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Dreaming of a White Paper: Shaping the Future of Further Education

Further Education specialists explore key themes relevant to the impending FE White Paper, and set out a vision for the role colleges can play for people, productivity and place.

The
College
of the
Future

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ASSOCIATION
OF COLLEGES



Welcome

In collaboration with the Association of Colleges (AoC) and the Independent Commission on the College of the Future (ICCF), Stone King brought together key figures from the Further Education sector to discuss the challenges and opportunities relevant to colleges at this pivotal moment in their future.

As the sector awaits the publication of the White Paper for Further Education and the UK is facing unprecedented change - from demographic shifts and technological revolution, to Covid-19 - we are clear that colleges can and should be at the heart of meeting these challenges.

The ICCF has set out a vision for the role colleges can play for people, productivity and place - and the upcoming FE White Paper represents an opportunity to take this vision forward.

A range of recent reviews suggest the trajectory that the FE White Paper is likely to set out. The Augar post-18 review made a strong case for developing a more coherent, collaborative college network, and Dame Mary Ney's review has made the case for a new, more nurturing approach to accountability and oversight.

The panel of FE specialists came together to discuss the emerging recommendations of the ICCF, and to reflect on the anticipated content and direction of the FE White Paper - with a particular emphasis on the questions this raises for governing, accountability and oversight. This publication captures some of their conversation, drawing out key themes as well as panelists' hopes for the future of the sector.

Discussion included:

- ▶ How can we engender better quality strategic collaboration between colleges and the wider education and skills system?
- ▶ What could a new approach to accountability and oversight entail?
- ▶ What are the opportunities this opens up for college leaders and governors to focus on systems good rather than institutional survival?

PANELLISTS:

David Hughes
Chief Executive
AoC

Ewart Keep - Professor
Oxford University;
ICCF Commissioner

Ciara Campfield - Partner,
Education
Stone King

Amanda Melton
Principal & Chief Executive
Nelson & Colne College; ICCF
Commissioner

Tom Morrison - Partner and
Head of Further Education
Stone King

Julian Blake - Partner, Social
Enterprise & Business;
Charity; and Public Services
Stone King

BACKGROUND

The Independent Commission on the College of the Future was launched in Spring 2019 as a UK-wide, four nations process, asking two simple questions: what do we want and need from colleges from 2030 onwards, and how do we get there? It is looking at what has worked well in each of the four nations in order to develop a vision for the future of the sector, which seeks to deliver for people, productivity and place. The ICCF is publishing its UK-wide final report this Autumn.

As part of the Commission's work in England, both AoC and ICCF are in dialogue with the UK Government as the recommendations are developing. Our forum offered an opportunity to reflect on the key themes and to contribute to the ongoing discussion. Publication of the White Paper is expected this Autumn.

KEY THEMES DISCUSSED

- ▶ Aspiration for what the White Paper could and should achieve
- ▶ National strategy incorporating local place-based strategies
- ▶ Partnerships with local labour markets
- ▶ Longer term funding to enable long term planning and investment
- ▶ Competition in an under-coordinated commercial market model as a negative force
- ▶ Collaboration and a clear desire for groups and networks
- ▶ Autonomy and the need to avoid 'one size fits all'
- ▶ Nurture and the need to 'reset' and move away from regulation and bureaucracy
- ▶ Redefining success and moving away from finances and Ofsted as the sole markers
- ▶ Risks and rewards shared between colleges and the DfE
- ▶ Social investment by the Department for Education (DfE) - a new 'nurturing' relationship with the DfE where risks and rewards are shared
- ▶ Governance and the need for college-specific approach
- ▶ Remunerated governors and the potential for executive structures of governance

"It was true back then and has never been more true now, that colleges offer individuals the chance to be their best selves... It is an absolute privilege to support the work of such life transforming institutions."

Tom Morrison, Stone King

ASPIRATION FOR WHAT THE WHITE PAPER SHOULD ACHIEVE

Our panelists hoped a national strategy which engaged industry and offered a life-long 'touchstone' to individuals would emerge from the forthcoming White Paper. But they stressed the importance of local expertise and engagement, with any national approach needing to

incorporate local place-based strategies – there could be no ‘one size fits all’ solution. Placing value on local knowledge would need to be at the heart of any successful policy.

There was also a desire for greater clarity within the sector around mission and purpose, and a hope that the White Paper would offer a clearer understanding of the role of further education providers in a broader educational context.

The need for effective partnerships with local labour markets was also recognised, and with this a need for secure funding to support colleges and employers to identifying skills gaps and workforce challenges. Panelists felt it would be necessary to look beyond those employers who already recognised skills as important, with this outreach work ideally delivered by specialist advisors.

The key here would be secure and longer-term funding which would enable colleges to make meaningful investments in their communities. There was a real a desire to move away from the short-termism incentivised by the sector’s current precarious financial state, and to see adequate levels of funding that would allow for long-term planning and resilience. It was felt this was vital, particularly in relation to less profitable areas which had come to be neglected under the current funding regime.

Panelists were united in a desire to see a more nurturing relationship between colleges and government emerge; one that moved away from what some may perceive as stern regulation and bureaucracy, and instead focussed on outcomes and impact.

There was also a reminder not overlook what the sector already does well, and to make use of the creative freedoms afforded by the existing structures. Yes, there was a need for change, but there are also ways of driving the sector forward through a shift in mindset as opposed to framework. Change for the sake of it should be avoided.

“We want to get the right relationship between government and colleges. That needs to be a strategic relationship, it needs to be nurturing, it needs to be based on outcomes, it needs colleges and government in partnership for that public benefit and public purpose.”

David Hughes, Association of Colleges

“So much more can be done with the existing structures, but you have to take the public / private mindset away.”

Ciara Campfield, Stone King

In summary:

- ▶ A national strategy that engages industry and provides a life-long offering to individuals, incorporating local place-based strategies
- ▶ Clarity on mission, purpose and roles for further education providers
- ▶ Effective partnerships with local labour markets and funding to support employers identify skills gaps and workforce challenges

- ▶ A more ‘nurturing’ relationship between colleges and government that moves away from stern regulation and bureaucracy towards a focus on outcomes and impact
- ▶ Adequate funding for colleges to be resilient and to enable long-term planning in ‘less profitable’ areas, such as training and investment in people

COMPETITION, COLLABORATION AND REGIONAL NETWORKS -RE-FOCUS TO “CO-OPETITION”?

The current incentive structure and commercial market model was felt to be unsuitable, sometimes leading to individual colleges operating as islands in competition with one another and disincentivising meaningful collaboration. There was consensus among panelists that a different way of thinking about further education was required, with an emphasis on moving away from measuring input at the expense of valuing impact.

Panelists noted that despite the discrete nature of further education in England, college groupings had emerged nonetheless, indicating a real willingness and desire for meaningful connections and networks. The fact they had emerged without real backing suggested the potential for supported partnerships was significant.

Scotland’s model of regionalising college networks and developing multi-campus institutions was recognised as an experience that could be drawn from, however it was acknowledged England’s comparable lack of funding and resources made further education institutions’ role as public benefit organisations complex and challenging.

Panelists were united in the view that it was unhelpful to view the sector as a wholly commercial market environment. It was felt a sense of valuing other types of organising had been lost, despite the fact that approaches such as collaboration, purpose, and public value were often better ways to organise public benefit institutions, such as colleges. The holy grail was to find a way of combining operational elements from the public benefit with the business efficiency of the private sector. This fusion represented exactly what the further education sector could and should be. It could be encapsulated by the term ‘co-opetition’.

Ultimately, there were many ways in which collaboration was possible, but there was a pressing need to move beyond the current system, which actively penalised public benefit organisations - social enterprises - working together.

Colleges were able to see the benefit of being part of a bigger group, but wanted to retain their independence and avoid losing their autonomy. There was consensus that the White Paper is the right vehicle to deliver on this, but that any attempt to prescribe one national solution would be doomed to fail.

“We have lost a sense of valuing other ways of organising... collaboration, purpose, public value, those are just as legitimate a way of organising things. And they are actually the best way of organising public benefit organisations.”

Julian Blake, Stone King

“Colleges are encouraged to operate as islands instead of operating as part of an economic eco system... we are all here to respond to the public purpose. That’s part of the reason I feel local networks are so important – it’s not one size fits all.”

Amanda Melton, Nelson & Colne College and ICCF Commissioner

In summary:

- ▶ The current incentive structure and commercial market model for running colleges is not suitable and leads to them operating as islands in competition with a focus on shareholder value. Consensus that a different way of thinking about further education is needed
- ▶ Despite the current structure in England, college groupings have emerged, evidence of a willingness and desire for these networks
- ▶ Scotland’s model of regionalising college networks and developing multi-campus institutions considered an experience to be drawn on, however lack of funding and resources has made colleges’ role as public benefit organisations difficult
- ▶ Colleges need to be able to combine operational elements from the public sector and the business efficiency of the private sector, hence colleges sit in the middle, in the public benefit sector
- ▶ College and MAT groups are restrained operationally by red tape, such as the related party regime in the Academies Financial Handbook. This is an easy fix -what we have are two public benefit organisations working together to serve their local communities each regulated by the same regulator
- ▶ There are a great variety of ways to collaborate, but current system penalises two public benefit organisations working together
- ▶ Colleges can see the benefit of being part of a bigger group but want to retain their independence and avoid losing their autonomy. The White Paper is the right vehicle to deliver on this by not prescribing one solution.

WHAT DOES A ‘NURTURING’ RELATIONSHIP LOOK LIKE?

There was an emphasis by panelists on moving towards a more nurturing relationship with government and regulators, and away from what at times could feel like a stern authoritarian attitude to the sector. Panelists envisioned a strategic approach founded on a sense of partnership, within which outcomes were valued, and risk and reward were shared.

It was felt the current regulatory model in England measured success on the demoralising twin indicators of finance and Ofsted ratings, and ultimately allowed colleges to fail where these assessments were unfavourable. Panelists noted how the approach contrasted with that taken by Scotland and some other European countries, but were aware that a significant shift in leadership structure would be required if there is a desire to break away from the current system.

Key to establishing a supportive and nurturing approach was an understanding of the importance of place-based planning and finding solutions tailored to local need – part of a nurturing relationship is knowing what you don’t know, and devolving power accordingly. Colleges needed

to have the freedom to determine programmes specific to their locality and to obtain funding on that basis.

In summary, colleges need the authority and trust to deliver outcomes, with a robust support regime in place to intervene should they fail to meet expectations. There was real interest in a risks and reward model under which the DfE acted as a social investor.

“In England we have veered towards the model of rather stern-faced regulators... and plainly we have decided we are willing to let colleges go bankrupt, if needs be, perhaps to act as a dreadful warning... If we had an incentive structure that enabled and encouraged colleges to work together, there is a great deal we could achieve.”

Ewart Keep, Oxford University and ICCF Commissioner

In summary:

- ▶ Regulatory model in England tends to allow colleges to fail rather than intervene, contrasting with Scotland’s Funding Council and European models
- ▶ A big shift in leadership structure is required if we wish to break away from the cultural cycle of basing success on finances and Ofsted ratings
- ▶ Place-based planning and solutions are key to addressing local needs. Colleges need the freedom to determine programs for their locality and obtain funding on that basis
- ▶ Colleges need the authority and trust to deliver outcomes, if they don’t deliver then have a support regime to intervene
- ▶ DfE could focus more on partnership and collaboration where the risks and rewards are shared and the DfE acts as a social investor.

GOVERNORS AND GOVERNANCE

Underpinning any new look for the further education sector would need to be a robust governance framework. There was no universal solution and some experimentation was likely to be required, but working out the necessary governance structures to facilitate college groupings and partnerships would be a vital part of the future.

The panelists hoped that any move away from the competitive market model would make governors’ lives less pressured, but there was concern generally at the significant responsibility governors are asked to take on, without remuneration and sometimes without adequate support. The possibility of introducing the payment of governors as an option was discussed, however some of the panel were concerned this would remove the ‘giving back to society’ incentive which was so important to some.

It was theoretically possible to apply charity law, whereby voluntary governors could be paid if it could be justified as in the best interests of the charity, as is the case with housing associations. Use of an attendance allowance as opposed to remuneration was discussed as a compromise; it

was felt this might go some way to reduce some of the financial barriers to becoming a governor, while stopping short of creating paid roles. The panelists agreed a lack of diversity on governing bodies was an issue which required urgent attention. Consideration needed to be given to governor recruitment, and in particular to potential barriers to governorship.

The importance of role definition, and the remit of particular individuals within board was discussed. This was important in relation to boards of all types, but in relation to remuneration where boards and roles were set up in an executive type structure, and appeared legitimately executive in nature, payments felt potentially more appropriate.

“It is not enough...to just expect people to just do that [be a governor] voluntarily”

Amanda Melton, Nelson & Colne College and ICCF Commissioner

“I think we are giving governors a very hard job to do... The kind of model we are proposing ought to take some of the pressure off governors and give a greater and more comfortable environment in which to adopt a more strategic outlook about what their college should be doing.”

Ewart Keep, Oxford University and ICCF Commissioner

In summary:

- ▶ What governance is necessary to facilitate college groupings and partnerships? There is no one-size-fits-all solution and some experimentation may be necessary
- ▶ Vision for the Governor’s role to be less pressured by moving away from the competitive market model
- ▶ Proposal that payment of Governors should be an option to support the long-standing advocates of colleges, however this removes the ‘giving back to society’ incentive for some. It is possible to apply charity law, whereby voluntary Governors can be paid if it can be justified as in the best interests of the charity, as is the case with housing associations. Where boards and roles are set up in an executive type structure, payment may be appropriate.

WHAT’S NEXT?

This is an exciting moment for the sector. We share our panelists’ belief that there is an important place for every type of college and every type of college delivery going forwards, but that the sector will only succeed where it is underpinned by coherent strategy and a reimagined relationship with government.

We know that the best policy emerges through meaningful consultation and collaboration, and it is vital to keep the conversation going at this pivotal time. Stone King will be arranging local round tables to continue the discussion at a local level and we would be delighted to have your input.

If you wish to view the panel discussion, please follow this [link](#)

Contact us

For more information contact our specialist team:

0800 111 4336

info@stoneking.co.uk

[stoneking.co.uk](https://www.stoneking.co.uk)

Bath
Birmingham
Bristol
Cambridge
Leeds
London