Abstract

This article reviews the impact of further education (FE) colleges – in particular, mixed economy colleges – on the surrounding environment and community, and attempts to answer the question of whether the mixed economy college can still be considered an anchor in the community. A mixed methods small-scale case study of a medium-sized mixed economy college was used to evaluate a range of issues that impact on the local community, considering the future and expansion of 16–19 education, against the backdrop of decreases in college provision in the East of England. The aim was to present the background and brief history of the mixed economy college's impact on the surrounding community, particularly through associated financial, economic and environmental measurements. In conclusion, the authors argue that FE/mixed economy
colleges can add significant value to the surrounding environment, community and wider society, and that they are still an anchor in the environment and local communities in which they are situated. They further posit that the goal is for all involved in the FE/mixed economy community to contribute to the shared aim of widening access to lifelong learning, thus further improving the communities and environment in which students and staff reside and work.

**Keywords** further education; mixed economy; college; widening participation; lifelong learning; HE in FE; local communities; collaboration; workplace

**Background to the sector**

The further education sector is today part of a much wider sector, termed the further education and skills sector. However, traditionally, the further education (FE) college was the institution placed between secondary schooling and higher education (HE), providing a range of vocational and academic provision to 16–18-year-olds and adult learners. According to Goldstone (2019: 1):

> The origins of the sector can be traced to vocational education in the 19th century, particularly the mechanics’ institute movement. These were providers of vocational training aimed at those from humble social backgrounds, funded by private individuals. Many of these institutes would go on to shape the vocational education system of the early 20th century, and the FE sector of today that stems from it.

However, it was not until the Education Act 1944 that the FE sector was validated through legislation. The Act defined the sector as providing two main categories: a full-time and part-time provision for post-school-aged students, with a second category consisting of short, leisure time, interest-based courses becoming more common.

While the involvement of students from local communities in colleges of higher education has a long history, many more students enrolled into higher education for the first time during the rapid and dramatic expansion of the higher education sector in the UK at the end of the 1980s and early 1990s (Parry et al., 2012). Dearing (1997) reviewed the purposes, shape, structure, size and funding of higher education to meet the needs of students in the UK, particularly concerned with the relationship between higher education and vocational or further education (Bennet, 1997). The distinction between further and higher education was eroded, with the FE sectors’ association with the higher education landscape reflecting the growing demand for higher education for suitably qualified applicants of all ages, and with an increasing diversity of students in higher education, namely ‘a growing number of mature entrants, part-timers and women students’ (Dearing, 1997: 3). After the 1997 Dearing Report, the White Paper *Higher Education: Students at the heart of the system* (BiS, 2011) proposed opening up the higher education market to further education colleges and alternative providers, further increasing the provision of higher education in FE colleges – these colleges are commonly referred to as mixed economy colleges.

This article argues that FE/mixed economy colleges should be at the heart of proposed reforms, and participate in and influence the government’s drive to retrain or ‘level up’ as it becomes increasingly important to grow the economy, with a general acknowledgement of the importance of increasing the skills of individuals in local communities. There are numerous recommendations to improve the quality, capability and capacity of England’s FE/mixed economy colleges, with multiple national and international agencies and government departments acknowledging the essential contribution of mixed economy colleges to local communities and the environment (House of Commons, 2021; Social Mobility Commission, 2021; Carson, 2020; OECD, 2018).

FE colleges tend to specialise in the delivery of a range of qualifications across various regulated qualifications framework levels, which consist of three entry levels plus Levels 1–3, with mixed economy colleges also offering Levels 4 to 8 through validation agreements with awarding institutions or their own degree-awarding powers (GOV.UK, n.d.).
It can also be argued that, as an institution, the FE college has a role to play for both young and adult learners in providing an education that gives value added in terms of achievements and outcomes, potentially leading to higher earnings and employment opportunities.

**Mixed economy colleges**

Mixed economy colleges have been in existence for over 20 years, with the Mixed Economy Group (MEG) representing over 40 FE colleges in the UK that have a significant and established higher education provision. They aim to widen participation in under-represented groups and ensure that employers recognise higher level skills within the workplace.

FE colleges have delivered higher education courses and programmes for decades. However, until the reforms of recent years, offering higher education was not seen as central to the mission of many colleges, with just a small number offering what colloquially came to be called ‘HE in FE’ or ‘CBHE’ (college-based higher education) (Widdowson and King, 2017). Widdowson and King (2017) further discuss the removal of the limit or ‘cap’ on full-time recruitment of students to higher education in 2017, which led to an increase in the number of FE colleges offering higher level qualifications, with 75 per cent of students studying foundation degrees and higher national diplomas. According to the authors, colleges had a key role to play in delivering these qualifications, in particular, in areas identified as ‘cold spot’ communities (Social Mobility Commission, 2021) lacking access to further education for local communities where regional education institutions were not able to meet local demand for higher qualifications. The strength of HE in FE was noted in two government documents: the first in 2015, A Dual Mandate for Adult Vocational Education (BIS, 2015a); and, more recently, the Skills Plan announced by the Conservative Government, which incorporates T levels and higher and degree apprenticeships as part of the educational offer (House of Commons, 2021).

It can therefore be argued that HE in FE represents a fast-changing environment, needing clear strategic leadership and effective operational approaches. Furthermore, the decline in part-time higher education provisions across higher education institutions has led to an increased demand for higher level qualifications with FE colleges. While it is widely acknowledged that colleges now offer one-third of sub-degrees to English students aged 19 and under who enter higher education through the University and Colleges Admission Service (AoC, 2021a), it is important to note that college locality is key to effective recruitment. On average, colleges recruit 80 per cent of higher education students from the Local Enterprise Partnership area (Widdowson and King, 2017), suggesting that colleges have the potential to become anchor institutions within their local communities. This reflects the acknowledgement in the recent government publication (House of Commons, 2021) of the importance of providing lifelong learning opportunities for individuals wanting to progress and access the skills needed to contribute meaningfully to their personal and professional progress.

In this article, we argue that FE/mixed economy colleges are required to be agile and adaptable to the demands of society and the communities they serve, often for generation after generation, but many mixed economy colleges have been constrained by a National Curriculum under constant scrutiny and review (Sainsbury, 2016; DfE, 2021a; BIS and DfE, 2015; House of Commons, 2021), resulting in college numbers falling from almost 450 when incorporated in 1993, to 234 in 2021 (AoC, 2021b). This is because the curriculum offer of secondary schools has resulted in the ‘narrowing of the curriculum’ under academy leadership, and in the marginalisation of some subjects, which in turn has meant reduced numbers in those subjects at further education level (Courtney, 2022). In addition, the increase in apprenticeships and sixth forms has also contributed to lower full-time numbers in the FE sector.

From the start of the Covid-19 pandemic in early 2020 to the final restrictions in the UK being lifted in March 2022, a new butterfly has been emerging from the chrysalis of the former college system, as decades of technological advancement and competence occurred in record time to develop a curriculum based on information and communication technologies (Dabbous and Emms, 2020). Combined with the UK facing its lowest population of 18-year-old potential students for over 40 years (Clarke, 2021), and with the post-Brexit impact of foreign workers choosing the safety of a European Union member in Europe, this means that there is a ‘perfect storm’ of lack of suitable employees in the UK for businesses reopening post-Covid (Social Mobility Commission, 2021).

The FE sector has a history of being the Cinderella sector in crisis, linked to key ‘Cinderella factors’, such as the English FE sector not being clearly defined, and undermined by multiple and
changing funding sources, frequent government reviews with substantial policy changes, and mergers and closures undermining colleges’ community and employment functions (Carson, 2020; Goddard-Patel and Whitehead, 2000). In the past decade, funding for adult lifelong learning has reduced in real terms by 37 per cent for adult skills, and by 22 per cent for 16–18-year-olds (Bosetti, 2020).

FE/mixed economy colleges across the UK have been shown to have a significant impact on their local economies, such as in the Scottish study by Hermannsson et al. (2017: 15), which finds a direct correlation between academic and vocational qualifications against wage premium and efficiency gain.

The recognition of the correlation between wage premium and efficiency gain per qualification is further supported by the government’s and policymakers’ drive to increase the range of qualifications in the UK with the potential to have a positive impact on the local and national economy (Huddleston and Unwin, 2013: 4). The recommendations in the Wolf Report (Wolf, 2011), which was funded by the government in a drive to improve the standard and purpose of further education courses, and which considered how vocational education could be improved to enable successful progression into the labour market, higher level education and training routes, introduced a key recommendation that students who had not secured a good pass in English and mathematics GCSEs continue to study those subjects, and that all 16–19-year-olds in education should be offered a study programme based on their prior attainment, education and employment goals (DfE, 2015). Successive governments have continued the support for a number of the key recommendations to ensure the sustainable future of FE, including Lord Sainsbury’s (2016) review, which had at its heart the further advancement of the success and impact of the FE economy on the sector, and which looked to replace what was considered an outdated system of more than 20,000 courses provided by 160 different organisations with 15 high-quality routes (Boles, 2016; BIS and DfE, 2016). The Sainsbury Post-16 Skills Plan review (BIS and DfE, 2016) was followed by four T Level Action Plans published in 2017, 2018, 2019 and 2021, providing updates on the development and implementation of the proposed 23 T levels (GOV.UK, 2022) to introduce a new system of technical education to provide a high-quality technical option alongside an academic option for students aged 16 to 19 (DfE, 2021b). It is hoped that T levels will sit alongside apprenticeships as one half of a technical education offer, and will equip students with the practical skills, knowledge and behaviours necessary to get a head start in skilled employment or progress to further study, including higher technical qualifications, higher and degree apprenticeships, and technical degrees, with the aim to develop 23 T levels in collaboration with employers by September 2023 (DfE, 2021b). T levels have themselves caused concern among FE colleges, and they are not without controversy through being intrinsically linked to the removal/reduction of other vocational based qualifications, as, at the time of writing, there are 160 alternative Level 3 qualifications set to be defunded from 2024 to ‘clear the way’ for the first T level, which could have an impact on up to 66,000 students (Camden, 2022).

Impact of higher education in FE colleges

With approximately 10 per cent of all higher education qualifications being taught by FE/mixed economy providers, the impact often goes beyond offering solely further education qualifications, providing access to higher education qualifications that might not be possible for individuals in local communities. RCU’s (2016) final report on the local impact of college-based higher education shows that the lifetime financial benefit to higher education students in FE colleges in one year (net present value, that is, the value of all future cash flows over an investment’s entire life discounted to the present) was £3.95 billion. The financial benefit of higher education is further supported by an Organisation for Economic Co-operation and Development (OECD, 2021) report reflecting a much higher percentage of post-qualification employment for individuals as their level of educational qualification and associated skills increases, as can be seen in Table 1, supporting the claim of increased personal financial gain and the positive impact on the community from widening access to increased levels of education.

The impact of English further education on the economic personal impact per qualification can be seen in Table 2.
Table 1. UK employment rates by levels of qualification, in percentage (Source: OECD, 2021: 77)

<table>
<thead>
<tr>
<th></th>
<th>Pre-secondary</th>
<th>Secondary</th>
<th>Further education</th>
<th>Undergraduate</th>
<th>Postgraduate</th>
<th>Doctoral</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>64</td>
<td>80</td>
<td>82</td>
<td>87</td>
<td>87</td>
<td>93</td>
</tr>
<tr>
<td>OECD average</td>
<td>58</td>
<td>74</td>
<td>81</td>
<td>83</td>
<td>88</td>
<td>93</td>
</tr>
</tbody>
</table>

Table 2. Net present value (NPV) of qualifications started in 2018/19 for learners aged over 19 years (central estimates are gross of deadweight, with 35 per cent spillover) (Source: DfE, 2021c: 4)

<table>
<thead>
<tr>
<th>Provision type</th>
<th>NPV per start (£)</th>
<th>NPV per pound of government funding (£)</th>
<th>NPV per pound of total cost (£)</th>
<th>Total NPV (£bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Level 2(^1)</td>
<td>12,000</td>
<td>29</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>Full Level 2</td>
<td>39,000</td>
<td>21</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Full Level 3</td>
<td>82,000</td>
<td>31</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Level 2 Apprenticeship</td>
<td>42,000</td>
<td>17</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Level 3 Apprenticeship</td>
<td>48,000</td>
<td>14</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Level 4/5 Apprenticeship</td>
<td>73,000</td>
<td>25</td>
<td>7</td>
<td>4</td>
</tr>
</tbody>
</table>

\(^1\) Includes English and maths at this level

Mixed economy college case study

Previous research (Hermannsson et al., 2017; DfE, 2015; RCU, 2016; BIS, 2015b) has highlighted the impact of FE colleges on their communities, and the aim of this article is to contribute to this discussion, focusing on the impact on the community and environment of a mixed economy college in the East of England. The mixed economy college is over one hundred years old, and was initially established as a higher education school of art, before slowly merging with various other smaller local institutions to promote sustainable quality of provision of lifelong learning opportunities for the local community.

Recent years of financial austerity (Weale, 2020) and falling population numbers culminated in a significant restriction of government funding pre-Covid-19 (March 2020), resulting in a 50 per cent reduction in the number of delivery centres. The remaining delivery centres deal with over 5,000 mixed economy students on an annual basis. What has endured is the positive impact on the local community and environment, as the mixed economy college remains one of the biggest employers in the area, with over 1,000 employees. It consists of a group of companies and a charitable arm, reflecting a similar structural organisation to other FE providers. In 2020/1 the mixed economy college had a total group gross income in excess of £30 million contribution to the local economy, with a significant operating surplus, which is quite rare in further education circles, with recent reports of the government ‘intervening in almost half of FE colleges for financial health reasons’ (Hillier, 2021: n.p.).

There are also other economic considerations where the positive financial impact on the local community can be seen, for example, support services to transport students to and from college, and service industries and local shops who benefit significantly from a large student population. The college has received an income of £190 million over five years, of which £120 million was retained in the community as staff wages. Capital investment has largely been supported by local businesses, with over £37 million in contracts for new and refurbished buildings being awarded over the past 10 years. Through this period, there are annual operating and maintenance contracts of approximately £3 million per annum – all supported by the local labour force. It is estimated that over 500 additional jobs are indirectly supported by the activities and services required by the FE/mixed economy college.

The positive financial contribution of the East of England FE/mixed economy college reflected in the figures discussed above quantifies impact on the economy of its local community. The approach to
Are our further education colleges still an anchor in our society?

Considering the impact of the 157 FE colleges in England, described as ‘trusted institutions in their local communities’ (Slane, 2015: 4), by considering how the investments have a tangible return through the financial impact, is valuable, but it is widely acknowledged that FE/mixed economy colleges contribute value to their communities, providing good value to local businesses, wider society and taxpayers, in ways that are often not acknowledged. Value is added in ways such as students benefiting from higher lifetime earning potential, society benefiting from avoided social costs, taxpayers benefiting from an expanded tax base; local businesses benefiting from increased consumer spending; and local employers benefiting from a more productive local workforce (Slane, 2015). Overall, there are estimates of an average impact of an FE/mixed economy college on the regional economy of approximately £550 million (Slane, 2015).

However, it is acknowledged that it remains hard to generalise the economic impact, as there are wide variables to be considered in relation to the FE/mixed economy college sector in the UK, so while these figures will always remain an approximation, this article, in conjunction with other literature, suggests that this evidence should be considered as a realistic value-added benefit of FE/mixed economy colleges on the surrounding environment and community.

The value-added impact of further education qualifications is often measured in three strands – personal gain, value to economy and value to taxpayers – with various estimates of between 10 per cent and 20 per cent. So when reviewing the effectiveness of FE/mixed economy colleges in England, a range of issues needs to be considered that have an impact on the surrounding environment, communities and individuals that they serve, which remain challenging to quantify. However, what has been highlighted is that the overall impact is significant, and justifies the associated view of FE/mixed economy colleges being regarded as an anchor in the community against a backdrop of economic and political pressure. Pressure is increasing due to the number of FE/mixed economy colleges continuing to fall, caused by, among other things, the increasing marketisation and privatisation of education through the academisation of sixth forms, which has led to a reduction in local education authority control of the post-16 lifelong learning sector, and the growth in alternative providers of questionable effectiveness (Hodgson and Spours, 2017; Illsley and Waller, 2017; Godfrey and Elliot, 2020). This has also led to overall student numbers in the sector declining, with further reduced numbers in adult learners, and increased competition to attract the 16–19-year-old student population in recent years. Currently, over 90 per cent of 16–17-year-olds are choosing classroom-based Level 3 qualifications, such as A levels and BTECs over work-based learning or apprenticeships (Whieldon, 2021). There is also the consideration of T levels to further increase the choice of options of Level 3 qualifications, with the intent of 80 per cent to be in a learning environment, and 20 per cent in an industry placement, which further blurs the boundaries of academic or work-based learning Level 3 qualifications (HM Government, 2022).

That said, there is potentially a ‘perfect storm’, as the number of 16–19-year-olds is set to rapidly expand, with numbers of an extra 200,000 16–17-year-olds predicted in England by 2021 (Whieldon, 2021) as the number of FE/mixed economy colleges decreases, with predictions of up to 15 per cent growth of numbers of students in the next few years, according to the Office for National Statistics (ONS, 2021), as can be seen in Table 3.

<table>
<thead>
<tr>
<th>Age</th>
<th>No. of males in 2021</th>
<th>No. of males in 2028</th>
<th>No. of females in 2021</th>
<th>No. of females in 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>376,601</td>
<td>438,710</td>
<td>357,571</td>
<td>416,781</td>
</tr>
<tr>
<td>17</td>
<td>371,559</td>
<td>433,426</td>
<td>351,932</td>
<td>411,015</td>
</tr>
<tr>
<td>18</td>
<td>363,867</td>
<td>426,647</td>
<td>343,132</td>
<td>404,895</td>
</tr>
</tbody>
</table>

It may be impossible to quantify the exact impact of an FE/mixed economy college on the surrounding environment and community, but, as this article has argued, the value added is sizeable and lasting, and we argue that Foster’s (2005: v) review into further education in 2005 is still, if not even more, relevant in today’s society: ‘One of the sector’s most striking features is its diversity and reach.’

The impact of an FE/mixed economy college on the surrounding environment and community is recognised by Duckworth and Smith (2017: 10) in their research for the University and College Union in 2017:
Recognition of further education’s role in reinforcing social integration, social mobility and social equality extends beyond the provision of apprenticeships to the large groups of young people and adults who access further education in order to change their place in our society, to benefit themselves, their families and their communities ... Further education is a vital resource for these transformative journeys.

**Conclusion**

There are associated values added to the environment and local communities where FE/mixed economy colleges are situated that are not solely financial or economic, but that extend to other benefits, such as social mobility (Bertaux and Thompson, 2007; Breen, 2005; Major and Machin, 2018). The case study referred to in this article of the value added by a FE/mixed economy college in the East of England builds on the important concept of how dominant sociocultural and academic power relations embedded in the social habitus (Bourdieu, cited in Wacquant, 2005; Navarro, 2006) of individuals located in specific contexts and time are not fixed or permanent, but can be changed through collaboration challenging the dominant status quo, demanding equal funding and an acknowledgement of the value that FE/mixed economy colleges contribute to the environment and communities in which they are located. This can be seen in how higher education institutions are actively embracing community responsibility through the Civic University Network (2020), with a representative from the Association of (FE) Colleges on the advisory group. It is hoped that the Civic Agenda and other drivers for social change will embrace examples of best practice shared by the higher education institutions for the benefit of all involved in varying levels and stages of education, with FE/mixed economy colleges remaining anchored in local communities and enabling wider access to lifelong learning.

In conclusion, it can be argued that FE/mixed economy colleges add significant value to the surrounding environment, community and wider society. The authors of this article reason that the goal is for all involved in the FE/mixed economy community to contribute to the shared aim of widening access to lifelong learning, improving the communities and environment in which students and staff reside and work, as the ongoing challenges, pressures and issues cannot be addressed in isolation, but require the support and involvement of all, including the communities they serve (Fullan, 2020). The aim of this article was to explore whether the mixed economy college can still be considered an anchor in the environment and community, and it is maintained that by recognising the value added by FE/mixed economy colleges, and by encouraging increased collaboration and cooperation of all involved in the lifelong learning sector, mixed economy colleges can indeed continue to fulfil an essential role as anchors within the local communities and environments in which they are situated.

**Declarations and conflicts of interest**

**Research ethics statement**

Not applicable to this article.

**Consent for publication statement**

Not applicable to this article.

**Conflicts of interest statement**

The authors declare no conflicts of interest with this work. All efforts to sufficiently anonymise the authors during peer review of this article have been made. The authors declare no further conflicts with this article.

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