

The further education and skills sector in 2020:  
a social productivity approach



**Executive summary**

## About the RSA

The RSA has been a source of ideas, innovation and civic enterprise for over 250 years. In the light of new challenges and opportunities for the human race our purpose is to encourage the development of a principled, prosperous society by identifying and releasing human potential. This is reflected in the organisation's recent commitment to the pursuit of what it calls 21st century enlightenment.

Through lectures, events, pamphlets and commissions, the RSA provides a flow of rich ideas and inspiration for what might be realised in a more enlightened world; essential to progress but insufficient without action. RSA Projects aim to bridge this gap between thinking and action. We put our ideas to work for the common good. By researching, designing and testing new ways of living, we hope to foster a more inventive, resourceful and fulfilled society. Through our Fellowship of 27,000 people and through the partnerships we forge, the RSA aims to be a source of capacity, commitment and innovation in communities from the global to the local. Fellows are actively encouraged to engage and to develop local and issue-based initiatives.

## About 2020 Public Services Hub

The 2020PSH is a research and policy development hub created from the legacy of the 2020 Public Services Trust, specialising in developing practice-based research on social productivity in public services. Based at the RSA, the Hub works collaboratively with local public service organisations, national sector leaders and other national partners to develop social value and social productivity thinking into local and national practice. The pressures on public services are many and varied – spending cuts, future demands, and the challenge of engaging more effectively and creatively with citizens and communities. Within this context, the 2020PSH seeks to apply a long-term, strategic perspective and develop socially productive responses in collaboration with its partners.

## About the Authors

Paul Buddery – Paul is a Partner of the 2020 Public Services Hub. He has a background in children's services, and has a continuing research interest in refugee and migrant communities.

Henry Kippin – Henry is a Partner of the 2020 Public Services Hub. He is a Fellow of the Department of Politics at the University of Sheffield, and is currently co-editing 'The Future of Public Service Reform', to be published in 2012 by Bloomsbury Academic Press.

Ben Lucas – Ben is Principal Partner of the 2020 Public Services Hub, and was Director of the 2020 Public Services Trust.

## About LSIS

The Learning and Skills Improvement Service (LSIS) is a sector-owned and sector-led body driving the development of excellent and sustainable provision in learning and teaching through further education and skills providers.

Working alongside its educational partners, LSIS devises new approaches to improvement which build upon the sector's own capacity and innovation to design, commission and deliver quality services and strategic change.

LSIS also initiates research, disseminates policy information, organises seminars and conferences and provides dedicated online teaching and learning resources, in order to inform institutional improvement through the sharing of information and best practice.

## Acknowledgements

### At LSIS we would like to thank:

Caroline Mager, Executive Director of Policy, Research and Communications

Jenny Williams, Head of Policy

Abigail Lammas, Regional Development Manager

### This report draws on research papers prepared by:

John Landeryou

Andy Westwood

**In addition, we spoke to senior officers in key national, local and regional organisations. They were extremely helpful in sharing their personal views of the current and future challenges. We would like to thank:**

A4E

Association of Colleges

Bath and North East Somerset Council

Julia Bennett, LSIS Associate  
and local government policy specialist

Bolton College

Bury College

Coventry City Council

Edge

Sir Andrew Foster

Haringey, Enfield and  
North East London College

Havering College

Jay Hunt, Association of Colleges  
and SEEDA

Kennedy Foundation

KPMG

Manchester Chamber of Commerce

Manchester Commission on the  
New Economy

Pamela Meadows,

External Consultant to Volterra Consulting

Middlesborough College

National Audit Office

Network for Black Professionals

New College Nottingham

North Nottinghamshire College

Nottingham City Council

Oldham College

Open Door Adult Learning Centre

Prince's Trust

Skills Third Sector

South Downs College

Leigh Streames, Ernst & Young

The RSA

UK Commission for Employment  
and Skills

West of England Partnership

Weston College

Young Foundation

## Foreword

The further education and skills sector is facing an extraordinary level of change – as are all public services. It is a period for the sector to rethink its role and purposes taking account in particular, of the greater freedoms and flexibilities and of the new expectations about the roles of citizens and their relationship with society. Ministers are indeed urging the sector to do so.

More than ever, as budget reductions take effect, it is vital that our sector, with its role in building the capacity of individuals within their communities and in the economy, develops its forward strategy based on analysis and intelligence which captures leading thinking from across the public sphere.

With this in mind, LSIS approached the 2020 Public Services Hub at the RSA to carry out research to help us make sense of the potential role of our sector for the longer term in what they describe as the new public services ecosystem.

Sir Andrew Foster and Hilary Cottam, Chair and commissioner respectively of the cross-party Commission on 2020 Public Services, made presentations to LSIS policy seminars in the summer of 2010. These stimulated debate and challenged our thinking about the opportunities and scale of changes ahead. Following the publication of the Commission's final report, we therefore approached the Hub which is building on its work to carry out research to scope the implications, challenges and potential of their analysis for our sector.

We believe that at this time, an independent and critical perspective from experts in public services, who have an interest in, but are not deeply embedded in our sector, will be particularly beneficial. The Hub's report therefore locates further education within a wider narrative about public service reform and the longer-term changes ahead and it challenges LSIS and the sector to step up with the best of the public sphere to create our own future within the emerging new parameters.

Our hope is that this report will foster debate and ambition to support the sector in envisioning and determining its own future. While the report was clearly commissioned to support the further education and skills sector, we are nonetheless aware that it also has profound implications for LSIS and how we perceive and deliver our role. In LSIS we therefore look forward to engaging in discussions, receiving comments and feedback on this report and understanding what it means for both those leading organisations in the sector and for us in supporting your continuing development.

**Caroline Mager**

**LSIS**

**Executive Director of Policy, Research and Communications**

## Executive summary

Big changes are happening across the spectrum of public services. The Coalition Government, driven by a determination to reform within the context of massive spending cuts, is reshaping the way public services are designed, delivered and accounted for.

All parts of the further education sector, from colleges of further education and sixth form colleges, to adult community learning services and work based learning providers, will be affected by these transformational changes.

Economic downturn has put a new premium on skills and growth policy. Youth unemployment remains at near-record levels. Spending pressures are driving cost reductions and new coping strategies. And as the sector is liberalised, colleges and other providers are being asked to become more effective advocates for their own value beyond the narrow boundaries of ‘plan and provide’.

In early 2011 we began talking to those responsible for making, delivering and coping with these changes. We found trepidation at the further encroachment of market mechanisms into further education:

“People are in denial. They don’t actually believe [the Coalition’s reforms] are going to happen...”

But we also discovered a sense of liberation at a new culture of flexibility, entrepreneurialism and open practice:

“A college should not just be a purveyor of courses. It should be a key agent of social mobility.”

What is clear is that further education is at a critical point: the new challenges and opportunities for the sector are huge.

### A changing landscape

Further education and skills providers have become adept at reacting to change over an eventful decade. Central government has driven reform and expansion, using the sector as one of the principal ‘levers’ on which it can pull in order to raise the UK’s skills levels. Now, however, central government is loosening its grip on the levers, promising providers more freedom to make more of their own decisions.

The promise is not yet fully reflected in operational arrangements – funding and performance management systems lag behind the rhetoric – but the direction of change at least seems clear. The sector is being invited to map a new path.

But it is being asked to do so at a time of severe fiscal tightening and at the same time as the landscape within which it has become used to operating is being radically changed by fundamental public service reforms. Learning and skills policy nationally, regionally and locally is becoming more complex and uncertain – the product of new agreements, understandings, partnerships, voluntary undertakings and entrepreneurial joint ventures between a wider range of stakeholders.

### Local decision making

The change is most dramatic at local level. The role of local authorities as public service providers and place shapers is being transformed. In some respects their authority to make decisions, merge budgets and identify local priorities is being enhanced; while in other respects, authority is being withdrawn, as local public service institutions become more accountable to their service users, and report directly to Whitehall. Localism is being challenged by ‘hyper localism’. In particular, local authorities are losing a number of their powers and responsibilities over skills and learning, so, for example, collaborative arrangements previously given shape by statute are now in flux. Directly elected mayors, where they become established parts of the new landscape, may disrupt arrangements further, or may bring fresh opportunities to press the case for learning and skills.

### Regional and sub-regional strategy

Regional skills policy grew up over the last ten years as a response to pronounced inequalities and imbalances in the UK economy. As the country faces a long and uncertain climb out of recession, questions of balanced growth are more important than ever, but the regional and sub-regional architecture of the previous administration has been dismantled. This leaves further education providers uncertain about where leadership or resources now lie. The departure of Regional Development Agencies (RDAs) and the Skills Funding Agency’s reduced role in regional development relative to its predecessor leave intelligence and leadership gaps.

Where regional partnerships and their Employment and Skills Boards have been attempting – with varying degrees of success – to establish strategic direction and marshal resources, these partnerships are now transitioning to, or aligning themselves with new Local Enterprise Partnerships. (Our report includes case studies from Bristol, Nottingham and Manchester.) LEPs are non-statutory bodies with considerable freedom over how they define their mission, but face challenges in accessing or linking sufficient resources to realise their ambitions.

## National skills policy

The Government remains committed – as an aspiration – to the 2020 skills targets established as a result of the Leitch Review, but recognises that previous models of leadership and accountability were inefficient and sometimes counter-productive. The days of ‘plan and provide’ are over. Yet it is clear that skills needs and organisational forms in at least one major part of the UK economy are set to change fundamentally, and that these will make new demands on the further education and skills sector. The part of the economy changing most quickly and profoundly is the public sector.

## Two futures for further education?

Amidst the myriad directions policy could take, we believe that further education providers sit tantalisingly between two long-term futures.

- One future in which liberalisation and spending cuts create a culture of retrenchment and policy incoherence; where market mechanisms create winners and losers without engaging citizens; where further education remains a ‘Cinderella’ service pushed and pulled by more powerful local players.
- Another future that is fundamentally more collaborative, networked, and socially productive; where colleges are incubators of social value and hubs for service integration; where further education serves the needs of learners through being a creative partner in local growth and service reform agendas.

We believe that the idea of social productivity is the key to achieving this second future. Social productivity is a fresh approach to policy and practice that can give practitioners and policymakers the means to make sense of the change around them, and begin shaping new realities on the ground.

## A social productivity approach

The idea of social productivity represents a long-term culture change in public services – shifting from a culture of top-down, silo-based delivery of services, to a culture that recognises that social value is co-created between the service and user. It is an approach that puts engagement, co-production and civic responsibility at the heart of public services – creating sustainable systems that build social capacity, foster community resilience, and work with the grain of people’s lives.

The idea of social productivity was developed by the Commission on 2020 Public Services. At root, it is the idea that ‘public services should explicitly be judged by the extent to which they help citizens, families and communities to achieve the social outcomes they desire’.<sup>1</sup>

---

<sup>1</sup> Commission on 2020 Public Services (2010) ‘From Social Security to Social Productivity: a vision for 2020 public services’, London: 2020 Public Services Trust.



This means focusing less on the particular services that are being – or have always been – delivered, and more on how the confluence of citizen agency, civil society and the state can collaboratively create the right conditions to improve social and economic outcomes. What would such an approach mean for the further education sector?

## Sleepwalking into a dangerous future?

Spending cuts and state retrenchment slowly lead to residualisation, lack of early investment and unsustainable further education services.

Consolidation and mergers lead to less locally-embedded further education provision – losing the voice of citizens and communities.

Demise of regional planning and local authority oversight leads to incoherent growth strategies without a strong further education presence.

Competitive pressure results in weak, incoherent and unsustainable networks between further education, business and government.

Removal of central strings alongside weak local government and lack of place-based accountability creates fragmented accountability and patchy outcomes.

Fragmented policy across all-age education undermines emerging integration across childcare, schools, further education and higher education.

## A social productivity alternative

Spending cuts create incentives for citizen entrepreneurialism, participation and engagement – with further education as the local hubs.

Consolidation leads to bottom-up collaboration and integration around the needs of citizens and communities.

LEPs allow more locally-responsive growth strategies, with the potential for local further education providers to co-create and incubate.

Competition, transparency and market forces provide new incentives for further education providers to understand the needs of citizens.

Outcome commissioning and fewer central strings enable further education to take a more active role in providing space for local entrepreneurialism and integration. Elected mayors begin to create bottom-up policy coherence.

Changes in education policy incentivise flexible learning, integrated provision and new forms of collaboration between local institutions.

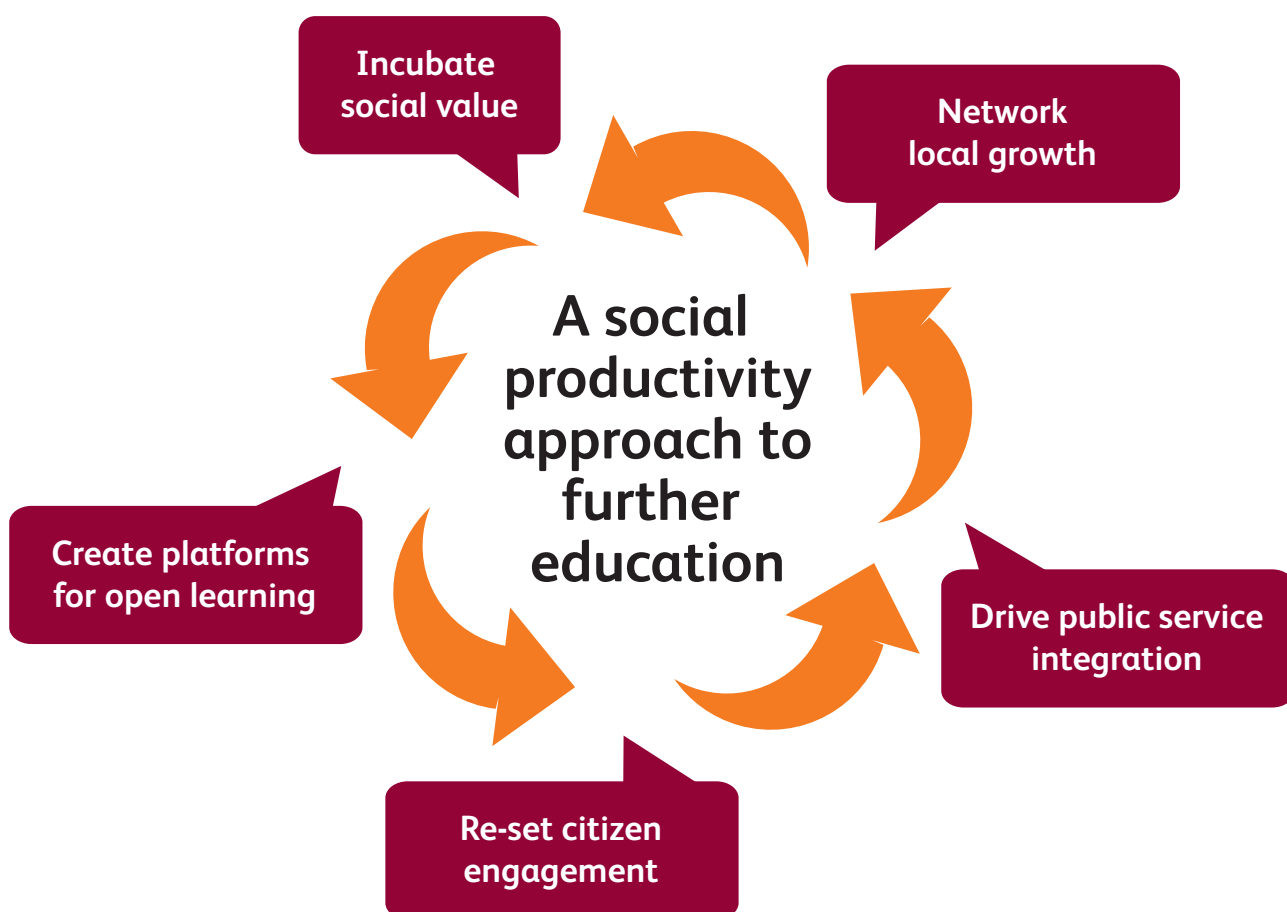
Our research tells us that emerging, on-the-ground best practice and innovation is already pointing the way to this socially productive future for further education. But without colleges and the range of independent providers taking a lead and actively pulling innovation into the mainstream, the sector risks sleepwalking into a dangerous future.



For 2020, the sector must broaden its approach. The route to long-term growth and sustainability is not only qualifications, but broader social value, and a real stake in local growth and development.

Recognising that operating systems do not, as yet, reflect fully the rhetoric of greater freedoms, what are the policy foundations on which policymakers and practitioners can begin building? How can a shifting set of policies and practices be brought together to generate social value for citizens, learners and their communities? What actions can be taken today to achieve social productivity in 2020? Most crucially, further education providers must become the incubators of social value and the centre of new networks for local growth. We argue that five directions are key.

### Five directions for socially productive further education



#### 1. Incubate social value

An instrumentalist and qualifications-driven culture has narrowed understanding of further education's broader social value. But what matters in public services is the social value that they help create, and this is produced through the interaction between services, citizens, communities and staff.

At best, the further education sector can be life transforming. At worst it can be a production line, obsessed with qualifications and narrowly instrumental in outlook. For further education to be transformative in 2020, it must broaden its outlook and become the incubator of social value within communities.

- Return adult education to the centre of further education's mission – promoting lifelong skills and learning.
- Become the 'skills for society' incubators – providing the skills to create the Big Society.
- Be the local social enterprise hubs – offering skills and training for social entrepreneurship.

## 2. Network local growth

Now more than ever the sector's economic role is critical. But its economic potential can no longer be fulfilled through a top-down, delivery mindset. For 2020, we must see a culture shift towards networked local growth where the sector co-creates value, future jobs and economic growth through better relationships across the spectrum from learners to employers, to public authorities and civil society.

- Become the research and development centres for Local Enterprise Partnerships – providing the raw material for local growth.
- Catalyse local small and medium enterprise (SME) networks – becoming a local business hub.
- Establish area-based curricula – more in tune with the needs of local enterprise.

## 3. Drive public service integration

The further education sector can be more flexible than most silo-structured services, sitting within a spectrum of interactions between citizens and public services. The sector has always had to look outwards for its funding and relationships. So at a time of intense pressure to generate efficiencies and get 'more for less', further education must become a lead integrator of local services and interactions.

- Become case managers for young adults – managing transition for those at risk.
- Build capacity for community commissioning – driving local integrated public service models.
- Become integrated service hubs – sharing functions, expertise and generating efficiencies.

#### 4. Re-set citizen engagement

The further education sector can be an exemplar for citizen engagement across public services – combining efficient market mechanisms with outreach, citizen empowerment and social value. Its ability to co-create learning opportunities and offer civic spaces puts it at the centre of powerful networks of active citizens. For 2020, mobilising these networks will be essential to creating the spaces for democratic engagement and co-production that are vital to a ‘big’ or ‘good’ society.

- Personalise across the range of further education services – through better market segmentation;
- Make space for civic association – helping to catalyse local democratic activity; and
- Become an education bank for the community – offering resources for citizen engagement.

#### 5. Create platforms for open learning

Our research repeatedly brought home the view that “further education is far more flexible than the rest of the education landscape”. Its history of innovation and flexibility around citizens’ needs is already an established part of its social value. But for 2020, this innovation and flexibility must sit at the very centre of a culture that creates platforms for open and networked learning throughout people’s lives.

- Invest in digital learning – to develop remote, personalised learning pathways.
- Develop ‘mix and match’ learning modules – tailored to diverse needs.
- Offer peer-to-peer learning and entrepreneurial training provision – opening up formal structures.

# 2020

## Public Services Hub

*at the* **RSA**

2020 Public Services Hub at the RSA  
8 John Adam Street  
London WC2N 6EZ  
t 020 7451 6962  
e [admin@2020psh.org](mailto:admin@2020psh.org)



Friars House,  
Manor House Drive  
Coventry CV1 2TE  
t 024 7662 7900  
e [enquiries@lsis.org.uk](mailto:enquiries@lsis.org.uk)  
[www.lsis.org.uk](http://www.lsis.org.uk)

May 2011  
LSIS246

