly, *Transforming our World: the 2030 Agenda for Sustainable Development.* (2015, A/RES/70/1). Available online: https://sdgs.un.org/2030agenda.

[11] E. Keep, *Designing an education and training system – some principles and issues to bear in mind*, (Association of Colleges, 2022). Available online: https://www.aoc.co.uk/news-campaigns-parliament/news-views/aoc-blogs/designing-an-education-and-training-system-some-principles-and-issues-to-bear-in-mind-ewart-keep.

- The development of an understanding of the competition in the different FE markets to inform the creation of a provider management strategy.
- Improved partnership working in local, regional and national arenas as a result of a defined provider management strategy and mandate for colleges as anchor institutions.

by considering:

- a report on competition in the 16-18 sub sector (AoC 2020)
- an extension to this report considering competition in the apprenticeship, adult education and higher technical education sub sectors
- a series of semi structured interviews with key stakeholders
- a review of available literature for international comparisons.

The report does not include specific consideration of education for learners with Special Education Needs and Disabilities, 14 to 16-year-olds within FE and learners in prisons, although they are all important parts of the framework of education and training that colleges provide.

2. Current English FE and skills policy context

Skills are a significant factor in improving productivity (of those in work) and maximising the number of people in work (higher employment rates). UK productivity is low and is not growing enough compared to other countries (for example, OECD, G7). The UK skills system has some long-standing challenges (too much focus on old institutions and academic routes; under-investment by employers, by government and by individuals) but also some immediate issues which could be addressed. As well as excessive competition, these problems include:

- **Inadequate response to specialist requirements**: There is evidence that the curriculum (academic, technical and vocational) has narrowed in many areas to focus on cheaper to deliver and more popular courses. Capacity for specialist and hyper-specialist FE in many areas has been reduced, removed or is very difficult to establish due to funding constraints. (This is a result of funding policies and qualifications reviews although there has recently been an increase in funding for 16 to 19-year-olds).

- **Capital investment**: The lowering of entry barriers has resulted in lower operating margins and fewer funds for reinvestment. Colleges are reliant on targeted capital funding or borrowing and are naturally wary of the latter since the introduction of the college insolvency regulations.

- **Short-term funding** has resulted in short-term responses by providers. As a result, buildings, equipment and IT are falling below the standard needed for high quality FE. As an example, the rate paid for adult education has not increased in over ten years.

- **Funding horizons do not match costs**: Good quality education and training involves high fixed costs associated with employing staff on permanent contracts with job security and running courses in good quality facilities with the right equipment. Given their cost base, education institutions strive for stability in their income. Despite this, the current funding arrangements for English colleges are unpredictable and short-term. Funding has been linked to initiatives such as T Levels, English & Maths, boot camps, STEM, set as national priorities rather than negotiated at a local level to meet sustained local priorities as well as the national demands.

- **Regulatory complexity and cost**: The various funders struggle to keep control of funds and use tightly written funding rules, qualification approval, detailed audit and a complex set of rates to control public funds. In recent funding audits, auditors checked compliance against 300 different rules. There is forensic regulation of inputs and very little on outcomes or impact although this may change slightly with the next iteration of the Ofsted inspection guidance. However, one set of regulators rarely acknowledges the work of other regulators, let alone consults them to establish a consistent regime.

- **The university/college overlap**: OfS regulates and funds 165 colleges but along with its designated bodies (QAA, HESA), duplicates the work of FE funding agencies and regulators (ESFA, Ofsted, IFA). The Scottish and Welsh governments avoided this issue by merging HE and FE agencies into a single system. The English system may be too diverse, large and complicated to do the same but there is, nevertheless, a case for clearer and more consistent boundaries.

- **The college/school overlap**: DfE and ESFA funds programmes and regulates organisations ranging from early years to adult education but runs parallel systems that at times may conflict. A recent pilot supporting

colleges to work more closely with academy trusts is an illustration of this.

- **The college/independent provider overlap**: colleges are subject to an apprenticeship funding regime which is designed essentially for for-profit providers. This means that colleges which generally provide high-cost, high quality apprenticeships struggle to cope with the short-term nature of apprenticeship funding.

The Independent Commission on the College of the Future evaluated many of these concerns during its reviews of the prospects for colleges across the four nations by the year 2030[12]. The Commission's recommendations supporting 'people, productivity and place' and the urge for collaboration, not only between colleges and other providers but also between colleges themselves remain as relevant as ever, and are borne out by the findings in this report[13]. This report echoes the Commission's findings and, in the light of international comparisons as well as more recent policy changes, further emphasizes the importance of delineating a distinctive role for colleges as well as managing the skills marketplace through collaborative partnerships, rather than open competition.

In May 2022, it was announced that the Office of National Statistics (ONS), would conduct a consultation on the status of colleges, currently classified as private sector bodies. Should the ONS decide to reclassify colleges as public sector organisations, as a result of legislative changes including the Skills and Post-16 Education Act 2022, the DfE and government would then consider the impact on college autonomy and freedoms. Colleges in Scotland and Northern Ireland are currently considered as public sector organisations. Positive implications for colleges might include VAT relief and business rate compensation (currently enjoyed by schools) whereas there might be more restrictions on borrowing and changes to accounting regulations. Should this occur, the tensions around positioning in the 'FE marketplace' might become more significant because of the perceived agility of the private sector compared with the public sector. This might then disadvantage colleges, already arguably suffering from excessive competition, to a greater extent.

These issues, resulting from a piecemeal approach to policy making, will not readily be resolved by yet more fragmentation. Policies in support of FE, which will enable FE to make a very strong contribution to both levelling up and the wider skills agenda, should be long term, holistic and coherent, with regard to the unique positioning of colleges and the unparalleled contribution that they

[12] Independent Commission on the College of the Future, *The English College of the Future,* (2020) op. cit.
[13] Independent Commission on the College of the Future. ibid.

make to local, regional and national economies as well as to their communities and society more generally.

3. Methodology

Evidence has been drawn from an international literature review (section 4), a quantitative data analysis carried out by the Responsive College Unit (RCU) (section 5) and a series of interviews with stakeholders (section 6).

The Responsive College Unit analysis was produced from Individualised Learner Record (ILR) data for 2020/21 to examine the impact of competition in local areas of England in three sub sectors: apprenticeships, adult education and higher technical education (HNDs, HNCs and Foundation Degrees at levels 4 and 5). The market share of apprentices or learners of each provider within a local authority district was calculated to determine the extent of competition (defined as high numbers of providers in a district) or concentration (low numbers of providers, potentially even monopolies).[14] However, this was not possible for higher technical education (HTE) because of low volumes of HTE learners and instead, the analysis was based on volumes at national level. This work extended the AoC report, 'Impact of competition in post-16 education and training'.[15] . This 2020 report analysed data on 16-19 provision across England and identified the consequences of low barriers to market entry on collaboration and learner outcomes.

14 stakeholder interviews were conducted using a semi structured interview approach. Following analysis of the RCU data and the outline recommendations of this report, a further workshop was held with a small group of stakeholders to discuss the findings in more depth.

The information generated from the above has been synthesised into a series of recommendations for a FE college mandate and provider management strategy. (section 7.0)

[14] The detailed methodology is available on request.

[15] Association of Colleges, *The impact of competition in post-16 education & training. A study on sufficiency, efficiency, and effectiveness of Post-16 provision'.* (London: Association of Colleges, December 2020).

4. International Literature Review

Introduction

The information in this section of this report was gathered from two main sources: grey literature including government and other agency policy and strategy documents and a review of available academic literature. In the main, it considered papers produced within the last ten years, bearing in mind that structural reforms are not a quick process. Criteria for consideration included accounts of major VET reforms, countries operating a VET market rather than a system,[16] and/or countries of broadly comparable size to England, for the purposes both of comparison and potential policy learning. The selection of examples was, in part opportunistic, where information about countries was readily available and in part systematic, based on database searches. Specific institution case studies for Finland, Canada, Australia and the United States are presented at Appendix A.

Keep recommended gathering information from countries in the developing world,[17] which are developing their FE strategies not only in line with the skills needs and demands of their economies but also with the benefit of learning from the policy development experiences of others, whether this is formalised through support from global organisations such as the World Bank and the Asian Development Bank,[18] or from less formal methods of policy transfer.

The report is structured to provide evidence to inform answers to some key questions such as:

- What are the aims and purposes (the mandate) of those providers? Who decides what these should be?
- How do other countries manage FE (or VET) providers? What are their market management strategies (where they operate a market)?

as well as a consideration of some of the questions posed by Keep in his paper on designing an education and training system[19]:

[16] Keep, *Designing an education and training system, 2022*. op. cit.
[17] Keep, *Designing an education and training system, 2022*. op. cit.
[18] Asian Development Bank, *Innovative Strategies in Technical and Vocational Education and Training for accelerated human resource development in South Asia. Nepal*. (Manila, Asian Development Bank, 2015). ISBN: 978-92-9257-003-3.
[19] Keep, *Designing an education and training system, 2022.* op. cit.

- Who is responsible for delivering what, and how much can the state trust them to deliver what is required?
- Who represents employers, individuals and wider society?
- What is the balance between education and training?

Provider management

There is no blueprint, within either academic literature or grey literature, for a FE provider management strategy. Each country; in some cases, each region; presents a unique configuration for further education. Even the names are different – technical education, vocational and technical education, technical and further education, vocational education and training, etc. This review therefore considers possibilities in the spirit of policy learning rather than policy borrowing.[2021]. Any policies or strategies adopted need to consider not only the context of the place in which they are operating but also the place to which they are to be transferred.[22]

England operates its further education as a fragmented subsystem of education, based on centralisation and marketisation with a weak sectoral infrastructure. This is the consequence of both ceaseless change and incremental change. The drive to developing a marketplace for FE has had a clear impact on institutions both vertically and horizontally. The numbers of Secretaries of State with responsibility for FE and/or skills over the last 20 years,[23] and the numbers of intermediary organisations that have come and gone (FEFC, TECs, RDAs, LSC, YPLA, SFA, ESFA, IfATE, LDAs, LEPs, Combined Authorities) indicates how difficult developing any coherent strategy and policy is. Yet the aim should be for stability and a long-term strategy.

[20] A. Hodgson, K. Spours, J. Gallacher, T. Irwin & D. James, (2019), 'FE and skills – is the 'UK laboratory' open for expansive policy learning?', *Journal of Education and Work*, 32, 3, (2019), 277-291. doi: 10.1080/13639080.2019.1621272.

[21] G. Steiner Khamsi & F. Waldow, (eds.), *Policy Borrowing and Lending in Education*, (Abingdon, Routledge, 2012).

[22] K. Ochs & D. Phillips, '"Comparative Studies and 'Cross-National Attraction" in Education: A typology for the analysis of English interest in educational policy and provision in Germany', *Educational Studies*, 28,4, (2002), 325-339. doi: 10.1080/0305569022000042372.

[23] J.M.L. Pither, *From Lisbon to Copenhagen, London, Helsinki and Edinburgh – a study of vocational education and training (VET) policy making in four European countries (Denmark, England, Finland and Scotland)*. PhD thesis (The University of Huddersfield, 2021).

Colleges

Within an extensive study of TVET across seven countries, Moodie, Wheelahan & Lavigne itemised criteria by which strong TVET colleges could be identified:[24]

> 'Technical and vocational education and training colleges need to be strong institutions with accumulated expertise and resources to fulfil their roles in developing students as humans, citizens and as worker; and to fulfil their institutional roles in developing communities, occupations and industries. This requires continuous funding as institutions rather than separate payments for discrete programmes, projects or other products by severable contracts or other arrangement'[25].

They also highlighted the importance of 'communities of trust between institutions and their funders, communities, industries and students'.[26] Rather than TVET being considered as the residual from secondary and higher education, they stressed the importance of public clarity around its role, supported by behaviours from other stakeholders that demonstrated the understanding of that role. A final point concerned professional and dedicated TVET teachers, who will teach well and confidently within strong institutions in a sector with a clear identity.

> 'TVET has a role in educating the whole person, which we elaborate as expanding students' capabilities'.[27]

International FE (VET) definitions

One of the key challenges presented by English FE is its breadth and hence, its complexity. In other countries there is more reference to TVET or VET, for example, in Chile:

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[24] G. Moodie, L. Wheelahan, & E. Lavigne, *Technical and Vocational Education and Training as a Framework for Social Justice: Analysis and Evidence from World Case Studies*. (Brussels, Ontario Institute for Studies in Education, University of Toronto, 2019).
[25] Moodie, Wheelahan & Lavigne, *Technical and Vocational Education and Training as a Framework for Social Justice.* ibid. p.59.
[26] Moodie, Wheelahan & Lavigne, *Technical and Vocational Education and Training as a Framework for Social Justice.* ibid. p.59.
[27] Moodie, Wheelahan & Lavigne, *Technical and Vocational Education and Training as a Framework for Social Justice.* ibid. p.16.

> 'Technical-Professional Training is defined as any formal and non-formal education process that includes the study of related technologies and sciences, the development of aptitudes, skills, abilities and knowledge relating to occupations in various economic sectors, promoting sustainable development, permanent learning of people and their integration into society.'[28]

In Finland, the definition of the purpose of VET is:

> 'to increase and maintain the vocational skills of the population, develop commerce and industry and respond to its competence needs. VET supports lifelong learning and students' development as human beings and members of society.' [29]

A further definition of TVET was derived from UNESCO and the International Labour Organisation and quoted in relation to Kenyan TVET:

> 'A broad term that refers to aspects of the educational process that include, in addition to general education, the study of technologies and related sciences, as well as the acquisition of practical skills, attitudes, understanding and knowledge related to occupations in various sectors of the economy and society'[30].

Until recently, the OECD guidance for well-managed VET systems recognised that there should be a balance between employer engagement and a development of the breadth of skill set as well as the development of general transferable skills for VET students and the provision of education of general interest to society, i.e. VET supporting both wider economic and social policies.[31] However, more recently, the OECD has produced a narrower definition of VET:

> 'Vocational education is designed for learners to acquire the knowledge, skills and competencies specific to a particular occupation, trade, or class of occupations or trades. Vocational education may have work-based components. Successful completion of such programmes leads to labour

[28] Ministry of Education (Chile), *National Politics Technical-Professional Training*, Exempt Decree No. 848/2016. 2016. Translated from Spanish using Google Translate.
[29] Ministry of Education and Culture (Finland), *Finnish VET in a Nutshell*, 2019. Available online at: https://okm.fi/documents/1410845/4150027/Finnish+VET+in+a+Nutshell.pdf/9d43da93-7b69-d4b5-f939-93a541ae9980/Finnish+VET+in+a+Nutshell.pdf?t=1569997944000.
[30] A. A. Badawi (2013), quoted in A.J.R. Jeremy, *The Extent to which Technical and Vocational Education and Training Institutions prepare their graduates for the Labour Market in Kenya*, Masters' Thesis, (University of Eldoret, Kenya, 2021).
[31] V. Kis, A *Skills beyond School Commentary on Viet Nam*, (OECD, 2017).

> market-relevant vocational qualifications acknowledged as occupationally oriented by the relevant national authorities and/or the labour market'.[32]

Generally, however, these definitions reflect multiple purposes for VET.

International systems

By way of comparison, the British Council produces a summary of UK TVET systems for international partners.[33] Interestingly, in the light of concerns expressed by stakeholders during the interviews, the British Council includes among its features of TVET not only 'employer centred' and 'economic development' but also 'access and inclusion'. Whilst there is a claim that there is an increased focus on lifelong learning, this may be the case in the devolved nations, but is less so in England.

The Australian VET system encompasses both public providers (TAFE institutes) and private providers (colleges or training providers) as well as adult and community education and, more recently, VET within secondary schools[34]. The state governments fund TAFE institutes and, increasingly, some provision offered by private providers. Many providers are Registered Training Organisations (RTOs). TAFE (Technical and Further Education) is planned to equip post high school students with vocational skills.[35] The TAFE institutes offer both direct routes to the workplace as well as routes to higher education, offering basic education, technical training courses, including apprenticeships and limited higher education. Other providers, as in England, occupy niches within parts of the market.

The Australian VET system is thus a marketised system, as in England, and has faced many of the same challenges, from the conceptual:

> 'skill is thus the connection between education and the labour market, based on narrow understandings in which the purpose of education is to serve the labour market')[36]

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[32] OECD, *Engaging Employers in Vocational Education and Training in Brazil,* (2022). Available online: https://doi.org/10.1787/d76a2fe6-en [Accessed 13/06/2022].

[33] British Council, *The UK Technical and Vocational Education and Training Systems. An introduction,* (London, British Council, 2021).

[34] M. Circelli & G. Siekmann, *VET for secondary school students: a research synthesis*. (Adelaide, NCVER, 2022).

[35] A. Forato, *What is TAFE (Technical and Further Education) and How Can It Benefit You?* (2022). Available online: www.tafecourses.com.au. [Accessed 13/6/2022].

[36] L. Wheelahan, G. Moodie & J. Doughney, 'Challenging the skills fetish', *British Journal of Sociology of Education*, 43,3, (2022) 475-494. DOI: 10.1080/01425692.2022.2045186.

to very practical issues of quality (Joyce Review) and over regulation (Braithwaite review)[37]. Solutions to the quality issues include support for RTOS to develop self-assurance and to reflect 'outcome-focused standards' rather than 'input-compliance'.[38] Assessments of the impact of the COVID-19 pandemic on VET found that there has been more collaboration between RTOs but much variation in the quality of online learning and assessment, developed during the pandemic. The importance of VET to labour market recovery has also been highlighted. A further trend has been the development of micro-credentials, bundles of modules related to specific skills or subjects, rather than full courses or qualifications.[39]

Finally, a word of caution from one of the leading voices on comparative education:

> 'Creating such a wide range of institutions delivering the qualifications, from schools, colleges and training providers, would of necessity undermine the "intrinsic logic" of the system.'[40]

What are the aims and purposes of the providers?

The question of a mandate for colleges has highlighted a tension in the understanding of the purpose of a college, in that there is a perception of a 'dual' mandate, in which the purpose is to provide not only key skills for labour market and but also education and training for young people who don't opt for HE. The BIS consultation in 2015 identified this as:

- To provide vocational education for workplace with a focus on higher level professional and technical skills demanded by employers (a perceived gap)
- To provide a second chance for those who haven't succeeded in the school system.[41]

This consultation suggested that colleges should support the development of a skilled workforce as well as offer inclusive education, whilst potentially

[37] H. Guthrie & M. Waters, *Unpacking the quality of VET delivery,* (Adelaide, NCVER, 2021).
[38] Guthrie & Waters, *Unpacking the quality of VET delivery*. ibid.
[39] Guthrie & Waters, *Unpacking the quality of VET delivery.* ibid.
[40] D. Raffe (2013) quoted in M. Pilz & R. Canning, The modularisation approach of work-based VET in Scotland, *Journal of Education and Work,* 30,7, (2017), 722-730.
[41] Department for Business, Innovation and Skills, *A dual mandate for adult vocational education. A consultation paper,* (London, Department for Business, Innovation and Skills, 2015).

specialising in either more adult education (both basic skills and higher technical education), more 16-19 education or a sector set of specialisms such as agriculture or creative arts. However, although this was followed up by area-based reviews of further education colleges between 2015 and 2017, the reviews did not include other providers in the localities, such as private training providers and school sixth forms, which was not only inconsistent but did not recognise the full range of competition in the marketplace.

This tension is also recognised in other countries. In the Nordic countries, where there is a widespread understanding of the place of VET, it is acknowledged to be at the intersection between the education system and the labour market[42]. In South Africa, on the other hand, research by Allais et al observed that formal TVET should now be considered as part of wider vocational skills formation policies because of the complexity of the labour market where there is more informal on the job training than formal TVET. Allais et al recognised that policies that did not encompass the full range of TVET activities were unlikely to succeed, as demonstrated by the development of a complex and expensive system, which is not well understood by employers.[43]

Gallacher & Reeve identified three main roles for colleges:

- providing VET, including part time programmes for those doing apprenticeships or employed
- providing general education to promote social inclusion and provide access to those lacking formal academic qualifications
- providing higher education and opportunities for transfers to higher education, for example, foundation degrees.[44]

In a review of the community college and TVET sector (Legusov et al 2022), differences between institutional missions were observed. In Germany, South Korea and Taiwan, the focus is on TVET whereas in the Netherlands it is on middle professional education.[45] India is developing a focus on apprenticeships and in Hong Kong the emphasis is on the transfer of academic based education

[42] C. Bjork-Åman, R. Holmgren, G. Petterson & K. Ström, Nordic research on special needs education in upper secondary vocational education and training: A review, *Nordic Journal of Vocational Education and Training,* 11,1, (2021), 97-123. DOI 10/3384.
[43] S. Allais, V. Schoer, C. Marock, V. Kgalema, N. Ramulongo & T. Sibiya, Rethinking 'supply and demand' of technical and vocational education and training: insights from a company survey in three manufacturing sectors in South Africa, *Journal of Education and Work,* 34:5-6, (2021), 649-662.
[44] J. Gallacher & F. Reeve, 'New frontiers for college education: the challenges' in J. Gallacher & F. Reeve (eds.), *New Frontiers for College Education. International Perspectives,* (Abingdon: Routledge, 2019), 3-18.
[45] O. Legusov, R. Latiner Raby, L. Mou, F. Gómez-Gajardo & Y. Zhou, 'How community colleges and other TVET institutions contribute to the united nations sustainable goals', *Journal of Further and Higher Education,* 46,1, (2022), 89-106.

into the labour market. In Canada, in addition to apprentice training, 'paraprofessional' training and practical vocational or technical training, some community colleges now cater for both young people and adults as well as offering three- or four-year degrees. Although defined as post-secondary in nature, some states, for example, Quebec, also offer secondary education. Legusov et al summarised the primary mission of this group of providers as: 'to prepare job-ready qualified graduates for a fast-changing labour market', whilst recognising that in Latin America and Malaysia there was a role for 'contributing to social mobility by providing education and training to underprivileged populations'.[46]

The role of TAFE institutes, FE colleges and community colleges in delivering HE has been critiqued by Wheelahan & Moodie, who expressed the concern that, whilst the intention of VET colleges providing HE might be based on inclusion, the reality is that the HE provided is perceived at the bottom of the HE hierarchy and, in fact, promulgates social injustice. They do, however, observe, that, in many cases, the opportunity afforded to an individual transforms their life, even though societal structures are not altered.[47] This represents one of the triple VET mandate aims defined by Euler:

> 'The broad objectives of the German dual system is threefold: economic productivity of the workforce, social integration and individual development of the apprentices ….It also integrates the interests of three major stakeholders such as the state, the business community and students and parents ……'[48]

Whilst there is variation in aims and purposes of VET institutions across different countries, there is a broad agreement that there is not a single focus, because VET operates at multiple levels and life stages and therefore different educational needs are being met. This makes it impossible, within VET, for 'one size to fit all'.

This leads to two key questions that are emphasised in the stakeholder interview section:

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[46] Legusov et al., How community colleges and other TVET institutions contribute to the united nations sustainable development goals. ibid.

[47] L. Wheelahan & G. Moodie, A degree is a degree? The impact of elite universities on colleges offering degrees, *International Journal of Training Research*, 18,2, (2020).101-105. DOI 10/1080/14480220.2020.1830837.

[48] D. Euler (2013) quoted in S. Mehrotra, R. Raman, N. Kumra, Kalaiyarasan & D. Röß (2014). *Vocational Education and Training Reform in India: Business Needs in India and Lessons to Be Learned from Germany*, [Working Paper], 5–54 , (Gütersloh, Bertelsmann Stiftung, 2014). p31-32.

Whose responsibility is it to support disadvantaged young people and learners through barriers?

Whose responsibility is it to educate the skilled work force?

VET System Reform – how providers and 'markets' are managed

The OECD Skills beyond School reviews identified what the OECD believed to be the features of a well-functioning VET system. The following features were identified as of relevance to this report:

Qualifications developed in labour market areas, nationally consistent but with a locally negotiated element;
Quality systems and frameworks that keep the numbers of qualifications manageable;
Active engagement with employers and trade unions to develop qualifications;
Good careers guidance to manage transitions which are an important feature of VET; and
Consistent funding arrangements.[49]

Chile, which has both a Technical and Vocational Training and a Lifelong Learning system, has conducted recent reforms of its vocational training, producing a national strategy for Professional Technical Training (FTP). Among the dimensions featured in the strategy are gender equity, sustainability and inclusion. Thus, although the strategy seeks to develop links between the training sector and the world of work, the educational and social aspects of FTP are not neglected.[50] A parallel study by the International Labour Organisation found that vocational training in Chile had a small, but positive impact on the transition of the unemployed into employment.[51]

Specifically, the strategy includes raising the profile of its technical vocational centres and professional institutes (public, private and for profit), which now support about 40% of students in tertiary education. One of the underpinning priorities for this reform was a concept of 'decent work', against which training is planned, with an idealised trajectory from secondary education to either the

[49] V. Kis, A Skills beyond School Commentary on Viet Nam. op. cit. p9-10.
[50] Ministry of Education, Chile, *National Strategy for Vocational Technical Training*, (Government of Chile, 2020). Translated from Spanish by Google Translate.
[51] J. Bogliaccini, A. Madariaga, M. Peralta & S. Marzoa, *(Un)Employment and skills formation in Chile: an exploration of the effects of training in labour market transitions,* ILO Working Paper 57, (Geneva. ILO, 2022).

labour market or higher education. There is emphasis on permeability between the subsystems of adult education, university education, technical and vocational middle education and technical and vocational higher education.[52]

As in many other countries, responsibility for VET falls between two Ministries (the Ministry of Education and the Ministry of Labour and Social Welfare) but attempts have been made within the strategy to clarify the key roles for all actors, to develop a more transparent approach to operations and communication.[53] In Chile, some industrial sectors have established privately owned Sector Skills Councils (SSCs) to provide employer influence on TVET. This is rare, as in most cases, [54] SSCs have been set up by the state, for example, in India, and in other cases, disbanded by the state, for example, England.

Romania established a new VET strategy for 2016-2020, which was reviewed by the World Bank in 2019.[55] Of relevance to this report, in the context of employer engagement, sector committees at regional and local level have been strengthened by a role established in law so that there is consultation with education authorities, VET institutions and individual companies, in order to develop suitable qualifications. It was suggested that Romania establishes a strong intermediary organisation (between the state and VET providers) to set the vision and mission for the VET sector. In addition to requiring each VET institution to sign a partnership agreement with a company or group of companies (part of the requirements for accreditation of VET institutions). Romania has also introduced a dual VET system to ensure that employers are formally and actively engaged in providing work-based learning as well as the decision making within VET institutions, managed by a new agency (National Authority for Dual Education), although it is believed that this could be further strengthened by engaging sectoral and regional committees more closely to align demand with supply and to gain more employer trust.[56]

In **Wales,** the Welsh Government (Senedd) has recently introduced a Tertiary Education and Research (Wales) Bill. This proposes a reorganisation of the post 16 education sector in Wales, bringing together planning for local authority school sixth forms, apprenticeships, adult community learning and further and higher education, with research. This would be the responsibility of a commission for tertiary education in Wales, 'a new arms-length body responsible

[52] Ministry of Education, Chile, *National Strategy for VTT*. op. cit.
[53] Ministry of Education, Chile, *National Strategy for VTT*. op. cit.
[54] P. Bravo Contreras, (2022), *Understanding the adoption and implementation of Sector Skills Councils in Chile*, PhD thesis. (University of Glasgow, 2022).
[55] World Bank, *Romania. Output 6 – Final Report on a Functional Analysis of Romania's Vocational Education and Training Subsector.* (World Bank Group, 2019). DOI: 10/13140/RG.2.2.20672.15364.
[56] World Bank, *Romania*. ibid.

for the oversight, strategic direction and leadership of the sector', which would be part of the aim to: 'develop an overarching plan for the post-compulsory education and training (PCET) sector.'[57]

One of the high-level goals of the commission would be 'a system supported by collaborative and engaged providers that enhance the communities they serve'.[58] There is also an aspiration to develop 'parity of esteem' between vocational and academic education. However, although there is discussion about the registration and regulation of providers, at this stage it is only envisaged that this will apply to HE providers. FE providers will be regulated through the terms and conditions imposed on the funding they receive. There is lobbying at the consultation stages to clarify this:

> 'If an institution is in receipt of public funding, it must uphold Government expectations, it is a clear priority to improve access, participation and outcomes for all across all providers'.[59]

Scotland made a deliberate choice to move away from marketisation when the Scottish Government brought its colleges back into the public sector in 2014, rationalising the numbers of institutions to one or two per region, working with regional bodies to plan, negotiate funding and deliver outcomes for learners, society and the economy. Additionally, at this stage, the ONS reclassified these colleges as public bodies, reducing autonomy for colleges and providing greater accountability for public money.[60] The rationale was partly to enable more engagement between colleges and employers[61] and partly to save money.

The colleges now receive funding against a regional outcome agreement, where the colleges and the Scottish Funding Council identify the region's education and training needs and plans are drawn up to meet these needs. The progress of this reform has recently been reported on by the Scottish Funding Council as part of a review of tertiary education presented to and responded from the Scottish Government[62]. There is agreement about a 'whole-system view of coherent tertiary provision' and 'that accelerated, deeper collaboration will be essential across all parts of the system whilst the Scottish government is:

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[57]Senedd Commission, *Tertiary Education and Research (Wales). Bill Committee Stage 1 Report*, (Cardiff: Children, Young People and Education Committee. Welsh Parliament, 2022).
[58] Senedd Commission, *Tertiary Education and Research (Wales).* ibid.
[59] Senedd Commission, *Tertiary Education and Research (Wales).* ibid.
[60] Audit Scotland, *Scotland's colleges 2015*. (Edinburgh: Audit Scotland, 2015).
[61] Pither, *From Lisbon to Copenhagen, London, Helsinki and Edinburgh*, op. cit.
[62] Scottish Government, *The Scottish Government's Response to the Scottish Funding Council's Review of Tertiary Education and Research in Scotland* (Edinburgh: Scottish Government, 2021). ISBN: 978-1-80201-504-1.

> ‘unconvinced that reforms in other parts of the UK that are predicated explicitly on encouraging greater competition between providers are appropriate ….’[63]

In relation to colleges, the Scottish Government has decided not to review the ONS status of colleges but is committed to strengthening regional planning arrangements for the few remaining multi-college regions. The SFC is also supported in its ambition to establish an Employer and Industry Advisory Group, to enhance a strategic approach to employer engagement. Other key features of the SFC review, acknowledged by the Scottish Government, are the recognition of the climate emergency, the interests of students and the commitment of colleges to the ‘Fair Work’ agenda. [64] As in Wales, ‘learning through life’ or ‘lifelong learning’ underpins the tertiary review. Both countries refer to the development of shorter, more focused courses for reskilling of the employed and Scotland (like Australia post pandemic) is considering the development of a microcredential framework. [65]

China has more recently recognised the key role of VET through legislation. Laws passed in May 2022 recognise that VET should have the same importance as general education, promote the development of a credit transfer system and outline plans to improve the teaching workforce. Emphasis is placed on the development of partnerships between vocational institutions, public institutions and industry, for example through resource sharing, apprenticeship offers and joint research.[66]

The priorities for VET in China in 2022 included restricting out of school training institutions from providing vocational education for profit and establishing a number of undergraduate level vocational institutions. There was also an ambition to strengthen alliances between vocational institutions and businesses, possibly through promoting mixed ownership of vocational institutions, for example through shareholding. Further education is also to be prioritised in China to:

> ‘accelerate the construction of an education system that serves the lifelong learning’

[63] Scottish Government, *Response to review of Tertiary Education.* ibid.
[64] Scottish Government, *Response to review of Tertiary Education.* ibid.
[65] Scottish Government, *Response to review of Tertiary Education.* ibid.
[66] Ministry of Education of the People’s Republic of China, *Vocational Education Law of the People’s Republic of China,* (Government Portal of the Ministry of Education, 2022). Translated from Chinese by British Council. Accessed online on 20 May 2022.

and:

> 'to promote a life-long education system, the 2022 plan proposed education strategy for the elderly, and technology, will play a part to support this education innovation'.[67]

The OECD assessment of 'Skills Beyond School' in **Viet Nam** recommended employer engagement through a national body but additional co-operation both sectorally and locally, with employer bodies being 'representative and not partisan'.[68] There is little private sector involvement currently in VET in Viet Nam; most VET institutions, (operating within a subsystem separate to HE) are state administered or state owned. This was seen as an opportunity for the development of stable employer networks, which would represent individual employer needs, operating at local level to facilitate sectoral arrangements, work placements and curriculum design and development. As Kis commented: 'In Switzerland, for example, the role of employers and trade unions in VET design and delivery is even stipulated by law'.[69]

On the other hand, in **Nepal**, a report by the Asian Development Bank (supported by the Government of Australia) on TVET reform, recommended not only capacity building for public TVET institutions but also strengthening the existing private training provision (although this was currently perceived as poor-quality training):

> 'the growing number of private training providers, a proportion of which are in the training business solely for financial benefit, further threatens training quality across the country.'[70]

As has been seen in other countries, there was also a recommendation to establish an 'apex' body to coordinate and scale up training, with a role to encompass policy formulation, programme development and co-ordination as well as quality assurance.

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[67] Xinrou Mao, Key Priorities of Ministry of Education in 2022, (British Council, 2022). Translated from Chinese by Xinrou Mao. https://education-services.britishcouncil.org/news/market-news/key-priorities-of-ministry-of-education-2022?utm_source=alert&utm_medium=email&utm_campaign=weekly%20digest&utm_content=news%3A%20Market%20News Accessed online on 20 May 2022.

[68] Kis, *A Skills beyond School commentary on Viet Nam*. op. cit.

[69] Kis, *A Skills beyond School commentary on Viet Nam*. op. cit.

[70] Asian Development Bank, *Nepal*. op. cit. p40.

The proposed model for TVET in Nepal was a split between the provision of technical education (seen as academic and career building) and vocational training (non-academic, short cycle provision in separate institutions). In order to facilitate employer engagement, it was recommended that SSCs were established, with roles for the public as well as employers. The recommendations were also clear on the need to avoid duplication, to co-ordinate the efforts of the different organisations involved (for example, chambers, NGOs, trade schools and vocational skills training centres) and to further emphasise quality improvement. The authors of the report warned that:

> 'parallel systems of skills development are usually very expensive, confusing to stakeholders and ineffective in supporting employment'.[71]

India has sought to learn from Germany in reforming its VET[72] and considered the following recommendations:

- Adoption of the dual model for VET, in which practical training is integrated alongside technical education, both in the workplace and the VET institution
- Development of the use of SSCs in preparing National Occupational Standards
- Mandating private sector participation in training through legislation
- Supporting public and private partnerships
- Considering cluster based, locally specific training for small and medium sized companies
- Involving employers' associations and large companies in upgrading training institutions; for example, the Federation of Indian Chambers of Commerce and Industry has already adopted several Industrial Training Institutes (ITIs), and
- Negotiating corporate social responsibilities to include skills training and VET.

However, a study in 2022 highlighted problems following the adoption of the dual system in India.[73] Concerns remain about VET being supply rather than demand led, being disconnected from employers and being over reliant on government provision. Employers are not yet involved in the assessment and

[71] Asian Development Bank, *Nepal*. op. cit. p24.
[72] S. Mehrotra, R. Raman, N. Kumra, Kalaiyarasan & D. Röß, *Vocational Education and Training Reform in India: Business Needs in India and Lessons to Be Learned from Germany*, [Working Paper] (Gütersloh, Bertelsmann Stiftung, 2014).
[73] S. Maitra, S. Maitra & M. Thakur, Uncertain itineraries: dual system of training and contemporary TVET reforms in India, *Journal of Vocational Education & Training*, 2022. DOI: 10.1080/13636820.2022.2042724.

certification of skills training programmes, nor in curriculum design. The training infrastructure is still poorly developed, especially in relation to the much larger HE sector. Individual VET institutions are left to develop their own corporate partnerships to provide work experience, rather than this being co-ordinated as in the German model. It was felt that there was still little incentive for or commitment from companies to participate in TVET. The result, according to the authors, is that all too often, young people continue to be disadvantaged through a lack of decent sustainable work after achieving a TVET qualification.

> '…everything boils down to the individual drive, entrepreneurship and ingenuity of an ITI principal in an environment which is characterised by persistent indifference, if not outright rejection of the DST [*Dual System of Training*] model by industrial training partners.'[74]
> 'In this model, learning is tied to markets: becoming a successful citizen includes acquiring business skills; and citizenship values include economic sustainability and self-reliance.'[75]

Ireland has redefined the mandate for its FET colleges as part of its national FET strategy. The process of producing the strategy considered international perspectives, including the UK Commission on the FE college of the Future. Particular interest was shown in the regional governance structures developed in Scotland and Finland, which enabled a more strategic approach and simplified funding models. SOLAS also emphasised co-construction with employers rather than employer-led developments, as they viewed these to have created an imbalance between supply and demand as well as duplicating existing structures. The vision for FET was of skills provision, inclusion and transition pathways from schools to FET, within FET and from FET to HE, as well as FET to lifelong learning.[76] This was translated for colleges into:

> Consolidation of FE and training centres– arriving at integrated college structures for level 5 and6 FET,
> A focus on dual outcomes (entry points to careers/employment or to HE).
> Clarity of access pathways through networks of providers offering Levels 1 to 4,
> Consistent learner support
> Providing flexible learning – all year round and with technology enabled opportunities
> Green campuses

[74] Maitra, Maitra & Thakur, Uncertain itineraries. ibid. p16.
[75] J. Dejeghere (2013) in S. Maitra, S. Maitra & M. Thakur, Uncertain itineraries. ibid. p16.
[76] SOLAS, *Future FET: Transforming Learning,* (Dublin, SOLAS, 2020).

Being a community resource – the go to place for education and training, where facilities may also be used for social and cultural purposes.[77]

Higher Technical Education

This area has attracted a great deal of research interest, as explanations have been sought for the differences in perception of HE in colleges and in universities. In this context, the operation of HTE in Sweden is considered, as Sweden has a very privatised education system, although much of it is publicly funded.

Whilst Sweden has experienced an increased focus on its HVE (higher vocational education) in recent years, including the development of specific vocational degrees, these have mainly been provided by private education business, who do not, in the main deliver in other parts of the Swedish VET system, with a few universities and adult education providers also participating.[78] However, the credits earned against these qualifications are not transferrable to either professional or academic higher education. Public funding is only available for the programmes which evidence co-funding from local industry and high levels of employer demand because the programmes are designed locally to meet the needs of local employers.

Sweden has had a highly privatised schools education market for a long time, and this has now extended into VET. However, the lack of transferability across sub sectors seems to confirm the concerns raised by the OECD as early as 2011, as to whether competition is fair in the Swedish education market, and whether providers are, in fact, experiencing a consistent regulatory regime.[79]

The HVE arrangements are not viewed as full partnerships because the risk falls more to the provider and employers can limit their contributions to the programmes. There is also a perception that not all skills needs are being met because employers are negotiating directly with the providers rather than through intermediary bodies and thus the qualification design may become idiosyncratic rather than offering flexibility to individuals as they seek to join the labour market. (Employer engagement has also been developed in Swedish upper secondary VET - municipalities, employers and trade unions cooperate at a regional level to develop a specific certificate for manual skills. This is outside the traditional VET structures. Interestingly, some VET programmes have

[77] SOLAS, *Future FET*. op. cit.
[78] J. Köpsén, Employers placing orders and students as commodities: Swedish post -secondary vocational education and training policy, *Journal of Vocational Education and Training,* 74:2, (2022), 167-186.
[79] OECD, *Learning for Jobs. Pointers for Policy Development,* (OECD, 2011).

extended in length as a result of the employer engagement in curriculum design).[80] Sweden is seen as pushing the boundaries of education towards 'learning for the labour market' rather than 'schooling for citizenship'.[81]

Summary

In summary, other countries have developed their FE or VET from rather different starting points than those of the UK. Although it is not possible to lift an entire system and transplant it into England, the methodologies through which VET has evolved should be studied more closely in support of a clearer mandate for colleges, operating within a market framework, rather than a complete open-door market. There is widespread evidence that a free market does not work for VET and that, increasingly, managed markets are being developed in countries which do not operate a VET system. Within these markets, there are attempts to define the role of colleges and to ensure consistency of operation between colleges and other providers. It is fair to say that no-one has developed a perfect VET system but that those countries who have developed unregulated markets are now attempting forms of regulation (for example, Australia). Even where the role of private training providers is being further developed (Nepal), this is through a coordinated approach to improve quality.

Countries such as Finland, with a mature approach to VET, have designated VET and lifelong learning strategies over many years. China has started to develop its approach to lifelong learning. Ireland developed its recent FET strategy in a clear, transparent manner. The Welsh development of tertiary education is a welcome attempt to simplify the education system and make it clearer for stakeholders: students, parents, employers, even the government itself.

Frequently a trusted, independent, intermediary body or lead organisation is seen as important to manage the relationships between the state and the VET providers or the providers and employers, considered as key partners in VET reforms. In these instances, clarity and consistency of communication has been shown to be vital.

Systematic planning through outcome agreements, ideally over a period longer than one year, was advocated in Finland, Scotland and Ireland. These operate at

[80] J. Köpsén, Being successful in the education market: employers in practice of Swedish higher VET provision, *Globalisation, Societies and Education,* (2022). DOI: 10/1080/14767724.2022.2075833.
[81] C.A. Säfström & N. Månsson, The marketisation of education and the democratic deficit, *European Education Research Journal,* 21:1, (2022), 124-137.

regional level so that decisions are taken at a level closer to the understanding of the region's economic and social skills needs.

Sweden has distinguished its HTE by demarcation between delivery institutions although this has resulted in a bottleneck between education pathways. This approach is also recommended in Ireland, but with a desire to maintain permeability between routes, as is also the case in Chile.

In the main the equivalent of FE colleges in other countries have at least a dual, if not a triple, mandate:

To support learners through barriers of disadvantage
To educate the skilled workforce
To facilitate transitions from one phase (school) to the next (labour market or HE).

5. Extent of competition – update from quantitative data

Apprenticeships

There are a large number of publicly funded, apprenticeship providers (1,432) with starts in 2020/21 in England, although some of them have a small number of enrolments in geographical areas. This included 178 colleges, 1,023 private training providers and 231 other providers.

More than 51% of the starts are in three of the IfATE Technical Routes (Business & Administration, Care Services and Engineering & Manufacturing) and almost 75% are in six of the fifteen routes. Whilst this may have been distorted by the impact of the pandemic on workplaces, there have traditionally been high numbers of apprentices in the three routes highlighted. Many providers had apprenticeship starts in more than one technical route, with an average of about four technical routes per provider. However, one third of providers specialised in a single technical area.

The most competitive markets were found to be in Business & Administration and Care Services. Almost all Local Authority Districts had large numbers of providers with relatively low market shares. More than 70% of providers in Business and 57% in Care were private training providers. It may be argued that this provides choice for learners and employers but there may be an impact on quality. The lowest published achievement rates by Sector Skills Area were in Business, Administration & Law and Health, Public Services & Care. This may imply that excessive competition contributes to poor performance.

Asking the questions that Keep[82] poses about a successful system:

- Is there sufficient provision in the apprenticeship 'market'? It could be argued that in certain areas there is over provision, leading to fragmentation and too much choice for learners and employers. It will be difficult in those districts for the new Local Skills Improvement Partnerships to plan and coordinate the provision.
- Is there efficient provision in the apprenticeship 'market'? Again, a high number of providers, with differing motivations, capacity and regulatory frameworks, does not necessarily lend itself to an efficient operating model under the LSIPs, for example, developing effective partnership working.

[82] Keep, *Designing an education and training system.* op. cit.

- Is there good quality provision in the apprenticeship 'market'? Although outside the scope of the RCU report, the achievement rates quoted for five Sector Skills Areas in 2020/21 would not be considered of high quality compared with rates in other countries These are also overall achievement rates, not timely rates so that the picture may be less positive than shown. However, again, these may have been influenced by the pandemic and there is anecdotal evidence that both apprenticeship starts and apprentices on programme were impacted by the lockdown of workplaces and the loss of employment.
- Is the apprenticeship 'market' promoting equality? By whatever definition of equality being used, whether this is equality of opportunity or outcome, probably not. The variations by sector and geography as well as the presence or absence of providers does not make for a level playing field.

The small number of enrolments vs total providers in some districts raises questions about excessive competition, how industry needs are best being served in the face of high competition and also the actual quality of provision offered and subsequent student outcomes.

Adult Education

It was found that, of the 1,612,200 enrolments in 2020/21, the majority of the adult learners funded by ESFA were studying at Level 2 and below, frequently at entry or Level 1. This study excluded Community Learning. Adult education in this sense is therefore primarily focussed on providing skills needed to enter the labour market, rather than re-training or progressing within it. There is no evidence about any distortions that may have been experienced as a result of the pandemic.

The RCU study found that, in the main, adult education provision was more concentrated in each district, i.e. with one or two main providers in many districts, This reflects the activity of colleges and adult education providers as well as historic and current funding policy which grant funds providers and has held down funding rates.

It is probable, particularly in areas where the AEB has been devolved to a combined authority, that the barriers to entry are higher. It is also probable that adult education is viewed as less profitable. Despite this, however, there were more providers of adult education (1,974 in 2020/21) than of apprenticeships (1,432 in 2020/21). Many providers were thought to have low enrolment

numbers, either because they were offering specialist niche provision of significance in the locality or because of a small market share that may impact on quality.

Three main areas, Preparation for Life and Work; Health, Public Service & Care; and Business Administration and Law, made up the largest part of the enrolments. These were also the areas with the highest average numbers of providers per district. Unlike apprenticeships, many providers offered provision in multiple subject areas although these tended to be general FE colleges, rather than private training providers. There was a significant number of other providers, including local authorities.

It is questionable whether local authorities should still be providing adult education or whether more fruitful partnerships with their local colleges would lead to a concentration of scarce resource (the AEB) and experience that would be more beneficial to students. Similarly, where there are high numbers of small private training providers, a consortium approach might again be more beneficial.

The area of highest competition was Health, Public Service & Care. Care services was also a highly competitive market within the apprenticeship sub sector. This is an area where there is believed to be much demand for jobs and also little resource input required to establish training facilities (unlike Construction, for example). However, the qualification levels would suggest that training is aimed at the less skilled end of the labour market.

In terms of sufficiency, the numbers of providers involved might suggest that there was sufficient provision. However, as this is largely at Level 2 and below, there is a question about where adult up skilling, re skilling and career progression is taking place. In certain areas, with the very high numbers of providers, it is again likely that too much choice is causing lower quality provision than might otherwise be the case.

In terms of efficiency of operation, it is clear that this will be a very difficult area for LSIPs to coordinate. Efficient partnerships will be difficult to develop with so many providers in a locality. Ensuring a fair distribution of resources will also be difficult, it seems that there would be greater economies of scale with fewer providers, and therefore fewer back-office functions, sharing the resources for the benefit of the learners.

There was no information about the quality of learning on offer. Speculating, it is likely to be variable. Some large providers will provide high quality education

and training, although this is not automatically the case. Some small providers, who understand their market and their niche within it and who promote the needs of the learner, rather than profit, will also provide high quality education and training. It is similarly difficult to make judgements about the equality of opportunity arising from the distribution of providers within each Local Authority District.

Higher Technical Education

The RCU report found that the HTE 'market' was very small and that there was limited provision. However, not all HE at levels 4 and 5 was included in the analysis, for example there was no data on full cost professional and technical courses such as AAT and ILEX and courses that were linked to level 6 degrees, such as Cert HEs, were also not included. Although it may be argued that the latter are not employment related, the former would certainly constitute lifelong learning and it may be that this aspect should be followed up, especially in the light of the Augar Report.[83]

There were found to be 529 providers of HNCs, HNDs and Foundation Degrees in 2019/20. This included 188 colleges, 94 higher education institutions and 41 other providers. About 70,000 learners were identified as enrolled on this provision in 2019/20, although colleges offer only 4% of this type of higher education provision. Over two thirds of learners were studying Business, Administration & Law, Health, Public Services & Care, Engineering & Manufacturing Technologies or Arts, Media & Publishing. Reading across to the new technical routes is obviously work in progress.

Despite an analysis of demand and supply suggesting that in some subject areas local provision may not be available, recent benchmarking research suggested that most learners travel less than 15 miles to access their provider. Recent changes to learning arising from the pandemic, for example, blended learning approaches, may indicate that the current provision is sufficient. However, should HTQs (Higher Technical Qualifications) continue to be developed, it may be that the distribution of this provision will need further review. At present, it is likely that the competition is between qualifications: HNCs, HNDs and Foundation Degrees compared with higher/degree level apprenticeships and bachelor's degrees rather than between providers.

[83] Department for Education, *Independent panel report to the Review of Post-18 Education and Funding*. op. cit.

Summary

In no part of the sub sectors studied were colleges providing more than 50% of the enrolments. However, the level of scrutiny aimed at colleges specifically would suggest otherwise. For example, area-based reviews only looked at colleges in the locality and missed a real opportunity to review the skills provision in a locality by including all providers (school sixth forms, local authorities, private training providers and others).

This evidence indicates that there may be excessive competition in the English market for apprenticeships, which may be jeopardising both quality and brand reputation. The adult education market is made up of those who make it their mission to educate adults and those who 'cherry pick' profitable training. This for-profit training may impact on overall quality as well as support for individuals re-entering education and training and therefore result in increased costs and duplication. Based on the Swedish examples, attempts to clarify the FE:HE interface would be beneficial but should be studied carefully to ensure that there are no barriers to access.

6. Stakeholder interviews

Semi structured interviews were conducted with a range of stakeholders, including college lecturers and college leaders as well as representatives of Combined Authorities, and government agencies. Questions asked were based on the following themes:

> The purpose of a college: past, present and future.
> Who or what determines the purpose of a college?
> Who are colleges for?
> College competitors and partners.
> The impact of recent policy changes on college purpose and autonomy.
> What policy changes would make the most difference to colleges?

Purpose of a college

There was a broad consensus that colleges existed to support and serve their communities, through improving life chances for students. However, the definitions of community varied. On the one hand, 'community' was used to represent the learning community created by the college (effectively its niche position in the marketplace in which it found itself), on the other hand 'community' was used to reflect the general population of individuals, organisations and employers in a locality.

One interviewee phrased this as:

> 'To provide further education and to be an interlocutor on skills needs within its local area',

with another adding:

> 'Colleges should be a trusted advisor to their stakeholders, whether within the local geography or internationally'.

However, the majority agreed on a broad definition; for example, offering provision that is tailored to:

> 'The social, cultural or economic prospects of the community it serves'.

Some perspectives reflected a 'bridging the gap', either between communities and the economy or between schools and universities or' from childhood to

adulthood'. This approach was further developed by one interview to recognise the balance between fulfilling individual, social and economic needs that colleges have traditionally attempted and, whilst this is still the enduring purpose of most colleges, that balance has shifted over time. This contrasted with a view that colleges:

> 'Carry on with what you've always done before, nothing will change because everything changes'.

The different ways in which college purposes are viewed reflects the tensions between the inclusion and economic agendas against which many colleges develop their mission and strategies. An interviewee commented:

> 'We have colleges that focus very much on high quality 16-18 technical education, and they don't do so much for the unemployed. Or they do really good work around participation but aren't as focused on employers and apprenticeships as a result.'

Emerging from this was a view held by several stakeholders that colleges should identify their niche within the FE 'marketplace' and work to have this recognised. For some this is 'technical, vocational, specialist training' or becoming 'technical education institutes'. Others felt that colleges should continue to support both 'skills needs' and 'community needs'.

Who determines this purpose?

This tension was also exposed when interviewees were asked about who determines the purpose of a college. Whilst some felt that this was the corporation or governing body:

> 'In terms of the strategy and the direction, because we make decisions within the purpose, then it's clearly the board'

with wider involvement of stakeholders and or the community through consultation:

> 'Needs of industry and business'

> 'What staff believe in and what they want, but also students';

others felt that central government played more of a role, through policy setting and directing funding:

> 'Most colleges are preoccupied with their 16-18 funding stream'
>
> 'Fulfil the obligations of the funding that they are receiving'
>
> 'Government, insofar as that's where 80% of our funding comes from'

and that other stakeholders also influenced the purpose:

> 'Direction from exam boards and from Ofsted'.

These approaches appeared to reflect how a college's strategy might be set, rather than how the rationale for its existence was determined.

One interviewee expressed this as:

> 'a tension between perhaps what you think of your purpose, i.e. your role in the community and what the government thinks the purpose of FE is. And somewhere in between that probably lies the definition.'

Whilst another reflected the tensions between a top down, directive approach and the knowledge generated by those at local level:

> 'The data doesn't show that that's actually what we need more of. It actually shows we need more care, and we need more retail and we need more lower level in our local economy.'

This apparent dichotomy frequently results from the translation of national policy into local settings.[84] Colleges have earned their autonomy since the days of incorporation in 1993 and are skilled at interpreting national policy to meet the needs of their local communities. However, this is frequently conducted through layers of bureaucracy, with contractual, rather than partnership negotiations as happens in Scotland with Regional Outcome Agreements[85] or Finland, where plans are determined at municipality level. [86](ref).

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[84] F. Coffield, S. Edward, I. Finlay, A. Hodgson, K. Spours & R. Steer, *Improving Learning, Skills and Inclusion,* (Abingdon: Routledge, 2008).
[85] Skills Development Scotland, *A Human Future, Strategic Plan 2019-2022,* (Glasgow: Skills Development Scotland, 2019).
[86] Pither, *From Lisbon to Copenhagen, London, Helsinki and Edinburgh.* op. cit.

Who is a college for?

Several interviewees reflected the purpose that they had previously outlined, becoming more specific about their breadth of offer, and emphasising accessibility:

> 'There is a civic responsibility, there's a community responsibility and there's a responsibility for employers and the economy'.
>
> 'For everyone …. for people in the post year 11 cohort …. people who have been left behind by previous systems….or people who are changing direction in their career or industries changed around them'.
>
> 'We are here for staff because without staff, you wouldn't have a functioning college'.
>
> 'We are here in part to speak up on issues about social justice'.
>
> 'Students who have not quite navigated their way through the system'.
>
> 'There should be more adult learners in colleges'.
>
> 'Young people in particular, with special educational needs … A place for them to be that is safe and that is welcoming, that …helps them again to transition to adulthood'.
>
> 'Within these communities we're talking about individuals but we're also talking about our employers'.
>
> 'That opportunity cost of keeping people engaged in something positive, even if their starting point is very, very low, it's a real value to the country and that's the community aspect'.

These responses illustrate the breadth of college ambitions admissions but also contrast with views reflected through recent national policies, expressed by some interviewees as:

> 'I don't think government has had much expectation around colleges, much awareness'
>
> 'Colleges have a role ……. In delivering those skills programmes.'

> ‘We always consider ourselves public servants, really.’

Based on the above, by implication there is a need for greater clarity about who a college is for. This might be done by amplifying the anchor institution role outlined by the Independent Commission[87]. Consideration could also be given to the list of college roles in the Irish FET strategy, in particular:

> Being a community resource – the go to place for education and training, where facilities may also be used for social and cultural purposes.[88]

College leaders are clear that they are accountable to their communities but typically define these more widely than national policy makers seem to do, or even, perhaps, understand.

Competition and partnerships

> The identification of competitors contrasted in part with the RCU quantitative analyses. Many interviewees segmented their markets when identifying competitor so that for young people, competitors were identified as: ‘sixth form colleges, other FE colleges and schools’ whereas for HE provision, it was universities.

Competitors for adult provision were felt to be local authorities and training providers. For apprenticeships, the view was that this was private training providers ‘who generally do those things better than colleges do’.

Another perspective, identified as a risk, was new competitors moving into what has been demonstrated by RCU and endorsed by interviewees as a very crowded market. This was expressed as:

> ‘Massively increased availability of capital to invest in your education’

and the possibility of creating:

> ‘a different forum through which to receive education’, for example: ‘an entirely online or flexible hybrid provider of FE’.

The implication of this would be that such provision ‘chops off the aspirational end of the college population’ but doesn’t support ‘people with ESOL or Multiply, the baggage of some of the more challenging’.

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[87] Independent Commission on the College of the Future, *The English College of the Future,* op. cit.
[88] SOLAS, *Future FET*. op. cit.

This starkly illustrates the risks to inclusion of adopting a solely mechanistic and economic model for FE. Whilst it is recognised that colleges need to demonstrate the benefits they confer and also the value for money they offer, it is also accepted by many that this has been acted upon. Given that within the Levelling Up paper, progress will be measured not only by productivity but also by wellbeing, the intangible and social capital that colleges build, as well as the human capital should also be weighed in that balance. As the pandemic exposed the gaps in equality between parts of society, colleges, who seek to bridge those gaps need both investment and recognition to deliver part of the solutions.

All attempts to identify competitors ended with the recognition that in the main these competitors were also partners or potential partners:

> ‘a move towards government encouraging collaboration and a lack of duplication’.

The opportunities for this were felt to be very strong in the HTE subsector, with views that the regulation and funding of HTQs could be clarified to promote collaboration rather than duplication, perhaps through college higher education delivery transitioning into ‘hard-wired higher technical education’. This was expressed by one interviewee that ‘creating a hard barrier between level 4 and 5 or level 5 and level 6’ would lead to simplification so that ‘FE teaches up to and including level 5 and HE teaches from level 6 and above … it would also make clear that further education takes you on a journey that may take you into higher education or may take you into the world of work’. There was further support for regulation within this market: ‘given all the capital investment that’s going into colleges, to capacity build …. licensing curriculum to designated institutions for a period of time to establish strength in the market’.

Key partners were identified as employers, local authorities, and universities.

> ‘…leverage in a few good employers who understand what you’re trying to achieve and support your apprenticeship agenda’.
>
> … ‘our local authorities. We can have seriously grown-up conversations about demographic, about public health issues, about unemployment issues and issues that will affect travel and transport that will affect the flow of our students’ journeys and about the issues that matter politically to the city that might impact on what we’re doing with our students to give them great opportunities’.
>
> ‘We have a voice in social justice in the city.’

> ‘We do quite well on level 4 and 5 provision and then they go to a partner university to do their level 6.’

The value of networks of partners was made clear:

> ‘it has become a much more serious collaborative network and partnership’

> ‘Tensions…. But also, the potential for collaboration if it’s done properly with devolved administration, mayoral and combined authorities, GLA’

although these were sometimes viewed less aspirationally:

> ‘We join things that have a tangible benefit’

> ‘As a sector, we’ll collaborate to chase income ……Not all of us can see how collaborating can achieve a greater good’.

> ‘Colleges don’t invest enough in engagement as they don’t have the resources needed to be able to do this properly.’

The impact of recent policy changes on college purpose and autonomy.

In considering the impact of recent policies on a college’s purpose and mission, the policies cited fell into four or five main categories. The policies most often quoted related to employer engagement, whether this was through the development of T Levels and the closer links to employers through work placement, or apprenticeship reforms. The other set of policies frequently referred to were structural: the impact of devolution, the creation of Institutes of Technology,

> ‘I feel like we’ve done what the government’s asked us, I’m not sure the government’s helped us. It’s not changed any policy that’s actually influencing decision making or funding.’

the development of LSIPs, the levelling up agenda and the residual effect of area-based reviews. Unsurprisingly, there were views on new curriculum policies, including a fear that the overemphasis on linear exam assessment does not fit with actual experience in the labour market and the Lifelong Learning Entitlement consultation, which was largely perceived as too rigid. Finally, the

lack of coherent policies on green skills was noted amid concerns that employers are not as prepared as they might be:

> ‘The demand isn’t there from employers yet’,

although there is evidence of colleges developing strong sustainability strategies in their roles as anchor institutions.

The sheer range of policies to which colleges have had to respond led some stakeholders to suggest, when asked what single policy would have the most impact on their purpose and mission, that joining up policies to avoid perverse, unintended consequences would be beneficial.

What policy changes would make the most difference to colleges?

There was less consensus about what would be most valuable for colleges. However, the importance of taking a historical perspective on some policy changes before releasing them was recommended:

> ‘They never learned the lessons of the past, so they reinvent the same things without really understanding how these things failed.’

> ‘Government policy changes end up impacting the whole college rather than tinkering around the edges, meaning we can never see the full results of change.’

> ‘The policy changes need to stop. You need to allow changes to bed in for 5+ years so that we can see and experience the impact of such changes.’

These observations feed into the desire for a clear role for the FE sector, transparently communicated so that it was well understood by policy makers, students, the general public and employers. This would support the construction of a mandate for FE colleges.

In terms of working with employers:

> ‘There are other European countries where you’re not persuading employers to be involved with colleges. It is a natural part of the way in which their economy is configured.’

> ‘Something that will require employers to provide work placements for all students, so to really strengthen the way that employers have to work with colleges.’

Colleges would also welcome additional freedom to plan their work, with fewer funding streams and a reflection of greater trust.

> ‘I find it still frustrating that we still have that conversation around trust when I think we’ve demonstrated it.’

> ‘More trust so that you’re given an allocation, use it as you see fit and you’re accountable for the outcomes.’

> ‘The money comes in less discrete pots and is more available for you to spend in line with your mission …. You waste a lot of time in the bureaucracy associated with that and the monitoring processes.’

> ‘Level of bureaucracy around particularly bidding and contracting and measuring’.

Stakeholders felt that colleges would welcome the opportunity to be more innovative about structures and partnerships, for example, greater support for vertical integration with other education partners and realising the long-term benefits from collaboration rather than just chasing bid success.
There is a level of realism in these requests, as the stakeholders recognised the pressures on government funding and the need to evidence good value for money. Clearly, more investment would be welcomed:

> ‘That price list hasn’t changed for a decade’ [about adult education]

> ‘the pressure on wages is huge.’

Market management policies would also be welcomed, with the advent of T Levels and the development of HTQs leading, from some stakeholders’ perspectives to the opportunity to license curriculum to certain trusted providers (colleges) and to provide clarity in the HE in FE market.

> ‘The qualifications and operating landscape change quickly in FE but not in HE – as such the HE sector has more longevity data to prove its worth.’

A final consideration of curriculum policies raised two key issues. Many stakeholders would welcome the opportunity to be more involved in the design

of qualifications, especially at HTE level. However, the main concern is the GCSE English and Maths policy:

> 'Allow colleges to have the freedom to make decisions with academic integrity …… you are setting them up to repeat their failure'.

There was a strongly held view that allowing colleges to develop locally agreed literacy and numeracy qualifications to sit alongside the vocational qualifications would benefit both the learners and the local economy.

In summary, some of the key points from stakeholders are:

- Colleges have a dual or triple mandate, based on a broad mission with civic, community and economic responsibilities
- Colleges would welcome a more influential role in policy making, rather than being viewed as adopters of everything.
- The HE:FE market interface should be clarified to avoid confusion for students and employers
- Employers are seen as key partners. If this was seen as automatic and natural, rather than enforced through initiatives, or engaging in less fruitful activities,[89] this would remove much duplication and confusion
- Colleges would welcome the freedom to plan at a local level, within a framework
- Colleges recognise that it is important to respond to government requests, but that government needs to understand what colleges offer and can offer.

[89] 'attempting to involve employers primarily at the level of qualification design does not seem to be a successful form of employer engagement'. Allais et. al., Rethinking supply and demand. op. cit. p658.

7. Recommendations

The recommendations are presented against the main aims of the report (section 1).

College Mandate

- Colleges need a clear mandate which will serve to promote the sector and the institutions within it. This may be achieved by considering a national brand for the FE sector. Currently, the word 'college' does not have protected status.
- The dual mandate should be re-evaluated as a triple mandate:

    - providing social mobility and a further chance for people
    - serving the economy by providing high quality skills training
    - providing education for young people, adults and employers through points of transition

    in other words – serving society, the economy, and individuals.

- In order to support clarity about the college mandate, key stakeholders including civil servants, politicians and regional and local policy makers should be fully briefed on the history and heritage of FE and what happens on the ground.
- Colleges should speak with a unified voice and to a unified message. We need to distil simple messages about the sector. We know that our sector is complex, but we need to ensure that the excellent work we do is not lost in translation to the public, students, authorities, and government.
- Colleges would welcome a partnership approach to strategic accountability, for example learning from the operation of the Scottish Regional Outcome Agreement model.
- With a clear mandate for colleges established, consideration should be given to secure funding through fewer funding pathways to build stability in the sector and allow colleges to become key resources for their communities. This would demonstrate and develop the trust that colleges have earned over the last decade.
- Colleges are strong advocates for sustainability. This should be fully acknowledged as part of the government's preparations for response

to the climate emergency. As anchor institutions, colleges' contributions to sustainable communities should be used as a resource.
- A mandate for colleges should not be viewed in isolation from the mandates of other providers, which in turn links to the determination of a provider management strategy.

Provider Management Strategy and Partnership Working

- Consider reframing FE within a tertiary sector or developing a lifelong learning policy and strategy that links all pathways through education, acknowledging that education is a lifelong process. This is a route adopted by other countries, which then see skills provision, development and planning as emanating from the interface between their education sectors and the labour market, rather than as a quasi-sector.
- Consider a managed market approach in 16-18, apprenticeship and adult technical education provision to reduce duplication and the risks of poor quality.
- Streamline HTE qualifications to eliminate market confusion, competition and support local provision of these by regulated providers (where identified as a priority by the local network). If this is done, ensure that there are no barriers between vocational, technical, and academic routes.
- Foster more genuine partnership working and collaboration. Colleges have the right environments to collaborate and work well in partnerships when they are not forced to compete by the creation of artificial markets.
- Encourage employers to regard colleges as natural business partners through embedding a default setting of partnership working.
- Policy makers should learn from previous attempts to create new institutions into an already crowded market, weighing up the pros and cons with better investment in existing institutions and with a particular focus on ensuring coherence and value for money.
- Consider long term planning approaches, both at national and local levels. Colleges could be more proactive than reactive in forecasting future skills with partners, which could be published to support the local plans.

- Although intermediary organisations between employers and providers or between the government and providers are often recommended by global organisations such as OECD and the World Bank, these have not always worked well in England. Consideration of why these did not work should take place before new ones are introduced. When new intermediary structures are put in place, ensure that they are adequately resourced for a suitable period to allow evaluation of the full impact.

8. Conclusion

There has been previous research, e.g. the Independent Commission on the College of the Future[90], that has made many of the same recommendations about college mandates. Placed together, there are compelling arguments for taking action to develop a strong college sector to respond to the challenges that lie ahead of England, both economic and social.

As one interviewee said:

> 'We need to be able to provide the return on investment and it is hard to prove without an evidence-based approach, which is the undoing of colleges.'

The Department for Education has accepted some of these issues in its white paper, parts of which are now reflected in the 2022 Act. However, the funding available and the reforms in progress are insufficient for the task. More could be done to ensure the further education system contributes to national economic goals by boosting productivity and supporting wellbeing. This implies a better supply and use of skills. The big economic and social challenges facing the UK in 2022 make it more important than ever that there is a positive plan for FE in the future and that colleges are recognised as being uniquely positioned to support that plan in full.

[90] Independent Commission on the College of the Future, *The English College of the Future. A Nation Specific Final Report.* op. cit.

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Appendix A: VET Institution Case Studies

Finnish vocational education and training institutions

The Finnish Ministry of Education and Culture (OKM) licenses vocational education and training providers, for provision for both young people and adults. This licence enables the provider to deliver and award VET qualifications. The provider itself determines what, how and where education and training is delivered based on its customer base and resources.[91]

The institutions typically combine a vocational upper secondary school, adult vocational education centre and workplace learning centre, organised by a regional municipal authority, with strong input at local level from employers through working life committees, which engage in all parts of college life. Some are also in formal partnerships with universities of applied sciences. [92]

The funding system, which has recently changed, provides a basic level of funding and also rewards performance and effectiveness. These outcomes are assessed from completed units and qualifications, destinations and feedback from students and employers, considered to be a key part of the quality assurance system. Funding is provided from both central and local government, but its allocation is determined by the colleges.[93]

[91] Ministry of Education and Culture, Finland, Vocational Education and Training Administration and Finance. Accessed online on 17 May 2022.
[92] J. M. L. Pither & N. Morris. Country Profile: Finland in J. Tummons (ed), *PCET Learning and Teaching in the Post Compulsory Sector,* (London: Sage, 2020). p263-278.
[93] Ministry of Education and Culture, Finland, *Finnish VET in a nutshell.* op.cit.

Canadian system and Community Colleges

Education is the responsibility of the provincial and territorial governments and thus the TVET systems, badged as 'skills development and adult learning' differ across the country, with three main types of qualification structure. However, in 'Learn Canada 2020' the ministers of education from each province and territory produced 'four pillars of lifelong learning', including post-secondary education and adult learning and skills development, underpinned by eight activity areas including literacy, the capacity of post-secondary systems and education for sustainable development.[94]

The national government sees its role in TVET as promoting 'a healthy economy and the importance of education for economic development'. To this end, as well as promoting funding opportunities and tax breaks for employers and apprentices, it has developed a national scheme for apprenticeships, the Red Seal model, which is operated across the provinces and territories so that approximately 80% of apprenticeships are covered by this model. The newly introduced Red Seal standards (from 2015) ensure a consistency of learning resource, provide support for assessment and draw industry into developing the standards. The apprenticeship exams for Red Seal trades are based on these standards.[95] The provinces and territories use these standards to design their training programmes. In Ontario, for example, this is administered by Skilled Trades Ontario, an arm's length organisation operating from the Ministry of Labour, Training and Skills Development, which, in addition to establishing and certifying apprenticeship programmes is aiming to address the labour shortages in skilled trades and to simplify access to apprenticeships.[96]

The community colleges in Canada offer an unprecedented proportion of short cycle tertiary education, as well as being the main providers of vocational education in the 10 provinces and three territories.[97] Although VET is offered in Canadian high schools, this has not always been successful.[98] There are some 200 colleges, tending to be open access and on a smaller scale than some US

[94] Council of Ministers of Education Canada, *Learn Canada 2020,* (CMEC, 2008).
[95] K. Chatoor & A. Kaufman, *The Journey of Ontario Apprentices: From High School to the Workforce.* (Toronto: Higher Education Quality Council of Ontario, 2020).
[96] K. Chatoor & S. Brumwell, *Diving into the Trades: An in-depth Look at 10 Apprenticeship Programs in Ontario.* (Toronto: Higher Education Quality Council of Toronto, 2020).
[97] M. L. Skolnik, Canada's high rate of short-cycle tertiary education attainment: a reflection of the role of its community colleges in vocational education and training, *Journal of Vocational Education & Training*, 73:4(2021), 543-565.
[98] M. Molgat, F. Deschenaux & P. LeBlanc, Vocational education in Canada: do policy directions and youth trajectories always meet? *Journal of Vocational Education & Training,* 63:4, 2011, 505-524.

community colleges. They are more tightly controlled by the governments than universities and are represented by an umbrella organisation, CICAN.[99]

The community colleges are believed to be more successful at tertiary education, providing either three-year occupational training programmes or a one-year post university course, preparing graduates for the labour market. They are deemed to be responsible for career progression into the labour market.[100] There are varying practices between the provinces but the one of the key roles for the community colleges is filling the spaces between secondary and university education and between university education and the labour market.[101] They are perceived to be more successful in this role than US community colleges. A study of earnings of vocational trades graduates and HE graduates demonstrated the worth of the vocational trades graduates as they generated similar returns on investment and net present value to the HE graduates.[102] However, as with other VET institutions, what holds back the success of community colleges is the perception and status of VET occupations.

[99] A. Usher, *The State of Postsecondary Education in Canada.* (Toronto: Higher Education Strategy Associates, 2021).
[100] M. L. Skolnik, Issues in Cross-national Comparisons of Institutions that provide Vocational Education and Training, *Journal of Vocational Education & Training*, (2021), DOI: 10/1080/13636820/2021.2008473.
[101] M. L. Skolnik, Canada's high rate of short-cycle tertiary education attainment. op. cit.
[102] S. Kopatz & M. Pilz, The Academic Takes it All? A Comparison of Returns to Investment in Education between Graduates and Apprentices in Canada, *International Journal for Research in Vocational Education and Training,* 2:4, (2015), 308-325.

TAFE Institutes in Australia

Technical and Further Education (TAFE) institutes were established in states as part of a managed market approach for the provision of TVET, through building the capability of providers. They were established with a dual mandate:

> 'to provide people with the basic skills to participate in work, the labour market and society
>
> 'to develop a broad range of skills and abilities to meet the economy's current and future labour market needs'. [103]

The aim for the market was to reduce barriers to competition for providers and to ensure that government funding was more aligned with employer demand and less with central education planning. However, it became apparent that:

> 'TAFE providers are mixed businesses with a wide range of missions and client groups'[104]

and that they struggled to compete with smaller, private training providers, who had a simple focus, well designed work methods and were felt to operate more flexibly. TAFEs were, however, recognised as major employers in their own right within their state as well as a vital resource for the community. Strategies for competition thus included cost leadership, product differentiation and market segmentation.

TAFES tend to be built from networks of campuses, providing onsite and work-place learning as well as off-shore learning. Programmes range from foundation skills to degrees.[105]

Currently there are indicators, based on comparisons with the more stable market of HE, that the number of VET providers in Australia is too great[106] and that as a result quality of VET provision has been challenged to the extent that there has been reputational damage to the sector.[107] There is a perception, particularly in terms of HVE, that market stratification in HE operates through lower funding, regulation of programmes and the belief that TAFE institutes

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[103] H. Guthrie & B. Clayton, *Building capability in vocational education and training providers: the TAFE cut,* (Adelaide, NCVER, 2010).
[104] H. Guthrie & B. Clayton, *Building capability in vocational education and training providers.* ibid. p9.
[105] TAFE Queensland. *Annual Report 2020-21,* (TAFE Queensland, 2021).
[106] S. Peters, Market conditions of international VET providers: a comparative analysis of Australia, UK, USA, and Germany, *Empirical Research in Vocational Education and Training,* 13:23, 2021, 1-19.
[107] H. Guthrie & M. Waters, *Unpacking the quality of VET delivery,* op. cit.

offer programmes for the disadvantaged students so that TAFE institutes are 'kept in their place' and are not competing on an equal footing with universities.[108]

[108] L. Wheelahan & G. Moodie, A degree is a degree? op. cit.

US Community Colleges

Recent developments of US community colleges, which are the responsibility of individual states, saw a matching of VET institutions to industry sectors, following the development of state-wide workforce and economic strategies.[109] The aim was to prepare students for middle level jobs, potentially by upskilling students from the existing labour market to sub-degree level.

In 2015, there were 920 community colleges, which offered one or 2 year academic and occupational programmes and short-term training, as well as four-year baccalaureate degrees.[110] They are locally based and attract some public funding but are expected to fill an ever-increasing funding gap with tuition fees, grants, entrepreneurial activities and the provision of private training ('contract training). Despite this they aim to be 'mass-access', charging lower fees and opening to students without qualifications and providing programmes at weekends, evenings and online as well as at more traditional times.[111] Although locally based, many respond to national initiatives such as training workers for jobs in the green economy, despite challenges such as a lack of agreement on green qualifications, the need to retrain frequently as technology changes and the need to plan collaboratively so that the market is not flooded with students with 'green qualifications' for which there is not yet sufficient demand from employers. [112]

They do, however, operate in a fragmented market with high number of private training providers and increasingly, competition from massive open online courses (MOOCs). The exact mix of provision varies from state to state but most offer apprenticeships, programmes for international students and pathways to HE as well as TVET programmes and business training.[113] Their role in widening access for HE is still considered important, although there are concerns about low completion rates and progression rates. This is in part, due to financial constraints as well as somewhat challenging relationships with universities, where the perceived lower status of college degrees tends to be highlighted. [114] [115]

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[109] R. D. Lakes, State sector strategies: the new work force development in the USA, *Globalisation, Societies and Education,* 10.1, (2012), 13-29.
[110] K. J. Dougherty, H. Lahr & V.S. Morest, 'The American community college: complex missions, challenging reforms, in J. Gallacher & F. Reeve (eds.) *New Frontiers for College Education. International Perspectives.* (Abingdon: Routledge, 2019), 202-219.
[111] K. J. Dougherty, H. Lahr & V.S. Morest, 'American community college'. op. cit.
[112] Legusov et al. 'How community colleges and other TVET institutions contribute to the united nations sustainable development goals'. op. cit.
[113] S. Peters, 'Market conditions of international VET providers'. op. cit.
[114] K. J. Dougherty, H. Lahr & V.S. Morest, 'American community college'. op. cit.
[115] Wheelahan & Moodie, 'A degree is a degree?'. op. cit.

Glossary

A Level	Advanced level qualification (England)
AoC	Association of Colleges (England)
BIS	Department for Business, Innovation and Skills (former UK government department)
Brexit	Withdrawal of the United Kingdom from the European Union on 31 January 2020.
BTEC	Business and Technology Education Council (England, Wales and Northern Ireland)
DfE	Department for Education (England)
ESFA	Education and Skills Funding Agency (England)
ESOL	English for Speakers of Other Languages
FE	Further Education
FEFC	Further Education Funding Council (England)
FET	Further Education and Training (Ireland)
FTP	Technical and Vocational Education and Training (Chile)
GCSE	General Certificate of Secondary Education (England, Wales and Northern Ireland)
HE	Higher Education
HTE	Higher Technical Education
HTQ	Higher Technical Qualification
HVE	Higher Vocational Education
IfATE	Institute for Apprenticeships and Technical Education
IoT	Institute of Technology
ITI	Industrial Training Institute (India)
LDA	Local Development Agency
LEP	Local Enterprise Partnership
LSC	Learning and Skills Council
LSIP	Local Skills Improvement Partnership

OECD	Organisation for Economic Cooperation and Development
OfS	Office for Students
Ofsted	Office for Standards in Education, Children's Services and Skills (England)
ONS	Office for National Statistics (UK)
RCU	Responsive College Unit
RDA	Regional Development Agency
RTO	Registered Training Organisation (Australia)
SFA	Skills Funding Agency
SFC	Scottish Funding Council
SSC	Sector Skills Council
TAFE	Technical and Further Education (Australia)
TE	Technical Education
TEC	Training and Enterprise Council
T Level	Technical level
TVET	Technical and Vocational Education and Training
VET	Vocational Education and Training
YPLA	Young People's Learning Agency

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